

Press release

Telefónica and Microsoft expand their collaboration to accelerate the adoption of Open Gateway in the industry by leveraging Kernel

- **Both companies will invest financial, technological and professional resources in an innovation project to migrate Kernel, Telefónica's digital platform, to a SaaS product on Azure and will establish a joint "Go-to-Market" strategy to provide solutions founded on Kernel to other operators within the telecommunications sector.**
- **This collaboration also encompasses the creation of innovative digital services in Kernel, enhanced by Generative AI capabilities and Advanced Analytics, leveraging Azure AI as part of Kernel's evolution.**
- **Telefónica's CDO, Chema Alonso will provide more details on this announcement in his talk 'Open collaboration to innovate' on Monday 3 March at the Telefónica stand at MWC.**

Madrid, February 20th, 2025.- Telefónica and Microsoft extend the strategic collaboration they established five years ago with the launch of an innovation project focused on the development of new digital solutions based on Open Gateway, the GSMA-led initiative in the telco industry to transform communication networks into programmable platforms, through Kernel, Telefónica's core AI-driven platform to develop digital products and services.

Both companies will invest financial, technological and professional resources to work together to migrate Kernel's capacities to Azure as part of its SaaS offering. These capacities will help mobile operators simplify their complex digital transformation processes and accelerate the adoption of Open Gateway. The collaboration also encompasses a joint "Go-to-Market" strategy to make innovative digital services based on the Telefónica Kernel platform available to other operators,

developers and telecommunications companies. These services will be incorporated into Microsoft's Azure Marketplace, an online store providing applications and services for use on Azure. In addition, Kernel will be part of Microsoft's offering to operators and other players in the telecommunications industry.

Paco Salcedo, president of Microsoft Spain, emphasizes: "We are thrilled to expand our collaboration with Telefónica to accelerate the adoption of Open Gateway and Kernel in the telecommunications industry. This partnership will enable us to leverage our combined expertise and innovative technologies to drive digital transformation and create new opportunities for operators, developers, and telecommunications companies."

Chema Alonso, Chief Digital Officer of Telefónica, said: "Kernel was first launched back in 2017 under the name of the Fourth Platform, when we had a very clear vision and a lot of challenges ahead. Today, we are very proud of what we have achieved, transforming ourselves internally and getting ready for the new opportunities like Open Gateway. That's why we want to bring our platform into the Azure marketplace, enabling other companies to embrace its technology and reduce the time-to-market for the new plethora of digital services."

This advancement in the already consolidated alliance between Telefónica and Microsoft is the result of the announcement made last year at Mobile World Congress (MWC), where both companies shared their collaboration to integrate [Azure AI Foundry \(formerly Azure AI Studio\) with Telefónica Kernel to extend its capabilities by applying generative AI to key workflows](#). At this year's MWC, which takes place from 3 to 6 March in Barcelona, Chema Alonso will provide more details on the integration and accelerate the adoption of Open Gateway with Kernel in his presentation '[Open collaboration to innovate](#)' on Monday at 10:45, where he will be joined on stage by Paco Salcedo.

Kernel to boost Generative AI and Advanced Analytics Capabilities

As part of Kernel's evolution, Microsoft and Telefónica will also collaborate in the conceptualization, design, development and industrialization of new components and complete solutions of Kernel on Azure, based on Generative AI and Advanced Analytics capabilities to go beyond the scope and functionality of Telefónica's platform, opening new advanced user experiences and augmented decision making.

This joint work will benefit the Open Gateway community, facilitating their access to Microsoft's ecosystem of partners and developers, its network of Independent Software Vendors (ISVs), and the company's innovation centers and research hubs around the world, to develop new capabilities and solutions.

Within the framework of their strategic collaboration, both companies will actively seek for further integration of technologies that might help on the data and analytics space, looking for an even simpler development of features for non-technical skills.

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) creates AI-powered platforms and tools to deliver innovative solutions that meet the ever-evolving needs of its customers. The tech company is committed to making AI widely available and doing so responsibly, with a mission to help every person and every organization on the planet do more in their day-to-day lives.

About Telefónica

Telefónica is one 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 392 million customers, Telefónica operates in Europe and Latin America.

Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market and on those in New York and Lima.

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Attached Image: Chema Alonso, Chief Digital Officer of Telefónica and Paco Salcedo, President of Microsoft Spain