Telefónica successfully launches a €1.75 billion green hybrid issue

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Telefónica has successfully closed today a €1,75bn green hybrids issue. In addition, the company has launched a purchase offer on three outstanding hybrids.

The issue has been structured in two tranches. One of €900 million and first call date in January 2031, has been closed with a coupon of 4.381% (yield of 4.375%). The second, of €850 million, has a call date on January 2034 and a coupon of 4.881% (yield of 4.875%).

The book has reached to as many as 12 billion orders, with over 300 orders in each tranche. The investor base, which is widely diversified, has stood out for the majority participation of international investors, who have accounted for more than 98% of the final placement.

Telefónica has managed to improve conditions significantly. From the initial coupon indications of 5% in the short tranche and 5.50% in the long tranche, it has been possible to reduce each tranche by 62.5 basis points to set the final cost at 4.375% and 4.875%, respectively.

Both operations, the green hybrid issuance and the purchase offer, aim to continue proactively managing the company's debt while maintaining a diversified and solid investment base.

The closing and final settlement of the operation will take place on January 19th.

The funds obtained will be allocated mainly to projects for the transformation and modernization of telecommunications networks, both fixed and mobile, with the aim of improving their energy efficiency. The funds may also be allocated to projects related to the implementation of Telefónica's Renewable Energy Plan, or the development of digital products and services aimed at saving energy and natural resources, as set out in Telefónica's Sustainable Financing Framework.

With regard to the purchase offer of the outstanding hybrids, the aggregate nominal amount outstanding of the three hybrid bonds reaches a total of €2.25 billion.

The process begins today and is scheduled to end on January 19th at 5:00 p.m. The results will be published on January 20th.

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