

Zegona Communications plc

En virtud de lo dispuesto en el artículo 228 del Texto Refundido de la Ley del Mercado de Valores, aprobado en virtud del Real Decreto Legislativo 4/2015, de 23 de octubre y en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y demás disposiciones complementarias, Zegona Communications PLC (“**Zegona**”) comunica el siguiente

HECHO RELEVANTE

En relación con el hecho relevante de fecha 21 de diciembre de 2018 y número de registro 273.106, por el que se anunciaba la intención de Zegona de realizar un aumento de capital (cuyo *bookbuilding* se ha completado a lo largo de esta mañana) y de obtener financiación cuyos fondos se destinarían a la adquisición de acciones de Euskaltel, S.A. en el mercado, se adjunta como anexo el anuncio que Zegona ha publicado hoy en el Reino Unido.

14 de enero de 2019

Zegona Communications plc

P.p.

Howard Kalika

Zegona Communications plc

ANUNCIO PUBLICADO EN EL REINO UNIDO

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This announcement is an advertisement and does not constitute a prospectus in connection with an offering of securities of Zegona. Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable prospectus to be published by Zegona, a copy of which will, when published, be available at Zegona's registered office at 20 Buckingham Street, London WC2N 6EF, and Zegona's website, www.zegona.com. The subscription or purchase of ordinary shares of Zegona is subject to specific legal or regulatory restrictions in certain jurisdictions. Persons distributing this communication must satisfy themselves that it is lawful to do so. Zegona assumes no responsibility in the event there is a violation by any person of such restrictions.

ZEGONA COMMUNICATIONS PLC

14 January 2019

ZEGONA CONFIRMS FINANCING ARRANGEMENTS TO INCREASE ITS INVESTMENT IN EUSKALTEL

On 21 December 2018, Zegona Communications plc ("**Zegona**") announced it would no longer proceed with its proposed tender offer to acquire shares in Euskaltel, S.A. ("**Euskaltel**") at a price of €7.75¹ per share. Zegona's strategy is now focussed on increasing its ownership position in Euskaltel by up to a maximum of 12.5% through market purchases² at a price it considers attractive for its shareholders based on prevailing market conditions.

Following good support from existing and new investors, Zegona today announces a proposed placing of a minimum of 95,238,096 new ordinary shares in the capital of the company to raise equity proceeds of at least £100 million (the "**Placing**")³. Zegona has also entered into loan agreements with the Virgin Group and Barclays Bank PLC under which it can draw a maximum of £30 million. Zegona intends to utilise the equity and loan proceeds⁴ to increase its ownership in Euskaltel at a price it considers attractive for its shareholders and use its increased influence to work constructively with the Euskaltel board of directors and management to improve the performance of the business.

In addition, Zegona has entered into a shareholder agreement with Talomon Capital Limited. Talomon is a shareholder of both Zegona and Euskaltel (with an existing stake of approximately 1.4% in the latter) and under the agreement has an ownership entitlement of up to 2.4% in Euskaltel.

The Placing will require approval by Zegona shareholders for the issuance of additional equity on a non-pre-emptive basis at a shareholders' meeting to be held on 7 February 2019.

¹ Representing a premium of 18% to the closing share price of Euskaltel shares of €6.58 on 18 October 2018, being the day before Zegona's original announcement of its intended tender offer on 19 October 2018

² Market purchases may also include privately negotiated transactions to acquire Euskaltel shares

³ Gross proceeds. Zegona will conduct an accelerated bookbuilding with new and existing investors to finalise the size of the Placing

⁴ Proceeds used are expected to total at least £124.5 million, comprising the proceeds of the Placing and amounts assumed to be drawn down under the Virgin Funding and Barclays Facility, less amounts required for general corporate purposes and to pay costs related to the Placing and the acquisition of ordinary shares in Euskaltel

Enquiries

Tavistock (Public Relations adviser – UK)

Tel: +44 (0)20 7920 3150

Jos Simson – jos.simson@tavistock.co.uk

Lulu Bridges – lulu.bridges@tavistock.co.uk

Llorente y Cuenca (Public Relations adviser – Spain)

Tel: +34 (0) 91 563 7722

Jorge López-Zafra – jlopez@llorenteycuenca.com

Further Information

Expected timetable of events

Publication of the Circular and Prospectus	14 January 2019
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the General Meeting	10 a.m. on 5 February 2019
Record Time for those Shareholders on the Register of Members entitled to attend or vote at the General Meeting	6 p.m. on 5 February 2019
General Meeting	10 a.m. on 7 February 2019
Admission of the New Zegona Shares	8 a.m. on 11 February 2019

All references are to London times unless otherwise stated. The dates and times given are indicative only and are based on the Zegona's current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified to Shareholders by announcement through a regulatory information service.

The Placing and Updated Transaction Information

The Placing is expected to raise gross proceeds of at least £100 million through the issue of a minimum of 95,238,096 new ordinary shares in the capital of the company (the "**New Zegona Shares**") at 105 pence per share (the "**Placing Price**"). The Placing will be made on the terms and conditions set out in Appendix 1 below.

Zegona's board is also pleased to confirm that Marwyn Asset Management Limited, in its capacity as agent for and on behalf of its discretionary clients, has agreed to invest in the Placing, is fully supportive of the Placing and Zegona's intention to purchase additional Euskaltel shares, and intends to remain Zegona's largest shareholder upon completion of the Placing. Certain members of Zegona's management, Eamonn O'Hare, Robert Samuelson and Howard Kalika, also intend to participate in the Placing. Artemis Investment Management LLP, an existing shareholder in Euskaltel, is expected to become a material shareholder in Zegona as a result of the Placing.

On 14 January 2019, the Zegona Group entered into the Virgin Funding, as discussed further below, which will allow the Zegona Group to draw down up to £10 million to fund in part the acquisition of further Euskaltel shares and to pay costs related to the acquisition of further Euskaltel shares and the Placing.

On 14 January 2019, the Zegona Group entered into the Barclays Facility, as discussed further below, which will allow the Zegona Group to draw down up to £30 million, which will be reduced to £20 million to the extent the Virgin Funding is drawn down, to fund in part the acquisition of further Euskaltel shares, pay costs related to the acquisition of further Euskaltel shares and the Placing and for general corporate purposes.

Zegona intends to use the net proceeds from the Placing and the funds expected to be drawn under the Virgin Funding and Barclays Facility (the "**Available Funds**")⁵ for the acquisition of ordinary shares in Euskaltel through market purchases or privately negotiated transactions up to a maximum of 12.5% of the outstanding issued share capital of Euskaltel at a price Zegona considers attractive for its shareholders based on prevailing market conditions. Assuming Zegona raises gross equity proceeds of £100 million, at the Euskaltel share price of €7.26 (being the closing price at 11 January 2019), the Available Funds would not be sufficient to increase Zegona's interest by 12.5%.

Zegona currently anticipates drawing substantially all of the £30 million available to it under the Virgin Funding and Barclays Facility if there is sufficient availability in the market for it to purchase Euskaltel Shares at a price it considers attractive for Zegona shareholders based on prevailing market conditions. The Virgin Funding and Barclays Facility are expected to remain largely undrawn until substantially all of the net proceeds of the Placing have been used, though Zegona may draw down and use a portion of the Barclays Facility to purchase Euskaltel Shares prior to Admission.

As Zegona has previously stated, it considers Euskaltel to be a strategically attractive business with a strong competitive position in its home markets and a range of opportunities to deliver further profitable growth. Zegona believes there is the potential to create additional value by driving efficiency improvements, increasing revenues in existing regions and accelerating expansion outside the current footprint.

To the extent that Zegona has not used all or substantially all of the Available Funds to acquire Euskaltel Shares as described above over a time period considered reasonable by the Directors, or if Zegona has chosen not to acquire further Euskaltel Shares (for example, as a result of a significant increase in Euskaltel's share price), subject to retaining any amounts required for general corporate and working capital purposes, any voluntary or mandatory repayments of the new facilities, Zegona currently

⁵ Available Funds are expected to total at least £124.5 million, comprising the proceeds of the Placing and amounts assumed to be drawn down under the Virgin Funding and Barclays Facility, less amounts required for general corporate purposes and to pay costs related to the Placing and the acquisition of ordinary shares in Euskaltel

intends to return any excess to Zegona shareholders through an appropriate and equitable mechanism, including through a potential buyback of Zegona Shares in the market, which could have adverse tax consequences for Zegona shareholders.

The Shareholder Relationship Agreement

On 14 January 2019, Zegona entered into the Shareholder Relationship Agreement with Talomon Capital Limited ("**Talomon**"), an experienced TMT and telecommunications sector investor. Talomon is a current shareholder in both Euskaltel and Zegona and, pursuant to the Shareholder Relationship Agreement, has agreed formally to support Zegona's strategy. Under the Shareholder Relationship Agreement, Talomon is permitted to own up to 2.4% of the outstanding issued share capital of Euskaltel and, as of the date of that agreement, owned approximately 1.4%. In order to avoid any mandatory offer requirements under Spanish law, for so long as the agreement is in effect, the Directors believe that the Zegona Group is only permitted to increase its stake in Euskaltel by a further approximately 12.5% (or 22,330,000 Euskaltel Shares) from its current approximate 15% shareholding position at the date of this Document, such that the aggregate shareholding of the Zegona Group and Talomon would not exceed 29.9%.

The Virgin Funding and the Barclays Facility

In addition to the Placing, Zegona has arranged a strategic investment from Virgin of up to £10 million in the form of a loan (the "**Virgin Funding**"). The Directors believe that Virgin's participation demonstrates its strategic support for Zegona's strategy. The Virgin Funding, which Zegona entered into on 14 January 2019, will allow Zegona to draw down up to £10 million to partially fund, if required, the acquisition of further Euskaltel shares and to pay costs related to the acquisition of further Euskaltel shares and the Placing. The Virgin Funding is subject to at least £100 million of gross proceeds being raised in the Placing (and an amount equal to the greater of £90,000,000 and 90% of net proceeds of the Placing having been applied towards the purchase of Euskaltel shares or the payment of costs) and other customary conditions precedent.

From the date on which funds are drawn down under the Virgin Facility, interest will accrue daily at an annual interest rate of LIBOR plus 5%, payable quarterly in arrears, on any drawn amount. The Virgin Funding matures on 30 April 2020. The Virgin Funding will also be repayable: if certain events occur with respect to Zegona or Euskaltel (including any significant fundraisings other than the Placing or the Barclays Facility being drawn in an amount greater than £20 million); if there is a drop in the value of Euskaltel shares to €3.42 or below; upon a change in control of Euskaltel or Zegona; in the event that the Zegona Group sells more than 25% of its Euskaltel shares; or upon the occurrence of other customary events of default. The Virgin Funding will also be repayable with the net proceeds of any disposals by the Zegona Group (subject to limited exemptions) and may be repaid early without penalty. Any voluntary prepayment of amounts drawn under the Barclays Facility will require the prepayment in whole of the Virgin Funding.

The Virgin Funding will initially be unsecured but will be secured as described below upon (i) any amount being drawn down under the Barclays Facility and (ii) a request for funds being made or any amount drawn down under the Virgin Funding.

Zegona has also arranged for the provision of a facility by Barclays of up to £30 million, entered into on 14 January 2019, which will be reduced to £20 million if and to the extent the Virgin Funding is drawn down (the "**Barclays Facility**"), such that the maximum amount that may be drawn down under the Virgin Funding and Barclays Facility in aggregate is limited to £30 million.

The Barclays Facility may, subject to satisfaction of certain customary conditions precedent, be used to fund the acquisition of further Euskaltel shares, pay costs related to the acquisition of further Euskaltel shares and the Placing and for general corporate purposes. Zegona may draw down and use a portion of the Barclays Facility to purchase Euskaltel Shares prior to Admission. The first drawdown

under the Barclays Facility must occur by 28 February 2019 and a maximum amount of £15 million may be drawn down for general corporate purposes. Interest will be payable quarterly in arrears on any drawn amount at a rate of 2.6% per annum above the 3-month LIBOR interest rate. Zegona has the right to prepay the loan at any time, but if it does so before the first anniversary of the date of the draw down, it must pay a make whole amount calculated at 2.6% per annum multiplied by the prepaid amount for the period between the date of prepayment and that first anniversary. The Barclays Facility matures 24 months from the date of execution of the facilities agreement and any amounts owed will become immediately repayable on the occurrence of certain events of default including a drop in the value of Euskaltel shares to €3.42 or below, a change of control of Euskaltel and other customary events of default.

The Barclays Facility is secured by a charge over Euskaltel shares held by members of the Zegona Group or acquired by them (though Euskaltel shares acquired in the market only have to be charged after each date that the Zegona Group has acquired Euskaltel shares representing at least 2% of the outstanding issued share capital of Euskaltel). By no later than the date upon which the Barclays Facility is drawn, all of the Euskaltel shares owned by the Zegona Group will be secured (other than certain shares which are already pledged in favour of Euskaltel, and others which are intended to be kept free of security) in favour of Barclays or Virgin Holdings Limited (if a request for funds has been made or any amount has been drawn under the Virgin Funding).

The Virgin Funding and the Barclays Facility do not impact Zegona's intention to pass through to its shareholders all dividends received from Euskaltel. There are restrictions under the Barclays Facility which would prevent any excess funds not utilised for the acquisition of shares in Euskaltel or for general corporate purposes being returned to shareholders before at least an additional 6% of the share capital of Euskaltel has been acquired, unless the Barclays Facility is repaid in full contemporaneously with such return of capital to shareholders.

Notice of General Meeting

The Placing is conditional on, inter alia, Shareholder approval to grant the Directors authority to allot and issue the New Zegona Shares as if the applicable statutory pre-emption rights did not apply. Approval will be sought at a General Meeting to be convened at 10 a.m. on 7 February 2019 at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL, notice of which will be set out in the Circular. If the necessary resolutions are not passed at the General Meeting, the Placing will not proceed and, in the event that Zegona has commenced acquiring Euskaltel Shares funded by a drawdown of the Barclays Facility prior to the General Meeting, Zegona may choose to cease the acquisition of additional Euskaltel Shares funded by the Barclays Facility.

Zegona expects to post to Shareholders a circular containing a Notice of General Meeting and a Form of Proxy for the General Meeting (the "**Circular**") today.

Admission and Prospectus

Application will be made to the FCA for admission of the Placing Shares to the standard listing segment of the official list maintained by the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the New Zegona Shares on the London Stock Exchange's main market for listed securities (together, "**Admission**").

In connection with Admission, Zegona expects to publish a final prospectus (the "**Prospectus**") on 14 January 2019, following approval by the FCA in accordance with the Prospectus Rules.

Availability of Documents

The Prospectus, Circular and Form of Proxy will, once published, be available at Zegona's registered office at 20 Buckingham Street, London WC2N 6EF, and Zegona's website, www.zegona.com, subject to certain access restrictions. They will also be submitted to the UK Listing Authority via the National

Storage Mechanism and will be available to the public for inspection shortly after their publication at www.morningstar.co.uk/uk/NSM.

This announcement contains inside information.

LEI: 213800ASI1VZL2ED4S65

Important Notice

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.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus for detailed information about the offering of securities referred to herein and before deciding whether or not to invest in such securities.

Certain information in this announcement is based on management estimates. By their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given that such estimates are correct or complete or founded on reasonable grounds. No representation or warranty (express or implied) is given that such estimates are founded on reasonable grounds. Zegona does not undertake any obligation to correct or complete any estimate whether as a result of being aware of information (new or otherwise), future events or otherwise.

The information contained in this document is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this document or its accuracy, fairness or completeness. All information in this announcement in respect of Euskaltel and its group has been obtained from publicly available information and has not been verified.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: Euskaltel's failure to work with Zegona to improve the performance of the business, a condition to the Placing not being satisfied, expected cost savings not being realised, changing demands of consumers of telecommunications services, the increasing adoption of free-to-home and direct-to-home television services, changing business or other telecommunications market conditions, and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, Zegona does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

Barclays Bank PLC and Oakley Advisory Limited

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**") and which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ("**FCA**") and the Prudential Regulation Authority, is appointed as Zegona's global co-ordinator and underwriter only and is therefore acting only for Zegona in connection with the Placing and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Barclays or advice to any other person in relation to the matters contained herein. Neither Barclays nor any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to Zegona, whether written, oral or in a visual or electronic format.

Oakley Advisory Limited ("**Oakley**"), which is authorised and regulated in the United Kingdom by the FCA, is appointed as Zegona's financial advisor and co-bookrunner only and is therefore acting only for Zegona in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Oakley Advisory Limited or advice to any other person in relation to the matters contained herein. Neither Oakley Advisory Limited nor any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to Zegona, whether written, oral or in a visual or electronic format.

Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/ 65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Zegona

Shares being the subject of the Placing have been subject to a product approval process, which has determined that such Zegona Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Zegona Shares may decline and investors could lose all or part of their investment; the Zegona Shares offer no guaranteed income and no capital protection; and an investment in the Zegona Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Barclays and Oakley will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Zegona Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Zegona Shares and determining appropriate distribution channels.

Company Website

Neither the content of Zegona's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in Zegona.

The person responsible for arranging for the release of this announcement on behalf of Zegona is Dean Checkley, whose business address is 20 Buckingham Street, London WC2N 6EF.

Appendix 1
Terms and Conditions

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MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE APPENDICES AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND (1) IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "EEA"), ARE "**QUALIFIED INVESTORS**" WITHIN THE MEANING OF ARTICLE 2.1(e)(i), (ii) OR (iii) OF DIRECTIVE 2003/71/EC AS AMENDED (INCLUDING BY DIRECTIVE 2010/73/EC) AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**") AND (2) IN THE UNITED KINGDOM FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR FALL WITHIN ARTICLE 49(2)(a) TO (d) ("**HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.**") OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT AND THE APPENDICES AND THE TERMS AND CONDITIONS SET OUT HEREIN (AND THE ANNOUNCEMENT OF WHICH IT FORMS PART) MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT AND THE APPENDICES AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

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THERE IS NO PUBLIC OFFERING OF SECURITIES OF ZEGONA COMMUNICATIONS PLC IN THE UNITED STATES. THE ORDINARY SHARES OF ZEGONA COMMUNICATIONS PLC HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND WILL ONLY BE OFFERED AND SOLD (1) IN THE UNITED STATES OR FOR THE ACCOUNT OR BENEFIT OF A US PERSON (AS DEFINED IN REGULATION S ("**REGULATION S**") UNDER THE SECURITIES ACT) ONLY TO PERSONS WHO ARE A QUALIFIED INSTITUTIONAL BUYER ("**QIB**"), AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE SECURITIES ACT, THAT ARE ALSO A QUALIFIED PURCHASER ("**QP**"), AS DEFINED IN SECTION 2(a)(51) OF THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), WHO HAVE EXECUTED AND DELIVERED TO THE COMPANY A US QUALIFIED PURCHASER'S LETTER, IN TRANSACTIONS THAT ARE EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, AND (2) TO NON-US PERSONS (AS DEFINED IN REGULATION S) OUTSIDE OF THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF PARTICIPATING IN THE OFFERING DESCRIBED HEREIN.

1. Participation in the Placing

- (a) Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Banks.
- (b) By participating in the placing of New Zegona Shares (the "**Placing**") each person (including individuals, funds or others) by whom or on whose behalf a commitment to acquire New Zegona Shares has been given pursuant to the Placing (each, a "**Placee**") and any person acting on a Placee's behalf will be deemed:
 - (i) to have read and understood this announcement (including this Appendix 1) in its entirety (the "**Announcement**"), the preliminary draft of the prospectus dated on or around 9 January 2019 prepared in relation to, amongst other things, the Placing (the "**Preliminary Prospectus**"), the placing letter from Barclays that has been, or will be, made available to Placees (the "**Placing Letter**") and the placing results announcement expected to be published by the Company on or around 14 January 2019, (the "**Placing Results Announcement**" and together with the Announcement, the Preliminary Prospectus and the Placing Letter, the "**Placing Documents**");
 - (ii) to be participating, and making an offer and subscribing for new ordinary shares of £0.01 each in the capital of the Company to be issued in connection with the Placing ("**New Zegona Shares**") on the terms and conditions, and to be providing the representations, warranties, indemnities, acknowledgements, agreements and undertakings, contained in the Placing Documents.
- (c) In particular, each such Placee (and any person acting on such Placee's behalf) represents, warrants and acknowledges that:
 - (i) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any New Zegona Shares that are allocated to it for the purposes of its business;
 - (ii) in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "**Relevant Member State**") who acquires any New Zegona Shares pursuant to the Placing:
 - A. it is a Qualified Investor; and
 - B. in the case of any New Zegona Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (y) the New Zegona Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Barclays Bank PLC ("**Barclays**") and Oakley Advisory Limited ("**Oakley**", and together with Barclays, the "**Banks**") has been given to the offer or resale; or (z) where New Zegona Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those New Zegona Shares to it is not treated under the Prospectus Directive as having been made to such persons;

- (iii) it is subscribing for the New Zegona Shares for its own account or is subscribing for the New Zegona Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the acknowledgements, representations and agreements contained in the Placing Documents;
- (iv) if it (or any beneficial owner for whose account it is acting in connection with the Placing) is in the United States or a US person (as defined in Regulation S) outside the United States, it has executed and delivered to the Company a US Qualified Purchaser's Letter, and if it purchases New Zegona Shares during the 40-day period after the New Zegona Shares are listed on the London Stock Exchange, then:
 - A. at the time of such purchase it either (x) will not be a US person and will be located outside of the United States (within the meaning of Regulation S), or (y) will be a QIB that is also a QP as to which the purchaser exercises sole investment discretion; and
 - B. such New Zegona Shares so purchased will be offered, resold, pledged or otherwise transferred only outside the United States to a purchaser not known by it to be a US person (by pre-arrangement or otherwise) and in an offshore transaction complying with the provisions of Rule 904 of the Regulation S (including, for the avoidance of doubt, a bona fide sale on the London Stock Exchange); and
- (v) if it is purchasing the New Zegona Shares outside the United States in reliance on Regulation S, it (and any beneficial owner for whose account it is acting in connection with the Placing) and each subsequent purchaser of those New Zegona Shares in resales prior to the expiration of 40 days after the later of the commencement of the Placing and the closing date:
 - A. is not a US Person and it and the person, if any, for whose account it is acquiring the New Zegona Shares, are, or at the time the New Zegona Shares are offered or purchased pursuant to Regulation S, will be, the beneficial owner of such New Zegona Shares and: (y) it was located outside the United States at the time the buy order for the New Zegona Shares was originated and continues to be located outside the United States and has not purchased the New Zegona Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such New Zegona Shares or any economic interest therein to any person in the United States and is acquiring the New Zegona Shares in an "offshore transaction" (within the meaning of Regulation S) in reliance on Regulation S; and (z) it is not an affiliate of the Company or a person acting on its behalf or such an affiliate;
 - B. it and the person, if any, for whose account is is acquiring the New Zegona Shares, understand that the New Zegona Shares have not been and will not be registered under the Securities Act and that it will not offer, sell, pledge or otherwise transfer such New Zegona Shares except to a non-US Person in an offshore transaction complying with the provisions of Rule 904 of Regulation S;
 - C. it has not been offered the New Zegona Shares by means of any "directed selling efforts" as defined under Regulation S and that

neither it, nor any of its affiliates, nor any person acting on its behalf or on behalf of any of its affiliates, will make any "directed selling efforts" as defined under Regulation S in the United States with respect to the New Zegona Shares;

- D. any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions shall not be recognised by the Company in respect of the New Zegona Shares; and
 - E. it agrees to notify and will be deemed to have notified, and each subsequent holder is required to notify and will be deemed to have notified, any purchaser of the New Zegona Shares from it or such subsequent holder of the resale restrictions referred to herein.
- (d) The distribution of this Announcement (including this Appendix 1), the Placing Documents and the offer and issue of the New Zegona Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Banks or any of their respective affiliates that would permit an offer of the New Zegona Shares or possession or distribution of any Placing Document or any other offering or publicity material relating to such New Zegona Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement (including this Appendix 1) comes are required by the Company and the Banks to inform themselves about and to observe any such restrictions.

2. **Placing Timetable**

All times and dates in this Appendix 1 may be subject to amendment. The Banks will notify Placees and any persons acting on behalf of the Placees of any changes.

3. **The Bookbuild and Provisional Placing Allocation**

- (a) The Company and the Banks have entered into a placing agreement on the date of this Announcement (the "**Placing Agreement**"). Pursuant to the Placing Agreement, Barclays, as global co-ordinator, and Oakley, as co-bookrunner, are have undertaken severally (and not jointly or jointly and severally), to use reasonable endeavours as agents of the Company to procure Placees for the New Zegona Shares.
- (b) The Banks will today commence the bookbuild to determine demand for participation in the Placing by Placees (the "**Bookbuild**"). The Banks and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.
- (c) The price payable in respect of the New Zegona Shares to Barclays by all Placees whose bids are successful is 105 pence per New Zegona Share (the "**Issue Price**").
- (d) To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales or equity capital markets contact at the Banks. Each bid should state the number of New Zegona Shares which the prospective Placee wishes to acquire at the Issue Price. Barclays and the Company reserve the right not to accept bids or accept bids in part, rather than in whole and may scale down any offers for this purpose on such basis as they may determine.
- (e) A bid will be legally binding on the prospective Placee on behalf of which it is made and, except with Barclays' consent, will not be capable of variation or revocation after the time at which it is submitted. Each prospective Placee will have an immediate, separate, irrevocable and binding obligation, owed to each Bank, as an agent of the

Company, to pay to Barclays (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of New Zegona Shares for which such prospective Placee has agreed to subscribe.

- (f) The Company reserves the right to increase the number of New Zegona Shares offered in the Placing in response to additional investor demand.
- (g) The Bookbuild is expected to close by no later than 10.00 a.m. (London time) on 14 January 2019 but may be closed earlier or later at the discretion of Barclays, having consulted with the Company. Barclays may accept bids that are received after the Bookbuild has closed.
- (h) Each prospective Placee's provisional allocation will be determined by Barclays in consultation with the Company and will be confirmed to prospective Placees' orally by Barclays, as agent of the Company. Barclays' oral confirmation to such prospective Placee will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of the Banks to subscribe for the number of New Zegona Shares allocated to it and to pay the relevant price on the terms and conditions of the Placing Documents and in accordance with the Company's articles of association (its "**Provisional Placing Participation**").
- (i) Following allocation, the final Placing Letter will be despatched to Placees. Each Placee will confirm its Provisional Placing Participation by completing, signing and returning the letter of confirmation contained in the Placing Letter in accordance with the instructions therein, and should a Placee fail to do so, Barclays will retain the right to cancel their allocation or terminate such irrevocable and legally binding commitment.
- (j) Barclays may also, notwithstanding the procedure outlined above, having consulted with the Company:
 - (i) allocate New Zegona Shares after the time of any initial allocation to any person submitting a bid after that time; and
 - (ii) allocate New Zegona Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of such offers shall be at the absolute discretion of Barclays.

4. Final Placing Participation

- (a) The final number of New Zegona Shares to be issued under the Placing will be agreed between Barclays and the Company following completion of the acceptance period for the Bookbuild and will be set out in the Placing Results Announcement published through a regulatory information service following the completion of the Bookbuild, which is expected to be on or around 14 January 2019, and may be greater or less than 95,238,096 New Zegona Shares.
- (b) Once the Placing Results Announcement has been published, final allocations of New Zegona Shares will be determined by Barclays in consultation with the Company. You will be notified of your final allocation of New Zegona Shares ("**Final Placing Participation**"), which will not exceed, but could be less than, the number of New Zegona Shares comprised in your Provisional Placing Participation as soon as practicable following the publication of the Placing Results Announcement.

5. Registration and Settlement

- (a) Settlement for all New Zegona Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained in this paragraph 5 and in the Placing Letter.
- (b) Each Placee will be notified of any New Zegona Shares comprised in its Final Placing Participation which it will be required to take up, and the payment required in respect thereof. It is anticipated that such notification will take place on or around 14 January 2019.
- (c) It is expected that settlement will be on 11 February 2019. Payment for value for New Zegona Shares (if any) allocated to each Placee pursuant to the terms of the Placing Letter will be required not later than 8.00 a.m. (London time) on 11 February 2019 (or such later time or date as may be notified to it) (the "**Payment Date**").
- (d) Each Placee agrees that New Zegona Shares which are required to be subscribed for by it as part of its Final Placing Participation will be credited to the CREST member account of Barclays (or an affiliate of Barclays) as its nominee before delivery, in uncertificated form, to it.
- (e) Following confirmation by us of the number of New Zegona Shares a Placee is required to subscribe for (which confirmation will be by way of an email sent to the attention of the settlement contact notified by it to Barclays), Barclays will enter a delivery versus payment instruction into CREST for New Zegona Shares (if applicable) by 4.00 p.m. (London time) on 8 February 2019. The input into CREST by the Placee of a matching instruction will then allow delivery of New Zegona Shares to it against payment at the Issue Price on the Payment Date (as defined below).
- (f) To the extent that a Placee does not have a current equities dealing line set up to enable trading with Barclays, it undertakes, by 8 a.m. (London time) on 4 February 2019, to either (a) set up a dealing line; or (b) provide an alternative counterparty who does have a current dealing line set up with Barclays and who is willing and able to act as counterparty to Barclays in this transaction as the Placee's agent or nominee.
- (g) Each Placee agrees that it will do all things necessary to ensure that its CREST account enables settlement, delivery and acceptance of New Zegona Shares to be made to it against payment at the Issue Price multiplied by the number of New Zegona Shares it is required to take up in accordance with the settlement procedures of CREST. Failure by the Placee to do so may lead to a claim for interest if settlement in CREST is consequently delayed.
- (h) If a Placee does not provide appropriate and sufficient CREST details to match the transaction to its account in CREST, New Zegona Shares (if any) allocated to it pursuant to the terms of this letter will be delivered to it in certificated form provided that payment has been made in terms satisfactory to Barclays and all other conditions in relation to the Placing have been satisfied or waived. Notwithstanding any of the above, Barclays reserves the right to deliver New Zegona Shares in certificated form.
- (i) In the event that settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction, Barclays reserves the right to require settlement for New Zegona Shares by such means as they deem necessary.
- (j) In the event that payment for value for New Zegona Shares (if any) allocated to a Placee pursuant to the terms of the Placing Letter is not received from the Placee on

or before the Payment Date, interest is chargeable daily on such payment at the rate of 2 per cent. above LIBOR as determined by Barclays.

6. **Placing Shares, the Prospectus and Admission**

- (a) The Placing Shares will, when issued and fully paid, rank pari passu in all respects with the existing ordinary shares of 1 penny each in the capital of the Company (the "**Ordinary Shares**") at the date of this Announcement and will be free from all encumbrances or other third party rights of any nature whatsoever.
- (b) The Company will publish the final prospectus (the "**Prospectus**") in relation to, amongst other things, the Placing on or around the date of this Announcement following approval by the FCA in accordance with the Prospectus Rules.
- (c) Application will be made to the FCA for admission of the Placing Shares to the standard listing segment of the official list maintained by the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the New Zegona Shares on the London Stock Exchange's main market for listed securities (together, "**Admission**"). It is expected that Admission will become effective at 8.00 a.m. on 11 February 2019 and that dealings in the New Zegona Shares on the London Stock Exchange's main market for listed securities will commence at the same time.

7. **Withdrawal Rights**

By participating in the Placing, Placees will be deemed to acknowledge that their respective agreement to subscribe for the number of New Zegona Shares comprised in their Final Placing Participations is not by way of acceptance of a public offer made or to be made in the Prospectus but is by way of a collateral contract and, accordingly, section 87Q of FSMA does not entitle Placees to withdraw their acceptance in the event that the Company publishes a supplementary prospectus in connection with the Placing and/or Admission. Without prejudice to such acknowledgement, if Placees are so entitled to withdraw, by accepting the offer of their respective Final Placing Participations contained in the Placing Letter, they will irrevocably agree (if applicable) in the Placing Letter not to exercise any such rights and to confirm their acceptance of the offer on the same terms immediately after any such right to withdraw arises.

8. **Conditions and Termination Rights in the Placing Agreement**

- (a) All obligations of a Placee under the Bookbuild and the Placing will be subject to fulfilment, or where applicable, waiver of the conditions in the Placing Agreement and to the Placing Agreement not having being terminated in accordance with its terms and, by participating in the Bookbuild, each prospective Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances set out in this paragraph 8 and will not be capable of rescission or termination by the prospective Placee.
- (b) By participating in the Placing, each Placee agrees that:
 - (i) Barclays may, at its sole discretion:
 - A. without reference to the interests of the Placees, upon such terms as it thinks fit and without affecting the Placees' commitments as set out in the Placing Documents, waive fulfilment of certain of the conditions in the Placing Agreement or extend the time provided for fulfilment of

certain conditions in respect of all or any part of the performance thereof, save that certain conditions may not be waived; and

- B. exercise any right of termination or any right or other discretion under the Placing Agreement;
- (ii) none of the Banks nor any of their affiliates, shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of:
- A. any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally; or
 - B. any exercise or failure to exercise any right of termination or any right or other discretion under the Placing Agreement
- (c) The obligations of the Banks under the Placing Agreement are, and the Placing is, conditional on, amongst other things:
- (i) publication of the Placing Results Announcement by 5.00 p.m. (London time) on the date of this Announcement (or such later time or date as Barclays may agree with the Company);
 - (ii) the warranties in the Placing Agreement being true and accurate and not misleading at all times prior to, and at, Admission, in each case by reference to the facts and circumstances then subsisting;
 - (iii) the compliance by the Company with its obligations and undertakings under the Placing Agreement, including the execution of the placing memorandum, which will contain the agreed number of New Zegona Shares, by all the parties thereto;
 - (iv) the Prospectus being approved by the FCA on or before 5.00 p.m. (London time) on the date of this Announcement (or such later time or date as Barclays may agree with the Company);
 - (v) the Prospectus having been filed, published and made available in the manner specified in the Prospectus Rules, or in such other manner as Barclays may approve on or before 5.00 p.m. (London time) on the date of this Announcement (or such later time as Barclays may agree with the Company);
 - (vi) any supplementary prospectus that may be required pursuant to section 87G of the FSMA having been approved, filed, published and made available in accordance with, as the case may be, the Listing Rules, section 87G of the FSMA and with the Prospectus Rules;
 - (vii) the circular containing a notice convening a general meeting of the Company having been published and despatched to the holders of Ordinary Shares in the Company on or before 5.00 p.m. (London time) on the fifth business day following the date of the Placing Agreement (or such later time or date as Barclays may agree with the Company);

- (viii) the passing of the shareholder resolution relating to the Placing (without amendment) at a general meeting of the Company to be held on or around 6 February 2019 (or such later time or date as Barclays may agree with the Company);
- (ix) Admission having occurred not later than 8.00 a.m. (London time) on 11 February 2019 (or such later time or date as Barclays may agree with the Company);
- (x) the up to £30 million secured term loan facility agreement to be entered into with Barclays and the up to £10 million secured term loan facility to be entered into with the Virgin Group (the "**Facility Agreements**") (i) having been executed and delivered by the parties thereto and continuing to be effective, binding and enforceable in accordance with their respective terms, (ii) not having been terminated, amended or varied, and (iii) in the opinion of Barclays, no event or circumstance exists, has occurred or arisen or is about to occur which constitutes or results in, or could with the giving of notice and/or lapse of time and/or the making of a relevant determination, constitute, or result in, the termination, an event of default, an acceleration of any obligation or breach of any obligation of a Facility Agreement; and
- (xi) the concert parties agreement to be entered into between the Company and Talomon Capital Limited ("**Talomon**") in respect of their respective holdings in the ordinary shares of Euskaltel, S.A. ("**Euskaltel**") (i) having been executed and delivered by the parties thereto and continuing to be effective, binding, and enforceable in accordance with their respective terms, (ii) not having been terminated, amended or varied, and (iii) in the opinion of Barclays, no event or circumstance exists, has occurred or arisen or is about to occur which constitutes or results in, or could with the giving of notice and/or lapse of time and/or the making of a relevant determination, constitute, or result in, the Company or Talomon being required to make a mandatory offer for the entire ordinary share capital of Euskaltel under applicable Spanish law or otherwise.

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived by Barclays by the time and date specified or referred to therein (or such later time and/or date as the Company and Barclays may agree in writing), the obligations of the parties under the Placing Agreement shall cease and terminate.

- (d) At any time prior to Admission, Barclays, acting jointly and on behalf of the Banks, may, by notice to the Company, terminate the Placing Agreement if one or more of the following events occur:
 - (i) in the opinion of Barclays, acting in good faith, any matter referred to in section 87G of the FSMA having arisen which is adverse in any material respect; and
 - (ii) an application for Admission is withdrawn or refused by the FCA or the London Stock Exchange.

9. Company Lock-up

The Company has undertaken to the Banks that from the date of the Placing Agreement to the date falling 90 days following Admission, neither it nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its

or their behalf will, without the prior written consent of Barclays, directly or indirectly, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any shares in the Company or securities convertible or exchangeable into or exercisable for shares in the Company or warrants or other rights to purchase shares in the Company or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options, except the issue of the New Zegona Shares pursuant to the Placing.

10. Further Terms

- (a) By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably represents, warrants, acknowledges, undertakes and agrees (as the case may be) with each Bank and the Company as a fundamental term of their application that:
- (i) it has read and understood the Placing Documents in their entirety and any other information necessary to make an investment decision in relation to the New Zegona Shares and that its acquisition of the New Zegona Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Appendix 1, the Placing Letter, the Preliminary Prospectus and the Placing Results Announcement and undertakes not to redistribute or duplicate any Placing Document;
 - (ii) it irrevocably agrees to subscribe for, and purchase the number of, New Zegona Shares comprised in its Final Placing Participation at the Issue Price and on the terms set out in the Placing Documents that it has funds available to do so, and that it will pay for its Final Placing Participation in full;
 - (iii) none of the Banks nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the New Zegona Shares or the Company or any other person other than the Placing Documents, which are exclusively the responsibility of the Company and, where applicable, its directors, nor has it requested any of the Banks, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
 - (iv) the entire ordinary share capital of the Company is listed on the standard listing segment of the Official List of the FCA and are admitted to trading on the London Stock Exchange's main market for listed securities and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
 - (v) it has received and read a copy of the Placing Documents and all such other information as it deems necessary to make an investment decision in relation to the New Zegona Shares;

- (vi) (A) it has made its own assessment of the Company, the New Zegona Shares and the terms of the Placing based on its own investigation of the business, financial or other position of the Company; (B) none of the Banks, their respective affiliates or the Company has made any representation to it, express or implied, with respect to the Company, the Placing or the New Zegona Shares or the accuracy, completeness or adequacy of the Placing Documents; and (C) it has conducted its own investigation of the Company, the Placing and the New Zegona Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
- (vii) the content of the Placing Documents and the Prospectus (including any supplement thereto) are exclusively the responsibility of the Company and that none of the Banks nor any person acting on behalf of them nor any of the affiliates or agents of any such person is responsible for or has or shall have any liability for any information or representation relating to the Company contained in the Placing Documents and the Prospectus (including any supplement thereto), nor will it have any responsibility or liability for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in the Placing Documents and the Prospectus (including any supplement thereto), or otherwise. Nothing in the Placing Documents and the Prospectus (including any supplement thereto) shall exclude any liability of any person for fraudulent misrepresentation;
- (viii) the only information on which it is entitled to rely on and on which such Placee has relied in committing itself to acquire New Zegona Shares is contained in this Announcement and in the Placing Documents, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the New Zegona Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by either Banks or the Company nor any of their respective affiliates and none of the Banks nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in the Placing Documents shall exclude any liability of any person for fraudulent misrepresentation;
- (ix) it has neither received nor relied on any inside information concerning the Company prior to or in connection with accepting this invitation to participate in the Placing and is not purchasing New Zegona Shares on the basis of material non-public information;
- (x) it is not, and at the time New Zegona Shares are acquired will not be, located in, or a resident of Canada, Australia, Japan or South Africa or any other jurisdiction where to do so may constitute a violation of the securities laws of such jurisdiction;
- (xi) each of it and the beneficial owner of New Zegona Shares is, and at the time such New Zegona Shares are acquired will be, either (A) a QIB that is also a QP, who has executed and delivered to the Company a US investor letter, and is acquiring the New Zegona Shares in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act; or (B) a non-US Person (as defined in Regulation S) outside the United States and

acquiring the New Zegona Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S;

- (xii) the New Zegona Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared in respect of any of the New Zegona Shares under the securities laws of the Australia, Canada, Japan and South Africa and any other jurisdiction where the availability of the Placing would breach any applicable law (the "**Excluded Territories**") and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within or into the Excluded Territories;
- (xiii) it and, if relevant, each person on whose behalf it is participating: (A) is entitled to acquire New Zegona Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions; (B) has fully observed such laws and regulations; (C) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of New Zegona Shares and will honour such obligations; and (D) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to the Placing Documents) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- (xiv) Barclays: (A) have absolute discretion as to whether to enforce, waive, vary or extend the time for the exercise of any conditions, obligations, undertakings, representations or warranties in the Placing Agreement, and acting in good faith, as to whether to terminate its obligations under the Placing Agreement; (B) shall, in connection with the Placees, have no obligation to consult with it or act in furtherance of or otherwise take its interests into account or seek its consent in each case regarding any determination whether to take any of the steps necessary in sub-clause (A) or to exercise any other right or discretion given to it or which it is entitled to exercise whether under the Placing Agreement or otherwise. For the avoidance of doubt, but without limiting the generality of the foregoing, (y) Barclays is entitled to act in furtherance of and otherwise take into account its own interests when determining whether to take or taking any of the steps set out in sub-clause (A) or deciding whether to exercise or exercising any other right or discretion given to it or which it is entitled to exercise whether under the Placing Agreement or otherwise; and (z) the Banks are not acting in a fiduciary or advisory capacity with respect to it or its interests and, as such, owe it no obligations of any nature whatsoever, other, in connection with the Placees, than those expressly set out in the Placing Letter and this Announcement (including Appendix 1); and shall have no responsibility or liability to it in relation to the taking of any of the steps set out in sub-clause (A), as applicable, or the exercise of any other right or discretion given to them or which they are entitled to exercise whether under the Placing Agreement or otherwise (other than liability arising out of the fraud or wilful default of the Banks);
- (xv) the New Zegona Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred

- within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and in a transaction that is subject to the Company's reliance on Section 3(c)(7) of the Investment Company Act that does not cause any requirement to register the Company under the Investment Company Act;
- (xvi) if it is a pension fund or investment company, its acquisition of New Zegona Shares is in full compliance with applicable laws and regulations;
 - (xvii) it will not distribute, forward, transfer or otherwise transmit the Preliminary Prospectus, this Appendix 1, the Prospectus, the Placing Results Announcement or any other presentational or other materials concerning the Placing in or into the Excluded Territories (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
 - (xviii) none of the Banks or the Company, nor any of their affiliates, nor any person acting on behalf of any such person, is making any recommendations to it, advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Banks and that the Banks have no duties or responsibilities to a Placee for providing protections afforded to their respective clients or for providing protections afforded to their clients under the rules of the FCA or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Documents and/or the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
 - (xix) it (and any person acting on its behalf) will make payment to Barclays in accordance with the terms and conditions of the Placing Documents on the due time and date set out in this Appendix 1 failing which Barclays may place any and all of the relevant New Zegona Shares on such terms as Barclays determines in its absolute discretion and retain from the proceeds, for its own account and benefit, an amount equal to the aggregate amount owed by you plus interest due, without responsibility or liability to it, and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such New Zegona Shares and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes imposed in any jurisdiction (together with any interest or penalties thereon which may arise upon the sale of such Placee's New Zegona Shares on its behalf);
 - (xx) its Provisional Placing Participation (if any) of New Zegona Shares will represent a maximum number of New Zegona Shares which it will be entitled, and required, to acquire, and that the Company and the Banks (in their absolute discretion) may call upon it to acquire a lower number of New Zegona Shares (if any), but in no event in aggregate more than the aforementioned maximum
 - (xxi) no action has been or will be taken by any of the Company, the Banks or any person acting on behalf of the Company or the Banks that would, or is

intended to, permit a public offer of the New Zegona Shares in any country or jurisdiction where any such action for that purpose is required;

- (xxii) the person who it specifies for registration as holder of New Zegona Shares will be (A) itself or (B) its nominee, as the case may be. The Banks and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes imposed in any jurisdiction (nor any interest and penalties thereon) resulting from a failure to observe this requirement. It (and any person acting on its behalf) agrees to acquire New Zegona Shares pursuant to the Placing and to indemnify the Company and the Banks on an after-tax basis on the basis that New Zegona Shares will be allotted to a CREST stock account of one of the Banks who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
- (xxiii) the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of New Zegona Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) in the UK and that it, and the person specified by it for registration as holder of New Zegona Shares (if relevant), is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of New Zegona Shares would give rise to such a liability. If there were any such arrangements, or the settlement related to other dealings in New Zegona Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Banks would be responsible and the Placees shall indemnify the Company and the Banks on an after-tax basis for any stamp duty or stamp duty reserve tax (together with any interest or penalties thereon) paid by them in respect of any such arrangements or dealings. If this is the case, it would be sensible for Placees to take their own advice and they should notify the relevant Bank accordingly;
- (xxiv) it will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest or penalties thereon) payable outside the UK by them or any other person ("**Non-UK Taxes**") on the acquisition by them of any New Zegona Shares or the agreement by them to acquire any New Zegona Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as nominee) the allocation, allotment, issue or delivery of New Zegona Shares has given rise to such Non-UK Taxes, registration, documentary, transfer or similar taxes or duties undertakes to pay such Non-UK Taxes, forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Banks in the event that any of the Company and/or the Banks has incurred any such liability to such Non-UK Taxes;
- (xxv) (A) if in the UK, it and any person acting on its behalf falls within Article 19(5) and/or 49(2)(a)-(d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage and (if applicable) dispose of any New Zegona Shares that are allocated to it for the purposes of its business only and (B) it and any person acting on its behalf is entitled to acquire New Zegona Shares comprised in its allocation under the laws of all relevant jurisdictions which apply to it and

that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities;

- (xxvi) it has not offered or sold and will not offer or sell any New Zegona Shares to persons in the UK prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the UK within the meaning of section 85(1) of FSMA;
- (xxvii) the Company is not an Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Directive;
- (xxviii) it is not located or resident in any member state of the European Economic Area other than the UK, Spain, Belgium, the Netherlands, Italy or Ireland, and, if in a Member State of the EEA, it is a qualified investor as defined in section 86(7) of FSMA, being a person falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus Directive;
- (xxix) it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgements, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Banks and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- (xxx) if it is acting as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that the New Zegona Shares subscribed by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than qualified investors, or in circumstances in which the prior consent of the Banks has been given to the proposed offer or resale;
- (xxxii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to New Zegona Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that the Preliminary Prospectus and the Prospectus are not being issued by the Banks in their respective capacities as an authorised person under section 21 of the FSMA and they may not therefore be subject to the controls which would apply if they were made or approved as financial promotion by an authorised person;
- (xxxiii) it has complied and it will comply with all applicable provisions of FSMA with respect to anything done by it or on its behalf in relation to the New Zegona Shares in, from or otherwise involving, the UK;
- (xxxiiii) it has not offered or sold and will not offer or sell any New Zegona Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or

otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive;

- (xxxiv) it has complied with its obligations under the Criminal Justice Act 1993, the Market Abuse Regulation (EU) No. 596/2014, section 118 of the FSMA and it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "**Regulations**") (each as amended) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
 - (xxxv) it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring for the New Zegona Shares. It further acknowledges that it is experienced in investing in securities of this nature and (i) is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing, (ii) will not look to the Banks for all or any part of any such loss it may suffer, and (iii) has no need for liquidity with respect to its investment in New Zegona Shares. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
 - (xxxvi) its commitment to acquire New Zegona Shares on the terms set out in this Appendix 1, the Preliminary Prospectus, the Placing Results Announcement and the Placing Letter will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;
 - (xxxvii) the Company, the Banks and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are irrevocable;
 - (xxxviii) the New Zegona Shares will be issued to Placees subject to the terms and conditions of the Placing Documents; and
 - (xxxix) it will indemnify on an after-tax basis and hold the Company, the Banks and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of any of the representations, warranties, acknowledgements, confirmations and undertakings in this Appendix 1 and the Placing Letter, and it further agrees that that the provisions of the Placing Letter shall survive after completion of the Placing; and
 - (xl) it will promptly notify the Company and the Banks if any of the acknowledgements, confirmations, undertakings, representations, warranties and agreements made in connection with its subscription of New Zegona Shares is no longer accurate.
- (b) Each Placee, and any person acting on behalf of a Placee, acknowledges that neither the Company nor any of the Banks owes any fiduciary or other duties or responsibilities

to it for providing the protections afforded to their clients nor for providing advice in relation to the Placing to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement or the contents of the terms and conditions contained in this Announcement (including this Appendix 1), the Preliminary Prospectus and the Placing Letter.

- (c) Each Placee and any person acting on behalf of the Placee acknowledges and agrees that each Bank or any of their respective affiliates (acting as an investor for its own account) may, in its absolute discretion, subscribe for New Zegona Shares and in that capacity may retain, purchase or sell for its own account such New Zegona Shares and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to any of the Banks or any of their affiliates acting in such capacity. In addition each of the Banks may enter into financing arrangements and swaps with investors in connection with which the Banks may from time to time acquire, hold or dispose of such securities of the Company, including the New Zegona Shares. Neither the Banks nor any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.
- (d) When a Placee or any person acting on behalf of a Placee is dealing with any Bank, any money held in an account with such Bank on behalf of that Placee and/or any person acting on behalf of that Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from such Bank's money in accordance with the client money rules and will be used by such Bank in the course of its own business and the Placee will rank only as a general creditor of such Bank.

11. Governing Law and Jurisdiction

- (a) Any agreements entered into pursuant to the terms and conditions set out in the Placing Documents, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales.
- (b) Each Placee submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the New Zegona Shares (together with any interest chargeable thereon) may be taken by either the Company or any Bank in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.