



Quarterly Results

Telefónica del Perú S.A.A.

October – December 2021

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1. FOURTH QUARTER MILESTONES

IN 2021, TELEFÓNICA LAID OUT THE FOUNDATION FOR A RETURN TO GROWTH, DRIVING FOR A NEW WORK DYNAMIC REQUIRED FOR THE NEW NORMAL AND PROVIDE OPPORTUNITIES FOR EVERYONE BY BRINGING THEM THE BENEFITS OF A DIGITAL WORLD.

IN 2021, LAID OUT THE FOUNDATION FOR A RETURN TO GROWTH



	Mobile services	Fixed services
Entries	+14,9%	+0,6%
Accesses	11,9 million	5 million

WE ARE STILL GIVING EVERYONE OPPORTUNITIES

More than 13,000 rural communities now have access to 4G internet thanks to "Internet para todos."



"Internet para todos" (Internet for all) is a company created by Telefonica, Facebook, BID Invest y CAF to close the digital gap in the furthest zones of Peru. Since the start of its operations, IPT has achieved the growth of more than 200% of 4G connectivity in rural areas. This represents 24 million Peruvians that have adequate, high speed mobile internet access now.

More than 250 women have been brought together for telecommunication technical work as a part of the program "Mujeres en Red."

"Mujeres en Red" is an initiative driven by Movistar together with it collaborating businesses in order to reduce the gender gap in the telecommunications field. After 13 months of operations, the program achieved above and beyond the original goal of 250 women being brought on board. "MER" has been recognized with the Scotiabank Equality Award and the Internacional Corresponsables award.



The "Committed to Education" program undertaken by the Telefónica Movistar Foundation won the Business Creativity Award.

In order to reduce the education and digital divide this program looks to promote digital competencies for improved learning using an inclusive and digital focus. In 2021, the program benefitted more than 850 thousand girls, boys and teachers in urban and rural areas, in hospitals and a range of educational environments in Peru.

WE'RE DRIVING DIGITAL TRANSFORMATION



We present the remodeled Mi Movistar App

We strengthen digital service with the Mi Movistar App:

We promote the auto management of fixed and mobile services para procedures such as enquiries, payments and top ups both securely and quickly.

Our B2B contributes to the digital transformation of Peruvian businesses

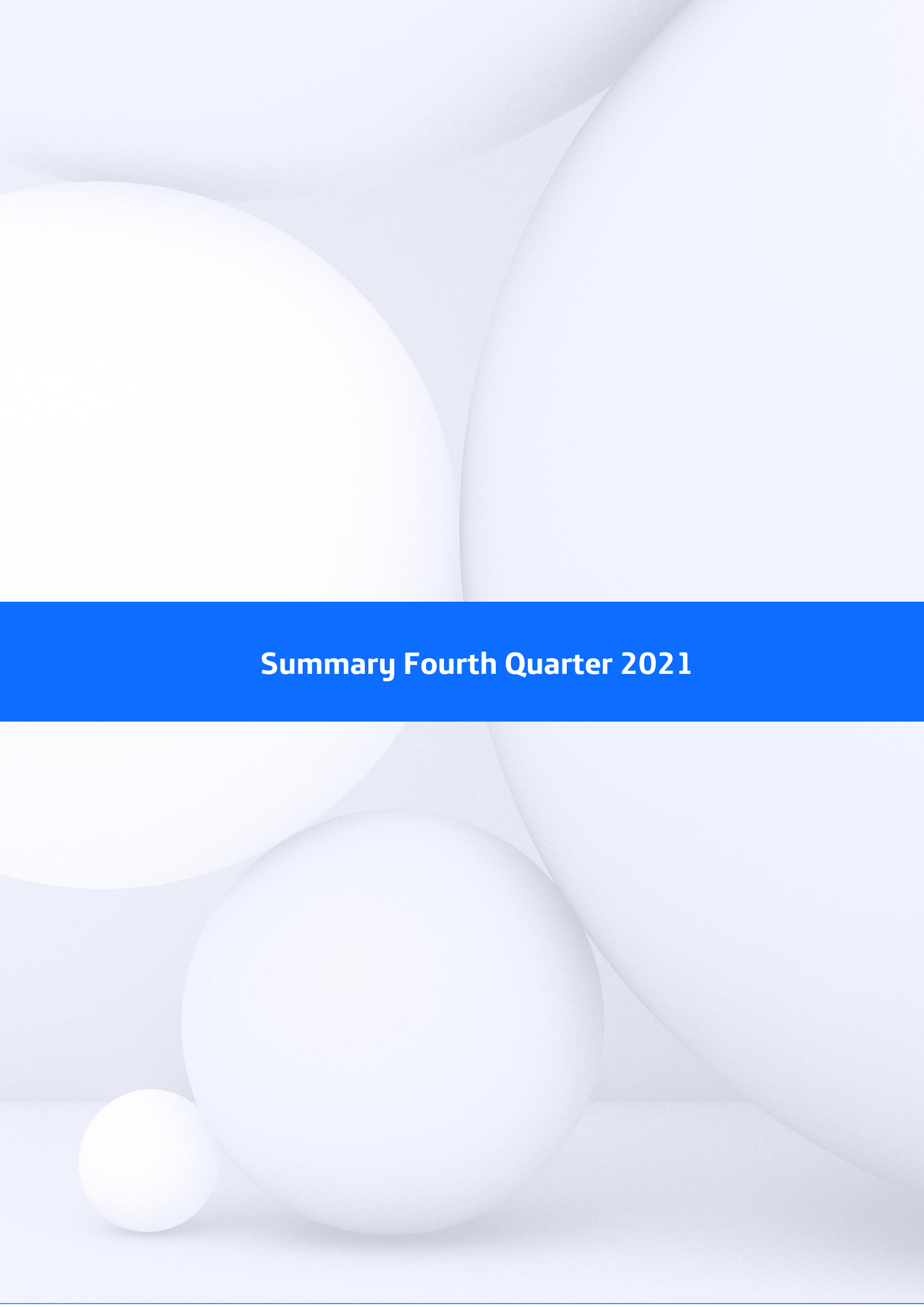
Movistar Empresas makes its global capacity available in solutions such as the cloud, big data, cybersecurity, IoT, among others. The resources focus on SMEs by means of solutions that allow them to adapt to the new normal.



We're continuing with the national fiber optic roll out



We're maintaining our commitment to the incremented massification of fiber optics to offer the best connectivity quality for our clients. At the close of 2021, more than 1358 million homes across Peru had the possibility of accessing this technology through the Movistar Network.



Summary Fourth Quarter 2021

2. SUMMARY FOURTH QUARTER 2021

Telefónica del Perú presented financial results for 2021

- In the last year, its revenues amounted to S/7,049 million (+7.2%), mainly due to the positive performance of the mobile service (+14.8%) and the fixed service (+0.6%).
- Telefónica del Perú (TdP) leveraged its strategy to move forward with the deployment of its fiber optic offer, a technology already available to 1.4 million homes nationwide.
- In 2021, TdP continued with the development of its Mi Movistar app, which closed the year with 1.9 million users (+80% compared to 2020) and which allows the customer to self-manage such as bill payment, order tracking, and service.
- TdP generated an operating cash flow of S/628 million in 2021, executing the investment plan and reducing financial debt by S/74 million.
- The sustained improvement in the operating result throughout the past year was affected by adjustments for tax contingencies and the adjustment for asset impairment, which together amounted to S/954 million. In sum, TdP recorded a net loss of S/1,626 million.

Lima, February 15, 2022- The total income of Telefónica del Perú in 2021 amounted to S/7,049 million, which represented an increase of 7.2% compared to 2020. The increase was mainly due to the growth in revenues from postpaid services (+3.7%) and handset sales (+44.7%) in the mobile segment, as well as Broadband, Voice and TV services (+1.4%) and Data & IT (+1.4%) in the fixed segment.

Furthermore, despite a very competitive environment, during the previous year, the fixed business of Telefónica del Perú recorded revenues of S/3,561 million, which represents a growth of 0.6%. Meanwhile, the mobile service registered revenues of S/3,489 million in 2021, thereby representing a year-on-year growth of 14.8%.

As a result of the implementation of the operational strategy, Telefónica del Perú generated an operating cash flow of S/626 million in 2021, and additionally executed the investment plan and reduced financial debt by S/74 million.

Compared to 4Q2021, total revenues amounted to S/1,842 million, which represents a 10% growth compared to 4Q2020. The increase was generated as a result of the reopening of commercial activity and market recovery.

During this quarter, the fixed business saw an increase in revenues of 11.9% compared to 4Q20. As such, Telefónica del Perú closed 2021 with 5 million total accesses in the fixed market, of which 2 million belong to broadband, 1.3 million to Pay TV, and 1.5 million to fixed voice. In fixed broadband, Telefónica del Perú's accesses increased by 59 thousand (3.1%) compared to 4Q20, while in Pay TV, leadership was maintained due to leverage in differential content. The mobile service registered an increase of 8.1% (S/909 million) compared to 4Q20. This growth was driven by mobile handset revenues, as well as a 23% higher net gain from postpaid portability compared to the same quarter of 2020.

In 2021, TdP continued to position itself in the B2B segment as the trusted partner for the digital transformation of Peruvian companies. It placed special emphasis on SMEs, through solutions that guarantee their sustainability in a highly competitive environment. Due to the competitiveness, the

segment strengthened its offer, making its global capabilities of digital solutions such as the Cloud, Cybersecurity, Big Data, and IoT available.

Likewise, TdP continued to develop digital tools that provide its customers with self-management alternatives, such as paying bills, and monitoring their orders and services, among other multiple functionalities. Digitization is a source of operational efficiencies for Telefónica del Perú and one of the strategic levers in the relationship with and construction of value for its customers. Thus, the Mi Movistar app closed the year with more than 1.9 million active users: a growth of more than 80% compared to the close of 2020.

On the other hand, the multiplatform Movistar Play continued its growth, registering 190 million hours of content played in 2021, an increase of 40% over the previous year. To date, Movistar Play has been the greatest promotional space for disseminating national cinema, by showing more than 70% of Peruvian films released in the last ten years.

Contingencies and Provisions

Telefónica del Perú faces various tax disputes with SUNAT that have been ongoing over the last two decades. About 90% of the tax administration claims corresponds to arrears and interest.

During 4Q21, Telefónica del Perú recorded the impact of tax disputes for the year 2013 for an amount of S/140 million, which the company will continue to claim in the pertinent challenges. Furthermore, insofar as the 2021 fiscal year, the provisions for tax disputes totaled S/698 million.

In addition, during 4Q21, the amount of Capital gains has been compared to the recoverable value, resulting in an impairment adjustment of S/256 million for this asset.

Consequently, in the years 2021 and 2020, Telefónica del Perú has recorded a net loss of S/1,626 million and S/695 million, respectively. The variation corresponds mainly to the result of tax disputes, the adjustment for impairment of the value of capital gains, the competitive environment, and the impact of pandemic measures. However, this situation is expected to be reversed by maintaining revenue and customer growth, operating efficiencies, and reinforcing the convergent offer of mobile and fixed services, based on its solid participation in the fixed service segment.

Integrating with connectivity

In 2021, Telefónica continued to expand high-speed 4G internet access to rural population centers in Peru through 'Internet para Todos' (IPT), a company created jointly with Facebook, IDB Invest, and CAF. From May 2019 to December 2021, IPT connected more than 13,000 locations with mobile internet, which previously lacked this service or was extremely deficient due to their remoteness. Consequently, more than 2.4 million Peruvians were connected.

In addition, Telefónica del Perú maintained its strategy of progressively expanding fiber optics to improve the internet in homes, through speeds up to 20 times faster than other technologies available on the market. As of the end of 2021, TdP had made this technology available to more than 1.4 million homes nationwide.

Furthermore, Telefónica del Perú and its collaborating companies promoted the 'Mujeres en Red' project initiative, and it completed its first year narrowing the gender gaps in the telecommunications technical service by reaching eight regions in Peru. The program closed 2021 having placed 250 women in the technical customer service area, and was recognized with the *Corresponsables Internacional* Award and the Scotiabank Equality Award.

In addition to the foregoing, in line with our support for sports and inclusion, Telefónica del Perú through Movistar Deportes was recognized in 2021 as a "Company committed to women's sports"

for broadcasting for the first time ever all the Women's Soccer League matches via Movistar TV. This programming has helped reduce the gender gap that still exists in soccer.

In the last quarter 2021, the Fundación Telefónica Movistar was recognized with the "Business Creativity" Award from the Peruvian University of Applied Sciences (UPC) in recognition of the digital education program "Commitment to Education". Via the program we, together with the Caixa Foundation, seek to reduce the educational and technology gap for schoolchildren and teachers. The program will continue its commitment to social development, benefiting thousands of teachers and students through the "Digital Education" program.

Throughout 2022, TdP will maintain its commitment to building a more humane world by connecting people's lives. Thanks to the joint work of the public and private sectors, TdP will continue to work to democratize and expand access to connectivity to accelerate digital transformation with opportunities for all, both for individuals and businesses.

**Key Events
Fourth Quarter 2021**

3. KEY EVENTS FOURTH QUARTER 2021

The key events that occurred during the fourth quarter of 2021 are presented below:

1. On November 3, the following was communicated in relation to File No. 2021041651:

Board of Directors Session on the aforesaid date where the following points were discussed:

- Acceptance of the resignation of Mrs. Rosa Elena M. Montenegro Castañeda, identified with DNI No. 16687657, from the position of Director of Finance and Control and Alternate Stock Exchange Representative, effective as of November 3, 2021. Mrs. Montenegro will assume the position of Director of Strategy and Purchasing at Telefónica Hispam.
- Appointment of Mr. Alvaro Ignacio Parisi, an Argentinean citizen, identified with Argentine DNI No. 24.561.0.

2. On November 16, the following was communicated in relation to File No. 2021043744:

Board of Directors Session on the aforesaid date where the following points were discussed:

- Approval of the simple merger project by absorbing the subsidiary Servicios Globales de Telecomunicaciones S.A.C.
- Delegation of powers to call the general shareholders meeting.

3. On December 21, the following was communicated in relation to File No. 2021047976:

General Shareholders Meeting of the aforesaid date where the following points were discussed:

- Review and, where appropriate, approval of the Simple Merger Project by virtue of which Telefónica del Perú S.A.A. will absorb its subsidiary Servicios Globales de Telecomunicaciones S.A.C. The Simple Merger Project prepared jointly by Telefónica del Perú S.A.A. and Servicios Globales de Telecomunicaciones S.A.C. was approved so that the former will absorb the latter effective as of December 31, 2021.
- Delegation of powers to the Board of Directors to agree on the reduction of capital of Telefónica del Perú S.A.A. in the event of the possible exercise of the shareholders' right of withdrawal due to the approval of the merger project, as well as for the modification of article 5 of the bylaws: It was approved to delegate powers to the Board of Directors.
- Partial modification of the bylaws in order to provide for shareholders' meetings to be held remotely (articles 12, 13 and 24): The modification of articles 12, 13 and 24 of the Bylaws was approved.



Competitive Environment, Fourth Quarter 2021

4. COMPETITIVE ENVIRONMENT, FOURTH QUARTER 2021

2021 ended in the midst of great political uncertainty, where clashes between the executive and legislative branches weakened the economy and affected the country's growth expectations. In addition, we were facing a third wave of COVID, which implied restrictions on capacity and mobility. This scenario deteriorated the commercial activity of the Telecommunications sector.

Faced with greater uncertainty, TdP continued creating revenue, achieving an increase of 0.3% compared to 3Q21 and 10.0% compared to 4Q20. TdP mobile service revenues grew 8.1% and fixed business increased by 11.9% compared to 4Q20. For the year, TdP's total revenues grew 7.2% year-on-year, driven by mobile handset sales, which grew 44.7%, and by postpaid service revenues, which increased +3.7%. In addition, the company managed to end the year leading the access share of all services.

These positive results are mainly a consequence of the execution of our commercial strategy.

Mobile Business

According to official information from Osiptel, as of 3Q21 TdP maintained the leadership of the mobile market with an access share of 30.9%, which meant a growth of 1.1% compared to 3Q20.

The political situation affected the quarter's commercial activity; however, strong competitive intensity continued with a focus on medium and high value segments, accompanied by mobile handsets. During the quarter, operators launched new unlimited postpaid plans, maintained discounts on fixed charges for portability, and focused on second lines, accompanied by campaigns with promotions for equipment with financing, discounts for portability or renewal, and cash discounts. In the prepaid business, operators continued to expand coverage nationwide and encourage top ups with bonuses.

Insofar as mobile handsets, it was possible to restructure the business model, ceasing to grant subsidies and generating a positive net delinquency margin. Mobile handset revenues grew 9.0% compared to 4Q20 at an annual accumulated growth level of 44.7%.

In 4Q21, the average number of mobile registrations in the market according to Facebook remained the same and portability increased 1.4% compared to 3Q21. Postpaid portability reached a new record with a growth of 13.4% compared to the previous quarter. In this context of greater competitive intensity, TdP increased its postpaid portability by 23%, which allowed it to achieve a total net mobile addition of 108 thousand accesses compared to 3Q21 and 1,575 thousand compared to 4Q20.

As of 4Q21, TdP reached 11.9 million mobile accesses, an increase of 1.0% and 9.7% vis-a-vis 3Q21 and 4Q20, respectively. In prepaid mobile services, we achieved 6.9 million accesses, an increase of 1.3% and 9.5% compared to 3Q21 and 4Q20. Finally, in postpaid we reached 5.0 million accesses, an increase of 0.7% and 10.1% compared to 3Q21 and 4Q20, respectively.

Fixed Business

According to information from OSIPTEL, as of 3Q21 TdP lead the fixed market with a 65.5% share in fixed telephony, 61.3% in broadband, and 62.2% in Pay TV.

During 2021, broadband was the fixed product most in demand. As such, the main operators and fiber companies were more aggressive in their offers and expansion plans. The market offered discounts on fixed charges for value plans, increased broadband speeds, discounts on installation fees, etc. In addition, in the last quarters of the year, the Pay TV offer was again promoted. Consequently, TdP's total fixed income grew by 0.7% compared to 3Q21, and by 11.9% compared

to 4Q20. Likewise, on a cumulative annual basis, total fixed revenues grew by 0.6%, driven by broadband, Voice and TV services, which grew by 1.4%, and Data & IT, which grew by 1.4%. In fixed broadband, TdP accesses grew by 59 thousand (3.1%) vis-a-vis 4Q20, and in Pay TV we maintained our leadership leveraged on our differential content.

As of 4Q 2021, TdP maintained the leadership of the fixed market with 5.0 million total accesses, of which 2.0 million are broadband, 1.3 million Pay TV, and 1.5 million fixed voice.

5. ECONOMIC ENVIRONMENT

In 3Q21, the return to normality of most economic activities due to the progressive control of the pandemic and the vaccination roll out, together with government measures to inject liquidity, have allowed consumers to continue normalizing spending habits. Thus, domestic demand grew 14.3% year-on-year in 3Q21 (3.3% above the pre-crisis level) and GDP grew 11.4% year-on-year (1.6% compared to its pre-crisis level). Likewise, in Nov-21, economic activity grew 3.5% year-on-year, exceeding its pre-crisis levels by 1.3%. On the back of the foregoing, the GDP growth expectation in 2021 went from 9.0% in Jul-21 to 13% in Dec-21. However, the economy has been losing dynamism in the first two months of 4Q21 due to social conflicts in the mining sector. The aforementioned is occurring in a context in which external headwinds are moderating, political noise continues to affect investment, and domestic economic stimulus is diminishing, with the result that growth expectations for 2022 have declined from 4.6% in May-21 to 2.6% in Dec-21.

Consumption, Investment and Public Expenditure

Private consumption increased 12.9% year-on-year in 3Q21 (2.8% above its pre-crisis level). The expansion of business customer capacity and opening hours, as well as the greater willingness of consumers to go to establishments after the vaccination rollout accelerated sales dynamics. Likewise, private investment in 3Q21 showed an increase of 36% year-on-year (13.2% above its pre-crisis level). The increase is mainly due to greater non-mining investment driven by self-construction and by the resumption and greater execution of private projects. For its part, public spending increased 20.9% year-on-year in 3Q21 and was 17% higher compared to the same period in 2019. The spending is due to the higher disbursements in highway maintenance and upkeep services; educational management services; health emergency expenses, as well as for the execution of reconstruction projects within the framework of the Government-to-Government Agreement with the United Kingdom, and the advancement of several sections of the Autopista del Sol.

Inflation, Exchange Rate and Fees

Year-on-year inflation rose from 4.6% in Sep-21 to 6.4% in Dec-21, mainly explained by the increase in domestic fuel prices due to higher international prices and continued pressure on commodity prices. These inflationary pressures led the Central Bank to raise the interest rate earlier than expected (+275bp from 0.25% in Jul-21 to 3% in Jan-22). Conversely, the exchange rate depreciated 9.6% in 2021 due to political uncertainty and closed at S/3.99 per dollar. However, the government has ceased its radical proposals and the exchange rate has taken a downward trend, trading at around S/3.83 per dollar in Jan-22.

Financial Markets

Fitch has downgraded Peru's rating to BBB from BBB+, while Standard and Poor's, despite maintaining its rating, revised the outlook from stable to negative.

6. FOURTH QUARTER 2021 RESULTS

Income from ordinary activities

Revenues amounted to S/1,842 million in 4Q21, an increase of 10% compared to 4Q20. The growth stemmed from the opening of commercial activity and the price increase for the mobile and fixed program in May 2021, and a second increase in November to the mobile program (30% of the program).

The income for **Services (Voice + BB+ TV)** reached S/722.6 million, an increase of 7% compared to 4Q20. The higher revenues stem from the increase in prices applied to the program (BAF component) and the capture of full fixed charges without the effect of degradation.

Income from **Data and Information Technologies** reached S/130.6 million in 4Q21, thus higher by 107.4% compared to 4Q20. The figures are largely explained by larger B2B projects compared to 2020, a year more severely affected by the pandemic.

Mobile Telephony revenues in 4Q21 reached S/909.1 million, an increase of 8.1% (S/68.2 million) compared to 4Q20.

Income from **postpaid** in 4Q21 reached S/442.2 million, an increase of S/21.2 million compared to 4Q20. The foregoing stemmed from the increase in commercial activity, 30 thousand registrations more than 4Q20, as well as a higher average ARPU that reached S/ 35.5 in 4Q21. In the last quarter we increased prices, continued with campaigns encouraging subscriptions through discounts on portability for 6 and 12 months, 50% discounts on second lines, and promotions in targeted channels (stores and retail). Finally, preventive shielding campaigns for customers and the recovery of customers in debt continued, offering installments in tranches.

The income for **Sale of handsets** in 4Q21 amounted to S/241.6 million, thereby showing an increase of 9% (S/20 million) compared to 4Q20. The increase is explained by the opening up of trade, the lifting of restrictions on movement, and the opening of commercial premises. In November and December, competition in the handset market intensified, which is why discount campaigns on cash-sale equipment were promoted in special channels (stores and retail), and offers of financed handsets in low-cost plans were delivered.

Regarding **prepaid**, revenues amounted to S/152.1 MM in 4Q21, with an increase of 0.4% compared to 4Q20, which means S/.0.7 MM more due to the increase in the top up program.

Revenues from **Wholesale mobile** services totaled S/36.7 million in 4Q21, 6% lower than 4Q20, which is explained by lower interconnection charges.

Regarding the **Operating expenses** of the quarter, these reached S/2,164 million, higher by some S/244.4 million compared to 4Q20. These figures are mainly due to the recording of an asset impairment adjustment for S/256 million made on Dec-21. The adjustment is a result of reviewing the Company's strategic plans.

Income from Operating Activities

The Result from Operating Activities in 4Q21 was -S/290.4 million, lower by some S/137.2 million compared to 4Q20. This reduction is a result of the aforementioned adjustment; however, said adjustment was partially offset by our higher fixed and mobile revenues.

Non-Operating Income

Non-Operating Income in 4Q21 was negative at S/155.6 million. The non-operating result was lower compared to 4Q20 by some S/93.2 million, mainly due to higher financial expenses.

Income Tax

Income tax in 4Q21 was negative S/160.5 million, lower by S/181.2 compared to 4Q20. The figures are mainly due to the recording and payment of a provision of approximately S/140 million, pertaining to a tax contingency of Telefónica Móviles for fiscal year 2013.

Net Yearly Income

The net result for the year in 4Q21 was -S/606 million, S/411.6 million lower than in 4Q20.

7. FINANCIAL POSITION STATEMENT

Total current assets as of 4Q21 amounted to S/2,742 million, lower by S/315.1 million compared to the previous quarter. This result is explained by a reduction in Cash and cash equivalents, mainly due to the company's debt reduction strategy.

Total non-current assets closed the fourth quarter of 2021 at S/10,080 million, lower by -S/187.3 million than that of the previous quarter, mainly due to the adjustment for asset impairment that offset the increase in Right-of-use assets.

As a result, total assets were S/12,822 million, lower by S/502.4 million compared to that recorded at the end of 3Q21.

At the end of 4Q21, total current liabilities were S/6,118 million, S/68.6 million less than 3Q21. The variation is mainly due to the reduction of our other financial liabilities corresponding to the amortization of a bond and interest payments, which offset the increase in Lease liabilities.

Total non-current liabilities amounted to S/ 4,262 million at the end of the 4Q21, a balance of S/ 179.0 million greater than compared to that observed in the previous quarter. This variation is mainly due to the increase in non-current lease liabilities, as a result of sale leaseback operations.

Finally, Total equity decreased by S/612.9 million in 4Q21, to S/2,443 million, a variation mainly explained by the fiscal year's results.

Relevant Financial Ratios

At the end of 4Q21, liquidity ($[\text{Total current assets} - \text{Cash and equivalents}] / \text{Total current liabilities}$) closed at 0.35x, a ratio higher than that obtained in the previous quarter, which closed at 0.34x, mainly due to the reduction of Other current financial liabilities.

Financial leverage ($\text{Financial liabilities}^* / \text{Total equity}$) reached 1.24x in the fourth quarter of the year compared to 1.01x in the previous quarter, thus remaining at low levels compared to the industry.

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

TELEFONICA DEL PERU S.A.A.

INCOME STATEMENT IN SOLES (000) FOR THE PERIOD ENDED DECEMBER 31, 2021 AND 2020

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

	4Q21		4Q20		Variance Abs. 4Q20-4Q21	Variance % 4Q20-4Q21	12M21	12M20	Variance Abs. 12M20-12M21	Variance % 12M20-12M21
		%		%		%				%
Income from ordinary activities	1,842,449	100.0	1,674,885	100.0	167,564	10.0	7,049,215	100.0	6,576,663	100.0
Landline Income	933,324	50.7	833,956	49.8	99,368	11.9	3,560,603	50.5	3,537,719	53.8
Income from Services (Voice + BB + TV)	722,626	39.2	675,120	40.3	47,506	7.0	2,824,862	40.1	2,785,517	42.4
Data + IT	130,560	7.1	62,941	3.8	67,619	107.4	436,935	6.2	430,840	6.6
Wholesaler	44,580	2.4	43,341	2.6	1,239	2.9	167,004	2.4	169,154	2.6
Equipment (Voice + BB + TV)	17,819	1.0	19,454	1.2	(1,635)	(8.4)	72,734	1.0	77,253	1.2
Other Fixed Incomes	17,739	1.0	33,100	2.0	(15,361)	(46.4)	59,068	0.8	74,955	1.1
Mobile Income	909,125	49.3	840,929	50.2	68,196	8.1	3,488,612	49.5	3,038,944	46.2
Postpaid	442,166	24.0	420,960	25.1	21,206	5.0	1,705,599	24.2	1,644,337	25.0
Handsets (Recruitment + Loyalty)	241,598	13.1	221,587	13.2	20,011	9.0	964,849	13.7	667,020	10.1
Prepaid	152,131	8.3	151,469	9.0	662	0.4	589,093	8.4	559,274	8.5
Wholesaler	36,760	2.0	39,104	2.3	(2,344)	(6.0)	145,329	2.1	150,521	2.3
Other Mobile Income	36,470	2.0	7,809	0.5	28,661	367.0	83,742	1.2	17,792	0.3
Operating Expenses	2,164,473	117.5	1,920,047	114.6	244,426	12.7	7,753,671	110.0	7,167,228	109.0
General and Administrative	838,053	45.5	874,322	52.2	(36,269)	(4.1)	3,371,463	47.8	3,200,372	48.7
Equipment Sales Cost	324,371	17.6	298,747	17.8	25,624	8.6	1,217,451	17.3	903,580	13.7
Depreciation and Amortization	305,663	16.6	330,071	19.7	(24,408)	(7.4)	1,194,688	16.9	1,317,118	20.0
Depreciation of Use Rights	57,292	3.1	57,049	3.4	243	0.4	213,607	3.0	209,109	3.2
Staff	185,237	10.1	186,733	11.1	(1,496)	(0.8)	726,973	10.3	666,834	10.1
Interconnection Expenses	67,851	3.7	65,792	3.9	2,059	3.1	257,447	3.7	262,403	4.0
Impairment of Capital Gains	256,008	13.9	-	-	256,008	-	256,008	3.6	-	-
Estimate for Doubtful Accounts and Inventory Devaluation	98,867	5.4	77,051	4.6	21,816	28.3	390,455	5.5	492,985	7.5
Technical and Management Capacity Transfer Fees	31,131	1.7	30,282	1.8	849	2.8	125,579	1.8	114,827	1.7
Operating Income before Other Income and Expenses, net	(322,024)	(17.5)	(245,162)	(14.6)	(76,862)	31.4	(704,456)	(10.0)	(590,565)	(9.0)
Other Income - Operating Expenses, net	31,609	1.7	91,923	5.5	(60,314)	(65.6)	33,020	0.5	124,068	1.9
Profit from Operating Activities	(290,415)	(15.8)	(153,239)	(9.1)	(137,176)	89.5	(671,436)	(9.5)	(466,497)	(7.1)
Financial Income	3,403	0.2	6,593	0.4	(3,190)	(48.4)	31,703	0.4	47,651	0.7
Financial Expenses	(136,121)	(7.4)	(74,341)	(4.4)	(61,780)	83.1	(389,199)	(5.5)	(337,260)	(5.1)
Exchange Difference, net	(10,742)	(0.6)	4,716	0.3	(15,458)	(327.8)	1,912	0.0	(8,239)	(0.1)
Share of Income of Related Parties	(12,162)	(0.7)	635	0.0	(12,797)	(2,015.3)	(18,510)	(0.3)	729	0.0
Non-Operating Income	(155,622)	(8.4)	(62,397)	(3.7)	(93,225)	149.4	(374,094)	(5.3)	(297,119)	(4.5)
Income before Income Tax	(446,037)	(24.2)	(215,636)	(12.9)	(230,401)	106.8	(1,045,530)	(14.8)	(763,616)	(11.6)
Income Tax	(160,452)	(8.7)	20,758	1.2	(181,210)	(873.0)	(580,571)	(8.2)	68,398	1.0
Profit/(Loss) for Fiscal Year	(606,489)	(32.9)	(194,878)	(11.6)	(411,611)	211.2	(1,626,101)	(23.1)	(695,218)	(10.6)

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, 2021
(Prepared in Accordance with International Financial Reporting Standards - IFRS)

Assets

	4Q21	3Q21	2Q21	1Q21	4Q20
Current Assets					
Cash and Cash Equivalents	610,520	954,602	800,265	961,431	876,689
Trade Accounts Receivable, net	1,007,211	1,000,924	1,032,135	1,058,066	1,168,348
Contractual Assets	18,401	21,237	27,777	33,039	39,016
Accounts Receivable from Related Companies	-	-	-	-	-
Other Accounts Receivable, net	257,865	221,747	253,335	251,814	281,558
Inventories	235,597	223,105	204,685	207,420	168,288
Income Tax Assets	182,992	154,565	136,320	142,183	136,886
Other Non-Financial Assets	429,658	481,213	502,496	451,810	367,335
Available-For-Sale Assets	-	-	-	-	-
Total current assets	2,742,244	3,057,393	2,957,013	3,105,763	3,038,120
Trade Accounts Receivable, net	1,780	1,441	1,728	1,604	503
Accounts Receivable from Related Companies	-	-	-	-	-
Contractual Assets	1,626	1,585	2,103	3,527	4,461
Other Accounts Receivable, net	92,347	100,472	59,916	61,765	65,158
Investments in Subsidiaries and Associates	236,154	248,317	249,997	256,748	265,251
Property, Plant and Equipment	29,145,323	29,118,928	29,030,885	28,944,115	28,893,401
Accumulated Depreciation	(24,124,903)	(23,986,024)	(23,755,952)	(23,519,078)	(23,325,884)
	5,020,420	5,132,904	5,274,933	5,425,037	5,567,517
Intangible Assets Other than Capital Gain (Net)	1,902,237	1,887,086	1,898,231	1,918,251	1,927,888
Rights-of-Use Assets	1,067,336	883,816	918,976	945,761	953,798
Deferred Tax Assets	465,323	475,620	437,824	367,251	372,113
Capital Gains	959,137	1,215,145	1,215,145	1,215,145	1,215,145
Other Non-Financial Assets	333,822	321,077	300,037	280,819	263,207
Total Non-Current Assets	10,080,182	10,267,463	10,358,890	10,475,908	10,635,041
Total Assets	12,822,426	13,324,856	13,315,903	13,581,671	13,673,161

Liabilities and Equity

	4Q21	3Q21	2Q21	1Q21	4Q20
Current Liabilities					
Other Financial Liabilities	299,139	380,600	113,644	243,296	153,762
Lease Liabilities	328,856	315,737	312,464	354,922	336,268
Trade Accounts Payable	1,825,185	1,907,788	1,809,744	1,744,571	1,706,080
Contract Liabilities	168,373	174,270	151,044	149,813	149,664
Other Accounts Payable to Related Entities	6,297	5,544	4,557	5,848	5,284
Other Accounts Payable	306,972	247,143	265,304	247,511	267,744
Deferred Income	29,655	38,025	39,488	30,543	29,277
Other Provisions	383,064	375,311	394,195	397,636	395,322
Income Tax Liabilities	2,770,193	2,741,915	2,700,256	1,755,905	2,217,840
Total Current Liabilities	6,117,734	6,186,333	5,790,696	4,930,045	5,261,241
Other Financial Liabilities	2,723,837	2,718,819	2,950,091	2,946,207	2,943,715
Lease Liabilities	1,066,667	814,460	830,419	786,953	790,481
Other Accounts Payable	37,546	63,702	62,821	50,295	135,412
Other Accounts Payable to Related Entities	3,023	3,190	2,835	2,777	2,589
Contract Liabilities	70,520	82,088	77,241	68,901	59,669
Deferred Income	67,884	71,636	76,274	77,520	81,359
Other Provisions	268,163	261,128	233,429	259,790	259,231
Non-Current Income Tax Liabilities	24,059	67,656	81,656	78,462	78,380
Deferred Income Tax Liabilities					
Total Non-Current Liabilities	4,261,699	4,082,679	4,314,766	4,270,905	4,350,836
Total Liabilities	10,379,433	10,269,012	10,105,462	9,200,950	9,612,077
Equity					
Issued Capital	2,876,152	2,876,152	2,876,152	2,876,152	2,876,152
Issuance Premiums	77,899	77,899	77,899	77,899	77,899
Other Capital Reserves	601,855	601,855	600,063	600,063	587,847
Accumulated Income	(1,104,771)	(498,282)	(340,750)	829,685	521,281
Other Equity Reserves	(8,142)	(1,780)	(2,923)	(3,078)	(2,095)
Total Equity	2,442,993	3,055,844	3,210,441	4,380,721	4,061,084
Total Liabilities and Equity	12,822,426	13,324,856	13,315,903	13,581,671	13,673,161

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.

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