



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

OTHER RELEVANT INFORMATION

Further to the communication dated July 18, 2020 (under registration number 3477), Telefónica informs that Telefônica Brasil S.A., Telefónica's subsidiary in Brasil (the "Company"), has today presented an extended and revised binding offer for the acquisition of Grupo Oi's mobile business, jointly with TIM S.A. and Claro S.A. (jointly the "Bidders"), in the amount of 16,500 million Brazilian Reais (approximately 2,706 million euros at current exchange rates). Such joint proposal, additionally, considers the possibility of signing long term contracts for the use of Oi Group's infrastructure.

The revised binding offer has been submitted by the aforementioned parties, highlighting that it is subject to certain conditions, especially with regards to their selection as "stalking horse" ("first bidder"), which shall guarantee to them the right to make a higher bid than the best offer among the other offers presented ("right to top") in the competitive process of sale of Grupo Oi's mobile business.

The presentation of a revised binding offer restates the interest of the Company in the acquisition of Grupo Oi's mobile business, as well as foment the continuity of the development of the mobile telephony in the country, considering its broad experience in the telecommunication sector and wide knowledge of the Brazilian market.

As operator with reputable financial consistency, and with presence and record of intense long-term investments in Brazil, the Company is certain that the Bidders' joint offer, if accepted and deemed winner, shall benefit its shareholders by means of growth acceleration and efficiency generation, its clients by means of an enhanced experience of use and quality of the services rendered, and the whole telecommunication sector by means of strengthen investment capacity, technological innovation and competitiveness and, therefore, promotes and is aligned with the regulation that aims to build and consolidate a strong and efficient mobile service in the country.



The Company considers that the offer also addresses Grupo Oi's financial needs, as is widely known by the market in general, so that it is able to implement its strategic plan and serve its creditors, pursuant to the Judicial Reorganization Plan.

Madrid, July 28, 2020

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