



## COMMUNICATION OF A RELEVANT FACT

### MASMOVIL GROUP

September 21<sup>st</sup>, 2018

In accordance with article 17 of the Regulations (UE) number 596/2014 on market abuse and article 228 of the Securities Market Act passed by Legislative Royal Decree 4/2015 of October 23 and concordance rules, we inform the market about the following Relevant Fact referred to MASMOVIL IBERCOM, S.A. ("**MASMOVIL**" or the "**Company**" or the "**Group**").

### RELEVANT FACT

#### **MASMOVIL acquires virtual mobile operator Lebara España for 55M€**

MASMOVIL has completed the acquisition to Lebara Mobile Group B.V. through its branch Lebara Ltd of its independent business unit operating as a virtual mobile operator in Spain under Lebara brand, including all its assets ("Lebara España") except the brand on which MMASMOVIL has reached an agreement for its use in the long term.

Lebara España is a virtual mobile operator specialized in the pre-paid segment, mainly to immigrants, that started its operations in Spain in 2007, reaching 423k lines at the end of September 2018, with an ARPU of 10€.

Lebara España employs 73 people, mainly in commercial and technical functions, that will be incorporated to MASMOVIL. In the last twelve months ("LTM") Lebara España has reached revenues of 50M€. Its agreement with Vodafone for the provisioning of the national mobile network services ("OMV Contract") expires in April 2019, which will allow MASMOVIL to obtain cost savings.

MASMOVIL estimates that the incorporation of Lebara España to MASMOVIL Group will allow it to obtain operating synergies (mainly through reduction of OMV Contract costs) that will result in a proforma LTM EBITDA post-synergies of c24M€. The achieving of such synergies will extend over the second half of 2019, and thus the total amount of synergies will not be fully achieved until 2020 exercise.

MASMOVIL will pay a cash consideration of 50M€ and will assume certain compromises with clients and employees for 2.5M€, having also agreed an earn-out for up to 2.5M€ depending on the success of the migration process of the client base to MASMOVIL's network.

# MASMOVIL

The total cash consideration would thus result in an EV/EBITDA multiple of 7.5x pre-synergies and 2.3x post-synergies<sup>1</sup>, assuming all contingent payment is materialized.

The acquisition of Lebara España reinforces MASMOVIL's position in the ethnic segment in Spain and comes on the heels of the acquisition of Llamaya, a brand with significant commercial success since its incorporation to MASMOVIL Group early 2017, when it had c220k lines, and which has grown from just a mobile only pre-paid operator to offer a broad portfolio of products both in mobile (pre- and post-paid ) and convergent segments.

EY has acted as MASMOVIL's advisor in the due diligence process.

Madrid, September 21<sup>st</sup>, 2018

D. Meinrad Spenger  
CEO MASMOVIL IBERCOM, S.A.

<sup>1</sup> Annualized EBITDA once all expected synergies are achieved. The transaction is an acquisition of assets and thus without any financial debt associated.