



Quarterly Results

Telefónica del Perú S. A. A.

April-June 2021

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1. 2021 Second Quarter Milestones

SINCE THE BEGINNING OF THE NATIONAL EMERGENCY, MOVISTAR HAS WORKED TO ENSURE THE CONTINUITY OF SERVICES AND HAS PROMOTED NUMEROUS INITIATIVES TO SUPPORT THE PERUVIANS MOST IN NEED.



'Internet Para Todos' turned two years old and has contributed to connecting 4G internet to more than 2.2 million Peruvians in rural areas.

In the midst of COVID-19 emergency restrictions, Movistar continued to expand high-speed mobile internet access to rural communities in Peru through the organization Internet para Todos (IPT, by its initials in Spanish), established in 2019 together with Facebook, BID Invest and CAF. Since it began its operations, IPT has managed to connect more than 2.2 million Peruvians in more than 12 000 remote locations in the country.



Hospital Almenara already has 6 new MASI mechanical ventilators to face the second wave of COVID-19

Through Fundación Telefónica Movistar, six mechanical ventilators were delivered to the Hospital Almenara last April. The ventilators were manufactured by the MASI Project of the Pontificia Universidad Católica del Perú (PUCP) in alliance with BREIN, DIACSA, EATech and Zolid Design.

Movistar continues to promote the use of technologies in rural areas with the 11th edition of ConectaRSE para Crecer

Movistar launched the call for the 11th edition of the ConectaRSE para Crecer Award in order to reward the most innovative initiatives in the country that make use of technologies in rural areas. As of this year, the Woman Entrepreneur category of the Award has been internationalized to Colombia and Ecuador.



Movistar will broadcast all the matches of the 2021 Women's Soccer League

Movistar will exclusively broadcast the 2021 Women's Soccer League via Movistar Deportes. This new commitment contributes to Movistar's efforts to promote diversity and inclusion, which are part of the company's culture. This is the first time that the National Women's Soccer Championship is entirely broadcasted, thus contributing to the promotion and development of this sport.

Movistar Peru reduces by 78% its carbon footprint of its operations in Peru

Movistar obtained the international certifications I-REC and AENOR that certify that the origin of the electrical energy used in its operations throughout Peru comes from renewable sources.



"Movistar seeks to accelerate the country's digital transformation with opportunities for everyone through Internet para Todos (IPT), which has connected more than 12 000 rural communities in the country with mobile internet".

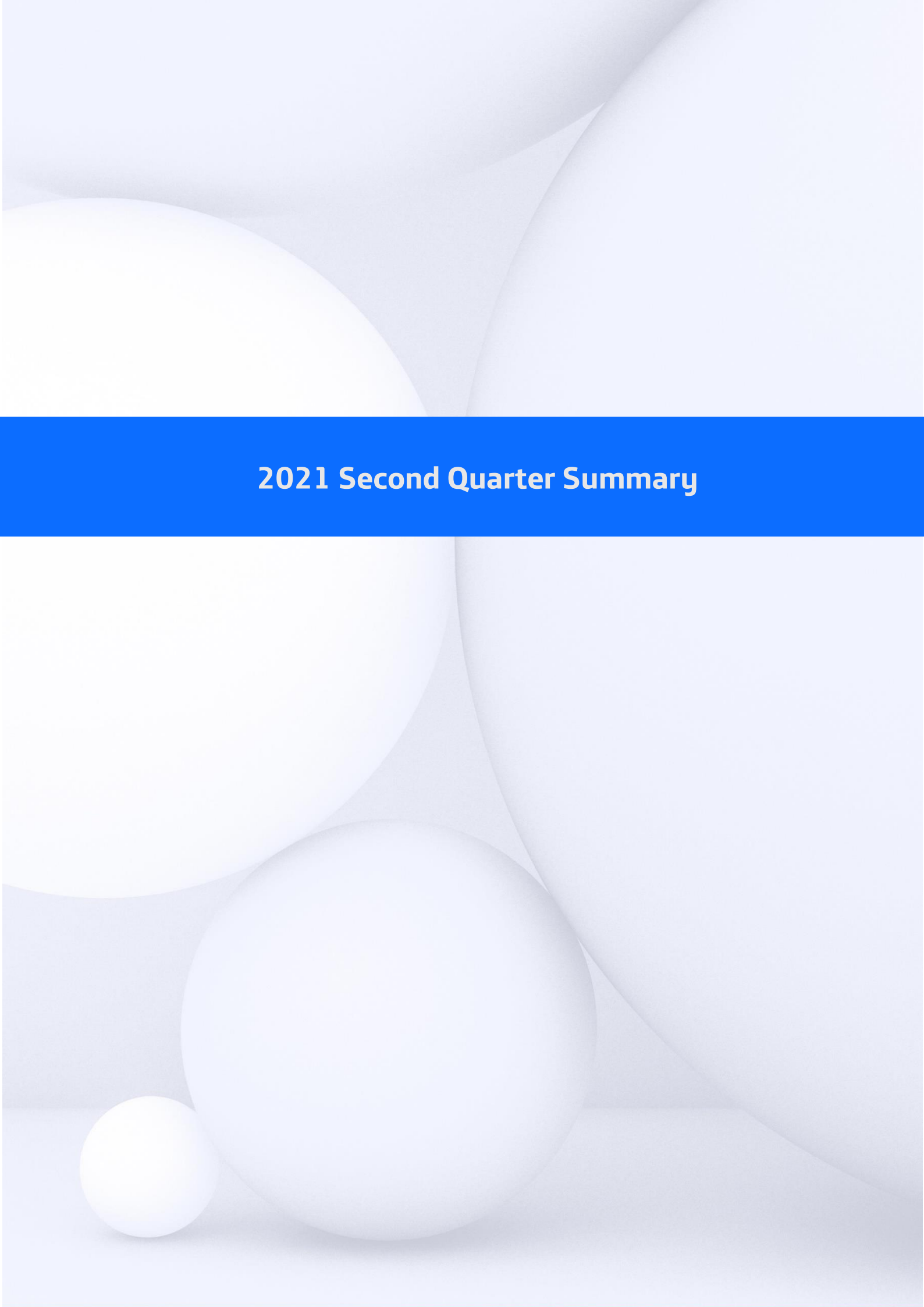
Pedro Cortez
Executive President
Telefónica del Perú



Movistar provides unlimited mobile lines to 21 social impact organizations

21 organizations won the Próceres del Bicentenario contest, which last year sought to recognize and promote actions that have a positive and scalable social impact in 19 regions of Peru.





2021 Second Quarter Summary

2. 2021 Second Quarter Summary

Telefónica del Perú presented the financial results for the second quarter of 2021

- Movistar achieved operating revenues (sales) of S/ 1,729 million, up 16% compared to the same period of 2020 and up 5.5% in contrast with the first quarter of 2021.
- Net income for the semester was -S/ 862 million mainly due to an adjustment in the accounting provision related to the processes of the tax controversy with the National Superintendency of Customs and Tax Administration (SUNAT) that are currently addressed by the Supreme Court and due to higher expenses contemplated within the company conversion process.
- The company continues its conversion process to ensure its leadership in the telecommunications sector, as well as its sustainability and relevance in the Peruvian market.

Lima, July 19, 2021. Telefónica del Perú informed in its financial report for the second quarter of 2021 (2Q21) an operating revenues (sales) of S/ 1,729 million, a figure that is 16% higher compared to the same period in 2020 and 5.5% higher in contrast with the first quarter of 2021.

In the case of the Fixed line telephony business segment, revenues from Broadband, Pay TV and Fixed line telephony services amounted to S/ 700 million, a growth of +2.1% compared to the similar period of 2020 and +2.1% in contrast with the first quarter of 2021 (1Q21). In 2Q21, Telefónica continued to grow its Broadband users and gained 43 000 accesses compared to 1Q21 and 97 000 accesses in contrast with 2Q20.

The Mobile Business showed a recovery compared to 2020 and amounted to S/ 870 million in revenues, that is, +45.2% versus 2Q20 and +8.9% compared to 1Q21. Telefónica totaled 11.7 million accesses, up 239 000 (+ 2.1%) compared to 1Q21 and 1.8 million (+ 17.6%) in contrast with 2Q20.

According to information from the regulatory body, based on the 1Q21 Report, Movistar continues to lead the market share in Broadband (63.1%), Pay TV (63.1%) and Mobile Telephony (31.5%).

Provision adjustment

The company has made an adjustment in the accounting provision related to the processes of the tax controversy with SUNAT, which is currently addressed by the Supreme Court. The outcome of the different provision adjustments corresponding to the first semester of 2021 amounts to S/ 462 million. These provisions have no effect on the company's cash flow.

It should be noted that Telefónica del Perú has always paid and pays all the taxes that have been imposed on it by the corresponding authority and historically is one of the top 10 taxpayers in Peru. The tax controversy between SUNAT and Telefónica, one of the country's main taxpayers, has lasted about 22 years (1998, 2000 and 2001), and is still ongoing before the courts, which enable us to feel confident that this controversy will be resolved with justice, in accordance with law and strengthening tax predictability.

Moreover, the net income for the semester was -S/ 862 million, due to the provision made as well as to higher expenses contemplated within the company's conversion process, equipment costs and the Voluntary Retirement Plan (PRV) that culminated in June and for which about 300 employees applied.

Greater inclusion and connectivity

Similarly, in May it was announced that Movistar will exclusively broadcast the 2021 Women's Soccer League via its Movistar Deportes signal. This new commitment contributes to Movistar's efforts to promote diversity and inclusion, which are part of the company's culture. This is the first time that the National Women's Soccer Championship is entirely broadcasted.

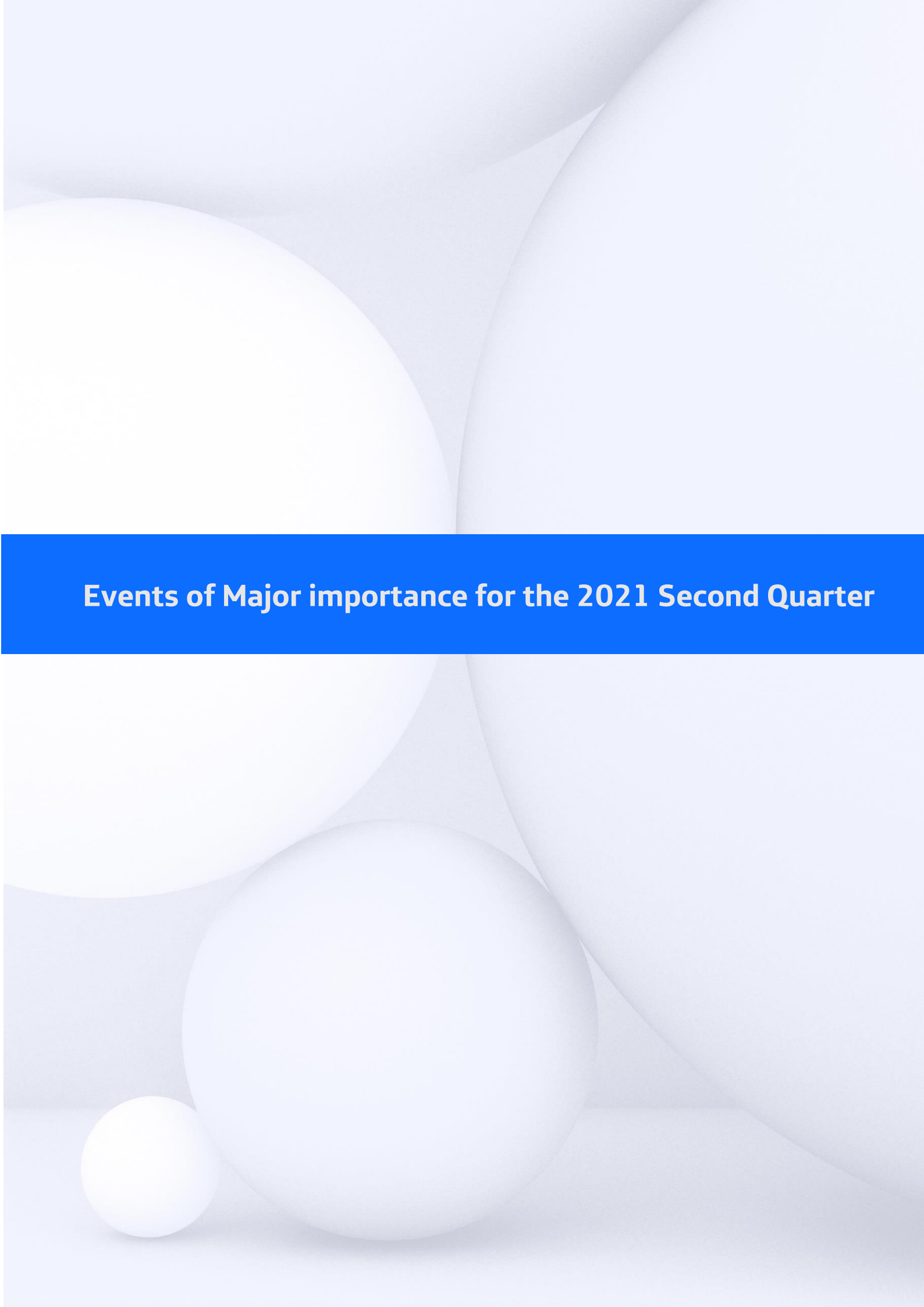
On the other hand, in the second quarter of 2021, Telefónica continued to expand 4G internet access to rural communities in Peru through the organisation *Internet para Todos* (IPT, by its initials in Spanish), a company created two years ago together with Facebook, BID Invest and CAF. Since it began operations, IPT has managed to connect more than 12 000 remote locations in the country with 4G internet, which represents 2.2 million Peruvians who now have access to adequate high-speed mobile internet.

Moreover, this company continues to promote the progressive deployment of fiber optics to the home, a technology that, in addition to increasing browsing speeds, provides greater stability in file uploads and downloads. To date, more than 1.2 million homes in Peru already have access to fiber optics and 82% of these accesses are located in the regions, outside of Lima, in cities such as Juliaca, Ilo and Pucallpa, etc.

Support for society and rural focused initiatives

In April, through Fundación Telefónica Movistar, six mechanical ventilators were delivered to the Hospital Almenara. The ventilators were manufactured by the MASI Project of the Pontificia Universidad Católica del Perú (PUCP). These six ventilators delivered to the Hospital Almenara were destined both for the intensive care unit (3 of them) as well as for non-invasive ventilation (the remaining 3).

On the other hand, in May 2021 Movistar launched the call for the 11th edition of the ConectaRSE para Crecer Award in order to reward the most innovative initiatives in the country that make use of technologies in rural areas. Since its launch in 2011 to date, the award has identified more than 1000 initiatives, awarded more than 70 and trained more than 5 000 people in rural locations. As of this year, the Woman Entrepreneur category of the ConectaRSE para Crecer Award has been internationalized to Colombia and Ecuador.



Events of Major importance for the 2021 Second Quarter

3. Events of Major importance for the 2021 Second Quarter

The events of major importance that occurred during the second quarter of 2021 are presented below:

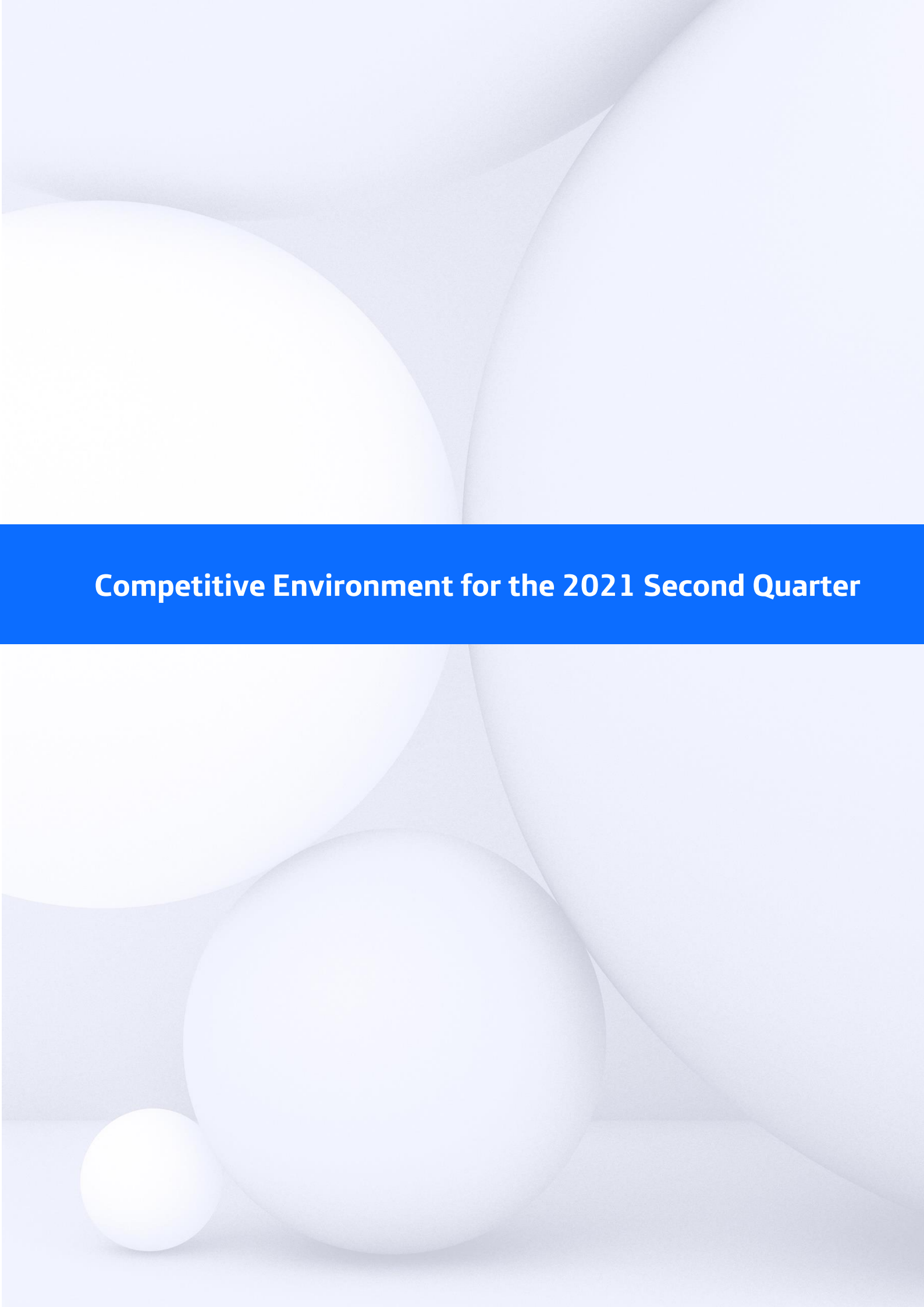
1. On April 6, the following information regarding dossier No. 2021013407 was communicated: In accordance with the provisions of the Single Ordered Text of the Securities Market Law (*Texto Único Ordenado de la Ley de Mercado de Valores*) and Resolution SMV No. 005-2014-SMV/01, and within the framework of the structural changes that are being implemented to improve the operational functioning of the company in the long term, to date Telefónica del Peru has called its labor unions and unaffiliated employees to negotiation meetings in order to find alternatives for the eventual initiation of a collective dismissal procedure before the Administrative Labor Authority (*Autoridad Administrativa de Trabajo*). Among these alternatives, the company proposed the launch of a Voluntary Retirement Plan with economic and social benefit incentives, which will benefit employees and allow the company to achieve its objectives of structural reorganization.
Telefónica del Perú will do its utmost to ensure that this process offers the best conditions for its employees.
2. On April 23, the following information regarding dossier No. 2021015838 was communicated: As is a matter of public knowledge, on April 6, Telefónica del Perú S.A.A. reported as an event of major importance the call to their labor unions and unaffiliated employees to negotiation meetings in order to find alternatives for the eventual initiation of a collective dismissal procedure before the Administrative Labor Authority. In this context, in order to provide the best alternative for its employees, it announced the deployment of a Voluntary Retirement Plan that includes an economic package of up to five years of remuneration (60 salaries) and private health insurance coverage for up to same period, as well as a six-month job transition program, based on the employees' years of work and the date of birth.

This measure, which occurs within the framework of a new organizational structure and because of a transformation in the telecommunications sector accelerated by different technological developments, is necessary for the sustainability of the company over time.

It should be noted that, in view of the lack of willingness of the labor unions called to meeting, to date, Telefónica del Perú S. A. A. has considered necessary to submit a request for collective dismissal before the Administrative Labor Authority.

Notwithstanding the foregoing, Telefónica del Perú S.A.A. restates its willingness to dialogue with trade unions and its commitment to keep the Voluntary Retirement Plan in force in order to provide its employees with incentives that are much beneficial than those required by law.

3. On June 3, the following information regarding dossier No. 2021022021 was communicated: Update of GRUPO ECONOMICO due to the sale of Telxius Torres. This action was informed as an event of major importance for Telefónica S.A.



Competitive Environment for the 2021 Second Quarter

4. Competitive Environment for the 2021 Second Quarter

In 2Q21, the country made great progress in vaccination against COVID-19 and began emerging from the second wave according to the decrease of daily deaths since the fortnight of May reported by the National Death Registry Information System (*Sistema Informático Nacional de Defunciones*, SINADEF); however, an eventual third wave would delay the country's economic recovery and impact the telecommunications sector.

The current political situation does not help to establish conditions of adequate governance and moderation in the political/economic scheme. According to Apoyo Consultoría, business confidence to invest and consumer confidence have declined as a result of the complex political context. Moreover, political uncertainty is affecting the performance of different sectors, including the telecommunications sector, where the adds, mainly in the mobile telephony business, fell in June.

Despite the context, Movistar maintains its revenue growth path of +5.4% compared to 1Q21 and +16.1% in contrast with 2Q20. In the B2C segment, the company continues to execute its acceleration plan that allows increasing service revenues in a sustained manner. In the B2B segment, the company is implementing a plan that will allow recovering growth. The company's NPS continues to improve, achieving results above projections.

Mobile telephony business

According to official information from the Regulatory Agency for Private Investment in Telecommunications (*Organismo Supervisor de Inversión Privada en Telecomunicaciones*, OSIPTEL), as of 1Q21, Movistar has maintained the leadership of the mobile market with a share of 31.5%, and became the operator with the highest share growth of +0.8% compared to 4Q20.

Due to the current political situation, the market has reduced its rate of recovery in different sectors, including the telecommunications sector, where mobile adds in June reduced compared to May. These circumstances created greater competitive pressure with new aggressive promotions of discounts in postpaid services and handsets. Operators launched aggressive promotions on portability with discounts of up to 50% on fixed charges along with handsets and financing promotions with no down payment necessary. As a result, the number of users gained through portability (New porting mobile numbers) increased 16% in 2Q21 compared to the previous quarter, and totaled 1.35 million of users (the highest level in the last six quarters). Movistar managed to increase its "New porting mobile numbers" by 11% compared to 1Q21 and this figure grew elevenfold in contrast with 2Q20. In addition, Movistar has achieved its fourth consecutive quarter with a positive net income on mobile accesses, and leveraged the execution of its acceleration plan and convergent service and product lines.

In the prepaid segment, the competition for greater flexibility and promotions such as additional GB and credit recharge plans remains strong. In this segment, Movistar maintained its focus on the digitization of credit recharge via the Mi Movistar app, user's loyalty programs and value generation through a wide range of products and services according to credit recharge plans. As of 2Q21, Movistar had a net profit from prepaid accesses of 123 000 (compared to 1Q21) which represented its fourth consecutive quarter with positive net income. In contrast with 2Q20, prepaid accesses grew by 1.4 million. Movistar's prepaid revenues increased 2.3% compared to 1Q21 and 13.5% in contrast with 2Q20.

In the postpaid segment, operators were aggressive in offering portability with discounts of up to 50% on fixed charges, along with handsets with up to 50% discount (for adds and renewal), discounts for cash purchases, financing promotions with no down payment and varied service packages.

Movistar continued to promote its acceleration plan and achieved a positive net income for postpaid accesses of 116 000 compared to 1Q21, which represented the third consecutive quarter with positive net income, in contrast with 2Q20. Likewise, postpaid accesses grew by 385 000, while Movistar's postpaid income increased 7.1% compared to 1Q21 and 8.0% in contrast with 2Q20. Mobile handsets sales exceeded the volume of 4Q20 and grew by 15% in revenues compared to 1Q21 and elevenfold compared to 2Q20, which supported the segment's margin.

As of 2Q21, Movistar reached 11.7 million mobile accesses, which represented an increase of 239 000 accesses (+2.1%) compared to 1Q21 and +1.8 million accesses (+17.6%) in contrast with 2Q20.

Fixed line telephony business

According to information from OSIPTEL, as of 1Q 2021, Movistar continues to lead the fixed line telephony market with a 67.5% share in Fixed line telephony, 63.1% in Broadband and 63.1% in Pay TV.

In 2Q21, the fixed line telephony market maintains a strong competitive intensity. Operators offered higher speed services at lower prices; and fiber to the home services expanded to new districts. Movistar increased 20, 40 and 80 MB speeds to 30, 50 and 100 MB, respectively, while maintaining prices. Likewise, we offered discounts in charges for two months and promoted symmetrical FTTH plans. In a context of competitive intensity, Movistar maintains the leadership in fixed flow share, which has allowed the company to maintain the growth of Broadband users and refocused on capturing stand-alone services. In the Broadband access segment, Movistar achieved a net positive income of 43 000 accesses compared to 1Q21 and of 97 000 accesses in contrast with 2Q20. Movistar's total fixed income grew by 2.1% compared to 1Q21.

As of 2Q21, Movistar maintained the leadership of the fixed line telephony market with 5.2 million accesses, of which 2.0 million are Broadband accesses and 1.4 million are Pay TV accesses.

5. Economic Environment

Despite the quarantine mandated in February 21, the gross domestic product (GDP) for 1Q21 reached its pre-pandemic level and exceeded the level expected by the market consensus. This is mainly attributable to a significant growth in domestic demand as a result of the execution of different public and private investment projects. Furthermore, on the foreign sector, shipments of goods increased through the recovery of global demand, however, this improved evolution was offset by the fall in services exports due to restrictions on international passenger flows. For the following quarters, this greater dynamism of GDP would be partially compensated by the weakening of agents' expectations about the future of the economy, due to electoral uncertainty.

Consumption, investment and public expenditures

Private consumption in 1Q21 grew 2%, through greater access to goods and services that were restricted in 1Q20 and the positive effect of government stimuli. Family consumption is expected to maintain its rate of recovery given the better conditions in the labor market and the great progress in vaccination against COVID-19. Private investment exceeded its pre-pandemic level and grew 37% in 1Q21, mainly through a greater execution of different investment projects and the continuous dynamism of self-building. Likewise, public investment grew 24% in 1Q21 due to the execution of projects across various sectors, such as reconstruction, specifically, under the Reconstruction Government to Government Agreement concluded with the United Kingdom, projects to support COVID-19 recovery, the Start Up Peru program (*Arranca Peru*) and other projects.

Inflation, exchange rate and rates

Monthly inflation for June 2021 rose 0.52% above market consensus. This result was mainly attributable to the increase in the international prices of food inputs, such as wheat, corn, soybeans and crude oil, as well as the depreciation of the local currency. Based on these results, inflation increased from 2.4% in May 2021 to 3.3% in June 2021 year-over-year, an important rise that is partly due to the low year-over-year comparison base. As of April 2021, the volatility of the exchange rate has been one of the highest since the international financial crisis of 2008, which was mainly attributable to electoral uncertainty. In this context, the exchange rate reached its historical maximum level on June 25, 2021 (S/ 3.98 per dollar) and currently accumulates a depreciation of 9.2% as of July 7, 2021. The Central Reserve Bank of Peru (BCRP, by its initials in Spanish) has maintained a benchmark interest rate of 0.25% since April 2020, similar to a real rate of -2.35% in June 2021; both nominal and real rates reached historical lows. Given the magnitude of the COVID-19 pandemic, monetary growth has been expanded through other monetary policy instruments.

Financial markets

Peru has maintained its sovereign debt rating in foreign currency: Moody's assigned A3 stable, S&P rated BBB+ stable and Fitch assigned BBB+ stable. The key factors that influenced the maintenance of the ratings were the levels of public debt, which are still slightly above the legal limit (30% of GDP), the credibility of the monetary policy and the better profile of the foreign sector.

6. 2021 Second Quarter Results

Ordinary activities income

Revenues amounted to S/ 1,729.1 million in 2Q21, up +16% compared to 2Q20.

Services (Voice + Broadband + TV) revenues totaled S/ 700.3 million, up +2.1% compared to 2Q20. The higher revenues are attributable to the rise of commercial activity, sales recovery, lifting of restrictions and price increase in 2Q21 (Leasing bonds).

Data and Information Technology revenues reached S/ 85.9 million in 2Q21, down -36% compared to 2Q20, attributable to the adjustment of B2B incomes.

Other Fixed Income totaled S/ 16.0 million in 2Q21, up S/ 4.6 million compared to 2Q21 due to the recovery of remittances in Public telephone services.

Mobile Telephony revenues reached S/ 870.1 million in 2Q21, up 45.2% compared to 2Q21 and equivalent to S/ 270.9 million.

Postpaid segment revenues closed at S/ 414.4 million in 2Q21, up S/ 12.5 million compared to 2Q20. The increase is attributable to the recovery of this segment and the execution of the commercial strategy. In 2Q21, the company implemented campaigns to encourage mobile registrations through discounts on portability, mobile handsets promotions such as service packages, among others. Additionally, the company continued preventive shielding campaigns for users tempted by the competition.

Mobile handsets sales revenues totaled S/ 253.8 million in 2Q21, up 986.6% compared to 2Q20, which is equivalent to S/ 230.4 million more due to the trade openness, lifting of mobility restrictions and opening of business. Mobile handsets sales were boosted through special campaigns in March (Back to school) and May (Mother's Day) and the increase of mobile handsets sales with financing plans.

Prepaid segment revenues amounted to S/ 146.9 million in 2Q21, up S/ 17.5 million or 13.5% compared to 2Q20. This growth is attributable to the increase of the credit recharge service, as a result of trade openness and lifting of mobility restrictions. Moreover, the average daily credit recharges and the number of existing users (steady users on site) increased.

Mobile wholesale revenues totaled S/ 35.4 million in 2Q21, down 7.1% compared to 2Q20 and attributable to the lower interconnection expenses.

Result by operating activities

Operating income in 2Q21 amounted to -S/ 230.5 million, a loss increasing by S/ 130.9 million compared to 2Q20, due to higher administrative expenses, equipment and personnel costs. The latter suffered the impact of the Voluntary Retirement Plan launched by the company, which increased restructuring expenses by S/ 75.8 million in contrast with 2Q20.

Non-operating income

Non-operating income in 2Q21 totaled -S/ 59.7 million. This value improved by 35.4% compared to 2Q20, which is equivalent to an increase of S/ 32.7 million, mainly due to higher income and lower financial expenses.

Net results for the year

The net results for the year in 2Q21 amounted to -S/ 1,170.4 million, down S/ 982.7 million compared to 2Q20 attributable, on the one hand, to the lower income from operating activities and, on the other hand, to the change in the rating of tax contingencies related to carry-forward balance in favor of fiscal year 1999, the determination of the annual and monthly prepayments of fiscal year 2020, for which a S/ 939.5 million provision was recorded.

7. Statement of Financial Position

Total current assets as of 2Q21 amounted to S/ 2,958 million, down S/ 149 million compared to the previous quarter. This result is partially attributable to an increase in other non-financial assets, as well as a decrease in trade accounts receivable and in cash and cash equivalents. The latter was mainly due to the amortization of financial debt, which reduced gross debt levels.

Total non-current assets closed at S/ 10,359 million in 2Q21, down S/ 117 million compared to the previous quarter, mainly attributable to the depreciation registered in the quarter.

Total assets amounted to S/ 13,318 million, down S/ 266 million compared to the figure recorded at the end of 1Q21.

As of 2Q21, Total Current Liabilities totaled S/ 5,796 million, up S/ 860 million compared to 1Q21. The variation is mainly attributable to the S/ 939.5 million increase in income tax resulting from the revaluation of contingencies, as explained in the net income for the year, and offset by the decrease in financial liabilities, as a result of amortization and no refinancing of a financial obligation.

Total non-current liabilities amounted to S/ 4,312 million at the end of 2Q21, a balance higher by S/ 44 million compared to the previous quarter. This variation is mainly attributable to the increase in lease liabilities, partially offset by the decrease in other provisions.

Finally, total equity decreased by S/ 1,170 million in 2Q21, to S/ 3,210 million, a variation mainly due to the result for the year.

Key financial ratios

At the end of 2Q21, liquidity ($\frac{\text{Total current assets} - \text{Cash and equivalents}}{\text{Total current liabilities}}$) closed at 0.37x, a ratio lower than that one obtained in the previous quarter, which closed at 0.44x, mainly due to the increase in income tax as a result of the reevaluation of tax contingencies.

Financial leverage ($\frac{\text{Financial liabilities}^*}{\text{Total equity}}$) reached 0.95x in the second quarter of the year compared to 0.73x obtained in the previous quarter, remaining at low levels as compared to the industry.

*Does not include lease debt recorded due to the adoption of IFRS1.

TELEFONICA DEL PERU S.A.A.

INCOME STATEMENT IN SOLES FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Prepared in accordance with International Financial Reporting Standards [IFRS])

	2Q21		2Q20		Var. Abs. 2Q20-2Q21	Var. % 2Q20-2Q21	6M21		6M20		Var. Abs. 6M20-6M21	Var. % 6M20-6M21
		%		%		%		%		%		%
Income from ordinary activities	1,729,058	100.0	1,490,242	100.0	238,816	16.0	3,368,411	100.0	3,263,898	100.0	104,513	3.2
Fixed income	858,919	49.7	891,037	59.8	(32,118)	(3.6)	1,699,224	50.4	1,864,093	57.1	(164,869)	(8.8)
Income from services (Voice + Broadband + TV)	700,268	40.5	685,871	46.0	14,397	2.1	1,382,614	41.0	1,420,731	43.5	(38,117)	(2.7)
Data + IT	85,872	5.0	133,359	8.9	(47,487)	(35.6)	176,567	5.2	290,973	8.9	(114,406)	(39.3)
Wholesale	40,435	2.3	42,575	2.9	(2,140)	(5.0)	80,853	2.4	82,251	2.5	(1,398)	(1.7)
Handsets (Voice + Broadband + TV)	16,355	0.9	17,899	1.2	(1,544)	(8.6)	33,802	1.0	38,950	1.2	(5,148)	(13.2)
Other fixed income	15,989	0.9	11,333	0.8	4,656	41.1	25,388	0.8	31,188	1.0	(5,800)	(18.6)
Income from mobile services	870,139	50.3	599,205	40.2	270,934	45.2	1,669,187	49.6	1,399,805	42.9	269,382	19.2
Postpaid	414,408	24.0	401,950	27.0	12,458	3.1	815,926	24.2	828,939	25.4	(13,013)	(1.6)
Handsets (Engagement + Loyalty)	253,766	14.7	23,355	1.6	230,411	986.6	474,360	14.1	222,751	6.8	251,609	113.0
Prepaid	146,915	8.5	129,441	8.7	17,474	13.5	290,513	8.6	263,794	8.1	26,719	10.1
Wholesale	35,447	2.1	38,155	2.6	(2,708)	(7.1)	71,558	2.1	70,852	2.2	706	1.0
Other income from mobile services	19,603	1.1	6,304	0.4	13,299	211.0	16,830	0.5	13,469	0.4	3,361	25.0
Operating expenses	1,947,562	112.6	1,587,155	106.5	360,407	22.7	3,689,458	109.5	3,450,026	105.7	239,432	6.9
General and administrative	860,016	49.7	723,635	48.6	136,381	18.8	1,658,914	49.2	1,542,744	47.3	116,170	7.5
Equipment sales cost	308,330	17.8	92,206	6.2	216,124	234.4	582,744	17.3	330,602	10.1	252,142	76.3
Depreciation and amortization	303,085	17.5	322,595	21.6	(19,510)	(6.0)	595,751	17.7	648,425	19.9	(52,674)	(8.1)
Right-of-use depreciation	58,195	3.4	50,539	3.4	7,656	15.1	107,066	3.2	100,245	3.1	6,821	6.8
Personnel	229,443	13.3	121,203	8.1	108,240	89.3	384,478	11.4	304,553	9.3	79,925	26.2
Interconnection expenses	61,347	3.5	74,581	5.0	(13,234)	(17.7)	120,423	3.6	130,003	4.0	(9,580)	(7.4)
Allowance for doubtful accounts and provision for obsolete inventories	97,035	5.6	175,944	11.8	(78,909)	(44.8)	179,161	5.3	331,862	10.2	(152,701)	(46.0)
Fees for transfer of technical and management capacity	30,111	1.7	26,452	1.8	3,659	13.8	60,921	1.8	61,592	1.9	(671)	(1.1)
Operating income before other income and expenses, net	(218,504)	(12.6)	(96,913)	(6.5)	(121,591)	125.5	(321,047)	(9.5)	(186,128)	(5.7)	(134,919)	(1.1)
Other income - operating expenses, net	(12,028)	(0.7)	(2,712)	(0.2)	(9,316)	343.5	9,869	0.3	9	0.0	9,860	109,555.6
Profit from operating activities	(230,532)	(13.3)	(99,625)	(6.7)	(130,907)	131.4	(311,178)	(9.2)	(186,119)	(5.7)	(125,059)	67.2
Financial income	24,486	1.4	18,003	1.2	6,483	36.0	27,069	0.8	28,024	0.9	(955)	(3.4)
Financial expenses	(88,692)	(5.1)	(96,548)	(6.5)	7,856	(8.1)	(163,602)	(4.9)	(182,647)	(5.6)	19,045	(10.4)
Net exchange difference	775	0.0	(9,440)	(0.6)	10,215	(108.2)	10,377	0.3	(13,315)	(0.4)	23,692	(177.9)
Profit sharing of related parties	3,741	0.2	(4,452)	(0.3)	8,193	(184.0)	(4,338)	(0.1)	(3,811)	(0.1)	(527)	13.8
Non-operating income	(59,690)	(3.5)	(92,437)	(6.2)	32,747	(35.4)	(130,494)	(3.9)	(171,749)	(5.3)	41,255	(24.0)
Profit before income tax	(290,222)	(16.8)	(192,062)	(12.9)	(98,160)	51.1	(441,672)	(13.1)	(357,868)	(11.0)	(83,804)	23.4
Income tax	(880,214)	(50.9)	4,358	0.3	(884,572)	(20,297.7)	(420,409)	(12.5)	25,840	0.8	(446,249)	(1,727.0)
Net income/(loss) for the year	(1,170,436)	(67.7)	(187,704)	(12.6)	(982,732)	523.6	(862,081)	(25.6)	(332,028)	(10.2)	(530,053)	159.6

It is recommended that this document be read together with the corresponding Financial Statements and its notes reported simultaneously, which form an integral part of this document and contain complementary information.

TABLE 2
TELEFONICA DEL PERU S.A.A.
STATEMENT OF FINANCIAL POSITION IN SOLES FOR THE YEAR ENDED MARCH 31, 2021
(Prepared in accordance with International Financial Reporting Standards [IFRS])

Assets						Liabilities and equity					
	2Q21	1Q21	4Q20	3Q20	2Q20		2Q21	1Q21	4Q20	3Q20	2Q20
Current assets						Current liabilities					
Cash and cash equivalents	792,451	954,490	869,917	532,850	552,682	Other financial liabilities	113,644	243,296	153,762	157,868	229,361
Trade receivables, net	1,042,433	1,067,684	1,178,284	1,393,112	1,744,841	Lease liabilities	312,464	354,922	336,268	309,465	300,048
Contract assets	27,777	33,039	39,016	48,874	54,434	Trades payables	1,811,981	1,746,911	1,708,191	1,374,293	1,246,034
Receivables to affiliated companies	-	-	-	485,325	-	Contract liabilities	151,044	149,813	149,664	144,403	155,339
Other receivables, net	253,183	251,921	281,695	171,420	160,606	Other payables to affiliated compar	4,557	5,848	5,284	654,356	642,044
Inventory	204,684	207,419	168,288	173,085	273,153	Other payables	267,876	250,320	270,641	305,641	323,633
Income tax asset	135,410	141,012	135,715	154,751	141,210	Deferred income	39,488	30,543	29,277	36,776	40,559
Other non-financial assets	502,496	451,806	367,335	413,399	380,472	Other provisions	394,195	397,636	395,322	381,490	382,839
Assets held for sale	-	-	-	59,316	-	Income tax liabilities	2,700,256	1,755,905	2,217,840	2,220,905	2,210,832
Total current assets	2,958,434	3,107,371	3,040,250	3,432,132	3,307,398	Total current liabilities	5,795,505	4,935,194	5,266,249	5,585,197	5,530,689
Trade receivables, net	1,728	1,604	503	526	412	Other financial liabilities	2,950,091	2,946,207	2,943,715	2,973,363	2,972,546
Receivables to affiliated companies	-	-	-	-	-	Lease liabilities	830,419	786,953	790,481	813,316	850,030
Contract assets	2,103	3,527	4,461	3,406	1,257	Other payables	59,919	47,453	132,642	114,085	113,742
Other receivables, net	59,916	61,765	65,158	179,825	180,194	Other payables to affiliated compar	2,835	2,777	2,589	987	1,882
Investments in subsidiaries and affiliates	252,629	259,424	267,553	268,079	266,731	Contract liabilities	77,241	68,901	59,669	52,255	53,539
						Deferred income	76,274	77,520	81,359	93,103	97,923
Property, plant and equipment	29,030,885	28,944,115	28,893,401	28,493,326	28,826,374	Other provisions	233,429	259,790	259,231	284,567	281,408
Accumulated depreciation	(23,755,952)	(23,519,078)	(23,325,884)	(22,786,839)	(22,919,146)	Non-current income tax liabilities	81,656	78,462	78,380	77,866	77,495
	5,274,933	5,425,037	5,567,517	5,706,487	5,907,228	Deferred tax liabilities	-	-	-	-	-
						Total non-current liabilities	4,311,864	4,268,063	4,348,066	4,409,542	4,448,565
Intangible assets other than goodwill (net)	1,898,231	1,918,251	1,927,888	1,927,660	1,998,206	Total liabilities	10,107,369	9,203,257	9,614,315	9,994,739	9,979,254
Right-of-use assets	918,976	945,761	953,798	949,454	994,456	Equity					
Deferred tax assets	435,628	365,225	369,919	299,372	266,754	Issued capital	2,876,152	2,876,152	2,876,152	2,876,152	2,876,152
Goodwill	1,215,145	1,215,145	1,215,145	1,215,145	1,215,145	Issuance premiums	77,899	77,899	77,899	77,899	77,899
Other non-financial assets	300,037	280,819	263,207	263,262	260,427	Other capital reserves	600,063	600,063	587,847	582,513	582,513
						Accumulated results	(340,800)	829,636	521,281	716,477	884,789
Total non-current assets	10,359,326	10,476,558	10,635,149	10,813,216	11,090,810	Other equity reserves	(2,923)	(3,078)	(2,095)	(2,432)	(2,399)
						Total equity	3,210,391	4,380,672	4,061,084	4,250,609	4,418,954
Total assets	13,317,760	13,583,929	13,675,399	14,245,348	14,398,208	Total liabilities and equity	13,317,760	13,583,929	13,675,399	14,245,348	14,398,208

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