

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

OTHER RELEVANT INFORMATION

Telefónica Europe B.V. (the "**Issuer**") has today launched an invitation to holders of its outstanding EUR 1,000,000,000 Undated 10 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "**Notes**") irrevocably guaranteed by Telefónica, S.A. (the "**Guarantor**") to tender such Notes for purchase by the Issuer for cash (such invitation, the "**Offer**").

The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 30 August 2023 (the "**Tender Offer Memorandum**") and is subject to the restrictions set out in the Tender Offer Memorandum. Capitalised terms used and not otherwise defined in this announcement have the meaning given in the Tender Offer Memorandum.

Summary of the Offer

<u>Description of Notes</u>	<u>ISIN</u>	<u>First Call Date</u>	<u>Aggregate Principal Amount Outstanding</u>	<u>Purchase Price</u>	<u>Amount subject to the Offer⁽¹⁾</u>
EUR 1,000,000,000 Undated 10 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities Current Coupon: 5.875 per cent.	XS1050461034	31 March 2024	EUR 387,600,000	EUR 101,100 per EUR 100,000	Up to a maximum aggregate principal amount (the " Maximum Acceptance Amount ") equal to (a) the aggregate principal amount of the New Notes (as defined below) less (b) EUR 362,400,000 (i.e. the aggregate principal amount outstanding (as of the date hereof) of the EUR 1,250,000,000 Undated 5.7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS1795406575) issued by the Issuer). However, the Issuer reserves the right to increase the Maximum Acceptance Amount should a Substantial Purchase Event occur in respect of the Notes and the Issuer may or may not exercise its call right upon the occurrence of a Substantial Purchase Event pursuant to the Conditions of the Notes at any time following the Offer.

Note:

⁽¹⁾ For further information refer to "Maximum Acceptance Amount" and "Redemption under Issuer Call Right following a Substantial Purchase Event" below.

The Offer commences on 30 August 2023 and will expire at 17:00 CEST on 5 September 2023 (the "**Expiration Deadline**"), unless extended, re-opened, withdrawn or terminated at the sole discretion of the Issuer.

Rationale for the Offer

The purpose of the Offer is, amongst other things, to proactively manage the Issuer's layer of hybrid capital. The Offer also provides Noteholders with the opportunity to switch into the New Notes ahead of the upcoming first call date.

New Financing Condition

The Issuer intends to issue new EUR denominated Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities guaranteed by the Guarantor (the "**New Notes**"). Whether the Issuer will accept for purchase any Notes validly tendered in the Offer is subject, without limitation, to the settlement of the issue of the New Notes (the "**New Financing Condition**").

Purchase Price and Accrued Interest Payment

Subject to the Minimum Denomination in respect of the Notes, the price payable per EUR 100,000 in principal amount of the Notes validly tendered and accepted for purchase by the Issuer pursuant to the Offer (the "**Purchase Price**") will be EUR 101,100.

In respect of any Notes accepted for purchase, the Issuer will also pay an amount equal to any accrued and unpaid interest on the relevant Notes from, and including, the interest payment date for the Notes immediately preceding the Settlement Date (as defined below) up to, but excluding, the Settlement Date, which is expected to be on 8 September 2023.

Notes repurchased by the Issuer pursuant to the Offer may be cancelled. Notes which have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Settlement Date.

Redemption under Issuer Call Right following a Substantial Purchase Event

Under the Conditions of the Notes, in the event that the Issuer, the Guarantor, or any subsidiaries of the Guarantor, have purchased and cancelled at least 80 per cent. of the original aggregate principal amount of any of the Notes in accordance with the Conditions (each, a "**Substantial Purchase Event**"), the Issuer may redeem the remaining Notes (in whole but not in part) at their principal amount plus any interest accrued to, but excluding, the relevant day on which the relevant Notes become due for redemption and any outstanding Arrears of Interest (as defined in the Conditions) at any time upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Noteholders.

Maximum Acceptance Amount

The Issuer proposes to accept Notes for purchase up to a maximum aggregate principal amount (the "**Maximum Acceptance Amount**") equal to (a) the aggregate principal amount of the New Notes *less* (b) EUR 362,400,000 (i.e. the aggregate

principal amount outstanding (as of the date hereof) of the EUR 1,250,000,000 Undated 5.7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS1795406575) issued by the Issuer) on the terms and conditions contained in the Tender Offer Memorandum. However, the Issuer reserves the right to increase the Maximum Acceptance Amount should a Substantial Purchase Event occur in respect of the Notes. The Issuer may or may not exercise its call right upon the occurrence of a Substantial Purchase Event pursuant to the Conditions of the Notes at any time following the Offer.

Tenders of Notes may be pro-rated as set out in the Tender Offer Memorandum. The final aggregate principal amount of the Notes accepted for purchase pursuant to, and subject to the terms and conditions of, the Offer (the "**Final Acceptance Amount**") will be announced in the results announcement.

Notes validly submitted for tender may be accepted subject to pro-ration (if applicable). In the event that the aggregate principal amount of Notes represented by Tender Instructions is greater than the Final Acceptance Amount, such Tender Instructions will be accepted on a pro rata basis.

Indicative Timetable

<u>Date</u>	<u>Number of Business Days from and including Launch</u>	<u>Action</u>
30 August 2023	1	<p><i>Commencement of the Offer</i></p> <p>Offer announced by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the website of Euronext Dublin. Tender Offer Memorandum available from the Tender Agent.</p>
On or before the Expiration Deadline		<p><i>Pricing of the New Notes</i></p> <p>Announcement of the indicative Maximum Acceptance Amount by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the website of Euronext Dublin as soon as reasonably practicable following the pricing of the New Notes.</p>
17:00 CEST on 5 September 2023	5	<p><i>Expiration Deadline</i></p> <p>Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offer.</p>

At or around 10:00
CEST on 6
September 2023

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Announcement of Result of Offer

Announcement of (i) the Issuer's decision whether to accept valid tenders of Notes for purchase pursuant to the Offer subject only to the satisfaction of the New Financing Condition, (ii) the final aggregate principal amount of the Notes tendered pursuant to the Offer and (iii) the Final Acceptance Amount and the pro-ration factor, if applicable, distributed by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the website of Euronext Dublin.

Expected to be on 8
September 2023 (the
"Settlement Date")

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Settlement

Subject to satisfaction of the New Financing Condition, expected Settlement Date for the Offer. Payment of Purchase Consideration and Accrued Interest Payment in respect of the Offer.

DISCLAIMER: No offer or invitation to acquire or sell any securities is being made pursuant to this announcement. Any decision with respect to the Offer should be taken on the basis of the information contained in the Tender Offer Memorandum.

Madrid, 30 August 2023

SPANISH NATIONAL SECURITIES MARKET COMMISSION

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Neither the Offer, the Tender Offer Memorandum nor this announcement constitute an offer of securities to the public under Regulation (EU) 2017/1129 of the European Parliament and of the Council or a tender offer in Spain under the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión) or under Royal Decree 1066/2007, of 27 July, all of them as amended, and any regulation issued thereunder. Accordingly, neither the Tender Offer Memorandum nor this announcement has been and will not be submitted for approval nor approved by the Spanish Securities Market Regulator (Comisión Nacional del Mercado de Valores).

Not for distribution in or into or to any person located or resident in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands, any state of the United States and the District of Columbia) (the "United States") or to any U.S. person or into any other jurisdiction where it is unlawful to distribute this announcement.