



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

OTHER RELEVANT INFORMATION

Further the communication published on June 12, 2020 (with registry number 2737), the Company informs that on July 1, 2020 the free-of charge allotment rights trading period for the first capital increase with charge to reserves related to the shareholder compensation by means of a scrip dividend (“Telefónica’s Flexible Dividend”), ended.

The shareholders of 36.99 % of the free-of-charge allotment rights have accepted the purchase commitment assumed by Telefónica, S.A. The gross amount paid by Telefónica, S.A. for these rights amounts to 370,712,083.42 euros. The company has waived the rights thus acquired, that have been amortized.

On the other hand, the shareholders of 63.01 % of the free-of-charge allotment rights have opted to receive new shares of Telefónica S.A. Therefore, the final number of ordinary shares with a nominal value of 1 euro issued in the capital increase is 136,305,986, corresponding to 2.63 % of the share capital, being the amount of the capital increase 136,305,986 euros. As a result, the amount of the share capital of Telefónica, S.A. after the capital increase has been set at 5,328,437,672 euros, divided into 5,328,437,672 shares.

Also, it is expected that the new shares will be admitted to listing on the four Spanish Stock Exchanges and will be traded on the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil Español*) next, July 16, 2020 so that the ordinary trading of the new shares in Spain will begin on, July 17, 2020. The admission to listing of the new shares on the different foreign Stock Exchanges where Telefónica, S.A. is listed will also be requested.

Madrid, July 3, 2020

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