

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

OTHER RELEVANT INFORMATION

Telefónica informs that its subsidiary Telefónica Cybersecurity & Cloud Tech, S.L. ("Telefónica Tech") has reached an agreement with Cancom Group for the acquisition of 100% of the shares of the British company Cancom Ltd.

The amount of the transaction (enterprise value) is 340 million sterling pounds (approximately 398 million euros).

Cancom Ltd is a British company that provides end-to-end advanced cloud and security services in the UK and Ireland complementing the business carried out by Telefónica Tech in the region.

Cancom Ltd will reach 190 million euros of revenues in 2021 with an adjusted EBITDA margin of 15.4%. Managed Services and Professional Services revenues project differential growth rates of 20% and 26% CAGR18-21 respectively, currently representing more than 50% of the company's total revenues.

The valuation implies a multiple of 13.5 EV/OIBDA (based on 2021E figures).

With this acquisition, Telefónica Tech takes a significant step in its consolidation strategy in the United Kingdom, leveraging on the recent merger of O2 UK and Virgin Media.

The closing of the transaction will take place in the coming days.

Madrid, July 29, 2021

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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