



TELEFÓNICA, S.A., in compliance with the Securities Market legislation, hereby communicates the following

OTHER RELEVANT INFORMATION

Further to the communications dated July 18, July 28, August 8 and September 8, 2020 (under registration numbers 3477, 3646, 4034 and 4261, respectively), Telefónica informs that the offer submitted by its subsidiary Telefónica Brasil S.A. ("**Telefónica Brasil**"), jointly with TIM S.A. and Claro S.A. (jointly, the "**Purchasers**"), has been declared the winner of the competitive process for purchase of Oi Group's mobile assets in a judicial auction held today. The Judicial Recovery Court approved the Purchasers' offer as winner of the bid, after favorable opinion from the Public Prosecution of the State of Rio de Janeiro and the Judicial Administrator.

The total offered amount corresponds to R\$ 16,500 million (approximately EUR 2,684 million) including R\$ 756 million referring to transitional services to be rendered for up to 12 months by Oi Group to the Purchasers.

Telefónica Brasil shall disburse an amount corresponding to 33% of the total offered amount (equivalent to approximately R\$ 5,500 million, EUR 894 million). Subject to the terms, conditions and payment schedule set out in the share purchase agreement, the price shall be paid upon closing of the transaction.

Subject to the continuity of the current market conditions and the necessary internal approvals, and taking into account the company's strong financial position, Telefónica Brasil intends to use its own resources to finance the transaction.

Telefónica Brasil is entitled to a selection of assets composed of: (i) clients: approximately 10.5 million (corresponding to approximately 29% of Oi Group's mobile total client base); (ii) spectrum: 43MHz as a national weighted average rate based on population (46% of Oi Group's mobile radiofrequencies); and (iii) infrastructure: agreements for the use of 2.7 thousand mobile access sites (corresponding to 19% of Oi Group's mobile total sites).

The effectiveness of the acquisition by the Purchasers is subject to certain conditions usually applicable to transactions of this nature, all of which are part of the share purchase agreement, in addition to the required regulatory authorizations. Closing of the transaction is expected for 2021.

Madrid, December 14, 2020

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID -

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