



JANUARY - DECEMBER 2021

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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-December 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", and once the relevant authorizations were obtained, the transaction was closed on July 2, 2021. Telefónica Group and CDPQ 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	December
Retail Accesses	336,610.7	331,436.4	335,158.7	339,715.9	341,122.6	343,474.8	341,887.8	344,945.5
Fixed telephony accesses	34,927.7	34,172.2	33,371.1	32,706.1	32,006.5	31,395.9	30,521.3	29,966.9
Broadband	25,798.1	25,640.2	25,578.8	25,497.5	25,586.7	25,662.6	25,713.4	25,833.3
UBB	19,713.4	19,943.6	20,314.8	20,633.1	21,071.9	21,481.7	21,873.3	22,281.8
FTTH	8,565.7	8,950.3	9,486.8	9,964.2	10,574.6	11,142.7	11,709.8	12,243.8
Mobile accesses	263,652.7	259,467.7	264,224.9	269,643.1	271,780.1	274,917.0	274,263.8	277,793.3
Prepay	129,784.0	126,336.4	128,978.9	131,676.4	131,508.6	131,764.2	129,147.7	129,675.7
Contract	109,181.1	108,856.6	110,022.0	111,808.9	113,511.4	114,988.2	115,899.8	117,432.1
IoT	24,687.6	24,274.6	25,224.0	26,157.7	26,760.1	28,164.6	29,216.4	30,685.4
Pay TV	11,909.1	11,832.7	11,665.4	11,557.5	11,447.2	11,258.2	11,152.0	11,111.7
Wholesale Accesses	22,327.0	22,554.7	23,068.9	22,455.0	23,066.4	23,747.4	23,854.6	24,173.3
Fixed wholesale accesses	3,793.6	3,753.1	3,742.5	3,722.8	3,698.1	3,679.6	3,699.8	3,694.5
Mobile wholesale accesses	18,533.4	18,801.6	19,326.4	18,732.1	19,368.3	20,067.8	20,154.8	20,478.8
Total Accesses	358,937.7	353,991.1	358,227.6	362,170.9	364,189.0	367,222.2	365,742.4	369,118.9

Notes:

- VMO2 accesses included since June 2021 and 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	December
UBB Premises passed	71,808.5	73,321.6	75,283.3	77,110.6	78,574.9	80,370.9	82,270.4	84,503.6
FTTH	41,082.9	42,952.5	45,611.0	47,824.2	49,271.3	51,444.9	53,522.9	55,838.7
Up-Take FTTH	26%	26%	26%	26%	27%	27%	27%	27%

Notes:

- 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	Oct - Dec	Jan - Dec
Revenues	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298	9,674	39,277
Other income	374	309	320	584	1,587	316	10,559	1,144	654	12,673
Operating expenses	(7,970)	(7,219)	(7,315)	(7,725)	(30,230)	(7,233)	(7,036)	(6,662)	(8,570)	(29,500)
Impairments & losses on disposal of assets	(9)	(115)	(795)	(16)	(935)	(7)	(18)	(45)	(396)	(467)
Underlying operating income before D&A (OIBDA)	3,802	3,430	3,518	3,732	14,481	3,494	3,270	3,034	3,226	13,023
Operating income before D&A (OIBDA)	3,760	3,315	2,672	3,751	13,498	3,417	13,469	3,734	1,363	21,983
OIBDA Margin	33.1%	32.1%	25.5%	34.4%	31.3%	33.0%	135.2%	40.2%	14.1%	56.0%
Depreciation and amortisation	(2,669)	(2,282)	(2,128)	(2,280)	(9,359)	(2,023)	(2,116)	(2,155)	(2,102)	(8,397)
Operating income (OI)	1,091	1,033	544	1,471	4,139	1,394	11,353	1,579	(740)	13,586
Share of profit (loss) of investments accounted for by the equity method	1	3	2	(4)	2	(4)	(64)	10	(70)	(127)
Net financial income (expense)	(428)	(321)	(532)	(278)	(1,558)	(240)	(312)	(386)	(426)	(1,364)
Profit before taxes	664	716	14	1,189	2,583	1,150	10,977	1,203	(1,235)	12,095
Corporate income tax	(196)	(224)	(108)	(98)	(626)	(206)	(994)	(355)	177	(1,378)
Profit for the period	468	491	(93)	1,091	1,957	944	9,983	849	(1,058)	10,717
Attributable to equity holders of the Parent	406	425	(160)	911	1,582	886	7,743	706	(1,198)	8,137
Attributable to non-controlling interests	62	66	67	180	375	58	2,240	143	140	2,580
Weighted average number of ordinary shares outstanding during the period (millions)	5,808	5,845	5,825	5,775	5,813	5,763	5,753	5,724	5,668	5,727
Basic earnings per share attributable to equity holders of the Parent (Euros)	0.05	0.06	(0.04)	0.15	0.23	0.14	1.34	0.11	(0.22)	1.38
Underlying basic earnings per share attributable to equity holders of the Parent (Euros)	0.10	0.11	0.12	0.17	0.49	0.17	0.09	0.08	0.07	0.42

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 and December 2021, have been taken into account.

- Basic 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" (€253m in January-December 2021 and €251m in January-December 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	Oct - Dec	Jan - Dec
Revenues	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298	9,674	39,277
Handsets	1,258	1,050	1,235	1,547	5,089	1,226	1,098	891	1,126	4,343
Service Revenues	10,108	9,290	9,227	9,361	37,986	9,114	8,866	8,407	8,548	34,935
% over service revenues										
Voice & Access	33%	31%	31%	30%	31%	29%	30%	28%	29%	29%
BB & SoC	65%	67%	68%	68%	67%	70%	70%	72%	71%	70%
Others	2%	2%	1%	1%	2%	1%	0%	0%	0%	1%

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	Oct - Dec	Jan - Dec
T. ESPAÑA	3,078	3,028	3,103	3,192	12,401	3,050	3,045	3,114	3,207	12,417
T. DEUTSCHLAND	1,846	1,790	1,873	2,023	7,532	1,850	1,893	1,967	2,055	7,765
T. UK	1,739	1,632	1,596	1,742	6,708	1,552	1,076	-	-	2,628
T. BRASIL	2,215	1,739	1,720	1,748	7,422	1,645	1,672	1,791	1,802	6,910
T. HISPAM	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124	2,293	8,362
Other companies and eliminations	284	270	266	270	1,091	304	271	302	318	1,194
TOTAL GROUP	11,366	10,340	10,461	10,909	43,076	10,340	9,964	9,298	9,674	39,277
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	10,443	10,814	11,242	42,839

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	Oct - Dec	Jan - Dec
T. ESPAÑA	1,225	1,211	1,298	1,311	5,046	1,194	1,158	1,182	(158)	3,377
T. DEUTSCHLAND	532	563	577	637	2,309	557	616	623	629	2,424
T. UK	516	496	516	535	2,064	547	372	-	-	919
T. BRASIL	951	716	719	802	3,188	702	778	846	812	3,138
T. HISPAM	502	361	(344)	471	990	396	373	872	77	1,718
Other companies and eliminations	35	(32)	(96)	(5)	(98)	21	10,173	211	1	10,406
TOTAL GROUP	3,760	3,315	2,672	3,751	13,498	3,417	13,469	3,734	1,363	21,983
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	13,645	4,273	1,887	23,222

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	Oct - Dec	Jan - Dec
T. ESPAÑA	1,153	1,135	1,224	1,236	4,748	1,118	1,062	1,095	(251)	3,024
T. DEUTSCHLAND	398	423	429	513	1,764	404	468	477	464	1,813
T. UK	461	475	514	535	1,985	545	370	-	-	915
T. BRASIL	827	606	621	660	2,713	578	639	699	662	2,578
T. HISPAM	366	233	(465)	330	463	273	242	748	(71)	1,192
Other companies and eliminations	61	(1)	(54)	25	30	98	10,234	204	1	10,537
TOTAL GROUP	3,265	2,872	2,269	3,298	11,703	3,016	13,015	3,224	805	20,060

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	Oct - Dec	Jan - Dec
T. ESPAÑA	344	304	376	384	1,408	334	386	645	449	1,815
T. DEUTSCHLAND	224	251	251	368	1,094	228	280	303	474	1,284
T. UK	221	185	205	302	913	768	166	-	-	933
T. BRASIL	337	328	287	420	1,372	295	353	354	1,067	2,069
T. HISPAM	325	133	155	220	833	350	151	154	324	978
Other companies and eliminations	32	35	72	101	241	32	60	37	60	188
TOTAL GROUP	1,485	1,236	1,346	1,795	5,861	2,006	1,394	1,493	2,373	7,267
Spectrum	-	-	-	126	126	668	6	315	715	1,704
TOTAL GROUP (adding 50% VMED O2 UK JV since June)	-	-	-	-	-	-	1,488	1,791	2,735	8,021

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	December
Non-current assets	89,440	75,913	72,475	71,396	69,568	84,014	83,872	84,284
Intangible assets	14,545	12,191	11,645	11,488	11,286	11,115	11,086	11,725
Goodwill	23,290	17,976	17,020	17,044	16,793	17,124	16,907	16,519
Property, plant and equipment	29,794	25,675	24,428	23,769	23,063	23,163	22,453	22,725
Rights of Use	6,209	5,414	5,230	4,982	5,197	7,276	7,466	7,579
Investments accounted for by the equity method	440	433	391	427	443	12,406	12,582	12,773
Financial assets and other non-current assets	8,952	7,901	7,571	7,270	6,475	7,183	7,872	7,347
Deferred tax assets	6,209	6,323	6,191	6,416	6,311	5,747	5,506	5,616
Current assets	22,513	34,487	33,397	33,655	33,442	29,596	25,285	24,929
Inventories	1,626	1,467	2,075	1,718	1,486	1,523	2,094	1,749
Receivables and other current assets	10,073	7,998	7,734	7,523	7,586	8,037	8,195	8,287
Tax receivables	1,255	1,185	1,106	902	949	1,359	1,417	2,120
Other current financial assets	3,723	3,609	3,240	2,495	1,498	2,738	3,463	3,835
Cash and cash equivalents	5,021	6,815	5,913	5,604	4,940	14,522	9,791	8,580
Non-current assets and disposal groups held for sale (1)	815	13,413	13,328	15,413	16,983	1,417	325	358
Total Assets = Total Equity and Liabilities	111,953	110,400	105,872	105,051	103,010	113,610	109,156	109,213
Equity	21,474	19,501	17,416	18,260	19,152	32,599	32,410	28,684
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	22,207
Equity attributable to non-controlling interests	7,339	6,814	6,551	7,025	6,925	9,237	9,108	6,477
Non-current liabilities	61,840	61,845	59,468	58,674	56,609	56,553	54,801	55,034
Non-current financial liabilities	43,588	44,636	42,861	42,297	40,451	38,141	36,189	35,290
Non-current lease liabilities	4,771	4,214	4,036	4,039	4,174	5,854	6,196	6,391
Payables and other non-current liabilities	2,834	2,600	2,679	2,561	2,547	2,870	2,962	3,089
Deferred tax liabilities	2,682	2,577	2,346	2,620	2,647	2,806	2,784	2,602
Non-current provisions	7,965	7,818	7,546	7,157	6,790	6,882	6,670	7,662
Current liabilities	28,639	29,054	28,988	28,117	27,249	24,458	21,945	25,495
Current financial liabilities	9,740	9,471	9,677	8,123	7,832	7,512	4,703	7,005
Current lease liabilities	1,601	1,469	1,567	1,255	1,227	1,821	1,732	1,679
Payables and other current liabilities	12,809	10,834	10,674	10,912	10,413	11,287	11,983	13,210
Current tax payables	2,618	1,918	1,771	1,732	1,656	2,089	2,114	2,026
Current provisions	1,516	1,379	1,364	1,304	1,311	1,354	1,297	1,441
Liabilities associated with non-current assets and disposal groups held for sale (1)	355	3,983	3,935	4,791	4,809	395	117	134

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 December 2021 includes assets and liabilities of T. El Salvador, Colombia fibre vehicle and other assets reclassified as held for sale. 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	Jan - Dec
Cash received from operations	14,010	25,782	38,362	51,353	12,751	24,368	35,105	46,415
Cash paid from operations	(10,912)	(19,240)	(27,931)	(36,477)	(9,517)	(18,238)	(26,116)	(34,379)
Net payments of interest and other financial expenses net of dividends received	(666)	(897)	(1,056)	(1,171)	(571)	(777)	(1,066)	(1,309)
Taxes proceeds/(paid)	(173)	(357)	(462)	(509)	(107)	(241)	(379)	(459)
Net cash flow provided by operating activities	2,259	5,288	8,913	13,196	2,556	5,112	7,544	10,268
(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)	(6,164)
Proceeds on disposals/ (payments on investments) in companies, net of cash and cash equivalents disposed	11	6	(38)	2	38	13,186	14,172	12,955
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)	(895)
Government grants received	-	-	-	-	-	-	-	-
Net cash flow used in investing activities	(664)	(2,032)	(5,458)	(7,790)	(2,130)	8,610	7,250	5,896
Dividends paid	(164)	(336)	(853)	(1,296)	(52)	(498)	(619)	(3,630)
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)	(604)
Operations with other equity holders (1)	(904)	(930)	(983)	(1,020)	61	19	(283)	(354)
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	3,646
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)	(9,993)
Lease Principal Payments	(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)	(1,782)
Financed operating payments and investments in property, plant and equipment and intangible assets payments	(140)	(231)	(259)	(382)	(61)	(124)	(147)	(273)
Net cash used in financing activities	(2,267)	(2,014)	(3,062)	(5,438)	(886)	(4,711)	(10,359)	(12,990)
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)	(198)
Net increase (decrease) in cash and cash equivalents during the year	(1,021)	773	(129)	(438)	(664)	8,918	4,187	2,976
Cash and cash equivalents at the beginning of the period	6,042	6,042	6,042	6,042	5,604	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	8,580

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	Jan - Dec
Net financial debt at beginning of period	37,744	37,744	37,744	37,744	35,228	35,228	35,228	35,228
+ Free Cash Flow including Lease Principal Payments	(233)	(1,222)	(2,801)	(4,794)	(33)	(910)	(1,470)	(2,648)
+ Hybrids	723	723	723	723	(211)	(211)	35	65
+ Shareholder remuneration (including hybrid coupons)	351	372	1,003	1,022	215	620	929	1,460
+ Pre-retirement commitments	284	493	697	963	231	466	657	844
+ Net financial investments (1)	4	(9)	41	18	(11)	(12,071)	(13,157)	(9,466)
+ FX & Others	(651)	(900)	(733)	(449)	377	29	(256)	549
Net financial debt at end of period	38,223	37,201	36,676	35,228	35,796	23,152	21,965	26,032
+ Lease Liabilities	6,531	6,436	6,316	6,469	6,584	7,874	7,941	8,080
Net Financial Debt plus Lease Liabilities at end of period	44,754	43,637	42,992	41,697	42,380	31,026	29,906	34,112

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-December 2021 includes proceeds of €4.9bn from the creation of VMO2 JV in the UK, €4.7bn from the sale of Telxius' & T. Deutschland's towers, and €0.9bn from the sale of Costa Rica and the creation of InfraCo Chile & FiBrasil, reduced by the acquisition of Cancom UK&I and Telefónica's share of tax payment in advance related to Telxius towers transaction (to be recovered).

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	Jan - Dec
OIBDA	3,760	7,075	9,747	13,498	3,417	16,886	20,620	21,983
- CapEx accrued during the period	(1,485)	(2,721)	(4,067)	(5,861)	(2,006)	(3,400)	(4,893)	(7,267)
- Non-cash items & Others (1)	(2)	110	939	906	26	(10,148)	(10,881)	(9,119)
- Working Capital	(640)	(921)	(764)	189	(177)	(313)	(365)	1,010
- Net interest payment (2)	(674)	(917)	(1,077)	(1,192)	(577)	(791)	(1,084)	(1,518)
- Dividends received (2)	8	20	21	22	5	14	18	210
- Payment for tax	(173)	(357)	(462)	(509)	(107)	(241)	(379)	(459)
- Dividends paid to minority shareholders	(4)	(175)	(322)	(471)	(3)	(181)	(263)	(410)
= Free Cash Flow excluding Lease Principal Payments	790	2,113	4,016	6,581	579	1,826	2,773	4,430
- Lease Principal Payments	(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)	(1,782)
= Free Cash Flow including Lease Principal Payments	233	1,222	2,801	4,794	33	910	1,470	2,648
Weighted average number of ordinary shares outstanding during the period (millions)	5,808	5,827	5,826	5,813	5,763	5,758	5,746	5,727
= Free Cash Flow per share (Euros)	0.04	0.21	0.48	0.82	0.01	0.16	0.26	0.46

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 and December 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 €1,107m in January-December 2021 (€521m in UK, €343m in Spain, €131m in Chile, €108m in Germany and €4m in Colombia). In December 2020 amounted to €211m (€114m in UK, €87m in Germany and €11m in Hispam).

(1) In January-December 2021 it was associated mainly to capital gains (€6.1bn from Telxius' & T. Deutschland's towers sale, €4.5bn from the creation of VMO2 JV in the UK, and €0.3bn from InfraCo Chile & FiBrasil, and €0.1bn from the sale of Costa Rica), €1.5bn of commitments associated with long-term restructuring plans mainly in Spain and €393m associated with the impairment in Peru. In January-December 2020 it related mainly with impairments in Argentina of €894m.

(2) The "net interest payment" line has been redefined to exclude dividends received and present them separately in a new line "dividends received".

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	Jan - Dec
USA (US Dollar)	1.103	1.102	1.123	1.140	1.205	1.205	1.196	1.182
United Kingdom (Sterling)	0.861	0.874	0.884	0.889	0.874	0.868	0.863	0.859
Argentina (Argentine Peso) (1)	70.621	78.883	89.182	103.231	107.898	113.856	114.286	116.374
Brazil (Brazilian Real)	4.887	5.347	5.628	5.811	6.595	6.480	6.368	6.372
Chile (Chilean Peso)	885.042	894.831	900.447	901.811	872.585	867.566	881.562	896.588
Colombia (Colombian Peso)	3,885.668	4,048.665	4,147.863	4,197.730	4,286.712	4,366.793	4,421.629	4,425.640
Costa Rica (Colon)	633.312	633.312	652.742	669.792	740.741	742.942	740.741	738.007
Mexico (Mexican Peso)	21.886	23.618	24.313	24.360	24.504	24.306	24.065	23.977
Peru (Peruvian Nuevo Sol)	3.749	3.761	3.881	3.978	4.411	4.490	4.580	4.585
Uruguay (Uruguayan Peso)	43.446	45.360	46.807	47.758	51.966	52.426	51.922	51.500
Venezuela (Bolivar Digital) (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	18.655

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, Telefónica uses a synthetic exchange rate based on "Bolivar Digital" since October 2021. For prior periods, the synthetic exchange rate used is based on "Bolivar Soberano").

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Currency units per Euro	2020				2021			
	March	June	September	December	March	June	September	December
USA (US Dollar)	1.095	1.120	1.171	1.227	1.173	1.189	1.158	1.133
United Kingdom (Sterling)	0.887	0.913	0.913	0.898	0.852	0.858	0.861	0.840
Argentina (Argentine Peso)	70.621	78.883	89.182	103.231	107.898	113.856	114.286	116.374
Brazil (Brazilian Real)	5.695	6.131	6.604	6.376	6.683	5.949	6.296	6.321
Chile (Chilean Peso)	933.315	919.447	922.765	872.227	846.661	865.561	939.814	956.736
Colombia (Colombian Peso)	4,441.345	4,205.533	4,525.686	4,211.165	4,314.846	4,458.275	4,413.472	4,509.258
Costa Rica (Colon)	643.501	653.168	710.227	757.576	722.543	739.645	728.863	730.994
Mexico (Mexican Peso)	25.725	25.851	25.926	24.425	23.975	23.675	23.802	23.182
Peru (Peruvian Nuevo Sol)	3.765	3.961	4.211	4.442	4.406	4.588	4.785	4.515
Uruguay (Uruguayan Peso)	47.111	47.261	49.847	51.945	51.829	51.828	49.705	50.624
Venezuela (Bolivar Digital) (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	18.655

Notes:

- Exchange rates as of the end of 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, Telefónica uses a synthetic exchange rate based on "Bolivar Digital" since October 2021. For prior periods, the synthetic exchange used is based on "Bolivar Soberano").

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
USD Bond	11/18/2021	500	USD	Telefónica Móviles Chile S.A.	3.537 %	11/18/2031	USP90375AV12

	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Sustainable Hybrid Bond	2/12/2021	1,000	EUR	Telefónica Europe B.V.	2.376 %	5/12/2029	XS2293060658
Sustainable Hybrid Bond	11/24/2021	750	EUR	Telefónica Europe B.V.	2.880 %	5/24/2028	XS2410367747

	Signing date	Amount (m)	Currency	Borrower	Maturity date
INTEREST-BEARING DEBT					
INTEREST-BEARING DEBT					
Capex Facility	3/15/2021	1,500	EUR	Unsere Grüne Glasfaser GMBH & CO. KG (UGG) (2)	3/15/2028
Syndicated Facility	3/15/2021	150	EUR	Unsere Grüne Glasfaser GMBH & CO. KG (UGG) (2)	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
Revolving Credit Facility	1/5/2022	500	GBP	Cornerstone Telecommunications Infrastructure Ltd (3)	1/7/2027
Sustainability-Linked Syndicated Facility	1/13/2022	5,500	EUR	Telefónica, S.A.	1/13/2027 (4)

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

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

3. JV of Vantage Towers AG and VMED O2 UK Ltd financing.

4. Two annual extension options for a maximum maturity of 7 years (13/01/2029).

TELEFÓNICA

RECONCILIATION REPORTED VS. BASIS FOR 2021 OUTLOOK

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/SALES (ex-spectrum) 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

RECONCILIATION REPORTED VS. BASIS FOR 2022 GUIDANCE

Unaudited figures (Euros in millions)

	Base 2021
REVENUES	Jan - Dec
TELEFÓNICA	
REPORTED DATA	39,277
Changes in the consolidation perimeter	(2,785)
VMO2 JV	5,960
TELEFÓNICA TOTAL REVENUES ADJUSTED BASE	42,452

	Base 2021
OIBDA	Jan - Dec
TELEFÓNICA	
REPORTED DATA	21,983
Restructuring charges	1,707
Changes in the consolidation perimeter	(1,000)
Capital gains /losses on sale of assets	(10,994)
VMO2 JV	2,127
Others	304
TELEFÓNICA TOTAL OIBDA ADJUSTED BASE	14,127

	Base 2021
CAPEX/SALES (ex spectrum)	Jan - Dec
TELEFÓNICA	
CAPEX REPORTED DATA	7,267
Changes in the consolidation perimeter	(472)
Spectrum	(1,704)
VMO2 JV	1,150
TELEFÓNICA TOTAL CAPEX EX- SPECTRUM ADJUSTED BASE	6,241
TELEFÓNICA TOTAL CAPEX/SALES (ex-spectrum) ADJUSTED BASE	14.7%

Notes:

Criteria for 2022 guidance:

Assumes constant exchange rates of 2021 (average in 2021). Excludes the contribution to growth from T. Argentina and T. Venezuela. Includes 50% of VMO2 JV results. 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	Oct - Dec	Jan - Dec
Revenues	3,078	3,028	3,103	3,192	12,401	3,050	3,045	3,114	3,207	12,417
Mobile handset revenues	64	44	73	83	264	82	71	100	146	399
Revenues ex-mobile handset revenues	3,014	2,984	3,030	3,109	12,137	2,968	2,974	3,014	3,061	12,017
Retail	2,477	2,439	2,459	2,531	9,906	2,432	2,395	2,392	2,479	9,699
Wholesale & others	537	545	571	578	2,231	536	579	622	582	2,318
Operating income before D&A (OIBDA)	1,225	1,211	1,298	1,311	5,046	1,194	1,158	1,182	(158)	3,377
OIBDA Margin	39.8%	40.0%	41.8%	41.1%	40.7%	39.2%	38.0%	38.0%	n.s.	27.2%
CapEx	344	304	376	384	1,408	334	386	645	449	1,815
Spectrum	-	-	-	-	-	21	2	312	17	352
OIBDA-CapEx	881	907	923	928	3,638	860	772	537	(607)	1,562

Notes:

- OIBDA before management and brand fees.

TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2020				2021			
	March	June	September	December	March	June	September	December
Retail Accesses	37,874.0	37,936.9	37,922.1	37,615.1	37,143.5	36,881.0	36,809.2	36,460.9
Fixed telephony	8,918.6	8,917.6	8,882.5	8,731.0	8,616.6	8,523.4	8,437.9	8,376.3
Broadband	5,985.2	5,993.4	6,030.3	5,961.9	5,911.1	5,888.6	5,873.6	5,874.9
FTTH	4,393.0	4,452.0	4,556.9	4,614.1	4,671.0	4,726.7	4,774.5	4,847.6
Mobile	18,926.7	18,960.3	18,993.7	18,977.8	18,711.0	18,658.2	18,732.9	18,484.6
Prepay	1,070.2	1,012.7	940.0	888.1	840.1	806.0	783.6	752.5
Contract	15,209.9	15,279.8	15,365.1	15,383.7	15,259.7	15,185.8	15,194.8	15,210.7
IoT	2,646.6	2,667.7	2,688.6	2,706.0	2,611.2	2,666.4	2,754.5	2,521.5
Pay TV	4,032.3	4,054.3	4,004.3	3,934.5	3,895.3	3,801.3	3,755.5	3,716.4
Wholesale Accesses	3,772.4	3,719.9	3,709.2	3,689.5	3,676.8	3,658.3	3,679.1	3,674.3
FTTH	2,292.5	2,361.3	2,489.6	2,599.8	2,708.1	2,801.7	2,907.1	2,982.0
Total Accesses	41,646.4	41,656.7	41,631.4	41,304.6	40,820.3	40,539.3	40,488.3	40,135.2

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021			
	March	June	September	December	March	June	September	December
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	26,903.3
UBB Up-take (FTTH)	29%	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	December
Convergent clients (thousands)	4,824.5	4,830.3	4,847.3	4,824.8	4,781.6	4,725.9	4,682.7	4,649.8
Convergent ARPU (EUR) (cumulative YTD)	91.8	91.3	91.5	91.4	89.7	88.5	88.9	89.2
Convergent churn (cumulative YTD)	1.5%	1.2%	1.3%	1.4%	1.5%	1.5%	1.4%	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	Oct - Dec	Jan - Dec
Revenues	1,846	1,790	1,873	2,023	7,532	1,850	1,893	1,967	2,055	7,765
Mobile Business	1,650	1,597	1,672	1,810	6,730	1,654	1,688	1,760	1,840	6,942
Handset revenues	339	322	311	451	1,423	347	318	339	446	1,450
Fixed Business	193	193	198	202	785	200	200	203	211	814
Operating income before D&A (OIBDA)	532	563	577	637	2,309	557	616	623	629	2,424
OIBDA Margin	28.8%	31.4%	30.8%	31.5%	30.7%	30.1%	32.5%	31.7%	30.6%	31.2%
CapEx	224	251	251	368	1,094	228	280	303	474	1,284
Spectrum	-	-	-	-	-	-	-	-	-	-
OIBDA-CapEx	308	312	326	268	1,214	328	336	320	155	1,140

Note:

- OIBDA before management and brand fees.

TELEFÓNICA DEUTSCHLAND

ACCESSES

Unaudited figures (Thousands)

	2020				2021			
	March	June	September	December	March	June	September	December
Retail Accesses	48,121.7	48,017.7	48,544.9	48,804.7	48,942.4	49,485.1	49,838.4	50,219.3
Fixed telephony accesses	2,149.1	2,163.4	2,170.9	2,180.2	2,173.0	2,171.5	2,172.8	2,179.6
Broadband	2,231.7	2,245.2	2,251.6	2,261.1	2,253.9	2,253.2	2,255.4	2,262.3
UBB	1,687.7	1,728.8	1,762.3	1,797.8	1,809.1	1,823.2	1,837.7	1,856.8
Mobile accesses	43,647.1	43,516.5	44,032.4	44,274.8	44,428.2	44,974.5	45,325.3	45,693.6
Prepay	19,689.4	19,323.0	19,530.7	19,283.3	19,174.7	19,265.5	19,161.2	18,973.0
Contract	22,727.2	22,885.3	23,146.3	23,581.3	23,801.4	24,175.3	24,590.3	25,107.8
IoT	1,230.4	1,308.2	1,355.4	1,410.1	1,452.1	1,533.7	1,573.8	1,612.8
Total Accesses	48,121.7	48,017.7	48,544.9	48,804.7	48,942.4	49,485.1	49,838.4	50,219.3

Notes:

- UBB accesses refers to VDSL accesses in Germany.

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	2.0%	1.9%	1.6%	1.8%	1.6%	1.4%	1.7%	1.7%
Contract	1.5%	1.4%	1.4%	1.3%	1.3%	1.0%	1.2%	1.2%
Mobile churn (cumulative YTD)	2.0%	1.9%	1.8%	1.8%	1.6%	1.5%	1.6%	1.6%
Contract	1.5%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%	1.2%
Mobile ARPU (EUR) (cumulative YTD)	9.8	9.7	9.9	9.9	9.7	9.9	10.0	10.0
Contract	13.7	13.5	13.6	13.6	13.2	13.4	13.5	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 VM O2 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	Oct - Dec	Jan - Dec
Revenues	3,042	2,864	2,846	3,028	11,781	2,866	2,951	3,033	3,196	12,046
Mobile revenues	1,720	1,625	1,616	1,738	6,698	1,567	1,620	1,713	1,862	6,762
Handset revenues	428	426	420	548	1,823	390	409	477	620	1,895
Fixed Business	1,182	1,122	1,132	1,166	4,603	1,174	1,198	1,188	1,194	4,754
Consumer Fixed	1,009	948	948	955	3,860	982	1,009	1,012	1,010	4,012
Subscription	990	939	930	935	3,793	962	986	987	987	3,921
Other	20	9	18	20	67	20	23	25	23	91
B2B Fixed	173	174	184	212	742	192	189	176	184	742
Other	140	117	98	124	479	125	132	131	141	529
Operating income before D&A (OIBDA)	1,036	1,006	1,014	1,018	4,074	1,033	1,046	1,061	1,037	4,178
OIBDA Margin	34.0%	35.1%	35.6%	33.6%	34.6%	36.0%	35.5%	35.0%	32.4%	34.7%
CapEx	519	463	497	614	2,093	10	541	598	726	2,908
Spectrum	-	-	-	94	94	513	4	3	2	521
OIBDA-CapEx	517	543	517	405	1,981	(0)	505	464	311	1,270

Notes:

- Organic OIBDA and OIBDA margin y-o-y calculated in line with Telefonica criteria.

- 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	December
Retail Accesses (1)	43,066.0	42,480.3	43,430.1	44,067.7	44,292.8	44,990.9	45,549.5	46,021.1
Broadband	5,308.1	5,347.4	5,394.5	5,449.5	5,487.9	5,523.6	5,566.0	5,626.7
UBB	5,279.2	5,318.4	5,365.4	5,420.3	5,458.6	5,494.1	5,536.4	5,596.8
Mobile accesses	29,241.3	28,672.0	29,701.2	30,336.6	30,617.7	31,358.0	31,864.6	32,276.8
Prepay	8,433.0	7,772.8	8,335.9	8,251.8	8,199.1	8,362.5	8,284.0	8,119.1
Contract	15,253.0	15,323.4	15,431.4	15,594.2	15,636.3	15,701.2	15,809.3	15,938.1
IoT	5,555.3	5,575.8	5,934.0	6,490.6	6,782.3	7,294.3	7,771.3	8,219.7
Wholesale Accesses	8,774.2	8,694.3	9,018.3	9,210.9	9,350.5	9,594.4	9,773.7	9,966.6
Total Accesses (1)	51,840.2	51,174.6	52,448.4	53,278.6	53,643.3	54,585.4	55,323.2	55,987.8

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	December
UBB Premises passed	14,981.5	15,072.6	15,191.7	15,310.8	15,386.6	15,476.4	15,546.3	15,649.9

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	Oct - Dec	Jan - Dec
Revenues	2,215	1,739	1,720	1,748	7,422	1,645	1,672	1,791	1,802	6,910
Mobile Business	1,447	1,113	1,145	1,186	4,891	1,084	1,098	1,199	1,230	4,610
Handset revenues	119	60	117	130	426	98	87	93	138	415
Fixed Business	768	626	575	562	2,531	561	575	592	572	2,300
Operating income before D&A (OIBDA)	951	716	719	802	3,188	702	778	846	812	3,138
OIBDA Margin	42.9%	41.2%	41.8 %	45.9%	42.9%	42.7%	46.5%	47.3%	45.1%	45.4%
CapEx	337	328	287	420	1,372	295	353	354	1,067	2,069
Spectrum	-	-	-	32	32	-	-	5	700	706
OIBDA-CapEx	613	388	432	382	1,815	407	425	492	(255)	1,069

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	December
Retail Accesses	93,173.2	92,103.6	93,811.5	95,145.0	95,900.8	96,813.8	97,516.6	98,853.2
Fixed telephony accesses	10,309.0	9,779.4	9,347.8	8,994.8	8,625.9	8,328.1	7,802.4	7,506.5
Broadband	6,772.6	6,587.0	6,430.4	6,315.0	6,318.2	6,283.8	6,264.9	6,262.0
UBB	5,026.7	5,033.1	5,054.8	5,084.2	5,220.1	5,313.0	5,430.1	5,535.3
FTTH	2,652.3	2,862.6	3,129.7	3,377.7	3,745.8	4,046.3	4,356.0	4,608.7
Mobile accesses	74,740.7	74,399.3	76,709.4	78,523.7	79,673.3	80,956.5	82,244.6	83,912.3
Prepay	31,023.8	31,291.2	32,757.1	33,662.5	33,668.8	33,871.7	34,163.4	34,287.3
Contract	33,310.3	33,246.8	33,689.5	34,418.2	35,321.4	35,911.4	36,608.6	37,166.7
IoT	10,406.6	9,861.3	10,262.8	10,443.0	10,683.2	11,173.4	11,472.6	12,458.3
Pay TV	1,282.9	1,270.3	1,257.8	1,247.7	1,223.5	1,186.2	1,146.6	1,114.8
IPTV	753.3	805.3	854.5	890.8	913.9	918.6	917.8	916.8
Total Accesses	93,173.3	92,116.9	93,824.5	95,157.9	95,901.9	96,814.9	97,517.6	98,854.2

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021			
	March	June	September	December	March	June	September	December
UBB Premises passed	21,677.8	22,626.8	23,927.6	24,514.0	25,057.9	25,609.7	26,371.7	27,485.7
FTTH	11,689.7	13,086.4	14,588.5	15,696.9	16,291.1	17,309.5	18,316.5	19,587.6
Up-Take FTTH	23%	22%	21%	22%	23%	23%	24%	24%

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	3.1%	3.4%	3.1%	2.9%	2.9%	2.9%	2.8%	2.8%
Contract	1.5%	1.5%	1.2%	1.1%	1.1%	1.3%	1.2%	1.3%
Mobile churn (cumulative YTD)	3.1%	3.2%	3.2%	3.1%	2.9%	2.9%	2.9%	2.8%
Contract	1.5%	1.5%	1.4%	1.3%	1.1%	1.2%	1.2%	1.2%
Mobile ARPU (EUR) (cumulative YTD)	5.7	5.1	4.9	4.7	4.0	4.0	4.1	4.2
Contract	10.2	9.2	8.7	8.4	7.2	7.2	7.4	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	Oct - Dec	Jan - Dec
Revenues	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124	2,293	8,362
Mobile Business	1,406	1,161	1,232	1,271	5,070	1,260	1,315	1,380	1,490	5,444
Handset revenues	295	185	305	327	1,111	316	338	353	391	1,398
Fixed Business	764	692	721	660	2,836	676	687	741	803	2,907
Operating income before D&A (OIBDA)	502	361	(344)	471	990	396	373	872	77	1,718
OIBDA Margin	22.8%	19.2%	(18.0%)	24.4%	12.5%	20.4%	18.6%	41.0%	3.4%	20.5%
CapEx	325	133	155	220	833	350	151	154	324	978
Spectrum	-	-	-	-	-	135	1	(2)	(2)	131
OIBDA-CapEx	176	228	(499)	251	157	47	221	718	(246)	740

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.
- Q4 21 OIBDA includes impairment allocated to Peru of -€393m.
- OIBDA 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	Oct - Dec	Jan - Dec
Revenues	2,204	1,881	1,903	1,934	7,922	1,939	2,007	2,124	2,293	8,362
Telefónica Argentina	532	445	406	356	1,738	412	458	551	635	2,056
Telefónica Chile	391	367	398	430	1,585	424	442	444	459	1,769
Telefónica Perú	472	393	394	385	1,645	371	377	386	399	1,533
Telefónica Colombia	333	294	304	319	1,249	330	318	316	348	1,312
Telefonica México	290	229	238	276	1,033	239	246	255	271	1,010
Others and eliminations	187	153	163	168	672	163	165	173	182	683
Handset sales	295	185	305	327	1,111	316	338	353	391	1,398
Telefónica Argentina	64	36	63	52	215	61	72	93	105	330
Telefónica Chile	62	60	88	93	304	92	96	84	90	362
Telefónica Perú	53	6	56	53	167	50	56	52	52	210
Telefónica Colombia	32	18	27	34	111	37	36	40	51	164
Telefonica México	69	54	59	82	264	64	62	67	73	266
Others and eliminations	14	11	12	12	49	12	16	17	20	66
OIBDA	502	361	(344)	471	990	396	373	872	77	1,718
Telefónica Argentina	101	105	91	59	355	41	40	78	69	229
Telefónica Chile	119	122	129	138	508	128	132	530	130	920
Telefónica Perú	89	81	67	61	298	68	36	67	80	252
Telefónica Colombia	98	102	105	133	438	94	97	119	102	413
Telefónica México	33	21	9	22	85	17	13	23	29	82
Others and eliminations	62	(70)	(744)	58	(694)	47	53	55	(332)	(176)

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.
- Q4 21 OIBDA includes impairment allocated to Peru of -€393m.
- OIBDA 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	December
Retail Accesses	108,739.0	105,534.3	106,040.8	108,488.6	109,152.9	109,498.6	109,061.1	110,395.5
Fixed telephony accesses	8,461.8	8,260.7	7,982.7	7,835.0	7,668.1	7,489.2	7,237.3	7,034.1
Broadband	5,428.5	5,398.6	5,407.1	5,447.3	5,555.0	5,654.8	5,700.5	5,756.9
UBB	3,298.3	3,386.0	3,550.9	3,695.0	3,894.3	4,108.5	4,280.0	4,432.2
FTTH	2,916.2	3,034.6	3,239.3	3,417.6	3,642.4	3,886.5	4,086.9	4,259.0
Mobile accesses	91,759.4	88,837.3	89,650.6	92,204.5	92,924.7	93,400.5	93,173.0	94,612.6
Prepay	66,156.9	63,737.5	64,201.0	66,206.7	66,145.0	65,926.8	65,143.7	66,075.3
Contract	21,909.8	21,348.6	21,603.3	22,000.2	22,611.4	23,099.6	23,494.7	23,799.6
IoT	3,692.6	3,751.1	3,846.3	3,997.6	4,168.3	4,374.2	4,534.6	4,737.6
Pay TV	2,943.2	2,889.7	2,853.5	2,856.8	2,864.1	2,872.5	2,869.0	2,905.3
IPTV	385.8	424.1	501.3	577.7	646.4	724.9	811.2	913.2
Total Accesses	108,760.1	105,554.3	106,061.1	108,509.1	109,173.2	109,518.8	109,080.7	110,414.7

Notes:

- FTTH includes Peru's cable accesses.

OWN UBB COVERAGE

Unaudited figures (thousands)

	2020				2021			
	March	June	September	December	March	June	September	December
UBB Premises passed	11,727.5	11,972.1	11,839.7	12,064.5	12,521.5	13,119.1	13,832.4	14,464.7
FTTH	8,989.1	9,233.8	9,595.7	9,923.4	10,389.7	10,988.0	11,704.6	12,341.1
Up-take FTTH	32%	33%	34%	34%	35%	35%	35%	35%

Notes:

- FTTH includes Peru's cable premises passed.

SELECTED OPERATIONAL DATA

Unaudited figures

	2020				2021			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	3.4%	3.2%	3.0%	2.5%	3.0%	3.0%	3.5%	3.0%
Contract	2.7%	2.0%	2.5%	2.2%	2.0%	2.2%	2.3%	2.3%
Mobile churn (cumulative YTD)	3.4%	3.3%	3.2%	3.0%	3.0%	3.0%	3.2%	3.1%
Contract	2.7%	2.3%	2.4%	2.3%	2.0%	2.1%	2.2%	2.2%
Mobile ARPU (EUR) (cumulative YTD)	3.9	3.6	3.5	3.4	3.2	3.2	3.3	3.3
Contract	10.9	10.5	10.0	9.6	9.1	9.0	9.0	9.1

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	Jan - Dec
Operating income before D&A (OIBDA)	3,760	7,075	9,747	13,498	3,417	16,886	20,620	21,983
Depreciation and amortisation	(2,669)	(4,951)	(7,079)	(9,359)	(2,023)	(4,139)	(6,295)	(8,397)
Operating income (OI)	1,091	2,124	2,668	4,139	1,394	12,747	14,326	13,586

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	December 2021
Non-current financial liabilities	42,297	35,290
Current financial liabilities	8,123	7,005
Gross Financial Debt	50,420	42,295
Cash and cash equivalents	(5,604)	(8,580)
Current financial assets	(2,489)	(3,823)
Non-current financial assets	(5,137)	(4,580)
Mark-to-market adjustment by cash flow hedging activities related to debt	(1,048)	22
Other current assets and liabilities	(260)	(13)
Other non-current assets and liabilities	(654)	711
Net Financial Debt	35,228	26,032
Lease Liabilities	6,469	8,080
Net Financial Debt including Lease liabilities (1)	41,697	34,112

Notes:

(1) As of December 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 €1,573m, €2,194m included as financial liabilities and €3,767m included as financial assets.

	December 2020	December 2021
Net Financial Debt / OIBDAaL adjusted (1)	2.79 x	2.59x

(1) OIBDA plus adjustments and after Leases.

TELEFÓNICA
RECONCILIATION OF LEVERAGE RATIO
Unaudited figures (Euros in millions)

		2020				2021			
		March	June	September	December	March	June	September	December
A	Net Financial Debt	38,223	37,201	36,676	35,228	35,796	23,152	21,965	26,032
B	OIBDA reported (LTM)	14,615	13,492	13,416	13,498	13,155	23,309	24,372	21,983
C	Adjustments in OIBDA	2,021	2,336	1,712	983	1,018	(11,255)	(12,366)	(9,923)
	Restructuring charges	2,191	2,177	347	115	158	238	214	1,707
	Capital gains/losses on sale of assets	(570)	(387)	3	(26)	(35)	(10,225)	(10,977)	(10,994)
	Changes in the consolidation perimeter	-	-	-	-	-	(1,959)	(1,526)	(963)
	Others	400	546	1,362	894	894	690	(78)	327
D	Leases	(1,923)	(1,933)	(1,884)	(1,856)	(1,859)	(1,867)	(1,933)	(2,025)
E= B+C+D	OIBDAaL adjusted (LTM)	14,713	13,895	13,243	12,625	12,313	10,187	10,072	10,035
F= A/E	Net Financial Debt / OIBDAaL adjusted	2.60x	2.68x	2.77x	2.79x	2.91x	2.27x	2.18x	2.59x

TELEFÓNICA
NET COMMITMENTS RELATED TO EMPLOYEE BENEFITS
Unaudited figures (Euros in millions)

	December 2020	December 2021
Gross commitments related to employee benefits	5,841	6,337
Value of associated Long-term assets	(122)	(94)
Tax benefits	(1,513)	(1,626)
Net commitments related to employee benefits	4,206	4,617

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.

- Includes new commitments associated with long-term restructuring plans booked in Spain in Q4 21.

- 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
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	Jan - Dec
Net cash flow provided by operating activities		2,259	5,288	8,913	13,196	2,556	5,112	7,544	10,268
(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)	(6,164)
Government grants received		-	-	-	-	-	-	-	-
Dividends paid to minority shareholders		(4)	(175)	(322)	(471)	(3)	(181)	(263)	(410)
Payments related to cancellation of commitments		284	493	697	963	231	466	657	844
Payments of financed spectrum without explicit interest		-	-	-	(87)	(21)	(21)	(21)	(108)
Free Cash Flow excluding Lease Principal Payments		790	2,113	4,016	6,581	579	1,826	2,773	4,430
Lease Principal Payments		(557)	(891)	(1,215)	(1,787)	(545)	(916)	(1,303)	(1,782)
FCF Including Lease Principal Payments		233	1,222	2,801	4,794	33	910	1,470	2,648

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 - Dec	
T. ESPAÑA									
REPORTED DATA	3,078	6,106	9,209	12,401	3,050	6,095	9,209	12,417	0.1
T. ESPAÑA ORGANIC	3,078	6,106	9,209	12,401	3,050	6,095	9,209	12,417	0.1
T. DEUTSCHLAND									
REPORTED DATA	1,846	3,636	5,509	7,532	1,850	3,743	5,711	7,765	3.1
T. DEUTSCHLAND ORGANIC	1,846	3,636	5,509	7,532	1,850	3,743	5,711	7,765	3.1
T. UK									
REPORTED DATA	1,739	3,370	4,966	6,708	1,552	2,628	2,628	2,628	(60.8)
Changes in the consolidation perimeter	-	(541)	(2,136)	(3,878)	-	-	-	-	
Forex Impact	-	-	-	-	23	2	2	2	
T. UK ORGANIC	1,739	2,830	2,830	2,830	1,575	2,631	2,631	2,631	(7.0)
T. BRASIL									
REPORTED DATA	2,215	3,954	5,674	7,422	1,645	3,318	5,108	6,910	(6.9)
Forex Impact	-	-	-	-	575	703	672	667	
T. BRASIL ORGANIC	2,215	3,954	5,674	7,422	2,220	4,021	5,781	7,578	2.1
T. HISPAM									
REPORTED DATA	2,204	4,085	5,988	7,922	1,939	3,945	6,069	8,362	5.5
Changes in the consolidation perimeter	-	-	5	10	-	-	-	-	
Forex Impact	-	-	-	-	140	216	267	308	
Others	-	-	-	-	120	97	(52)	(330)	
T. HISPAM ORGANIC	2,204	4,085	5,993	7,932	2,199	4,258	6,284	8,340	5.1
TELEFÓNICA									
REPORTED DATA	11,366	21,706	32,167	43,076	10,340	20,305	29,603	39,277	(8.8)
Changes in the consolidation perimeter	-	(531)	(2,134)	(3,899)	-	-	-	-	
Forex Impact	-	-	-	-	754	959	981	1,012	
Others	-	-	-	-	120	98	(49)	(329)	
TELEFÓNICA ORGANIC	11,366	21,175	30,033	39,177	11,214	21,361	30,534	39,959	2.0

OIBDA	2020				2021				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	1,225	2,436	3,734	5,046	1,194	2,352	3,535	3,377	(33.1)
Restructuring charges	27	27	27	27	-	-	-	1,425	
T. ESPAÑA ORGANIC	1,252	2,463	3,761	5,073	1,194	2,352	3,535	4,802	(5.3)
T. DEUTSCHLAND									
REPORTED DATA	532	1,095	1,672	2,309	557	1,172	1,795	2,424	5.0
Restructuring charges	(1)	-	26	37	15	17	18	22	
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	2,447	4.0
T. UK									
REPORTED DATA	516	1,012	1,528	2,064	547	919	919	919	(55.5)
Changes in the consolidation perimeter	-	(176)	(692)	(1,228)	-	-	-	-	
Forex Impact	-	-	-	-	8	1	1	1	
T. UK ORGANIC	516	836	836	836	555	920	920	920	10.0
T. BRASIL									
REPORTED DATA	951	1,666	2,385	3,188	702	1,479	2,326	3,138	(1.6)
Forex Impact	-	-	-	-	245	314	294	294	
Capital gains/losses on sale of assets	-	-	-	-	-	-	(90)	(90)	
Others	-	-	-	-	-	(106)	(101)	(97)	
T. BRASIL ORGANIC	951	1,666	2,385	3,188	947	1,687	2,429	3,245	1.8
T. HISPAM									
REPORTED DATA	502	863	519	990	396	769	1,641	1,718	73.5
Restructuring charges	1	2	14	17	44	105	129	179	
Changes in the consolidation perimeter	-	-	(9)	(19)	-	-	-	-	
Capital gains/losses on sale of assets	-	-	(2)	(2)	-	-	(409)	(409)	
Forex Impact	-	-	-	-	28	39	54	67	
Others	-	109	894	894	28	55	46	388	
T. HISPAM ORGANIC	503	974	1,416	1,879	496	968	1,461	1,943	3.4
TELEFÓNICA									
REPORTED DATA	3,760	7,075	9,747	13,498	3,417	16,886	20,620	21,983	62.9
Restructuring charges	33	35	82	115	78	164	186	1,712	
Changes in the consolidation perimeter	-	(177)	(717)	(1,278)	-	-	-	-	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	(10,994)	
Forex Impact	-	-	-	-	288	366	365	371	
Others	-	116	917	894	30	(48)	(24)	311	
TELEFÓNICA ORGANIC	3,802	7,055	10,032	13,203	3,813	7,173	10,199	13,382	1.4

OPERATING INCOME	2020				2021				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
TELEFÓNICA									
REPORTED DATA	1,091	2,124	2,668	4,139	1,394	12,747	14,326	13,586	228.2
Restructuring charges	33	35	82	115	78	164	186	1,712	
Changes in the consolidation perimeter	(13)	(312)	(899)	(1,490)	(360)	(596)	(597)	(597)	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	(10,994)	
Forex Impact	-	-	-	-	91	115	119	123	
Others	97	297	1,155	1,246	65	12	64	379	
TELEFÓNICA ORGANIC	1,217	2,150	3,010	3,985	1,268	2,247	3,150	4,209	5.6
CAPEX	2020				2021				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	344	649	1,024	1,408	334	720	1,365	1,815	28.9
Spectrum	-	-	-	-	(21)	(23)	(335)	(352)	
T. ESPAÑA ORGANIC	344	649	1,024	1,408	313	697	1,031	1,463	3.9
T. DEUTSCHLAND									
REPORTED DATA	224	475	726	1,094	228	508	810	1,284	17.3
T. DEUTSCHLAND ORGANIC	224	475	726	1,094	228	508	810	1,284	17.3
T. UK									
REPORTED DATA	221	406	611	913	768	933	933	933	2.2
Changes in the consolidation perimeter	-	(69)	(274)	(576)	-	-	-	-	
Forex Impact	-	-	-	-	11	1	1	1	
Spectrum	-	-	-	-	(520)	(516)	(516)	(516)	
T. UK ORGANIC	221	337	337	337	259	418	418	418	24.1
T. BRASIL									
REPORTED DATA	337	665	952	1,372	295	647	1,002	2,069	50.8
Forex Impact	-	-	-	-	103	137	132	200	
Spectrum	-	-	-	(32)	-	-	(6)	(774)	
T. BRASIL ORGANIC	337	665	952	1,340	398	784	1,128	1,495	11.5
T. HISPAM									
REPORTED DATA	325	458	613	833	350	501	654	978	17.4
Changes in the consolidation perimeter	-	(12)	(16)	(23)	-	-	-	-	
Forex Impact	-	-	-	-	12	17	22	30	
Spectrum	-	-	-	-	(133)	(131)	(130)	(130)	
Others	-	-	-	-	34	40	42	(26)	
T. HISPAM ORGANIC	325	447	598	810	262	427	588	852	5.2
TELEFÓNICA									
REPORTED DATA	1,485	2,721	4,067	5,861	2,006	3,400	4,893	7,267	24.0
Changes in the consolidation perimeter	-	(85)	(312)	(657)	-	-	-	-	
Forex Impact	-	-	-	-	128	160	160	236	
Spectrum	-	-	-	(32)	(674)	(670)	(987)	(1,772)	
Others	-	-	-	-	34	40	42	(26)	
TELEFÓNICA ORGANIC	1,485	2,636	3,755	5,173	1,494	2,931	4,108	5,705	10.3

OIBDA-CapEx	2020				2021				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Mar	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	881	1,787	2,710	3,638	860	1,632	2,169	1,562	(57.1)
Restructuring charges	27	27	27	27	-	-	-	1,425	
Spectrum	-	-	-	-	21	23	335	352	
T. ESPAÑA ORGANIC	907	1,814	2,737	3,665	881	1,656	2,504	3,339	(8.9)
T. DEUTSCHLAND									
REPORTED DATA	308	620	946	1,214	328	664	985	1,140	(6.1)
Restructuring charges	(1)	-	26	37	15	17	18	22	
Capital gains/losses on sale of assets	9	5	5	5	-	-	-	-	
T. DEUTSCHLAND ORGANIC	316	626	977	1,257	343	681	1,003	1,163	(7.5)
T. UK									
REPORTED DATA	295	606	918	1,151	(221)	(14)	(14)	(14)	c.s.
Changes in the consolidation perimeter	-	(107)	(418)	(652)	-	-	-	-	
Forex Impact	-	-	-	-	(3)	-	-	-	
Spectrum	-	-	-	-	520	516	516	516	
T. UK ORGANIC	295	499	499	499	296	502	502	502	0.5
T. BRASIL									
REPORTED DATA	613	1,001	1,433	1,815	407	832	1,324	1,069	(41.1)
Capital gains/losses on sale of assets	-	-	-	-	-	-	(90)	(90)	
Forex Impact	-	-	-	-	142	176	162	95	
Spectrum	-	-	-	32	-	-	6	774	
Others	-	-	-	-	-	(106)	(101)	(97)	
T. BRASIL ORGANIC	613	1,001	1,433	1,847	549	903	1,301	1,750	(5.3)
T. HISPAM									
REPORTED DATA	176	404	(94)	157	47	268	986	740	n.s.
Restructuring charges	1	2	14	17	44	105	129	179	
Changes in the consolidation perimeter	-	12	7	4	-	-	-	-	
Capital gains/losses on sale of assets	-	-	(2)	(2)	-	-	(409)	(409)	
Forex Impact	-	-	-	-	16	22	32	37	
Spectrum	-	-	-	-	133	131	130	130	
Others	-	109	894	894	(6)	15	4	414	
T. HISPAM ORGANIC	177	527	818	1,069	233	541	873	1,091	2.0
TELEFÓNICA									
REPORTED DATA	2,275	4,354	5,680	7,637	1,411	13,486	15,727	14,716	92.7
Restructuring charges	33	35	82	115	78	164	186	1,712	
Changes in the consolidation perimeter	-	(92)	(405)	(622)	-	-	-	-	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	(10,994)	
Forex Impact	-	-	-	-	160	206	204	134	
Spectrum	-	-	-	32	674	670	987	1,772	
Others	-	116	917	894	(4)	(88)	(66)	337	
TELEFÓNICA ORGANIC	2,317	4,419	6,277	8,030	2,320	4,243	6,091	7,677	(4.4)

Note:

Organic criteria : 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)

	2020				2021				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
OIBDA									
TELEFÓNICA									
REPORTED DATA	3,760	7,075	9,747	13,498	3,417	16,886	20,620	21,983	62.9
Restructuring charges	33	35	82	115	77	159	181	1,707	
Capital gains/losses on sale of assets	9	5	4	(25)	-	(10,194)	(10,948)	(10,994)	
Others	-	116	917	894	-	(87)	(57)	327	
TELEFÓNICA UNDERLYING	3,802	7,232	10,749	14,481	3,494	6,763	9,797	13,023	(10.1)
	2020				2021				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
NET INCOME									
TELEFÓNICA									
REPORTED DATA	406	831	671	1,582	886	8,629	9,335	8,137	n.s.
Restructuring charges	24	26	59	83	53	109	139	1,262	
Capital gains/losses on sale of assets	6	4	2	(27)	-	(7,945)	(8,356)	(8,447)	
Others	182	457	1,320	1,449	137	830	992	1,618	
TELEFÓNICA UNDERLYING	619	1,318	2,052	3,086	1,076	1,622	2,110	2,569	(16.8)

Note:

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	
		China Unicom	0.6
VMED O2 UK LTD	50.0	BBVA	0.7
		Prisa	9.0
TELEFÓNICA DEUTSCHLAND	69.9		
TELEFÓNICA BRASIL	74.2		
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		