



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

OTHER RELEVANT INFORMATION

Telefónica announces that its subsidiary Telefónica Chile, S.A. (“Telefónica Chile”) has today entered into a stock purchase agreement with KKR Alameda Aggregator L.P. (a vehicle controlled by funds managed or advised by KKR affiliated entities) for the sale of 60% of the shares of InfraCo, SpA (“InfraCo”).

As part of the transaction, Telefónica Chile will sell approximately two million homes passed with fiber to InfraCo. Additionally, Telefónica Chile and InfraCo will enter into certain agreements for the provision of various services, including an agreement to provide wholesale connectivity services to Telefónica Chile on InfraCo’s fiber network.

The transaction values InfraCo at 1.0 billion dollars (approximately 0.8 billion euros at the current exchange rate), which represents an implied multiple of 18.4x 2020 OIBDA. Upon completion, the transaction will result in a reduction of Telefónica Group’s net financial debt of approximately 0.4 billion euros.

The transaction is subject to obtaining the corresponding authorizations from the antitrust authorities.

Madrid, February 22, 2021

SPANISH NATIONAL SECURITIES MARKET COMMISSION

- MADRID –