Our mission: we want to make our world more human by connecting people’s lives

Values

- **WE ARE OPEN**
- **WE ARE BOLD**
- **WE ARE TRUSTED**

About Telefónica

Telefónica is one of the largest telecommunications service providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers.

With 369 million customers, the company operates in Europe and Latin America.

Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market and on those in New York and Lima.
1924
Telefónica (CTNE) is founded in Madrid, Spain

1999
Telefónica becomes a fully public company

1989-1990
Enters in Chile (CTC) and Argentina (TASA)

1998
Telefónica wins the tender for Telesp in Brazil

1994
Telefónica enters to Peru (TdP)

1987
Listing on New York Stock Exchange

1994
Telefónica enters to Peru (TdP)

1999
Telefónica becomes a fully public company

2000
100% acquisition in Argentina, Chile, Peru and Brazil
Enters in Mexico: acquisition of Bajacel, Movitel, Norcel and Cedetel

2004
Acquisition of Bellsouth LatAm assets

2005
Acquisition of Cesky Telecom

2006
Acquisition of O2 (UK, Germany and Ireland)
Controlling stake in Colombia Telecom

2007
Acquisition of controlling stake in Vivo

2008
Telefónica Deutschland's IPO

2010
Acquisition of controlling stake in Vivo

2012
Telefónica Deutschland’s IPO

2013
Creation of Telxius

2014
Disposal of Telecom Italia stake
Acquisition of DTS (Canal +) in Spain and GVT in Brazil
A company of platforms

2015
Disposal of Telecom Italia stake
Acquisition of DTS (Canal +) in Spain and GVT in Brazil
A company of platforms

2016
Creation of Telxius

2017
TEF reaches a stake 69.2%, at Telefónica Deutschland following agreement with KPN

2018
Creation of fibre vehicles in Brazil, Chile and Colombia

2019
Announcement of sale of assets in Central America (closing in 2021 y 2022)
5 key points that will mark the new Telefónica

2020
Telefónica Brazil launches, together with TIM and Claro, a bid to acquire Oi’s mobile business, amounting to 16.5 billion Brazilian reals

2021
Sale of Telxius’ towers business to American Towers

2022
Green light to the sale of Oi’s mobile assets to Telefónica and its partners

Creation of JV with Allianz for fibre rollout in Germany
Telefónica at a glance

➢ Telefónica operates in 12 countries.

➢ The company offers telco services and digital solutions in more than 170 countries via strategic partner agreements.

Accesses by market

- Germany: 50.2 Mn
- UK: 55.9 Mn
- Spain: 40.1 Mn
- Brazil: 98.8 Mn
- Hispam: 110.4 Mn

Argentina, Chile, Colombia, Ecuador, México, Perú, Uruguay and Venezuela.

Group 2021
- 369.1 Mn accesses
- 39,277 €Mn FY revenues

Revenues* from key markets: Spain, UK, Germany & Brazil: 78%
OIBDA* from key markets: 87%

* Weights calculated with revenues and OIBDA underlying with 50% of the VMO2 JV since June 2021
A leader in telecom infrastructures, offering best-in-class digital ecosystems and content

#1 global leader in UBB deployment, excluding China*

* Fuente: Analysys Mason

159 Mn premises passed with UBB
84.5 Mn premises passed through own network

5G Coverage
- 80% 🇪🇸
- 30% 🇩🇪
- 300 locations 🇬🇧
- 14 cities with DSS 🇧🇷

4G Coverage
- 80% of processes digitised
- 99% in Europa
- 82% in Latam

Best-in-class digital ecosystems & content

Content OTTs
- vivomoney
- ATMA
- Anima Educación
- vivo

Open RAN

80% of processes digitised

#1 copper network shutdown

**Fuente: Analysys Mason**

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ESG, at the heart of the company’s strategy

**Building a greener future**

- Net zero emissions by 2025 in main markets, and in all the value chain by 2040
- 100% renewable energy by 2030
- Circular Economy
- Zero Waste 2030
- A-List CDP
- Empowering our clients to decarbonise

**Helping society to thrive**

- Driving connectivity
  - Rural coverage 90-97% by 2024
  - Gigabit Internet for All
- Global Innovation & Talent Hub
- More inclusive workplaces
- Reskilling & Upskilling Digital skills development
- New flexible and digital ways of working
- #1 worldwide Telco sector in Digital Inclusion

**Leading by example**

- Restructured Board of Directors
  - 15 members, 60% independent, 33% women
- Privacy and security centres
- #1 leader in digital rights
- 100% suppliers under sustainability standards

ESG financing: Target >€10.000 Mn over the next years

- **Contribution to GDP** €48,904 Mn
- **Contribution to employment** 1.2 Mn
- **Total Tax Contribution** €9,134 Mn (€23.3 out of every €100 is spent on taxes)

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**Telefónica**

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Building a company for the future
Strategy based on 5 key points

1. Spain, Brazil, Germany and UK, core markets
2. Reduced exposure to Hispam
3. Telefónica Tech, a global digital business
4. Telefónica Infra, growing global infrastructure business
5. Streamlined & digital operating model
Core markets, with the best technological platforms and advanced digital services

- **#1 Fibre**
  - >80% premises | ~27 Mn PPs*

- **#1 5G**
  - >80% population

- **New fibre vehicle**
  - Target: >5 Mn PPs in low density areas

- **#1 TV Platform**

- **#1 Advanced services**

- **#1 Fibre**
  - 19.6 Mn PPs

- **#1 5G-DSS**
  - Launched in 14 cities

- **#1 Advanced services**

- **5G**
  - 30% coverage
  - #1 industrial 5G private network

- **Excellent network**
  - Very Good

- **#1 OpenRAN**

- **UGG**
  - Fibre company, wholesale and neutral

- **Fibre deployment**
  - 300 towns and cities
  - Target: 50% coverage in 2023

- **VMO2**
  - Connectivity champion

* PPs: Premises passed

Growing NPS in main markets
Telefónica Tech, accelerating our sustainable fastest-growing business

Revenue

~1,000 €Mn
+34% y-o-y
+50% Q4 21

Cloud & Cyber

Enhanced SMB offer in Spain and Hispam
Expanding partnerships

Cloud & Cyber

IoT & Big Data

Strong momentum in Big Data, Connected Car, Industry 4.0...

Scaled and enhanced capabilities

Best-in-class **global partners > 300**

Cross-selling

Industry recognition:

- **Gartner**: 8x leader in IoT connectivity
- **GlobalData**: Excellent in Security Services
- **IDC**: Leader in Security Managed Services in Europe

**IoT connectivity revenue**: +19% y-o-y

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**Telefónica Infra, growth and optionality**

### Fibre vehicles

<table>
<thead>
<tr>
<th></th>
<th>PPs/Premises passed</th>
<th>Target PPs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UGG</strong></td>
<td>Operations en 8 länder</td>
<td>&gt; 2 Mn in 6 years</td>
</tr>
<tr>
<td><strong>FiBrasil</strong></td>
<td>2.5 Mn</td>
<td>&gt; 6 Mn in 4 years</td>
</tr>
<tr>
<td><strong>Bluevia</strong></td>
<td>3.5 Mn</td>
<td>&gt; 5 Mn premises in low density areas</td>
</tr>
<tr>
<td><strong>JV UK</strong></td>
<td>16 Mn</td>
<td>Up to 7 Mn (greenfield)</td>
</tr>
<tr>
<td><strong>ON’NET Fibra</strong></td>
<td>c. 1 Mn</td>
<td>3.5 Mn in 2022</td>
</tr>
<tr>
<td><strong>InfraCo</strong></td>
<td>1.7 Mn</td>
<td>c. 4.3 Mn in 3 years</td>
</tr>
</tbody>
</table>

### Growth and optionality ahead

- **FIBRE**
  - 55.8 Mn PPs with own network
- **TOWERS**
  - CTIL: 15.9 k
  - Group (ex UK): 27 k
- **SUBMARINE CABLE**
  - 94 K km
  - 13 submarine cable systems
- **DATA CENTRES Nabiax**
  - 14 data centres
  - T. Infra: 20% in Nabiax
An Open Innovation Model
Based on excellent network connectivity, it combines in-house and third parties’ innovation capabilities

835 Mn €
R+D Investment*

Top 50
EU companies
R&D Investment**

Core Innovation
Applying innovation to Telefónica’s assets, creating new products to enhance our competitiveness

We innovate by leveraging Telefónica’s own platforms in areas of the company not accessible to third parties due to their strategic nature: data, network, home platforms, etc.

We have created new businesses such as Internet for All (wireless internet in remote rural areas), programmatic advertising and the blockchain unit, among others.

We are currently focused on the new opportunities that will emerge in metaverses, web3, cloud networking, 5G private networks and gaming.

Connected Open Innovation
Boosting the entrepreneurial ecosystem

Telefónica Ventures
+1,000
Startups in portfolio

Wayra
+130
Startups working with Telefónica

Open Future
+2,500 Mn€
Third-Party investment

+190 €Mn
Invested

8
Wayra Hubs
en Europa & Latin America

29
Open Future Hubs
2021 Highlights
Solid results:
Enabling sustainable growth / Strong balance sheet

Revenue growth
+2%
In all business units

Solid OIBDA
+1.4%
Margin 33.5%

Net Income
8,137 €Mn
1.38€ EPS

Net Debt
26,032 € Mn
(-26%)
50% vs. June 2016

Strong increase Equity
22k €Mn
x2 y-o-y
Strong FCF and significant debt reduction

Attractive shareholders remuneration

FCF*
3,755 €Mn 2021

* ex spectrum

Attractive shareholder remuneration policy

2022 dividend will be €0.30/share, payable in cash, in two tranches, December 2022 (€0.15/share) and June 2023 (€0.15/share).

2.41% treasury stock to be cancelled

Net Debt

26,032 €Mn

Liquidity Position

24.6 €Mn

Avg. Debt Life

13.6 years

Interest Payment Cost* 

3.86%

* Ex lease interests
**Telefónica España:**
The most advanced telco in Europe

### Results FY 2021*

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12,417 €Mn</td>
<td>+0.1%</td>
</tr>
<tr>
<td>OIBDA</td>
<td>3,377 €Mn</td>
<td>-5.3%</td>
</tr>
<tr>
<td>OIBDA Margin</td>
<td>+38.8%</td>
<td></td>
</tr>
</tbody>
</table>

#### #1 Leading in FTTH connected homes
- Premises passed: c.27 Mn
- Connected homes: 42.4%*  
  *Analyysis Mason

#### #1 TV Platform leading in technology (IPTV/OTT), content and customer experience

#### #1 Leading in mobile network speed and quality
- 80% population covered with 5G

#### #1 Movistar, the most valued brand*
- Record NPS (36%)
  *Kantar/Millward Brown

### Higher value customers

- **Uptake** of fibre customers connected to own network:
  - 29% | +0.5 p.p. **y-o-y**

### TV
- 3.7 Mn | (5.5 %)

### Mobile contract
- 15.2 Mn | (1.1%)
Telefónica Germany: Strategy based in a continuous and improved network expansion

Results FY 2021*

- **Revenue**
  - 7,765 €Mn
  - +3.1%

- **OIBDA**
  - 2,424 €Mn
  - +4%

- **OIBDA Margin**
  - +31.2%

* y-o-y changes in organic terms.

Focused in customer satisfaction and digital transformation

- **Customer Focus**
  - capEx record
  - c. 1,300 €Mn
  - +17.3%

- **Mobile accesses**
  - 45.6 Mn

- **5G >30% coverage**
  - Dec 2021
  - Target: 50% in 2022

- **3G switch-off completed**
  - -97%

- **Reduced Scope 1 & 2 emissions since 2015**
  - 97%

- **ESG recognition**
  - #1 Open RAN

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+4%

OIBDA
2,424 €Mn
+4%

OIBDA Margin
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Virgin Media O2 UK:
Upgrading the UK, reimagining connectivity

Results FY 2021*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12.046 Mn €</td>
<td>-1.2%</td>
</tr>
<tr>
<td>OIBDA</td>
<td>4.178 Mn €</td>
<td>+2%</td>
</tr>
<tr>
<td>OIBDA Margin</td>
<td>+34.7%</td>
<td></td>
</tr>
</tbody>
</table>

Lightning project
2.7 Mn premises passed / largest contributor to Government gigabit target

#1
100% Gigabit network upgrade

5G available in >300 towns & cities
Target: 50% of population in 2023

Network quality
Best network coverage & Fastest network provider
More reliable UK mobile network

Committed with fibre
Target: up to 7 Mn greenfield in 2027

#1 total accesses
55.9 Mn

Telefónica

* Organic OIBDA and OIBDA margin y-o-y calculated in line with Telefonica criteria. Includes VM02 proforma data which give effect to the combination of Virgin Media UK and O2 UK as if it had occurred on 1st January 2020 and pushes back purchase price accounting, policy alignment and transaction adjustments to this date.
Telefónica Brasil: Differential assets & leadership in value

Results FY 2021*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,910 Mn €</td>
<td>+2.1%</td>
</tr>
<tr>
<td>OIBDA</td>
<td>3,138 Mn €</td>
<td>+1.8%</td>
</tr>
<tr>
<td>OIBDA Margin</td>
<td>-45.4%</td>
<td></td>
</tr>
</tbody>
</table>

 Consolidation
The operation will improve the quality of the mobile network in Brazil

Fibre vehicle, neutral and wholesale
- 2 Mn premises passed in 2021
- Target 2024: 6.4 Mn premises passed

vivo

Total accesses
99 Mn

Record in mobile accesses
83.9 Mn +6.9%

Most recognized and valued brand
#1 Sustained leadership in mobile contract segment (37% of market share)
5.5 Mn accesses (FTTx/Cable)
4.6 Mn accesses FTTH (+36.4%)

Premises passed with fibre (FTTx) 27.4 Mn
Target: 29 Mn in 2024

Mobile network Coverage and capacity
#1 Largest 3G/4G mobile network coverage
- 5G DSS available in 14 cities
- Largest distribution channel: 1.700 shops

Fibre market leader, with 4.6 Mn accesses

#1 Largest fibre deployment in LATAM
- 2 Mn premises passed in 2021
- Target 2024: 6.4 Mn premises passed

The operation will improve the quality of the mobile network in Brazil

* y-o-y changes in organic terms.
Telefónica HispAm:
Profitable growth / Modulating exposure to the Region

Results FY 2021*

- Revenue: 8,362 €Mn (+5.1%)
- OIBDA: 1,718 €Mn (+3.4%)
- OIBDA-CAPEX: 740 €Mn (+2%)

Capital employed reduction -22%

Argentina
Chile
Colombia
México
Ecuador
Perú
Uruguay
Venezuela

Operating highlights FY 2021

- Total accesses: 110.4 €Mn
  - Mobile accesses: 94.6 Mn (+8%)
  - Contract customers: +8%
- FTTH (+25%)
  - 12.3 Mn premises passed
  - 82% deployment through third parties

NPS improvement in the Region

➢ Portfolio simplificación & cristalization of value
➢ Sale of Costa Rica & El Salvador
➢ EV/OIBDA > 7x
➢ Increased % of debt in local currencies

* y-o-y changes in organic terms.
Telefónica’s milestones in the last two years

- **7 May**: Telefónica and Liberty Global come together to create the leading fixed-mobile provider in the UK.
- **28 Jul.**: Telefónica Brazil launches, together with TIM and Claro, an offer to purchase Oi’s mobile business, 16,500 million reais Brazilians.
- **30 Jul.**: Telefónica presents its proposal for a Digital Pact, which was born with the aim of being the roadmap for the digitisation of SMEs, self-employed and Administrations public.
- **29 Oct.**: JV creation with Allianz for deployment of fibre in Germany.
- **22 Feb.**: FibraCo Chile: 60% sale to a KKR.
- **7 Feb.**: Execution sale of 1,900 towers to Telxius Torres Brazil.
- **27 Nov.**: 5 key decisions plan that will mark the new company’s time.
- **1 Sep.**: Telefónica switches on 5G in Spain and will reach 75% of the country’s population this year.
- **14 Dec.**: Telefónica Brazil and its partners, TIM and Sure, win the auction of mobile assets of Oi.
- **1 Jun.**: Launch day of Virgin Media O2, the JV set up by Telefónica and Liberty Global.
- **19 Jul.**: InfraCo Colombia: sale of 60% to KKR.
- **9 Feb.**: Sale of Oi’s mobile assets to Telefónica and its partners approved.
- **19 Oct.**: Creation of the Global Innovation and Talent Hub.
- **29 Jul.**: Telefónica Tech buys Cancom.
- **02 Mar.**: Creation of FiBrasil, neutral wholesale supplier of fibre.
- **13 Jan.**: Sale of the tower business from Telxius to American Towers...
Fundación Telefónica

Fortune 2020

Fundación Telefónica
Fundación Telefónica, the social side of a digital era

**Innovation & Talent HUB**

**Employability**
- **CONECTA EMPLEO**
  - ORIENTATION
    - Employment map
    - Virtual orientator
  - TRAINING
    - Online
    - Face-to-face
  - 42 | MADRID
  - Fundación Telefónica
  - Madrid/Bilbao
  - Barcelona/Málaga

**Education**
- Programs aimed at:
  - Teachers
  - Families/Youth/Children
  - Social organisations
  - Educational centres
  - Reducing social gap in disadvantaged environments

**Social action & Volunteering**
- >60,000 volunteers
- Digital transformation of social organisations

**Disseminating Digital Culture**
- ESPACIO
- Events & conferences
- Publishing
- Exhibitions & workshops

**PROJECTS:**
- 41 countries

**COLABORATION:**
- +500 organisations
- +100 public administrations

**COLABORATION**
- ProFuturo
- enlightED
- CODE

**TRAINING**
- Online
- Face-to-face
- Programs aimed at:
  - Teachers
  - Families/Youth/Children
  - Social organisations
  - Educational centres
  - Reducing social gap in disadvantaged environments