



TELEFÓNICA, S.A. ("Telefónica" or the "Company"), in compliance with the Securities Market legislation, hereby communicates the following

OTHER RELEVANT INFORMATION

Today, Telefónica has reached an agreement with Liberty Latin America Ltd. for the sale of the entire share capital of Telefónica de Costa Rica TC, S.A. (hereinafter, "Telefónica Costa Rica").

The enterprise value of Telefónica Costa Rica is 500 million U.S. dollars (approximately 425 million euros at the current exchange rate), an implicit multiple of approximately 7.4 times the 2019 OIBDA of that company. The capital gain before taxes is estimated to amount to approximately 210 million euros and the net debt of the Telefónica Group will be reduced by approximately 425 million euros.

The closing of this transaction is subject to certain closing conditions, including relevant regulatory approvals.

On the other hand, regarding to the legal action initiated last May 2020, against Millicom International Cellular, S.A. and Millicom Spain, S.L. (hereinafter, "Millicom"), before the Courts of the State of New York (USA) (registered under number 1864), to demand compliance from Millicom with the terms of the agreement reached on February 20, 2019 between Telefónica and Millicom for the sale of Telefónica Costa Rica (registered under number 274959), Telefónica informs that such legal action will continue demanding the compensation of all damages that Millicom's unjustified breach has caused the Telefónica Group.

Madrid, July 30, 2020

**SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID -**