



## MASMOVIL GROUP

July 21<sup>st</sup>, 2022

Dear bond holder of bonds with ISINs XS2240463757, XS2240463674, XS2397198487 and XS2397243887

### **MASMOVIL Group sells part of Euskaltel's access network to a consortium of investors**

- **Euskaltel sells its subsidiary EKT Cable - new Netco owner of half of its cable access network - to a consortium of investors including, among others, Asúa Inversiones, Beraunberri, Inveready and Onchena**
- **The transaction will accelerate the availability of a fiber optic network (FTTH) in 1.2 million households located in the Basque Country, Galicia and Asturias that currently still have a cable network, thanks to the deployment of a new network**
- **After this agreement, 100% of the 2.3 million households deployed by Euskaltel will have the most modern fiber optic network in the State**
- **Euskaltel and MASMOVIL group will continue to be strategic partners in Netco, taking care of the operation and maintenance services of the new network and being its main client through Euskaltel, R, Telecable and MASMOVIL. Likewise, Netco will provide services to other operators**
- **Euskaltel will reinvest part of the sale price to become a minority financial investor in Bidasoa Aggregator; reaffirming its commitment with these territories and prioritizing investments to continue improving telecommunications networks**

**Bilbao, July 21, 2022.-** Euskaltel has signed a sale and purchase agreement with Bidasoa Aggregator, a consortium of investors formed mainly by Asúa Inversiones, Beraunberri, Inveready and Onchena, who undertake to complement the deployment of a new fiber optic network in 1.2 million homes in the Euskaltel's cable network footprint located in the Basque Country, Asturias and Galicia.

This transaction does not include the transmission and trunk fiber network assets which continue to be wholly owned by the MASMOVIL/Euskaltel Group.

This transaction makes it possible to speed up the availability of fiber optic services to Euskaltel, R and Telecable's customers in order to increase their level of satisfaction and user experience and will contribute to the growth and leading position of these brands in their territories.

Through this operation and once the deployment of the new fiber network is completed, 100% of the 2.3 million homes current footprint of Euskaltel's network will be FTTH and will enjoy the most advanced telecommunications services.

For the modernization of Euskaltel's network, the partners have set up a Netco which will be controlled by the consortium of investors called Bidasoa Aggregator, and formed by Asúa Inversiones, Beraunberri, Inveready and Onchena, among others.

Once the network deployment is completed, the new company will operate a new network of 1.2 million fiber optic homes of Euskaltel that will be compatible with the most advanced technologies.

Grupo MASMOVIL/Euskaltel will continue to provide the operation and maintenance (O&M) in this network, as well as transmission services. This Netco will provide services to customers of Euskaltel, R, Telecable and other MASMOVIL Group brands and has also an agreement to offer its fiber services to Orange Spain.

MASMOVIL Group will obtain a total of around €580M from the sale of 100% of EKT Cable. €500M will be used to repay debt and Euskaltel will also reinvest part of the proceeds to acquire a minority stake of 49% in Netco, maintaining a relevant commitment with the potential of this new company.

"We are very happy to accelerate through this agreement the availability of the fastest fiber network in Spain to all customers in the Basque Country, Galicia and Asturias. This reaffirms our commitment to these territories and with the industrial and investor nature of our project", said Francisco Arteche, Chairman of EKT Cable.

Jon Ander de las Fuentes, Director of MASMOVIL Group in Euskadi added, "The fiber optic network allows us to offer the Group's customers the best Internet services with the highest speed and stability, with the aim of continuing having the most satisfied customers in the market".

### **The best broadband services through the most modern fiber optic network**

The new fiber optic network will allow to enjoy the most innovative services providing the possibility of offering up to 10 Gbps connections, Wi-Fi 6 and TV services with Android decoder. These advantages will translate, among other things, into excellent coverage of services and greater navigation capacity with multiple connected devices.

The new fiber network, which, according to the prestigious study by the French company nPerf carried out in the first half of 2021, has offered the best services in the State, uses FTTH technology, which directly accesses homes and allows symmetrical speeds (equal upload and download). This technology is based on the XGS-PON standard, future-proof, suitable for simultaneous tasks of teleworking, tele-training, video calls, streaming, gaming, etc. A system that enables accesses of up to 10 Gbps, which is 4 times higher bandwidth than current technology and up to 8 times higher upload capacity.

With this operation, MASMOVIL/Euskaltel Group confirms its project with an investor vocation and prioritizes the necessary investments in the Cantabrian coast that will benefit consumers with a greater availability of new technologies and services.

Banco Santander is involved in the operation as M&A advisor, as well as Credit Agricole as a leading financing bank, securing the financing package of the transaction. As legal M&A advisers of Euskaltel/MasMóvil group has participated Pérez-Llorca while Evergreen Legal has acted as lawyers for the financing.