

Mandatory publication pursuant to section 39 para. 2 sentence 3 no. 1 of the German Stock Exchange Act (BörsG) in conjunction with sections 27 para. 3 sentence 1, 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (WpÜG)



Joint reasoned statement
of the Management Board and the Supervisory Board
of
TELEFÓNICA DEUTSCHLAND HOLDING AG
Georg-Brauchle-Ring 50
80992 Munich
Federal Republic of Germany
on the
public delisting acquisition offer
(cash offer)
by
TELEFÓNICA LOCAL SERVICES GMBH
Adalperostrasse 82-86
85737 Ismaning
Federal Republic of Germany
to the shareholders of Telefónica Deutschland Holding AG

Telefónica Deutschland Shares: ISIN DE000A1J5RX9
Telefónica Deutschland Shares Tendered: ISIN DE000A4BGGA2

TABLE OF CONTENTS

I.	General information about this Reasoned Statement.....	5
1.	Legal basis of this Reasoned Statement	6
2.	Factual basis of this Reasoned Statement	7
3.	Publication of this Reasoned Statement and any additional reasoned statements on any amendments to the Offer	8
4.	Statement of the responsible works council.....	8
5.	Responsibility of the Telefónica Deutschland Shareholders	8
II.	Information about the Company and the Telefónica Deutschland Group.....	12
1.	Legal basis of the Company	12
2.	Overview of the Telefónica Deutschland Group	12
3.	Capital structure of Telefónica Deutschland.....	12
4.	Overview of the business activities of the Telefónica Deutschland Group	13
5.	Governing bodies of the Company	14
6.	Shareholder structure	15
III.	Information about the Bidder	16
1.	Legal basis, capital structure and corporate structure of the Bidder	16
2.	Overview of the Bidder Parent Company and the Bidder Parent Group	17
3.	Persons acting jointly with the Bidder	17
4.	Telefónica Deutschland Shares currently held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries, attribution of voting rights	18
5.	Information on the acquisition of Telefónica Deutschland Shares and instruments and agreements authorizing the acquisition of Telefónica Deutschland Shares	19
6.	Possible future acquisition of Telefónica Deutschland Shares	20
IV.	Information about the Offer	20
1.	Decisiveness of the Offer Document	20
2.	Implementation of the Offer.....	21
3.	Subject of the Offer and Offer Price	21
4.	Acceptance Period.....	21
5.	No Offer Condition	22
6.	Authorization of the publication of the Offer Document by BaFin.....	23
7.	Acceptance and settlement of the Offer	23
V.	Financing of the Offer.....	24
1.	Maximum Consideration.....	24
2.	Financing measures	25

3.	Evaluation of the financing by the Management Board and the Supervisory Board	26
VI.	Type and amount of consideration	26
1.	Type and amount of consideration	26
2.	Legal minimum price	26
3.	Evaluation of the fairness of the consideration	28
VII.	Objectives and intentions of the Bidder and the Bidder Parent Company and their Evaluation by the Management Board and the Supervisory Board	34
1.	Information provided by the Bidder in the Offer Document	35
2.	Evaluation of the objectives and intentions pursued with the Bidder's Offer and the expected consequences for Telefónica Deutschland by the Management Board and the Supervisory Board	43
VIII.	Effects on Telefónica Deutschland Shareholders	47
1.	Expected consequences of acceptance of the Delisting Acquisition Offer	48
2.	Expected consequences of non-acceptance of the Delisting Acquisition Offer	50
IX.	Interests of the members of the management bodies of Telefónica Deutschland	52
1.	Special interests of members of the Management Board	52
2.	Special interests of members of the Supervisory Board	54
3.	Agreements with members of the Management Board or Supervisory Board	55
4.	No monetary or other benefits in connection with the Offer	55
X.	Intention to accept the Offer	55
XI.	Final evaluation and recommendation for action	55
ANNEX	PAGE	
Annex 1	Subsidiary of Telefónica Deutschland	59
Annex 2	Subsidiaries of the Bidder Parent Company (including Telefónica Deutschland, but excluding its subsidiaries)	60

Acceptance Period	21	Maximum Consideration.....	24
Acquisition Offer Committee	7	Maximum Financing Requirement.....	25
Acting in Concert Agreement.....	18	MMVO	37
AktG	5	Offer	5
Authorised Capital 2021/1.....	12	Offer Consideration.....	21
BaFin	21	Offer Decision 2023	28
Banking Day	7	Offer Document.....	5
Bidder	5	Offer Price	21
Bidder Parent Company	5	Partial Offer.....	19
Bidder Parent Group	17	Reasoned Statement	6
BNP Paribas.....	21	Six-Month Average Price	27
BörsG.....	5	Spain.....	5
Capital Commitment	25	Statement.....	6
Central Settlement Agent.....	23	Statement 2023	32
Citi Fairness Opinion.....	32	Stock Exchange Trading Day.....	7
Clearstream	23	Supervisory Board.....	6
Company.....	5	Telefónica Deutschland.....	5
Competing Offer.....	22	Telefónica Deutschland Group.....	5
Conditional Capital 2019/1.....	13	Telefónica Deutschland Share.....	5
Custodian Bank	23	Telefónica Deutschland Shareholders	5
DCGK 2022.....	15	Telefónica Deutschland Shares	5
Declaration of Acceptance.....	23	Telefónica Deutschland Shares Held ...	18
Delisting	6	Telefónica Deutschland Shares Tendered	23
Delisting Acquisition Offer	5	Total Offer Costs	25
Delisting Application.....	6	Transaction Costs	25
EUR	7	UK HoldCo.....	15
Exchange Act.....	10	UmwG	42
Expected Financing Requirement.....	25	United States.....	9
Fiduciary Duties	37	US Shareholders	10
German Takeover Law	21	WpHG	15
Germany	5	WpÜG	5
Goldman Sachs	32	WpÜG Offer Ordinance	21
Goldman Sachs Fairness Opinion	32	XETRA.....	5
Management Board.....	6		

I. GENERAL INFORMATION ABOUT THIS REASONED STATEMENT

Telefónica Local Services GmbH, a limited liability company incorporated under the laws of the Federal Republic of Germany (**Germany**), with its registered office in Ismaning, Germany, registered in the commercial register of the local court of Munich under HRB 287256, business address Adalperostrasse 82-86, 85737 Ismaning, Germany (**Bidder**), has on 20 March 2024 pursuant to section 39 para. 2 sentence 3 no. 1 of the German Stock Exchange Act (*Börsengesetz*, **BörsG**) in conjunction with section 14 para. 2 sentence 1, para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, **WpÜG**) by publishing the offer document within the meaning of section 11 WpÜG (**Offer Document**), submitted a public delisting acquisition offer (**Offer** or **Delisting Acquisition Offer**) to the shareholders of Telefónica Deutschland Holding AG, a stock corporation incorporated under German law with its registered office in Munich, Germany, registered with the commercial register of the local court of Munich under HRB 201055, business address Georg-Brauchle-Ring 50, 80992 Munich, Germany (**Telefónica Deutschland** or **Company** and together with its dependent companies within the meaning of section 17 of the German Stock Corporation Act (*Aktiengesetz*, **AktG**) the **Telefónica Deutschland Group**). The sole shareholder of the Bidder is Telefónica, S.A., a stock corporation under the laws of the Kingdom of Spain (*Sociedad Anónima*) with its registered office in Madrid, Kingdom of Spain (**Spain**), registered with the commercial register of Madrid (*Registro Mercantil de Madrid*) under registration number M-6.164 (**Bidder Parent Company**).

The Offer is addressed to all shareholders of the Company (**Telefónica Deutschland Shareholders**) and relates to the acquisition of all no-par value registered shares of the Company (ISIN DE000A1J5RX9), which are not directly held by the Bidder, each with a pro rata notional amount of the share capital of EUR 1.00 and each including all ancillary rights existing at the time of settlement of the Offer, in particular the right to receive dividends (each one **Telefónica Deutschland Share** and together the **Telefónica Deutschland Shares**), against a cash consideration of EUR 2.35 per Telefónica Deutschland Share (cash offer).

The Telefónica Deutschland Shares (ISIN DE000A1J5RX9) are admitted to trading on the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). In addition, Telefónica Deutschland Shares can be traded via the electronic trading system (Exchange Electronic Trading System, **XETRA**) of Deutsche Börse AG, Frankfurt am Main, Germany. Furthermore, Telefónica Deutschland Shares are traded in the open market (*Freiverkehr*) on the stock exchanges in Berlin (Berlin Second Regulated Market), Düsseldorf, Hamburg, Munich and Stuttgart as well as on the TradeGate Exchange.

According to Section 1.1 of the Offer Document, the Delisting Acquisition Offer aims to enable the revocation of the admission of all Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange (**Delisting**) and thus also the termination of the inclusion in trading on the Berlin Second Regulated Market sub-segment of the Berlin Stock Exchange (*Berliner Wertpapierbörse*).

The Management Board of the Company (**Management Board**) has undertaken in the Delisting Agreement dated 7 March 2024 (as defined in Para. VII Section 1.3 of this Statement), subject to the review of the Offer Document and its Fiduciary Duties (as defined in Para. VII Section 1.3 of this Statement) to file an application for revocation of the admission of all Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange after the Delisting Acquisition Offer has been submitted and the Management Board and the Supervisory Board of Telefónica Deutschland have published a reasoned statement pursuant to section 27 WpÜG on the Delisting Acquisition Offer (**Delisting Application**). The Delisting Application must be submitted prior to the expiry of the Acceptance Period (as defined in Para. IV Section 4 of this Statement) of the Delisting Acquisition Offer with the aim of effecting the Delisting as soon as possible after the submission of the Delisting Application. However, the Delisting will not become effective before the expiry of the Acceptance Period.

The Management Board forwarded the Offer Document to the Supervisory Board of the Company (**Supervisory Board**) and the competent works council.

In connection with the following reasoned statement within the meaning of section 27 WpÜG on the Offer (the **Reasoned Statement** or the **Statement**), the Management Board and the Supervisory Board draw attention to the following:

1. Legal basis of this Reasoned Statement

Pursuant to section 27 para. 1 sentence 1, para. 3 sentence 1 WpÜG, the management board and the supervisory board of the company must issue and publish a reasoned statement on the offer and any amendments thereto without undue delay after the submission of the offer document pursuant to section 14 para. 4 sentence 1 WpÜG. The statement may be issued jointly by the management board and the supervisory board. With regard to the Bidder's Offer, the Management Board and the Supervisory Board have decided to issue a joint Reasoned Statement pursuant to section 27 WpÜG.

In their statement, the management board and the supervisory board must, pursuant to section 27 para. 1 sentence 2 WpÜG, address in particular (i) the type and amount of the consideration offered, (ii) the expected consequences of a successful offer for the company, the employees and their representatives, the employment conditions and the locations of the company, (iii) the objectives pursued by the bidder with the offer and

(iv) the intention of the members of the management board and the supervisory board, insofar as they are holders of securities of the company, to accept the offer.

The members of the Management Board discussed the Statement on 26 March 2024 and passed a unanimous resolution to issue this Statement.

The Supervisory Board has established an Acquisition Offer Committee (**Acquisition Offer Committee**) and authorized it to support the Supervisory Board in preparing the Statement. The resolution on the Statement was reserved for the Supervisory Board. At its meeting on 26 March 2024, the Supervisory Board discussed the Statement and also passed a unanimous resolution to issue this Statement (for further details, please refer to Para. IX Section 2 of this Statement).

2. Factual basis of this Reasoned Statement

Time references in this Reasoned Statement refer to the local time in Frankfurt am Main, Germany, unless otherwise stated. The currency indication "*EUR*" (**EUR**) refers to the currency of the European Economic and Monetary Union in accordance with Article 3 para. 4 of the Treaty on European Union. References to a **Banking Day** refer to a day on which banks in Frankfurt am Main, Germany, are open for general business and references to a **Stock Exchange Trading Day** refer to a day on which the Frankfurt Stock Exchange is open for trading.

Wherever terms such as "*currently*", "*at present*", "*presently*", "*now*" or "*today*" or similar terms are used in this Reasoned Statement, they refer to the time of publication of this Reasoned Statement, unless expressly stated otherwise. This Reasoned Statement contains forecasts, estimates, assessments, forward-looking statements and declarations of intent. Such statements are characterised in particular by expressions such as "*expects*", "*believes*", "*is of the opinion*", "*attempts*", "*estimates*", "*intends*", "*plans*", "*assumes*" and "*endeavours*". Such statements, forecasts, assessments, evaluations, forward-looking statements and declarations of intent are based on the information available to the Management Board and the Supervisory Board on the date of publication of this Reasoned Statement or reflect their assessments or intentions at that time. These statements may change after the publication of this Reasoned Statement. Assumptions may also prove to be incorrect in the future. The Management Board and the Supervisory Board assume no obligation to update this Reasoned Statement unless such an update is required by law.

The information in this document about the Bidder and the Offer is based on the information in the Offer Document and other publicly available information (unless expressly stated otherwise). The Management Board and the Supervisory Board point out that they cannot verify or fully verify the information provided by the Bidder in the Offer Document and cannot guarantee that the Bidder's intentions will be realized.

To the extent that this Statement refers to, quotes or reproduces the Offer Document, it is a mere reference by which the Management Board and the Supervisory Board neither adopt the Bidder's Offer Document as their own nor assume any liability for the accuracy or completeness of the Offer Document.

For reasons of better readability, the simultaneous use of the language forms male, female and diverse (m/f/d) is omitted. All personal designations apply equally to all genders.

3. Publication of this Reasoned Statement and any additional reasoned statements on any amendments to the Offer

The Statement and any amendments, as well as all statements on any amendments to the Delisting Acquisition Offer, will be published on the Company's website under "*Investor Relations*" (<https://www.telefonica.de/investor-relations.html>) in the section "*Statutory Information*" in accordance with section 27 para. 3 sentence 1 and section 14 para. 3 sentence 1 WpÜG.

Copies of the Reasoned Statement will also be made available free of charge at the offices of Telefónica Deutschland Holding AG, Georg-Brauchle-Ring 50, 80992 Munich, Germany. Reference to the publication and availability free of charge will be made in the Federal Gazette.

This Reasoned Statement and, if applicable, any amendments as well as any additional statements on possible amendments to the Delisting Acquisition Offer will be published in German and as a non-binding English translation. However, the Management Board and the Supervisory Board assume no liability for the accuracy and completeness of the English translation. Only the German version is authoritative.

4. Statement of the responsible works council

Pursuant to section 27 para. 2 WpÜG, the responsible works council of the company may submit a statement to the management board on the delisting acquisition offer, which the management board must attach to its statement pursuant to section 27 para. 2 WpÜG, notwithstanding its obligation pursuant to section 27 para. 3 sentence 1 WpÜG. The responsible works council of the Company has not issued its own statement at the time of this Statement.

5. Responsibility of the Telefónica Deutschland Shareholders

The Management Board and the Supervisory Board point out that the description of the Bidder's Delisting Acquisition Offer contained in this Reasoned Statement does

not claim to be complete and that only the provisions of the Offer Document are decisive for the content and settlement of the Offer.

The Management Board and the Supervisory Board further point out that the statements and assessments in this Reasoned Statement are not binding on the Telefónica Deutschland Shareholders. Each Telefónica Deutschland Shareholder must make its own assessment, taking into account the overall circumstances, its individual circumstances (including its personal tax situation) and its personal assessment of the future development of the value and stock exchange price of the Telefónica Deutschland Shares, as to whether and, if so, for how many of its Telefónica Deutschland Shares it accepts the Offer.

When deciding whether or not to accept the Offer, Telefónica Deutschland Shareholders should use all available sources of information and take their personal circumstances into sufficient consideration. In particular, the specific financial or tax situation of individual Telefónica Deutschland Shareholders may in individual cases lead to different assessments than those presented by the Management Board and the Supervisory Board. The Management Board and the Supervisory Board therefore recommend that Telefónica Deutschland Shareholders obtain independent tax and legal advice on their own responsibility, if necessary, and assume no liability for the decision of a Telefónica Deutschland Shareholder with regard to the Delisting Acquisition Offer.

The Bidder points out under Section 1.1 of the Offer Document that the Offer is made exclusively under German Takeover Law (as defined below) and certain applicable provisions of the securities laws of the United States of America (**United States**). According to the Bidder, the Offer does not constitute a public offer under any laws other than those of the Federal Republic of Germany and (to the extent applicable) the United States. Consequently, according to the Bidder, Telefónica Deutschland Shareholders may not rely on the application of provisions other than those of the Federal Republic of Germany and the United States (to the extent applicable). Any contract that comes into existence as a result of the acceptance of this Delisting Acquisition Offer will, according to the Offer Document, be governed exclusively by the laws of the Federal Republic of Germany.

Furthermore, the Bidder points out in Section 1.2 of the Offer Document that the Offer relates to shares of a German stock corporation and is subject to the statutory provisions of the Federal Republic of Germany on the implementation of such an offer. According to the Bidder, the Offer is not subject to the review or registration procedures of any securities regulatory authority outside the Federal Republic of Germany and has not been approved or recommended by any securities regulatory authority outside the Federal Republic of Germany. In particular, according to the

Bidder, neither the Offer nor the Offer Document has been approved or disapproved by the United States Securities and Exchange Commission or any other regulatory authority of the United States, nor have such authorities determined or confirmed the adequacy or accuracy of the information contained in the Offer Document or the merits of the Offer.

To Telefónica Deutschland Shareholders with their place of residence, registered office or habitual abode in the United States (**US Shareholders**), the Bidder points out in Sections 1.2 and 22 of the Offer Document that the Offer is made with respect to securities of a company that is a *foreign private issuer* within the meaning of the Securities Exchange Act of 1934, as amended (**Exchange Act**) and whose shares are not registered under section 12 of the Exchange Act. According to the Bidder, the Offer is being made in the United States pursuant to the Tier-2-exemption in Rule 14d-1 under the Exchange Act from certain requirements of the Exchange Act and is generally subject to the disclosure and other requirements and procedures of the Federal Republic of Germany, which differ from the requirements and procedures in the United States.

In Section 22 of the Offer Document, the Bidder further points out that it and/or persons acting jointly with it within the meaning of section 2 para. 5 WpÜG have acquired Telefónica Deutschland Shares other than through the Offer via the stock exchange or over-the-counter or have entered into corresponding acquisition agreements and may continue to do so from the time of the publication of the Bidder's decision to launch the Delisting Acquisition Offer pursuant to section 10 para. 1 sentence 1 WpÜG on 7 March 2024 until the expiry of the Acceptance Period, provided that such acquisitions or acquisition agreements are not made in the United States and are carried out in accordance with applicable German law, in particular the German Takeover Law (as defined below), and the applicable provisions of the Exchange Act.

According to the Bidder in Section 22 of the Offer Document, Telefónica Deutschland Shareholders with their place of residence, registered office or habitual abode outside the Federal Republic of Germany may encounter difficulties in enforcing rights and claims arising under a law other than the law of the country in which their place of residence is located. According to the Offer Document, this is due to the fact that Telefónica Deutschland has its registered office in Germany and some or all of its executives and board members may have their place of residence in a country other than the respective country of residence of the relevant Telefónica Deutschland Shareholders. According to the Bidder, it may not be possible for Telefónica Deutschland Shareholders domiciled abroad to sue Telefónica Deutschland or its executives or board members before a court in their own country of residence for violations of the laws of their own country of residence. Furthermore, according to the

Bidder, it may be difficult to compel a foreign company and its affiliates to comply with a court judgement issued in the respective shareholder's country of residence.

Pursuant to Section 1.2 of the Offer Document, the cash proceeds under the Offer may constitute a taxable transaction under applicable tax laws, including the tax laws of the Telefónica Deutschland Shareholders' own country of residence. The Bidder therefore recommends that independent professional advisors be consulted with respect to the tax consequences of accepting the Offer. According to the Offer Document, neither the Bidder nor the persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG nor their respective board members, executives, affiliates or employees assume any responsibility for tax consequences or liabilities resulting from an acceptance of the Offer. The Offer Document does not contain any information on foreign taxation.

In addition, the Bidder points out that US Shareholders should also note Section 22 of the Offer Document.

According to Section 1.5 of the Offer Document, the Offer may be accepted by all domestic and foreign Telefónica Deutschland Shareholders in accordance with the provisions set forth in the Offer Document and the applicable legal provisions. However, according to the Bidder, the acceptance of the Offer outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area as well as the United States may be subject to legal restrictions. The Bidder recommends that Telefónica Deutschland Shareholders who come into possession of the Offer Document outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United States, who wish to accept the Offer outside these countries or territories and/or who are subject to laws other than those of these countries or territories, inform themselves about the applicable laws and comply with them. According to the Offer Document, the Bidder and the Bidder Parent Company do not warrant that the acceptance of the Offer outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area and the United States is permissible under the applicable legal provisions.

The Management Board and the Supervisory Board point out that they cannot verify whether the Telefónica Deutschland Shareholders comply with all legal obligations applicable to them personally when accepting the Offer. The Management Board and the Supervisory Board therefore recommend that anyone who receives the Offer Document outside the Federal Republic of Germany or wishes to accept the Offer but is subject to securities regulations of jurisdictions other than those of the Federal Republic of Germany informs himself about and complies with such laws.

II. INFORMATION ABOUT THE COMPANY AND THE TELEFÓNICA DEUTSCHLAND GROUP

1. Legal basis of the Company

Telefónica Deutschland is a stock corporation incorporated under German law with its registered office in Munich, Germany, registered in the commercial register of the local court of Munich under HRB 201055. The business address of the Company is Georg-Brauchle-Ring 50, 80992 Munich, Germany. The financial year of Telefónica Deutschland corresponds to the calendar year.

The object of the Company is in accordance with section 2 para. 1 of the Articles of Association:

"(1) The object of the company is to engage in Germany and abroad in the areas of telecommunications and information technology, multimedia, information and entertainment, mobile payment and other payment solutions as well as the provision of distribution and brokerage services and any services connected or related with any of these areas, including the distribution of hardware and insurance solutions."

2. Overview of the Telefónica Deutschland Group

Telefónica Deutschland is the parent company of the Telefónica Deutschland Group. A list of all subsidiaries of Telefónica Deutschland is attached to this Statement as **Annex 1**. Pursuant to section 2 para. 5 sentence 3 WpÜG, these are deemed to be persons acting jointly with Telefónica Deutschland and with each other.

3. Capital structure of Telefónica Deutschland

Section 8.1 of the Offer Document summarizes and accurately describes the legal basis and the share capital of Telefónica Deutschland, which amounts to EUR 2,974,554,993.00 and is divided into 2,974,554,993 no-par value registered shares.

Pursuant to section 4 para. 3 of the Articles of Association of Telefónica Deutschland, the Management Board is authorized to increase the share capital of the Company by up to EUR 1,487,277,496.00 by issuing up to 1,487,277,496 new no-par value registered shares against cash contributions and/or contributions in kind on one or more occasions until 19 May 2026 (inclusive) with the approval of the Supervisory Board (***Authorized Capital 2021/1***). Pursuant to section 4 para. 4 of the Articles of Association of Telefónica Deutschland, the share capital of the Company is conditionally increased by up to EUR 558,472,700.00 by issuing up to 558,472,700

new no-par value registered shares (**Conditional Capital 2019/1**). By resolution dated 19 May 2022, the Annual General Meeting also authorized the Management Board pursuant to section 71 para. 1 no. 8 AktG, with the approval of the Supervisory Board, to acquire treasury shares of the Company up to a total of 10% of the share capital existing at the time the authorisation is granted or - if this value is lower - at the time the authorization is exercised for any permissible purpose until 18 May 2027. The Management Board of Telefónica Deutschland has not made use of the Authorized Capital 2021/1, the Conditional Capital 2019/1 and the authorisation to acquire treasury shares until the date of publication of this Statement. At the time of publication of this Statement, Telefónica Deutschland has not issued any bonds with conversion rights or any bonds with conversion obligations and does not hold any treasury shares.

4. Overview of the business activities of the Telefónica Deutschland Group

The Telefónica Deutschland Group is one of the three leading integrated network operators in Germany. It offers mobile and fixed network services for private and business customers as well as innovative digital products and services. It also provides its numerous wholesale partners with extensive mobile services. The Telefónica Deutschland Group has a multi-brand strategy that enables it to adapt its marketing and sales approach to the needs of the respective customer group. The Telefónica Deutschland Group's product range specifically comprises the following areas:

Mobile phone services

The Telefónica Deutschland Group is a leading provider on the mobile services market with a total of 45.1 million mobile lines as of 31 December 2023. It offers private and business customers mobile and fixed voice and data services both on a contract basis (postpaid) and in the prepaid segment. The basis for this is its mobile communications network. The focus is on expanding the 5G network, which has already covered more than 80% of the German population by the end of 2023.

Fixed-line business

In addition to mobile services, the Telefónica Deutschland Group offers fixed-line services nationwide. Its fixed-line customer base totalled around 2.4 million at the end of 2023. A strategic partnership with Telekom Deutschland GmbH gives the Telefónica Deutschland Group access to future-proof, next-generation fixed-line infrastructure and can already provide around 36 million households in Germany with high-speed internet access. Since November 2022, the Telefónica Deutschland Group has been marketing fibre-to-the-home lines to its customers in addition to Telekom's existing VDSL and vectoring wholesale products.

Hardware business

The Telefónica Deutschland Group uses many channels to sell a wide variety of devices to its customers. Via the O₂ My Handy programme, customers can buy any device in the O₂ range immediately or pay for it in flexible monthly instalments. In some cases, the Telefónica Deutschland Group also supplies its partners with hardware and supports them in selling and marketing the hardware to their customers as required.

Digital services

The Telefónica Deutschland Group offers a wide range of additional products and services. These include, for example, its products and services in connection with the Internet of Things (IoT) and its additional digital services such as O₂ TV and O₂ Cloud.

In the financial year 2023, the Telefónica Deutschland Group generated consolidated sales of around EUR 8,614 million (2022: EUR 8,224 million), an operating result before depreciation and amortization (OIBDA) of around EUR 2,601 million (2022: EUR 2,523 million) and a free cash flow (OIBDA minus CapEx) of around EUR 1,468 million (2022: EUR 1,314 million). In the financial year 2023, the Telefónica Deutschland Group employed an average of 7,757 people.

5. Governing bodies of the Company

The Company has two governing bodies, namely the Management Board and the Supervisory Board. In accordance with the Articles of Association, the Management Board is responsible for the management and representation of the Company. The Management Board of Telefónica Deutschland currently consists of the following seven members: Markus Haas (Chief Executive Officer (CEO), chairman of the Management Board), Markus Rolle (Chief Financial Officer (CFO)), Valentina Daiber (Chief Officer Legal & Corporate Affairs), Nicole Gerhardt (Chief Organisational Development & People Officer), Andreas Laukenmann (Chief Consumer Officer (CCO)), Alfons Lösing (Chief Partner & Wholesale Officer) and Yelamate Mallikarjuna Rao (Chief Technology & Information Officer).

In accordance with section 11 para. 1 of the Company's Articles of Association, the Company's Supervisory Board is made up of 16 members, eight of whom are elected by the Annual General Meeting and eight of whom are elected by the employees in accordance with the provisions of the German Co-Determination Act. The current members of the Supervisory Board are:

Shareholder representative	Employee representative
Peter Löscher* (chairman)	Thomas Pfeil (Deputy chairman)

Shareholder representative	Employee representative
Pablo de Carvajal González	Martin Butz
Maria García-Legaz Ponce	Yasmin Fahimi
Ernesto Gardelliano	Cansever Heil
Michael Hoffmann*	Christoph Heil
Julio Linares López	Joachim Rieger
Stefanie Oeschger*	Barbara Rothfuß
Jaime Smith Basterra*	Dr Jan-Erik Walter

* Independent Supervisory Board members both within the meaning of recommendation C.7 of the "German Corporate Governance Code" in the version dated 28 April 2022 (**DCGK 2022**) and within the meaning of recommendation C.9 DCGK 2022.

6. Shareholder structure

The direct parent company of the Telefónica Deutschland Group is Telefónica Germany Holdings Limited, a limited liability company under English law with its registered office in Worthing, United Kingdom (**UK HoldCo**). UK HoldCo is a wholly owned subsidiary of O2 (Europe) Limited, a limited liability company incorporated under English law with its registered office in Worthing, United Kingdom. O2 (Europe) Limited is a wholly-owned subsidiary of the Bidder Parent Company. UK HoldCo is therefore an indirect subsidiary of the Bidder Parent Company, in whose consolidated financial statements Telefónica Deutschland is included and which is the ultimate group parent. According to the voting rights notifications submitted to Telefónica Deutschland pursuant to sections 33 et seq. of the German Securities Trading Act (*Wertpapierhandelsgesetz* - **WpHG**) by 12 March 2024 and published on the Company's website at <https://www.telefonica.de/> under "Investor Relations", there under "Publications" and there in the "News" section under the "Voting Rights" button, as well as according to own data surveys, the following shareholders directly or indirectly hold 3.00% or more of the voting rights from shares in Telefónica Deutschland:

	Share by directly held voting rights	(Total) share by virtue of Acting in Concert Agreement
Shareholder	(in %)*	(in %)**
Telefónica Germany Holdings Limited (UK HoldCo)	69,22	
Bidder Parent Company	17,27	
Bidder	7,86	94,35
Total	94,35	94,35

* Based on the voting rights from shares reported to the Company in accordance with sections 33, 34 WpHG by 12 March 2024, calculated on the basis of the Company's current share capital.

** The Bidder and the Bidder Parent Company have entered into an Acting in Concert Agreement with respect to Telefónica Deutschland, pursuant to which all voting rights in Telefónica Deutschland held by the Bidder Parent Company and indirectly via UK HoldCo are attributed to the Bidder (see Para. III Section 4 of this Statement).

III. INFORMATION ABOUT THE BIDDER

Unless otherwise stated, the Bidder has published the following information in the Offer Document. The Management Board and the Supervisory Board have not been able to verify this information in full or at all. The Management Board and the Supervisory Board therefore assume no liability for the accuracy of the information.

1. Legal basis, capital structure and corporate structure of the Bidder

The Offer Document contains the following information on the legal basis of the Bidder under Section 6.1:

The Bidder, Telefónica Local Services GmbH, is a limited liability company under German law with its registered office in Ismaning, Germany, and is registered in the commercial register of the local court of Munich under HRB 287256. The business address of the Bidder is Adalperostrasse 82-86, 85737 Ismaning, Germany. The share capital of the company amounts to EUR 100,000.00 and is divided into 100,000 shares with a nominal value of EUR 1.00 each. The sole shareholder of the Bidder is the Bidder Parent Company.

The corporate purpose of the Bidder includes, inter alia, the acquisition, holding and management of participations in other companies and enterprises in its own name, for its own account and not as a service for third parties. The Bidder's financial year is the calendar year.

The Bidder has one managing director: Raúl Molina Torres. The managing director has sole power of representation. The Bidder currently has no employees.

2. Overview of the Bidder Parent Company and the Bidder Parent Group

According to the Offer Document, the Bidder Parent Company is a Spanish multinational telecommunications company headquartered in Madrid, Spain. It is one of the largest telephone and mobile network operators in the world. It offers fixed and mobile telephony, broadband and subscription television and is active in Europe and North and South America. "Telefónica" is the umbrella brand of the Bidder Parent Company and its affiliated companies within the meaning of sections 15 et seq. AktG (together **Bidder Parent Group**), which conducts its corporate and institutional communications worldwide. At the local level, the Bidder Parent Group uses the trademarks "Telefónica", "Movistar" and "O₂" in Spain, "Movistar" in Latin America, "O₂" in Europe and "Vivo" in Brazil.

In the financial year 2023, the Bidder Parent Group generated consolidated revenue of approximately EUR 40,652 million (2022: EUR 39,993 million) and an operating result of approximately EUR 2,593 million (previous year: EUR 4,056 million).

In 2023, the Bidder Parent Group employed an average of 104,124 people.

The Bidder Parent Company has no controlling shareholder to whom voting rights in Telefónica Deutschland held by or attributable to the Bidder Parent Company would be attributable pursuant to section 30 WpÜG.

3. Persons acting jointly with the Bidder

According to Section 6.4 of the Offer Document, the Bidder Parent Company is a person acting jointly with the Bidder within the meaning of section 2 para. 5 sentence 1 and sentence 3 WpÜG and the persons listed in **Annex 2** are persons acting jointly with the Bidder within the meaning of section 2 para. 5 sentence 3 WpÜG. Persons acting jointly with the Bidder are also Telefónica Deutschland and its subsidiaries listed in **Annex 1** listed separately in Annex 1. There are no other persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG.

4. Telefónica Deutschland Shares currently held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries, attribution of voting rights

According to Section 6.5 of the Offer Document, the Bidder directly holds 233,732,773 Telefónica Deutschland Shares (corresponding to approx. 7.86% of the share capital and voting rights in Telefónica Deutschland) at the time of publication of the Offer Document and the voting rights from these Telefónica Deutschland Shares of the Bidder Parent Company are attributed to it pursuant to section 30 para. 1 sentence 1 no. 1 WpÜG.

UK HoldCo, which is a sister company of the Bidder and a person acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG, holds, according to the voting rights notifications received by Telefónica Deutschland pursuant to sections 33 et seq. WpHG until 12 March 2024 directly 2,059,117,075 shares in Telefónica Deutschland (corresponding to approximately 69.22% of the share capital and voting rights in Telefónica Deutschland). The Bidder Parent Company directly holds 513,628,651 Telefónica Deutschland Shares (corresponding to approximately 17.27% of the share capital and voting rights in Telefónica Deutschland). The voting rights from the Telefónica Deutschland Shares held by UK HoldCo are attributed to the Bidder Parent Company pursuant to section 30 para. 1 sentence 1 no. 1, sentence 2 and sentence 3 WpÜG. Therefore, as of 12 March 2024 approximately 94.35% of the share capital and voting rights in Telefónica Deutschland are held by persons acting jointly with the Bidder (**Telefónica Deutschland Shares Held**).

To the knowledge of the Management Board and the Supervisory Board, neither the Bidder nor any other persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG and their respective subsidiaries hold any further Telefónica Deutschland Shares or voting rights attached to the Telefónica Deutschland Shares and no voting rights attached to the Telefónica Deutschland Shares are attributable to them pursuant to section 30 WpÜG other than the Telefónica Deutschland Shares held at the time of the publication of the Statement.

In Section 6.5 of the Offer Document, the Bidder states that it entered into an acting in concert agreement with the Bidder Parent Company on 6 March 2024, the purpose of which is to coordinate the vote of the parties with respect to all material decisions concerning Telefónica Deutschland, in particular with respect to the exercise of voting rights attached to the Telefónica Deutschland Shares currently directly and indirectly held and to be held in the future by the parties to the agreement (**Acting in Concert Agreement**). UK HoldCo is not a party to the Acting in Concert Agreement. Based on the Acting in Concert Agreement, the voting rights from the Telefónica Deutschland Shares directly held by the Bidder Parent Company are attributable to the Bidder pursuant to section 30 para. 2 WpÜG. In addition, the voting rights from the Telefónica

Deutschland Shares held indirectly by the Bidder Parent Company and directly by UK HoldCo via the Bidder Parent Company are attributable to the Bidder pursuant to section 30 para. 2 WpÜG. The Bidder states that in the course of the conclusion of the Acting in Concert Agreement, BaFin determined on 8 March 2024, at the Bidder's request, that the voting rights attributable to the Bidder from the Telefónica Deutschland Shares covered by the Acting in Concert Agreement were not taken into account in the calculation of the Bidder's share of voting rights pursuant to section 36 no. 3 WpÜG.

5. **Information on the acquisition of Telefónica Deutschland Shares and instruments and agreements authorizing the acquisition of Telefónica Deutschland Shares**

According to Section 7.1 of the Offer Document - with the exception of the acquisition transactions described in Section 7.1.1 of the Offer Document and in the following Sections 5.1 and 5.2 of this Statement - neither the Bidder nor persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG and their respective subsidiaries have in the last six months prior to the announcement of the Bidder's decision to launch the Delisting Acquisition Offer pursuant to section 10 para. 1 sentence 1 WpÜG on 7 March 2024 until the publication of the Offer Document on 20 March 2024 (i) acquired Telefónica Deutschland Shares or (ii) instruments that directly or indirectly convey voting rights to be notified pursuant to section 38 or 39 WpHG or (iii) concluded an agreement on the basis of which the transfer of ownership of Telefónica Deutschland Shares may be demanded.

5.1 Partial Offer

In Sections 1.6 and 7.1.1 of the Offer Document, the Bidder states that on 5 December 2023 it published the Offer Document for a voluntary public takeover offer in the form of a partial offer for the acquisition of up to 550,882,742 Telefónica Deutschland Shares (corresponding to approximately 18.52% of the share capital and voting rights of Telefónica Deutschland) against payment of a cash consideration of EUR 2.35 per Telefónica Deutschland Share (**Partial Offer**). As announced on 22 January 2024 pursuant to section 23 para. 1 sentence 1 no. 2 WpÜG, the Partial Offer was accepted for a total of 233,732,773 Telefónica Deutschland Shares (corresponding to approximately 7.86% of the share capital and voting rights of Telefónica Deutschland). The Partial Offer was settled on 26 January 2024, whereby the Bidder acquired the aforementioned 233,732,773 Telefónica Deutschland Shares.

5.2 Prior acquisitions

According to the statements in Section 7.1.1 of the Offer Document, in the last six months prior to the announcement of the Bidder's decision to launch the Delisting Acquisition Offer pursuant to section 10 para. 1 sentence 1 WpÜG on 7 March 2024

until the publication of the Offer Document on 20 March 2024 the Bidder Parent Company acquired a total of 455,018,079 Telefónica Deutschland Shares (corresponding to approximately 15.30% of the share capital and voting rights in Telefónica Deutschland). For details on these acquisitions by the Bidder Parent Company, please refer to the statements in Section 7.1.1 and the corresponding Annex 3 of the Offer Document.

6. Possible future acquisition of Telefónica Deutschland Shares

With regard to the possible future acquisition of Telefónica Deutschland Shares, the Offer Document contains the following statements under Section 7.2: The Bidder and/or persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG may acquire, or make arrangements to acquire, directly or indirectly, Telefónica Deutschland Shares other than pursuant to the Offer on or off the stock exchange until the expiry of the Acceptance Period, provided that such acquisitions or arrangements to acquire do not occur in the United States and comply with the applicable German statutory provisions, in particular the German Takeover Law (as defined below), and the applicable provisions under the Exchange Act.

Information on such acquisitions or agreements on acquisitions will be published on the Bidder's website at <https://www.td-offer.com> in accordance with the statutory provisions and in a non-binding English translation.

IV. INFORMATION ABOUT THE OFFER

1. Decisiveness of the Offer Document

Selected information from the Bidder's Delisting Acquisition Offer is presented below. For further information and details (in particular with regard to the acceptance periods, the acceptance modalities and the rights of withdrawal), please refer to the statements in the Offer Document. The following information merely summarizes information contained in the Offer Document. The Management Board and the Supervisory Board point out that the description of the Offer in the Statement does not purport to be complete and that only the provisions of the Offer Document are authoritative for the content and settlement of the Offer. It is the responsibility of each Telefónica Deutschland Shareholder to take note of the Offer Document and to take the measures that make sense for him.

The Offer Document was published on 20 March 2024 by (i) announcement on the internet at <https://www.td-offer.com> and (ii) making copies of the Offer Document available for distribution free of charge at BNP Paribas S.A., Branch Office Germany, Senckenberganlage 19, 60325 Frankfurt am Main, Germany (order by fax to +49 (0)

69 1520 5277 or email to frankfurt.gct.operations@bnpparibas.com) (**BNP Paribas**). The announcement regarding (i) the internet address at which the Offer Document was published and (ii) the availability of the Offer Document at BNP Paribas was published in the German Federal Gazette on 20 March 2024 and will be published as soon as possible thereafter, presumably on 21 March 2024, in The Wall Street Journal in the United States, as shown in the Offer Document. In addition, a non-binding English translation of this Offer Document, which has not been reviewed by the German Federal Financial Supervisory Authority (**BaFin**), has been posted at <https://www.td-offer.com>. Further details on the publication and distribution of the Offer Document can be found in Sections 1.1 and 1.4 of the Offer Document.

2. Implementation of the Offer

The Offer is made by the Bidder in the form of a public delisting acquisition offer (cash offer) to acquire all Telefónica Deutschland Shares in accordance with the provisions of the WpÜG and the Ordinance on the Content of the Offer Document, the Consideration in Takeover Offers and Mandatory Offers and the Exemption from the Obligation to Publish and Make an Offer (**WpÜG Offer Ordinance** and, together with the WpÜG, the **German Takeover Law**) in conjunction with section 39 para. 2 BörsG and in accordance with applicable provisions of the securities laws of the United States.

3. Subject of the Offer and Offer Price

Subject to the terms and conditions in the Offer Document, the Bidder offers to all Telefónica Deutschland Shareholders to purchase and acquire their no-par value registered shares of Telefónica Deutschland (ISIN DE000A1J5RX9), which are not directly held by the Bidder, each with a pro rata amount of the share capital of the Company of EUR 1.00, including all ancillary rights existing at the time of settlement of the Offer, in particular the right to receive dividends, against a cash payment in the amount of

EUR 2.35 in cash per Telefónica Deutschland Share

(Offer Price or Offer Consideration).

4. Acceptance Period

According to Section 5.1 of the Offer Document (including any extensions pursuant to Section 5.2 - see below for more details - the **Acceptance Period**) starts with the publication of the Offer Document on 20 March 2024 and ends on 18 April 2024, 24:00 hours. The Bidder may amend the Offer pursuant to section 21 para. 1 WpÜG

up to one working day prior to the expiry of the Acceptance Period. Under the circumstances set out below, the period for acceptance of the Offer will be automatically extended as follows in accordance with Section 5.2 of the Offer Document:

- In the event of an amendment to the Delisting Acquisition Offer pursuant to section 21 para. 1 WpÜG, the Acceptance Period is automatically extended by two weeks if the amendment is published within the last two weeks prior to the expiry of the Acceptance Period (section 21 para. 5 WpÜG). The Acceptance Period would then end on 2 May 2024, 24:00 hours. This also applies if the amended offer violates legal provisions.
- If a competing offer to acquire Telefónica Deutschland Shares is submitted by a third party during the Acceptance Period (**Competing Offer**) and the Acceptance Period for the Delisting Acquisition Offer expires before the expiry of the acceptance period for the Competing Offer, the expiry of the Acceptance Period for the Delisting Acquisition Offer is automatically determined by the expiry of the acceptance period for the Competing Offer (section 22 para. 2 sentence 1 WpÜG). This also applies if the Competing Offer is amended or prohibited or violates legal provisions.
- If a general meeting of Telefónica Deutschland is convened in connection with the Offer after publication of the Offer Document, the Acceptance Period pursuant to section 16 para. 3 WpÜG will be ten weeks from the publication of the Offer Document. The Acceptance Period would then end on 29 May 2024, 24:00 hours.

With regard to the right of withdrawal in the event of an amendment to the Offer or in the event of a Competing Offer, reference is made to the statements in Section 18.1 of the Offer Document.

The additional acceptance period pursuant to section 16 para. 2 WpÜG will not apply, as the Offer is not a takeover offer within the meaning of section 29 para. 1 WpÜG.

5. No Offer Condition

According to Section 13 of the Offer Document, the Delisting Acquisition Offer is an offer pursuant to section 39 para. 2 sentence 3 no. 1 BörsG. Pursuant to section 39 para. 3 sentence 1 BörsG, the Delisting Acquisition Offer may not be made subject to any conditions. The agreements concluded between the Bidder and the accepting Telefónica Deutschland Shareholders through their acceptance of the Offer are therefore not subject to any offer conditions according to the Offer Document.

6. Authorization of the publication of the Offer Document by BaFin

According to Section 12 of the Offer Document, BaFin authorized the publication of the Offer Document on 20 March 2024 and the completion of the Offer does not require official approval.

7. Acceptance and settlement of the Offer

Section 17 of the Offer Document describes the acceptance and settlement of the Offer, including the legal consequences of acceptance (Section 17.4 of the Offer Document).

Pursuant to Section 17.1 of the Offer Document, the Bidder has appointed BNP Paribas as central settlement agent for the settlement of the Offer (**Central Settlement Agent**).

According to Section 17.2 of the Offer Document, Telefónica Deutschland Shareholders can only accept the Offer by declaring acceptance of the Offer within the Acceptance Period (i) in text form or electronically to their respective custodian bank (**Custodian Bank**) (**Declaration of Acceptance**) and (ii) instructing their Custodian Bank to effect the re-booking of the Telefónica Deutschland Shares held in their securities account for which they wish to accept the Offer (**Telefónica Deutschland Shares Tendered**) to ISIN DE000A4BGGA2 at Clearstream Banking AG (**Clearstream**) without undue delay.

According to the Bidder, the Declaration of Acceptance will only become effective if the Telefónica Deutschland Shares Tendered have been transferred to ISIN DE000A4BGGA2 at Clearstream by no later than 18:00 hrs. on the second Banking Day following the expiry of the Acceptance Period. According to the Bidder, the respective Custodian Bank must initiate these transfers immediately after receipt of the Declaration of Acceptance.

With regard to the legal consequences of acceptance, the Bidder explains in Section 17.4 of the Offer Document in particular that upon acceptance of the Offer, an agreement on the sale and transfer of the Telefónica Deutschland Shares Tendered is concluded between the accepting Telefónica Deutschland Shareholder and the Bidder in accordance with the provisions of the Delisting Acquisition Offer. Upon the transfer of ownership of the Telefónica Deutschland Shares Tendered, all ancillary rights of the Telefónica Deutschland Shares Tendered existing at the time of settlement (in particular including all dividend rights) will be transferred to the Bidder. With regard to the details and the instructions, authorizations, powers of attorney and orders issued by the accepting Telefónica Deutschland Shareholders, reference is made to Sections 17.3 a) and 17.3 b) of the Offer Document and, with regard to the declarations by the accepting Telefónica Deutschland Shareholders, to Section 17.3 c) of the Offer Document.

With regard to the settlement of the Offer, the Bidder states in Section 17.5 of the Offer Document that the payment of the Offer Price owed by the Bidder to the respective Telefónica Deutschland Shareholder will be made via Clearstream to the accounts of the Custodian Bank of the accepting Telefónica Deutschland Shareholders concurrently with the transfer of the Telefónica Deutschland Shares Tendered to the securities account of the Central Settlement Agent at Clearstream for the purpose of transferring these shares to the Bidder.

According to the Bidder, the Central Settlement Agent will arrange for the transfer of the Offer Price for the Telefónica Deutschland Shares Tendered without undue delay, but no later than on the eighth Banking Day after the expiry of the Acceptance Period.

According to Section 17.5 of the Offer Document, the Bidder will have fulfilled its obligation to pay the Offer Price to the respective Telefónica Deutschland Shareholder upon payment of the respective Offer Price owed to the respective Custodian Bank. According to the Bidder, it is the responsibility of the respective Custodian Bank to credit the respective Offer Price owed to the account of the Telefónica Deutschland Shareholder accepting the Offer without undue delay.

Furthermore, the Bidder points out in Section 17.2 of the Offer Document that Telefónica Deutschland Shareholders who wish to accept the Offer should contact their Custodian Bank with any questions regarding the acceptance of the Offer and its technical settlement. According to the Bidder, the Custodian Bank has been informed separately about the modalities of the acceptance and the settlement of the Offer and is obliged to inform customers who hold Telefónica Deutschland Shares in their securities account about the Offer and the steps required for its acceptance.

For further details on the acceptance and settlement of the Offer, please refer to Section 17 of the Offer Document.

V. FINANCING OF THE OFFER

Pursuant to section 13 para. 1 sentence 1 WpÜG, the Bidder must take the necessary measures prior to the publication of the Offer Document to ensure that it has the funds necessary for the complete fulfilment of the Offer at the time the claim to the consideration becomes due.

1. Maximum Consideration

According to Section 14.1 of the Offer Document and the calculation set out therein, if the Delisting Acquisition Offer is accepted for all issued Telefónica Deutschland Shares not already directly held by the Bidder, the total amount will be EUR 6.441 billion (*Maximum Consideration*).

In addition, according to the information in Section 14.1 of the Offer Document, the Bidder assumes that it will incur transaction costs in connection with the preparation and implementation of the Delisting Acquisition Offer in an estimated amount of up to EUR 5 million (**Transaction Costs**). The maximum financing requirement of the Bidder in connection with the Delisting Acquisition Offer, consisting of the Maximum Consideration and the Transaction Costs, would therefore amount to a maximum of EUR 6.446 billion (**Maximum Financing Requirement**).

2. Financing measures

According to Section 14.2 of the Offer Document, the Bidder has taken the necessary measures prior to the publication of the Offer Document to ensure that it will have the financial resources necessary for the complete fulfilment of the Delisting Acquisition Offer in due time.

The Bidder states that the expected financing requirement including the Transaction Costs for the Delisting Acquisition Offer amounts to approximately EUR 372,929,959 (**Total Offer Costs** or the **Expected Financing Requirement**).

According to the information provided by the Bidder in Section 14.2.1 of the Offer Document, the deviation between the Maximum Financing Requirement and the Expected Financing Requirement is based on two qualified non-acceptance agreements concluded by the Bidder with the Bidder Parent Company and UK HoldCo, respectively, which each exist in relation to their directly held Telefónica Deutschland Shares and are secured by deposit lock-up agreements. Based on the considerations set out in Section 14.2.1 of the Offer Document, the Bidder assumes that the Delisting Acquisition Offer can actually only be accepted for up to 156,565,940 Telefónica Deutschland Shares (corresponding to approximately 5.26% of the share capital and voting rights of Telefónica Deutschland). For further details, please refer to Section 14.2.1 of the Offer Document.

According to the information provided by the Bidder in Section 14.2.2 of the Offer Document, the Bidder will cover the Total Offer Costs and the Expected Financing Requirements in full from the existing cash and cash-like assets of the Bidder Parent Company. On 6 March 2024, according to Section 14.2.2 of the Offer Document, the Bidder Parent Company has contractually undertaken to directly or indirectly provide the Bidder with an amount of up to approximately EUR 400 million in the form of an equity contribution and/or a shareholder loan (**Capital Commitment**) to enable the Bidder to fulfil its payment obligations under the Offer.

According to the statements in Section 14.2.2 of the Offer Document, the Bidder Parent Company has sufficient cash and cash equivalents at the time of publication of the Offer Document and does not require any additional measures to finance the Offer.

The consolidated cash and cash equivalents of the Bidder Parent Company available at this time, together with the other cash and cash equivalents in the Bidder's balance sheet, also exceed the funds required to fully cover the Total Offer Costs. The consolidated cash and cash equivalents of the Bidder Parent Company amounted to EUR 7,151 million according to the consolidated balance sheet of the Bidder Parent Company as of 31 December 2023.

Pursuant to Section 14.3 of the Offer Document, Bank of America Europe Designated Activity Company, Frankfurt am Main Branch, Federal Republic of Germany, registered with the Commercial Register of the local court of Frankfurt am Main under HRB 104800, an investment services provider independent of the Bidder, has submitted a financing confirmation within the meaning of section 13 para. 1 sentence 2 WpÜG attached to the Offer Document as Annex 4.

3. Evaluation of the financing by the Management Board and the Supervisory Board

The Management Board and the Supervisory Board have no reason to doubt the accuracy and completeness of the presentation of the Capital Commitment in the Offer Document. Based on the Capital Commitment set out in Section 14.2 of the Offer Document, which according to the Bidder is sufficient for the payment of the Total Offer Costs, the Management Board and the Supervisory Board are of the opinion that, based on this information, it can be assumed that it is sufficiently ensured that the Bidder will have the funds necessary for the complete fulfilment of the Offer at the time the claim to the consideration becomes due.

VI. TYPE AND AMOUNT OF CONSIDERATION

1. Type and amount of consideration

The Delisting Acquisition Offer provides for a cash consideration of EUR 2.35 per Telefónica Deutschland Share. Details are set out in Section 4 of the Offer Document.

2. Legal minimum price

To the extent that the Management Board and the Supervisory Board can verify this on the basis of the information available, the Offer Price for the Telefónica Deutschland Shares complies with the provisions of section 39 para. 3 sentence 2 BörsG in conjunction with section 31 para. 1 and para. 7 WpÜG and sections 3 et seq. WpÜG Offer Ordinance at the statutory minimum price, which is determined on the basis of the higher of the following thresholds:

2.1 Prior acquisitions

Pursuant to section 4 WpÜG Offer Ordinance (in conjunction with section 39 para. 3 sentence 2 BörsG and section 31 para. 1 and para. 7 WpÜG), the consideration must be at least equal to the value of the highest consideration granted or agreed by the Bidder, a person acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG or their respective subsidiaries for the acquisition of Telefónica Deutschland Shares (or the conclusion of corresponding agreements leading to the acquisition of Telefónica Deutschland Shares) within the last six months prior to the publication of the Offer Document on 20 March 2024.

According to the information provided by the Bidder in Sections 7.1.1 and 11.1 a) including Annex 3 of the Offer Document, the Bidder and the Bidder Parent Company acquired the Telefónica Deutschland Shares described therein during the relevant period. The highest price for such an acquisition of a Telefónica Deutschland Share by the Bidder or the Bidder Parent Company amounted to EUR 2.35. According to the acquisitions described in Sections 7.1.1 and 11.1 a) including Annex 3 of the Offer Document, neither the Bidder nor persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG or their respective subsidiaries have acquired Telefónica Deutschland Shares at a price higher than EUR 2.35 per Telefónica Deutschland Share within the last six months prior to the publication of the Offer Document on 20 March 2024. The Management Board and the Supervisory Board have no information to the contrary regarding minimum price relevant acquisitions of Telefónica Deutschland Shares or the conclusion of agreements authorising minimum price relevant acquisitions of Telefónica Deutschland Shares.

2.2 Stock market price

If the shares of the target company are admitted to trading on a domestic stock exchange, the consideration must be paid in cash pursuant to section 5 para. 1 WpÜG Offer Ordinance (in conjunction with section 39 para. 3 sentence 2 BörsG and section 31 para. 1 and para. 7 WpÜG) and must at least correspond to the weighted average domestic stock exchange price of the Telefónica Deutschland Shares during the last six months prior to the publication of the decision to submit the Delisting Acquisition Offer pursuant to section 10 para. 1 sentence 1 WpÜG (**Six-Month Average Price**).

The Bidder published its decision to launch the Delisting Acquisition Offer on 7 March 2024. According to Section 11.1 b) of the Offer Document, BaFin informed the Bidder that the Six-Month Average Price as of 6 March 2024 (inclusive) was EUR 2.19 per Telefónica Deutschland Share. The Offer Consideration of EUR 2.35 per Telefónica Deutschland Share exceeds the relevant Six-Month Average Price.

3. Evaluation of the fairness of the consideration

The Management Board and the Supervisory Board have carefully and thoroughly examined the fairness of the Offer Consideration submitted by the Bidder for the Telefónica Deutschland Shares from a financial point of view. On the one hand, they have taken into account the valuation of the Telefónica Deutschland Shares by the capital market based on historical stock exchange prices in certain reference periods as well as the assessments of financial analysts. On the other hand, the Management Board and the Supervisory Board analysed the intrinsic value of the Telefónica Deutschland Shares in light of the Company's current strategy and financial planning as well as certain other assumptions, information and considerations (including the current geopolitical and macroeconomic situation) (see also the explanations in Section 3.3 of this Statement).

The Management Board and the Supervisory Board expressly point out that their evaluation of the fairness of the Offer Consideration was carried out independently of each other.

3.1 Comparison with historical stock market prices

In the opinion of the Management Board and the Supervisory Board, the stock exchange prices of the Telefónica Deutschland Shares represent a relevant criterion for assessing the fairness of the Offer Consideration. The Telefónica Deutschland Shares are currently still admitted to trading on the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) and are traded via the electronic trading system XETRA. Telefónica Deutschland Shares are also traded on the open market (*Freiverkehr*) of the stock exchanges in Berlin (Berlin Second Regulated Market), Düsseldorf, Hamburg, Munich and Stuttgart as well as on the Tradegate Exchange. The Management Board and the Supervisory Board are also of the opinion that there was functioning stock exchange trading with sufficient trading activity for Telefónica Deutschland Shares in the periods relevant for the analysis.

To assess the fairness of the Offer Consideration from a financial point of view, the Management Board and the Supervisory Board have therefore used, among other things, the historical stock exchange prices of the Telefónica Deutschland Shares, which are also shown in Section 11.2.1 of the Offer Document.

In the opinion of the Management Board and the Supervisory Board, the historical stock exchange prices of the Telefónica Deutschland Shares prior to 7 November 2023 are the reference point when assessing the financial fairness of the Offer Consideration. On this date, the Bidder published its decision to submit the Partial Offer pursuant to section 10 para. 1 sentence 1 WpÜG (***Offer Decision 2023***). As described in Section 11 of the Offer Document, the Bidder is convinced that the share

price of the Telefónica Deutschland Shares from 7 November 2023 and thereafter was influenced by the publication of this decision and the subsequent Partial Offer. Therefore, the Bidder considers 6 November 2023 to be the last Stock Exchange Trading Day of the Telefónica Deutschland Shares on which the price of the Telefónica Deutschland Shares was unaffected by the announcement of the Partial Offer by the Bidder. The Management Board and the Supervisory Board agree to this.

Based on the stock exchange price of the Telefónica Deutschland Shares (source in each case Bloomberg) prior to the publication of Offer Decision 2023, the Offer Consideration of EUR 2.35 includes the following premiums:

- The stock exchange price (XETRA closing price) on 6 November 2023, the last Stock Exchange Trading Day prior to the publication of the Offer Decision 2023, was EUR 1.71 per Telefónica Deutschland Share. Based on this stock exchange price, the Offer Consideration includes a premium of EUR 0.64 or 37.6%.
- The volume-weighted average stock exchange price (XETRA) during the last three months prior to and including 6 November 2023, the last Stock Exchange Trading Day prior to the publication of the Offer Decision 2023, was approximately EUR 1.72 per Telefónica Deutschland Share. Based on this average price, the Offer Consideration includes a premium of EUR 0.63 or approximately 36.3%.
- The volume-weighted average stock exchange price (XETRA) during the last six months prior to and including 6 November 2023, the last Stock Exchange Trading Day prior to the publication of the Offer Decision 2023, was approximately EUR 2.03 per Telefónica Deutschland Share. Based on this average price, the Offer Consideration includes a premium of EUR 0.32 or approximately 15.6%.

The Management Board and the Supervisory Board have each independently come to the conclusion that the Offer Consideration appears fair in comparison to these aforementioned historical stock exchange prices of the Telefónica Deutschland Shares.

3.2 Analyst opinions

In evaluating the fairness of the Offer Consideration, the Management Board and the Supervisory Board have also taken into account the recommendations and price targets for the Telefónica Deutschland Share published by selected analysts in the period from 3 August 2023 prior to the publication of the Offer Decision 2023. For price movements after the publication of the Offer Decision 2023 (and thus prior to the publication of the Bidder's decision to launch the Delisting Acquisition Offer), see Section 3.1 of this Statement.

The Management Board and the Supervisory Board are of the opinion that, analogous to the comparison with historical stock market prices, the comparison with

recommendations and target prices published by share analysts in the past should also be based on the total offer value.

The recommendations and target price expectations of the following analysts were taken into account:

Analyst*	Publication date	Target price per TDH Share in EUR	Recommendation
Warburg Research	06.11.2023	2,05	Buy
Deutsche Bank	31.10.2023	1,60	Hold
AlphaValue / Baader Europe	26.10.2023	2,57	Buy
Berenberg	25.10.2023	1,80	Hold
Bank of America	23.10.2023	2,30	Hold
J.P. Morgan	23.10.2023	1,90	Neutral
Citi	18.10.2023	2,00	Buy
Barclays	18.10.2023	2,30	Equilibria (Equalweight)
Goldman Sachs	11.10.2023	1,40	Sell
Redburn Atlantic	02.10.2023	1,36	Sell
UBS	14.09.2023	1,85	Neutral
Arete Research	05.09.2023	1,13	Sell
Oddo BHF	31.08.2023	1,40	Below-average performance (Underperform)
New Street	17.08.2023	1,40	Reduce (Reduce)
Société Générale	16.08.2023	1,70	Hold
DZ Bank	09.08.2023	1,80	Hold
BNP Paribas Exane	03.08.2023	1,20	Below-average performance (underperform)
HSBC	03.08.2023	1,70	Reduce (Reduce)

Analyst*	Publication date	Target price per TDH Share in EUR	Recommendation
Kepler Cheuvreux	03.08.2023	1,70	Reduce (Reduce)
Morgan Stanley	03.08.2023	2,30	Equilibria (Equalweight)
Median		1,75	
average		1,77	

Sources: Report of the respective analysts as well as Bloomberg and FactSet, Telefónica Deutschland, 6 November 2023.

* Nextgen Research has been excluded from the stated price targets as its latest report, published on 3 August 2023, does not contain any revision of the forecasts or the price target for the Telefónica Deutschland Share following the 1&1 announcement (see Section 11.2.1 of the Offer Document for more details on this announcement), although Nextgen Research has lowered its rating to "Neutral" and explicitly mentions an impact in mid-2025.

The analysts' expectations for the Telefónica Deutschland Share published until 6 November 2023 result in a target price (average) of approximately EUR 1.77 and a median of EUR 1.75. On this basis, the Offer Consideration includes a premium of approximately 32.77% on the expected average price and approximately 34.29% on the median.

Analysts' expectations are their personal assessment. Their views on the value of a share naturally differ from one another. Nevertheless, the Management Board and the Supervisory Board are of the opinion that the average price and the median price formed can in any case represent a relevant indicator for the capital market's assessment of the value of Telefónica Deutschland Shares.

3.3 Comparison with the Offer Price of the Partial Offer

The Bidder also offered EUR 2.35 per Telefónica Deutschland Share as consideration in the Partial Offer described in Para. III Section 5.1 of this Statement. The consideration offered for the Delisting Acquisition Offer therefore offers neither a premium nor a discount compared to the consideration of the Partial Offer. The Management Board and the Supervisory Board have commented in detail on the fairness of this consideration in their joint reasoned statement on the Partial Offer dated 13 December 2023.

In preparation for their joint reasoned statement on the Partial Offer dated 13 December 2023 (**Statement 2023**) the Management Board and the Supervisory Board each had obtained an opinion on the fairness of the Offer Price from a financial perspective: The Management Board had commissioned Citigroup Global Markets Europe AG (**Citi**) as financial advisor, among other things, to provide the Management Board in connection with the Statement 2023 with a written opinion on the fairness of the Offer Consideration in the context of the Partial Offer from a financial perspective. Citi submitted its opinion letter to the Management Board on 13 December 2023 (**Citi Fairness Opinion**). In the Citi Fairness Opinion Citi concluded that, based on the assumptions and qualifications contained in the Citi Fairness Opinion, the Offer Price of EUR 2.35 per Telefónica Deutschland Share was fair, from a financial point of view, to the Telefónica Deutschland Shareholders (excluding the Bidder Parent Company and UK HoldCo) on the date the Citi Fairness Opinion was issued. The Supervisory Board in the context of the Statement 2023 had engaged Goldman Sachs Europe Bank SE (**Goldman Sachs**) as financial advisor, inter alia, to provide an opinion on the fairness of the Offer Price for the Telefónica Deutschland Shareholders (excluding the Bidder, Bidder Parent Company and their affiliates) in the context of the Partial Offer from a financial point of view (**Goldman Sachs Fairness Opinion**). Goldman Sachs also came to the conclusion that, subject to the assumptions and limitations contained in the Goldman Sachs Fairness Opinion on which the Goldman Sachs Fairness Opinion was based at the time of its preparation, the Offer Price of EUR 2.35 per Telefónica Deutschland Share as of 12 December 2023 was fair, from a financial point of view, to the Telefónica Deutschland Shareholders (excluding the Bidder, the Bidder Parent Company and their affiliates).

In preparation of this Reasoned Statement, the Management Board and the Supervisory Board have refrained from obtaining one or more further or updated fairness opinions. The Management Board and the Supervisory Board are of the opinion, after a detailed examination carried out independently of each other, that there have been no changes to the actual initial situation on which the Statement 2023 was based that could give rise to a different assessment of the financial fairness of the Offer Consideration. Since the 2023 Statement was issued, neither the capital market nor the interest rate environment nor the Company's business plan and strategy nor the financial performance of the Company have changed in such a way that such changes individually or collectively would lead to a different valuation of Telefónica Deutschland.

The Management Board and the Supervisory Board have therefore formed their own personal judgement on the Delisting Acquisition Offer also on the basis of the information available to them in light of their personal judgement on the Partial Offer.

3.4 Overall assessment of the fairness of the consideration

The Management Board and the Supervisory Board have carefully analysed and evaluated the fairness of the Offer Consideration. The Management Board and the Supervisory Board have made their own considerations in this regard and have not obtained any further fairness opinion(s) (see previously Section 3.3 of this Statement). In particular, the Management Board and the Supervisory Board have examined whether the amount of the consideration offered fulfils the statutory requirements for a fair consideration in the context of a Delisting Acquisition Offer and can confirm this on the basis of the information available (see previously Para. VI.2 of this Statement).

In their respective considerations, the Management Board and the Supervisory Board have taken into account the following aspects in particular, but not exclusively:

- Certain historical stock exchange prices of the Telefónica Deutschland Shares and the resulting premiums included in the Offer Consideration (see previously Para. VI.3.1 of this Statement);
- Price targets of selected analysts, whereby the average or median of these price targets is below the Offer Consideration (see previously Para. VI.3.2 of this Statement);
- Comparison with the Offer Price of the Partial Offer (see previously Para. VI.3.3 of this Statement);
- Assessment of the pro rata intrinsic value of the Telefónica Deutschland Shares and consideration of the fairness opinions on the Partial Offer and utilisation of the assumptions and considerations made by the Management Board and the Supervisory Board on this basis in light of the fact that there have been no significant financial changes and no significant changes to the business outlook since then;
- the fact that the Offer Consideration enables shareholders to realize value securely and promptly, particularly in times of current geopolitical uncertainty.

Based on an overall assessment of, inter alia, the above-mentioned aspects and the overall circumstances of the Delisting Acquisition Offer, the Management Board and the Supervisory Board, independently of each other, come to the following conclusion regarding the fairness of the consideration offered by the Bidder for the Telefónica Deutschland Shares covered by the Offer within the meaning of section 39 para. 3 sentence 2 BörsG in conjunction with section 31 para. 1 and para. 7 WpÜG and sections 3 et seq. WpÜG Offer Ordinance:

The Management Board and the Supervisory Board consider the amount of the Offer Price to be fair and reasonable within the meaning of section 39 para. 3 sentence 2 BörsG in conjunction with section 31 para. 1 and para. 7 WpÜG and sections 3 et seq.

WpÜG Offer Ordinance. The Offer Price fulfils the legal requirements and, in the opinion of the Management Board and the Supervisory Board, fairly and appropriately reflects the value of the Company.

However, it is pointed out that, in the view of the Management Board and the Supervisory Board, in the event of the full implementation of the targets provided for in the medium-term planning, which provide for full compensation of the revenues and income from the expiring MBA MVNO/4G national roaming agreement with 1&1, a higher intrinsic value per Telefónica Deutschland Share may be achieved in the medium to long term within the planned periods and depending on the underlying cost of capital. However, it will hardly be possible to realize an intrinsic value per Telefónica Deutschland share above the Offer Consideration in the medium to long term due to the planned near-term Delisting. It cannot be ruled out that in the event of a high acceptance rate or an increase in the shareholding by companies of the Bidder Parent Group outside the Offer, the liquidity of the Telefónica Deutschland Shares will be not only insignificantly restricted and a positive development of the Telefónica Deutschland Group will not or not fully be honoured by the capital market.

However, in the opinion of the Management Board and the Supervisory Board, the extent to which the Offer Consideration represents an attractive divestment opportunity for Telefónica Deutschland Shareholders depends to a large extent on the personal circumstances of the individual Telefónica Deutschland Shareholder. Each Telefónica Deutschland Shareholder should make his own decision on whether or not to accept the Delisting Acquisition Offer, taking into account the overall circumstances, his individual circumstances, his personal assessment of the future development of the value and the stock exchange price (i.e. as long as the listing on the Frankfurt Stock Exchange is expected to continue) of Telefónica Deutschland and the effects of the Delisting on the tradability of the Telefónica Deutschland Shares.

VII. OBJECTIVES AND INTENTIONS OF THE BIDDER AND THE BIDDER PARENT COMPANY AND THEIR EVALUATION BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The objectives and intentions of the Bidder set out below are based exclusively on its statements in the Offer Document. According to the information contained in the Offer Document, these are the joint intentions of the Bidder and the Bidder Parent Company, which refer to the time of publication of the Offer Document and from which neither the Bidder nor the Bidder Parent Company intend to deviate. However, the Bidder points out in Section 2.3 of the Offer Document that it is possible that it may change its intentions after publication of the Offer Document. The Management Board and the Supervisory Board of the Company point out that they are not in a position to verify the intentions expressed by the Bidder or to guarantee their implementation.

The following summary is intended to provide an overview of the background to the Delisting Acquisition Offer as set out in the Offer Document (see Section VII.1.1 of this Statement below) and the intentions of the Bidder and the Bidder Parent Company (see Section VII.1.4 of this Statement below) and does not purport to be exhaustive; Telefónica Deutschland Shareholders are therefore advised to carefully read the relevant statements in Sections 9 and 10 of the Offer Document. Subsequently, the Management Board and the Supervisory Board will comment on this (see Section VII.2 of this Statement).

1. Information provided by the Bidder in the Offer Document

1.1 Economic and strategic background to the Delisting Acquisition Offer

In Section 9 of the Offer Document, the Bidder describes the economic and strategic background of the Delisting Acquisition Offer and the Delisting Agreement between the Bidder and the Company.

In Section 9.1 of the Offer Document, the Bidder explains that it is convinced that the planned Delisting of the Telefónica Deutschland Shares and the intended immediate discontinuation of all inclusions of the Telefónica Deutschland Shares in all organized trading platforms (in particular in the open market (*Freiverkehr*)) are in the interest of Telefónica Deutschland and the Telefónica Deutschland Shareholders.

According to the Bidder, the revocation of the stock exchange listing and the cessation of the inclusion in other trading venues will enable Telefónica Deutschland to save considerable costs associated with maintaining the stock exchange listing, to reduce regulatory expenses (including those for reporting obligations) and to free up management capacities required by the stock exchange listing.

In addition, the Bidder states that the Delisting Acquisition Offer offers all remaining Telefónica Deutschland Shareholders a further immediate and liquidity-independent divestment opportunity at an attractive price after the settlement of the Partial Offer.

In addition, the Bidder, the Bidder Parent Company and the persons acting jointly with the Bidder within the meaning of section 2 para. 5 WpÜG pursued the strategic objective of increasing their shareholding in Telefónica Deutschland with the Delisting Acquisition Offer. The Bidder states that it and the Bidder Parent Company intend with the Offer to increase the existing (indirect) majority stake of the Bidder Parent Company currently approx. 94.74% of the share capital and voting rights in the Company and thereby increase their future share in the profits and cash flows of Telefónica Deutschland. According to the Bidder, the increase in the shareholding is intended to increase Telefónica Deutschland's contribution to the consolidated profit of the Bidder Parent Company.

According to the Bidder, the Delisting Acquisition Offer also reinforces the Bidder Parent Company's strategy to focus on its core regions (i.e. Spain, Brazil, Germany and the United Kingdom) and to continue its strong commitment to the German market. From the Bidder's perspective, the Offer also supports the Bidder Parent Company's efforts to simplify the capital structure of the Bidder Parent Group and improves the Euro cash flows generated in the Bidder Parent Group.

Furthermore, the Bidder states that, as already stated in connection with the Partial Offer, the Bidder Parent Company intends to pursue a revision of the current dividend policy for the shareholders of Telefónica Deutschland, without prejudice to the already confirmed dividend of EUR 0.18 per share for the 2023 financial year, to establish a more conservative financial policy that will allow Telefónica Deutschland to better focus on its commitment to continue to deliver sustainable growth and efficiency following the non-renewal of a material wholesale contract, namely the MBA MVNO/4G National Roaming agreement with 1&1.

1.2 Requirements for Delisting

In order to effect the Delisting of the Telefónica Deutschland Shares, the Management Board of Telefónica Deutschland must apply for the revocation of the admission of all Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange pursuant to section 39 para. 2 sentence 1 BörsG.

The Bidder rightly points out that, pursuant to section 39 para. 2 sentence 3 no. 1 BörsG, a revocation of the admission of shares to trading on a regulated market is only legally permissible if a Delisting Acquisition Offer pursuant to the WpÜG and section 39 para. 3 BörsG is published to all outstanding shareholders of the Company at the same time. Without the Delisting Acquisition Offer, the Management Board of Telefónica Deutschland cannot apply for the Delisting.

The Management Board of Telefónica Deutschland has undertaken in the Delisting Agreement (as defined in Section 3 of the Offer Document), subject to the review of the Offer Document and within the scope of its statutory obligations, to file an application for revocation of the admission of all Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange no later than seven Banking Days prior to the expiry of the Acceptance Period.

1.3 Delisting Agreement dated 7 March 2024

On 7 March 2024, the Bidder and Telefónica Deutschland entered into an agreement in which they set out their common understanding and certain terms and conditions in relation to the Delisting.

The material provisions of the Delisting Agreement are summarized in Section 9.3 of the Offer Document, whereby all obligations of the Management Board of Telefónica

Deutschland are subject to its statutory duties and its fiduciary duties (together ***Fiduciary Duties***).

In the Delisting Agreement, the parties have determined that, in their view, a termination of the admission of the Telefónica Deutschland Shares to trading on the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange would be favourable for Telefónica Deutschland. Therefore, the Management Board of Telefónica Deutschland has undertaken in the Delisting Agreement to support the Delisting Acquisition Offer, subject to the review of the Offer Document and within the scope of its legal obligations, and to take all reasonable steps necessary to effect the Delisting. The Delisting Agreement stipulates that the Delisting Application must be submitted no later than seven Banking Days prior to the expiry of the Acceptance Period for the Delisting Acquisition Offer. The Delisting should not take effect before the end of the Acceptance Period. The exact date on which the Delisting becomes effective depends on the decisions of the management of the Frankfurt Stock Exchange. In addition, according to the terms and conditions for the open market (*Freiverkehr*) of the Berlin Stock Exchange (*Berliner Wertpapierbörse*), the inclusion to trading on the sub-segment Berlin Second Regulated Market is also expected to be cancelled after the revocation of the admission of the Telefónica Deutschland Shares for trading on the regulated market of the Frankfurt Stock Exchange becomes effective, as the conditions for inclusion are no longer met.

In addition, Telefónica Deutschland has undertaken in the Delisting Agreement not to apply for admission of the Telefónica Deutschland Shares to the regulated market of a stock exchange or to take measures to bring about or support the inclusion of the Telefónica Deutschland Shares in the open market (*Freiverkehr*) of a stock exchange or another multilateral trading facility (***MTF***) within the meaning of the European Market Abuse Regulation (EU) 596/2014 of 16 April 2015 (***MMVO***) after submission of the Delisting Application.

Pursuant to the Delisting Agreement, the Management Board of Telefónica Deutschland will confirm in its reasoned statement pursuant to section 27 para. 1 WpÜG that it will submit the Delisting Application as set out in the Delisting Agreement and, subject to its review of the Offer Document, its obligations under German law and its Fiduciary Duties, that it (i) supports the Delisting and the Delisting Acquisition Offer and (ii) recommends to the Telefónica Deutschland Shareholders to tender their Telefónica Deutschland Shares into the Delisting Acquisition Offer. The Bidder also rightly points out that the Supervisory Board has approved the conclusion of the Delisting Agreement and will support the aforementioned measures of the Management Board.

Furthermore, Telefónica Deutschland has undertaken in the Delisting Agreement that from the signing of the Delisting Agreement until the Delisting becomes effective, to the extent permitted by law, it will not take any measures or steps that could have an adverse effect on the Delisting Acquisition Offer or the Delisting.

In the Delisting Agreement, the Management Board of Telefónica Deutschland has undertaken, subject to its board duties, to postpone the general meeting of Telefónica Deutschland originally scheduled for May 2024 in accordance with previous practice and to inform the public of such postponement as soon as possible in accordance with legal requirements. The Bidder points out that a corresponding new date for the general meeting, which will also decide on the distribution of the 2023 dividend, will be announced by Telefónica Deutschland as soon as it has been determined. In any case, the general meeting of Telefónica Deutschland will take place after the settlement of the Delisting Acquisition Offer and no earlier than mid-June 2024.

The Delisting Agreement further provides that Telefónica Deutschland, subject to its statutory obligations and fiduciary duties, will not convene a general meeting of Telefónica Deutschland in connection with the Delisting Acquisition Offer within the meaning of section 16 para. 3 sentence 1 WpÜG after publication of the Offer Document. As a precautionary measure, it is noted that Telefónica Deutschland is not prevented from convening its ordinary general meeting.

The Delisting Agreement has a term until 7 March 2026 and provides for customary termination rights.

1.4 Intentions of the Bidder and the Bidder Parent Company

The objectives and intentions of the Bidder set out below are based exclusively on its statements in the Offer Document. According to the information contained in the Offer Document, these are the joint intentions of the Bidder and the Bidder Parent Company, which refer to the time of publication of the Offer Document and from which neither the Bidder nor the Bidder Parent Company intend to deviate. However, the Bidder points out in Section 2.3 of the Offer Document that it is possible that it may change its intentions after publication of the Offer Document. The Management Board and the Supervisory Board of the Company point out that they are not in a position to verify the intentions expressed by the Bidder or to guarantee their implementation.

1.4.1 Delisting

According to the information in Section 10.1 of the Offer Document, the Bidder and the Bidder Parent Company intend to bring about a Delisting of the Telefónica Deutschland Shares together with Telefónica Deutschland. The Bidder has published the Delisting Acquisition Offer in order to fulfil the

requirements for a Delisting pursuant to section 39 para. 2 sentence 3 no. 1 BörsG.

The Bidder further states that the Management Board of Telefónica Deutschland has undertaken, to the extent legally permissible, to support the Delisting Acquisition Offer in accordance with the Delisting Agreement and to take all measures reasonably necessary to implement the Delisting. The Bidder expects that the Management Board of Telefónica Deutschland will submit the Delisting Application described in Section 9.2 of the Offer Document in a timely manner. The Delisting Agreement provides that the Delisting Application will be submitted no later than seven Banking Days prior to the expiry of the Acceptance Period for the Delisting Acquisition Offer.

According to the Bidder, if the management of the Frankfurt Stock Exchange approves the Delisting Application, it will revoke the admission of the Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard). In Section 10.1 of the Offer Document, the Bidder further states that pursuant to section 46 para. 3 Exchange Rules of the Frankfurt Stock Exchange, the revocation of the admission to trading pursuant to section 39 para. 2 sentence 3 no. 1 BörsG will become effective within three trading days after the announcement of the revocation decision of the management of the Frankfurt Stock Exchange. Furthermore, the Bidder states that according to the terms and conditions for the open market (*Freiverkehr*) of the Berlin Stock Exchange (*Berliner Wertpapierbörse*), the inclusion to trading on the sub-segment Berlin Second Regulated Market is also expected to be cancelled after the revocation of the admission of the Telefónica Deutschland Shares for trading on the regulated market of the Frankfurt Stock Exchange becomes effective, as the conditions for inclusion are no longer met. The Delisting shall not become effective before the expiry of the Acceptance Period. The Bidder points out that even if the admission of the Telefónica Deutschland Shares to trading on the regulated market of the Frankfurt Stock Exchange is revoked, the Telefónica Deutschland Shares that were not tendered during the Acceptance Period may continue to be traded on the Frankfurt Stock Exchange under the existing ISIN DE000A1J5RX9 until the Delisting becomes effective.

According to Section 10.1 of the Offer Document, the Delisting will in particular have the following effects on the Telefónica Deutschland Shares and the Telefónica Deutschland Shareholders:

- In the event of a Delisting, trading of the Telefónica Deutschland Shares on the regulated market of the Frankfurt Stock Exchange will cease. The Telefónica Deutschland Shares will not be admitted to trading on any other regulated market within Germany or the European Union and/or the European Economic Area. The Telefónica Deutschland Shareholders will therefore no longer have access to a regulated market for the Telefónica Deutschland Shares, which (i) may adversely affect the tradability of the Telefónica Deutschland Shares and (ii) may lead to a decrease in the trading price of the Telefónica Deutschland Shares.
- According to the Bidder, the Delisting also marks the end of trading in Telefónica Deutschland Shares on XETRA, the electronic trading system of the Frankfurt Stock Exchange.
- In the Delisting Agreement, Telefónica Deutschland has agreed not to apply for admission of the Telefónica Deutschland Shares to the regulated market of a stock exchange or to take measures to bring about or support the inclusion of the Telefónica Deutschland Shares in the open market (*Freiverkehr*) of a stock exchange or in an MTF. Even in a scenario in which the Telefónica Deutschland Shares would continue to be traded on certain organized trading platforms, according to the Bidder, the trading volumes in Telefónica Deutschland Shares are likely to decrease significantly and no longer allow for normal trading activities.
- The Bidder further states that upon completion of the Delisting, certain legal provisions, in particular certain transparency and publication provisions, may no longer apply to Telefónica Deutschland, the Telefónica Deutschland Shareholders and the Telefónica Deutschland Shares, including, inter alia, the provisions regarding the publication and filing of financial reports in the company register, including the obligation to prepare, publish and file annual and half-yearly financial reports pursuant to sections 114 et seq. WpHG and the regulations regarding the monitoring of company financial statements pursuant to sections 106 et seq. WpHG. In addition, according to the Bidder, trading in Telefónica Deutschland Shares will no longer benefit from numerous transparency and trading regulations, in particular sections 33 et seq. (notifications of voting rights by shareholders) and sections 48 et seq. (obligations of listed companies towards their shareholders) WpHG, Article 17 (ad hoc publicity), Article 18 (insider lists) and Article 19 (managers' transactions) MMVO and Directive 2003/6/EC of the European Parliament and of the Council, Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC as well as certain provisions of the

Exchange Rules of the Frankfurt Stock Exchange. This would result in significantly less transparency and a lower level of protection for Telefónica Deutschland Shareholders.

- According to the Bidder, the German Corporate Governance Code will no longer be applicable to Telefónica Deutschland after completion of the Delisting. Accordingly, Telefónica Deutschland will no longer be obliged to consider the application of the principles, recommendations and suggestions of the German Corporate Governance Code or to issue a declaration of compliance pursuant to section 161 AktG.

1.4.2 Future business activities of Telefónica Deutschland

According to Section 10.2 of the Offer Document, the Bidder and the Bidder Parent Company are of the opinion that Telefónica Deutschland is pursuing a successful business strategy. According to the Bidder, it and the Bidder Parent Company are not pursuing any intentions that would have an impact on Telefónica Deutschland's business activities or strategic objectives. It is emphasized that Telefónica Deutschland will continue to be managed independently under the umbrella of the Bidder Parent Company. According to the Bidder, it and the Bidder Parent Company intend to continue to work closely with the Management Board of Telefónica Deutschland and to support it in the implementation of its strategy. The Bidder and the Bidder Parent Company are convinced that the intended increase in the shareholding will ensure continuity and further strengthen Telefónica Deutschland's good relationships with its employees, customers, business partners and suppliers.

1.4.3 Headquarters and locations of Telefónica Deutschland

According to Section 10.3 of the Offer Document, the Bidder and the Bidder Parent Company do not intend to relocate the registered office of Telefónica Deutschland in Munich to another location or to relocate or close locations or significant parts of Telefónica Deutschland.

1.4.4 Assets and future obligations of Telefónica Deutschland

According to Section 10.4 of the Offer Document, the Bidder and the Bidder Parent Company have no intentions with regard to the assets of Telefónica Deutschland or the creation of future obligations.

1.4.5 Employees, employee representation and employment conditions

According to Section 10.5 of the Offer Document, the Bidder and the Bidder Parent Company do not intend to bring about any changes with regard to the employees of Telefónica Deutschland and their employment conditions. The Bidder and the Bidder Parent Company value the expertise and experience of

Telefónica Deutschland's employees and are convinced that there will be attractive prospects for Telefónica Deutschland's employees even after the completion of the Delisting Acquisition Offer.

Furthermore, the Bidder states that it and the Bidder Parent Company also do not intend to bring about any changes with regard to the employee representation on the Supervisory Board of Telefónica Deutschland.

1.4.6 Members of the Management Board and the Supervisory Board of Telefónica Deutschland

In Section 10.6 of the Offer Document, the Bidder emphasizes that it and the Bidder Parent Company have full confidence in the current members of the Management Board and the Supervisory Board of Telefónica Deutschland. According to the Bidder, it and the Bidder Parent Company do not intend to make any changes to the composition or size of the Management Board of Telefónica Deutschland or to replace the current members of the Supervisory Board of Telefónica Deutschland.

1.4.7 Structural measures

According to Section 10.7 of the Offer Document, the Bidder and the Bidder Parent Company do not intend to take any structural measures with respect to Telefónica Deutschland. According to the Bidder, as also disclosed in the Offer Document for the Partial Offer, the Bidder and the Bidder Parent Company do not intend and are not obliged to enter into a domination and profit and loss transfer agreement with Telefónica Deutschland pursuant to section 291 AktG. The Bidder expects that the Management Board of Telefónica Deutschland will continue to manage the Company independently.

In addition, the Bidder declares that it and the Bidder Parent Company do not intend to carry out a transfer of the Telefónica Deutschland Shares held by the remaining Telefónica Deutschland Shareholders to the Bidder by way of a so-called "squeeze-out under transformation law" pursuant to section 62 para. 5 of the German Transformation Act (*Umwandlungsgesetz*, **UmwG**) nor a so-called "squeeze-out under stock corporation law" pursuant to sections 327a et seq. AktG. It should be noted that the Bidder Parent Company reserves the right to consolidate all Telefónica Deutschland Shares held directly or indirectly by it with the Bidder in the future.

1.4.8 Dividend policy

In Section 10.8 of the Offer Document, the Bidder provides information on the future dividend policy. Accordingly, it and the Bidder Parent Company, as also announced in the Offer Document for the Partial Offer, intend to work

towards a revision of Telefónica Deutschland's current dividend policy, notwithstanding the already confirmed dividend of EUR 0.18 per share for the 2023 financial year. The Bidder states that it and the Bidder Parent Company have informed Telefónica Deutschland that they currently do not intend to support dividend payments beyond the dividend for the 2023 financial year. The Bidder and the Bidder Parent Company intend to evaluate Telefónica Deutschland's dividend policy over time together with Telefónica Deutschland's management team, whereby neither the Bidder nor the Bidder Parent Company currently see the need to pay dividends beyond the statutory minimum in the future.

In the opinion of the Bidder and the Bidder Parent Company, the Delisting Acquisition Offer therefore offers all Telefónica Deutschland Shareholders, in particular those for whom the dividend policy is decisive, a further opportunity to obtain liquidity at an attractive price.

1.4.9 Intentions regarding the Bidder and the Bidder Parent Company

Section 10.9 of the Offer Document describes the intentions regarding the Bidder and the Bidder Parent Company as follows: The Bidder does not engage in any operating business. The corporate purpose of the Bidder is the acquisition, holding and management of participations in companies and enterprises in its own name, for its own account and not as a service for third parties.

With the exception of the effects on their own net assets, financial position and results of operations described in Section 15 of the Offer Document, the Bidder and the Bidder Parent Company have no intentions with regard to the registered office of the companies or the location of significant parts of the companies, their future business activities, the use of the assets or the future obligations of the Bidder and the Bidder Parent Company, the members of the management bodies of the Bidder and the Bidder Parent Company or, if any, the employees and their representatives or the terms and conditions of employment of the Bidder and the Bidder Parent Company.

2. Evaluation of the objectives and intentions pursued with the Bidder's Offer and the expected consequences for Telefónica Deutschland by the Management Board and the Supervisory Board

2.1 Economic and strategic background of the Delisting Acquisition Offer

The Management Board and the Supervisory Board acknowledge the objective pursued by the Bidder and the Bidder Parent Company with the Delisting Acquisition

Offer to increase the existing indirect majority stake of the Bidder Parent Company in Telefónica Deutschland and thus to increase its future share in the profits and cash flows of Telefónica Deutschland.

The Management Board and the Supervisory Board share the Bidder's conviction that the planned Delisting of the Telefónica Deutschland Shares and the intended immediate termination of the inclusion of the Telefónica Deutschland Shares in all organized trading platforms (in particular, the open market (*Freiverkehr*)) are in the interest of Telefónica Deutschland and the Telefónica Deutschland Shareholders. In the opinion of the Management Board and the Supervisory Board, the Delisting will also enable Telefónica Deutschland to save considerable costs associated with maintaining the stock exchange listing, to reduce regulatory expenses (including those for the fulfilment of reporting obligations) and to free up management capacities required by the stock exchange listing. The Management Board and the Supervisory Board also share the Bidder's view that the Delisting Acquisition Offer offers all remaining Telefónica Deutschland Shareholders another immediate and liquidity-independent divestment opportunity at an attractive price after the settlement of the Partial Offer.

The Management Board and the Supervisory Board also take note of the statements by the Bidder regarding the delisting requirements and the Delisting Agreement (as also described in Para. VII/VII.1.2 and 1.3 of this Statement) and share them.

2.2 Delisting

The Management Board and the Supervisory Board take note of the Bidder's statements on the Delisting (as stated in Section 10.1 of the Offer Document). The Management Board and the Supervisory Board also take note of the information on the consequences of the Delisting for the Telefónica Deutschland Shares and the Telefónica Deutschland Shareholders, as described by the Bidder.

2.3 Future business activities of Telefónica Deutschland

The Management Board and the Supervisory Board acknowledge positively the Bidder's statement that the Bidder and the Bidder Parent Company are of the opinion that Telefónica Deutschland is pursuing a successful business strategy. The Management Board and the Supervisory Board welcome the fact that the Bidder and the Bidder Parent Company currently have no plans that would have an impact on Telefónica Deutschland's business activities or strategic objectives and that Telefónica Deutschland will continue to be managed independently under the umbrella of the Bidder Parent Company. The Management Board and the Supervisory Board also welcome the fact that the Bidder and the Bidder Parent Company intend to continue to cooperate closely with the management of Telefónica Deutschland and to support it in the implementation of its strategy. The Management Board and the Supervisory Board

further note that the Bidder and the Bidder Parent Company are convinced that the intended increase of the shareholding will ensure continuity and further strengthen Telefónica Deutschland's good relationships with its employees, customers, business partners and suppliers.

2.4 Headquarters of Telefónica Deutschland, location of major parts of the Company

The Management Board and the Supervisory Board welcome the fact that the Bidder and the Bidder Parent Company have no intentions with regard to a relocation of the registered office or a relocation or closure of significant business locations of Telefónica Deutschland, as in their opinion there is currently no such need for change.

2.5 Assets and future obligations of Telefónica Deutschland

The Management Board and the Supervisory Board also welcome the fact that the Bidder and the Bidder Parent Company have no intentions with regard to the assets and the creation of future obligations of Telefónica Deutschland.

2.6 Employees, employee representation and employment conditions

The Management Board and the Supervisory Board welcome the fact that the Bidder and the Bidder Parent Company have no intentions regarding any changes for the employees, their employment conditions and the employee representations of Telefónica Deutschland. The Management Board and the Supervisory Board also note positively that the Bidder and the Bidder Parent Company value the expertise and experience of Telefónica Deutschland's employees and share the conviction that there will be attractive prospects for Telefónica Deutschland's employees even after the completion of the Delisting Acquisition Offer.

The Management Board and the Supervisory Board therefore unanimously assume that the completion of the Delisting Acquisition Offer will not have any adverse effects on the employees of Telefónica Deutschland and the Telefónica Deutschland Group with regard to their employment contracts and working conditions. Furthermore, the Management Board and the Supervisory Board unanimously assume that the completion of the Offer will not have any effects on the employee representatives, in particular the works councils of the Telefónica Deutschland Group.

2.7 Members of the Management Board and the Supervisory Board of Telefónica Deutschland

The Management Board and the Supervisory Board acknowledge that the Bidder and the Bidder Parent Company have full confidence in the current members of the Management Board and the Supervisory Board of Telefónica Deutschland and do not intend to initiate any changes to the current Management Board of Telefónica Deutschland or to replace the current members of the Supervisory Board of Telefónica Deutschland.

2.8 Structural measures

The Management Board and the Supervisory Board welcome the Bidder's statement that it and the Bidder Parent Company currently do not intend to take any structural measures in relation to Telefónica Deutschland and expressly do not intend to conclude a domination and profit and loss transfer agreement with Telefónica Deutschland.

The Management Board and the Supervisory Board note that the Bidder and the Bidder Parent Company currently have no intention to carry out a transfer of the Telefónica Deutschland Shares held by the remaining Telefónica Deutschland Shareholders to the Bidder by way of a so-called "squeeze-out under transformation law" pursuant to section 62 para. 5 UmwG or by way of a so-called "squeeze-out under stock corporation law" pursuant to sections 327a et seq. AktG.

In addition, the Management Board and the Supervisory Board note that the Bidder Parent Company reserves the right to consolidate all Telefónica Deutschland Shares held directly or indirectly by it under the Bidder at a later point in time. Since such considerations of the Bidder and the Bidder Parent Company are currently not being made, they do not require an assessment by the Management Board and the Supervisory Board in the context of this Statement.

2.9 Dividend policy

For the 2020, 2021 and 2022 financial years, the dividend distributed by the Company amounted to EUR 0.18 per dividend-bearing share. The Management Board and the Supervisory Board have agreed to propose to the general meeting that the amount of EUR 0.18 per dividend-bearing share will also be proposed as a minimum dividend for the 2023 financial year. They have also stated that their dividend proposal to the Company's general meeting could also take into account the expected future benefits with regard to the expansion of the 5G network and the introduction of commercial offers for 5G.

The Management Board and the Supervisory Board note that, in connection with the Delisting Acquisition Offer, the Bidder and the Bidder Parent Company intend to work towards a revision of Telefónica Deutschland's current dividend policy, notwithstanding the dividend of EUR 0.18 per share for the 2023 financial year, which has already been confirmed from the Bidder's perspective. The Management Board and the Supervisory Board have also taken note of the Bidder's and the Bidder Parent Company's announcement that they currently do not intend to support dividend payments beyond the dividend for the 2023 financial year. The Management Board and the Supervisory Board have also noted that the Bidder and the Bidder Parent Company intend to evaluate Telefónica Deutschland's dividend policy over time together with Telefónica Deutschland's management team, whereby neither the Bidder nor the Bidder Parent Company currently see the need to pay dividends beyond the

statutory minimum in the future. The Management Board and the Supervisory Board welcome the intention of the Bidder and the Bidder Parent Company to use the Offer to enable the minority shareholders of the Company, for whom the current dividend policy is decisive, to sell their Telefónica Deutschland Shares outside the stock exchange. The Management Board and the Supervisory Board point out that the Bidder and, indirectly, the Bidder Parent Company can decide on the distribution of dividends at the general meeting of Telefónica Deutschland due to their already existing majority of voting rights. This includes, in particular, the possibility to decide in the future not to pay a dividend in excess of the statutory minimum dividend or to pay a lower dividend compared to the previous dividend policy.

2.10 Tax consequences

The Management Board and the Supervisory Board point out that the completion of the Delisting Acquisition Offer may have an impact on the tax situation of the Telefónica Deutschland Group. Although tax effects could be associated with further structural measures (see Para. VII.1.4.7 of this Statement), these require a tax assessment in each individual case and will not be explained in detail here.

However, the Management Board and the Supervisory Board do not provide any tax advice in the Statement and, in particular, do not assess any tax consequences for the Bidder and other Telefónica Deutschland Shareholders or examine any tax consequences abroad.

2.11 Financial consequences

With regard to the effects of a successful Delisting Acquisition Offer on existing financing agreements of the Telefónica Deutschland Group, the Management Board and the Supervisory Board point out that there are no material financing agreements in connection with which the contractual partner has a right of termination in the event of a successful Offer.

2.12 Consequences for material contractual agreements

With regard to the effects of a successful Delisting Acquisition Offer on material contractual agreements of the Telefónica Deutschland Group, the Management Board and the Supervisory Board point out that there are no material contractual agreements that would grant the contractual partner a right of termination in the event of a successful Offer.

VIII. EFFECTS ON TELEFÓNICA DEUTSCHLAND SHAREHOLDERS

The following statements are intended to provide Telefónica Deutschland Shareholders with information for an assessment of the consequences of accepting or not accepting the Delisting Acquisition Offer. This information contains some aspects

which the Management Board and the Supervisory Board consider relevant for the decision of the Telefónica Deutschland Shareholders on the acceptance of the Offer. However, such a presentation cannot be exhaustive because individual particularities cannot be taken into account. Telefónica Deutschland Shareholders must make an independent decision as to whether and to what extent they wish to accept the Offer. The following points are for guidance only. In particular, the Management Board and the Supervisory Board cannot make any assessment as to whether Telefónica Deutschland Shareholders could suffer tax disadvantages or lose tax advantages by accepting or not accepting the Offer. Each Telefónica Deutschland Shareholder should sufficiently consider his or her personal circumstances when making a decision. The Management Board and the Supervisory Board recommend that each individual Telefónica Deutschland Shareholder should seek expert advice, if and to the extent necessary.

1. Expected consequences of acceptance of the Delisting Acquisition Offer

Against the above, all Telefónica Deutschland Shareholders who intend to accept the Delisting Acquisition Offer should consider, inter alia, the following points:

- Telefónica Deutschland Shareholders who will accept or have accepted the Offer will no longer benefit from any positive development of the value of the Telefónica Deutschland Shares, any benefits related to the completion of the Offer or any positive business development of Telefónica Deutschland, in particular in the form of the payment of a dividend. On the other hand, these Telefónica Deutschland Shareholders will no longer bear the risks that could result from negative developments at the Company or in the market environment. In particular, they are not affected by negative developments in the value of Telefónica Deutschland Shares.
- Should a dividend be distributed in the future, this will not benefit Telefónica Deutschland Shareholders who accept the Offer. This also applies to the dividend for the financial year 2023, which is expected to be paid out in June 2024 at the earliest.
- With the transfer of the Telefónica Deutschland Shares upon completion of the Offer, all ancillary rights existing at the time of completion, in particular the dividend subscription right, will also be transferred to the Bidder.
- Pursuant to the WpÜG, the Bidder is entitled to amend the Offer Consideration up to one working day prior to the expiry of the Acceptance Period. However, it may not reduce the Offer Consideration. In the event of an amendment of the Offer, those Telefónica Deutschland Shareholders who have accepted the Offer prior to the publication of the amendment of the Offer have a right of withdrawal

pursuant to Section 18.1 first bullet point of the Offer Document until the expiry of the Acceptance Period. The possibility to accept the amended Offer remains unaffected.

- Withdrawal from the acceptance of the Offer is only possible under the strict conditions set out in Section 18 of the Offer Document and only until the expiry of the Acceptance Period. According to Section 17.6 of the Offer Document, no application for admission to trading of the Telefónica Deutschland Shares Tendered will be made. Telefónica Deutschland Shareholders who have accepted the Delisting Acquisition Offer will therefore no longer be able to trade their Telefónica Deutschland Shares Tendered on the stock exchange from the time of the re-booking of their Telefónica Deutschland Shares to ISIN DE000A4BGGA2.
- If the Bidder, persons acting jointly with the Bidder or their subsidiaries acquire Telefónica Deutschland Shares outside the stock exchange within one year after publication of the number of Telefónica Deutschland Shares to which the Bidder or they are entitled after expiry of the Offer Period and resulting from the acceptance of the Offer (section 23 para. 1 sentence 1 no. 2 WpÜG) outside the stock exchange and if a consideration higher in value than the consideration specified in the Delisting Acquisition Offer is granted or agreed, the Bidder is obliged to pay the Telefónica Deutschland Shareholders who have accepted the Delisting Acquisition Offer a consideration in the amount of the respective difference. In contrast, there is no such claim to subsequent improvement of the consideration under the Offer for off-market acquisitions against payment of a higher consideration after expiry of this subsequent acquisition period of one year. There is also no such claim for subsequent improvement in the case of share acquisitions in connection with a statutory obligation to grant compensation to the Telefónica Deutschland Shareholders. Furthermore, the Bidder may also acquire Telefónica Deutschland Shares on the stock exchange at a higher price within the aforementioned one-year post-acquisition period without having to adjust the consideration in favour of those Telefónica Deutschland Shareholders who have already accepted the Delisting Acquisition Offer.
- Telefónica Deutschland Shareholders who accept the Offer will not participate in any compensation or settlement payments that may be required by law in the event of any structural measures implemented after the settlement of the Offer (see Section 16.2 of the Offer Document for further details). Any compensation or settlement payments are generally measured according to the total value of a company and can be reviewed in court proceedings (in the context of appraisal proceedings or other proceedings). Such compensation payments could

correspond to the amount of the Offer Price but could also be higher or lower. In the opinion of the Management Board and the Supervisory Board, it cannot be ruled out that severance payments could exceed the amount of the Offer Price at a later date. Even if they are higher, the shareholders of Telefónica Deutschland accepting the Offer are not entitled to such compensation payments or any additional payments.

2. Expected consequences of non-acceptance of the Delisting Acquisition Offer

Telefónica Deutschland Shareholders who do not accept the Delisting Acquisition Offer and do not otherwise sell their Telefónica Deutschland Shares will remain shareholders of Telefónica Deutschland. Telefónica Deutschland Shares for which the Delisting Acquisition Offer is not accepted may continue to be traded on the Frankfurt Stock Exchange, but only as long as the listing continues.

However, Telefónica Deutschland Shareholders should consider, inter alia, the Bidder's statements in Section 16 of the Offer Document and the following points:

- If Telefónica Deutschland Shareholders do not accept the Delisting Acquisition Offer, they will continue to bear the risks and opportunities of the future development of the Telefónica Deutschland Shares. The Bidder and the Bidder Parent Company already hold the necessary majority of voting rights to determine the distribution of a dividend and its amount at the general meeting of Telefónica Deutschland.
- It cannot be ruled out in the future that, for example after completion of the Offer, the Delisting Application will have a negative impact on the stock exchange price or the value of the Telefónica Deutschland Shares. A delisting could have a significant negative impact on the liquidity of the Telefónica Deutschland Shares.
- Even if a delisting is delayed or does not take place at all, the free float of Telefónica Deutschland Shares will decrease upon completion of the Offer. Accordingly, it is to be expected that supply and demand for Telefónica Deutschland Shares after completion of the Delisting Acquisition Offer will be lower than today, so that orderly stock exchange trading in Telefónica Deutschland Shares could no longer be ensured or even no stock exchange trading at all could take place. As a result, the liquidity of Telefónica Deutschland Shares may decrease, which may lead to delays or even failures in the execution of buy and sell orders. This could also lead to greater fluctuations in the price of Telefónica Deutschland Shares in the future.

- The Bidder and the Bidder Parent Company already hold the required majority of 75% of the voting rights and share capital of Telefónica Deutschland to be able to enforce significant structural measures under corporate law or other measures relating to Telefónica Deutschland in the general shareholders' meeting of Telefónica Deutschland. The structural measures under corporate law that the Bidder and the Bidder Parent Company could resolve in a general meeting of Telefónica Deutschland include, for example, amendments to the Articles of Association, capital increases, exclusion of shareholders' subscription rights in the event of capital measures, intercompany agreements such as, in particular, domination and profit and loss transfer agreements, transformations and liquidations (including a so-called "transferring dissolution"). Under German law, only some of the aforementioned measures would entail an obligation of the Bidder and/or the Bidder Parent Company to make an offer to the minority shareholders to acquire their shares in exchange for a fair compensation or to grant another compensation, in each case on the basis of a company valuation of Telefónica Deutschland, which would have to be substantiated by a valuation report and, if necessary, reviewed by a court in judicial appraisal proceedings or other proceedings. Since such a company valuation must be based on the circumstances at the time of the resolution of the general meeting of Telefónica Deutschland on the relevant measure, the compensation to be offered may correspond to the Offer Price, but may also be higher or lower. In addition, it may be possible or required under applicable law to offer compensation in the form of shares, which would also have to be valued. The implementation of some of these aforementioned measures could also – as the planned Delisting – lead to a delisting of the Telefónica Deutschland Shares.
- The Bidder or the Bidder Parent Company could demand a transfer of the Telefónica Deutschland Shares of the outside shareholders to the main shareholder in exchange for a fair cash compensation (squeeze-out) if it directly or indirectly holds the required number of shares (90% or 95%) in Telefónica Deutschland (see in particular Sections 10.7 and 16.2 of the Offer Document). With the implementation of a squeeze-out, the stock exchange listing would automatically be terminated. If Telefónica Deutschland or the Bidder is obliged to pay a fair cash compensation in the event of a squeeze-out, this will generally be determined based on the enterprise value of Telefónica Deutschland at the relevant time. In the event of a squeeze-out under stock corporation or merger law, the cash compensation will be reviewed by a court-appointed auditor. The cash compensation determined in this way may correspond to the Offer Price but may also be higher or lower. In its current legal form, the Bidder would not be in a position to implement a squeeze-out pursuant to section 62 para. 5 UmwG

in conjunction with sections 327a et seq. AktG (merger exclusion), which would lead to a merger of Telefónica Deutschland into the Bidder. This would only be possible if the Bidder changes its legal form to that of a stock corporation and – e.g., after a consolidation of all Telefónica Deutschland Shares directly or indirectly held by the Bidder Parent Company at the Bidder – owns at least 90% of the share capital of Telefónica Deutschland at the relevant time.

IX. INTERESTS OF THE MEMBERS OF THE MANAGEMENT BODIES OF TELEFÓNICA DEUTSCHLAND

The members of the Management Board and the Supervisory Board declare that they have acted solely in the best interests of the Company and its shareholders in issuing this Statement. The Bidder and the persons acting jointly with the Bidder have not exercised any influence over Telefónica Deutschland or its corporate bodies in connection with the Offer and this Statement.

1. Special interests of members of the Management Board

The chairman of the Management Board, Markus Haas, is also a member of the executive committee of the Bidder Parent Company, which only serves coordination purposes.

The structure of the Management Board remuneration at Telefónica Deutschland is geared towards a sustainable and long-term development of the Company. The variable remuneration of the incumbent members of the Management Board consists not only of variable remuneration components linked to the success of Telefónica Deutschland, but also includes variable remuneration components that depend on the success of the Bidder Parent Company in order to take into account of Telefónica Deutschland's strategic interest in belonging to an economically successful group of companies and benefiting from the associated synergies. The fixed and variable remuneration components that are linked to the success of Telefónica Deutschland significantly outweigh those elements that are linked to the success of the Bidder Parent Company. For the current 2024 financial year, the Supervisory Board of the Company has determined the variable remuneration of the Management Board members in such a way that 30% of the one-year variable remuneration (Bonus I) depends on the economic success of the Bidder Parent Company. For the components with a long-term incentive effect, a maximum of 33% for the chairman of the Management Board and a maximum of 50% for the ordinary members of the Management Board will be attributable to the Telefónica, S.A. Performance Share Plan (Bonus III) of the Bidder Parent Company. Further information and details on the remuneration of the Management Board can be found in the most recent remuneration

report of Telefónica Deutschland for the 2022 financial year, which was prepared in accordance with section 162 AktG and audited by the auditor.

In particular as a result of their variable management board remuneration, which is also based on the success of the Bidder Parent Company, the members of the Management Board of Telefónica Deutschland currently hold the following financial instruments in relation to the Bidder Parent Company:

Board member	Financial instrument
Markus Haas (Chief Executive Officer (CEO), chairman of the Management Board)	50,870 shares; A total of 262,911 share options (262,322 share options Telefónica, S.A. Performance Share Plan (Bonus III) & 589 share options Telefónica, S.A. Global Employee Share Plan (GESP))
Markus Rolle (Chief Financial Officer (CFO))	17,816 shares; A total of 119,727 share options (119,138 share options Telefónica, S.A. Performance Share Plan (Bonus III) & 589 share options Telefónica, S.A. Global Employee Share Plan (GESP))
Valentina Daiber (Chief Officer Legal & Corporate Affairs)	15,022 shares; 91,024 share options in total (91,024 share options Telefónica, S.A. Performance Share Plan (Bonus III))
Nicole Gerhardt (Chief Organisational Development & People Officer)	12,557 shares; A total of 89,353 share options (89,353 share options Telefónica, S.A. Performance Share Plan (Bonus III))
Andreas Laukenmann (Chief Consumer Officer (CCO))	0 shares; A total of 32,546 share options (32,546 share options Telefónica, S.A. Restricted Share Plan (RSP))
Alfons Lösing (Chief Partner & Wholesale Officer)	26,145 shares; A total of 119,727 share options (119,138 share options Telefónica, S.A. Performance Share Plan (Bonus III) & 589 share options Telefónica, S.A. Global Employee Share Plan (GESP))
Yelamate Mallikarjuna Rao (Chief Technology & Information Officer)	15,569 shares; Total of 122,769 share options (64,504 share options Telefónica, S.A. Performance Share Plan (Bonus III) & 589 share options Telefónica, S.A. Global Employee Share Plan (GESP) & 57,676

Board member	Financial instrument
	share options Telefónica, S.A. Restricted Share Plan (RSP))

It should be noted that the planned Delisting of Telefónica Deutschland Shares may lead to an acceleration of Telefónica Deutschland's payment obligations under existing long-term incentive plans of the members of the Management Board.

2. Special interests of members of the Supervisory Board

The members of the Supervisory Board Pablo De Carvajal González, Maria García Legaz Ponce and Ernesto Gardelliano also hold executive positions at the Bidder Parent Company. The member of the Supervisory Board Julio Linares López has held executive positions in the Bidder Parent Company and its subsidiaries since 1970 until March 2022, including as Chief Operating Officer and deputy chairman of the board of directors of the Bidder Parent Company from 2007 to 2012. Mr Linares López is currently a member of the board of trustees of the Telefónica Foundation (*Fundacion Telefonica*), which is closely linked to the Bidder Parent Company. These four Supervisory Board members have therefore declared themselves biased with regard to the Offer and the issuance of this Statement.

In order to deal with these potential conflicts of interest in the best possible way and for reasons of efficiency, the Supervisory Board has set up the Acquisition Offer Committee consisting of three independent shareholder representatives and three employee representatives. The members of the Acquisition Offer Committee are Peter Löscher (as chairman), Thomas Pfeil, Martin Butz, Christoph Heil, Michael Hofmann and Jaime Smith Basterra. Mr Löscher is also an independent, non-executive member of the board of directors and chairman of the audit committee as well as a member of the strategy and innovation committee and the executive commission of the board of directors of the Bidder Parent Company. However, on the one hand, he has assured that he will not exercise his voting rights in votes of the Bidder Parent Company's board of directors concerning Telefónica Deutschland, and on the other hand, according to the Bidder Parent Company, he was not consulted by the Bidder Parent Company in any deliberations or resolutions concerning Telefónica Deutschland, in particular with regard to the submission of the Offer. Mr Smith Basterra worked for the Bidder Parent Group until 2012 but has since been employed by other companies and is no longer involved in decisions of the Bidder Parent Company.

Of the members of the Supervisory Board who have not declared themselves to be biased, Peter Löscher, Jaime Smith Basterra, Thomas Pfeil, Martin Butz, Cansever Heil, Barbara Rothfuß and Dr Jan-Erik Walter hold shares and - in the case of Martin

Butz - share options in the Bidder Parent Company. However, the number of shares and share options in relation to the total number of shares issued by the Bidder Parent Company is so small that no individual conflict of interest situation of the individual Supervisory Board members in connection with the Offer can be derived from this.

The Acquisition Offer Committee supported the Supervisory Board in the preparation of this Statement. However, the resolution on this Statement was reserved for the Supervisory Board. According to their own declarations of bias, the members of the Supervisory Board Pablo De Carvajal González, Maria García-Legaz Ponce, Ernesto Gardelliano and Julio Linares López did not participate in any deliberations or resolutions of the Supervisory Board with regard to the Offer and this Statement or in discussions with other third parties.

3. Agreements with members of the Management Board or Supervisory Board

The Bidder or persons acting jointly with the Bidder have not entered into any agreements with individual members of the Management Board or the Supervisory Board or held out the prospect of such agreements.

4. No monetary or other benefits in connection with the Offer

The members of the Management Board and the Supervisory Board have not been granted, promised or given the prospect of any cash benefits, non-cash benefits or other benefits, including any remuneration incentives, by the Bidder or by persons acting jointly with the Bidder pursuant to section 2 para. 5 WpÜG or their respective subsidiaries. This does not include the payment of the Offer Price to members of the Management Board and the Supervisory Board for Telefónica Deutschland Shares that such members of the Management Board and the Supervisory Board may tender into the Offer.

X. INTENTION TO ACCEPT THE OFFER

The members of the Management Board and of the Supervisory Board do not hold any Telefónica Deutschland Shares at the time of this Statement and therefore cannot make a decision on the acceptance of the Delisting Acquisition Offer.

XI. FINAL EVALUATION AND RECOMMENDATION FOR ACTION

The Management Board and the Supervisory Board have considered the following factors, among others, in arriving at their own assessments performed independently of one another:

- Economic rationale of the Delisting Acquisition Offer from the perspective of the Telefónica Deutschland Group, the Bidder Parent Group and the Telefónica Group as a whole;
- Comparison of the Offer Consideration with stock exchange prices on 6 November 2023, the last Stock Exchange Trading Day prior to the Bidder's decision to launch the Partial Offer, and with volume-weighted average stock exchange prices of the Telefónica Deutschland Shares during certain reference periods up to and including 6 November 2023;
- Assessment of the pro rata intrinsic value of the Telefónica Deutschland Shares and consideration of the fairness opinions on the Partial Offer and utilisation of the assumptions and considerations made by the Management Board and the Supervisory Board on this basis in light of the fact that there have been no significant financial changes and no significant changes to the business outlook since then;
- Consideration of the medium to long-term value potential of the Company on the basis of Telefónica Deutschland's medium-term planning (unchanged since the Partial Offer);
- Effects of the implementation of the Delisting Acquisition Offer and any further increases in shareholdings by companies of the Bidder Parent Group on the liquidity of the Telefónica Deutschland Shares;
- Planned revision of the future dividend policy of Telefónica Deutschland by the Bidder and the Bidder Parent Company;
- Potential impacts of the Delisting Acquisition Offer on the Company's other stakeholders, including employees, customers and business partners.

The Management Board and the Supervisory Board, having conducted their respective own assessments performed independently of one another, are of the opinion that the Offer Consideration of EUR 2.35 in cash per Telefónica Deutschland Share is within the range of what is fair, from a financial point of view, to the Telefónica Deutschland Shareholders.

The Management Board and the Supervisory Board point out that the Telefónica Deutschland Group may be able to realize a higher intrinsic value per Telefónica Deutschland Share in the medium to long term than is currently reflected by the Offer Consideration of EUR 2.35 in cash per Telefónica Deutschland Share if the medium-term planning, which provides for full compensation of the revenues and income from the expiring MBA MVNO/4G National Roaming Agreement with 1&1, is fully implemented, also in terms of time and depending on the capital costs applied. However, it cannot be predicted whether a possible higher intrinsic value per

Telefónica Deutschland Share can be realized on the capital market in the medium to long term if the corporate planning is fully implemented. In this respect, the Management Board and the Supervisory Board point out in particular that the implementation of the Delisting Acquisition Offer and any further increases in shareholdings by companies of the Bidder Parent Group may have a significant impact on the liquidity of the Telefónica Deutschland Shares.

The Management Board and the Supervisory Board continue to take a positive view of the intentions and objectives of the Bidder and the Bidder Parent Company as expressed by the Bidder in the Offer Document. In particular, in the opinion of the Management Board and the Supervisory Board, the stock exchange listing and the associated access to the capital market have lost their significance for the Company, which is why the planned Delisting is advantageous from a strategic and financial perspective and is in the interests of the Company. The low free float remaining after the Partial Offer in combination with the resulting low liquidity of the Telefónica Deutschland Shares has led to the fact that the stock exchange price is no longer a reliable, meaningful indicator for the value of the Company and the Telefónica Deutschland Shares and that the Telefónica Deutschland Shares have become unattractive for institutional investors. The broad public capital market thus represents a less sensible option for financing Telefónica Deutschland. After the Delisting, Telefónica Deutschland would still have sufficient options available to raise any necessary financing (e.g., issuance of bonds, intragroup financing of the Telefónica Group). The Management Board and the Supervisory Board also consider the reduction of trading and capital market requirements associated with the Delisting to be positive for the Company due to the associated reduction in administrative costs and the increase in Telefónica Deutschland's entrepreneurial and strategic flexibility.

Against this background and taking into account the above statements in this joint Statement, the Management Board and the Supervisory Board welcome and support the Bidder's Delisting Acquisition Offer.

The Management Board and the Supervisory Board recommend that Telefónica Deutschland Shareholders accept the Delisting Acquisition Offer.

Irrespective of this recommendation, all Telefónica Deutschland Shareholders must decide for themselves in each individual case whether or not to accept the Delisting Acquisition Offer, taking into account the overall circumstances as well as their personal situation and assessment of the possible future development of the value and the stock exchange price of the Telefónica Deutschland Shares.

Subject to statutory provisions, the Management Board and the Supervisory Board are not liable if the acceptance or non-acceptance of the Delisting Acquisition Offer results in economic disadvantages for a Telefónica Deutschland Shareholder. In particular,

the Management Board and the Supervisory Board do not provide any assessment as to whether a higher or lower consideration could be determined in the future, for example in the event of a structural measure (e.g., squeeze-out), to which the shareholders who accept the offer would then not be entitled.

The content of this joint Statement was approved by the Management Board on 26 March 2024 and the Supervisory Board on 26 March 2024, each unanimously, whereby the members of the Supervisory Board Pablo De Carvajal González, Maria García-Legaz Ponce, Ernesto Gardelliano and Julio Linares López did not participate in any deliberations or resolutions of the Supervisory Board with regard to the Delisting Acquisition Offer and this joint Statement. The content of this Statement was – after extensive consultation on the draft status of this Statement – was last discussed by the Management Board on 26 March 2024 and by the Supervisory Board on 26 March 2024.

Munich, 26 March 2024

Telefónica Deutschland

Management Board

Supervisory Board

Annex 1
Subsidiary of Telefónica Deutschland

No.	Name	Seat	Country
1.	AY YILDIZ Communications GmbH	Düsseldorf	Germany
2.	E-Plus Service GmbH	Düsseldorf	Germany
3.	O2 Telefónica Deutschland Finanzierungs GmbH	Munich	Germany
4.	Ortel Mobile GmbH	Düsseldorf	Germany
5.	Telefónica Germany 1st Beteiligungsgesellschaft mbH	Munich	Germany
6.	Telefónica Germany Business Sales GmbH	Düsseldorf	Germany
7.	Telefónica Germany GmbH & Co. OHG	Munich	Germany
8.	Telefónica Germany Management GmbH	Munich	Germany
9.	Telefónica Germany Retail GmbH	Düsseldorf	Germany
10.	TCFS Potsdam GmbH	Potsdam	Germany
11.	TGCS Bremen GmbH	Munich	Germany
12.	TGCS Hamburg GmbH	Munich	Germany
13.	TGCS Nuremberg GmbH	Munich	Germany
14.	TGCS Rostock GmbH	Munich	Germany
15.	Wayra Germany GmbH	Munich	Germany

Annex 2**Subsidiaries of the Bidder Parent Company (including Telefónica Deutschland, but excluding its subsidiaries)**

No.	Name	Seat	Country
1	Group 3G UMTS Holding GmbH	Ismaning	Germany
2	Quam GmbH	Ismaning	Germany
3	Telefónica Cybersecurity & Cloud Tech Deutschland GmbH	Ismaning	Germany
4	Telefónica Global Roaming GmbH	Ismaning	Germany
5	Telefónica Global Services GmbH	Ismaning	Germany
6	Telefónica Global Solutions Germany GmbH	Ismaning	Germany
7	Telefónica Infra Germany GmbH	Ismaning	Germany
8	BE-terna Acceleration GmbH	Leipzig	Germany
9	BE-terna Acceleration Holding GmbH	Leipzig	Germany
10	BE-terna Enhancement GmbH	Leipzig	Germany
11	BE-terna Germany GmbH	Leipzig	Germany
12	BE-terna GmbH (Leipzig)	Leipzig	Germany
13	Telefónica Deutschland Holding AG	Munich	Germany
14	BE-terna Industry Solutions GmbH	Sindelfingen Darmstadt	Germany
15	BE-terna Business Solutions GmbH	Überlingen	Germany
16	Pleyade Argentina S.A.	Buenos Aires	Argentina
17	Telefónica Ingeniería de Seguridad Argentina	Buenos Aires	Argentina
18	Telefónica de Argentina, S.A.	Buenos Aires	Argentina
19	Telefónica Global Solutions Argentina S.A.	Buenos Aires	Argentina
20	Telefónica Móviles Argentina	Buenos Aires	Argentina
21	Telxius Cable Argentina S.A.	Buenos Aires	Argentina
22	Terra Networks Argentina, S.A.	Buenos Aires	Argentina
23	Wayra Argentina S.A.	Buenos Aires	Argentina

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
24	BE-terna Austria GmbH	Innsbruck	Austria
25	BE-terna GmbH (Innsbruck)	Innsbruck	Austria
26	Telxius Cable Bolivia S.A.	La Paz	Bolivia
27	POP Internet Ltda.	Curitiba	Brazil
28	Recicla V Comercio e Reciclagem de Sucatas e Metais Ltda.	Curitiba	Brazil
29	Telefónica Brazil S.A.	Sao Paulo	Brazil
30	Telefónica Cibersegurança e Tecnologia do Brazil Ltda.	Sao Paulo	Brazil
31	Telefónica Cloud e Tecnologia do Brazil S.A.	Sao Paulo	Brazil
32	Telefónica Corretora de Seguros Ltda.	Sao Paulo	Brazil
33	Telefónica Global Solutions Brazil Ltda.	Sao Paulo	Brazil
34	Telefónica Global Solutions Participações Ltda.	Sao Paulo	Brazil
35	Telefónica Infraestrutura e Segurança Ltda.	Sao Paulo	Brazil
36	Telefônica IoT, Big Data e Tecnologia do Brazil S.A.	Sao Paulo	Brazil
37	Telefónica On The Spot Soluções Digitais do Brazil, Ltda.	Sao Paulo	Brazil
38	Telefónica Servicos de Ensino Ltda.	Sao Paulo	Brazil
39	Telefónica Serviços Empresariais do Brazil, Ltda.	Sao Paulo	Brazil
40	Telefónica Transportes e Logistica Ltda.	Sao Paulo	Brazil
41	Telxius Cable Brazil Ltda.	Sao Paulo	Brazil
42	Telxius Cable Brazil Participacoes Ltda.	Sao Paulo	Brazil
43	Terra Networks Brazil Ltda.	Sao Paulo	Brazil
44	TLF 01 Empreendimentos e Participações Ltda.	Sao Paulo	Brazil
45	TLF 04 Empreendimentos e Participações Ltda.	Sao Paulo	Brazil
46	Vale Saude, Administradora de Cartões Ltda.	Sao Paulo	Brazil
47	Vita IT Comercio e Services de Soluções em TI Ltda.	Sao Paulo	Brazil
48	Vivo Money Fundo de Investimento em Direitos Creditórios	Sao Paulo	Brazil
49	Vivo Ventures Fundo de Investimento em Participações Multiestratégia	Sao Paulo	Brazil

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
50	Wayra Brazil Desenvolvedora e Apoiadora de Projetos Ltda.	Sao Paulo	Brazil
51	Adatis BG Ltd.	Sofia	Bulgaria
52	Inversiones Telefónica Internacional Holding SpA	Santiago de Chile	Chile
53	Telefónica Chile Servicios Corporativos Limitada	Santiago de Chile	Chile
54	Telefónica Chile, S.A.	Santiago de Chile	Chile
55	Telefónica Cybersecurity & Cloud Tech Chile SpA	Santiago de Chile	Chile
56	Telefónica Empresas Chile S.A.	Santiago de Chile	Chile
57	Telefónica Global Solutions Chile, SpA.	Santiago de l Chile	Chile
58	Telefónica IoT & Big Data Tech Chile, SpA.	Santiago de l Chile	Chile
59	Telefónica Móviles CHILE S.A.	Santiago de Chile	Chile
60	Telxius Cable Chile S.A.	Santiago de Chile	Chile
61	Wayra Chile Tecnologia e Innovación SpA.	Santiago de Chile	Chile
62	Colombia Telecomunicaciones S.A. ESP BIC	Bogotá	Colombia
63	Operaciones Tecnológicas y Comerciales S.A.S	Barranquilla	Colombia
64	Telefónica Cybersecurity & Cloud Tech Colombia S.A.S.	Bogotá	Colombia
65	Telefónica Global Solutions Colombia, S.A.S.	Bogotá	Colombia
66	Telxius Cable Colombia S.A.	Bogotá	Colombia
67	Wayra Colombia S.A.S.	Bogotá	Colombia
68	BE-terna d.o.o. (Croatia)	Zagreb	Croatia
69	BE-terna ApS	Åbyhøj	Denmark
70	Pipol A/S	Hørsholm	Denmark
71	Otecel, S.A.	Quito	Ecuador

No.	Name	Seat	Country
72	Telefónica Cybersecurity Tech Ecuador Tctech S.A.	Quito	Ecuador
73	Telefónica Global Solutions Ecuador TGSE, S.A.	Quito	Ecuador
74	Telefónica Ingeniería de Seguridad Ecuador S.A.S.	Quito	Ecuador
75	Telxius Cable Ecuador S.A.	Quito	Ecuador
76	BE-tema Adriatic d.o.o.	Ljubljana	Slovenia
77	BE-terna d.o.o. (Slovenia)	Ljubljana	Slovenia
78	Acens Technologies, S.L.	Madrid	Spain
79	Altostratus Solutions, S.L.	Barcelona	Spain
80	Audertis Audit Services, S.L.	Madrid	Spain
81	Bluevia Fibra, S.L.	Madrid	Spain
82	Cryptography & Security Systems, S.L.	Madrid	Spain
83	Fonditel Pensiones Entidad Gestora de Fondos de Pensiones, S.A.	Madrid	Spain
84	Fonditel Gestión, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A.	Madrid	Spain
85	Geprom Software Engineering, S.L.	Barcelona	Spain
86	Govertis Advisory Services, S.L.	Valencia	Spain
87	Lotca Servicios Integrales, S.L.	Madrid	Spain
88	Solar360 Soluciones de Instalación y Mantenimiento, S.L.	Madrid	Spain
89	TBSC Barcelona Producciones, S.L.	Madrid	Spain
90	Telefónica Audiovisual Digital, S.L.	Madrid	Spain
91	Telefónica Broadcast Services, S.L.	Madrid	Spain
92	Telefónica Capital, S.A.	Madrid	Spain
93	Telefónica Centroamérica Inversiones, S.L.	Madrid	Spain
94	Telefónica Chile Holdings, S.L.	Madrid	Spain
95	Telefónica Compras Electrónicas, S.L.	Madrid	Spain
96	Telefónica Correduría de Seguros y Reaseguros Compañía de Mediación, S.A.	Madrid	Spain
97	Telefónica Cybersecurity & Cloud Tech, S.L.	Madrid	Spain

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
98	Telefónica de España, S.A.	Madrid	Spain
99	Telefónica Innovación Digital, S.L.	Madrid	Spain
100	Telefónica Educación Digital, S.L.	Madrid	Spain
101	Telefónica Emisiones, S.A.	Madrid	Spain
102	Telefónica España Filiales, S.A.	Madrid	Spain
103	Telefónica Finanzas, S.A.	Madrid	Spain
104	Telefónica Gestión Integral de Edificios y Servicios, S.L.	Madrid	Spain
105	Telefónica Global Solutions, S.L.	Madrid	Spain
106	Telefónica Global Technology, S.A.	Madrid	Spain
107	Telefónica Hispanoamérica, S.A.	Madrid	Spain
108	Telefónica Infra, S.L.	Madrid	Spain
109	Telefónica Ingeniería Seguridad, S.A.	Madrid	Spain
110	Telefónica IoT & Big Data Tech, S.A.	Madrid	Spain
111	Telefónica Latinoamérica Holding, S.L.	Madrid	Spain
112	Telefónica Móviles España, S.A.	Madrid	Spain
113	Telefónica Open Innovation, S.L.	Madrid	Spain
114	Telefónica Participaciones, S.A.	Madrid	Spain
115	Telefónica Seguros Reaseguros Compañía Aseguradora, S.A.	Madrid	Spain
116	Telefónica Servicios Audiovisuales, S.A.	Madrid	Spain
117	Telefónica Servicios Globales, S.L.	Madrid	Spain
118	Telefónica Servicios Integrales de Distribución, S.A.	Madrid	Spain
119	Telefónica Soluciones de Criptografía, S.A.	Madrid	Spain
120	Telefónica Soluciones de Informática y Comunicaciones de España, S.A.	Madrid	Spain
121	Telefónica Soluciones de Outsourcing, S.A.	Madrid	Spain
122	Telefónica Tech, S.L.	Madrid	Spain
123	Teleinformática y Comunicaciones, S.A.	Madrid	Spain

No.	Name	Seat	Country
124	Telxius Cable España, S.L.	Madrid	Spain
125	Telxius Telecom, S.A.	Madrid	Spain
126	TIS Hispanoamérica, S.L.	Madrid	Spain
127	TLH HOLDCO, S.L.	Madrid	Spain
128	Toxa Telco Holding, S.L.	Madrid	Spain
129	TEM e - Services Latin America, Inc.	Miami	USA
130	Telefónica Global Solutions USA, Inc.	Miami	USA
131	Telefónica Tech Inc.	Miami	USA
132	Telxius Cable USA, Inc.	Miami	USA
133	Telefónica Global Solutions France II, S.A.S.	Courbevoie	France
134	Telefónica Global Solutions Greece LLC	Athens	Greece
135	Telxius Cable Guatemala, S.A.	Guatemala-City	Guatemala
136	Adatis India Private Limited	Maharashtra	India
137	Telefónica Tech Ireland Limited	Dublin	Ireland
138	BE-terna SRL	Bolzano	Italy
139	Nova Casiopea RE S.A.	Luxembourg	Luxembourg
140	Telefónica Luxembourg Holding SARL	Luxembourg	Luxembourg
141	Celular de Telefónica S.A. DE C.V.	Mexico City	Mexico
142	Fisatel S.A. DE CV SOFOM E.N.R.	Mexico City	Mexico
143	Geprom Software Engineering S.A. de C.V.	Mexico City	Mexico
144	Moviservicios S.A. DE C.V.	Mexico City	Mexico
145	Movitel del Noroeste, S.A. de C.V.	Mexico City	Mexico
146	Pegaso PCS, S.A. DE C.V.,	Mexico City	Mexico
147	Pegaso Recursos Humanos S.A de CV	Mexico City	Mexico
148	Pléyade México, Agente de Seguros y de Fianzas S.A de C.V.	Mexico City	Mexico
149	Telefónica Cybersecurity Tech Mexico S.A. de C.V.	Mexico City	Mexico

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
150	Telefónica Global Solutions México, S.A. de C.V.	Mexico City	Mexico
151	Telefónica IoT & Big Data Tech México, S.A. de C.V.	Mexico City	Mexico
152	Telefónica Móviles Mexico, S.A. de C.V.	Mexico City	Mexico
153	Telefónica Telecomunicaciones Mexico S.A de C.V.	Mexico City	Mexico
154	Terra Networks Mexico S.A. de C.V.	Mexico City	Mexico
155	Wy Telecom, SA de C.V.	Mexico City	Mexico
156	BE-terna A/S	Oslo	Norway
157	Alianza Atlantica Holding BV.	Amsterdam	The Netherlands
158	BE-terna B.V.	Oosterhout	The Netherlands
159	Telefónica Europe, B.V.	Amsterdam	The Netherlands
160	Telefónica Global Activities Holding B.V.	Amsterdam	The Netherlands
161	Telefónica Holding Atticus, B.V.	Amsterdam	The Netherlands
162	Telefónica Internacional Holding, B.V.	Amsterdam	The Netherlands
163	Telfisa Global B.V.	Amsterdam	The Netherlands
164	Telefónica Centroamerica S.A.	Panama	Panama
165	Telxius Cable Panama S.A.	Panama	Panama
166	Media Networks Latin America S.A.C.	Lima	Peru
167	PANGEACO S.A.C.	Lima	Peru
168	Telefónica Cybersecurity & Cloud Tech Perú S.A.C.	Lima	Peru
169	Telefónica del Perú S.A.A.	Lima	Peru
170	Telefónica Global Solutions Perú S.A.C.	Lima	Peru
171	Telefónica Ingeniería de Seguridad Penú S.A.C.	Lima	Peru
172	Telefónica IoT & Big Data Tech Perú, S.A.C.	Lima	Peru
173	Telefónica Learning Services Perú, S.A.C.	Lima	Peru
174	Telxius Cable Perú, S.A.C.	Lima	Peru
175	Terra Networks Perú S.A.C.	Lima	Peru
176	Wayra Peru Aceleradora de Proyectos S.A.C.	Lima	Peru

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
177	Telefónica Larga Distancia Puerto Rico, Inc.	San Juan	Puerto Rico
178	Telxius Cable Puerto Rico, Inc.	San Juan	Puerto Rico
179	Adatis Consulting Limited	Farnham	Great Britain
180	Adatis Group Limited	Farnham	Great Britain
181	Adatis Managed Services Limited	Farnham	Great Britain
182	Incremental Group Holdings Limited	Glasgow	Great Britain
183	Incremental Group Limited	Glasgow	Great Britain
184	mmO2 Ltd.	Worthing	Great Britain
185	02 (Europe) Ltd.	Worthing	Great Britain
186	02 (UK) Ltd.	Worthing	Great Britain
187	02 International Holdings Ltd.	Worthing	Great Britain
188	02 Oak Ltd	Worthing	Great Britain
189	02 Pine Ltd.	Worthing	Great Britain
190	02 Willow Ltd.	Worthing	Great Britain
191	02 Worldwide Limited	Cambridge	Great Britain
192	Perpetual Bidco Limited	Glasgow	Great Britain
193	Perpetual Midco Limited	Glasgow	Great Britain
194	Perpetual Topco Limited	Glasgow	Great Britain
195	Redspire Limited	Wisborough Green	Great Britain
196	Telefónica Digital Limited	Worthing	Great Britain
197	Telefónica Germany Holdings Ltd.	Worthing	Great Britain
198	Telefónica 02 Holdings Limited	Worthing	Great Britain
199	Telefónica 02 UK Ltd.	Worthing	Great Britain
200	Telefónica Tech Communication & Collaboration Limited	Wisborough Green	Great Britain
201	Telefónica Tech Northern Ireland Holdings Limited	Belfast	Great Britain
202	Telefónica Tech Northern Ireland Limited.	Belfast	Great Britain

No.	Name	Seat	Country
203	Telefónica Tech Ocean Limited	Wisborough Green	Great Britain
204	Telefónica Tech UK & Ireland Limited	Wisborough Green	Great Britain
205	Telefónica Tech UK Holdings Limited	Wisborough Green	Great Britain
206	Telefónica Tech UK Limited	Wisborough Green	Great Britain
207	Telefónica Tech UK Managed Services Limited	Wisborough Green	Great Britain
208	Telefónica Tech UK TOG Limited	Wisborough Green	Great Britain
209	Telefónica UK Holdings Ltd.	Worthing	Great Britain
210	The Link Stores Ltd.	Worthing	Great Britain
211	WAYRA UK Ltd.	Worthing	Great Britain
212	Telxius Cable República Dominicana S.A.S.	Santo Domingo	Dominican Republic
213	BE-terna d.o.o. (Serbia)	Belgrade	Serbia
214	Telefónica Global Solutions Singapore Pte. Ltd.	Singapore	Singapore
215	BE-terna AB	Halmstad	Sweden
216	Telefónica Global Solutions Sweden AB	Stockholm	Sweden
217	BE-terna Automation AG	Zurich	Switzerland
218	BE-terna AG	Lucerne	Switzerland
219	Telefónica Móviles del Uruguay, S.A.	Montevideo	Uruguay
220	Telxius Cable América S.A.	Montevideo	Uruguay
221	Comtel Comunicaciones Telefónicas, S.A.	Caracas	Venezuela
222	Corporación 271191, C.A.	Caracas	Venezuela
223	Proyecto Wayra, C.A.	Caracas	Venezuela
224	Sistemas Timetrac, C.A.	Caracas	Venezuela
225	Telefónica Atención al Cliente C.A.	Caracas	Venezuela

NON-BINDING CONVENIENCE TRANSLATION OF THE ORIGINAL GERMAN VERSION

No.	Name	Seat	Country
226	Telefónica Servicios Transaccionales, C.A	Caracas	Venezuela
227	Telefónica Venezolana C.A.	Caracas	Venezuela