

TELEFÓNICA, S.A. (hereby Telefónica) in compliance with the Securities Market legislation, hereby communicates the following:

OTHER RELEVANT INFORMATION

Further to the communication published on January 13, 2021 (with registry number 665), regarding the agreement reached between Telxius Telecom, S.A. (a company of the Telefónica Group minority-owned, directly or indirectly, by KKR and Pontegadea) ("Telxius"), and American Tower International, Inc ("ATC") for the sale of Telxius telecommunications towers division, Telefónica informs that, once the relevant regulatory approvals have been obtained in Spain and Germany, the closing of the sale of the telecommunication towers division located in Europe has been carried out today, with Telxius receiving payment of approximately EUR 6.2 billion from that division. This transaction implies a reduction in the Telefónica Group's net debt of approximately 3.4 billion euros.

Next August, it is also expected that ATC acquires the towers that Telxius undertook to acquire on that date under the second phase of the agreement reached between Telxius and Telefónica Germany GmbH & Co. OHG, which will involve an additional net debt reduction of approximately 0.7 billion euros.

These operations are 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, June 1, 2021

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