



In accordance with the provisions of article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April on market abuse, and section 226 of the restated text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October, and related provisions, Euskaltel, S.A. (hereinafter, “**Euskaltel**” or the “**Company**”) hereby discloses the following

INSIDE INFORMATION

At its meeting held yesterday, 27 January 2020, at the proposal of the Appointments and Remuneration Committee and as provided in the current Remuneration Policy, the Board of Directors has resolved to approve a new Long-Term Incentive Plan for the 2020-2022 period (the “**Plan**”) aimed at a group of Senior Managers and Employees of the Company (between 30 and 40 employees), the Chairman of the Board of Directors, the CEO, and the General Secretary.

The aim of this Plan is to align the main executives of the Company with the interests of the shareholders in achieving the business objectives of the Company in the following years.

The Plan consists in the delivery to its beneficiaries of an extraordinary variable incentive linked to the consecution of certain shareholder value creation and to the achievement of targets linked to operating cash flow, that will allow its beneficiaries to participate in up to 4% of the total value created for shareholders. The plan will be payable at least 75% in shares of Euskaltel and the remainder in cash.

In accordance with the provisions of applicable law and the Articles of Association, the Board of Directors will submit the Plan for the approval of shareholders at the next General Meeting of Shareholders.

In Derio, on 28 January 2020.

EUSKALTEL, S.A.
Mr José Ortiz Martínez
Non-Director Secretary of the Board of Directors