

Madrid, 6 August 2021

## **INFORMATION OF KAIXO TELECOM, S.A.U. ON THE SQUEEZE-OUT OF EUSKALTEL, S.A.'S SHARES**

**For the purposes provided for in article 227 of the consolidated text of the Securities Market Law, approved by Royal Decree 4/2015, of 23 October and article 48 of Royal Decree 1066/2007, on public takeover bids, Kaixo Telecom, S.A.U. (the "Bidder") hereby informs you of the following information relating to the squeeze-out of Euskaltel, S.A.'s ("Euskaltel") shares:**

Yesterday, the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV") made public the result of the takeover bid for Euskaltel's shares made by the Bidder (the "**Takeover Bid**").

The Takeover Bid has been accepted by shareholders holding 174,485,075 shares, representing 97.67% of the shares to which the Takeover Bid was addressed. Therefore, the Takeover Bid has been successful, having fulfilled all the conditions to which it was subject at the time of its formulation.

The settlement date of the Takeover Bid will be two business days after the publication of the result in the Listing Bulletins of the Stock Exchanges, which is expected to take place today.

Likewise, it is noted that the conditions for the exercise of the squeeze-out set out in article 136 of the consolidated text of the Securities Market Law and in article 47 of Royal Decree 1066/2007 have been met. Therefore, in accordance with what has already been stated in the prospectus explaining the Takeover Bid (the "**Prospectus**"), the Bidder shall proceed to demand the compulsory sale of all the Euskaltel's shares that it does not hold for the same consideration offered in the Takeover Bid (i.e. 11 euros for each of Euskaltel's share). The sale and the squeeze-out will be carried out in accordance with the procedures described in section 3.2 of the Prospectus, being 27 August 2021 the date of the squeeze-out transaction ("**Transaction Date**"). As indicated in the Prospectus, the delisting of Euskaltel will become effective upon settlement of the squeeze-out transaction.

For the correct execution and settlement of the squeeze-out, the Bidder shall request the CNMV to suspend the trading of Euskaltel's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges after the closing of the stock market on 17 August 2021, and that the listing of Euskaltel's shares shall remain suspended from then until the definitive delisting takes place.

Euskaltel's shareholders who wish to sell their shares to the Bidder before the Transaction Date may do so in accordance with articles 136 of the Consolidated Text of the Securities Market Law

and article 48 of Royal Decree 1066/2007, as indicated in the Prospectus. However, the shareholders of Euskaltel are reminded that in the squeeze-out all the expenses derived from the sale, purchase and settlement shall be borne by the Bidder and that in the event that they exercise the sell-out they shall bear the expenses derived from the sale, purchase and settlement.

Finally, you are hereby informed that, as soon as possible and within the five business days following this date, the Bidder shall publicly and generally disclose the characteristics and conditions for the exercise of the squeeze-out right in accordance with the provisions of article 48 of Royal Decree 1066/2007 and the provisions of the Prospectus. The text of the announcement is annexed to this document.

**Kaixo Telecom, S.A.U.**

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**Mr Meinrad Spenger**

**Sole director**

## ANNEX

**ANNOUNCEMENT OF THE PROCEEDING FOR THE SQUEEZE-OUT  
FOLLOWING THE VOLUNTARY PUBLIC TENDER TAKEOVER BID FOR  
EUSKALTEL, S.A.'S SHARES MADE BY KAIXO TELECOM, S.A.U.**

This announcement is made public pursuant to the provisions of article 48.5 of Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids for securities (the "**Royal Decree 1066/2007**"), and contains the proceeding for the squeeze-out resulting from the voluntary takeover bid made by Kaixo Telecom, S.A.U. for all of the shares representing the share capital of Euskaltel, S.A., authorised by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") on 5 July 2021 (the "**Takeover Bid**"). The result of the Takeover Bid was published by the CNMV on 5 August 2021.

**1. SQUEEZE-OUT**

In accordance with the provisions of article 48.3 of Royal Decree 1066/2007 and section 3.2 of the prospectus of the Takeover Bid (the "**Prospectus**"), Kaixo Telecom, S.A.U. communicated by means of other relevant information (*otra información relevante*) dated 6 August 2021 the fulfilment of the requirements for the exercise of the squeeze-out and that it will exercise it, which will allow it to acquire those shares representing the share capital of Euskaltel, S.A. that it does not own.

**2. CONSIDERATION OF THE TAKEOVER BID**

The consideration will be paid in cash and will be equal to the consideration offered in the Takeover Bid (EUR 11 per Euskaltel share). Settlement of the transaction will be made within the same period as set out in the Prospectus, counted from the date of the transaction.

**3. DATE OF THE TRANSACTION**

The date for the squeeze-out transaction will be 27 August 2021.

**4. GUARANTEE**

Kaixo Telecom, S.A.U. in accordance with the provisions of article 47.4 of Royal Decree 1066/2007, shall submit to the CNMV the documentation of the guarantee that ensures compliance with its payment obligations resulting from the exercise of the forced sale sufficiently in advance of the date of section three. Said guarantee consists of a first demand guarantee issued by BNP Paribas S.A., Sucursal en España for an amount of EUR 45,763,135.

**5. PROCEDURE FOR THE EXECUTION OF THE SQUEEZE-OUT**

All depositary entities of Euskaltel, S.A. shares shall execute the sale of the shares to Kaixo Telecom, S.A.U. on the date of the transaction in accordance with the procedure established for this purpose by Iberclear. Settlement and payment of the consideration offered shall be

carried out in accordance with the provisions of article 48.4 of Royal Decree 1066/2007.

In accordance with the provisions of article 136 of the Securities Market Law (*Ley del Mercado de Valores*), if the shares of Euskaltel, S.A. subject to squeeze-out are seized as a result of administrative acts or judicial resolutions, or if there is any kind of charge on them, including encumbrances, limited rights in rem or financial guarantees, the aforementioned shares will be sold free of such charges, which will be constituted on the price paid by Kaixo Telecom, S.A.U. for the sale and purchase. The depositary of the shares shall be obliged to keep the purchase price in deposit, informing the judicial or administrative authority that has ordered the seizures or the holder of any other charges, of the applications of this procedure. If, once the provisions of this paragraph have been applied, there is a part of the price that is unnecessary for the satisfaction of the obligations secured by the seizure or seizures made, or by the existing charges on the shares, it shall be immediately made available to the holder of the shares.

The acquisitions of the shares subject to compulsory purchase shall be intercepted and settled by Banco Santander, S.A.

## **6. COSTS OF THE SQUEEZE-OUT**

The expenses arising from the purchase and sale and settlement of the shares will be for the account of the Bidder.

## **7. DELISTING OF EUSKALTEL, S.A.**

Pursuant to article 48.10 of Royal Decree 1066/2007, the squeeze-out will result in the delisting of the shares of Euskaltel, S.A., which will be effective from the settlement of the transaction.

For the correct execution and settlement of the squeeze-out, Kaixo Telecom, S.A.U. will request the CNMV to agree to suspend trading in the shares of Euskaltel, S.A. as of 17 July 2021, after the closing of the stock market, and that trading in the shares of Euskaltel, S.A. will remain suspended from then until the definitive delisting takes place.