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Zegona Communications plc

Vodafone Spain and Telefonica sign new fibre wholesale agreement

Zegona Communications plc (LSE: ZEG) is pleased to announce Vodafone ONO S.A.U. ("**Vodafone Spain**") and Telefónica de España ("**Telefonica**") have signed a confidential non-binding term sheet for a new fibre wholesale agreement.

This new agreement will replace the current wholesale contract which is due to expire at the end of 2024. The agreement will create material synergies for both companies by maximising the use of existing networks and optimising their investments. The terms of the new agreement deliver significant economic benefits to Vodafone Spain compared to its current wholesale arrangements.

In July 2024, Zegona announced it had signed a non-binding term sheet with MasOrange, S.L. to create a joint fibre network company (a "**FibreCo**") covering approximately 11.5 million premises across Spain. In addition, Zegona announced in July 2024 it had signed a non-binding term sheet with Telefonica for a joint FibreCo covering approximately 3.5 million premises.

This agreement complements the two recently announced FibreCo deals and completes the transformation of Vodafone Spain's fixed line strategy. The combination of these fibre transactions ensures Vodafone Spain will have long term, economically advantaged access to full national fibre coverage enabling it to offer the most technically advanced connectivity services to all its customers.

Eamonn O'Hare, Chairman and CEO of Zegona commented "This new fibre wholesale agreement with Telefonica fully complements our recently announced FibreCo transactions and completes the transformation of Vodafone Spain's fixed line strategy. The powerful combination of these agreements will deliver national fibre coverage with no incremental network investment. Vodafone Spain will be able to leverage these advanced network assets to offer all its customers leading edge fibre solutions. We expect these agreements to deliver substantial economic benefits to Vodafone Spain and significant incremental value for all Zegona stakeholders."

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About Zegona

Zegona was established in 2015 with the objective of investing in businesses in the European Telecommunications, Media and Technology sector and improving their performance to deliver attractive shareholder returns. Zegona is led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson.

On 31 May 2024, Zegona completed the 100% acquisition of Vodafone Spain for €5.0 billion.

About Vodafone Spain

Vodafone Spain is a national provider of fixed, mobile and TV services in Spain, serving consumer, business and public administration customers. It was acquired by Zegona in May 2024.

About Telefonica

Telefonica is one of the largest telecommunications service providers globally. It offers fixed and mobile connectivity, as well as a wide range of digital services for residential and business customers. With around 388 million customers and more than 100,000 employees, Telefónica operates in Europe and Latin America. Telefonica is a listed company with its shares trading on the Spanish Stock Exchange and those of New York and Lima.