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6 March 2024

TELEFÓNICA EUROPE B.V. ANNOUNCES TENDER OFFER TO PURCHASE NOTES FOR CASH

Telefónica Europe B.V. (the "**Issuer**") has today launched an invitation to holders of its outstanding EUR 1,300,000,000 Undated 6 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "**Notes**") irrevocably guaranteed by Telefónica, S.A. (the "**Guarantor**"), to tender such Notes for purchase by the Issuer for cash (such invitation the "**Offer**"). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 6 March 2024 (the "**Tender Offer Memorandum**") and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to offer restrictions) available from the Tender Agent as set out below. Capitalised terms used and not otherwise defined in this announcement have the meanings given in the Tender Offer Memorandum.

Summary of the Offer

Description of Notes	ISIN	First Call Date	Aggregate Principal Amount Outstanding	Purchase Price	Amount subject to the Offer ⁽¹⁾
EUR 1,300,000,000 Undated 6 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the " Notes ")	XS1933828433	14 December 2024	EUR 1,300,000,000	EUR 100,300 per EUR 100,000	Up to a maximum aggregate principal amount (the " Maximum Acceptance Amount ") equal to the aggregate principal amount of the New Notes (as defined herein). However, the Issuer reserves the right to increase the Maximum Acceptance Amount should a Substantial Purchase Event occur in respect of the Notes and the Issuer may or may not exercise its call right upon the occurrence of a Substantial Purchase Event pursuant to the Conditions of the Notes at any time following the Offer.
Current Coupon: 4.375 per cent.					

Note:

⁽¹⁾ For further information refer to "**Maximum Acceptance Amount**" and "**Redemption under Issuer Call Right following a Substantial Purchase Event**" below.

THE OFFER COMMENCES ON 6 MARCH 2024 AND WILL EXPIRE AT 17:00 CET ON 13 MARCH 2024 (THE "EXPIRATION DEADLINE"), UNLESS EXTENDED, RE-OPENED, WITHDRAWN OR TERMINATED AT THE SOLE DISCRETION OF THE ISSUER. DETAILS OF ANY SUCH EXTENSION, RE-OPENING, WITHDRAWAL OR TERMINATION WILL BE NOTIFIED TO NOTEHOLDERS AS SOON AS REASONABLY PRACTICABLE AFTER SUCH DECISION. TENDER INSTRUCTIONS, ONCE SUBMITTED, MAY NOT BE WITHDRAWN EXCEPT IN THE LIMITED CIRCUMSTANCES OUTLINED IN THE TENDER OFFER MEMORANDUM.

Custodians, Direct Participants and Clearing Systems will have deadlines for receiving instructions prior to the Expiration Deadline and holders should contact the intermediary through which they hold their Notes as soon as possible to ensure proper and timely delivery of instructions.

Rationale for the Offer

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

New Financing Condition

The Issuer announced on 6 March 2024 its intention to issue new EUR denominated Undated 8.1 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 Offer is subject, without limitation, to the settlement of the issue of the New Notes (the "**New Financing Condition**").

New Notes Priority

A Noteholder that wishes to subscribe for New Notes in addition to tendering Notes for purchase pursuant to the Offer may, at the sole and absolute discretion of the Issuer, receive priority (the "**New Notes Priority**") in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to one of the Dealer Managers (in its capacity as a Joint Lead Manager of the issue of the New Notes) in accordance with the standard new issue procedures of such Joint Lead Manager. Please refer to the Tender Offer Memorandum for further details.

The pricing of the New Notes is expected to take place prior to the Expiration Deadline and, as such, Noteholders are advised to contact a Dealer Manager as soon as possible prior to the Expiration Deadline and prior to the allocation of the New Notes in order to request New Notes Priority.

***MiFID II product governance** – the target market for the New Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**").*

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

*The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.*

No action has been or will be taken to in any jurisdiction in relation to the New Notes that would permit a public offering of securities and the minimum denomination of the New Notes will be EUR 100,000.

Purchase Price and Accrued Interest Payment

Subject to the Minimum Denomination in respect of the Notes, the price payable per EUR 100,000 in principal amount of the Notes validly tendered and accepted for purchase by the Issuer pursuant to the Offer (the "**Purchase Price**") will be EUR 100,300 per EUR 100,000.

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 interest payment date for the Notes immediately preceding the Settlement Date up to, but excluding, the Settlement Date, which is expected to be on 18 March 2024, if applicable. For the avoidance of doubt, interest due on the interest payment date for the Notes immediately preceding the Settlement Date will be paid in the usual way regardless of whether a Noteholder tenders its Notes before or after such interest payment date.

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

Redemption under Issuer Call Right following a Substantial Purchase Event

Under the Conditions of the Notes, in the event that the Issuer, the Guarantor, or any subsidiaries of the Guarantor, have purchased and cancelled at least 75 per cent. of the original aggregate principal amount of any of the Notes in accordance with the Conditions (a "**Substantial Purchase Event**"), the Issuer may redeem the remaining Notes

(in whole but not in part) at their principal amount plus any interest accrued to, but excluding, the relevant day on which the relevant Notes become due for redemption and any Arrears of Interest (as defined in the Conditions) at any time upon giving not less than 30 and not more than 60 days' irrevocable notice of redemption to the Noteholders.

However, there can be no assurance that the relevant threshold will or will not be met pursuant to the Offer and, in the event that such threshold is met, as to whether or when the Issuer will choose to exercise its option to redeem any of the Notes. Any future decision by the Issuer to redeem the outstanding Notes will depend on various factors existing at that time. As of the date hereof, the aggregate principal amount outstanding of the Notes is EUR 1,300,000,000, representing 100.00 per cent. of the original aggregate principal amount of the Notes.

Maximum Acceptance Amount

The Issuer proposes to accept Notes for purchase up to a maximum aggregate principal amount (the "**Maximum Acceptance Amount**") equal to the aggregate principal amount of the New Notes on the terms and conditions contained in the Tender Offer Memorandum. The Maximum Acceptance Amount will be announced on an indicative basis following the pricing of the New Notes. However, the Issuer reserves the right to increase the Maximum Acceptance Amount should a Substantial Purchase Event occur in respect of the Notes and the Issuer may or may not exercise its call right upon the occurrence of a Substantial Purchase Event pursuant to the Conditions of the Notes at any time following the Offer.

Tenders of Notes may be pro-rated as set out in the Tender Offer Memorandum. The final aggregate principal amount of the Notes accepted for purchase pursuant to, and subject to the terms and conditions of, the Offer (the "**Final Acceptance Amount**") will be announced in the results announcement.

Acceptance of Tender Instructions and pro-ration

Notes validly submitted for tender may be accepted subject to pro-ration (if applicable). In the event that the aggregate principal amount of Notes represented by Tender Instructions is greater than the Final Acceptance Amount, such Tender Instructions will be accepted on a pro rata basis.

Such pro rata allocations will be calculated by multiplying the aggregate principal amount of Notes represented by each Tender Instruction subject to pro-ration by a factor derived from (i) the Final Acceptance Amount divided by (ii) the aggregate principal amount of the Notes validly tendered in the Offer. Each tender of Notes reduced in this manner will be rounded down to the nearest EUR 100,000 in aggregate principal amount, provided that the Issuer may refuse to accept a Tender Instruction where, following pro-ration, the principal amount of Notes subject to the Tender Instruction, or the residual amount of Notes in the relevant Direct Participant's Account, would be less than the Minimum Denomination.

Amendment and Termination

The Issuer reserves the right, in its sole and absolute discretion, to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer at any time following the announcement of the Offer, as described in the Tender Offer Memorandum. Details of any such extension, re-opening, withdrawal, termination, amendment or waiver will be notified to the Noteholders as soon as possible after such decision.

Summary of Action to be Taken

To tender Notes in the Offer, a holder of Notes should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received in each case by the Tender Agent by the Expiration Deadline.

Tender Instructions must be submitted in respect of a principal amount of Notes of no less than the Minimum Denomination.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in the Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified in the Tender Offer Memorandum.**

Further Information

Any questions or requests for assistance in connection with (i) the Offer, may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions or requests for additional copies of the Tender Offer Memorandum or related documents, which may be obtained free of charge, may be directed to the Tender Agent, the contact details for each of which are provided on the back cover of this announcement.

Before making a decision with respect to the Offer, Noteholders should carefully consider all of the information in the Tender Offer Memorandum.

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014 ("MAR").

FOR THE PURPOSES OF MAR AND ARTICLE 2 OF COMMISSION IMPLEMENTING REGULATION (EU) 2016/1055, THIS ANNOUNCEMENT IS MADE BY CARLOS DAVID MAROTO SOBRADO AND MIGUEL ÁNGEL CONTRERAS, DIRECTORS OF TELEFÓNICA EUROPE B.V.

Indicative Timetable

Date	Number of Business Days from and including Launch	Action
6 March 2024	1	<p><i>Commencement of the Offer</i></p> <p>Offer announced by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the website of Euronext Dublin.</p> <p>Tender Offer Memorandum available from the Tender Agent.</p>
On or before the Expiration Deadline		<p><i>Pricing of the New Notes</i></p> <p>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.</p>
17:00 CET on 13 March 2024	6	<p><i>Expiration Deadline</i></p> <p>Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offer.</p>
At or around 10:00 CET on 14 March 2024	7	<p><i>Announcement of Result of Offer</i></p> <p>Announcement of (i) the Issuer's decision whether to accept valid tenders of Notes for purchase pursuant to the Offer subject only to the satisfaction of the New Financing Condition, (ii) the final aggregate principal amount of the Notes tendered pursuant to the Offer and (iii) the Final 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 website of Euronext Dublin.</p>
Expected to be on 18 March 2024	9	<p><i>Settlement</i></p> <p>Subject to satisfaction of the New Financing Condition, expected Settlement Date for the Offer. Payment of Purchase Consideration and Accrued Interest Payment in respect of the Offer.</p>

Unless stated otherwise, announcements in connection with the Offer will be made via the website of Euronext Dublin. Such announcements may also be made by (i) the issue of a press release to a Notifying News Service and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the Tender Agent, the contact details for whom are on the last page of this announcement. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements relating to the Offer.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. No offer or invitation to acquire or sell any securities is being made pursuant to this announcement. The Dealer Managers do not take responsibility for the contents of this announcement. The distribution of this announcement and the

Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum come into are required by each of the Issuer, the Guarantor, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

Offer and Distribution Restrictions

United States

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of the Tender Offer Memorandum or this announcement and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or to a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. Person will be invalid and will not be accepted.

Neither this announcement nor the Tender Offer Memorandum is an offer of securities for sale in the United States or to U.S. Persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes and the guarantee thereof have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons.

Each holder of Notes participating in the Offer will represent that it is not a U.S. Person located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "**United States**" means the United States of America, 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 of America and the District of Columbia.

United Kingdom

The communication of the Tender Offer Memorandum, this announcement and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**")) or persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Offer is not being made, directly or indirectly, in the Republic of France ("**France**") other than to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French *Code monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129 (as amended). None of the Tender Offer Memorandum, this announcement or any other documents or materials relating to the Offer have been or shall be distributed in France other than to qualified investors (*investisseurs qualifiés*) and only qualified investors (*investisseurs qualifiés*) are eligible to participate in the Offer. The Tender Offer Memorandum, this announcement and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

Italy

None of the Offer, the Tender Offer Memorandum, this announcement or any other documents or materials relating to the Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**").

The Offer is being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999.

Noteholders, or beneficial owners of the Notes, can tender some or all of their Notes pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

Spain

None of the Offer, the Tender Offer Memorandum or this announcement constitute an offer of securities to the public in Spain under Regulation (EU) 2017/1129 or a tender offer in Spain under the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) or under Royal Decree 1066/2007, of 27 July, all of them as amended, and any regulation issued thereunder.

Accordingly, the Tender Offer Memorandum and this announcement have not been and will not be submitted for approval or approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

General

None of the Tender Offer Memorandum, this announcement or the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Managers or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by the Dealer Managers or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will be deemed to give certain other representations as set out in "*Procedures for Participating in the Offer*" of the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations may not be accepted.

Each of the Issuer, the Guarantor, the Dealer Managers and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such tender or submission may be rejected.

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