



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

OTHER RELEVANT INFORMATION

The Board of Directors of Telefónica, S.A. at its meeting held today, has resolved to carry out the implementation of the share capital reduction through the cancellation of own shares approved by the Annual General Shareholders' Meeting held today under item V. of its Agenda.

The share capital of Telefónica, S.A. has been reduced in the amount of 82,896,466 euros, through the cancellation of 82,896,466 own shares of the Company currently held as treasury stock, with a nominal value of one euro each. The share capital of the Company resulting from the reduction has been set at 5,443,534,596 euros corresponding to 5,443,534,596 shares with a nominal value of one euro each.

The reduction does not entail the return of contributions to the shareholders since the Company is the owner of the cancelled shares. The reduction has been carried out with a charge to unrestricted reserves, through the provision of a reserve for cancelled share capital in an amount equal to the nominal value of the cancelled shares (i.e. for an amount of 82,896,466 euros), which may only be used in compliance with the same requirements as those established for the reduction of share capital, by application of the provisions of section 335. c) of the Spanish Companies Act. Accordingly, as laid down in such section, the creditors of the Company will not have the right to oppose the reduction mentioned in section 334 of the Spanish Companies Act in connection with the share capital reduction.

The announcements of the reduction of share capital will be published in the Official Companies Registry Gazette (*Boletín Oficial del Registro Mercantil*) and in the Company's corporate website (www.telefonica.com) on April 28, 2021.

Thereafter, the public deed regarding the reduction of share capital and the amendment of the Bylaws will be granted and registered with the Mercantile Registry of Madrid, and the Company will request the exclusion from the accounting register of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* and from official trading on the securities markets.

Madrid, April 23, 2021

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