

NOTA DE PRENSA
PRESS RELEASE

MOVISTAR ACQUIRES DIRECTV'S INTERNET SERVICE IN COLOMBIA AND ITS SPECTRUM

- Movistar and DIRECTV have reached an agreement to purchase DIRECTV's Internet business in Colombia, including both the network and its spectrum.
- DIRECTV will focus on the provision of subscription television services and the provision of digital content, as well as the generation of these two.
- As a result of the deal, Movistar will provide Internet service to approximately 200,000 DIRECTV customers.
- The transaction will not be effective until it is authorized by the corresponding authorities.

Bogotá, May 25th, 2021.- Telefónica Movistar and DIRECTV reached an agreement that allows Movistar to acquire and take over the operation of DIRECTV's Internet services in the country.

The negotiation, which will be notified to the industry and antitrust authorities for its review, establishes that -once approved by the corresponding institutions- Movistar will take over the Internet business that DIRECTV has been operating in Colombia since 2014, including the network infrastructure and the spectrum that supports the service.

In addition, the agreement determines that customers will not experience changes in the services contracted with DIRECTV and/or its rates, as well as in the billing processes or customer service channels.

This operation, which strengthens Telefónica Movistar's network infrastructure, will not only benefit the customers of the two companies involved in the business, but also the users of the four Mobile Virtual Network Operators (MVNOs) that Telefónica Movistar hosts on its network, as well as the customers of its competitors that use the network through Automatic National Roaming.

For its part, DIRECTV will focus on continuing to provide a premium experience through its satellite television service, as well as DIRECTV GO, its regional streaming platform that offers the best of live content, with linear channels and DIRECTV sports programming and the best of the on-demand world of movies, series and documentaries anytime, anywhere, through various devices such as cell phones, tablets, computers, smart TVs and streaming devices..

Fabián Hernández, CEO of Movistar Colombia, explained that this agreement "reaffirms the company's commitment to the country and will allow us, in one hand, to continue consolidating our presence in the domestic market with the acquisition of DIRECTV's Internet infrastructure and, secondly, to strengthen our operation by having additional spectrum to support the growth in mobile data traffic that we have been observing in recent months, especially after the beginning of the pandemic."

Movistar estimates that during 2020 the use of its wireline network increased by 98% and its customers' mobile data consumption grew by 87%.

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For **Mariano Díaz de Vivar, President of DIRECTV**, "digital transformation is revolutionizing telecommunications and broadcast services to the point that customers are changing their consumption habits and the way they relate to their environment. By concentrating on the generation and distribution of content, we will be able to focus on delivering to the market the best content options with simple-to-use services when and how they want them, responding to consumer needs".

DIRECTV currently has approximately 200,000 Internet customers in Colombia, 60 percent of which have their service bundled with a subscription television plan. The agreement between the two companies establishes that these customers will keep their TV plan with DIRECTV, while Movistar will assume the Internet access service.

About Telefónica Colombia

Telefónica is one of the biggest drivers of the digital economy in the country, with revenues of 5.36 billion pesos in 2020. The activity of the company, which operates under the trademark Movistar, is mainly focused on the businesses of telephony and mobile connectivity, broadband services, fiber optics to the home, pay TV, fixed telephony and a complete range of digital solutions for small, medium and large companies and corporations.

Telefónica is present in 266 municipalities with fixed broadband -of which 43 already have fiber optics-, and 965 with 4G LTE mobile telephony. It also offers fixed broadband in 748 municipalities. Telefónica closed 1Q21 with a customer base of 19.9 million nationwide: 16.7 million mobile lines, 1.2 million broadband and 527 thousand pay TV customers and 1.4 million fixed lines in service.

About DIRECTV Colombia

DIRECTV delivers the best entertainment experience. Every day, DIRECTV subscribers in Latin America enjoy 100% digital quality and sound, industry-leading customer service, state-of-the-art technology, the most distinctive HD content, including original and exclusive series, complete coverage of the most important events, sports leagues and bundles, and the ability to enjoy programming on different screens wherever and whenever the user wishes. For more information, visit directvla.com.

Press Contact

DIRECTV Colombia
Claudia Aranda G.
claudia.aranda@directvla.com.co
+ 57 320 859 5516

Movistar Colombia
Karina Velez
karina.velez@telefonica.com
+57 315 82315 69