



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

OTHER RELEVANT INFORMATION

Telefónica informs that its subsidiary Telefónica Hispanoamérica, S.A. ("Telefónica Hispam") has entered into share subscription agreements with an affiliate of Kohlberg Kravis Roberts – KKR & Co, Inc. ("KKR") and Entel Perú S.A. ("Entel Perú"), for the entry of both companies, with 54% and 10%, respectively, into the share capital of Pangeaco, S.A.C. ("Pangea"), the wholesale fiber-to-the-home ("FTTH") company in Peru, maintaining Telefónica Hispam 36% of the shares of said company.

As part of the transaction Telefónica del Perú S.A.A. ("TDP") and Entel will sell to Pangea certain assets of their FTTH infrastructure. Likewise, as part of the transaction, certain agreements will be signed, among them, agreements for the provision of wholesale connectivity services with TDP and Entel Perú.

The transaction represents for Telefónica a multiple of approximately 20x OIBDA proforma. At closing of the transaction, Telefónica Group's net financial debt will be reduced by approximately 0.2 billion dollars (approximately 0.2 billion euros at the current exchange rate). Additionally, certain variable payments will be received in the next 4 years following the closing of the transaction.

The transaction is subject to obtaining the regulatory approvals.

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.

Madrid, July 7, 2023

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