



TELEFÓNICA EMISIONES, S.A.U.

(incorporated with limited liability under the laws of the Kingdom of Spain)

€40,000,000,000

PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

unconditionally and irrevocably guaranteed by

TELEFÓNICA, S.A.

(incorporated with limited liability in the Kingdom of Spain)

PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

This supplement (the "**Supplement**") to the base prospectus dated 14 April 2020 (the "**Base Prospectus**") constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and is prepared in connection with the programme for the issuance of debt instruments (the "**Programme**") established by Telefónica Emisiones, S.A.U. (the "**Issuer**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the Guarantor that is the subject of this Supplement nor as an endorsement of the quality of any Instruments that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Instruments.

The purpose of this Supplement is to incorporate by reference into the Base Prospectus Telefónica's Interim Management Statement covering the three-months period ended 31 March 2020, and update the Base Prospectus with the information published by Telefónica, S.A. on 7 May 2020, regarding the agreement reached with Liberty Global plc to combine into a 50-50 joint venture their operating businesses in the UK (O2 Holdings Ltd. and Virgin Media UK, respectively).

IMPORTANT NOTICES

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus. Each of the Issuer and Telefónica, S.A. ("**Telefónica**" or the "**Company**") accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and Telefónica the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Instruments issued under the Programme since the publication of the Base Prospectus.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

SUPPLEMENTARY INFORMATION

Publication of First Quarterly Results

On 7 May 2020, Telefónica published its Interim Management Statement for the three-months period ended 31 March 2020. A translation from Spanish into English of this unaudited financial information has been filed with the Central Bank of Ireland and, by virtue of this Supplement, this interim financial report is incorporated in, and form part of, the Base Prospectus (amending page 34 of the Base Prospectus –“Documents Incorporated by Reference”). To the best of the knowledge of each of the Issuer and Telefónica, the English translation is an accurate, complete and direct translation of the original Spanish text.

The Interim Management Statements can be viewed on the website of Telefónica, at

<https://www.telefonica.com/documents/162467/145816197/rdos20t1-interim-management-statement.pdf/e7238107-1776-678e-63f5-c8694078debc>

For the avoidance of doubt, the above-mentioned Uniform Resource Locator ("URL") given in respect of a web-site address is an inactive textual reference only and it is not intended to incorporate the contents of the web site into the Base Prospectus nor should the contents of such web site be deemed to be incorporated into the Base Prospectus.

Agreement reached with Liberty Global plc

(amending page 91 of the Base Prospectus –“Recent Developments”)

Telefónica informs that it has reached an agreement with Liberty Global plc to combine into a 50-50 joint venture (JV) their operating businesses in the UK (O2 Holdings Ltd. and Virgin Media UK, respectively) to create an integrated communications provider in the UK with over 46 million video, broadband and mobile subscribers and approximately £11 billion of revenue.

The combined entity will be a stronger fixed and mobile player in the UK market and will benefit from the scale and complementary expertise of each partner, who will provide a suite of services to the JV after closing.

The JV will target leverage of between 4x and 5x OIBDA. This move is fully aligned with the New Telefonica strategy to focus and improve market positioning in its core markets.

The parties have agreed to restriction the transfer of interests in the JV to a third party until the fifth anniversary of closing, when it will be subject to a right of first offer in favour of the other shareholder.

The transaction is subject to regulatory approvals, consummation of the recapitalizations and other customary closing conditions.

GENERAL INFORMATION

Since 31 March 2020 there has been no significant change in the financial position or financial performance of the Issuer, save for: on 27 April 2020, the Issuer redeemed USD 1,400 million of its notes issued on 26 April 2020. These notes were guaranteed by the Guarantor.

Since 31 March 2020 there has been no significant change in the financial position or financial performance of the Guarantor and the Group, save for: on 6 May 2020, the Guarantor drew down EUR 200 million of its bilateral loan signed on 4 December 2019 and maturing in June 2027.