

# GRUPOMASMOVIL

## COMMUNICATION OF INSIDE INFORMATION

June 12<sup>th</sup>, 2020

In accordance with article 17 of the Regulations (UE) number 596/2014 on market abuse and article 226 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 Inside Information referred to MASMOVIL IBERCOM, S.A. (“**MASMOVIL**” or the “**Company**” o the “**Group**”).

### **Firm Offer of an InfraFund to acquire a majority stake of a new FTTH NetCo that will own up to 1,078k BUs deployed by MASMOVIL**

- A new NetCo will be set up jointly by a reknown InfraFund and MASMOVIL with MASMOVIL retaining a material minority stake
- NetCo will obtain financing from a leading international bank to acquire from MASMOVIL up to 1,078k Building Units (BUs); c.245k BUs are already deployed and the rest are planned to be deployed until mid-2023 to reach - subject to final adjustments - for a total consideration of €385M - €414M
- MASMOVIL will have contributed c.€60M of equity into the NetCo by the end of the deployment phase, for a material non-controlling stake in NetCo
- MASMOVIL will also provide to NetCo operation and maintenance (O&M) as well as transmission services
- NetCo has obtained a commitment from an additional operator in Spain to also use the majority of its network
- Through this transactions MASMOVIL will fulfill its current plan to increase its commercially addressable FTTH network and, at the same time, be able to generate net cash proceeds of c.€215M-€245M at the end of the project (net of the rollout investment and before taxes) of which c.€131M-€144M net cash proceeds are expected by YE 2020

BNP Paribas has acted as financial and M&A advisor in the transaction.

Madrid, June 12<sup>th</sup>, 2020

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