

COMMUNICATION OF INSIDE INFORMATION

June 22nd, 2020

In accordance with article 17 of the Regulations (UE) number 596/2014 on market abuse and article 226 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 Inside Information referred to MASMOVIL IBERCOM, S.A. (“**MASMOVIL**” or the “**Company**” o the “**Group**”).

MASMOVIL updates its agreements with Telefónica for both fixed and mobile networks

MASMOVIL has signed an agreement with Telefónica that modifies certain aspects of the national roaming agreement (NRA) and that includes agreements relative to:

- Migration of the mobile lines from Lycamobile Spain into its own mobile network that, among other initiatives, allows MASMOVIL to confirm that around 85% of the expected network synergies should already crystallize in 2021;
- The reduction of the cost per GB what will allow MASMOVIL to absorb future increase in data consumption;
- Changes in some other areas like the size of the mobile data buckets.

Additionally, both parties have also agreed to extend its FTTH network bitstream wholesale access agreement:

- The agreement allows MASMOVIL to substantially reduce the risk over its operating margins that would derive from a potential increase in the commercial penetration in the FTTH footprint of Telefónica, through a mechanism of wholesale prices reduction linked to minimum committed volumes;
- Additionally, MASMOVIL can increase in the short term its FTTH footprint in around 500k BU and will also have access to Telefónica’s future fiber network deployment.

Finally, the parties have also agreed to extend its collaboration regarding leased line circuits (fixed and mobile backhaul) agreeing the reduction in unitary prices in exchange for certain minimum volume commitments.

Taking into account MASMOVIL's current subscriber base in Telefónica's FTTH footprint, as well as its mobile customer base, the Company expects annual proforma savings before taxes of c.€28M in access costs, leased lines and mobile NRA.

The agreement includes yearly minimum commitments of approximately €100M of wholesale revenues for the next 5 years. In case that MASMOVIL were not able to grow sufficiently throughout those years, these above mentioned minimum commitments might imply a reduction of such expected savings.

Madrid, June 22, 2020

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