

Acceptance period for Telefónica Deutschland shareholders commences



PUBLISHED MAR 20, 2024
BY [TELEFÓNICA](#)

Today, Telefónica, S.A. (“Telefónica”), through Telefónica Local Services GmbH (the “Bidder”), a wholly-owned subsidiary of Telefónica, has published the offer document for a public delisting acquisition offer for Telefónica Deutschland Holding AG (“Telefónica Deutschland”), to acquire all non-par value registered shares in Telefónica Deutschland (the “Telefónica Deutschland Shares”) not yet directly held by the Bidder (the “Delisting Offer”). The acceptance period commences today and will end on 18 April 2024, 24:00 (CEST).

After successfully increasing its ownership to 94.74%, and given limited liquidity of the Telefónica Deutschland Shares, Telefónica and the Bidder believe that the delisting of Telefónica Deutschland is the next logical step from an economic, strategic and operational standpoint to simplify the group’s structure and implement Telefónica’s strategic agenda together with Telefónica Deutschland in a more agile manner.

Telefónica Deutschland will continue to be a Munich-based telecom powerhouse, managed independently under the umbrella of the Telefónica group, with a continued focus on delivering sustainable growth and efficiencies. Consequently, the Bidder and Telefónica have no intentions to implement a domination and/or profit and loss transfer agreement, nor to initiate a squeeze-out.

Highly attractive and final offer for Telefónica Deutschland shareholders

With an offer price of EUR 2.35 per Telefónica Deutschland Share, Telefónica provides all existing minority shareholders with an additional and final opportunity to access liquidity at an attractive price. The offer price represents a premium of 37.6% to the closing share price on 6 November 2023 (the last Trading Day prior to publication of the announcement of the decision to make the previous voluntary partial acquisition offer (the “Partial Offer”) on 7 November 2023) and a premium of 36.3% to the then-preceding 3-months volume-weighted

average price.

The Delisting Offer is not subject to any offer conditions and therefore provides maximum deal certainty. The settlement of the Delisting Offer and payment of the offer price to the tendering Telefónica Deutschland shareholders will take place without undue delay following the expiry of the acceptance period.

Trading of Telefónica Deutschland Shares on Frankfurt Stock Exchange will cease with likely effects on trading volumes and liquidity

Upon announcing its decision to launch the Delisting Offer on 7 March 2024, the Bidder also entered into a delisting agreement with Telefónica Deutschland, in which Telefónica Deutschland has undertaken to support the delisting of the Telefónica Deutschland Shares by, inter alia, applying for the revocation of the admission to trading on the Frankfurt Stock Exchange.

Upon the delisting becoming effective, the trading of the Telefónica Deutschland Shares on the regulated market will terminate, regardless of the number of Telefónica Deutschland Shares tendered into the Delisting Offer. The Delisting Offer will likely result in a further reduction of trading volumes in and liquidity of Telefónica Deutschland Shares.

Telefónica does not intend to support dividend payments beyond the already confirmed dividend for the financial year 2023

As announced in the offer document relating to the Partial Offer, the Bidder and Telefónica do not intend to support dividend payments beyond the already confirmed dividend for the financial year 2023. Both intend to evaluate Telefónica Deutschland's dividend policy over time jointly with Telefónica Deutschland's management team, provided that neither Telefónica nor the Bidder currently see a need to pay dividends in the future beyond the minimum legally required.

The dividend for the financial year 2023 is expected to be paid after Telefónica Deutschland's annual general meeting, which will take place several weeks after the settlement of the Delisting Offer and no earlier than mid-June 2024.

The Delisting Offer is made in accordance with the terms set forth in the offer document approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) on 20 March 2024. The offer document and other information relating to

the Delisting Offer are available at <https://www.td-offer.com>.

Bank of America and J.P. Morgan are acting as financial advisors, and Gleiss Lutz, Uría Menéndez and Davis Polk & Wardwell LLP as legal advisors to Telefónica.

Telefónica is a listed company and one of the largest telecommunications service providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers. With close to 384 million customers, Telefónica operates in Europe and Latin America.

About Telefónica Deutschland Holding AG

Telefónica Deutschland is one of the leading integrated telecommunications providers in Germany, serving more than 44 million mobile accesses (including 1.7 million M2M accesses) and 2.3 million broadband accesses.

This press release is for information purposes and neither represents an offer to purchase or sell nor a solicitation of an offer to purchase, sell or tender Telefónica Deutschland Shares. The complete terms of the Delisting Offer are published in the offer document, which is available at <https://www.td-offer.com>. Investors and shareholders of Telefónica Deutschland are strongly advised to read the offer document as it contains important information. Any decision to accept the Delisting Offer should be made solely on the basis of the information contained in the offer document. Where appropriate, it is furthermore recommended that investors and shareholders seek independent advice in order to receive individual assessment regarding the Delisting Offer.

The Delisting Offer is conducted exclusively under the laws of the Federal Republic of Germany and certain applicable provisions of the U.S. securities laws. Any contract concluded on the basis of the Delisting Offer will be exclusively governed by the laws of the Federal Republic of Germany and is to be interpreted in accordance with such laws. 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, Telefónica Deutschland Shares other than in the course of the Delisting Offer on or off the stock exchange during the period in which the Delisting Offer remains open for acceptance, provided that such acquisitions or arrangements to acquire comply with the applicable German statutory provisions, in particular the WpÜG, and the applicable provisions under the U.S. Securities Exchange Act of

1934, as amended. Information about such acquisitions or arrangements to acquire will be disclosed in the form prescribed by section 23 para. 2 WpÜG, with a non-binding English translation being made available on the Bidder's website at <https://www.td-offer.com>.

The Delisting Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Telefónica Deutschland Shares in any state or country in which the making of the Delisting Offer or the acceptance thereof would not be in compliance with the securities or other laws of such state or country.

Press release distributed by Wire Association on behalf of Telefónica, on Mar 20, 2024. For more information subscribe and [follow](#) us.

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Website: <https://www.telefonica.com/>

Primary Email: contacto@fundaciontelefonica.com

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