

Press Release

Acceptance period for Telefónica Deutschland shareholders commences

- Telefónica launches public acquisition offer in form of a partial offer for Telefónica Deutschland, following announcement made on 7 November 2023
- Best and final cash offer of EUR 2.35 per share provides an attractive, secure and timely opportunity for shareholders to realize a significant premium of 37.6% to the closing share price on 6 November 2023
- Telefónica Deutschland shareholders can tender their shares until 17 January 2024, 24:00 (CET)
- Offer not subject to a minimum acceptance threshold, no structural measures required
- Settlement – including payment of offer price – expected shortly after the expiry of the acceptance period as no regulatory approval needed
- Offer document and more details on tender process available at <https://www.td-offer.com>

Madrid, 5 December 2023. Today, Telefónica, S.A. (“**Telefónica**”), through Telefónica Local Services GmbH (the “**Bidder**”), a wholly-owned subsidiary of Telefónica, has published the offer document for a voluntary public acquisition offer in the form of a partial offer to the shareholders of Telefónica Deutschland Holding AG (“**Telefónica Deutschland**”), to acquire up to approximately 18.52% of Telefónica Deutschland shares, which are not already held (directly or indirectly) by Telefónica (the “**Offer**”). The acceptance period commences today and will end on 17 January 2024, 24:00 (CET), unless extended.

Highly attractive premium for Telefónica Deutschland shareholders

With the best and final offer price of EUR 2.35 per share, Telefónica provides all existing minority shareholders with an attractive, secure and timely opportunity to access liquidity at a significant premium at a time when Telefónica Deutschland is focused on its commitment to continue delivering sustainable growth and efficiencies. The offer price represents a premium of 37.6% to the closing share price on 6 November 2023 (the day prior to the public announcement of the intention to make

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the Offer) and a premium of 36.3% to the then-preceding 3-months volume-weighted average price.

Given that the Offer is not subject to a minimum acceptance threshold and no regulatory approval is needed for this transaction to be completed, the Offer will settle shortly after the expiry of the acceptance period. Payment of the offer price will thus take place prior to the fiscal year 2023 dividend payment of EUR 0.18 per share, which is expected to be paid in May 2024. For fiscal year 2024 and subsequent years, Telefónica intends to promote a revision of the current Telefónica Deutschland dividend policy in order to establish a more conservative financial policy that will better support the current Telefónica Deutschland strategy.

Telefónica Deutschland to remain a Munich-based telecom powerhouse

The Offer reinforces Telefónica's strategy to focus on its core geographies (Spain, Brazil, Germany and the UK). It is a strong commitment to the German market, one of the most attractive and stable telecom markets in Europe, and a strong sign of confidence in Telefónica Deutschland's long-term potential. Telefónica Deutschland will continue to be a Munich-based telecom powerhouse managed independently under the umbrella of the Telefónica group. Telefónica has full confidence in the current members of the management board of Telefónica Deutschland and intends to continue to work closely with them. There are no intentions to make any changes with respect to the employees of Telefónica Deutschland, their employment conditions, or their employee representation.

No structural measures required to achieve strategic agenda

As a publicly-listed majority owner of Telefónica Deutschland – directly and indirectly holding (including instruments that give the right to acquire approximately 1.32% of Telefónica Deutschland's share capital) approximately 81.48% of shares – Telefónica does not require any structural measures to finance the transaction or achieve its strategic agenda in Germany. Therefore, it has no intention to implement a domination agreement and/or profit and loss transfer agreement.

The Offer is made in accordance with the terms and conditions set forth in the offer document approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) on 5 December 2023. The offer document and other information relating to the Offer are available at <https://www.td-offer.com>.

Bank of America and J.P. Morgan are acting as financial advisors, and Gleiss Lutz, Uría Menéndez and Davis Polk & Wardwell LLP as legal advisors to Telefónica.

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About Telefónica S.A.

Telefónica is a listed company and 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 close to 384 million customers, Telefónica operates in Europe and Latin America.

About Telefónica Deutschland Holding AG

Telefónica Deutschland is one of the leading integrated telecommunications providers in Germany, serving more than 44 million mobile accesses (including 1.7 million M2M accesses) and 2.3 million broadband accesses.

Legal Disclaimer

This press release is for information purposes and neither represents an offer to purchase or sell nor a solicitation of an offer to purchase, sell or tender shares of Telefónica Deutschland. The complete terms and conditions of the Offer are published in the offer document, which is available at <https://www.td-offer.com>. Investors and shareholders of Telefónica Deutschland are strongly advised to read the offer document as it contains important information. Any decision to accept the Offer should be made solely on the basis of the information contained in the offer document. Where appropriate, it is furthermore recommended that investors and shareholders seek independent advice in order to receive individual assessment regarding the Offer.

The Offer is conducted exclusively under the laws of the Federal Republic of Germany and certain applicable provisions of the U.S. securities laws. Any contract concluded on the basis of the Offer will be exclusively governed by the laws of the Federal Republic of Germany and is to be interpreted in accordance with such laws. The Bidder and/or persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG may acquire, or make arrangements to acquire, Telefónica Deutschland shares other than in the course of the Offer on or off the stock exchange during the period in which the Offer remains open for acceptance, provided that such acquisitions or arrangements to acquire comply with the applicable German statutory provisions, in particular the WpÜG, and the applicable provisions under the U.S. Securities Exchange Act of 1934, as amended. Information about such acquisitions or arrangements to acquire will be disclosed in the form prescribed by section 23 para. 2 WpÜG, with a non-binding English translation being made available on the Bidder's website at <https://www.td-offer.com>.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of shares in any state or country in which the making of the Offer or the acceptance thereof would not be in compliance with the securities or other laws of such state or country.

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