

TELEFÓNICA, S.A., in compliance with the Securities Market legislation, hereby communicates the following

OTHER RELEVANT INFORMATION

Telefónica informs that, yesterday, its subsidiary Colombia Telecomunicaciones S.A. ESP BIC (“Telefónica Colombia”) has entered into a sale and purchase agreement on certain fiber assets owned by Telefónica Colombia with a Colombian company controlled by Kohlberg Kravis Roberts - KKR (“InfraCo”). Telefónica Colombia will receive, as consideration, 0.2 billion dollars and 40% of the shares of a Spanish company controlled by KKR (“HoldCo”), which will be the sole shareholder of InfraCo.

Likewise, as part of the transaction, certain agreements will be signed for the provision of wholesale connectivity services by InfraCo to Telefónica Colombia, the development of activities of deployment of fiber network, and other associated services.

The transaction values HoldCo at 0.5 billion dollars (approximately 0.4 billion euros at the current exchange rate), which represents an implied multiple of approximately 20x OIBDA proforma. Upon completion, the transaction will result in a reduction of Telefónica Group's net financial debt of approximately 0.2 billion euros.

The transaction is subject to obtaining the corresponding regulatory authorizations.

This operation is part of the Telefónica Group's strategy, which includes, among other objectives, an active portfolio management policy of its businesses and assets, based on value creation and at the same time accelerating the organic reduction of debt.

Madrid, July 17, 2021

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