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Telefónica

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DISCLAIMER

The financial information related to 2020 and 2021 contained in this document has been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union. This information is unaudited.

Changes to the consolidation perimeter

During January-September 2021, the following changes have been made to the consolidation perimeter:

- On 1 June 2021, following the agreement reached between Telefónica and Liberty Global to combine into a 50-50 joint venture (JV) their operating businesses in the UK, after obtaining the relevant regulatory approvals, consummation of the necessary recapitalisations and satisfaction of other closing conditions, the closing of the transaction was carried out, resulting in the combination of both businesses into the JV called VMED O2 UK Ltd (VMO2).
- On 1 June 2021, following the agreement reached between Telxius Telecom and American Tower International for the sale of Telxius telecommunications towers division and once obtaining the relevant regulatory approvals in Spain and Germany, the closing of the sale of the telecommunication towers division located in Europe was carried out.
- Subsequently, on 3 June 2021, in relation to the above agreement, the closing of the sale of the telecommunication towers division located in Latin America (Brazil, Peru, Chile and Argentina) was carried out.
- On July 1, 2021, the transaction regarding the stock purchase agreement entered into between T. Chile and KKR for the sale of 60% of the shares of "InfraCo" was completed.
- Following the agreement reached by T. Brasil and T. Infra with Caisse de dépôt et placement du Québec on March 2, 2021, for the construction, deployment and commercialization of a FTTH network in Brazil, in medium-sized cities outside the State of São Paulo, through a JV called "FiBrasil". Once the relevant authorizations were obtained, the transaction was closed on July 2, 2021. Telefónica Group and CDPQ will each own a 50% stake in FiBrasil, under a co-control governance model.
- On July 29, 2021, T. Cybersecurity & Cloud Tech reached an agreement with Cancom Group for the acquisition of 100% of the shares of the British company Cancom (Cancom UK&I, renamed to Telefónica Tech UK & Ireland, Limited).
- On August 2, 2021, regarding the agreement reached between Telxius Telecom and American Tower International for the sale of Telxius telecommunications towers division, the closing of the sale to ATC of 4,080 sites that Telxius undertook to acquire from T. Germany, under the second phase of the agreement reached between both parties on June 8, 2020 was carried out.
- On August 9, 2021, after the satisfaction of the closing conditions and obtaining the relevant regulatory approvals, Telefónica transferred the entire share capital of T. Costa Rica to Liberty Latin America.

Reporting perimeter

Following the constitution of the VMO2 joint venture on June 1, 2021, T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method. Therefore, T. UK segment include its results until June 1, 2021. On the other hand, the information corresponding to the 50% of the VMO2 joint venture on revenue, OIBDA, CapEx and OIBDA-CapEx has been provided since June 2021.

T. Infra is no longer a reportable segment and therefore its results have been included in "Other companies and eliminations" line since Q1 21, which has been restated including T. Infra since January 2020 for comparative purposes. Following the exit from the perimeter of consolidation of Telxius towers division since June 1, 2021, "Other companies & eliminations" line include the results of T. Infra related with Telxius tower business until June 1, 2021.

T. Tech: Reported perimeter in 2021 refers to "Telefónica Tech" once the business carve-out and transfer of assets from different OB's is completed. For comparative purposes, "Telefónica Tech" proforma perimeter for 2020 has been calculated to report a y-o-y change estimated according to the perimeter of Tech's revenues.

Accesses & KPIs

New information has been included since Q2 21 (in the Segments applicable) and is also given for comparative purposes from January 2020:

- UBB Premises Passes of the VMO2 joint venture.
- Accesses of the VMO2 joint venture.

While since Q1 21 (in the Segments applicable) and also given for comparative purposes from January 2020:

- FTTH Uptake (%) is included in KPIs tables for the Group and the OBs. It is calculated as FTTH retail and wholesale accesses connected to the OB's owned FTTH premises passed.

Furthermore, since the first quarter of 2021, information regarding Key Holdings of the Telefónica Group has been included in this document.

TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses	336,610.7	331,436.4	335,158.7	339,715.9	341,122.6	343,474.8	341,887.8
Fixed telephony accesses	34,927.7	34,172.2	33,371.1	32,706.1	32,006.5	31,395.9	30,521.3
Broadband	25,798.1	25,640.2	25,578.8	25,497.5	25,586.7	25,662.6	25,713.4
UBB	19,713.4	19,943.6	20,314.8	20,633.1	21,071.9	21,481.7	21,873.3
FTTH	8,565.7	8,950.3	9,486.8	9,964.2	10,574.6	11,142.7	11,709.8
Mobile accesses	263,652.7	259,467.7	264,224.9	269,643.1	271,780.1	274,917.0	274,263.8
Prepay	129,784.0	126,336.4	128,978.9	131,676.4	131,508.6	131,764.2	129,147.7
Contract	109,181.1	108,856.6	110,022.0	111,808.9	113,511.4	114,988.2	115,899.8
IoT	24,687.6	24,274.6	25,224.0	26,157.7	26,760.1	28,164.6	29,216.4
Pay TV	11,909.1	11,832.7	11,665.4	11,557.5	11,447.2	11,258.2	11,152.0
Wholesale Accesses	22,327.0	22,554.7	23,068.9	22,455.0	23,066.4	23,747.4	23,854.6
Fixed wholesale accesses	3,793.6	3,753.1	3,742.5	3,722.8	3,698.1	3,679.6	3,699.8
Mobile wholesale accesses	18,533.4	18,801.6	19,326.4	18,732.1	19,368.3	20,067.8	20,154.8
Total Accesses	358,937.7	353,991.1	358,227.6	362,170.9	364,189.0	367,222.2	365,742.4

Notes:

- VMO2 accesses have been included since June 2021 and are also reported for comparative purposes from January 2020.
- FTTH accesses includes Spain, Brazil and Hispam connections

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
UBB Premises passed (1)	71,808.5	73,321.6	75,283.3	77,110.6	78,574.9	80,370.9	82,270.4
FTTH	41,082.9	42,952.5	45,611.0	47,824.2	49,271.3	51,444.9	53,522.9
Up-Take FTTH	26%	26%	26%	26%	27%	27%	27%

Notes:

- (1) VMO2 UBB premises passed included since June 2021 and also reported for comparative purposes from January 2020.
- FTTH and Up-Take FTTH includes premises passed and connections in Spain (including wholesale), Brazil and Hispam.

TELEFÓNICA

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298
Other income	374	309	320	584	1,587	316	10,559	1,144
Operating expenses	(7,970)	(7,219)	(7,315)	(7,725)	(30,230)	(7,233)	(7,036)	(6,662)
Impairments & losses on disposal of assets	(9)	(115)	(795)	(16)	(935)	(7)	(18)	(45)
<i>Underlying operating income before D&A (OIBDA)</i>	<i>3,802</i>	<i>3,430</i>	<i>3,518</i>	<i>3,732</i>	<i>14,481</i>	<i>3,494</i>	<i>3,270</i>	<i>3,034</i>
Operating income before D&A (OIBDA)	3,760	3,315	2,672	3,751	13,498	3,417	13,469	3,734
<i>OIBDA Margin</i>	<i>33.1%</i>	<i>32.1%</i>	<i>25.5%</i>	<i>34.4%</i>	<i>31.3%</i>	<i>33.0%</i>	<i>135.2%</i>	<i>40.2%</i>
Depreciation and amortisation	(2,669)	(2,282)	(2,128)	(2,280)	(9,359)	(2,023)	(2,116)	(2,155)
Operating income (OI)	1,091	1,033	544	1,471	4,139	1,394	11,353	1,579
Share of profit (loss) of investments accounted for by the equity method	1	3	2	(4)	2	(4)	(64)	10
Net financial income (expense)	(428)	(321)	(532)	(278)	(1,558)	(240)	(312)	(386)
Profit before taxes	664	716	14	1,189	2,583	1,150	10,977	1,203
Corporate income tax	(196)	(224)	(108)	(98)	(626)	(206)	(994)	(355)
Profit for the period	468	491	(93)	1,091	1,957	944	9,983	849
Attributable to equity holders of the Parent	406	425	(160)	911	1,582	886	7,743	706
Attributable to non-controlling interests	62	66	67	180	375	58	2,240	143
Weighted average number of ordinary shares outstanding during the period (millions)	5,663	5,699	5,679	5,631	5,668	5,619	5,609	5,581
Basic and diluted earnings per share attributable to equity holders of the Parent (Euros)	0.06	0.07	(0.04)	0.15	0.23	0.14	1.37	0.12
<i>Underlying basic and diluted earnings per share attributable to equity holders of the Parent (Euros)</i>	<i>0.10</i>	<i>0.11</i>	<i>0.12</i>	<i>0.17</i>	<i>0.50</i>	<i>0.18</i>	<i>0.09</i>	<i>0.08</i>

Notes:

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in resources (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in July and December 2020, and June 2021, have been taken into account.

- Basic and diluted earnings per share ratio is calculated dividing Profit for the period Attributable to equity holders of the Parent, adjusted for the net coupon corresponding to "Other equity instruments" (€181m in January-September 2021 and €196m in January-September 2020), by the weighted average number of ordinary shares outstanding during the period.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

CONSOLIDATED REVENUES BREAKDOWN

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298
Handsets	1,258	1,050	1,235	1,547	5,089	1,226	1,098	891
Service Revenues	10,108	9,290	9,227	9,361	37,986	9,114	8,866	8,407
% over service revenues								
Voice & Access	33%	31%	31%	30%	31%	29%	30%	28%
BB & SoC	65%	67%	68%	68%	67%	70%	70%	72%
Others	2%	2%	1%	1%	2%	1%	0%	0%

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

REVENUES BREAKDOWN

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	3,078	3,028	3,103	3,192	12,401	3,050	3,045	3,114
T. DEUTSCHLAND	1,846	1,790	1,873	2,023	7,532	1,850	1,893	1,967
T. UK	1,739	1,632	1,596	1,742	6,708	1,552	1,076	-
T. BRASIL	2,215	1,739	1,720	1,748	7,422	1,645	1,672	1,791
T. HISPAM	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124
Other companies and eliminations	284	270	266	270	1,091	304	271	302
TOTAL GROUP	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	10,443	10,814

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	1,225	1,211	1,298	1,311	5,046	1,194	1,158	1,182
T. DEUTSCHLAND	532	563	577	637	2,309	557	616	623
T. UK	516	496	516	535	2,064	547	372	-
T. BRASIL	951	716	719	802	3,188	702	778	846
T. HISPAM	502	361	(344)	471	990	396	373	872
Other companies and eliminations	35	(32)	(96)	(5)	(98)	21	10,173	211
TOTAL GROUP	3,760	3,315	2,672	3,751	13,498	3,417	13,469	3,734
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	13,645	4,273

Notes:

- OIBDA before management and brand fees.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

OIBDAaL BREAKDOWN

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	1,153	1,135	1,224	1,236	4,748	1,118	1,062	1,095
T. DEUTSCHLAND	398	423	429	513	1,764	404	468	477
T. UK	461	475	514	535	1,985	545	370	-
T. BRASIL	827	606	621	660	2,713	578	639	699
T. HISPAM	366	233	(465)	330	463	273	242	748
Other companies and eliminations	61	(1)	(54)	25	30	98	10,234	204
TOTAL GROUP	3,265	2,872	2,269	3,298	11,703	3,016	13,015	3,224

Notes:

- OIBDA before management and brand fees.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	344	304	376	384	1,408	334	386	645
T. DEUTSCHLAND	224	251	251	368	1,094	228	280	303
T. UK	221	185	205	302	913	768	166	-
T. BRASIL	337	328	287	420	1,372	295	353	354
T. HISPAM	325	133	155	220	833	350	151	154
Other companies and eliminations	32	35	72	101	241	32	60	37
TOTAL GROUP	1,485	1,236	1,346	1,795	5,861	2,006	1,394	1,493
Spectrum	-	-	-	126	126	668	6	315
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	1,488	1,791

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited figures (Euros in millions)

	2020				2021		
	March	June	September	December	March	June	September
Non-current assets	89,440	75,913	72,475	71,396	69,568	84,014	83,872
Intangible assets	14,545	12,191	11,645	11,488	11,286	11,115	11,086
Goodwill	23,290	17,976	17,020	17,044	16,793	17,124	16,907
Property, plant and equipment	29,794	25,675	24,428	23,769	23,063	23,163	22,453
Rights of Use	6,209	5,414	5,230	4,982	5,197	7,276	7,466
Investments accounted for by the equity method	440	433	391	427	443	12,406	12,582
Financial assets and other non-current assets	8,952	7,901	7,571	7,270	6,475	7,183	7,872
Deferred tax assets	6,209	6,323	6,191	6,416	6,311	5,747	5,506
Current assets	22,513	34,487	33,397	33,655	33,442	29,596	25,285
Inventories	1,626	1,467	2,075	1,718	1,486	1,523	2,094
Receivables and other current assets	10,073	7,998	7,734	7,523	7,586	8,037	8,195
Tax receivables	1,255	1,185	1,106	902	949	1,359	1,417
Other current financial assets	3,723	3,609	3,240	2,495	1,498	2,738	3,463
Cash and cash equivalents	5,021	6,815	5,913	5,604	4,940	14,522	9,791
Non-current assets and disposal groups held for sale (1)	815	13,413	13,328	15,413	16,983	1,417	325
Total Assets = Total Equity and Liabilities	111,953	110,400	105,872	105,051	103,010	113,610	109,156
Equity	21,474	19,501	17,416	18,260	19,152	32,599	32,410
Equity attributable to equity holders of the parent and other holders of equity instruments	14,135	12,687	10,866	11,235	12,227	23,362	23,302
Equity attributable to non-controlling interests	7,339	6,814	6,551	7,025	6,925	9,237	9,108
Non-current liabilities	61,840	61,845	59,468	58,674	56,609	56,553	54,801
Non-current financial liabilities	43,588	44,636	42,861	42,297	40,451	38,141	36,189
Non-current lease liabilities	4,771	4,214	4,036	4,039	4,174	5,854	6,196
Payables and other non-current liabilities	2,834	2,600	2,679	2,561	2,547	2,870	2,962
Deferred tax liabilities	2,682	2,577	2,346	2,620	2,647	2,806	2,784
Non-current provisions	7,965	7,818	7,546	7,157	6,790	6,882	6,670
Current liabilities	28,639	29,054	28,988	28,117	27,249	24,458	21,945
Current financial liabilities	9,740	9,471	9,677	8,123	7,832	7,512	4,703
Current lease liabilities	1,601	1,469	1,567	1,255	1,227	1,821	1,732
Payables and other current liabilities	12,809	10,834	10,674	10,912	10,413	11,287	11,983
Current tax payables	2,618	1,918	1,771	1,732	1,656	2,089	2,114
Current provisions	1,516	1,379	1,364	1,304	1,311	1,354	1,297
Liabilities associated with non-current assets and disposal groups held for sale (1)	355	3,983	3,935	4,791	4,809	395	117

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

(1) As of September 2021 includes assets and liabilities of T. El Salvador, Colombia fiber vehicle and other companies. As of December 2020 includes assets and liabilities of T. UK and T. Costa Rica, as well as assets and liabilities subject to the agreement of Telxius Telecom with American Tower Corporation, reclassified as held for sale.

TELEFÓNICA

CONSOLIDATED CASH FLOW STATEMENT

Unaudited figures (Euros in millions)

	2020				2021		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
Cash received from operations	14,010	25,782	38,362	51,353	12,751	24,368	35,105
Cash paid from operations	(10,912)	(19,240)	(27,931)	(36,477)	(9,517)	(18,238)	(26,116)
Net payments of interest and other financial expenses net of dividends received	(666)	(897)	(1,056)	(1,171)	(571)	(777)	(1,066)
Taxes proceeds/(paid)	(173)	(357)	(462)	(509)	(107)	(241)	(379)
Net cash flow provided by operating activities	2,259	5,288	8,913	13,196	2,556	5,112	7,544
(Payments)/proceeds on investments in property, plant and equipment and intangible assets, net	(1,749)	(3,493)	(5,272)	(7,020)	(2,184)	(3,550)	(5,144)
Proceeds on disposals/ (payments on investments) in companies, net of cash and cash equivalents disposed	11	6	(38)	2	38	13,186	14,172
Proceeds/(payments) on financial investments and placements of cash surpluses not included under cash equivalents	1,074	1,455	(149)	(772)	16	(1,026)	(1,778)
Net cash flow used in investing activities	(664)	(2,032)	(5,458)	(7,790)	(2,130)	8,610	7,250
Dividends paid	(164)	(336)	(853)	(1,296)	(52)	(498)	(619)
Proceeds from share capital increase	-	-	-	323	-	-	-
Proceeds/(payments) of treasury shares and other operations with shareholders and with minority interests	(11)	(5)	(213)	(223)	(16)	(112)	(361)
Operations with other equity holders (1)	(904)	(930)	(983)	(1,020)	61	19	(283)
Proceeds on issue of debentures and bonds, loans, borrowing and promissory notes, and other debts	2,095	6,263	7,977	8,527	3,557	2,179	1,587
Repayments of debentures and bonds, and other debts and repayments of loans, borrowings and promissory notes	(2,586)	(5,884)	(7,515)	(9,580)	(3,830)	(5,259)	(9,233)
Lease Principal Payments	(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)
Financed operating payments and investments in property, plant and equipment and intangible assets payments	(140)	(231)	(259)	(382)	(61)	(124)	(147)
Net cash used in financing activities	(2,267)	(2,014)	(3,062)	(5,438)	(886)	(4,711)	(10,359)
Effect of changes in exchange rates, cash reclassified to assets held for sale, effect of changes in consolidation methods and others	(349)	(469)	(522)	(406)	(204)	(93)	(248)
Net increase (decrease) in cash and cash equivalents during the year	(1,021)	773	(129)	(438)	(664)	8,918	4,187
Cash and cash equivalents at the beginning of the period	6,042	6,042	6,042	6,042	5,604	5,604	5,604
Cash and cash equivalents at the end of the period	5,021	6,815	5,913	5,604	4,940	14,522	9,791

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

(1) Includes issuance and coupons of undated deeply subordinated securities.

TELEFÓNICA
CHANGE IN DEBT

Unaudited figures (Euros in millions)

	2020				2021		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
Net financial debt at beginning of period	37,744	37,744	37,744	37,744	35,228	35,228	35,228
+ Free Cash Flow including Lease Principal Payments	(233)	(1,222)	(2,801)	(4,794)	(33)	(910)	(1,470)
+ Hybrids	723	723	723	723	(211)	(211)	35
+ Shareholder remuneration (including hybrid coupons)	351	372	1,003	1,022	215	620	929
+ Pre-retirement commitments	284	493	697	963	231	466	657
+ Net financial investments (1)	4	(9)	41	18	(11)	(12,071)	(13,157)
+ FX & Others	(651)	(900)	(733)	(449)	377	29	(256)
Net financial debt at end of period	38,223	37,201	36,676	35,228	35,796	23,152	21,965
+ Lease Liabilities	6,531	6,436	6,316	6,469	6,584	7,874	7,941
Net Financial Debt plus Lease Liabilities at end of period	44,754	43,637	42,992	41,697	42,380	31,026	29,906

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

(1) In January-September 2021 includes €5.0bn related with the UK JV, €4.1bn with Telxius towers sale (post estimated distribution of proceeds to Telxius minorities), and approx. €1bn from the sale of T. Deutschland towers, sale of T. Costa Rica and closure of fiber vehicles in Chile and Brazil, partially offsetting the acquisition of Cancom UK&I.

- Net financial debt stood at €25.0bn as of September 2021 post estimated distribution of proceeds to Telxius minorities.

TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX

Unaudited figures (Euros in millions)

	2020				2021		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan -Dec	Jan - Mar	Jan - Jun	Jan - Sep
OIBDA	3,760	7,075	9,747	13,498	3,417	16,886	20,620
- CapEx accrued during the period	(1,485)	(2,721)	(4,067)	(5,861)	(2,006)	(3,400)	(4,893)
- Non-cash items & Others (1)	(2)	110	939	906	26	(10,148)	(10,881)
- Working Capital	(640)	(921)	(764)	189	(177)	(313)	(365)
- Net interest payment	(666)	(897)	(1,056)	(1,171)	(571)	(777)	(1,066)
- Payment for tax	(173)	(357)	(462)	(509)	(107)	(241)	(379)
- Dividends paid to minority shareholders	(4)	(175)	(322)	(471)	(3)	(181)	(263)
= Free Cash Flow excluding Lease Principal Payments	790	2,113	4,016	6,581	579	1,826	2,773
- Lease Principal Payments	(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)
= Free Cash Flow including Lease Principal Payments	233	1,222	2,801	4,794	33	910	1,470
Weighted average number of ordinary shares outstanding during the period (millions)	5,663	5,681	5,681	5,668	5,619	5,614	5,603
= Free Cash Flow per share (Euros)	0.04	0.22	0.49	0.85	0.01	0.16	0.26

Notes:

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in resources (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in July and December 2020, and June 2021, have been taken into account.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

- Spectrum payments amounted to €1,012m in January-September 2021 (€521m in the UK, €333m in Spain, €133m in Chile, €21 in Germany and €3m in Colombia). In January-September 2020 amounted to €10m.

(1) In January-September 2021 it was associated mainly to capital gains (€4.4bn VMO2 JV, €5.8bn Telxius towers and €0.8bn from the sale of T. Deutschland towers, the sales of Costa Rica, InfraCo Chile and FiBrasil). It includes also €44m related to commitments associated with long-term restructuring plans mainly in Hispam and "Other companies and eliminations". In January-September 2020 it related mainly with impairments in Argentina of €894m, while also included €45m related to commitments associated with long-term restructuring plans mainly in Germany, Hispam and "Other companies and eliminations".

TELEFÓNICA
EXCHANGE RATES APPLIED TO P&L AND CAPEX

Currency units per Euro	2020				2021		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
USA (US Dollar)	1.103	1.102	1.123	1.140	1.205	1.205	1.196
United Kingdom (Sterling)	0.861	0.874	0.884	0.889	0.874	0.868	0.863
Argentina (Argentine Peso) (1)	70.621	78.883	89.182	103.231	107.898	113.856	114.286
Brazil (Brazilian Real)	4.887	5.347	5.628	5.811	6.595	6.480	6.368
Chile (Chilean Peso)	885.042	894.831	900.447	901.811	872.585	867.566	881.562
Colombia (Colombian Peso)	3,885.668	4,048.665	4,147.863	4,197.730	4,286.712	4,366.793	4,421.629
Costa Rica (Colon)	633.312	633.312	652.742	669.792	740.741	742.942	740.741
Mexico (Mexican Peso)	21.886	23.618	24.313	24.360	24.504	24.306	24.065
Peru (Peruvian Nuevo Sol)	3.749	3.761	3.881	3.978	4.411	4.490	4.580
Uruguay (Uruguayan Peso)	43.446	45.360	46.807	47.758	51.966	52.426	51.922
Venezuela (1)	167,953.860	350,934.727	756,556.031	2,569,519.031	5,597,180.912	10,695,402.523	15,303,843.703

Notes:

- Average exchange rate for the period.

(1) Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro (in the case of Venezuela Telefonía uses a synthetic exchange rate).

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Currency units per Euro	2020				2021		
	March	June	September	December	March	June	September
USA (US Dollar)	1.095	1.120	1.171	1.227	1.173	1.189	1.158
United Kingdom (Sterling)	0.887	0.913	0.913	0.898	0.852	0.858	0.861
Argentina (Argentine Peso)	70.621	78.883	89.182	103.231	107.898	113.856	114.286
Brazil (Brazilian Real)	5.695	6.131	6.604	6.376	6.683	5.949	6.296
Chile (Chilean Peso)	933.315	919.447	922.765	872.227	846.661	865.561	939.814
Colombia (Colombian Peso)	4,441.345	4,205.533	4,525.686	4,211.165	4,314.846	4,458.275	4,413.472
Costa Rica (Colon)	643.501	653.168	710.227	757.576	722.543	739.645	728.863
Mexico (Mexican Peso)	25.725	25.851	25.926	24.425	23.975	23.675	23.802
Peru (Peruvian Nuevo Sol)	3.765	3.961	4.211	4.442	4.406	4.588	4.785
Uruguay (Uruguayan Peso)	47.111	47.261	49.847	51.945	51.829	51.828	49.705
Venezuela	167,953.860	350,934.727	756,556.031	2,569,519.031	5,597,180.912	10,695,402.523	15,303,843.703

Notes:

- Exchange rates as of the end of the period.

TELEFÓNICA

2021 MAIN LONG TERM FINANCING OPERATIONS

Unaudited figures

	Issue date	Amount (m)	Currency	Issuer	Coupon	Maturity date	ISIN code
DEBENTURES AND BONDS							
CLP Bond	4/15/2021	90,000	CLP	Telefónica Móviles Chile, S.A.	3.600 %	3/1/2026	CL0002672179
USD Green Bond	7/7/2021	1,400 (1)	USD	VMED O2 UK Financing I plc	4.750 %	7/15/2031	US92858RAB69
GBP Green Bond	7/7/2021	675	GBP	VMED O2 UK Financing I plc	4.500 %	7/15/2031	US92769XAR61

	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Hybrid bond	2/12/2021	1,000	EUR	Telefónica Europe B.V.	2.376 %	5/12/2029	XS2293060658

	Signing date	Amount	Currency	Borrower	Maturity date
INTEREST-BEARING DEBT					
Capex facility	3/15/2021	1,500	EUR	Unsere Grüne Glasfaser GMBH & CO. KG (UGG)*	3/15/2028
Syndicated facility	3/15/2021	150	EUR	Unsere Grüne Glasfaser GMBH & CO. KG (UGG)*	3/15/2028
Bilateral Loan	3/26/2021	200	EUR	Telefónica, S.A.	3/31/2022
Sustainability linked bilateral Loan	7/6/2021	500,000	COP	Colombia Telecomunicaciones S.A ESP BIC	3/19/2025

1. There was a reopening of \$550M with issue date on July, 19th 2021

* JV of Allianz Group and Telefónica Group (UGG) financing which is not consolidated at TSA

TELEFÓNICA
 RECONCILIATION REPORTED VS. BASIS FOR 2021 GUIDANCE
 Unaudited figures (Euros in millions)

	Base 2020
REVENUES	Jan - Dec
<hr/>	
TELEFÓNICA	
REPORTED DATA	43,076
Changes in the consolidation perimeter	(3,899)
TELEFÓNICA TOTAL REVENUES ADJUSTED BASE	39,177

	Base 2020
OIBDA	Jan - Dec
<hr/>	
TELEFÓNICA	
REPORTED DATA	13,498
Restructuring charges	115
Changes in the consolidation perimeter	(1,278)
Capital gains /losses on sale of assets	(25)
Others	894
TELEFÓNICA TOTAL OIBDA ADJUSTED BASE	13,203

	Base 2020
CAPEX/SALES (ex spectrum)	Jan - Dec
<hr/>	
TELEFÓNICA	
CAPEX REPORTED DATA	5,861
Changes in the consolidation perimeter	(657)
Spectrum	(32)
TELEFÓNICA TOTAL CAPEX EX- SPECTRUM ADJUSTED BASE	5,173
TELEFÓNICA TOTAL CAPEX/SALEX ADJUSTED BASE	13.2 %

Notes:

Criteria for 2021 guidance:

Assumes constant exchange rates of 2020 (average in 2020). Excludes the contribution to growth from T. Argentina and T. Venezuela. Considers constant perimeter of consolidation and does not include capital gains/losses from the sale of companies, for significant impacts. Does not include write-offs, material non-recurring impacts and restructuring costs. CapEx excludes investments in spectrum.

TELEFÓNICA ESPAÑA

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020				2021			
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep
Revenues	3,078	3,028	3,103	3,192	12,401	3,050	3,045	3,114
Mobile handset revenues	64	44	73	83	264	82	71	100
Revenues ex-mobile handset revenues	3,014	2,984	3,030	3,109	12,137	2,968	2,974	3,014
Retail	2,477	2,439	2,459	2,531	9,906	2,432	2,395	2,392
Wholesale & others	537	545	571	578	2,231	536	579	622
Operating income before D&A (OIBDA)	1,225	1,211	1,298	1,311	5,046	1,194	1,158	1,182
<i>OIBDA Margin</i>	<i>39.8%</i>	<i>40.0%</i>	<i>41.8%</i>	<i>41.1%</i>	<i>40.7%</i>	<i>39.2%</i>	<i>38.0%</i>	<i>38.0%</i>
CapEx	344	304	376	384	1,408	334	386	645
Spectrum	-	-	-	-	-	21	2	312
OIBDA-CapEx	881	907	923	928	3,638	860	772	537

Notes:

- OIBDA before management and brand fees.

TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses	37,874.0	37,936.9	37,922.1	37,615.1	37,143.5	36,881.0	36,809.2
Fixed telephony	8,918.6	8,917.6	8,882.5	8,731.0	8,616.6	8,523.4	8,437.9
Broadband	5,985.2	5,993.4	6,030.3	5,961.9	5,911.1	5,888.6	5,873.6
FTTH	4,393.0	4,452.0	4,556.9	4,614.1	4,671.0	4,726.7	4,774.5
Mobile	18,926.7	18,960.3	18,993.7	18,977.8	18,711.0	18,658.2	18,732.9
Prepay	1,070.2	1,012.7	940.0	888.1	840.1	806.0	783.6
Contract	15,209.9	15,279.8	15,365.1	15,383.7	15,259.7	15,185.8	15,194.8
IoT	2,646.6	2,667.7	2,688.6	2,706.0	2,611.2	2,666.4	2,754.5
Pay TV	4,032.3	4,054.3	4,004.3	3,934.5	3,895.3	3,801.3	3,755.5
Wholesale Accesses	3,772.4	3,719.9	3,709.2	3,689.5	3,676.8	3,658.3	3,679.1
FTTH	2,292.5	2,361.3	2,489.6	2,599.8	2,708.1	2,801.7	2,907.1
Total Accesses	41,646.4	41,656.7	41,631.4	41,304.6	40,820.3	40,539.3	40,488.3

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
UBB Premises passed (FTTH)	23,421.8	23,650.1	24,445.4	25,219.4	25,651.3	26,134.6	26,520.1
UBB Up-take (FTTH)	29%	29%	29%	29%	29%	29%	29%

Note:

- Up-Take FTTH includes retail accesses and wholesale accesses of T. España connected to the FTTH network

CONVERGENT KPIs

	2020				2021		
	March	June	September	December	March	June	September
Convergent clients (thousands)	4,824.5	4,830.3	4,847.3	4,824.8	4,781.6	4,725.9	4,682.7
Convergent ARPU (EUR) (cumulative YTD)	91.8	91.3	91.5	91.4	89.7	88.5	88.9
Convergent churn (cumulative YTD)	1.5%	1.2%	1.3%	1.4%	1.5%	1.5%	1.4%

Note:

- Convergent include Consumer, SOHO and SMEs clients

TELEFÓNICA DEUTSCHLAND
CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep
Revenues	1,846	1,790	1,873	2,023	7,532	1,850	1,893	1,967
Mobile Business	1,650	1,597	1,672	1,810	6,730	1,654	1,688	1,760
Handset revenues	339	322	311	451	1,423	347	318	339
Fixed Business	193	193	198	202	785	200	200	203
Operating income before D&A (OIBDA)	532	563	577	637	2,309	557	616	623
OIBDA Margin	28.8%	31.4%	30.8%	31.5%	30.7%	30.1%	32.5%	31.7%
CapEx	224	251	251	368	1,094	228	280	303
Spectrum	-	-	-	-	-	-	-	-
OIBDA-CapEx	308	312	326	268	1,214	328	336	320

Note:

- OIBDA before management and brand fees.

TELEFÓNICA DEUTSCHLAND

ACCESSES

Unaudited figures (Thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses	48,121.7	48,017.7	48,544.9	48,804.7	48,942.4	49,485.1	49,838.4
Fixed telephony accesses	2,149.1	2,163.4	2,170.9	2,180.2	2,173.0	2,171.5	2,172.8
Broadband	2,231.7	2,245.2	2,251.6	2,261.1	2,253.9	2,253.2	2,255.4
UBB (1)	1,687.7	1,728.8	1,762.3	1,797.8	1,809.1	1,823.2	1,837.7
Mobile accesses	43,647.1	43,516.5	44,032.4	44,274.8	44,428.2	44,974.5	45,325.3
Prepay	19,689.4	19,323.0	19,530.7	19,283.3	19,174.7	19,265.5	19,161.2
Contract	22,727.2	22,885.3	23,146.3	23,581.3	23,801.4	24,175.3	24,590.3
IoT	1,230.4	1,308.2	1,355.4	1,410.1	1,452.1	1,533.7	1,573.8
Total Accesses	48,121.7	48,017.7	48,544.9	48,804.7	48,942.4	49,485.1	49,838.4

Notes:

(1) UBB accesses refers to VDSL accesses in Germany.

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021		
	March	June	September	December	March	June	September
Mobile churn (quarterly)	2.0%	1.9%	1.6%	1.8%	1.6%	1.4%	1.7%
Contract	1.5%	1.4%	1.4%	1.3%	1.3%	1.0%	1.2%
Mobile churn (cumulative YTD)	2.0%	1.9%	1.8%	1.8%	1.6%	1.5%	1.6%
Contract	1.5%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%
Mobile ARPU (EUR) (cumulative YTD)	9.8	9.7	9.9	9.9	9.7	9.9	10.0
Contract	13.7	13.5	13.6	13.6	13.2	13.4	13.5

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

TELEFÓNICA UK
CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020				2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - May
Revenues	1,739	1,632	1,596	1,742	6,708	1,552	1,076
Mobile revenues	1,678	1,566	1,546	1,685	6,476	1,496	1,037
Handset revenues	428	428	417	543	1,816	370	272
Fixed Business	61	65	49	57	232	56	39
Operating income before D&A (OIBDA)	516	496	516	535	2,064	547	372
OIBDA Margin	29.7%	30.4%	32.4%	30.7%	30.8%	35.2%	34.6%
CapEx	221	185	205	302	913	768	166
Spectrum	-	-	-	94	94	513	3
OIBDA-CapEx	295	311	312	233	1,151	(221)	207

Notes:

- OIBDA before management and brand fees.

- Includes T. UK until May 31, 2021, which is no longer consolidated under the full consolidation method and the new VMED O2 UK joint venture has been accounted for by the equity method since June 1, 2021.

VMO2

PROFORMA CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020				2021			
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	3,042	2,864	2,846	3,028	11,781	2,866	2,951	3,033
Mobile revenues	1,720	1,625	1,616	1,738	6,698	1,567	1,620	1,713
Handset revenues	428	426	420	548	1,822	390	409	477
Fixed Business	1,182	1,122	1,132	1,166	4,603	1,174	1,198	1,188
Consumer Fixed	1,009	948	948	955	3,860	982	1,009	1,012
Subscription	990	939	930	935	3,793	962	986	987
Other	20	9	18	20	67	20	23	25
B2B Fixed	173	174	184	212	743	192	189	176
Other	140	117	98	124	480	125	132	131
Operating income before D&A (OIBDA)	1,036	1,006	1,014	1,018	4,074	1,033	1,046	1,061
OIBDA Margin	34.0%	35.1%	35.6%	33.6%	34.6%	36.0%	35.5%	35.0%
CapEx	519	463	497	614	2,092	1,044	554	598
Spectrum	-	-	-	94	94	513	4	3
OIBDA-CapEx	517	543	517	405	1,982	(11)	492	464

Notes:

- Includes VMO2 proforma data which give effect to the combination of Virgin Media UK and O2 UK as if it had occurred on 1st January 2020 and pushes back purchase price accounting, policy alignment and transaction adjustments to this date.

VMO2

PROFORMA ACCESSES

Unaudited figures (Thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses (1)	43,066.0	42,480.3	43,430.1	44,067.7	44,292.8	44,990.9	45,549.5
Broadband	5,308.1	5,347.4	5,394.5	5,449.5	5,487.9	5,523.6	5,566.0
UBB	5,279.2	5,318.4	5,365.4	5,420.3	5,458.6	5,494.1	5,536.4
Mobile accesses	29,241.3	28,672.0	29,701.2	30,336.6	30,617.7	31,358.0	31,864.6
Prepay	8,433.0	7,772.8	8,335.9	8,251.8	8,199.1	8,362.5	8,284.0
Contract	15,253.0	15,323.4	15,431.4	15,594.2	15,636.3	15,701.2	15,809.3
IoT	5,555.3	5,575.8	5,934.0	6,490.6	6,782.3	7,294.3	7,771.3
Wholesale Accesses	8,774.2	8,694.3	9,018.3	9,210.9	9,350.5	9,594.4	9,773.7
Total Accesses (1)	51,840.2	51,174.6	52,448.4	53,278.6	53,643.3	54,585.4	55,323.2

Note:

(1) Includes fixed telephony and Pay TV accesses

PROFORMA SELECTED OPERATIONAL DATA

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
UBB Premises passed	14,981.5	15,072.6	15,191.7	15,310.8	15,386.6	15,476.4	15,546.3

TELEFÓNICA BRASIL

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020				2021			
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	2,215	1,739	1,720	1,748	7,422	1,645	1,672	1,791
Mobile Business	1,447	1,113	1,145	1,186	4,891	1,084	1,098	1,199
Handset revenues	119	60	117	130	426	98	87	93
Fixed Business	768	626	575	562	2,531	561	575	592
Operating income before D&A (OIBDA)	951	716	719	802	3,188	702	778	846
OIBDA Margin	42.9%	41.2%	41.8 %	45.9%	42.9%	42.7%	46.5%	47.3%
CapEx	337	328	287	420	1,372	295	353	354
Spectrum	-	-	-	32	32	-	-	5
OIBDA-CapEx	613	388	432	382	1,815	407	425	492

Notes:

- OIBDA before management and brand fees.

- Q3 21 OIBDA was positively impacted by capital gains related with the sale of 50% of FiBrasil (+€90m) in July 2021.

TELEFÓNICA BRASIL

ACCESSES

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses	93,173.2	92,103.6	93,811.5	95,145.0	95,900.8	96,813.8	97,516.6
Fixed telephony accesses	10,309.0	9,779.4	9,347.8	8,994.8	8,625.9	8,328.1	7,802.4
Broadband	6,772.6	6,587.0	6,430.4	6,315.0	6,318.2	6,283.8	6,264.9
UBB	5,026.7	5,033.1	5,054.8	5,084.2	5,220.1	5,313.0	5,430.1
FTTH	2,652.3	2,862.6	3,129.7	3,377.7	3,745.8	4,046.3	4,356.0
Mobile accesses	74,740.7	74,399.3	76,709.4	78,523.7	79,673.3	80,956.5	82,244.6
Prepay	31,023.8	31,291.2	32,757.1	33,662.5	33,668.8	33,871.7	34,163.4
Contract	33,310.3	33,246.8	33,689.5	34,418.2	35,321.4	35,911.4	36,608.6
IoT	10,406.6	9,861.3	10,262.8	10,443.0	10,683.2	11,173.4	11,472.6
Pay TV	1,282.9	1,270.3	1,257.8	1,247.7	1,223.5	1,186.2	1,146.6
IPTV	753.3	805.3	854.5	890.8	913.9	918.6	917.8
Total Accesses	93,173.3	92,116.9	93,824.5	95,157.9	95,901.9	96,814.9	97,517.6

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
UBB Premises passed	21,677.8	22,626.8	23,927.6	24,514.0	25,057.9	25,609.7	26,371.7
FTTH	11,689.7	13,086.4	14,588.5	15,696.9	16,291.1	17,309.5	18,316.5
Up-Take FTTH	23%	22%	21%	22%	23%	23%	24%

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021		
	March	June	September	December	March	June	September
Mobile churn (quarterly)	3.1%	3.4%	3.1%	2.9%	2.9%	2.9%	2.8%
Contract	1.5%	1.5%	1.2%	1.1%	1.1%	1.3%	1.2%
Mobile churn (cumulative YTD)	3.1%	3.2%	3.2%	3.1%	2.9%	2.9%	2.9%
Contract	1.5%	1.5%	1.4%	1.3%	1.1%	1.2%	1.2%
Mobile ARPU (EUR) (cumulative YTD)	5.7	5.1	4.9	4.7	4.0	4.0	4.1
Contract	10.2	9.2	8.7	8.4	7.2	7.2	7.4

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

TELEFÓNICA HISPAM

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124
Mobile Business	1,406	1,161	1,232	1,271	5,070	1,260	1,315	1,380
Handset revenues	295	185	305	327	1,111	316	338	353
Fixed Business	764	692	721	660	2,836	676	687	741
Operating income before D&A (OIBDA) (1)	502	361	(344)	471	990	396	373	872
OIBDA Margin	22.8%	19.2%	(18.0%)	24.4%	12.5%	20.4%	18.6%	41.0%
CapEx	325	133	155	220	833	350	151	154
Spectrum	-	-	-	-	-	135	1	(2)
OIBDA-CapEx	176	228	(499)	251	157	47	221	718

Notes:

- Q3 21 OIBDA was positively impacted by capital gains related with the sale of 60% of InfraCo Chile (+€409m) in July 2021.

(1) Includes impairment allocated to Argentina of -€109m registered in April-June 2020 and -€785m registered in July-September 2020.

TELEFÓNICA HISPAM

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2020					2021		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124
Telefónica Argentina	532	445	406	356	1,738	412	458	551
Telefónica Chile	391	367	398	430	1,585	424	442	444
Telefónica Perú	472	393	394	385	1,645	371	377	386
Telefónica Colombia	333	294	304	319	1,249	330	318	316
Telefonica México	290	229	238	276	1,033	239	246	255
Others and eliminations	187	153	163	168	672	163	165	173
Handset sales	295	185	305	327	1,111	316	338	353
Telefónica Argentina	64	36	63	52	215	61	72	93
Telefónica Chile	62	60	88	93	304	92	96	84
Telefónica Perú	53	6	56	53	167	50	56	52
Telefónica Colombia	32	18	27	34	111	37	36	40
Telefonica México	69	54	59	82	264	64	62	67
Others and eliminations	14	11	12	12	49	12	16	17
OIBDA	502	361	(344)	471	990	396	373	872
Telefónica Argentina	101	105	91	59	355	41	40	78
Telefónica Chile	119	122	129	138	508	128	132	530
Telefónica Perú	89	81	67	61	298	68	36	67
Telefónica Colombia	98	102	105	133	438	94	97	119
Telefónica México	33	21	9	22	85	17	13	23
Others and eliminations (1)	62	(70)	(744)	58	(694)	47	53	55

Notes:

- OIBDA before management and brand fees.

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, both operations are adjusted by inflation and are to be accounted at the closing exchange rate.

- The results from Central America are consolidated in Telefónica Group's "Other companies & eliminations".

- Q3 21 OIBDA was positively impacted by capital gains related with the sale of 60% of InfraCo Chile (+€409m) in July 2021.

(1) Includes impairment allocated to Argentina of -€109m registered in April-June 2020 and -€785m registered in July-September 2020.

TELEFÓNICA HISPAM

ACCESSES

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
Retail Accesses	108,739.0	105,534.3	106,040.8	108,488.6	109,152.9	109,498.6	109,061.1
Fixed telephony accesses	8,461.8	8,260.7	7,982.7	7,835.0	7,668.1	7,489.2	7,237.3
Broadband	5,428.5	5,398.6	5,407.1	5,447.3	5,555.0	5,654.8	5,700.5
UBB	3,298.3	3,386.0	3,550.9	3,695.0	3,894.3	4,108.5	4,280.0
FTTH (1)	2,916.2	3,034.6	3,239.3	3,417.6	3,642.4	3,886.5	4,086.9
Mobile accesses	91,759.4	88,837.3	89,650.6	92,204.5	92,924.7	93,400.5	93,173.0
Prepay	66,156.9	63,737.5	64,201.0	66,206.7	66,145.0	65,926.8	65,143.7
Contract	21,909.8	21,348.6	21,603.3	22,000.2	22,611.4	23,099.6	23,494.7
IoT	3,692.6	3,751.1	3,846.3	3,997.6	4,168.3	4,374.2	4,534.6
Pay TV	2,943.2	2,889.7	2,853.5	2,856.8	2,864.1	2,872.5	2,869.0
IPTV	385.8	424.1	501.3	577.7	646.4	724.9	811.2
Total Accesses	108,760.1	105,554.3	106,061.1	108,509.1	109,173.2	109,518.8	109,080.7

Notes:

(1) Includes Peru's cable accesses.

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021		
	March	June	September	December	March	June	September
UBB Premises passed	11,727.5	11,972.1	11,839.7	12,064.5	12,521.5	13,119.1	13,832.4
FTTH (1)	8,989.1	9,233.8	9,595.7	9,923.4	10,389.7	10,988.0	11,704.6
Up-take FTTH	32%	33%	34%	34%	35%	35%	35%

(1) Includes Peru's cable premises passed.

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021		
	March	June	September	December	March	June	September
Mobile churn (quarterly)	3.4%	3.2%	3.0%	2.5%	3.0%	3.0%	3.5%
Contract	2.7%	2.0%	2.5%	2.2%	2.0%	2.2%	2.3%
Mobile churn (cumulative YTD)	3.4%	3.3%	3.2%	3.0%	3.0%	3.0%	3.2%
Contract	2.7%	2.3%	2.4%	2.3%	2.0%	2.1%	2.2%
Mobile ARPU (EUR) (cumulative YTD)	3.9	3.6	3.5	3.4	3.2	3.2	3.3
Contract	10.9	10.5	10.0	9.6	9.1	9.0	9.0

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

Information included in compliance with the ESMA Guidelines, 5 October 2015, on Alternative Performance Measures (APM), applicable to published regulated information from 3 July 2016.

The following APM and their reconciliation to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period are included:

- Effect of the incorporation of the joint venture between Telefónica and Liberty Global in the UK
- OIBDA
- Net financial debt, Net financial debt plus leases and Net financial debt plus commitments
- Leverage ratio
- Free Cash Flow

- Organic results

- Underlying results

TELEFÓNICA
RECONCILIATION OF OIBDA

Unaudited figures (Euros in millions)

	2020				2021		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
Operating income before D&A (OIBDA)	3,760	7,075	9,747	13,498	3,417	16,886	20,620
Depreciation and amortisation	(2,669)	(4,951)	(7,079)	(9,359)	(2,023)	(4,139)	(6,295)
Operating income (OI)	1,091	2,124	2,668	4,139	1,394	12,747	14,326

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA
NET FINANCIAL DEBT

Unaudited figures (Euros in millions)

	December 2020	September 2021
Non-current financial liabilities	42,297	36,189
Current financial liabilities	8,123	4,703
Gross Financial Debt	50,420	40,891
Cash and cash equivalents	(5,604)	(9,791)
Current financial assets	(2,489)	(3,454)
Non-current financial assets	(5,137)	(5,216)
Mark-to-market adjustment by cash flow hedging activities related to debt	(1,048)	(275)
Other current assets and liabilities	(260)	(317)
Other non-current assets and liabilities	(654)	127
Net Financial Debt	35,228	21,965
Lease Liabilities	6,469	7,941
Net Financial Debt including Lease liabilities (1)	41,697	29,906

Notes:

(1) As of September 2021, includes assets and liabilities defined as net financial debt including lease liabilities of T. El Salvador, classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale. As of December 2020, includes assets and liabilities defined as net financial debt including lease liabilities of T. UK, T. Costa Rica and those subject to the agreement of Telxius Telecom with American Tower Corporation, classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

- Net financial debt includes a positive value of the derivatives portfolio for a net amount of €1,297m, €2,541m included as financial liabilities and €3,838m included as financial assets.

- Net financial debt stood at €25.0bn as of September 2021 post estimated distribution of proceeds to Telxius minorities.

	December 2020	September 2021
Net Financial Debt / OIBDAaL adjusted (1)	2.79 x	2.18x

(1) OIBDA plus adjustments and after Leases.

- Net Financial Debt/OIBDAaL adj. ratio stood at 2.49x as of September 2021 post estimated distribution of proceeds to Telxius minorities .

TELEFÓNICA

RECONCILIATION OF LEVERAGE RATIO

Unaudited figures (Euros in millions)

		2020				2021		
		March	June	September	December	March	June	September
A	Net Financial Debt	38,223	37,201	36,676	35,228	35,796	23,152	21,965
B	OIBDA reported (LTM)	14,615	13,492	13,416	13,498	13,155	23,309	24,372
C	Adjustments in OIBDA	2,021	2,336	1,712	983	1,018	(11,255)	(12,366)
	Restructuring charges	2,191	2,177	347	115	158	238	214
	Capital gains/losses on sale of assets	(570)	(387)	3	(26)	(35)	(10,225)	(10,977)
	Changes in the consolidation perimeter	-	-	-	-	-	(1,959)	(1,526)
	Others	400	546	1,362	894	894	690	(78)
D	Leases	(1,923)	(1,933)	(1,884)	(1,856)	(1,859)	(1,867)	(1,933)
E= B+C+D	OIBDAaL adjusted (LTM)	14,713	13,895	13,243	12,625	12,313	10,187	10,072
F= A/E	Net Financial Debt / OIBDAaL adjusted	2.60x	2.68x	2.77x	2.79x	2.91x	2.27x	2.18x

TELEFÓNICA

NET COMMITMENTS RELATED TO EMPLOYEE BENEFITS

Unaudited figures (Euros in millions)

	December 2020	September 2021
Gross commitments related to employee benefits	5,841	5,199
Value of associated Long-term assets	(122)	(85)
Tax benefits	(1,513)	(1,348)
Net commitments related to employee benefits	4,206	3,767

Notes:

- As of December 2020, includes assets and liabilities defined as net commitments related to employee benefits of T. UK, T. Costa Rica and those subject to the agreement of Telxius Telecom with American Tower Corporation, classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale.

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

RECONCILIATION OF FREE CASH FLOW

Unaudited figures (Euros in millions)

		2020				2021		
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
	Net cash flow provided by operating activities	2,259	5,288	8,913	13,196	2,556	5,112	7,544
	(Payments on investments)/proceeds from the sale in property, plant and equipment and intangible assets, net	(1,749)	(3,493)	(5,272)	(7,020)	(2,184)	(3,550)	(5,144)
	Government grants received	-	-	-	-	-	-	-
	Dividends paid to minority shareholders	(4)	(175)	(322)	(471)	(3)	(181)	(263)
	Payments related to cancellation of commitments	284	493	697	963	231	466	657
	Payments of financed spectrum without explicit interest	-	-	-	(87)	(21)	(21)	(21)
	Free Cash Flow excluding Lease Principal Payments	790	2,113	4,016	6,581	579	1,826	2,773
	Lease Principal Payments	(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)
	FCF Including Lease Principal Payments	233	1,222	2,801	4,794	33	910	1,470

Notes:

- Telefónica Group consolidated results deconsolidate Telxius towers division while T. UK is no longer consolidated under the full consolidation method and the new VMO2 joint venture has been accounted for by the equity method since June 1, 2021. In addition, Telefónica Group consolidated results deconsolidate T. Costa Rica while Cancom UK&I has been incorporated since August 1, 2021.

TELEFÓNICA

RECONCILIATION OF REPORTED VS. ORGANIC GROWTH

Unaudited figures (Euros in millions)

REVENUES	2020				2021			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Sep
T. ESPAÑA								
REPORTED DATA	3,078	6,106	9,209	12,401	3,050	6,095	9,209	0.0
T. ESPAÑA ORGANIC	3,078	6,106	9,209	12,401	3,050	6,095	9,209	0.0
T. DEUTSCHLAND								
REPORTED DATA	1,846	3,636	5,509	7,532	1,850	3,743	5,711	3.7
T. DEUTSCHLAND ORGANIC	1,846	3,636	5,509	7,532	1,850	3,743	5,711	3.7
T. UK								
REPORTED DATA	1,739	3,370	4,966	6,708	1,552	2,628	2,628	(47.1)
Changes in the consolidation perimeter	-	(541)	(2,136)	(3,878)	-	-	-	
Forex Impact	-	-	-	-	23	2	2	
T. UK ORGANIC	1,739	2,830	2,830	2,830	1,575	2,631	2,631	(7.0)
T. BRASIL								
REPORTED DATA	2,215	3,954	5,674	7,422	1,645	3,318	5,108	(10.0)
Forex Impact	-	-	-	-	575	703	672	
T. BRASIL ORGANIC	2,215	3,954	5,674	7,422	2,220	4,021	5,781	1.9
T. HISPAM								
REPORTED DATA	2,204	4,085	5,988	7,922	1,939	3,945	6,069	1.4
Changes in the consolidation perimeter	-	-	5	10	-	-	-	
Forex Impact	-	-	-	-	140	216	267	
Others	-	-	-	-	120	97	(52)	
T. HISPAM ORGANIC	2,204	4,085	5,993	7,932	2,199	4,258	6,284	4.9
TELEFÓNICA								
REPORTED DATA	11,366	21,706	32,167	43,076	10,340	20,305	29,603	(8.0)
Changes in the consolidation perimeter	-	(531)	(2,134)	(3,899)	-	-	-	
Forex Impact	-	-	-	-	754	959	981	
Others	-	-	-	-	120	98	(49)	
TELEFÓNICA ORGANIC	11,366	21,175	30,033	39,177	11,214	21,361	30,534	1.7

OIBDA	2020				2021			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Sep
T. ESPAÑA								
REPORTED DATA	1,225	2,436	3,734	5,046	1,194	2,352	3,535	(5.4)
Restructuring charges	27	27	27	27	-	-	-	
T. ESPAÑA ORGANIC	1,252	2,463	3,761	5,073	1,194	2,352	3,535	(6.0)
T. DEUTSCHLAND								
REPORTED DATA	532	1,095	1,672	2,309	557	1,172	1,795	7.4
Restructuring charges	(1)	-	26	37	15	17	18	
Capital gains/losses on sale of assets	9	5	5	5	-	-	-	
T. DEUTSCHLAND ORGANIC	540	1,101	1,704	2,352	571	1,189	1,813	6.4
T. UK								
REPORTED DATA	516	1,012	1,528	2,064	547	919	919	(39.9)
Changes in the consolidation perimeter	-	(176)	(692)	(1,228)	-	-	-	
Forex Impact	-	-	-	-	8	1	1	
T. UK ORGANIC	516	836	836	836	555	920	920	10.0
T. BRASIL								
REPORTED DATA	951	1,666	2,385	3,188	702	1,479	2,326	(2.5)
Forex Impact	-	-	-	-	245	314	294	
Capital gains/losses on sale of assets	-	-	-	-	-	-	(90)	
Others	-	-	-	-	-	(106)	(101)	
T. BRASIL ORGANIC	951	1,666	2,385	3,188	947	1,687	2,429	1.8
T. HISPAM								
REPORTED DATA	502	863	519	990	396	769	1,641	216.0
Restructuring charges	1	2	14	17	44	105	129	
Changes in the consolidation perimeter	-	-	(9)	(19)	-	-	-	
Capital gains/losses on sale of assets	-	-	(2)	(2)	-	-	(409)	
Forex Impact	-	-	-	-	28	39	54	
Others	-	109	894	894	28	55	46	
T. HISPAM ORGANIC	503	974	1,416	1,879	496	968	1,461	3.2
TELEFÓNICA								
REPORTED DATA	3,760	7,075	9,747	13,498	3,417	16,886	20,620	111.6
Restructuring charges	33	35	82	115	78	164	186	
Changes in the consolidation perimeter	-	(177)	(717)	(1,278)	-	-	-	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	
Forex Impact	-	-	-	-	288	366	365	
Others	-	116	917	894	30	(48)	(24)	
TELEFÓNICA ORGANIC	3,802	7,055	10,032	13,203	3,813	7,173	10,199	1.7

OPERATING INCOME	2020				2021			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Sep
	TELEFÓNICA							
REPORTED DATA	1,091	2,124	2,668	4,139	1,394	12,747	14,326	n.s.
Restructuring charges	33	35	82	115	78	164	186	
Changes in the consolidation perimeter	(13)	(312)	(899)	(1,490)	(360)	(596)	(597)	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	
Forex Impact	-	-	-	-	91	115	119	
Others	97	297	1,155	1,246	65	12	64	
TELEFÓNICA ORGANIC	1,217	2,150	3,010	3,985	1,268	2,247	3,150	4.7

CAPEX	2020				2021			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Sep
	T. ESPAÑA							
REPORTED DATA	344	649	1,024	1,408	334	720	1,365	33.3
Spectrum	-	-	-	-	(21)	(23)	(335)	
T. ESPAÑA ORGANIC	344	649	1,024	1,408	313	697	1,031	0.6

T. DEUTSCHLAND								
REPORTED DATA	224	475	726	1,094	228	508	810	11.6
T. DEUTSCHLAND ORGANIC	224	475	726	1,094	228	508	810	11.6

T. UK								
REPORTED DATA	221	406	611	913	768	933	933	52.8
Changes in the consolidation perimeter	-	(69)	(274)	(576)	-	-	-	
Forex Impact	-	-	-	-	11	1	1	
Spectrum	-	-	-	-	(520)	(516)	(516)	
T. UK ORGANIC	221	337	337	337	259	418	418	24.1

T. BRASIL								
REPORTED DATA	337	665	952	1,372	295	647	1,002	5.2
Forex Impact	-	-	-	-	103	137	132	
Spectrum	-	-	-	(32)	-	-	(6)	
T. BRASIL ORGANIC	337	665	952	1,340	398	784	1,128	18.4

T. HISPAM								
REPORTED DATA	325	458	613	833	350	501	654	6.7
Changes in the consolidation perimeter	-	(12)	(16)	(23)	-	-	-	
Forex Impact	-	-	-	-	12	17	22	
Spectrum	-	-	-	-	(133)	(131)	(130)	
Others	-	-	-	-	34	40	42	
T. HISPAM ORGANIC	325	447	598	810	262	427	588	(1.6)

TELEFÓNICA								
REPORTED DATA	1,485	2,721	4,067	5,861	2,006	3,400	4,893	20.3
Changes in the consolidation perimeter	-	(85)	(312)	(657)	-	-	-	
Forex Impact	-	-	-	-	128	160	160	
Spectrum	-	-	-	(32)	(674)	(670)	(987)	
Others	-	-	-	-	34	40	42	
TELEFÓNICA ORGANIC	1,485	2,636	3,755	5,173	1,494	2,931	4,108	9.4

OIBDA-CapEx	2020				2021			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Mar	Jan - Sep	Jan - Sep
	T. ESPAÑA							
REPORTED DATA	881	1,787	2,710	3,638	860	1,632	2,169	(20.0)
Restructuring charges	27	27	27	27	-	-	-	
Spectrum	-	-	-	-	21	23	335	
T. ESPAÑA ORGANIC	907	1,814	2,737	3,665	881	1,656	2,504	(8.5)
T. DEUTSCHLAND								
REPORTED DATA	308	620	946	1,214	328	664	985	4.1
Restructuring charges	(1)	-	26	37	15	17	18	
Capital gains/losses on sale of assets	9	5	5	5	-	-	-	
T. DEUTSCHLAND ORGANIC	316	626	977	1,257	343	681	1,003	2.6
T. UK								
REPORTED DATA	295	606	918	1,151	(221)	(14)	(14)	c.s.
Changes in the consolidation perimeter	-	(107)	(418)	(652)	-	-	-	
Forex Impact	-	-	-	-	(3)	-	-	
Spectrum	-	-	-	-	520	516	516	
T. UK ORGANIC	295	499	499	499	296	502	502	0.5
T. BRASIL								
REPORTED DATA	613	1,001	1,433	1,815	407	832	1,324	(7.6)
Capital gains/losses on sale of assets	-	-	-	-	-	-	(90)	
Forex Impact	-	-	-	-	142	176	162	
Spectrum	-	-	-	32	-	-	6	
Others	-	-	-	-	-	(106)	(101)	
T. BRASIL ORGANIC	613	1,001	1,433	1,847	549	903	1,301	(9.2)
T. HISPAM								
REPORTED DATA	176	404	(94)	157	47	268	986	c.s.
Restructuring charges	1	2	14	17	44	105	129	
Changes in the consolidation perimeter	-	12	7	4	-	-	-	
Capital gains/losses on sale of assets	-	-	(2)	(2)	-	-	(409)	
Forex Impact	-	-	-	-	16	22	32	
Spectrum	-	-	-	-	133	131	130	
Others	-	109	894	894	(6)	15	4	
T. HISPAM ORGANIC	177	527	818	1,069	233	541	873	6.8
TELEFÓNICA								
REPORTED DATA	2,275	4,354	5,680	7,637	1,411	13,486	15,727	176.9
Restructuring charges	33	35	82	115	78	164	186	
Changes in the consolidation perimeter	-	(92)	(405)	(622)	-	-	-	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	
Forex Impact	-	-	-	-	160	206	204	
Spectrum	-	-	-	32	674	670	987	
Others	-	116	917	894	(4)	(88)	(66)	
TELEFÓNICA ORGANIC	2,317	4,419	6,277	8,030	2,320	4,243	6,091	(3.0)

Note:

- **Organic growth:** assumes constant exchange rates of 2020 (average in 2020). Excludes the contribution to growth from T. Argentina and T. Venezuela. Considers constant perimeter of consolidation and does not include capital gains/losses from the sale of companies, for significant impacts. Does not include write-offs, material non-recurring impacts and restructuring costs. CapEx excludes investments in spectrum.

TELEFÓNICA

RECONCILIATION OF REPORTED VS. UNDERLYING GROWTH

Unaudited figures (Euros in millions)

OIBDA	2020				2021			%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Sep
TELEFÓNICA								
REPORTED DATA	3,760	7,075	9,747	13,498	3,417	16,886	20,620	111.6
Restructuring charges	33	35	82	115	77	159	181	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	
Others	-	116	917	894	-	(87)	(57)	
TELEFÓNICA UNDERLYING	3,802	7,232	10,749	14,481	3,494	6,763	9,797	(8.9)

NET INCOME	2020				2021			%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Sep
TELEFÓNICA								
REPORTED DATA	406	831	671	1,582	886	8,629	9,335	n.s.
Restructuring charges	24	26	59	83	53	109	139	
Capital gains/losses on sale of assets	6	4	2	(27)	-	(7,945)	(8,356)	
Others	182	457	1,320	1,449	137	830	992	
TELEFÓNICA UNDERLYING	619	1,318	2,052	3,086	1,076	1,622	2,110	2.8

Notes:

- **Underlying growth** : Excludes capital gains/losses from the sale of companies and assets sales (material), restructuring costs and other impacts (write-offs, material non-recurring impacts and amortisation charges from purchase price allocation processes).

KEY HOLDINGS OF THE TELEFÓNICA GROUP

	% Stake		% Stake
TELEFÓNICA ESPAÑA	100.0	OTHER STAKES	
VMED O2 UK LTD	50.0	China Unicom	0.6
TELEFÓNICA DEUTSCHLAND	69.7	BBVA	0.7
TELEFÓNICA BRASIL	74.1	Prisa	9.0
TELEFÓNICA HISPAM			
Telefónica de Argentina	100.0		
Telefónica Móviles Argentina	100.0		
Telefónica Móviles Chile	100.0		
Telefónica Móviles Uruguay	100.0		
Telefónica Móviles México	100.0		
Telefónica Venezolana	100.0		
Telefónica Ecuador	100.0		
Telefónica Chile	99.1		
Telefónica del Perú	98.9		
Telefónica Colombia	67.5		