



Quarterly Results

Telefónica del Perú S.A.A.

July-September 2021

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1. 2021 THIRD QUARTER MILESTONES

SINCE THE BEGINNING OF THIS NATIONAL EMERGENCY, MOVISTAR HAS BEEN WORKING TO ENSURE THE CONTINUITY OF ITS SERVICES AND HAS PROMOTED SEVERAL INITIATIVES TO SUPPORT PERUVIANS WHO NEED IT MOST.

4G connectivity in rural areas increased on average by over 200% in the two years of 'Internet para Todos' (Internet for All) operations.

In the third quarter of 2021, Telefónica continued to expand 4G internet access to Peru's rural villages through 'Internet para Todos' (IPT), a company created two years ago alongside Facebook, BID Invest and CAF. Since it began operations, IPT has achieved a growth of over 200% in 4G connectivity in rural areas, benefiting nearly 13 thousand localities, which represents 2.2 million Peruvians who now have access to adequate high-speed mobile internet.



Telefónica and the MTC bring 4G connectivity to rural villages in Cajamarca as part of the "Canon por Cobertura" (Coverage Fee) scheme.

In coordination with the MTC (Ministry of Transport and Communications), the first 4G antenna was launched as part of the investment commitments signed by Telefónica under the "Canon por Cobertura" (Coverage Fee) scheme for 2021. In this case, the antenna was deployed in the Número Ocho village of Cajamarca and is the first in the region under this scheme.

Movistar's "Mujeres en Red" project wins Scotiabank Equality Grand Prize for reducing gender gap in telecommunications

The "Mujeres en Red" project, an initiative promoted by Telefónica in alliance with its partner companies, was awarded the Scotiabank Equality Grand Prize for reducing the gender gap in telecommunications. This project was launched at the end of 2020 to promote the training and employability of women in telecommunications technical work, where the participation of women is still a minority. This initiative has enabled more than 190 women to work in technical customer service.



Rural projects using technology are recognized with the "ConectaRSE para Crecer" (Connect to Grow) Award.

For the eleventh consecutive year, Movistar recognized projects that promote the development of rural areas through the use of technology with the "ConectaRSE Para Crecer" award.



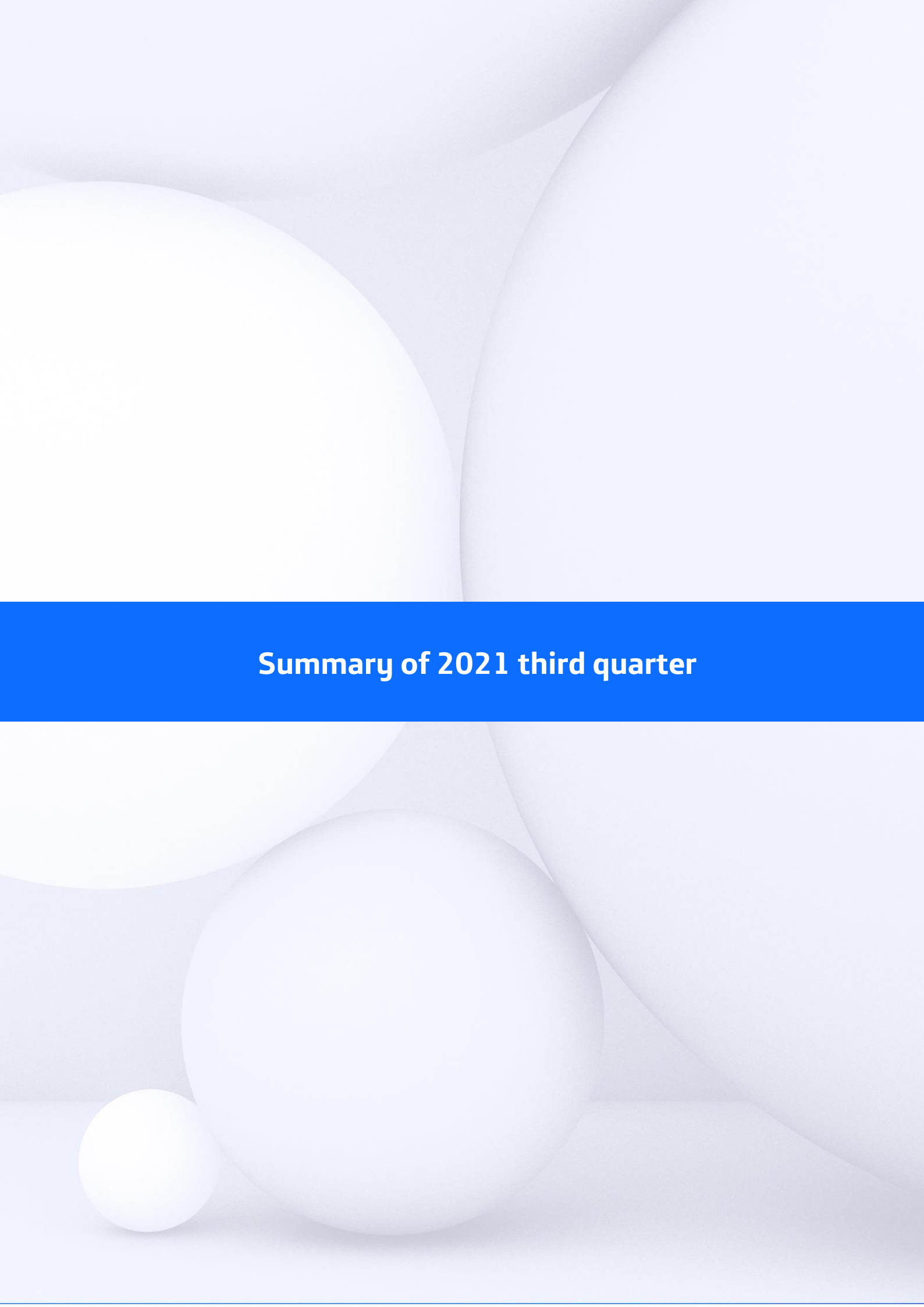
Among the awarded initiatives is "Qot Tika Flor de Lago", in the category "Mujer Emprendedora" (Entrepreneurial Women), an association of more than 200 women who market products made from handicrafts via social media from the Floating Island of Uros in Puno.



The Regional Government and Fundación Telefónica will certify more than 11 thousand teachers of Cajamarca on digital skills

Through the alliance between the Regional Directorate of Education (DRE) of the Regional Government of Cajamarca and Fundación Telefónica Movistar, more than 11 thousand teachers in Cajamarca will become certified in digital skills by the end of 2021. Since last year, both organizations have been working jointly and, to date, more than 7 thousand teachers have successfully completed a cycle of skills development in digital skills.





Summary of 2021 third quarter

2. SUMMARY OF 2021 THIRD QUARTER

Telefónica del Perú reported financial results for 2021 third quarter

- Movistar achieved operating revenues (sales) for S/1,837 million in the third quarter of 2021, 12% higher compared to the same period of 2020, and reached accumulated revenues during the first nine months of the year amounting to S/5,206 million, 6.2% higher compared to 2020.
- Movistar registered 11.8 million mobile accesses, an increase of 15.4% compared to the third quarter of 2020. In addition, it registered 2.0 million broadband accesses, which represents an increase of 5.3% compared to the same period of the previous year.
- Telefónica continued to expand 4G internet access to Peru's rural villages through "Internet para Todos" (IPT), which has already connected close to thirteen thousand rural localities in the country.
- More than 7 thousand teachers concluded a cycle of skills development in digital skills through the alliance between the Regional Directorate of Education (DRE) of the Regional Government of Cajamarca and Fundación Telefónica Movistar.

Lima, October 26, 2021 - Telefónica del Perú stated in its financial report for the third quarter of 2021 that it recorded operating revenues (sales) of S/1,837 million, 12% higher than in the third quarter of 2020. Likewise, it reached sales amounting to S/5,206 million during the first nine months of the year, which represents an increase of 6.2% compared to the same period of 2020.

"At Telefónica, we continue to consolidate our strategy as an integrated fixed and mobile services operator, as well as continuing our transformation to improve our customers' experience. This has allowed us to continuously increase our fixed revenues over the last three quarters and our mobile revenues over the last two quarters," said Pedro Cortez, chief executive officer of Telefónica del Perú.

For the fixed sector, revenues grew by 10.1% in the quarter. This increase is mainly attributable to voice, broadband and pay TV services, which grew by 4.3% in the quarter, as well as data and IT services, which increased by 68.7%, boosted by the growth of the corporate sector. Likewise, the total customer base in the fixed sector reached 5.0 million, of which 2.0 million were broadband accesses, which grew by 5.3% compared to 3Q20.

In the mobile sector, Telefónica recorded revenues amounting to S/910.3 million, which represents an increase of 14% compared to 3Q20. This growth was achieved thanks to increased commercial activity due to the lifting of mobility restrictions and campaigns focused on equipment acquisition and data benefits. As a result, pre-pay revenues increased by 1.7%, contract revenues increased by 13.5% and handset sales grew by 11.8%. In terms of accesses, the mobile sector reached 11.8 million mobile accesses, growing by 15.4% compared to 3Q20.

Improved customer experience

With the aim of improving the customer experience at all points of contact, in September, the company announced the launch of a system in the "Mi Movistar" app that allows customers to visualize on a real-time map the location and the time a technician will arrive at their home for an installation or to repair a breakdown. To date, the "Mi Movistar" app has over 1.85 million users.

For the corporate business sector, Movistar Empresas announced in July the launch of NextDefense, an advanced security solution that guarantees the comprehensive defense of large companies. This is the first launch made by Movistar Empresas in conjunction with Telefónica Tech in Peru, a Telefónica Group unit specialized in the development of digital services.

We are working towards greater inclusion

In the third quarter of 2021, Telefónica continued to expand 4G internet access to Peru's rural villages through 'Internet para Todos' (IPT), a company created two years ago alongside Facebook, BID Invest and CAF. Since it began operations, IPT has achieved a growth of over 200% in 4G connectivity in rural areas, benefiting nearly thirteen thousand localities, which represents 2.2 million Peruvians who now have access to adequate high-speed mobile internet.

Likewise, in coordination with the Ministry of Transport and Communications (MTC), the first 4G antenna was launched as part of the investment commitments signed by Telefónica del Perú under the "Canon por Cobertura" (Coverage Fee) scheme for 2021. In this case, the antenna was deployed in the Número Ocho village of Cajamarca and is the first in the region under this scheme.

Last September, the "Mujeres en Red" project, an initiative promoted by Telefónica in alliance with its partner companies, was awarded the Scotiabank Equality Grand Prize for reducing the gender gap in telecommunications. This project was launched at the end of 2020 to promote the training and employability of women in telecommunications technical work, where the participation of women is still a minority. This initiative has enabled more than 190 women to work in technical customer service.

On the other hand, through the alliance between the Regional Directorate of Education (DRE) of the Regional Government of Cajamarca and Fundación Telefónica Movistar, more than eleven thousand teachers in Cajamarca will become certified in digital skills by the end of 2021. Since last year, both organizations have been working jointly and, to date, more than seven thousand teachers have successfully completed a cycle of skills development in digital skills.

In addition, for the eleventh consecutive year, Movistar recognized projects that promote the development of rural areas using technology with the "ConectaRSE Para Crecer" award. Among the awarded initiatives is "Qot Tika Flor de Lago", in the category "Mujer Emprendedora" (Entrepreneurial Women), an association of more than two hundred women who market products made from handicrafts via social media from the Floating Island of Uros in Puno. In this edition, eight projects were awarded in the categories of Economic Reactivation, Environment, Health, Women Entrepreneurship, and Education, as well as two winning projects in the State category.

As of this year, the "Mujer Emprendedora" (Entrepreneurial Women) category of "ConectaRSE" crossed borders and has been regionalized in the operations of Movistar Ecuador and Colombia in alliance with the Organization of American States and the Inter-American Telecommunications Commission (OAS|CITEL).

Health support

In September, Movistar joined in the efforts of the Ministry of Health to promote vaccination against Covid-19 in the country. To this end, the company offered mobile equipment renewal with exclusive discounts to customers who had received their second dose of vaccine.

Since the beginning of the pandemic, Movistar, through Fundación Telefónica Movistar, has contributed in numerous ways to fight against Covid-19.

Thus, this year, twenty-five mechanical ventilators were delivered to hospitals in the country - additional to the fifty ventilators delivered last year- with the aim of saving lives and mitigating the impact of this sanitary emergency. These medical devices were manufactured by the MASI Project of the Pontifical Catholic University of Peru (PUCP) in alliance with BREIN, DIACSA, EATech and Zolid Design.

**Main noteworthy events
of 2021 third quarter**

3. MAIN NOTEWORTHY EVENTS OF 2021 THIRD QUARTER

The following are the main noteworthy events that took place during the third quarter of 2021:

1. On July 5, the following was reported in relation to File No. 2021013407:

On July 1, 2021, it was informed that the public deed of Simple Reorganization of Telefónica del Perú S.A.A. in favor of Telefónica Cloud Tech Perú S.A.C. was registered, which became effective on January 1, 2021. In accordance with the law, we attach a scanned copy of the certified public deed, the Statement of Financial Position of Telefónica del Perú S.A.A. as of the effective date of such operation and the registration entries in the records of both companies.

2. On July 19, the following was reported in relation to File No. 2021027669:

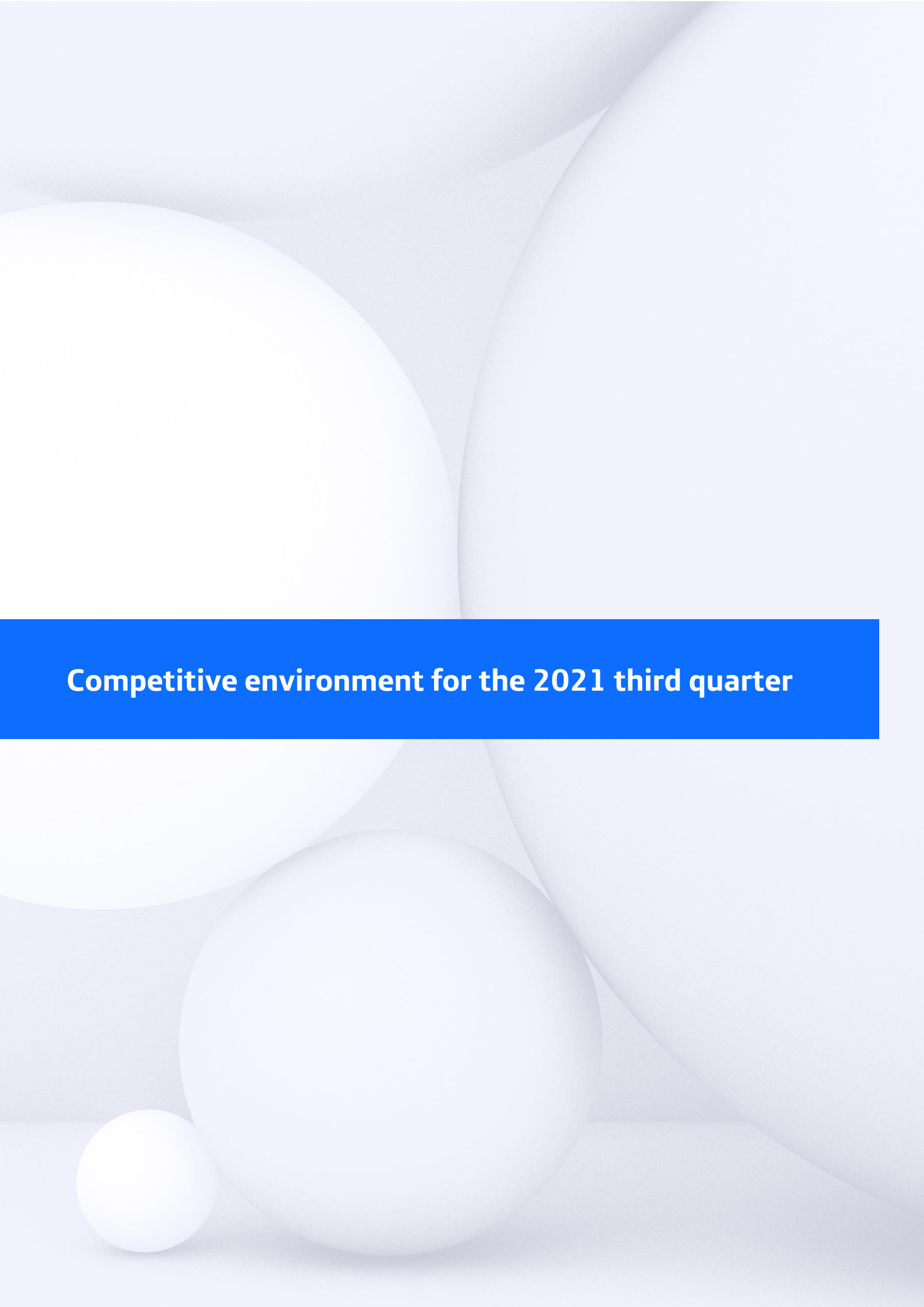
Board of Directors' resolution passed on the date where the separate and consolidated financial statements for the second quarter of 2021 were approved.

Said financial statements include an adjustment to the provision because of the qualification change of the administrative litigation proceedings related to the carryover of the credit balance from the 1998 fiscal year when determining the 1999 fiscal year and its application in the annual and monthly tax return and payment on account of the 2000 fiscal year. Considering the provision at December 31, 2020, a net impact of S/461,972,000 is included, in consideration of the aforementioned adjustment and the reversal made as a consequence of the impact of the favorable resolution issued by the Constitutional Court in the *amparo* proceeding initiated by the Company according to what was informed to the market as a significant event on February 23, 2021. These provisions and their effects are detailed in the notes to the aforementioned Financial Statements.

3. On September 9, the following was reported in relation to File No. 2021034647:

Regarding the press release published on this date in the newspaper "Gestión" regarding the suspension of the plan to sell the South American subsidiaries of the Telefónica Group (attached).

In this regard, we would like to point out that Telefónica del Perú S.A.A. has no knowledge of any information related to the issue published in the media and, therefore, is not able to deny, clarify or confirm what was published. We reiterate our commitment to strictly comply with all reporting obligations to the market in accordance with the applicable legal framework, as we have been doing to date.



Competitive environment for the 2021 third quarter

4. COMPETITIVE ENVIRONMENT FOR THE 2021 THIRD QUARTER

During this quarter, political uncertainty continued, with constant confrontations between the executive and legislative branches, as well as actions that have slowed down the country's economy. According to Apoyo Consultoría, business confidence to invest and consumer confidence has continued to deteriorate, affecting the performance of different sectors, including telecommunications.

In this context of uncertainty, Movistar continued on the path of revenues recovery, growing by +6.3% compared to 2Q21 and by +12.0% compared to 3Q20. These results were the consequence of the commercial plans, which translated at the segment level into increases of 7.9% for the fixed business compared to 2Q21 and 10.1% compared to 3Q20, as well as growth of 4.6% for Movistar's mobile service compared to 2Q21 and 14% compared to 3Q20.

Fixed Business

According to OSIPTEL's information at 2Q21, Movistar continues to lead the fixed market with a 66.8% share in fixed telephony, 62.9% in broadband and 62.2% in Pay TV.

In 3Q21, broadband continues to be the most demanded product; therefore, integrated operators and fiber companies are increasingly aggressive with their offers. In addition, the market has offered discounts on fixed charges for value plans, increased broadband speeds, discounts on installation fees and a boost in Pay TV offerings.

In this context, Movistar's total fixed revenues grew by 7.9% compared to 2Q21, driven by service revenues, which grew by 2.8%, and Data & IT, which grew by 51.2%.

In fixed broadband, Movistar maintained its accesses compared to 2Q21 and achieved an increase of ninety-nine thousand accesses (+5.3% vs. 3Q20).

At 3Q21, Movistar remained the leader in the fixed market with 5.0 million total accesses, of which 2.0 million are broadband accesses and 1.4 million are Pay TV accesses.

Mobile Business

According to official information from OSIPTEL, Movistar maintained its leadership in the mobile market in 2Q21 with a 31.1% market share.

The current political situation continued to slow down different sectors, including the mobile business. This generated greater price-oriented competitive pressure. In 3Q21, mobile gross adds of the market fell by 3% versus 2Q21; however, mobile portabilities of the market grew by 8%.

Post-paid portabilities reached an all-time high, fueled by offers of discounts of up to 50% on fixed charges and up to 60% on handsets. Also, during the quarter, the barrier for unlimited contract plans was lowered to S/55.90, GBs were increased in limited and unlimited contract plans, and GBs and free social media for pre-pay recharges were increased. Likewise, the company continued to focus on the handsets sales market with financing, discounts for portability and/or renewal, S/O down payment, discounts for one-time payment, and discounts on unlocked cell handsets.

In this context of greater competitive intensity, Movistar was able to increase its total portability by 6% and contract portability by 3%. This resulted in total mobile net adds of 110 thousand accesses compared to 2Q21 (fifth consecutive quarter with positive net adds growth). In terms of total mobile revenues, Movistar maintained its growth trend, achieving an increase of 4.6%, boosted by contract service revenues, which grew by 8.0%.

By the third quarter 2021, Movistar reached 11.8 million mobile accesses, an increase of 110 thousand accesses (+0.9%) compared to 2Q21, and +1,565 thousand (+15.4%) compared to 3Q20. In pre-pay service, we reached 6.8 million accesses (+0.4% compared to 2Q21 and +17.0% versus 3Q20), while in contract service we reached 5.0 million accesses (+1.7% compared to 2Q21 and +13.2% versus 3Q20).

5. ECONOMIC ENVIRONMENT

The economic activity is recovering faster than expected, in July 2021, the GDP grew by 12.9% year-on-year, benefiting from the better performance of the non-primary sector, where the growth of the construction sector stands out, supported by public investment and self-construction. In this context, economic expectations for the end of 2021 have gone from 9% in August 2021 to 11% in September 2021. On the other hand, political uncertainty and the proposed change to the Constitution have affected economic expectations for 2022, which have fallen from 5% to 3% in a few months. With the current international context and the rapid progress in the vaccination process; 55% of the population having been vaccinated with at least one dose at the beginning of October 2021, and a government plan that estimates to vaccinate 80% of the population by the end of 2021, the GDP could grow close to 5% in 2022; however, this will only happen if the government abandons the proposal of totally changing the constitution.

Consumption, Investment and Public Spending

Private consumption in 2Q21 increased by 28.3% year-on-year. However, the level reached was unchanged from the same period of 2019. The recovery of the labor market generated a slight increase in consumer confidence, whose index increased by 3.4 points compared to 1Q21, although it is still below the level reached at the end of 2020. On the other hand, private investment in 2Q21 showed an expansion of 12.6% compared to its pre-Covid level (2Q19), fueled by the dynamism of self-construction and by the reactivation and higher execution of investment projects. Likewise, public investment increased by 251% year-on-year in 2Q21 and 2.8% compared to 2Q19, reflecting a generalized increase at all levels of government.

Inflation, Exchange Rate, and Taxes

Year-on-year inflation rose from 3.3% in June 2021 to 5.2% in September 2021, reflecting the impact of higher international food and oil prices, as well as the depreciation of the local currency. In this context, the Central Bank has raised the benchmark rate from 0.25% to 1.50% (125 bps) in its last three-monthly meetings to anchor inflation expectations so that they do not exceed 3%. Market consensus considers that the Central Reserve Bank (BCR) could raise its benchmark rate to 2% or 2.25% (its pre-Covid-19 level) in the first months of 2022. As of early October 2021, political uncertainty has been reduced after President Castillo decided to accept the resignation of former Prime Minister Guido Bellido and appointed Mirtha Vázquez in his place. This event, together with the ratification of Julio Velarde as president of the Central Reserve Bank (BCR) have positively impacted the exchange rate, which has fallen from S/4.14 per dollar on Thursday, October 7, 2021, to S/4.00 per dollar on Wednesday, October 13, 2021. The exchange rate is expected to continue to drop towards levels of S/3.70 per dollar if there is no radical event by the government that would generate political noise again.

Financial Markets

Moody's downgraded Peru's foreign-currency sovereign debt rating from A3 - stable to Aaa1 - stable, amid political uncertainty. Moody's adjustment is consistent with Peru's current rating at Standard & Poor's and Fitch Ratings (BBB+). Peru continues to maintain sound and sustainable public finances.

6. RESULTS OF 2021 THIRD QUARTER

Revenues from ordinary activities

Revenues amounted to S/1,837 million in 3Q21, +12.0% more than in 3Q20 due to the restart of commercial activity and price increases in the mobile and fixed plant.

Service revenues (**Voice + Broadband + TV**) amounted to S/719.6 million, 4.3% higher than in 3Q20. The higher revenues are attributable to the price increase applied to the plant (fixed broadband component) and the better net adds obtained in the quarter.

Data & IT revenues amounted to S/129.8 million in 3Q21, 68.7% higher compared to 3Q20, as a result of higher B2B projects compared to a 2020 in strict pandemic.

Other Fixed revenues reached S/14.8 million in 3Q21, S/1.9 million more than in 3Q20, due to the recovery of remittances in TUPS (Public Telephones) businesses.

Mobile Telephony revenues in 3Q21 reached S/910.3 million, an increase of 14% compared to 3Q20, equivalent to S/112.1 million.

Contract revenues in 3Q21 closed at S/447.5 million, showing an increase of 13.5% compared to 3Q20. This was due to the increase in commercial activity, which generated 145 thousand more gross adds than in 3Q20. In 3Q21, the company launched campaigns that helped to encourage gross adds through discounts in portability, handset promotions through packs, bonus gigabytes in plans starting at S/.49.90, among others. In addition, we continued with preventive campaigns to keep customers tempted by the competition.

Revenues from **handset sales** in 3Q21 amounted to S/248.9 million, an increase of 11.8% compared to 3Q20, equivalent to S/26.2 million more, resulting from the trade opening, the lifting of mobility restrictions, and the opening of commercial establishments. Sales of handsets were boosted through the "celebratón" campaign with 360° communication oriented to handsets. Special campaigns with handset discounts of up to 50% (on selected handsets), reduction of down payments, and an offer of financed handsets in plans starting at S/29.90.

On the **Pre-pay** segment, revenues amounted to S/146.4 million in 3Q21, an increase of 1.7% compared to 3Q20, which represents an additional S/2.4 million due to the increase in the recharging plant. On the other hand, the digital recharge percentage reached 19.2% (July 2021).

Revenues from **Wholesale Mobile** services amounted to S/37.0 million in 3Q21, 8.8% lower than in 3Q20, as a result of lower interconnection charges.

Operating Activities Income

The Operating Activities Income in 3Q21 was S/ -67.3 million, improving its income by S/ 56.3 million compared to 3Q20, due to higher fixed and mobile revenues, as well as lower personnel and depreciation and amortization expenses.

Non-Operating Income

The Non-Operating Income in 3Q21 was S/ -92.8 million, equivalent to S/27.3 million less compared to 3Q20, mainly due to lower financial revenues.

Net income for the fiscal year

The net income for the fiscal year in 3Q21 was S/ -157.5 million, S/10.8 million better compared to 3Q21 due to the better operating income, partially offset by lower financial revenues.

7. STATEMENT OF FINANCIAL POSITION

Total current assets in 3Q21 amounted to S/3.06 billion, higher by S/101 million as compared to the previous quarter. This result is partially attributable to an increase in Cash and cash equivalents, mainly due to higher collections, as well as a decrease in Trade accounts receivable and Other non-financial assets.

Total non-current assets reached S/10,267 million at the end of the third quarter of 2021, S/92 million lower than in the previous quarter, mainly due to the depreciation recorded in the quarter.

As a result, total assets were S/13,327 million, higher by S/9 million than at the end of 2Q21.

At the end of 3Q21, total current liabilities were S/6,189 million, S/393 million higher than in 2Q21. The change is mainly due to the reclassification of S/240 million from Other non-current financial liabilities, corresponding to the maturity of some financial obligations under one year; as well as the increase in Trade accounts payables and Income tax liabilities, partially offset by the decrease in Other provisions.

Total non-current liabilities amounted to S/4,082 million at the end of the third quarter of 2021, a balance S/229 million lower than that of the previous quarter. This change is mainly due to the reduction in Other non-current financial liabilities, as a result of the reclassification mentioned in the previous paragraph.

Finally, Total Equity decreased by S/155 million in 3Q21, to S/3,056 million, a change mainly accounted for by the fiscal year's result.

Relevant Financial Ratios

At the end of 3Q21, liquidity ($[\text{Total current assets} - \text{Cash and cash equivalents}] / \text{Total current liabilities}$) reached 0.34x, a lower ratio than that obtained in the previous quarter, which closed at 0.37x, mainly due to the increase in Other current financial liabilities.

Financial leverage ($\text{Financial liabilities}^* / \text{Total equity}$) reached 1.01x in the third quarter of the year, compared to 0.95x in the previous quarter, remaining at low levels in comparison to the industry.

*Does not include lease debt recorded from the adoption of IFRS16.

TELEFONICA DEL PERU S.A.A.
INCOME STATEMENT IN SOLES (000) FOR THE PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(Prepared in accordance with International Financial Reporting Standards - IFRS)

	3Q21		3Q20		Var. Abs. 3Q20-3Q21	Var. % 3Q20-3Q21	9M21		9M20		Var. Abs. 9M20-9M21	Var. % 9M20-9M21
		%		%		%		%		%		%
Revenues from ordinary activities	1,837,254	100.0	1,640,107	100.0	197,147	12.0	5,205,665	100.0	4,904,005	100.0	301,660	6.2
Fixed revenues	926,954	50.5	841,897	51.3	85,057	10.1	2,626,178	50.4	2,705,990	55.2	(79,812)	(2.9)
Service revenues (Voice + Broadband + TV)	719,622	39.2	689,666	42.1	29,956	4.3	2,102,236	40.4	2,110,397	43.0	(8,161)	(0.4)
Data + TI	129,808	7.1	76,926	4.7	52,882	68.7	306,375	5.9	367,899	7.5	(61,524)	(16.7)
Wholesale	41,571	2.3	43,562	2.7	(1,991)	(4.6)	122,424	2.4	125,813	2.6	(3,389)	(2.7)
Equipment (Voice + Broadband + TV)	21,113	1.1	18,849	1.1	2,264	12.0	54,915	1.1	57,799	1.2	(2,884)	(5.0)
Other fixed revenues	14,840	0.8	12,894	0.8	1,946	15.1	40,228	0.8	44,082	0.9	(3,854)	(8.7)
Mobile revenues	910,300	49.5	798,210	48.7	112,090	14.0	2,579,487	49.6	2,198,015	44.8	381,472	17.4
Contract	447,507	24.4	394,438	24.0	53,069	13.5	1,263,433	24.3	1,223,377	24.9	40,056	3.3
Handsets (Engagement + Loyalty)	248,891	13.5	222,682	13.6	26,209	11.8	723,251	13.9	445,433	9.1	277,818	62.4
Pre-pay	146,449	8.0	144,011	8.8	2,438	1.7	436,962	8.4	407,805	8.3	29,157	7.1
Wholesale	37,011	2.0	40,565	2.5	(3,554)	(8.8)	108,569	2.1	111,417	2.3	(2,848)	(2.6)
Other mobile revenues	30,442	1.7	(3,486)	(0.2)	33,928	(973.3)	47,272	0.9	9,983	0.2	37,289	373.5
Operating expenses	1,898,401	103.3	1,795,876	109.5	102,525	5.7	5,587,859	107.3	5,245,902	107.0	341,957	6.5
General and administrative	873,878	47.6	782,801	47.7	91,077	11.6	2,532,792	48.7	2,325,545	47.4	207,247	8.9
Cost of equipment sales	310,336	16.9	274,193	16.7	36,143	13.2	893,080	17.2	604,795	12.3	288,285	47.7
Depreciation and amortization	293,274	16.0	338,622	20.6	(45,348)	(13.4)	889,025	17.1	987,047	20.1	(98,022)	(9.9)
Depreciation of rights of use	49,249	2.7	51,815	3.2	(2,566)	(5.0)	156,315	3.0	152,060	3.1	4,255	2.8
Personnel	157,258	8.6	175,548	10.7	(18,290)	(10.4)	541,736	10.4	480,101	9.8	61,635	12.8
Interconnection expenses	69,173	3.8	66,608	4.1	2,565	3.9	189,596	3.6	196,611	4.0	(7,015)	(3.6)
Allowance for doubtful accounts and impairment of inventories	111,706	6.1	83,336	5.1	28,370	34.0	290,867	5.6	415,198	8.5	(124,331)	(29.9)
Fees for transfer of technical and management services	33,527	1.8	22,953	1.4	10,574	46.1	94,448	1.8	84,545	1.7	9,903	11.7
Operating income before other revenues and expenses, net	(61,147)	(3.3)	(155,769)	(9.5)	94,622	(60.7)	(382,194)	(7.3)	(341,897)	(7.0)	(40,297)	11.7
Other revenues - operating expenses, net	(6,125)	(0.3)	32,184	2.0	(38,309)	(119.0)	3,744	0.1	32,193	0.7	(28,449)	(88.4)
Operating activities profit	(67,272)	(3.7)	(123,585)	(7.5)	56,313	(45.6)	(378,450)	(7.3)	(309,704)	(6.3)	(68,746)	22.2
Financial revenues	1,173	0.1	12,926	0.8	(11,753)	(90.9)	28,242	0.5	40,950	0.8	(12,708)	(31.0)
Financial expenses	(89,486)	(4.9)	(80,298)	(4.9)	(9,188)	11.4	(253,088)	(4.9)	(262,945)	(5.4)	9,857	(3.7)
Net exchange rate differential	2,655	0.1	568	0.0	2,087	367.4	13,032	0.3	(12,747)	(0.3)	25,779	(202.2)
Equity in related party income	(7,140)	(0.4)	1,348	0.1	(8,488)	(629.7)	(11,478)	(0.2)	(2,463)	(0.1)	(9,015)	366.0
Non-operating income	(92,798)	(5.1)	(65,456)	(4.0)	(27,342)	41.8	(223,292)	(4.3)	(237,205)	(4.8)	13,913	(5.9)
Income before income tax	(160,070)	(8.7)	(189,041)	(11.5)	28,971	(15.3)	(601,742)	(11.6)	(546,909)	(11.2)	(54,833)	10.0
Income tax	2,544	0.1	20,729	1.3	(18,185)	(87.7)	(417,865)	(8.0)	46,569	0.9	(464,434)	(997.3)
Net income/(loss) for the fiscal year	(157,526)	(8.6)	(168,312)	(10.3)	10,786	(6.4)	(1,019,607)	(19.6)	(500,340)	(10.2)	(519,267)	103.8

This document should be read together with the corresponding Financial Statements and the notes thereto presented simultaneously, which are an integral part of this document and contain complementary information.

TABLE 2
TELEFONICA DEL PERU S.A.A.
STATEMENT OF FINANCIAL POSITION IN SOLES (000) AT SEPTEMBER 30, 2021
(Prepared in accordance with International Financial Reporting Standards - IFRS)

Assets						Liabilities and equity				
	3Q21	2Q21	1Q21	4Q20	3Q20	3Q21	2Q21	1Q21	4Q20	3Q20
Current assets						Current liabilities				
Cash and cash equivalents	948.679	792.451	954.490	869.917	532.850	Other financial liabilities	380.600	113.644	243.296	153.762
Trade accounts receivables, net	1,010.111	1,042.433	1,067.684	1,178.284	1,393.112	Lease liabilities	315.737	312.464	354.922	336.268
Contract assets	21.237	27.777	33.039	39.016	48.874	Trade accounts payables	1,910.082	1,811.981	1,746.911	1,708.191
Accounts receivable of related entities	-	-	-	-	485.325	Contractual liabilities	174.270	151.044	149.813	149.664
Other accounts receivables, net	221.664	253.183	251.921	281.695	171.420	Other accounts payable of related entities	5.544	4.557	5.848	5.284
Inventory	223.104	204.684	207.419	168.288	173.085	Other accounts payable	247.515	267.876	250.320	270.641
Income tax asset	153.758	135.410	141.012	135.715	154.751	Deferred income	38.025	39.488	30.543	29.277
Other non-financial assets	481.212	502.496	451.806	367.335	413.399	Other provisions	375.311	394.195	397.636	395.322
Available-for-sale assets	-	-	-	-	59.316	Income tax liabilities	2,741.915	2,700.256	1,755.905	2,217.840
Total current assets	3,059,765	2,958,434	3,107,371	3,040,250	3,432,132	Total current liabilities	6,188,999	5,795,505	4,935,194	5,266,249
Trade accounts receivables, net	1.441	1.728	1.604	503	526	Other financial liabilities	2,718,819	2,950,091	2,946,207	2,943,715
Accounts receivable of related entities	-	-	-	-	-	Lease liabilities	814.460	830.419	786.953	790.481
Contract assets	1.585	2.103	3.527	4.461	3.406	Other accounts payable	63.452	59.919	47.453	132.642
Other accounts receivables, net	100.472	59.916	61.765	65.158	179.825	Other accounts payable of related entities	3.190	2.835	2.777	2.589
Investments in subsidiaries and associates	248.317	252.629	259.424	267.553	268.079	Contractual liabilities	82.088	77.241	68.901	59.669
Property, plant, and equipment	29,118,928	29,030,885	28,944,115	28,893,401	28,493,326	Deferred income	71.636	76.274	77.520	81.359
Accumulated depreciation	(23,986,024)	(23,755,952)	(23,519,078)	(23,325,884)	(22,786,839)	Other provisions	261.128	233.429	259.790	259.231
	5,132,904	5,274,933	5,425,037	5,567,517	5,706,487	Non-current income tax liabilities	67.656	81.656	78.462	77.866
						Deferred tax liabilities	-	-	-	-
Intangible assets other than goodwill (net)	1,887,086	1,898,231	1,918,251	1,927,888	1,927,660	Total non-current liabilities	4,082,429	4,311,864	4,268,063	4,348,066
Right-of-use assets	883.816	918.976	945.761	953.798	949.454	Total liabilities	10,271,428	10,107,369	9,203,257	9,614,315
Deferred tax assets	475.620	435.628	365.225	369.919	299.372	Equity				
Goodwill	1,215,145	1,215,145	1,215,145	1,215,145	1,215,145	Issued capital	2,876,152	2,876,152	2,876,152	2,876,152
Other non-financial assets	321.077	300.037	280.819	263.207	263.262	Issue premiums	77.899	77.899	77.899	77.899
Total non-current assets	10,267,463	10,359,326	10,476,558	10,635,149	10,813,216	Other capital reserves	601.855	600.063	600.063	587.847
						Accumulated income	(498.326)	(340.800)	829.636	521.281
						Other equity reserves	(1.780)	(2.923)	(3.078)	(2.095)
						Total equity	3,055,800	3,210,391	4,380,672	4,061,084
Total assets	13,327,228	13,317,760	13,583,929	13,675,399	14,245,348	Total liabilities and equity	13,327,228	13,317,760	13,583,929	13,675,399

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