

PRESS RELEASE

Telefónica, IBM and Red Hat join forces to accelerate digital transformation with open hybrid cloud

• Cloud Garden 2.0 integrates IBM Cloud Pak and Red Hat OpenShift to help clients speed their hybrid cloud transformation using open technologies

• The insurance consortium TIREA is building innovative services through Cloud Garden 2.0

Madrid, January 26th, 2020.- <u>Telefonica</u> and <u>IBM</u> today announced Cloud Garden 2.0, the next phase of Telefonica's cloud services platform designed to accelerate application modernization. Cloud Garden 2.0 is built on IBM Cloud Pak and Red Hat OpenShift. Now, Telefónica clients can run their applications based on containers on premises or in the cloud environment of their choosing, as well as simplify and speed how they bring new solutions to market.

For example, the insurance consortium TIREA (Information Technologies and Networks for Insurance Entities) has developed a new, customer-facing application based on Cloud Garden 2.0 to help accelerate the digital transformation of the insurance sector.

According to a recent <u>IBM study</u>, Spanish executives are increasingly embracing architectural modernization as part of their digital transformation. In the next two years, 68% affirms they will prioritize the digital transformation of their organizations and 82% says they will make cloud computing a priority. They also foresee that in the next two years they will apply automation technologies to all business functions, but especially in purchasing, risks, supply chain and R&D.

"We are very pleased to have been able to count on the right partners to accelerate our hybrid cloud strategy and offer our clients the speed, flexibility and decision-making power they need to modernize and quickly launch innovative digital services to their users and customers," said Andrés López Hedoire, de Enterprise Product Marketing Director, Telefónica España.

Cloud Garden 2.0 speeds how clients can create next gen applications that improve quality and efficiency across core business operations, from customer-facing applications to mission critical back-end processes. The platform enables clients across industries to reduce the complexity of their development process and rapidly launch innovative services to market that can be deployed in any on-premises or cloud environment. By integrating IBM Cloud Pak, clients can also include a series of programs that help clients ease the transition to cloud native development environments, such as MongoDB, Red Hat JBoss, Red Hat AMQ, IBM WebSphere Liberty and Redis, among others.

Cloud Garden 2.0 is hosted via Telefonica's Virtual Data Center in Spain, helping its clients experience low-latency connectivity and better uptime for running and managing their applications.

"IBM is working in partnership with Telefonica to transform their enterprise offerings to take advantage of Hybrid Cloud and AI. Cloud Garden 2.0 builds on a long-standing relationship with Telefonica to deliver the latest innovations through an open, secure cloud platform that is built for

Telefónica, S.A.

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core business applications and will speed modernization for clients across Spain", said Javier Valencia, vice president of IBM Technology at IBM Spain, Portugal, Greece and Israel.

"Businesses across Spain are being challenged to bring new products and services to market faster. With Cloud Garden 2.0 built on Red Hat OpenShift, organizations receive a single hybrid cloud platform for application innovation that helps them focus on delivering the exceptional experiences customers expect" says Julia Bernal, country manager, Spain & Portugal, Red Hat.

Telefónica's cloud services are part of the company's strategy for the business market and its digital transformation under the Telefónica Empresas brand, which includes a unique proposal supported by 6 large business areas: connectivity, cloud, IoT, security, big data and digital workplace. Telefónica Empresas offers a centralized service offer from start to finish for each of the projects.

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