

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

OTHER RELEVANT INFORMATION

Telefónica informs that its subsidiaries Telefónica España and Telefónica Infra have reached an agreement with a consortium formed by Vauban Infrastructure Partners (“Vauban”) and Crédit Agricole Assurances (“CAA”) to incorporate a joint company, Bluevia Fibra, S.L. (“Bluevia” or the “Company”), for the deployment and commercialization of a fiber to the home (FTTH) network mainly in rural areas in Spain.

Bluevia will acquire 3.5 million premises already passed from Telefónica España and will deploy an additional 1.5 million over the next two years, reaching a total footprint of 5 million premises passed. The 3.5 million premises to be sold to Bluevia represent 13% of Telefónica's FTTH network in Spain, whilst Telefónica España retains full ownership of the rest of the network. The transaction also includes the subscription of several agreements for the provision of services from Telefónica Group to Bluevia.

The consortium formed by Vauban/CAA will acquire a 45% stake in Bluevia from Telefónica España through an upfront consideration of 1,021 million euros in cash, valuing 100% of the Company at 2,500 million euros, which represents a multiple of 27.1 times over its proforma estimated OIBDA for 2022.

Regarding the capital structure post closing of the transaction, Telefónica Group will maintain 55% and Vauban/CAA the remaining 45%. Telefónica Group's 55% stake will be held by Telefónica España and Telefónica Infra with 30% and 25% stakes, respectively.

Closing of the transaction is subject to obtaining the corresponding regulatory authorizations.



This transaction is part of Telefónica Group's strategy, which includes, among other objectives, an active portfolio management policy of its businesses and assets, based on value creation. With this transaction, the Group accelerates fiber deployment in rural areas of Spain while crystalizing the value of its infrastructure assets and reinforcing Telefónica Infra's portfolio of investments in partnerships with top tier financial investors.

Madrid, July 25, 2022.

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