



COMMUNICATION OF A RELEVANT FACT

MASMOVIL GROUP

In accordance with article 17 of the Regulations (UE) number 596/2014 on market abuse and article 228 of the Securities Market Act passed by Legislative Royal Decree 4/2015 of October 23 and concordance rules, we inform the market about the following Relevant Fact referred to MASMOVIL IBERCOM, S.A. (“**MASMOVIL**” or the “**Company**” or the “**Group**”).

RELEVANT FACT

New €100M Equity Funding eliminates need for future €200M ABO

A €100M capital increase has been fully subscribed to by two leading international banks, through the issuance of 5M new shares at €20 per share.

As previously announced in the Relevant Fact dated April 1st, 2019 regarding the repurchase of the Providence convertible, MASMOVIL originally had planned to execute the following transactions:

- Firstly, the issuance of €200M of Preferred Equity.
- Secondly, the replacement of this Preferred Equity instrument with common equity of €200M to be raised via an accelerated bookbuild offering (ABO).

The subscription of the €100M capital increase announced today, together with the yesterday’s announcement regarding MASMOVIL’s FTTH network transactions, allows the Company to eliminate the issuance of €200M of Preferred Equity (and the subsequent ABO) since alternative cash-flow would be generated:

- €150M from the net proceeds generated from the FTTH transactions.
- €100M from the equity issuance as detailed above.

MASMOVIL

This capital increase results in multiple benefits for the Company and its shareholders:

- **Avoided Dilution:** the capital increase reduces the issuance of initially expected c.10–11M new shares from the potential future ABO intended to replace the Preferred Equity to just the 5M shares issued.
- **No negative share price impact:** the foreseen ABO of €200M to replace the Preferred Equity could potentially have created some negative impact on the share price.
- **Certainty on final share number:** the final share count of MASMOVIL is now 131.7M shares with no further dilution event expected from the repurchase of the Providence convertible. In summary, through all these transactions the Company avoids the issuance of 31.8M shares (close to 20% of the share capital).
- **Transaction related fees have been significantly reduced**

Madrid, 8th May 2019

D. Meinrad Spenger
CEO
MASMOVIL IBERCOM, S.A.