

Common Segregation Project

by Telefónica, S.A.

as the segregated company

in favour of

Telefónica Latinoamérica Holding, S.L. (Sole Shareholder Company)

as the beneficiary company

Madrid, 29 June 2022

CONTENTS

1.	INTRODUCTION.....	3
2.	JUSTIFICATION FOR SEGREGATION	3
3.	SIMPLIFIED PROCEDURE	5
4.	IDENTIFICATION OF THE COMPANIES INVOLVED.....	6
4.1	SEGREGATED COMPANY	6
4.2	BENEFICIARY COMPANY	6
5.	SEGREGATION BALANCES.....	6
6.	DETERMINATION AND REPORTING OF SEGREGATED ASSETS AND LIABILITIES	7
6.1	SEGREGATED ASSETS AND LIABILITIES	7
6.2	INFORMATION ON THE VALUATION OF THE SEGREGATED ASSETS AND LIABILITIES	7
6.3	DISTRIBUTION OF THE SEGREGATED ASSETS AND LIABILITIES	7
7.	CAPITAL INCREASE OF THE BENEFICIARY COMPANY.....	7
8.	ANCILLARY BENEFITS, SPECIAL RIGHTS AND SECURITIES OTHER THAN EQUITY SECURITIES.....	8
9.	ADVANTAGES ATTRIBUTED TO DIRECTORS	8
10.	DATE OF ACCOUNTING EFFECT OF THE SEGREGATION.....	8
11.	ARTICLES OF ASSOCIATION OF THE BENEFICIARY COMPANY	9
12.	POTENTIAL CONSEQUENCES ON EMPLOYMENT, GENDER EQUALITY IMPACT ON THE MANAGEMENT BODY AND IMPACT ON CORPORATE SOCIAL RESPONSIBILITY	9
12.1	POSSIBLE EMPLOYMENT CONSEQUENCES OF SEGREGATION	9
12.2	POSSIBLE GENDER DISTRIBUTION IMPACT ON MANAGEMENT BODIES	9
12.3	THE IMPACT OF SEGREGATION ON CORPORATE SOCIAL RESPONSIBILITY	9
13.	TAX REGIME.....	9
ANNEX 1	14
ANNEX 2	16
ANNEX 3	18
ANNEX 4	20

1. INTRODUCTION

In accordance with Title III of Law 3/2009, of 3rd April, on structural modifications of business corporations (the “**LME**”) and, in particular, for the purposes of the provisions of articles 74 and related articles, in connection with article 71, the members of the board of directors of Telefónica, S.A. (hereinafter “**TEF**” or the “**Segregated Company**”), as the segregated entity, and the joint directors of Telefónica Latinoamérica Holding, S.L. (Sole Shareholder Company) (hereinafter “**TLH**” or the “**Beneficiary Company**” and, jointly, the “**Companies**”), as the beneficiary entity, draw up and subscribe this common segregation project (the “**Common Segregation Project**” or the “**Project**”), which will be submitted for approval to the sole shareholder of TLH, in accordance with the provisions of articles 40 and 42, in relation to article 73, of the LME, and without the need for approval by the general meeting of TEF, under article 49.1.4^o, in relation to article 52, of the LME.

This Common Project of Segregation is subject to the simplified regime provided for in article 49 of the LME, in connection with articles 73 and 52 of the LME, since the Beneficiary Company is wholly owned directly by the segregated Company, as well as subject to the provisions of article 42 of the LME, insofar as the segregation will be approved by the sole shareholder of the Beneficiary Company.

The Common Segregation Project contains the legally stipulated information, as set out below.

2. JUSTIFICATION FOR SEGREGATION

The segregation referred to in this Project (the “**Segregation**”) is part of the corporate reorganisation process of the fixed and mobile telephony business of the group headed by TEF (the “**Telefónica Group**”) in Argentina (the “**Reorganisation**”). Specifically, the Reorganisation is envisaged to be carried out in two phases, through the implementation of the following operations:

- (i) Firstly, the Segregation described in this Project, which will consist of the transfer to TLH of the economic unit consisting of the investment in the fixed and mobile telephony business, represented, amongst other elements, by, the shares of the subsidiaries of the Telefónica Group in Argentina, Telefónica Móviles Argentina S.A. (“**TMA**”) and Telefónica de Argentina S.A. (“**TASA**”), of which TEF is the holder. Prior to this Segregation, another Telefónica Group company, Telefonica International Holding BV (“**BV**”), has sold its interests in TMA (1.52%) and TASA (0.42%) to TLH.
- (ii) Secondly, and conditional upon the implementation of the Segregation, the partial spin-off of TLH, whereby the economic unit consisting of the investment in the fixed and mobile telephony business, represented, amongst other elements, by its shares in TMA and TASA, namely (a) the shares it currently holds, as well as (b) the shares it will receive from TEF and (c) the shares received from BV through acquisition, together with other ancillary elements, will be transferred to a newly created Spanish limited liability company (“**HoldCo**”).

As a result of the aforementioned Segregation and partial spin-off, HoldCo will acquire 100% of the share capital of TMA, directly, and 100% of the share capital of TASA, directly and indirectly¹; and, on the other hand, TEF will assume all of HoldCo's shares. TEF will not receive any other elements apart from said shares as a consequence of the Segregation and the partial spin-off.

In this context, the reasons justifying the Reorganisation and, in particular, the Segregation are part of the new operating model implemented by the Telefónica Group in Latin America in recent years.

The model in question aims, among other things, to achieve the following objectives:

- (i) to further simplify the value proposition offered to its customers through an increasing standardisation and rationalisation of the offer of products and services linked, firstly, to the operation of telecommunications networks and, secondly, to the provision of electronic communications services, associated facilities and other value-added services;
- (ii) to achieve greater efficiency in the management of the material resources allocated to such operation and marketing through the elimination of redundancies, the pooling of shared management policies and the consequent optimisation of the investments required for this purpose; and
- (iii) to execute best practices in the implementation of business processes, in the use of unified management tools as well as in the design of operational policies and the adoption of synchronised management guidelines.

The above-mentioned model, furthermore, is aimed, in the same way, to: (i) ensure, on a territorial basis (either regional or national), a unified strategic and operational management vision; as well as (ii) articulate an organisational structure aimed at ensuring the viability and continuity of a telecommunications business, characterised by its development in an increasingly competitive environment.

In order to achieve the above, the rationalisation and consequent simplification of corporate structures, through which the aforementioned management is carried out, becomes one of the main tools in the optimisation of resources, as well as in the generation of value within the framework of full compliance with the applicable legal system in each case.

In this context, and as far as the present Segregation is concerned, it is deemed necessary, in relation to the businesses of the Telefónica Group in Argentina, to bring together in a single holding company the current shareholding structure of the legal entities through which such business is carried out, with the declared purpose of not only streamlining and making its structure more profitable, and to make the consequent allocation of human and financial resources optional, but also to simplify its management by further implementing a single management policy in that country.

¹ TMA has a direct 80.19% equity interest in the share capital of TASA. HoldCo will thus acquire in TASA (i) a direct 19.81% equity interest; and (ii) an indirect 80.19% equity interest (through its 100% equity interest in TMA).

3. SIMPLIFIED PROCEDURE

The Segregation, regulated in articles 68.1.3º and 71 of the LME, will be carried out through the transfer by the Segregated Company of the shares held in TMA, representing 73.20% of its share capital, and in TASA, representing 10.75% of its share capital, together with other ancillary elements that constitute the segregated independent economic unit (the “**Segregated Assets and Liabilities**”), in favour of the Beneficiary Company, the latter acquiring, en bloc and by universal succession, the Segregated Assets and Liabilities, as well as all its rights and obligations, all in accordance with the provisions of article 71 and related articles of the LME. TLH will increase its share capital and the new shares will be fully taken over by TEF.

Given that the Beneficiary Company is a company wholly owned directly by the Segregated Company, the Segregation will be subject to the simplified procedure provided for in article 49 of the LME, by reference to articles 73 and 52 of the same law, and, consequently, it will not be necessary:

- (i) in accordance with the article 49.1.1º of the LME, to include in this Common Segregation Project the information relating to (i) the type of exchange, the methods for assisting the exchange and, if applicable, the exchange procedure; (ii) the date as from which the holders of the shares delivered in exchange are entitled to participate in the profits and any peculiarities relating to this right; (iii) the information on the valuation of the assets and liabilities of the equity being transferred to the Beneficiary Company (without prejudice to the provisions of article 74.1 of the LME); and (iv) the dates of the accounts used to establish the conditions under which the Segregation is carried out.
- (ii) in accordance with article 49.1.2º of the LME, to prepare reports by directors and experts on the Joint Segregation Project.
- (iii) in accordance with article 49.1.4º of the LME, that the Segregation be approved at the general shareholders’ meeting of the Segregated Company (equivalent to the company being acquired pursuant to article 73 of the LME).

Furthermore, in accordance with article 49.1.3º of the LME, it would not be necessary to increase the capital of the Beneficiary Company. Nevertheless, it is decided to waive the application of this exemption and carry out a capital increase in TLH as a consequence of the Segregation.

As the Beneficiary Company is a sole shareholder company and approval of the Segregation at the general meeting of the Segregated Company is not required, the Segregation will be subject to article 42 of the LME, in conjunction with article 73. For this reason, the Segregation shall be carried out without the need for prior publication or filing of the documents required by law, without affecting the information rights of the employees, which shall be observed in all cases insofar as applicable.

In addition, since the Beneficiary Company is a limited liability company, the independent expert’s report required for public limited companies by article 67 of the revised text of the Spanish Companies Law, approved by Royal Legislative Decree 1/2010, of 2 July (the “**LSC**”) and articles 34 and 78 of the LME is

not required in connection with the capital increase of the Beneficiary Company arising from the Segregation.

4. IDENTIFICATION OF THE COMPANIES INVOLVED

For the purposes of 1^a of article 31 of the LME, the identification details of the entities participating in the Segregation are set out below:

4.1 SEGREGATED COMPANY

The Segregated Company is Telefónica, S.A., a Spanish public limited company, with tax identification number A-28015865, with registered office at calle Gran Vía 28, Madrid and registered in the Madrid Mercantile Register in Volume 152, Folio 122, Section 3, Page number M-6164, 1st entry.

The share capital of TEF amounts to 5,775,237,554 euros, divided into 5,775,237,554 shares of 1 euro par value each, numbered sequentially from 1 to 5,775,237,554, represented by book entries, fully subscribed and paid up, belonging to the same class and series and admitted to trading on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Stock Exchange Interconnection System (Continuous Market).

4.2 BENEFICIARY COMPANY

The Beneficiary Company is Telefónica Latinoamérica Holding, S.L. (Sole Shareholder Company), a Spanish limited liability company, with tax identification number B-86584992, with registered office at Ronda de la Comunicación s/n, Madrid and registered in the Madrid Mercantile Register in Volume 30,448, Folio 130, Section 8, Page number M-547960, 1st entry.

The share capital of TLH amounts to 236,750,275 euros, divided into 236,750,275 shares of 1 euro par value each, numbered sequentially from 1 to 236,750,275, all fully subscribed and paid up and belonging to the same class and series.

5. SEGREGATION BALANCES

For the purposes of article 36.1 of the LME, in relation to article 73, the balance sheet of the Segregated Company is considered to be that as at 31st December 2021, which forms part of the annual accounts for 2021, prepared by the board of directors of TEF on 23rd February 2022, duly verified by Pricewaterhouse Coopers Auditors, S.L., TEF's auditor, and approved at TEF's general shareholders' meeting on 8th April 2022, attached as **Annex 1**.

It is hereby considered as the balance sheet of segregation of the Beneficiary Company the balance sheet for the financial year ended 31st December 2021, which forms part of the annual accounts for the financial year 2021, which were prepared by the joint directors of TLH on 14th March 2022, duly audited by Pricewaterhouse Coopers Auditors, S.L., the auditors of TLH, and approved by the sole shareholder of TLH on 1st June 2022, attached as **Annex 2**.

6. DETERMINATION AND REPORTING OF SEGREGATED ASSETS AND LIABILITIES

6.1 SEGREGATED ASSETS AND LIABILITIES

As indicated above, the purpose of the Segregation is to transfer the economic unit consisting in the investment in the fixed and mobile telephony business in Argentina, represented by all the shares held by TEF in TMA and TASA to TLH, together with the rest of the main and accessory assets and liabilities that make up the corresponding economic unit, all of which are identified in **Annex 3**.

The Segregated Assets and Liabilities constitute an independent economic unit within the meaning of article 70 of the LME. Likewise, it is hereby stated that the Segregated Assets and Liabilities do not constitute an essential asset for TEF nor an essential activity carried out by TEF and therefore, the approval of the Segregation by the general meeting of TEF is not required for the purposes of articles 160.f) and 511 bis of the LSC.

Due to the dynamic nature of the Segregated Assets and Liabilities, from the date of this Project until the date on which the Segregation becomes effective, the aforementioned Segregated Assets and Liabilities and the elements comprising them may undergo variations. For further clarification purposes, the assets and liabilities that arise after the date of this Project, from decisions of the sole shareholder of TLH and even from the effectiveness of the Segregation and which are assigned to the Segregated Assets and Liabilities also form part of the Segregated Assets and Liabilities.

6.2 INFORMATION ON THE VALUATION OF THE SEGREGATED ASSETS AND LIABILITIES

For the purposes of 9^a of article 31 of the LME, in conjunction with article 74 of the LME, it is specified that the aggregate economic value attributed to the segregated assets is 1,093,238,526.21. The valuation of the segregated liability is 5,085,496.64 euros. Consequently, the net value of the Segregated Assets and Liabilities is 1,088,153,029.57 euros.

It is also stated for the record that the elements included in the Segregated Assets and Liabilities shall be recorded in the Beneficiary Company in accordance with the accounting principles and standards contained in the Spanish GAAP in force, approved by Royal Decree 1514/2007, of 16th November, 2007, as amended by Royal Decree 602/2016, of December 2, 2016 and by Royal Decree 1/2021, of January 12, 2016.

6.3 DISTRIBUTION OF THE SEGREGATED ASSETS AND LIABILITIES

The Beneficiary Company will receive the entirety of the Segregated Assets and Liabilities.

7. CAPITAL INCREASE OF THE BENEFICIARY COMPANY

Although article 49.1.3^o of the LME exempts TLH from the general requirement to carry out a capital increase in TLH as a result of the contribution to its assets of the Segregated Assets and Liabilities, in the context of this Segregation, TLH will increase its share capital financed under the non-cash contributions described in section 6.1 which constitute the Segregated Assets and Liabilities.

TLH will increase its share capital by 54,407,651 euros, by issuing 54,407,651 shares with a nominal value of 1 euro each, and with a total share premium of 1,033,745,378.57 euros, giving a share premium per share of approximately 19 euros.

All the new shares, which will be assumed in their entirety by the Segregated Company, will belong to the same single class and series as the existing shares of the Beneficiary Company.

The amount of the capital increase plus the share premium corresponds to the value assigned to the Segregated Assets and Liabilities. Both the nominal value of the issued shares and the corresponding share premium will be fully paid up as a result of the en bloc transfer to the Beneficiary Company of the Segregated Assets and Liabilities. Given that this transfer constitutes a non-monetary contribution to a limited liability company, it is hereby stated that the provisions of articles 67 of the LSC, 34 and 78 of the LME do not apply, and therefore the valuation of the Segregated Assets and Liabilities by an independent expert will not be necessary.

As a consequence of the capital increase described above, article 5 of the articles of association of the Beneficiary Company will be redrafted to read as follows:

“Article 5. Share capital: The share capital amounts to TWO HUNDRED NINETY-ONE MILLION ONE HUNDRED AND FIFTY SEVEN THOUSAND NINE HUNDRED AND TWENTY SIX euros, divided into TWO HUNDRED NINETY-ONE MILLION ONE HUNDRED AND FIFTY SEVEN THOUSAND NINE HUNDRED AND TWENTY SIX shares of (1) euro of par value each, fully subscribed and paid-up.

For the sole purpose of their identification they are numbered sequentially from the unit, equal, indivisible and cumulative.

Each share gives right to one vote.”

8. ANCILLARY BENEFITS, SPECIAL RIGHTS AND SECURITIES OTHER THAN EQUITY SECURITIES

For the purposes of 3^a and 4^a of article 31 of the LME, it is hereby stated that there are no ancillary services or obligations of industry contributions (*aportaciones de industria*) in the Companies, or holders of special rights or holders of securities other than those representing capital to which any rights are to be granted.

9. ADVANTAGES ATTRIBUTED TO DIRECTORS

For the purposes of 5^a of article 31 of the LME, it is stated that no advantages shall be attributed to the directors of the Segregated Company or of the Beneficiary Company.

It is not appropriate to extend this information to any expert, as there is no involvement of independent experts in this Segregation.

10. DATE OF ACCOUNTING EFFECT OF THE SEGREGATION

For the purposes of 7^a of article 31 of the LME, January 1st, 2022, is established as the date as from which the operations of the Segregated Company related to the Segregated Assets and Liabilities shall

be deemed to have been carried out for accounting purposes on behalf of the Beneficiary Company. The accounting effect date thus established is in accordance with the Spanish GAAP in force, approved by Royal Decree 1514/2007 of 16th November, 2007, as amended by Royal Decree 602/2016, of December 2, 2016 and by Royal Decree 1/2021, of January 12, 2016.

11. ARTICLES OF ASSOCIATION OF THE BENEFICIARY COMPANY

For the purposes of 8^a article 31, in conjunction with article 73 of the LME, the current articles of association of the Beneficiary Company are attached as **Annex 4**. These articles of association will be amended as a result of the capital increase mentioned in point 7 above, and, therefore, article 5 on share capital will be amended as provided for therein.

12. POTENTIAL CONSEQUENCES ON EMPLOYMENT, GENDER EQUALITY IMPACT ON THE MANAGEMENT BODY AND IMPACT ON CORPORATE SOCIAL RESPONSIBILITY

For the purposes of 11^a article 31 of the LME, the following is stated:

12.1 POSSIBLE EMPLOYMENT CONSEQUENCES OF SEGREGATION

The Segregation will not have any effect on the employees of TEF, who will continue to be employees of the Segregated Company after the Segregation, under the same terms and conditions as those applicable prior to the Segregation. It is noted that TLH has no employees.

The Segregated Company shall comply with its obligations to inform employees. The Segregation shall also be notified to the relevant public bodies, where appropriate.

Without prejudice to the above, it is hereby stated that it is expected that three employees of TEF will become employees of TLH at the time of the execution of the Segregation by means of a subjective renewal (*novación subjetiva*) of their employment contracts.

12.2 POSSIBLE GENDER DISTRIBUTION IMPACT ON MANAGEMENT BODIES

No changes in the structure of the management bodies of the companies in terms of gender distribution are foreseen in connection with the Segregation.

12.3 THE IMPACT OF SEGREGATION ON CORPORATE SOCIAL RESPONSIBILITY

The Segregation is not expected to have any implications on the corporate social responsibility policy of the Companies.

13. TAX REGIME

The proposed Segregation is carried out under the tax regime established in Chapter VII of Title VII of Law 27/2014, of 27th November, on Corporate Income Tax (the "LIS"); a regime that allows restructuring of corporate groups under the concept of tax neutrality, provided that such operations are carried out for valid economic reasons, such as those set out in section 2 of this Common Segregation Project.

Likewise, in accordance with the provisions of article 89.1 of the LIS, the appropriate notification shall be made to the State Tax Administration Agency under the terms established in the regulations and, where appropriate, the corporate decisions required by the aforementioned legislation shall be adopted.

* * *

Pursuant to the provisions of article 30 of the LME, in relation to article 73 of the aforementioned law, the members of the board of directors of TEF and the joint directors of TLH, whose names are set out below, sign and countersign this Common Segregation Project, in three identical copies in terms of content and presentation.

BOARD OF DIRECTORS OF TELEFÓNICA, S.A.

Mr José María Álvarez-Pallete López

Mr Isidro Fainé Casas

Mr José María Abril Pérez

Mr José Javier Echenique Landiribar

Mr Ángel Vilá Boix

Mr Juan Ignacio Cirac Sasturain

Mr Peter Erskine

Ms Carmen García de Andrés

Ms María Luisa García Blanco

Mr Peter Löscher

Ms Verónica Pascual Boé

Mr Francisco Javier de Paz Mancho

Mr Francisco José Riberas Mera

Ms María Rotondo Urcola

Ms Claudia Sender Ramírez

JOINT DIRECTORS OF TELEFÓNICA LATINOAMÉRICA HOLDING, S.L. (SOLE SHAREHOLDER COMPANY)

Mr Francisco Javier Ariza Garrote

Mr Diego Colchero Paetz

ANNEX 1

TELEFÓNICA, S.A. SEGREGATION BALANCE SHEET AS OF 31 DECEMBER 2021

Telefónica, S.A.

Balance sheet at December 31

Millions of euros			
ASSETS	Notes	2021	2020
NON-CURRENT ASSETS		60,476	66,866
Intangible assets	5	21	20
Software		7	8
Other intangible assets		14	12
Property, plant and equipment	6	136	145
Land and buildings		85	92
Plant and other property, plant and equipment items		49	50
Property, plant and equipment under construction and prepayments		2	3
Investment property	7	314	318
Land		100	100
Buildings		214	218
Non-current investments in Group companies and associates	8	55,067	59,368
Equity instruments		54,929	58,754
Loans to Group companies and associates		131	590
Other financial assets		7	24
Financial investments	9	3,929	4,900
Equity instruments	9	348	320
Derivatives	16	2,675	3,474
Other financial assets	9	906	1,106
Deferred tax assets	17	1,009	2,115
CURRENT ASSETS		11,399	15,369
Net assets held for sale	8	—	268
Trade and other receivables	10	333	282
Current investments in Group companies and associates	8	3,698	9,608
Loans to Group companies and associates		3,641	9,550
Derivatives	16	9	19
Other financial assets		48	39
Investments	9	1,550	2,167
Loans to companies		53	1,014
Derivatives	16	751	1,149
Other financial assets		746	4
Current deferred expenses		11	14
Cash and cash equivalents		5,807	3,030
TOTAL ASSETS		71,875	82,235

The accompanying Notes 1 to 23 and Appendices I and II are an integral part of these balance sheets.

Millions of euros			
EQUITY AND LIABILITIES	Notes	2021	2020
EQUITY		22,754	22,948
CAPITAL AND RESERVES		22,713	23,563
Share capital	11	5,779	5,526
Share premium	11	4,233	4,538
Reserves	11	13,041	15,660
Legal & Statutory		1,096	1,101
Other reserves		11,945	14,559
Treasury shares and own equity instruments	11	(546)	(476)
Profit (Loss) for the year	3	206	(1,685)
UNREALIZED GAINS (LOSSES) RESERVE	11	41	(615)
Financial assets at fair value with changes through equity		(52)	(124)
Hedging instruments		93	(491)
NON-CURRENT LIABILITIES		38,740	45,563
Non-current provisions	18	660	705
Non-current borrowings	12	2,818	5,765
Bank borrowings	14	415	1,392
Derivatives	16	1,824	4,025
Other debts		579	348
Non-current borrowings from Group companies and associates	15	35,141	38,900
Deferred tax liabilities	17	91	151
Long term deferred revenues		30	42
CURRENT LIABILITIES		10,381	13,724
Current provisions	18	30	26
Current borrowings	12	1,782	1,206
Bonds and other marketable debt securities	13	30	269
Bank borrowings	14	1,416	318
Derivatives	16	336	578
Other financial liabilities	14	–	41
Current borrowings from Group companies and associates	15	8,364	12,263
Trade and other payables	18	191	217
Current deferred revenues		14	12
TOTAL EQUITY AND LIABILITIES		71,875	82,235

The accompanying Notes 1 to 23 and Appendices I and II are an integral part of these balance sheets.

ANNEX 2

**TELEFÓNICA LATINOAMÉRICA HOLDING, S.L. (SOLE SHAREHOLDER COMPANY)
SEGREGATION BALANCE SHEET AS OF 31 DECEMBER 2021**

ASSETS	2021	Notes	2020
NON CURRENT ASSETS	7.073.204		7.552.850
Non-current investments in Group companies and associates	7.017.798	5	7.496.707
Equity instruments	7.017.798	5.1	7.496.707
Long -term financial investments	1		1
Deferred tax assets	55.405	9	56.142
CURRENT ASSETS	3.781.948		3.611.001
Trade and other receivables	8.335		13.384
Trade receivables	46		-
Trade receivables from Group companies and associates	7.453	11.1	12.994
Tax receivables	836	9	390
Current investments in Group companies and associates	179.219	5	520.763
Loans and other receivables	31.701	5.2, 9 y 11.1	388.149
Derivatives	806	11.1 y 14.1	1.313
Other financial assets	146.712	5.3 y 11.1	131.301
Short - term investments	-		334
Cash and cash equivalents	3.594.394	6	3.076.520
TOTAL ASSETS	10.855.152		11.163.851

EQUITY AND LIABILITIES	2021	Notes	2020
EQUITY	10.700.562		10.882.243
CAPITAL AND RESERVES	10.700.112	7	10.881.793
Share capital	236.750	7.1.1	236.750
Share premium	5.463.026	7.1.1	5.463.026
Reserves	5.182.017	7.1.2	7.320.837
Legal	47.350		47.350
Other reserves	5.134.667		7.273.487
Profit (Loss) for the year	(181.681)	3	(2.138.820)
UNREALIZED GAINS (LOSSES) RESERVE	450		450
Hedging instruments	450		450
NON - CURRENT LIABILITIES	109.228		109.429
Non - Current provisions	754		952
Provisions for other responsibilities	754		952
Non - current borrowings and other liabilities from Group companies and associates	-	11.1	3
Deferred tax liabilities	108.474	9	108.474
CURRENT LIABILITIES	45.362		172.179
Short-term provisions	8.375	13.4	375
Current borrowings and other liabilities from Group companies and associates	25.089	9 y 11.1	157.042
Trade and other payables	11.898		14.762
Suppliers	11.894		11.345
Other payables to public administrations	4	9	3.417
TOTAL EQUITY AND LIABILITIES	10.855.152		11.163.851

ANNEX 3

SEGREGATED ASSETS AND LIABILITIES

The following elements form part of the Segregated Assets and Liabilities:

1. **Assets.**

- (A) 203,439,184 ordinary book-entry shares of TMA, each with a par value of 1 Argentine peso, representing 73.20% of its share capital.

TMA, Telefónica Móviles Argentina S.A., an Argentine company with tax identification number 30-67881435-7, with its registered office at Av. Corrientes No. 707, ground floor, Autonomous City of Buenos Aires and registered in the Buenos Aires Commercial Registry under number 12454 of Book 116, Volume A of Corporations on 1st December 1994.

These shares belong to the Segregated Company by virtue of the merger by absorption of Telefónica Holding de Argentina S.A. approved by the TMA Assembly on 28th April 2017.

- (B) 101,130,084,868 ordinary book-entry shares of TASA, with a par value of 10 cents of an Argentine peso each and one vote per share, corresponding to class B; and 24,589,640,629 preferred book-entry shares, with a par value of 10 cents of an Argentine peso each and one vote per share, totalling 125,719,725,497 shares, representing 10.75% of its share capital.

TASA, Telefónica de Argentina S.A., an Argentine company with tax identification number 30-63945397-5, with its registered office at Av. Corrientes No. 707, ground floor, Autonomous City of Buenos Aires and registered in the Buenos Aires Mercantile Registry under number 4535 of Book 108, Volume A of Corporations on 13th July 1990.

These shares belong to the Segregated Company by virtue of the capital increase approved by the TASA Assembly on 28th April 2022.

The Segregated Assets and Liabilities consist of the shares indicated together with the other assets and liabilities linked to these shares, understood in the broadest sense. It is expressly stated that the dividends corresponding to such shares whose distribution has been agreed after 31st December 2021 (whether paid or not) form part of the Segregated Assets and Liabilities.

- (C) The Irrevocable Capital Contribution Agreement on account of future share subscription between TEF and TASA, dated 19 May 2022, by means of which TEF is entitled to receive the shares issued by TASA in execution of said contribution.

2. **Liabilities.** Liability for annual Argentine personal property tax associated with the holding of TASA and TMA shares owned by TEF.
3. **Contracts.** TEF's global contracts in the part that corresponds to the activities related to the investment in Argentina and the personnel to transfer (security, rental of space, energy attributable to staff, systems, human resources, tax and accounting services, etc.).

It is also noted that it is foreseen that three employees of TEF will become employees of TLH at the time of the execution of the Segregation by means of a subjective renewal (*renovación subjetiva*) of their employment contracts.

ANNEX 4
ARTICLES OF ASSOCIATION OF TLH

ARTICLES OF ASSOCIATION OF TELEFÓNICA LATINOAMÉRICA HOLDING, S.L.

TITLE ONE

NAME, PURPOSE, ADDRESS AND DURATION

Article 1. - Name and legal status. - The company is called "Telefónica Latinoamérica Holding, S.L.", is of Spanish nationality, is a mercantile company, and is governed in particular by these Articles of Association, and by mandatory or supplementary, as applicable, by the positive law in force.

Article 2. - Purpose. - The purpose of the company is

- a) Investment, administration and management activities in the telecommunications sector.
- b) The activities of consultancy, sale or transfer of telecommunications technology and engineering.
- c) The corporate purpose also includes the acquisition, holding, benefit and disposal of securities, as well as all kinds of holdings in any company or enterprise, by any means permitted by law, including the issue of a public offer for the acquisition and sale of securities.

All the activities comprising the corporate purpose may be carried out both in Spain and abroad, and may be carried out either directly, in whole or in part, by the Company, or through the ownership of shares or holdings in companies or other legal entities with the same or a similar purpose.

The activities listed shall be carried out in accordance with the legal provisions applicable to the matter and after obtaining, where appropriate, the necessary administrative or other authorisations or licences.

Article 3º. - Registered office.- The registered office is located in Madrid, Distrito Telefónica, Ronda de la Comunicación, s/n.

The governing body may agree to a change of registered office consisting of its transfer within the same municipal area, as well as the creation, removal or transfer of branches, agencies, delegations, representations and offices, both within and outside national territory.

Article 4º. - Duration and commencement of operations. - The duration of the company shall be indefinite, and it shall commence operations on the day of the execution of the deed of incorporation.

TITLE TWO

SHARE CAPITAL AND SHARES

Article 5. Capital: The share capital is TWO HUNDRED AND THIRTY-SIX MILLION SEVEN HUNDRED AND FIFTY THOUSAND TWO HUNDRED AND SEVENTY-FIVE EUROS, divided into TWO HUNDRED AND THIRTY-SIX MILLION SEVEN HUNDRED AND FIFTY THOUSAND TWO HUNDRED AND SEVENTY-FIVE shares of one (1) Euro par value each, fully subscribed and fully paid up.

For the sole purpose of identification, they are numbered consecutively from the unit, equal, indivisible and cumulative.

Each social participation gives the right to one vote.

Article 6º. - Shareholder status. - The shareholding gives its legitimate holder the status of shareholder and gives him/her the rights recognised in the special law and in these Articles of Association.

The exclusion of a shareholder may only take place on the grounds laid down by law.

Article 7º. - Register of shareholders. - The company shall keep a register of shareholders, with the contents and in the form prescribed by law.

The acquisition of shares by any means must be notified in writing to the governing body, stating the name or company name, nationality and domicile of the new shareholder.

If this requirement is not met, the new shareholder may not claim to exercise the rights to which they are entitled in the company.

Article 8º. - Regime for the transfer of company shares. - The regime of voluntary transfer by “*intervivos*” acts, as well as forced transfer and “*mortis causa*”, shall be governed in all cases by the provisions of Articles 106 et seq. of the current Spanish Companies Law and any legislation that may develop it or replace it in the future.

TITLE THREE

CORPORATE BODIES

Article 9º. - Determination. - The following are bodies of this company:

1. The General Shareholders' Meeting.
2. The Governing Body.

Article 10º. – General Meeting. - 1.- The will of the shareholders, expressed either at the General Meeting and by majority vote or by a decision of the sole shareholder, shall govern the life of the company. The majority must necessarily be formed at a General Meeting.

2.- The General Meeting shall be convened by the governing body by any means of communication, both individually and in writing, which ensures that the notice is received by all shareholders at the address designated for this purpose or in the register of shareholders. There shall be a period of at least fifteen days between the date set for the meeting and the date on which the last communication is sent, and it shall clearly state the place, date, time and matters to be discussed.

The General Meeting shall be convened within the first six months of each financial year in order to review the management of the company, to approve, where appropriate, the accounts of the previous financial year and to decide on the allocation of profits.

3.- Without prejudice to the foregoing, the General Meeting shall be validly convened anywhere in Spain or abroad to discuss any matter, without the need for prior notice, provided that all the share capital is present or represented and the attendees unanimously agree to hold the meeting and its agenda.

4.- The General Meeting shall be chaired by the Sole Director, by one of the joint or several Directors, or, where appropriate, by the Chairman of the Board of Directors, or, failing this, by the shareholder designated at the beginning of the meeting by the shareholders present. Deliberations and interventions shall be ordered by the Chairman, following the order of requests, and votes shall be cast orally, unless by decision of the Chairman or at the request of the majority of those present, they must be formulated in secret in writing.

5.- Resolutions shall be adopted by a majority of the votes validly cast, provided that they represent at least one third of the votes corresponding to the shares into which the share capital is divided, and blank votes shall not be counted.

In the cases of Articles 199 and 200 of the Spanish Companies Law, the voting quorums stipulated in those articles shall be required.

6.- The resolutions adopted shall be recorded in the minutes, which shall include the list of attendees and shall be approved at the end of the meeting or, failing this, in the legally established manner.

Article 11º. - Administration. - The administration of the company may be entrusted to:

- a). - a Sole Director;
- b). - a minimum of 2 and a maximum of 3 Directors acting jointly and severally or jointly, in the latter case, at least two of the Directors must act jointly;
- c). - a Board of Directors composed of a minimum of three and a maximum of twelve members, with

the General Meeting having the power to choose alternatively any of them, without the need to amend the Articles of Association.

To be appointed as a director, it is not necessary to be a shareholder, and both individuals and legal entities may be appointed as directors.

The bankrupt and declared bankrupt who have not been discharged, incapacitated minors, those sentenced to penalties entailing disqualification from holding public office, those who have been convicted of serious non-compliance with laws or company regulations and those who, by reason of their position, are unable to carry on business, may not be Directors.

Neither may civil servants in the service of the administration with functions in their charge that are related to the activities of the company, nor those who are affected by any legal cause of incompatibility, in particular those determined by Law 5/2006 of April 10, and in the applicable legislation of the regional government, as the case may be.

The term of office of the board of directors shall be 6 years and they may be re-elected one or more times for periods of equal duration.

The appointment shall lapse when, on expiry of the term, the General Meeting has been held or when the term for holding the General Meeting to decide on the approval of the previous year's accounts has elapsed.

Representation of the company, in and out of court, is the responsibility of the directors, and the power of representation, in the case of a sole director, shall necessarily correspond to the sole director; in the case of two or more joint directors, it shall correspond to each director; in the case of several joint directors, the power of representation shall be exercised jointly by at least two of them; and in the case of a board of directors, the power of representation shall correspond to the board itself, without prejudice to the possibility of delegation to one or several of its members.

The Governing Body shall represent the company in all matters relating to the company's legal business and shall bind the company by its acts and contracts.

It shall have all the representative powers of the company, without limitation and without prejudice to the powers of attorney that may be conferred on any person whose powers shall be designated by the power of attorney.

In addition to these representative powers, the Board of Directors shall have all powers necessary for the conduct of the company in all respects, except for those specifically attributed to the General Meeting by these Articles of Association or by law.

The Governing Body shall meet whenever the interests of the company so require and as necessary within the first three months of each financial year to prepare the accounts for the previous financial

year and the management report, if appropriate, and whenever a General Meeting of Shareholders must be called, unless it is a universal meeting.

The Directors shall call a General Meeting to be held within the first six months of each financial year in order to review the management of the company, approve, if appropriate, the accounts of the previous financial year and decide on the allocation of profits.

Directors may be removed from office at any time by resolution of shareholders representing more than half of the share capital.

Article 12º. - Board. -In the event that the administration of the company is entrusted to a Board of Directors, the following rules shall apply:

The company shall be governed and administered by a Board of Directors consisting of at least three and not more than twelve members, elected by the General Meeting.

The Board of Directors shall meet on such days as it may decide and whenever its Chairman so decides or whenever one of its members so requests, in which case it shall be convened by the Chairman to meet within fifteen days of the request.

Notice of meetings shall always be given in writing, addressed personally to each Director, at least five days before the date of the meeting.

The Board of Directors shall be validly constituted when half plus one of its members attend the meeting, present or represented.

Representation on the Board must necessarily be by another Director.

Except in the case of resolutions for which an enhanced majority is required by law, such resolutions shall be adopted by an absolute majority of the Directors present.

In the event of a tied vote, the Chairman shall have the casting vote.

If the General Meeting has not appointed them, the Board shall appoint from among its members a Chairman and, if it deems it appropriate, one or more Vice-Chairmen.

Likewise, it shall freely appoint the person who is to hold the office of Secretary and, if it deems appropriate, a Deputy Secretary, who may not be Directors, and who shall attend the meetings of the Board with voice but no vote, unless they hold the status of Director.

The Board shall regulate its own operations, and shall accept the resignation of Directors.

The discussions and resolutions of the Board shall be recorded in a minute book, and shall be signed by the Chairman and the Secretary or by the Vice-Chairman and the Vice-Secretary, as the case may be, and the certificates of the minutes shall be issued by the Secretary of the Board of Directors or, as the case may be, by the Vice-Secretary, with the approval of the Chairman or the Vice-Chairman, as the case may be.

The execution of documents as public documents shall be the responsibility of any of the members of the Board, as well as the Secretary or Vice-Secretary of the Board, even if they are not Directors.

Article 13º. - LIABILITY. - The directors shall be liable to the company, to the shareholders and to the company's creditors for any damage caused by acts contrary to the law, to the articles of association or for acts performed without the diligence with which they should discharge their duties.

Article 14º. - BENEFITS. - On the proposal of the Board of Directors, the majority of the shareholders at the General Meeting shall, subject to the rules in force, determine the profits, apply them, fix the distributable dividend and distribute it, as well as the form and time limit for its payment.

TITLE FOUR

FINAL PROVISIONS

Article 15º. - Financial years and accounts. -The financial years shall run from the first day of January to the thirty-first day of December of each year, except for the first financial year, which shall begin on the date of incorporation of the company.

Within three months after the end of the financial year, the directors shall draw up the balance sheet, profit and loss account, annual report, management report and proposed distribution of profits, and all non-director shareholders shall be notified, by any means of communication, individually and in writing, which ensures receipt, for approval at the meeting to be held within six months after the end of the financial year.

Any shareholder, irrespective of the capital he/she represents, has the right to examine at the registered office, either by himself/herself or together with an expert, and for a period of fifteen days prior to the meeting, the veracity of the information submitted.

Article 16º. - Dissolution and liquidation. - The company shall be dissolved in whole or in part in accordance with the provisions of the law, and the shareholders shall determine the persons, terms and manner of winding up in accordance with the legislation in force.

Article 17º. - Jurisdiction and competence. - All questions and incidents that may arise with respect to the provisions of these Articles of Association shall be resolved in accordance with the provisions of the law, and the courts and tribunals of Madrid shall have jurisdiction.