



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

OTHER RELEVANT INFORMATION

Further to the communication dated March 2, 2021 (under registration number 7728) regarding the agreement reached between Telefônica Brasil, S.A. and Telefónica Infra, S.L.U with Caisse de dépôt et placement du Québec ("CDPQ") for the construction, development and operation of a fiber (FTTH) network in Brazil, through a joint venture entity, FiBrasil Infraestrutura e Fibra Ótica S.A. ("FiBrasil"), Telefónica informs that, once the corresponding authorizations from the regulatory authorities have been obtained, the transaction has been completed.

The terms of the transaction encompass a total investment by CDPQ of up to R\$1.8 billion (approximately 0.3 billion euros at the current exchange rate), comprising payments to Telefônica Brasil, S.A. and contributions to FiBrasil, for a 50% stake in FiBrasil. Likewise, Telefónica Infra, S.L.U, will make certain payments to Telefônica Brasil, S.A. in equivalent economic terms, for a 25% stake in FiBrasil. This renders an implied valuation of the brownfield assets contributed by Telefônica Brasil, S.A. of 16.5x OIBDA 2020 Pro-Forma.

Madrid, July 2, 2021

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