



TELEFÓNICA, S.A. (hereby Telefónica) in compliance with the Securities Market legislation, hereby communicates the following:

OTHER RELEVANT INFORMATION

Further to the communication published on May 7, 2020 (with registry number 222), regarding the agreement reached between Telefónica and Liberty Global plc to combine into a 50-50 joint venture (JV) their operating businesses in the UK, Telefónica informs that, after obtaining the relevant regulatory approvals, consummation of the necessary recapitalisations and satisfaction of other closing conditions, the closing of the transaction has been carried out today, resulting in the combination of both businesses into the JV called VMED O2 UK Ltd.

The constitution of the JV adds significant value to Telefónica, both from a business and financial perspective, with proceeds of 5.5 billion pounds sterling, of which 2.7 billion pounds correspond to Liberty Global 's cash payment to Telefónica to equalise ownership in the JV and 2.8 billion pounds correspond to gross proceeds from recapitalisation. Transaction reduces Telefonica's net debt by 5 billion euros.

Madrid, June 1, 2021

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