

Mr. Ignacio Silva Alcalde, Chief Executive Officer of DEOLEO, S.A. (the "Company"), domiciled in Alcolea (Córdoba) Ctra. N-IV (km 388) – 14610, a company whose shares are listed in the Stock Exchanges of Madrid, Bilbao, Valencia and Barcelona.

DECLARES

In compliance with Article 17 of Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, dd. April 16th, 2014, and art 226 of the consolidated text of the Ley del Mercado de Valores, the following is hereby made public:

PRIVILEGED INFORMATION

Following the announcement of privileged information published on 17 January 2020 by the Company with registry number 285988, the Company reports that, today, Deoleo's Board of Directors has agreed to implement the agreement approved during the Extraordinary General Meeting of Shareholders of Deoleo held on 17 January 2020, under item three of the Agenda, the reduction of share capital to €0 by offsetting losses, via the writedown of each and every one of the shares into which the Company's share capital is divided, currently set at €2,809,716.34 (the "**Capital Reduction**"), and simultaneously increasing capital through monetary contributions by an effective amount (nominal value plus premium) of €50,000,000, with the possibility of incomplete issuance, by releasing into negotiation new ordinary shares.

Furthermore, in order to facilitate in establishing an exchange ratio appropriate to the capital increase, and making use of empowerment conferred by the Ordinary General Shareholder's Meeting held on June 3rd, 2019, under item Eleven of the Agenda, following the provisions of Article 297.1. b) of the Texto Refundido de la Ley de Sociedades de Capital aprobado por Real Decreto Legislativo de 1/2010, de 2 de julio (la "**Ley de Sociedades de Capital**"), the Board has agreed to increase the share capital through monetary contributions in an additional effective amount (nominal value plus issuance premium) of €0.40, through the issue and release into negotiation of new ordinary shares.

The Board of Directors has agreed to combine the capital issuance referred to in the preceding paragraphs into one single issue (together, the "**Capital Increase**") for the purposes of formulating a public offering of shares for a total effective amount of €50,000,000.40 through the issue and release into negotiation of 500,000,004 new ordinary company shares, all of the same class and series and with the same rights and obligations (the "**New Shares**"), to be issued at a unitary issue rate (i.e. nominal value plus share premium per share) of €0.10 (€0.002 nominal value plus €0.098 share premium per share), to be paid in by means of monetary contributions at the time of subscription. Consequently, the total nominal amount of the Capital Increase is set at €1,000,000.008 and the total share premium at €49,000,000.392, all without prejudice to the possibility of incomplete subscription.

Each share in circulation on the date of assignment of the rights shall grant one pre-emptive subscription right, with 59 pre-emptive subscription rights required to subscribe for 21 New Shares. The majority shareholder of the Company, Ole Investments, B.V., has waived the exercise of 96,253 pre-emptive subscription rights in order to facilitate the exchange ratio of the Capital Increase.

The purpose of the simultaneous Capital Reduction and Capital Increase is to offset losses and re-establish the balance between the Company's share capital and net assets reduced as a consequence of losses and thus overcome the legal cause of dissolution provided for in Article 363.1 e) of the Law on Corporations in which the company is situated.

In accordance with the provisions of Article 344 on the Law on Corporations, the effectiveness of the Capital Reduction will be conditional upon the execution of the Capital Increase.

The terms and conditions of the Capital Increase and the procedure for the subscription and payment of the New Shares will be set out in the corresponding prospectus (the “**Prospectus**”) which the Company is working on for approval and registration by the Spanish National Stock Market Commission (the “**CNMV**”). Once registered by the CNMV, said Prospectus will be made available to shareholders and investors through the Company’s website (www.deoleo.com) and the CNMV (www.cnmv.es)

In addition, exercising of the powers of execution, development and modification conferred in the Extraordinary General Meeting of Shareholders of Deoleo held on 17th January 2020 under item Five on the Agenda, the Board of Directors of the Company has agreed, today, to implement the agreement to issue a maximum of 1,404,858,169 options (the “**Warrants**”), which will be granted free of charge to those shareholders who are assigned pre-emptive subscription rights in the Capital Increase and who are not professional investors under the terms of Article 205 of the Ley del Mercado de Valores and article 58 of Real Decreto 217/2008 of February 15th, provided that they do not waive their right to receive the Warrants on the terms set out in the Prospectus. The Board has agreed to develop and modify the terms and conditions of the issue of Warrants approved by the aforementioned Meeting in the following terms:

1. Rights Incorporated in the Warrants

The Warrants will grant their holders the right to receive, in the corresponding proportion, 10% of the lesser of (a) the value attributable to 100% of the shares (equity value) of the new sub-holding company, Deoleo Holding, S.L.U., in the context of a business transaction involving the direct or indirect transfer of the business or shares of the subsidiary Deoleo Global, S.A.U. (formerly Deoleo Comercial, S.A.U.) (the “**Transfer**”) or (b) the excess over €575,000,000 representing the enterprise value and/or assets determined for the purposes of the Transfer, all in accordance with the calculation rules and adjustments made for such purposes, in greater detail in the Prospectus. As long as the enterprise value and/or assets to be determined for the purposes of the Transfer do not exceed this minimum of €575,000,000, the Warrants would not give any right to payment.

2. Expiry of the Warrants

The Board of Directors has agreed to modify, for the benefit of the Company’s shareholders entitled to receive the Warrants, the term for the expiration of the Warrants that the Extraordinary General Meeting of Shareholders of Deoleo set at 5 years, to extend it so that the Warrants will expire (i) after 10 years from the date of issue of the Warrants in the event that the Transfer has not taken place or (ii) if within 10 years from the date of issue of the Warrants the Transfer has taken place, (a) on the date on which the payment of the economic rights of the Warrants takes place, or (b) on the date on which Deoleo notifies that a Transfer has taken place that does not give rise to a positive economic right for its holders, all on the terms to be set out in the Prospectus.

Warrants shall be represented by book entries and shall not be admitted to trading on a secondary market (whether regulated or not). The entities in charge of the accounting registration are Iberclear and its Participating Entities.

The effectiveness of the agreement to implement the issue of the Warrants will be subject to the execution of the simultaneous Capital Reduction and Capital Increase described above.

The Company will promptly inform the market of all relevant issues in connection with this announcement and, in particular, the date on which the Prospectus is approved and registered by the CNMV and the announcement of the Capital Increase in the Official Gazette of the Commercial Registry, which is expected to take place in the next few weeks, as well as any other issues that may arise within the framework of the evolution of the debt restructuring process of the Deoleo group in which the Company is involved.

In Madrid, May 7th, 2020

Mr Ignacio Silva Mayor
Chairman & CEO