

NOTA DE PRENSA

PRESS RELEASE

JD DIGITS JOINS CHINA UNICOM AND TELEFÓNICA'S BIG DATA COMPANY

JD Digits has made an investment, through a capital increase, in Smart Steps Digital Technology Company, the joint venture created by China Unicom and Telefónica to offer big data services to Chinese customers.

Madrid, April 22nd 2019.- China Unicom, Telefónica and JD Digits announced that JD Digits has made a strategic investment, through a capital increase, in Smart Steps Digital Technology Co. Ltd. ["Smart Steps"], the big data company established by China Unicom and Telefónica in 2015. The investment of 100 million yuan (around 13.2 million euros) grants JD Digits a 16.7% stake of the company. China Unicom and Telefónica will hold a 45.8% and 37.5% stake respectively. The investment implies a post-money valuation of the JV of around 80 million euros, more than a 5-fold growth since Telefonica's initial investment.

Smart Steps has built up the most powerful mobile data processing platform in the world by combining the breadth of China Unicom's big data resources with Telefonica's world leading big data technology. It has developed additional data sources and created applications tailored to a wide range of industry sectors as well as 10 product platforms. Smart Steps has also signed contracts with hundreds of leading Chinese corporate customers and established a solid cooperative relationship with 8 ministries, over 300 urban planning institutes, well-known enterprises and universities, state-owned and joint-stock banks, and large Internet finance companies. Smart Steps has also become the leading demographic big data service provider in urban planning in China.

"Having JD Digits as a strategic partner is not only a great boost from the business point of view for our JV with China Unicom, but also a recognition of the power of our big data technology, the same expertise that we offer to hundreds of corporate clients around the world through LUCA, our data unit", commented Jacobo García-Palencia, director of Group Strategic Alliances at Telefónica.

The addition of JD Digits as a new strategic investor will provide long-term and efficient support for the business development of Smart Steps, providing the company with data modelling, an urban space management platform, artificial intelligence (AI), online and offline integration technologies, and data capabilities and products to increase Smart Steps' product portfolio.

Smart Steps will continue to focus on developing insight services and its industry expertise offering innovations in social governance and supporting corporate transformation, and strive to become a comprehensive smart data technology service provider leveraging both its own development capabilities and the expertise, resources and experience of its investment partners.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers with a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. As a growing company it prides itself on providing a differential experience based both on its corporate values and a public position that defends customer interests.

The company has a significant presence in 16 countries and over 356 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

About China Unicom

China United Network Communications Group Company Limited ("China Unicom") has subsidiaries in 31 provinces across China and many countries and regions around the world. It is the only Chinese telecom operator listed on the stock exchanges of New York, Hong Kong, and Shanghai.

China Unicom was one of the "Fortune Global 500" companies for consecutive years, and ranked 273rd in "Fortune Global 500" for the year 2018. The Company is committed to being a creator of smart living trusted by customers, connecting the world to innovate and share a good smart living, improving the quality of products and services continuously to fulfill customer needs. Future products and services will be developed in a "smart" way. Internet of Things, cloud computing, Big Data and other technologies will be used for the smart processing on data and information. The Company's telecommunication network covers China and connects to the world. It provides full range and high quality information and telecommunication services, including mobile broadband (WCDMA, LTE FDD, TD-LTE), fixed-line broadband, GSM, fixed-line local access, ICT, data communications and other related value-added services. As at the end of 2018, the Company had mobile billing subscribers of about 315 million, of which 4G subscribers of about 220 million, fixed-line broadband subscribers of about 81 million, and fixed-line local access subscribers of about 56 million.

About JD Digits

JD Digits was formerly known as JD Finance until it was comprehensively upgraded and rebranded in November 2018. Its operational purpose is to connect the finance industry and real economy by using digital technology, boosting the influence of the Internet, enhancing digital and smart industry development, fostering the development of the real economy and creating greater social value.

With its cutting-edge technologies and expertise in big data, AI, IoT and blockchain, JD Digits has been involved in many fields, including finance, urban computing, agriculture, campus services and digital marketing. In the future, JD Digits will enter more real economy sectors and will more deeply explore current business patterns and developing trends.

First established under JD.com, JD Digits later began operating as an independent business group in October 2013.