

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 (i) EUR 1,000,000,000 Undated 5.5 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "**March 2023 Notes**"), (ii) the outstanding EUR 1,250,000,000 Undated 5.7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "**September 2023 Notes**" and together with the March 2023 Notes, the "**Priority 1 Notes**"), and/or (iii) the outstanding EUR 1,000,000,000 Undated 10 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "**March 2024 Notes**" or the "**Priority 2 Notes**" and together with the Priority 1 Notes the "**Notes**") irrevocably guaranteed by Telefónica, S.A. (the "**Guarantor**"), to tender such Notes for purchase by the Issuer for cash up to a maximum aggregate principal amount to be determined by the Issuer in its sole and absolute discretion, which is expected to be equal to the principal amount of New Notes (as defined below) to be issued (the "**Maximum Acceptance Amount**") (each such invitation an "**Offer**" and together the "**Offers**"), subject to satisfaction of the New Financing Condition (as defined below).

The Offers are being made on the terms and subject to the conditions contained in the tender offer memorandum dated 15 November 2021 (the "**Tender Offer Memorandum**") and are 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.

The Issuer intends to accept the Priority 1 Notes for purchase in priority to the Priority 2 Notes (the "**Priority Acceptance Level**"). If a Substantial Purchase Event with respect to any Series of the Priority 1 Notes is expected to occur on or immediately following the Settlement Date, the Maximum Acceptance Amount will be adjusted by the principal amount of such Notes that may be redeemed pursuant to an Issuer call right upon the occurrence of a Substantial Purchase Event.

Subject to the Maximum Acceptance Amount and the Priority Acceptance Level, the Issuer will determine the aggregate principal amount of Notes of each Series that will be accepted for purchase (each a "**Series Acceptance Amount**"), in its sole discretion, and reserves the right to accept significantly more or significantly less (or none) of any such Series (subject to pro rata scaling, if applicable) as compared to the other Series of Notes.

## Summary of the Offers

Description of Notes	ISIN	First Call Date	Aggregate Principal Amount Outstanding	Benchmark Rate	Fixed Spread (basis points)	Priority Acceptance Level	Amount subject to the Offers
EUR 1,000,000,000 Undated 5.5 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "March 2023 Notes")  Current Coupon: 2.625%	XS1731823255	7 March 2023	EUR 1,000,000,000 (100% of the original nominal)	March 2023 Notes Interpolated Mid-Swap Rate	100	Priority 1	Up to the Maximum Acceptance Amount, to be determined by the Issuer in its sole and absolute discretion, expected to be equal to the principal amount of New Notes (as defined herein) to be issued. If a Substantial Purchase Event with respect to any Series of the Priority 1 Notes is expected to occur on or immediately following the Settlement Date, the Maximum Acceptance Amount will be adjusted by the principal amount of such Notes that may be redeemed pursuant to an Issuer call right upon the occurrence of a Substantial Purchase Event.
EUR 1,250,000,000 Undated 5.7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "September 2023 Notes")  Current Coupon: 3.000%	XS1795406575	4 September 2023	EUR 1,250,000,000 (100% of the original nominal)	September 2023 Notes Interpolated Mid-Swap Rate	120	Priority 1	
EUR 1,000,000,000 Undated 10 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "March 2024 Notes")  Current Coupon: 5.875%	XS1050461034	31 March 2024	EUR 1,000,000,000 (100% of the original nominal)	March 2024 Notes Interpolated Mid-Swap Rate	145	Priority 2	

The Offers commence on 15 November 2021 and will expire at 17:00 CET on 22 November 2021 (the "**Expiration Deadline**"), unless extended, re-opened, withdrawn or terminated at the sole discretion of the Issuer.

### Purpose of the Offers

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

## New Financing Condition

The Issuer intends to issue new EUR denominated Undated 6.5 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 Offers is subject, without limitation, to the settlement of the issue of the New Notes (the "**New Financing Condition**").

## Purchase Price

The price payable per EUR 100,000 in principal amount of the Notes (the "**Purchase Price**") will be in respect of each Series of Notes, calculated by reference to the sum of the relevant fixed spread in respect of that Series, as specified in the table above (the "**Fixed Spread Amount**") and the relevant Benchmark Rate at or around the Pricing Time, expressed as a percentage and rounded to the third decimal place (with 0.0005 being rounded upwards). 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 relevant interest payment date for the Notes immediately preceding the Settlement Date up to, but excluding, the Settlement Date, which is expected to be no later than 25 November 2021.

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

## Amount subject to the Offers, Priority Acceptance Level and Pro-Ration

The Issuer proposes to accept Notes for purchase up to the Maximum Acceptance Amount and according to the Priority Acceptance Level. If a Substantial Purchase Event with respect to any Series of the Priority 1 Notes is expected to occur on or immediately following the Settlement Date, the Maximum Acceptance Amount will be adjusted by the principal amount of such Notes that may be redeemed pursuant to an Issuer call right upon the occurrence of a Substantial Purchase Event.

Tenders of Notes may be pro-rated as set out in the Tender Offer Memorandum. Any adjustments to the indicative Maximum Acceptance Amount will be announced with the indicative results of the Offers.

## Indicative Timetable

<u>Date</u>	<u>Number of Business Days from and including Launch</u>	<u>Action</u>
15 November 2021	1	<b><i>Commencement of the Offers</i></b>

Before or on Expiration Deadline			Offers 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.
17:00 CET on 22 November 2021	<b>6</b>	<b><i>Pricing of the New Notes</i></b>  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	<b><i>Expiration Deadline</i></b>  Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offers.
At or around 10.00 CET on 23 November 2021	<b>7</b>	<b><i>Indicative Results</i></b>  Announcement of the non-binding indication by the Issuer of the level at which it intends to set the Series Acceptance Amount and indicative pro-rata factors (if any). Any adjustments to the indicative Maximum Acceptance Amount will be announced with the indicative results of the Offers.	<b><i>Pricing Time</i></b>  Determination of the relevant Benchmark Rate (for the purpose of calculating the Repurchase Yield and the Purchase Price).
At or around 13.00 CET on 23 November 2021	<b>7</b>	<b><i>Pricing Time</i></b>  Determination of the relevant Benchmark Rate (for the purpose of calculating the Repurchase Yield and the Purchase Price).	<b><i>Announcement of Result of Offers</i></b>  Announcement of the Issuer's decision whether to accept valid tenders of Notes for purchase, subject only to the satisfaction of the New Financing Condition and, if so accepted, the Maximum Acceptance Amount and in respect of each Series tendered and accepted for purchase pursuant to the Offers, details of (i) the Purchase Price, Repurchase Yield and Benchmark Rate, (ii) the final aggregate principal amount of the Notes tendered and accepted for purchase pursuant to the Offers and (iii) the Series Acceptance Amount and the pro-rata factor, if applicable, distributed by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the
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website of Euronext Dublin.

Expected to be on  
25 November 2021

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***Settlement***

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

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

Madrid, 15 November 2021

**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 restated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October and 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.*