



Quarterly Results

Telefónica del Perú S.A.A.

October - December 2022

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1. FOURTH QUARTER MILESTONES

IN 2022, THE RESULTS REFLECT GROWTH AND IMPROVEMENT
IN OUR COMPETITIVE POSITION



REGARDING THE ACCRUED AMOUNT FROM JANUARY TO DECEMBER 2022, TELEFÓNICA CONTINUED GROWING ITS REVENUES



	Mobile services	Landline services
Revenues	+ 6.7%	-3.5%
Accesses	11.3 millions	4.5 millions

We lead the deployment of optical fiber nationwide to more than 2 million homes

We are committed to the massification of optical fiber, a technology that provides up to 20 times more speed. We are the operator with the largest presence nationwide, leading the great technological change that is taking place in the Peruvian telecommunications market. We have a 40.9% market share, and more than 2 million homes can have access or migrate to this technology.



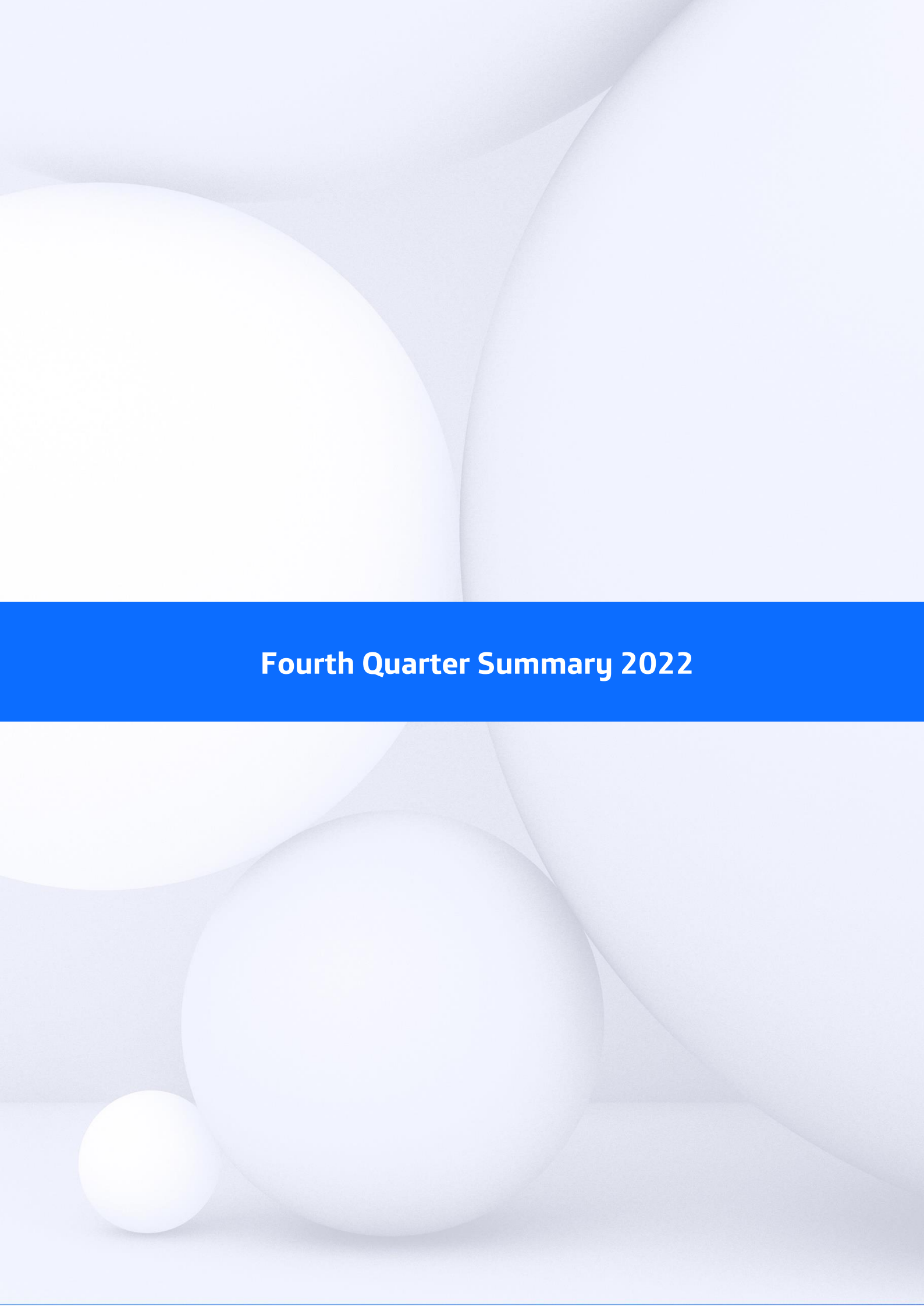
"Internet para Todos" (Internet for Everyone) has connected more than 16 thousand rural communities of Peru, which benefited for more than 3.1 million people

Through Internet para Todos, an initiative promoted by Telefónica del Perú, in alliance with Meta (Facebook), BID Invest and CAF, we keep boosting digital inclusion and development through connectivity access. By the end of 2022, we have connected more than 16,000 towns and rural communities on the coast, highlands and jungle with 4G Mobile Internet. These people have the possibility of accessing the benefits of the digital world.

"Mujeres en red" (Women in Network) program reached the milestone of 400 women hired by collaborating companies

The "Mujeres en Red" (MER) program, an initiative by Telefónica del Perú whose goal is to narrow the gender gap in the telecommunications sector, completed its second year. By the end of 2022, the program surpassed the milestone of having 400 women hired by collaborating companies in the technical service, infrastructure maintenance, logistics and B2B areas. This project, which was started in Peru, has been replicated in other Telefonica operations in the region.





Fourth Quarter Summary 2022

2. FOURTH QUARTER SUMMARY 2022

Telefónica del Perú presented financial results for 2022

- At the end of 2022, Telefónica del Perú's revenues amounted to S/7,156 million, an increase of 1.5% compared to the previous year.
- Movistar has reached 2 million households with fiber optic access and leads this market with a 40.9% share.
- The expansion of 4G high-speed internet access in rural communities reached more than 3.1 million people and 16,700 population centers through "Internet Para Todos" (Internet for Everyone).
- Through the "Mujeres en red" (Women in Networking) program, there are already 400 women hired in telecommunications technical tasks.

Lima, February 10, 2023.- Telefónica del Perú's total revenues in 2022 amounted to S/7,156 million, a growth of 1.5% compared to 2021. The foregoing was mainly due to higher revenues in the post-paid mobile segment, up +6.7% compared to 2021, and in the fixed segment of Data and IT services, up +6.8% compared to 2021. This thus reflects our solid presence in the market through our B2B services.

"2022 reflects our strategy to continue the growth that has been happening since 2021, amid a challenging economic and competitive environment. This growth is sustained in the mobile business. In addition, we continue to lead the main technological change in the country through the massive deployment of fiber optics to the home to offer a better fixed internet experience," said Pedro Cortez, CEO of Telefónica del Perú.

Telefónica del Perú closed 2022 maintaining the leadership in sector revenues and in accesses with 15.8 million customers: composed of 11.3 million mobile accesses and 4.5 million fixed accesses.

Mobile business

Mobile business revenues reached S/3,722 million in 2022, 6.7% more than in 2021. In the post-paid service, revenues amounted to S/1,895 million in 2022, an increase of 11.1% compared to 2021. On the other hand, in the pre-paid sector, revenues fell 5.9% compared to 2021 due to the contraction and the tendency of the market to migrate from pre-paid to post-paid services.

It should be noted that Telefónica was the operator that grew the most in post-paid portability (+21.6%), thereby constituting an increase of market share by 2.6%. The Company maintained leadership of the mobile market with a share of accesses of 30.1%, according to Osiptel data for 3Q2022.

In 4Q22, mobile revenues amounted to S/949 million (+4.4% vs. 4Q2021). This result was driven by higher post-paid service revenues (+9.6% vs. 4Q2021) and stable revenue from the terminal business.

In the terminal business, Movistar recorded revenues of S/967 million through a strategy focused on providing financing facilities and new payment alternatives for its customers.

Fixed business

In the fixed business, in 2022 revenues reached S/3,435 million, 3.5% lower compared to 2021, and in 4Q22 S/845 million were reached, 9.5% less than 4Q21. These lower revenues are mainly explained by the strong competitive environment between service providers and that Telefónica is in the process of transforming its broadband service provision towards fiber, for which we achieved national leadership in Peru. Telefónica leads the fixed broadband market with a 54.09% share at the end of 2022. Likewise, it has a 59.4% share in fixed voice and 58.1% in Pay TV, according to Osiptel data at 3Q22.

It should be noted that in the fixed business, the Data+IT and Wholesale categories stood out. Their revenues grew 6.8% and 9%, respectively, thereby strengthening the company's presence in services that mainly serve the B2B segment.

In addition, Telefónica exceeded 500,000 fiber optic residential customers and now provides 2 million homes with the possibility of connecting to this technology as part of its plan to progressively massify fiber optics. According to figures from the regulator, as of September 2022, Telefónica leads the market for residential fiber optic access nationwide with a share of 40.9%.

Operating result

Income from operating activities in 2022 amounted to S/69 million, an increase of S/741 million compared to 2021. This was mainly due to the transformation that the company has been deploying, the increase in revenues, as well as the efficiencies generated from reducing expenses by 20.1% compared to the previous year.

On this point, the Company continued to prioritize generating significant new efficiencies that allow business sustainability: digitalizing processes, transforming the work model for personnel management, renegotiating TV content, capturing efficiencies in the deployment of Fiber Optic, as well as progressively shutting down copper and HFC technologies.

Improvement of financial ratios

In 2022, the OIBDA reached S/1,607 million, which meant a significant growth of +24.4% compared to 2021. This outstanding result is the product of higher revenues from the increases in our rates in both the fixed and mobile segment, the effort deployed in the commercial activity to recover the margin in terminal sales, as well as our management of expense efficiency.

Tax Disputes

In January 2023, Telefónica del Perú was notified of several rulings issued by the Supreme Court that unfavorably resolved income tax proceedings versus the National Superintendence of Tax Administration (SUNAT). Precisely, in 2022, the company increased its provisions by S/1,045 million make provision for the results of the tax disputes.

It should be noted that the total number of these judgments corresponds to more than 80% of interest and arrears as a result of the delay on the part of the authority in dealing with a legitimate dispute. During its more than 28 years in the country, Telefónica del Perú has paid approximately S/10 billion in income tax to SUNAT.

Net financial year income

The net result for 2022 was -S/1,455 million, which is equivalent to S/171 million above what was recorded in 2021. The foregoing is mainly explained by the tax provision register corresponding to the unfavorable result of the judicial processes related to income tax from 1998 to 2001, an increase in financial expenses, and the devaluation of fixed assets in 2021.

Digital transformation and inclusion for development

Through "Internet Para Todos" (IPT), a company created by Telefónica del Perú, Meta (Facebook), IDB Invest, and CAF to close the connectivity gap in Peru, the expansion of 4G mobile internet access in rural communities in the country continued. By the end of 2022, more than 16,000 locations now have access to high-speed mobile internet, meaning that more than 3.1 million people can access the benefits of the digital world. This progress was made known in face-to-face activities in the communities of Asunción (Cajamarca), Papayal (Tumbes), and Ayaviri and Huancalle, both in Cusco. The activities brought together local authorities, villagers, and students from the aforementioned localities.

The "Mujeres en Red" program achieved the milestone of exceeding 400 women hired by its collaborating companies in the areas of technical service, infrastructure maintenance, logistics, and B2B. "Mujeres en Red" promotes the employability and training of women in the technical field of telecommunications and is delivered by Movistar, in partnership with its collaborating companies.

Likewise, Movistar held the XII Edition of the Connecting to Grow Award, which identifies and recognizes projects that promote rural development through the use of technology. In 2022, 139 applications were received from 21 regions in Peru for the categories of Women Entrepreneurs (promoted with the OAS | CITEL), Education, Productive Economy, and Environment. Over the course of 12 years, Connecting to Grow has awarded more than 80 projects and trained more than 5,000 people in rural locations across the country.

Through Fundación Telefónica Movistar, educational projects supported by technology were carried out as a means to contribute to the development of society. The "Committed to Education" program has impacted more than 700,000 schoolchildren and more than 45,000 teachers in urban and rural educational settings throughout Peru. Likewise, Fundación Telefónica Movistar continued to promote Educared, which is a website that receives more than one million visits annually and provides courses, workshops, certifications, and hundreds of educational resources. Finally, the "Conecta Empleo" program offered 30 courses that encouraged the development of digital talent and soft skills of more than 270,000 young people and adults in order to improve their employability.

**Significant events
of 4Q2022**

3. SIGNIFICANT EVENTS OF 4Q2022

The following are the key events that occurred during the fourth quarter of 2022 and January 2023:

1. On October 3, the following was communicated in relation to File No. 2022039660:

It was made public that, in response to Intendancy Resolution No. 4070140000089 notified on September 14, 2022 within the framework of the ongoing administrative procedure regarding income tax for the year 2014, the Company has decided to avail itself of the Graduality Regime regulated by Intendancy Resolution No. 063-2007-SUNAT and, consequently, without prejudice to any rights that may correspond to it, proceed with the payment to the National Superintendence of Tax Administration of the sum of S/353,640,411.

2. On November 30, the following was communicated in relation to File No. 2022048181:

Telefónica del Perú S.A.A. (the "Company") has informed that in the course of the administrative procedure related to the payment on account of income tax for the year 2000, the Company was notified of the resolution issued by the National Superintendence of Tax Administration SUNAT which provides for the payment of S/135,113,323.

3. On December 7, the following was communicated in relation to File No. 2022049141:

Telefónica del Perú S.A.A. complied with informing that as part of the evaluation it has been carrying out on the impact of the administrative procedure linked to the 2002 income tax and general sales tax of Telefónica Móviles S.A.C. (now Telefónica del Perú S.A.A.) and its effect on financial years 2003 and 2004, to date a provision of S/166,496,000 is required, which will be reflected in the next financial information of the Company to be disseminated to the market, in accordance with the applicable regulations.

4. On December 21, the following was communicated in relation to File No. 2022050682:

Telefónica del Perú S.A.A. was notified with TCR No. 08644-5-2022 linked to the 2003 income tax and general sales tax of Telefónica Móviles S.A.C. (now Telefónica del Perú S.A.A.), by means of which (i) it confirms the Intendancy Resolution issued by the National Superintendency of Tax Administration (SUNAT) (No. 0150150002700) in relation to the objections to financial expenses, provision of doubtful collections, loss due to exchange difference, and depreciation of assets; and, (ii) it orders SUNAT to issue a new settlement considering the results of previous years with direct impact on the calculations for 2003.

The Company is evaluating the economic and financial impact of the aforementioned resolution and the legal actions to be implemented.

5. On December 22, the following was communicated in relation to File No. 2022050814:

Call to a General Shareholders' Meeting:

In accordance with the Articles of Association and Articles 115, 116 and, 258 of the General Companies Law, the online General Shareholders' Meeting was convened for January 19, 2023, at 8:30 to discuss the following agenda:

- I) Management and economic and financial situation report.
- II) Delegation of powers to the Board of Directors in accordance with the provisions of Article 206 Paragraph 2 of the General Companies Law.

If the Shareholders' Meeting is not held due to lack of a quorum per the provisions of Article 21 of the Articles of Association, the shareholders are summoned, for the same purpose, in a second and third summons, respectively, on 23 and 27 January 2023, at the time and in the manner indicated for the first summons. Holders of shares with voting rights that are registered in their name in the Company's Share Register or recorded in the Securities Accounting Register by CAVALI ten days before the Meeting will be entitled to attend the General Shareholders' Meeting. The powers of representation granted by the shareholders will be registered in Av. Paseo de la República No. 3755, floor 1, San Isidro, no less than twenty-four hours before the Meeting. Non-working days are not included in the 24-hour period. The documentation related to the matters on the agenda will be available to shareholders during office hours at the address indicated above. The Meeting will be held through the virtual platform <https://juntatelefonica.azurewebsites.net> that will allow the pre-registration of shareholders, the calculation of the quorum and the exercise of the right to vote. The indications for pre-registration, validation, and entry to the meeting can be found in the information document published on the Company's website and communicated as an significant event to the Superintendency of the Securities Market.

6. On December 27, the following was communicated in relation to File No. 2022051272:

Board Decision:

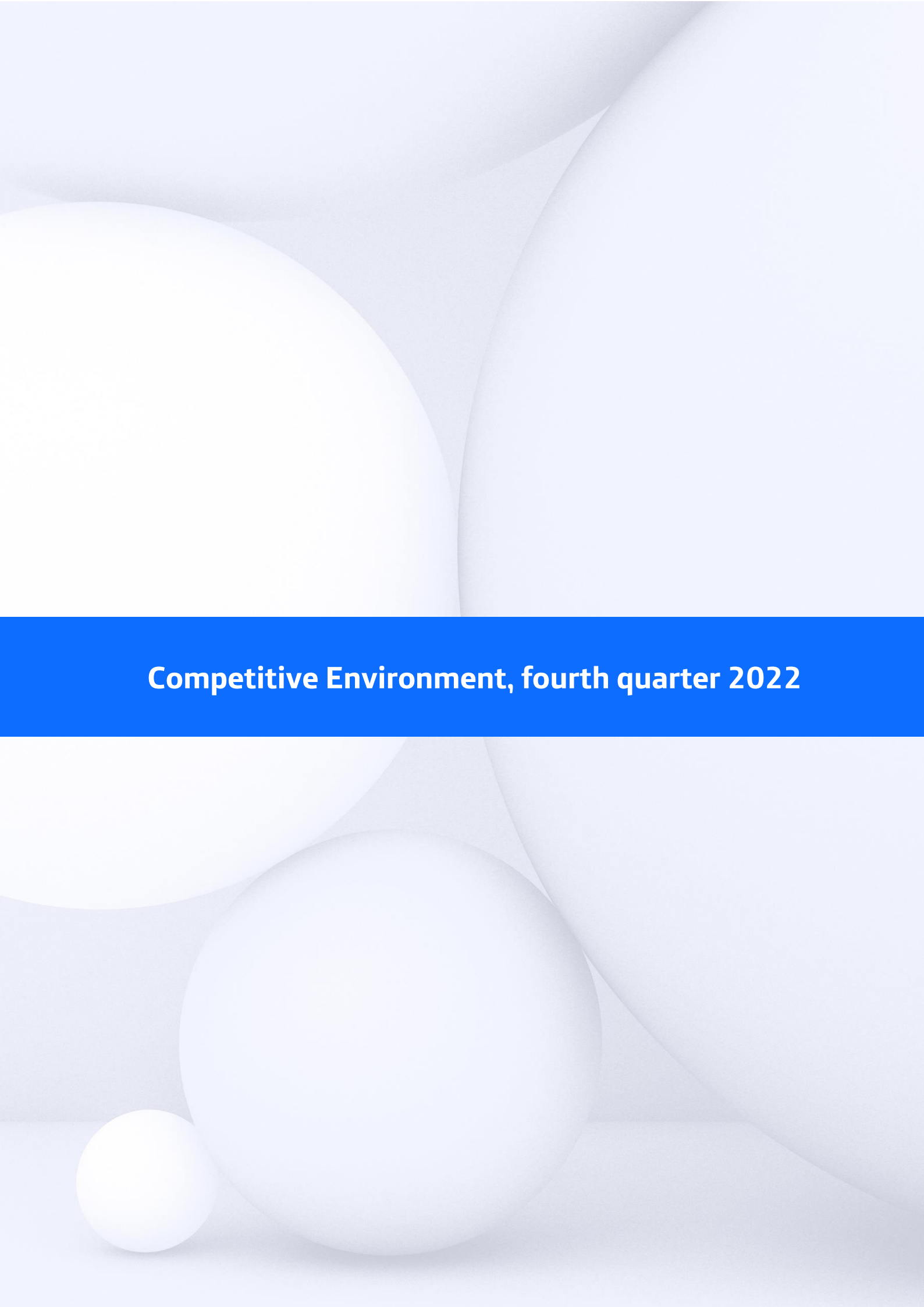
In accordance with the provisions of the Consolidated Ordered Text of the Securities Market Law and the Regulation of Significant Events and Confidential Information, Telefónica del Perú S.A.A. has complied with informing of a significant event as, on that date, the Board of Directors approved the obtaining of a credit in favor of the Company to be granted by Telefónica Hispanoamérica S.A. for the amount of S/187,000,000. The aforementioned credit did not require a previous technical report issued by an external entity under the provisions of Paragraph c) of Article 51 of the Securities Market Law and SSM Resolution No.029-2018-SMV-01.

7. On January 19, the following was communicated in relation to File No. 2023002925:

The General Shareholders' Meeting delegated to the Board of Directors the power contemplated in Paragraph 2 of Article 206 of the General Companies Law.

The points to be addressed were:

- I. Management and economic and financial situation report: The Chairman presented the economic and financial situation of the Company.
- II. Delegation of powers to the Board of Directors in accordance with the provisions of Article 206 Paragraph 2 of the General Companies Law: The General Shareholders' Meeting delegated to the Board of Directors the power contemplated in Article 206 Paragraph 2 of the General Companies Law up to the amount of S/2,106,948,789.54.



Competitive Environment, fourth quarter 2022

4. COMPETITIVE ENVIRONMENT, FOURTH QUARTER 2022

At the end of December 2022, COVID-19 infections, hospitalizations, and deaths were at an all-time low. On the economic front, private consumption lost momentum against a backdrop of persistently high inflation and tightening financial conditions. In addition, private investment contracted due to lower disbursements from the mining sector and political instability that interfered with the visibility of companies and that kept economic expectations pessimistic for almost all of 2022.

In this context, Telefónica managed to increase its total revenues by 1.5% compared to 2021, which is explained by higher post-paid service revenues that compensated for the fall in fixed revenues. Furthermore, Telefónica continues to be the leader in share of accesses and total revenues in the sector.

Mobile business

According to official information from Osiptel, in Q3 2022 Telefónica maintained the leadership of the mobile market with a share of accesses of 30.1%.

In 2022, a strong competitive intensity was maintained especially in the post-paid segment. Compared to 2021, portabilities according to OSIPTEL varied slightly; however, post-paid portabilities grew by 10.1% and reached 3.7 million ports, which means 66% of total portabilities. Telefónica was the operator that grew the most in post-paid portability (21.6%), managing to increase its share by 2.6%. All this led to a growth in post-paid accesses and revenues compared to 2021.

In the prepaid segment, the market continued to focus on the digital channels of recharges and promotions with an increase in GBs. Telefónica managed to increase the ARPU thanks to mass promotions; in addition, the Company had a greater focus on improving the volume of customer on-boarding and quality of recharges. Pre-paid access and revenue in the sector fell compared to 2021.

In the mobile terminal sales market, the first half of 2022 was characterized by aggressiveness in terms of subsidies and portability discounts. In the second half of the year that aggressiveness decreased considerably as profitability became the focus. During the year, Telefónica focused on providing financing facilities and creating new payment alternatives for its customers. Although mobile terminal revenues did not vary much compared to 2021, the unit ticket improved and the profitability of the terminals increased. In the same way, revenue sharing improved.

Fixed business

According to information from OSIPTEL as of Q3 2022, Telefónica leads the fixed market with a 59.4% share in fixed telephony, 54.5% in broadband, and 58.1% in Pay TV. In the fixed business, competition was also intense in 2022, especially in fixed broadband and Pay TV. In fixed broadband, the market continued to grow driven by increased demand for connectivity and fiber activity mainly in Lima and major regions of the country. Telefónica opted for the accelerated fiber optic massification plan (FTTH), with the help of Pangeaco, which improved the browsing experience of its customers. At year-end, the FTTH had 500,000 customers. According to Osiptel, as of September 2022, Telefónica leads the FTTH access market with a 40.9% share.

For its part, the pay-TV business is increasingly intense where OTTs are growing in the market and providers compete with content and prices.

5. ECONOMIC ENVIRONMENT

Economic activity grew 1.7% in 3Q22, slowing its pace of growth compared to the first half of the year (3.6%). This development was mainly explained by lower net exports and, to a lesser extent, by the slowdown in private spending. Exports of goods and services slowed from 9% to 0.8% between the second and third quarters. This is explained by the lower local primary production, mainly from the metal mining and hydrocarbon sectors (lower mineral law and social conflicts). Likewise, private consumption was less dynamic due to high inflation and higher interest rates, private investment contracted due to lower disbursements from the mining sector (the Quellaveco project is finished), and public consumption fell due to the reduction in spending associated with the health emergency.

Inflation, Exchange Rate, and Fees

Year-on-year inflation failed to fall with any conviction in 2022, going from 8.8% in Jul-22 (max.) to 8.5% in Dec-22, well above what the Central Bank expected. This evolution is explained by the higher fuel and food prices, the latter of which has been rising recently due to lower agricultural production stemming from fertilizer shortages, the late onset of rains, and recent roadblocks, which is affecting the supply of markets.

The lack of conviction in the slowdown is a result of the Central Bank continuing to make preventive adjustments in its monetary policy, raising the rate by 25 bps at the meeting of Jan-23 to 7.75%. Finally, the Sol (PEN) appreciated at the end of 2022, reflecting the balance of the best external fundamentals, copper prices in particular, the international trend of the dollar (USD), the differential between interest rates in USD and PEN, and the willingness of the BCR to avoid much volatility. This is how there was a depreciation of 4.4% in 2022, going from S/3.99 at the close of Dec-21 to S/3.81 at the close of Dec-22. However, at the beginning of 2023, the PEN depreciated slightly due to the political uncertainty caused by the failed coup d'état of Castillo and the swearing in of Dina Boluarte as President of Peru until 2026. The political situation has provoked violent protests calling for the resignation of Boluarte, early elections, among other requests.

Financial Markets

Amid the political noise, ratings firms Fitch, Standards, and Poor's and Moody's maintained Peru's rating at BBB and A3, respectively. However, they all lowered the outlook from stable to negative.

6. FOURTH QUARTER 2022 RESULTS

Income from ordinary activities

Revenues amounted to S/1,794 million in 4Q22, 2.6% less than in 4Q21. Due to a [decrease in fixed access mainly][Mario: check this comment], also, the current economic context contributed to this decrease. By 4Q22, accumulated revenues reached S/7,156 million, 1.5% higher than the previous year.

Revenues from **Services (Voice + BA+ TV)** reached S/653 million, down 9.6% compared to 4Q21. The lower revenues are mainly explained by a lower net plant but having achieved a substantial increase in the BA park for optical fiber, increased discounts, and the strong competitive environment of the service providers. In 2022, revenue reached S/2,708 million, -4.2% lower than the previous year.

Data and Information Technology revenues were S/129 million in 4Q22, which constitutes a slight variation of -1.2% when compared to 4Q21. The foregoing is due to higher revenue recognition for digital projects in 2021.

Mobile phone revenues in 4Q22 reached S/949 million, thereby showing an improvement of 4.4% compared to 4Q21, which is equivalent to S/40 million. The accumulated 4Q22 reached S/3,722 million, 6.7% more than the previous year.

Post-paid revenues in 4Q22 reached S/485 million, thus showing an increase of S/42 million compared to 4Q21. Due to an increase in the level of access and product profitability initiatives (commercial schedule with greater benefits). Accumulatively, we obtained S/1,895 million which meant an improvement of 11.1% vis-a-vis 2021.

Terminal sales revenues in 4Q22 amounted to S/249 million, with a growth of 3.2% compared to 4Q21. This result equates to S/8 million more and is mainly explained by better sales prices. Accumulatively, we reached S/967 million, which is an achievement similar to that of 2021.

On the **pre-paid** front, revenues decreased to S/136 million in 4Q22, which was around S/16 million less than in 4Q21. This was due to market contraction and the trend to migrate from pre-paid to post-paid services. Accumulatively, revenues reached S/554 million, thus showing a fall of 5.9% vis-a-vis 2021.

Revenues from **Mobile Wholesale** services reached S/29 million in 4Q22, down 20.3% compared to 4Q21. The result is mainly explained by the drop in interconnection prices. Accumulatively, we reached S/123 million, thereby showing a fall of 15.5% compared to 2021.

Income from other operating activities

The Results for 2022 Operating Activities were S/69 million, S/741 million better than that recorded in 2021. The foregoing results were due to, on the one hand, revenue growth, as well as to the efficiencies deployed in 2022 for the reduction of expenses. It should be mentioned on this point that we continue to prioritize achieving new efficiencies for business sustainability, with significant focus on digitizing processes, the transformation of personnel, the renegotiation of TV contents, the capture of efficiencies in the deployment of Fiber Optics, as well as the progressive shutdown of copper and HFC technologies.

On the other hand, 2021 was affected by the voluntary retirement plan (S/135 million) and the provision for impairment of capital gains (S/256 million).

Non-Operating Income

The Non-Operating Result in 2022 was negative at S/505 million, which shows an increase vis-a-vis S/131 million compared to 2021. The foregoing is mainly explained by greater financial expenditure associated with contingencies, as well as a general increase in market interest rates.

Net financial year income

The net result for the 2022 financial year was -S/1,455 million, which is equivalent to S/171 million greater than that recorded in 2021. This result is mainly explained by the registration of tax provisions corresponding to the unfavorable result of the judicial processes related to income tax from 1998 to 2001, and the revaluation of the same for the subsequent periods.

7. STATEMENT OF FINANCIAL POSITION

Total current assets as of 4Q22 amounted to S/2,565 million, which is lower by S/21 million compared to the previous quarter. This result is mainly explained by the reduction in Cash and cash equivalents and is largely due to the payment of financial and tax obligations.

Total non-current assets closed the fourth quarter of 2022 at S/9,740 million, which is greater by S/282 million than observed in the previous quarter. The foregoing is mainly due to the payment under protest of a tax obligation related to income tax for 2014.

With this, the total assets were S/12,305 million, higher by S/260 million compared to that recorded at the end of 3Q22.

At the end of 4Q22, total current liabilities were S/7,368 million, which is S/1,200 million greater than 3Q22. The variation is mainly due to the increase in Other provisions and income tax liabilities resulting from the unfavorable result in judicial proceedings related mainly to income tax from 1998 to 2001, and the revaluation of subsequent periods. Furthermore, there was an increase in Other accounts payable to related parties, due to intra-group loans received to meet tax obligations.

Total non-current liabilities amounted to S/3,945 million at the end of the 4Q22, which constitutes a balance of S/3 million greater than that observed in the previous quarter.

Finally, the total Equity decreased by S/943 million in 4Q22 to S/993 million. This variation mainly explained by the financial year results, which were largely impacted by the result of the tax disputes faced by the Company and which were S/1,045 million in 2022.

Relevant Financial Ratios

At the end of 4Q22, liquidity ($[\text{Total current assets} - \text{Cash and cash equivalents}] / \text{Total current liabilities}$) closed at 0.29x, which is lower than the ratio obtained in the previous quarter of 0.34x.

Financial leverage ($\text{Financial liabilities} * / \text{Total equity}$) reached the level of 2.82x in the fourth quarter of the year, compared to the level of 1.47x in the previous quarter.

*Does not include the lease debt recorded by the adoption of IFRS 16.

TABLE 1

TELEFONICA DEL PERU S.A.A.

INCOME STATEMENT IN SOLES (000) FOR THE PERIOD ENDING ON DECEMBER 31, 2022 AND 2021

(Prepared in accordance with International Financial Reporting Standards - IFRS)

	4Q22		4Q21		Var Abs 4Q21-4Q22	Var % 4Q21-4Q22	12M22		12M21		Var Abs 12M21-12M22	Var % 12M21-12M22
		%		%		%		%		%		%
Income from ordinary activities	1,793,883	100.0	1,842,449	100.0	(48,566)	(2.6)	7,156,328	100.0	7,049,215	100.0	107,113	1.5
Landline Income	844,600	47.1	933,324	50.7	(88,724)	(9.5)	3,434,717	48.0	3,560,603	50.5	(125,886)	(3.5)
Income from services (Voice + BB + TV)	653,016	36.4	722,626	39.2	(69,610)	(9.6)	2,707,521	37.8	2,824,862	40.1	(117,341)	(4.2)
Data + IT	128,944	7.2	130,560	7.1	(1,616)	(1.2)	466,576	6.5	436,935	6.2	29,641	6.8
Wholesale	45,711	2.5	44,580	2.4	1,131	2.5	173,437	2.4	167,004	2.4	6,433	3.9
Equipment (Voice + BB + TV)	3,436	0.2	17,819	1.0	(14,383)	(80.7)	29,211	0.4	72,734	1.0	(43,523)	(59.8)
Other Fixed Incomes	13,493	0.8	17,739	1.0	(4,246)	(23.9)	57,972	0.8	59,068	0.8	(1,096)	(1.9)
Mobile income	949,283	52.9	909,125	49.3	40,158	4.4	3,721,611	52.0	3,488,612	49.5	232,999	6.7
Postpaid	484,523	27.0	442,166	24.0	42,357	9.6	1,894,588	26.5	1,705,599	24.2	188,989	11.1
Terminals (Customer Recruitment + Loyalty)	249,375	13.9	241,598	13.1	7,777	3.2	967,249	13.5	964,849	13.7	2,400	0.2
Prepaid	136,211	7.6	152,131	8.3	(15,920)	(10.5)	554,283	7.7	589,093	8.4	(34,810)	(5.9)
Wholesale	29,304	1.6	36,760	2.0	(7,456)	(20.3)	122,839	1.7	145,329	2.1	(22,490)	(15.5)
Other Mobile income	49,870	2.8	36,470	2.0	13,400	36.7	182,652	2.6	83,742	1.2	98,910	118.1
Operating Expenses	1,730,277	96.5	2,164,473	117.5	(434,196)	(20.1)	7,148,735	99.9	7,753,671	110.0	(604,936)	(7.8)
General and Administrative	780,226	43.5	838,053	45.5	(57,827)	(6.9)	3,313,445	46.3	3,371,463	47.8	(58,018)	(1.7)
Equipment sales cost	287,483	16.0	324,371	17.6	(36,888)	(11.4)	1,128,170	15.8	1,217,451	17.3	(89,281)	(7.3)
Depreciation and Amortization	266,109	14.8	305,663	16.6	(39,554)	(12.9)	1,128,755	15.8	1,194,688	16.9	(65,933)	(5.5)
Depreciation of user rights	68,680	3.8	57,292	3.1	11,388	19.9	238,850	3.3	213,607	3.0	25,243	11.8
Personnel	145,202	8.1	185,237	10.1	(40,035)	(21.6)	573,355	8.0	726,973	10.3	(153,618)	(21.1)
Interconnection expenses	54,098	3.0	67,851	3.7	(13,753)	(20.3)	222,382	3.1	257,447	3.7	(35,065)	(13.6)
Provision for impairment of capital gains	-	-	256,008	13.9	(256,008)	-	-	-	256,008	13.9	(256,008)	-
Allowance for doubtful accounts and inventory devaluation	94,698	5.3	98,867	5.4	(4,169)	(4.2)	406,561	5.7	390,455	5.5	16,106	4.1
Fees for transfer of technical capacity and management	33,781	1.9	31,131	1.7	2,650	8.5	137,217	1.9	125,579	1.8	11,638	9.3
Operating income before other income and expenses, net	63,606	3.5	(322,024)	(17.5)	385,630	(119.8)	7,593	0.1	(704,456)	(10.0)	712,049	9.3
Other operating income - expenses, net	25,948	1.4	31,609	1.7	(5,661)	(17.9)	61,739	0.9	33,020	0.5	28,719	87.0
Profit (Loss) from operating activities	89,554	5.0	(290,415)	(15.8)	379,969	(130.8)	69,332	1.0	(671,436)	(9.5)	740,768	(110.3)
Financial Income	1,675	0.1	3,403	0.2	(1,728)	(50.8)	14,696	0.2	31,703	0.4	(17,007)	(53.6)
Financial Expenses	(123,912)	(6.9)	(136,121)	(7.4)	12,209	(9.0)	(507,614)	(7.1)	(389,199)	(5.5)	(118,415)	30.4
Net difference in exchange rate	10,076	0.6	(10,742)	(0.6)	20,818	(193.8)	672	0.0	1,912	0.0	(1,240)	(64.9)
Share in Income of related parties	(4,887)	(0.3)	(12,162)	(0.7)	7,275	(59.8)	(12,981)	(0.2)	(18,510)	(0.3)	5,529	(29.9)
Non-Operating income	(117,048)	(6.5)	(155,622)	(8.4)	38,574	(24.8)	(505,227)	(7.1)	(374,094)	(5.3)	(131,133)	35.1
Income before income tax	(27,494)	(1.5)	(446,037)	(24.2)	418,543	(93.8)	(435,895)	(6.1)	(1,045,530)	(14.8)	609,635	(58.3)
Income tax	(914,280)	(51.0)	(160,452)	(8.7)	(753,828)	469.8	(1,018,882)	(14.2)	(580,571)	(8.2)	(438,311)	75.5
Net (Loss)/ Profit for fiscal year	(941,774)	(52.5)	(606,489)	(32.9)	(335,285)	55.3	(1,454,777)	(20.3)	(1,626,101)	(23.1)	171,324	(10.5)

We recommend reading this document simultaneously with the corresponding Financial Statements and accompanying notes, which are an integral part of this document and contain complementary information.

TABLE 2
TELEFONICA DEL PERU S.A.A.
STATEMENT OF FINANCIAL SITUATION IN SOLES (000) AS OF DECEMBER 31, 2022
(Prepared in accordance with International Financial Reporting Standards - IFRS)

Assets

	4Q 22	3Q 22	2Q 22	1Q 22	4Q 21
Current assets					
Cash and cash equivalents	432,987	476,622	(43,635)	576,773	610,520
Trade accounts receivable, net	1,032,718	1,007,610	25,108	992,286	1,007,211
Contractual assets	37,356	39,031	(1,675)	38,561	18,401
Other accounts receivable, net	57,369	70,293	(12,924)	90,426	149,237
Inventories	190,147	192,822	(2,675)	251,766	235,597
Other non-financial assets	509,841	496,194	13,647	477,098	429,658
Income tax assets	304,705	304,020	685	303,650	291,620
			-		
Total current assets	2,565,123	2,586,592	(21,469)	2,730,560	2,742,244
			-		
Trade accounts receivable, net	982	2,141	(1,159)	1,302	1,780
Contractual assets	2,264	1,295	969	1,249	1,626
Other accounts receivable, net	82,173	85,491	(3,318)	84,772	92,347
Investments in subsidiaries and associates	223,173	228,060	(4,887)	229,769	232,904
			-		
Property, plant, and equipment	29,281,045	29,241,788	39,257	29,234,958	29,145,323
Accumulated depreciation	(24,748,090)	(24,667,752)	(80,338)	(24,516,479)	(24,336,341)
	4,532,955	4,574,036	(41,081)	4,718,479	5,020,420
			-		
Intangible assets other than capital gains (net)	1,828,219	1,757,444	70,775	1,797,789	1,902,237
Rights-of-use assets	977,464	1,015,912	(38,448)	1,008,817	1,067,336
Deferred tax assets	415,283	450,345	(35,062)	444,708	435,480
Current and non-current tax assets	315,401	-	315,401	-	-
Capital gains	959,137	959,137	-	959,137	959,137
			-		
Other non-financial assets	402,815	384,430	18,385	375,587	333,822
			-		
Total non-current assets	9,739,866	9,458,291	281,575	9,621,609	10,080,182
			-		
			-		
Total assets	12,304,989	12,044,883	260,106	12,352,169	12,822,426

Liabilities and equity

	4Q 22	3Q 22	2Q 22	1Q 22	4Q 21
Current liabilities					
Other financial liabilities	302,885	360,750	580,891	374,389	299,139
Lease Liabilities	401,086	391,687	345,782	319,137	328,856
Trade accounts payable	2,008,234	1,763,910	1,796,927	1,721,710	1,825,185
Contract liabilities	116,499	137,923	137,151	159,744	168,373
Other accounts payable to related companies	385,884	968	4,048	4,121	6,297
Other accounts payable	225,324	198,222	201,192	245,255	306,972
Deferred income	26,981	29,300	35,065	39,446	29,655
Other provisions	611,082	490,647	399,331	396,372	383,064
Income tax liabilities	3,289,767	2,794,079	2,825,162	2,772,131	2,770,193
Total current liabilities	7,367,742	6,167,486	6,325,549	6,032,305	6,117,734
Other financial liabilities	2,494,500	2,488,898	2,478,452	2,728,209	2,723,837
Lease liabilities	928,289	960,557	947,512	1,000,481	1,066,667
Contract liabilities	49,818	56,142	65,211	71,936	70,520
Other accounts payable to related companies	5,173	4,292	3,378	2,474	3,023
Other accounts payable	29,709	29,636	32,767	27,601	37,546
Deferred income	48,479	57,050	57,177	58,038	67,884
Other provisions	323,873	293,452	301,647	282,424	268,163
Non-current income tax liabilities	64,786	51,521	39,414	38,659	24,059
Total non-current liabilities	3,944,627	3,941,548	3,925,558	4,209,822	4,261,699
Total liabilities	11,312,369	10,109,034	10,251,107	10,242,127	10,379,433
Equity					
Issued capital	2,106,949	2,106,949	2,876,152	2,876,152	2,876,152
Issuance premiums	-	-	77,899	77,899	77,899
Other capital reserves	-	-	601,856	601,856	601,855
Accumulated results	(1,110,590)	(168,816)	(1,452,912)	(1,302,375)	(1,104,771)
Other equity reserves	(3,739)	(2,284)	(1,933)	(14,495)	(8,142)
Total assets	992,620	1,935,849	2,101,062	2,239,037	2,442,993
Total liabilities and equity	12,304,989	12,044,883	12,352,169	12,481,164	12,822,426

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