

GENERAL 20 SHAREHOLDERS 26 MEETING

Chairman's speech

Marc Murtra

Chairman & CEO Telefónica S.A.

This document is complemented by a video
about 'Results for the year 2025'

[Available here](#)



Marc Murtra
Chairman & CEO
Telefónica S.A.

Good morning, ladies and gentlemen, shareholders.

Welcome to Telefónica's Ordinary General Shareholders' Meeting.

Thank you all for joining us, those here in the hall, as well as those of you connecting remotely.

Ladies and gentlemen, welcome to our Ordinary General Shareholders' Meeting.

A year ago I stood before you as a newly-appointed Chairman to outline the direction we wanted Telefónica to take: to strengthen our strategic commitment in Europe, to simplify the company by focusing on our core markets and to continue to lessen our exposure in Latin America.

And today I appear before you for the second time as Chairman with a clear objective: accountability.

Accountability through facts.

Accountability through results.

Fifteen months ago we entered a new era of profound transformation.

Today we are not here to talk about intentions.

We are here to talk about execution.

We are here to talk about results.

And we are here to talk about the future.

To transform a company, first one must analyze it in depth.

That is the first thing that we did.

We confirmed something undeniable: Telefónica is an extraordinary company.

It is the leader in two of our four core markets.

With advanced, robust infrastructure.

A pioneer in convergence strategy.

And, above all, with precious human capital.

But we also identified what needed fixing:

Organizational complexity.

Slow execution.

Little financial flexibility.

Structural pressure in costs.

And an aversion to making difficult decisions.

Transformation requires clarity.

And clarity means making decisions.

We chose to simplify.

We chose to focus.

We chose to strengthen our balance. And take calculated risks.

Transformation does not arise from comfort. Rather, it arises from determination and execution.

I hope you will allow me a brief aside.

I am British on my mother's side and I have always felt at home with British humour.

There is a saying that has sprung to mind during these months working at Telefónica. I believe in the need to transform this company and I sometimes remind my team that, as they say in the UK:

"The problem with doing nothing is not knowing when you are finished."

In other words, I am a strong advocate of taking action.

Transformation requires taking risks and figuring out when to take them with rigour.

The world is undergoing rapid change driven by the growing impact of technology at all levels, particularly from artificial intelligence.

After 30 years working in technology, I had never seen advances as useful, significant and disruptive as I have seen in the last four months.

We are facing new challenges, but there are also new opportunities that we must seize.

We do not follow the wind; we adjust the sails.

Spain, Europe and the world are immersed in a transformation.

Telefónica will be part of this change. We must keep our focus and never chase after shadows on a sunny day.

That's why we have set ourselves a challenge that will define our strategy in the coming years:

Telefónica has undertaken the undeniable challenge of becoming the best gateway to digital technologies for people, businesses and institutions.



To become one of the best telcos in Europe by 2030

To become one of the best telcos in the world by 2035.

With those goals in mind, we seek to transform the company comprehensively.

First we are starting with our own Governance bodies.

To strengthen our Board, we aim to bring in new profiles that are aligned with our new objectives and have international and digital technology experience.

Consistent with good governance practice, we have increased the number of women and independent Directors on the Board.

Since our last General Shareholders' Meeting in April last year, Ana Martínez, Mónica Rey and César Mascaraque have joined the Board as independent directors and you are kindly asked to confirm these appointments today. Furthermore, the Board of Directors has also

moved to propose to you the appointment of Jane Thompson as an independent director.

I would like to thank the outgoing directors for their dedication, commitment, and service while in office.

Good governance is not a mere formality; it is the foundation of trust among our stakeholders.

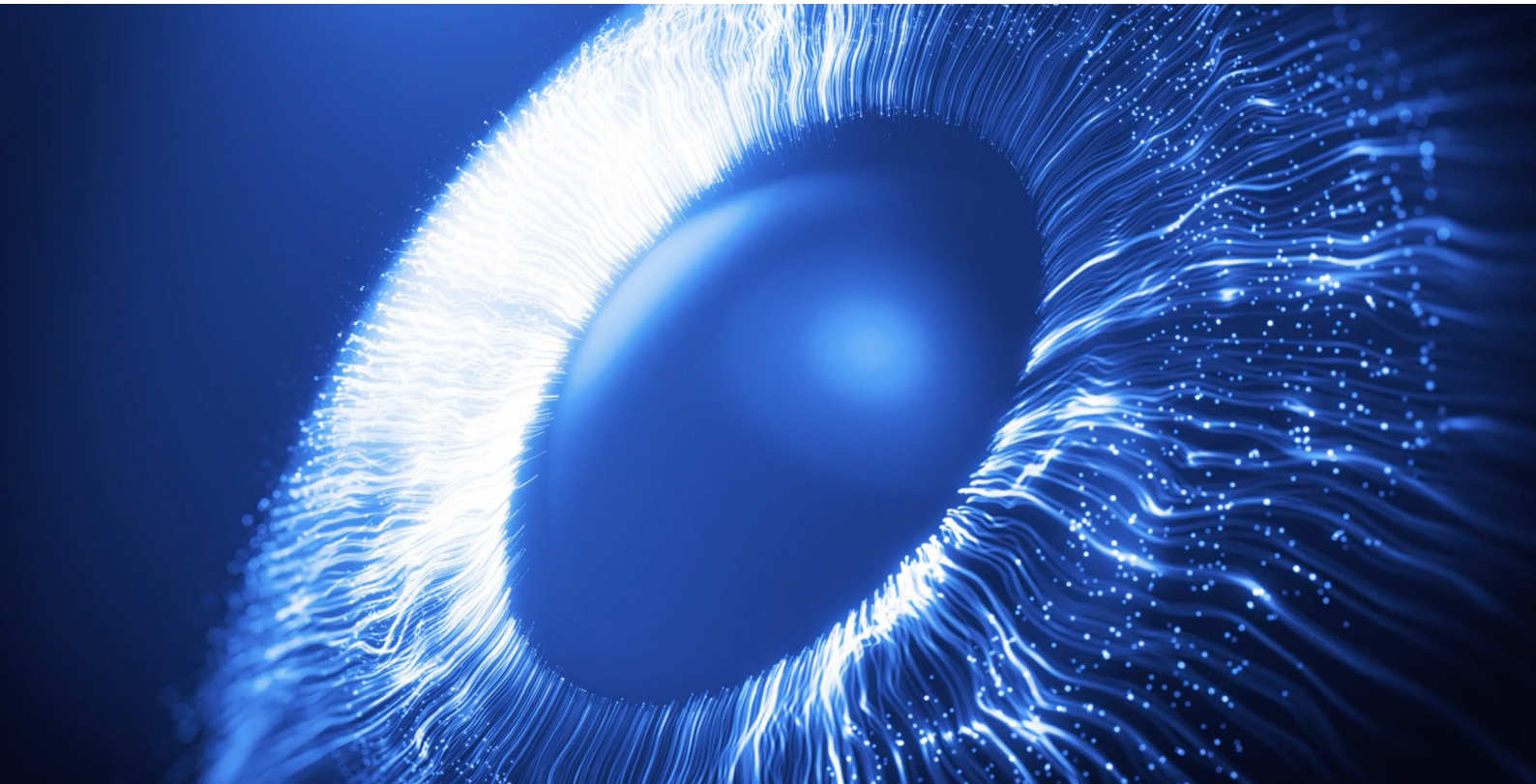
We operate in an environment marked by uncertainty and geopolitical and economic volatility, by the unstoppable emergence of AI and the changes it will inevitably bring about.

In this context, we have a clearly outlined roadmap: our "Transform & Grow" strategic plan that was unveiled last November.

Our plan has one clear ambition:

To turn Telefónica into a more focused, efficient and profitable company.

And, as I said earlier, to become the best gateway to digital technologies for people, businesses and institutions.





In order to achieve this, we have defined five axes.

Five priorities. A single direction.

1. First axis: towards consolidation and leadership in Europe.

Europe needs strong operators.

With investment capacity.

With sufficient scale.

With strategic vision.

In today's increasingly unstable geopolitical environment, we strongly support consolidation in Europe's telecom sector as a necessary condition for building Europe's technological sovereignty.

We share with the European authorities the commitment to consolidation in order to build a stronger Europe.

Now is the time.

Market fragmentation in Europe limits scale, cuts investment in technology and is detrimental to innovation.

The world of technology is not a game between

two players, but three. It's not just about China and the US.

It's about Europe, too.

And in this new global balance, Europe needs leading companies that are able to compete, innovate and guarantee technological sovereignty.

Telefónica wants to be a part of that European response.

A recent example of our consolidation and European leadership policy is the acquisition of Netomnia in the United Kingdom. This operation strengthens our presence in one of the most relevant European markets and enhances our next-generation network capabilities.

We are committed to consolidation in key markets and are making progress in our divestment strategy in Latin America.

We have completed our exit from Peru, Uruguay, Ecuador, Colombia, and Chile.

We are focused on our four core markets: Spain, the United Kingdom, Germany and Brazil.

Less scatter.

More focus.

2. Second axis: a more innovative and competitive company.

We are simplifying obsolete structures.

We are boosting talent.

Our commitment to innovation translates into concrete technological capabilities.

Allow me to share three examples with you:

Firstly, Telefónica is implementing a cloud infrastructure with AI capabilities and low-latency processing

This includes the deployment of Edge, our breakthrough 17-node technology, enabling next-generation digital services with greater speed, security and efficiency.

The second example is network resilience through automation, a feature already built into our infrastructure to ensure continuity and security in critical situations.

This same capability is being extended to our users, businesses and government bodies through Titan Connect, a solution that guarantees secure, resilient connectivity in critical environments such as emergencies, security and defence.

A third example of Telefónica's commitment to developing and distributing high-quality media content are the productions of Movistar Plus+

Anatomía de un instante is one of this year's blockbusters. It's done exceedingly well in terms of awards and festivals, and its quality has been celebrated enthusiastically by critics and viewers alike.

Los domingos and Sirat were landmark productions in Spain's cinema, having received Goya awards and nominations to the Oscars.

These three examples are evidence of Telefónica's commitment to technological innovation and the creation of quality content.

3. Third axis: more and better services for our customers.

Our commitment is clear: to provide the best access to technology.

More network.

More quality.

More capacity.

And at the center of this transformation are our customers.

Telefónica's customers must be at the heart of everything we do.

I come from a family that, for many generations, has enjoyed a traditional calçotada in Valls. For years now, I have hosted this get-together and I must say it is one of the highlights of my year.



Sometimes, some of us struggle to express our feelings in public. For me, this annual gathering, bringing my friends together in the countryside to share an informal and enjoyable day, is my own way of showing how much it means to me to be part of their lives and for them to know they are an essential part of mine. On that day, a spirit of trust and companionship prevails.

That same spirit is what I have sought to bring into the professional world. To always place customer service front and center. To ensure our customers know that our primary commitment is to earn their trust because we know that, if we succeed, it will provide the best evidence that we have done our job well.

Technology is a tool for economic and social progress. But for many, it is also a source of concern because they do not know how to manage it or unlock its potential.

That is why we have set ourselves the goal of becoming the best gateway for all our customers to access the most advanced digital technologies.

To deploy the best technology means to contribute to the development of the world around us.

That's what Telefónica is about.

I have always preferred things to be done quietly, without unnecessary fuss.

Technology applied to actual needs.

4. Fourth axis: an institutional benchmark for Spain in Europe.

Telefónica is a company that manages critical technology.

But we are also a strategic asset for Spain and Europe.

We are an economic driver.

We are social cohesion.

We are critical infrastructure.

I would like to explicitly mention the work carried out by Fundación Telefónica.

A recent example is its technology scholarship programme, focused on training in artificial intelligence, data science, cybersecurity and quantum technologies.

It's an initiative that aims to educate 150 young people at outstanding schools, with every intention to bring that talent back to Spain.

As a company, our commitment stretches beyond business.

We assert our role as a driver of the Spanish economy and of Europe's technological sovereignty.

5. Fifth axis: ambitious, rigorous and effective management.

Transformation is only credible if it is executed with discipline.

We vowed to deliver on financial guidance and we have.

Leading a company like Telefónica requires iron-clad discipline to achieve financial objectives.

Managing with rigour means fewer announcements and more execution.

It is the only way we can offer consistency to the markets and to our shareholders.

These five axes set Telefónica's course and have allowed us to transform our CapEx and OpEx operations.

2025 results: from transformation to implementation

The execution of our Transform & Grow strategic plan is already underway.

We have set a course and we will not stray from it.

Today we can back this up with data.

We met all our financial commitments in 2025.

We have grown our revenues.

We have improved our profitability.

We have met our cash generation targets.

Revenues increased by 1.5 per cent in constant currency.

Adjusted EBITDA in 2025 grew by 2% in constant currency.

Free cash flow from continuing operations reached €2.069 billion.

Months ago, these were but commitments.

Today, they are results.

Total accesses reached 326 million, up 2% year-on-year.

We grew B2B by 7.1%.

IT revenues —our main growth driver— grew at double-digit rates and accounted for 48% of total B2B revenues in 2025.

In Spain, we have achieved our best sales performance in seven years, with simultaneous growth in revenues, adjusted EBITDA, and adjusted operating cash flow after leases for the first time in 17 years.

Churn has dropped to record lows in Germany.

And I would also like to highlight our strength in Brazil. Vivo is a leader.

Its net income grew by 11.2% in 2025 and now reaches 103 million mobile accesses.

Vivo Total, our convergent offering in Brazil, grew by 41%.

Digital service revenues are showing remarkable growth in both B2B (+29.5%) and B2C (+20.7%).

In addition, we have acquired 100% of FiBrasil's fibre business.

We are simplifying our footprint.



Reducing complexity.

Strengthening our balance sheet.

Today, Telefónica is structurally sturdier.

Reported results include extraordinary impacts that stem precisely from this transformation.

But operational performance shows the true strength of our business.

We have transitioned from intention to execution.

Transformation processes take time, but this year we have shifted from promise to delivery.

Telefónica delivers and it will continue to do so.

And we will maintain this commitment in 2026.

2026: continuity and ambition

Our commitments for 2026 are the natural continuation of what we have already set in motion.

We will continue to improve customer experience through AI-driven hyper-personalisation.

We will invest in expanding fibre networks and 5G coverage in our core markets.

We will boost 10 Gbps fibre capacity in Spain and Brazil.

We will integrate cybersecurity and cloud solutions into B2B.

We will strengthen our presence in Defence-related products.

We will take further steps towards simplification and cost optimisation.

More efficiency.

More automation.

More focus.

In short: we delivered in 2025 and we shall land this plane on time and on course again in 2026.

Reading is one of my favourite hobbies and I love meeting new words. I collect them in a notebook.

I recently came across one I did not know: *proditomania*. It refers to the belief (sometimes held by senior executives in large corporations and other decision-makers) that everyone around them is an enemy plotting their downfall.

I can state with the utmost certainty that *proditomania* does not exist in Telefónica! Quite the opposite!

That is why I would like to take this opportunity to thank the entire team I have found at Telefónica and publicly acknowledge their professionalism and talent.

No technology can replace human excellence.

And the better the technology, the greater the talent required.

Thank you to everyone at Telefónica.

Allow me to finish with one last message.

Telefónica complies

We are living through an unprecedented time of geopolitical and technological transformation.

At Telefónica, we want to be in the driving seat of this transformation.

We want to lead so that every user is persuaded that Telefónica will enable them to access the best digital products that technology can offer.

We have a five-year plan.

But we are already building a stronger company.

More efficient.

More profitable.

More disciplined.

Better prepared to compete globally.

We are delivering.

And we will continue to do so.

With ambition.

With rigour.

With responsibility.

For our shareholders, whom I thank especially
for their trust and support.

For our staff.

And for Spain, Europe and Brazil.

Spain, Europe and the world are undergoing a
profound transformation.

Telefónica wants to make a decisive
contribution to that change.

Telefónica has met its 2025 objectives.

The transformation is already underway.

Thank you very much.





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