

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 the closing of the sale of the telecommunication towers division located in Latin America (Brazil, Peru, Chile and Argentina) has been carried out today, with Telxius receiving payment of approximately EUR 0.9 billion from that division.

This transaction involves a reduction in the Telefónica Group's net debt of approximately 0.5 billion euros and, together with the recently announced sale of the telecommunications towers division in Europe and the acquisition, next August, by ATC of the towers under the second phase of the agreement reached between Telxius and Telefónica Germany GmbH & Co. OHG, will involve a net debt reduction of approximately 4.6 billion euros. In addition, the capital gain attributable to Telefónica from all these operations is estimated at approximately 3.6 billion euros.

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, June 3, 2021

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