

Mr. Ignacio Silva Alcalde, Chairman of DEOLEO, S.A. (the “Company” or “Deoleo”), whose address is in Alcolea (Córdoba), Nacional N-IV (km 388) – 14610, a company whose shares are traded on the Madrid, Bilbao, Valencia, and Barcelona stock exchanges.

## **DECLARES**

In compliance with the provisions of Article 17 of Regulation (EU) 596/2014, of 16 April 2014, on market abuse, and with the provisions of Article 226 of the Consolidated Text of the Securities Market Law, the following is hereby made known:

## **PRIVILEGED INFORMATION**

As a result of the releases of privileged information published on 26 September 2019, 17 January 2020, 7 May 2020, and today, registration numbers 282046, 285988, 232, and 253, respectively, the Company hereby notes that, in execution of the agreements adopted by the Extraordinary General Meeting of Shareholders held on 17 January 2020 (the “Extraordinary General Meeting”), it foresees to approve, over the coming weeks, the dissolution and simultaneous liquidation of Deoleo Preferentes, S.A.U. (previously called SOS Cuétara Preferentes, S.A.U.) (“Deoleo Preferentes”), a subsidiary owned in full by Deoleo and through which issuance of preferred shares was undertaken in 2006, guaranteed by Deoleo, pending redemption in full and in part (for an approximate aggregate total amount of 42.5 million euros) and which are in the hands of third parties outside of Deoleo and its subsidiaries (the “Deoleo Group” and the “Preferred Shares,” as applicable).

Said decision is framed in the debt restructuring process for the Deoleo Group which the Company has agreed to with its main creditor financial institutions and which includes, amongst other aspects, reducing Deoleo's capital stock to zero to offset losses (the “Capital Reduction”) and a simultaneous increase in capital stock for a cash value (nominal value plus premium) of approximately 50 million euros, allowing the Company to reestablish a balance in the equity accounts and repay part of the Deoleo Group's financial debt (the “Capital Increase” and, jointly with the Capital Reduction, the “Accordion Option”), which was approved by the Extraordinary General Meeting. Execution of the Accordion Option and its registration with the Commercial Registry will entail, in accordance with the stipulations of sections 4.7.1.3. of the securities note dated 23 November 2006, on the issuance of preferred shares, the dissolution and liquidation of Deoleo Preferentes.

In accordance with the terms and conditions of the Preferred Shares, the dissolution and liquidation of Deoleo Preferentes, and the consequent extinction of said shares give the bearers of said Preferred Shares the right to receive a liquidation distribution that cannot exceed the liquidation distribution that would have been paid with Deoleo's assets (as the guarantor of the shares' issuance) if the Preferred Shares had been issued by Deoleo and had been placed in order of priority (i) before the ordinary shares of Deoleo, (ii) at

the same level as the preferred shares or equivalent securities issued, if applicable, by Deoleo, and (iii) behind other obligations of Deoleo – all after having fully paid, in accordance with the provisions of Spanish law, all of Deoleo's creditors, including those with subordinated debt, but not including the beneficiaries of any guarantee or of any other contractual rights which are located, in order of priority, at the same level as –or behind– the guarantee by Deoleo of the Preferred Shares.

In order to determine the value of the aforementioned liquidation distribution, Deoleo asked an independent expert to assess the liquidation distribution for the Preferred Shares. The expert issued, in October 2019, a report in which he concluded that, at the date of assessment and considering the Preferred Shares' ranking of creditors and the other liabilities for which Deoleo is a debtor, Deoleo would not have the necessary resources or assets to face the obligations entered into with the holders of the Preferred Shares. Therefore, the expert concluded that the value of the liquidation distribution for said Preferred Shares would be zero. Deoleo's financial information as of 31 December 2019 reinforces that conclusion.

Notwithstanding the aforementioned and in relationship with the Capital Increase, the Extraordinary General Meeting of Deoleo approved offering the bearers of the Preferred Shares to subscribe the new shares issued for the Capital Increase that were not subscribed in the preferential subscription period and in the allocation of additional shares to shareholders and investors who exercised their right to preferential subscription. The timeframes and ways in which the bearers of the Preferred Shares may request, subscribe, and pay the Capital Increase shares are listed in the corresponding informational prospectus (the "Informational Prospectus") which was approved and registered by the National Securities Market Commission (the "CNMV") today. The Informational Prospectus has been made available to shareholders and investors in electronic format through Deoleo's website ([www.deoleo.com](http://www.deoleo.com)) and the CNMV's website ([www.cnmv.es](http://www.cnmv.es)).

As a result of the above, Deoleo Preferentes has asked the CNMV to suspend the trading of the Preferred Shares on the AIAF Fixed Income Market as of market close on the day that the Capital Increase announcement is published in the Official Gazette of the Commercial Registry, foreseen as 25 May 2020, likewise asking that said suspension of trading remain in force until, if applicable, redemption and write-off of the Iberclear Preferred Shares as a result of the execution of the Accordion Option.

Madrid, 21 May 2020

Mr. Ignacio Silva Alcalde  
Chairman and CEO