GRUPOMASMOVIL

Index earnings Report 9M 2021

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GRUPOMASMOVIL

Key Highlights 9M21

- **Growth momentum continues despite tougher market conditions**

  - **MASMOVIL ongoing strong performance continued throughout the 9M21** from both a commercial and financial perspective despite tougher market conditions in the lower end of the market, mainly from a substantially lower commercial activity with declining portabilities and increasing competition in the ultra-low-cost convergent segment. In this environment, the Company's focus on quality, simplicity and best customer experience allowed it to continue leading portabilities and growth in lines. Stepping back from the ultra-low-cost battle allowed MASMOVIL to mitigate the last months the ARPU pressure experienced by most of our peers

  - **Euskaltel acquisition completed:** The takeover bid for Euskaltel was announced on March 28th. By the end of the acceptance period, 97.67% of the share capital had accepted MASMOVIL's offer what triggered the squeeze-out procedure to acquire 100% of Euskaltel's shares. The Company is therefore including Euskaltel in its consolidation perimeter since August 2021. To facilitate a like-for-like comparison, we will be providing in this earnings report not only the figures on reported basis (including those two months of Euskaltel) but also on aggregated basis[1] (MASMOVIL+Euskaltel)

- **Summary of 9M21 key figures:**
  - Service Revenue: +22% YoY as reported, +10% aggregated[1]
  - Adjusted EBITDA: +46% YoY as reported, +13% aggregated
  - Adjusted EBITDA margin: 36% +6pp YoY as reported, 35% +1pp YoY aggregated
  - Client growth: following the consolidation of Euskaltel, the number of broadband subscribers increased in 3Q21 by 815K while broadband net additions on an aggregated basis were 80k. Mobile postpaid subscribers increased by 1.6M or +221k on aggregated basis
  - Number of subscribers: the number of broadband and postpaid mobile subscribers reached 3.0M (+67% YoY) and 8.5M (+37% YoY) respectively

- **Increased Profitability in 3Q21**
  - Adjusted EBITDA:
    - Reported: €247M +63% YoY
    - Aggregated: €263M +17% YoY
  - EBITDA Margin:
    - Reported: 38% +8pp YoY
    - Aggregated: 37% +4pp YoY (c.3pp IFRS3 driven)

[1] Euskaltel has been consolidated starting August 2021. Aggregated figures are pro forma to add Euskaltel's pre acquisition results to historical periods to allow like-for-like comparison. Please note that no consolidation adjustments have been reflected except for the transfer from Capex to Operating Costs of Euskaltel's capitalized broadband SAC

- **Network Development on Plan**
  - Total FTTH coverage increased to 26.8M Building Units ("BUs"), including wholesale access, basically covering now the whole of Spanish BUs
  - MASMOVIL's own/usage rights FTTH footprint increased to 19M BUs

- **Operational Milestones & Initiatives During the Period**
  - **Euskaltel acquisition completed:**
    - As mentioned above, the takeover bid for Euskaltel was announced on March 28th. The initial acceptance period of the public tender offer ended on July 30, 2021, and the CNMV announced that 97.67% of the shareholders had accepted the Offer for an all-cash consideration equal to €11.00 per share. Euskaltel was therefore acquired by the Group on August 10, 2021, while on August 27, 2021, it was acquired the remaining 2.33% of the shares pursuant to the acquisition squeeze-out
    - The combination of MASMOVIL and Euskaltel creates **a stronger 4th operator in Spain** combining two complementary businesses in terms of network infrastructure and strategic focus. The Group has become #2 in residential mobile and #4 in residential fixed broadband, with an enhanced presence in the North of Spain, where MASMOVIL's market share was lower compared to other areas of the country
    - Both companies share a **focus on a multi brand strategy,** and the merger will improve the combined offering to the Spanish customers
    - As such, the combined Group is uniquely positioned to continue capturing most of the growth in the Spanish **market**
    - At the beginning of October 2021, the Company successfully completed the refinancing of its capital structure, as discussed later in this report

  - **Euskaltel integration progressing well:**
    - Unified organization implemented
    - Pilot of mobile migration successfully finished
    - 50% of gross adds of Euskaltel's regional brands already on FTTH
    - Netco transaction progressing
    - Restructuring of wholesale agreements completed
    - Virgin brand included in non-exclusive physical shops

- **Corporate and Other:**
  - Portugal: Spectrum auction finished in-line with plans and strong portfolio of frequencies acquired
  - Full ownership of GUUK assumed
  - New services launched including Home Security & Energy

- **Relevant achievements on ESG**
  - During the first nine months of 2021 the Company has achieved the following relevant milestones:
    - First European Telco to achieve Net Zero Emissions at Group level for Scope 1, 2 & 3 (water, paper and toner)
    - First European telco and the largest Spanish company obtaining the B Corp certification
    - Environmental management certification ISO 14001 ratified in November 2021
    - Best Telco to work in Spain according to the ranking made by the financial magazine Actualidad Económica

Financial and Operational Results

- **9M21 Financials**
  - **Revenues:**
    - Reported Service Revenues of €1,551M (+22% YoY) and Total Revenues of €1,711M (+22% YoY)
    - Aggregated proforma Service Revenues would have reached €1,928M (+10% YoY) and Total Revenues of €2,118M (+10% YoY)
  - **EBITDA:**
    - Reported Adjusted EBITDA of €624M (+46% YoY) with an EBITDA margin of 36% (+5pp of which c.4pp were IFRS3 driven)
    - Aggregated Adjusted EBITDA of €749M (+13% YoY) with an EBITDA margin of 35% (+1pp of which c.3pp were IFRS3 driven)
  - **Capex and Network:**
    - Total Net Capex of €245M including €162M of Commercial Capex (€75M in relation to customer growth and €87M to churn replacement)
    - In relation to Infrastructure Capex, it reached €83M including €101M of Recurrent Infrastructure with Growth Infrastructure Capex (€52M) being netted by the combined contribution from Ucles and Monterrei projects (€70M combined). The Ucles project implied a cash inflow of c.€300M from the sale of BU's (not properly Capex as per official accounts, but included here for consistency) while the Monterrei project amounted to €230M of accrued capex (to be paid during the next 7 years)
    - MASMOVIL's own/usage rights FTTH network coverage reached 19M BUs or more than c70% of total Company's broadband footprint of 26.8M BUs as of the end of 9M21
  - **Cash flow and Net debt:**
    - Cash Flow from Operations of €122M where deferred capex payments, NWC adjustments and deferred commissions and subsidies have been more than compensated with proceeds from asset sales (mostly Ucles project)
    - Reported Net Debt of €6,644M at the end of 9M21
    - Total Leverage of 5.1x and Senior Leverage of 4.2x (please see details of the calculations in page 15 of this report)

Table 1 – Key Financials

Key Financials (€M unless otherwise stated)	9M20 Reported	9M21 Reported	Growth 9M21/9M20	9M20 Aggregated	9M21 Aggregated	Growth 9M21/9M20
Service Revenues	1,271	1,551	22%	1,759	1,928	10%
Total Revenues	1,403	1,711	22%	1,921	2,118	10%
Adjusted EBITDA	429	624	46%	660	749	13%
Adjusted EBITDA margin (%)	31%	36%		34%	35%	
Net Accrued Capex	287	245				
Fiber Network footprint (Mn of BUs)	25.5	26.8				
o/w Own/Usage rights	13.9	13.7				
Cash Flow from Operations	-52	122				
Total LeverageNet Debt/Adjusted EBITDA (x)		5.1				

Source: Company

- **9M21 Service Revenue growth**
  - Reported Service Revenues grew +22% YoY (+10% Aggregated)
  - Reported Other Revenues +21% in 9M21 (+18% Aggregated)
  - Reported Total Revenues grew +22% YoY (+10% Aggregated)

Table 2 – Revenue Split

(€M)	9M20 Reported	9M21 Reported	Growth 9M21/9M20	9M20 Aggregated	9M21 Aggregated	Growth 9M21/9M20
Service Revenues	1,271	1,551	22%	1,760	1,928	10%
Other Revenues	132	161	21%	160	190	19%
Total Revenues	**1,403**	**1,711**	**22%**	**1,920**	**2,118**	**10%**

Source: Company

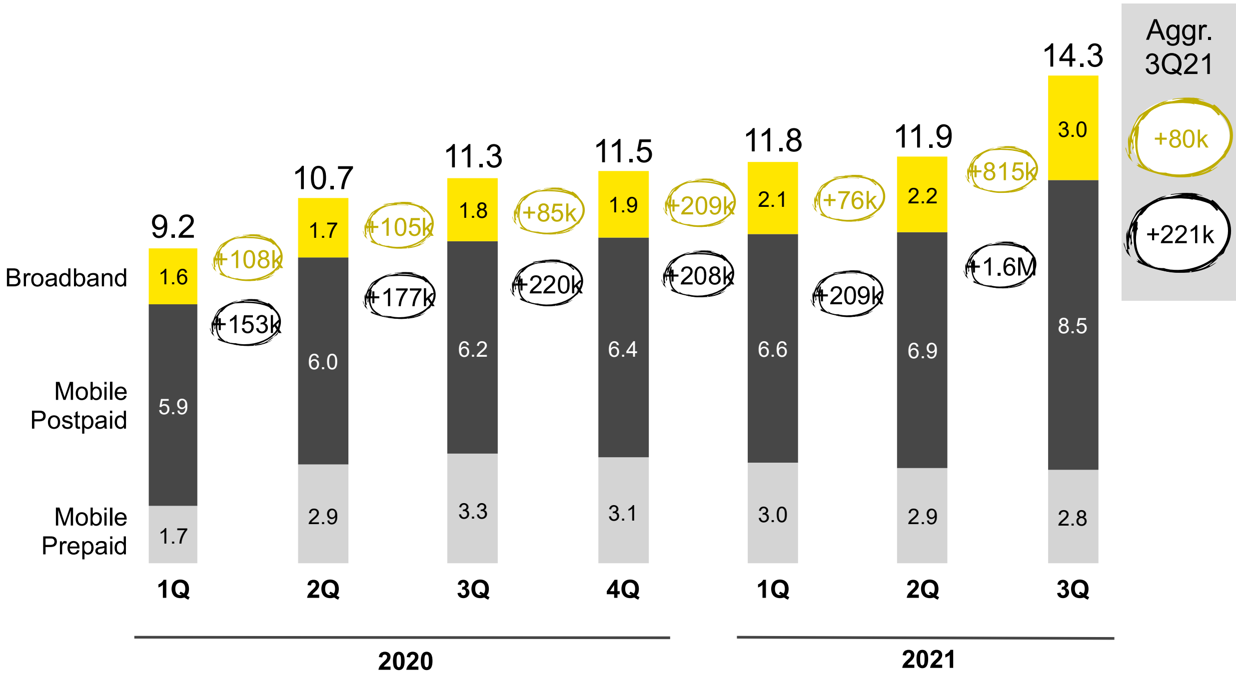
- **MASMOVIL continues its growth trajectory and reaches a total of 14.3M lines including 3.0M broadband lines**
  - At the end of 9M21, MASMOVIL had 14.3M total lines (+26% vs. 9M20), including the incorporation of Euskaltel's lines. Total lines grew over the last quarter by 0.2M on aggregated basis even after accounting for a small decrease in the pre-paid segment
  - Our multi-brand strategy of addressing different customer segments with tailored value propositions continues to deliver positive results
  - Cross-selling of broadband to the existing mobile subscriber base as well as the upselling of higher value packages like Agile TV service remains on track

Table 3 – Overview of Customer Base

M Lines	9M20 Reported	6M21 Aggregated	9M21 Agg./Rep.	Delta 9M21/6M21	Delta 9M21/9M20	Growth 9M21/9M20
Mobile postpaid	6.2	8.3	8.5	0.2	2.3	*37%*
Mobile prepaid	3.3	2.9	2.8	-0.1	-0.5	*-16%*
Total Mobile	**9.5**	**11.2**	**11.3**	**0.1**	**1.8**	***18%***
Broadband	1.8	2.9	3.0	0.1	1.2	*65%*
Total lines	**11.3**	**14.1**	**14.3**	**0.2**	**2.9**	***26%***

Source: Company

Chart 1 – Evolution of Mobile & Broadband Lines (millions)



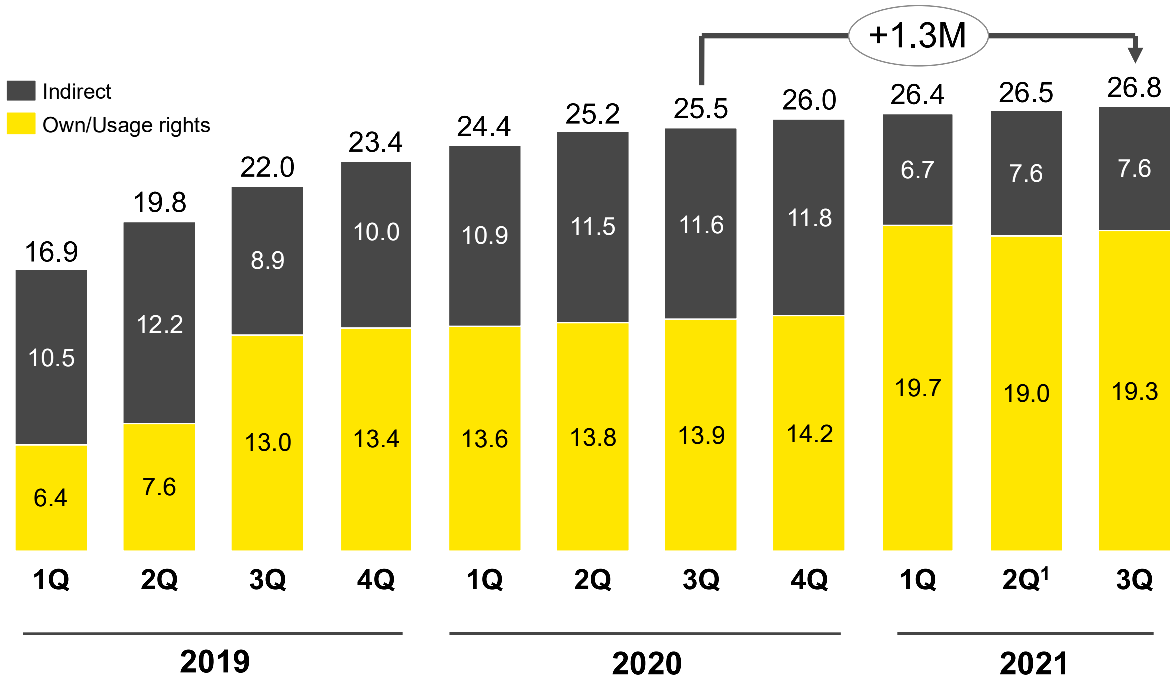
Source: Company

- **Mobile postpaid lines grew +37% YoY on reported basis**
  - In 9M21, MASMOVIL reached 8.5MM mobile post-paid clients, including Euskaltel's ones, an increase of +1.6M lines vs. 2Q21. On aggregated basis, the increase in mobile post-paid was 221k lines
  - The use of its different brands (Yoigo, MASMOVIL, Pepephone, Llamaya and Lebara) with tailored value propositions and sales channels allows MASMOVIL to adequately address customers with different profiles and behavior

- **Broadband net adds of +80k in 3Q21**
    - Broadband lines increased by 1.2M from the level achieved at 9M20 (+65%) to the end of 9M21 on reported basis, or by 80k vs 2Q21 on aggregated basis (815k on a reported basis)
    - Broadband lines include now both the Group's fiber and cable lines

- **FTTH footprint increased to 26.8M BUs, growing 1.3M since 3Q21**
    - The co-invest agreements signed with Orange, Vodafone and Telefónica, continued own deployments, netted of the specific projects when the Group has sold some fiber infrastructure, as well as the usage rights contracts and the acquisition of Euskaltel enabled MASMOVIL to expand its own/usage rights FTTH/Cable footprint to 19.3M BUs as of 3Q21
    - An additional 7.9M BUs are accessible through Bitstream agreements with third parties

Chart 2 – Fiber Footprint Expansion (Million BUs)



1 Change in mix between Own/Usage rights and Indirect due to sale of FTTH footprint as part of the Ucles project

Source: Company

Consolidated Profit and Loss Statement

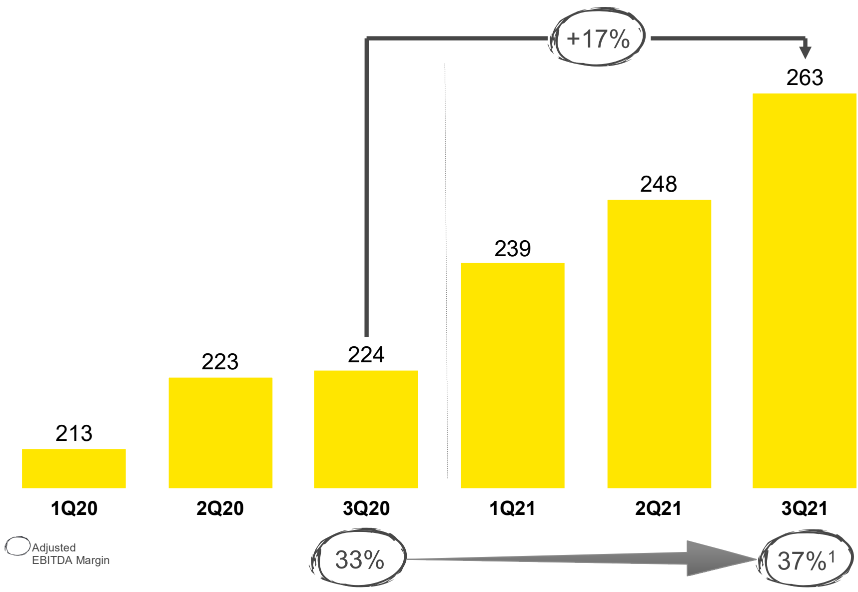
Table 4 – Summarized P&L (€M)

(€M)	9M20 Reported	9M21 Reported	Growth 9M21/9M20
Service Revenues	1,271	1,551	22%
Other revenues	132	160	21%
Revenue	**1,403**	**1,711**	**22%**
Other operating revenue	39	53	36%
Cost of sales	-918	-1,031	12%
Other operating expenses	-94	-109	16%
Adjusted EBITDA	**429**	**624**	**46%**
Net one-offs	-23	-64	179%
Capital gain sale of assets and loss impairment	-8	243	nm
Reported EBITDA	**398**	**803**	102%
Depreciation and amortization	-254	-437	72%
Reported EBIT	**144**	**366**	155%
Net financial expenses	-143	-159	11%
Reported Profit before taxes	**1**	**207**	nm
Income tax	-1	-22	nm
Net income before minorities	**0**	**186**	nm
Minorities	0	1	nm
Reported Net Income/(Loss)	**0**	**187**	nm

Source: Company

- **Aggregated Adjusted EBITDA of €749M in 9M21 +13% YoY, with 35% Margin (or €624M on Reported Adjusted basis, +46% YoY growth, 36% Margin)**
  - 3Q21 Agg. Adj. EBITDA of €263M represents a €39M YoY increase vs. 3Q20
  - Aggregated EBITDA margin expanded to c.37% in 3Q21 vs. 33% in 3Q20

Chart 3 – Quarterly Aggregated Adjusted EBITDA Performance (€M)



1 3Q21 Aggregated Adj. EBITDA Margin positively impacted by IFRS3 in c.3p.p.

Source: Company

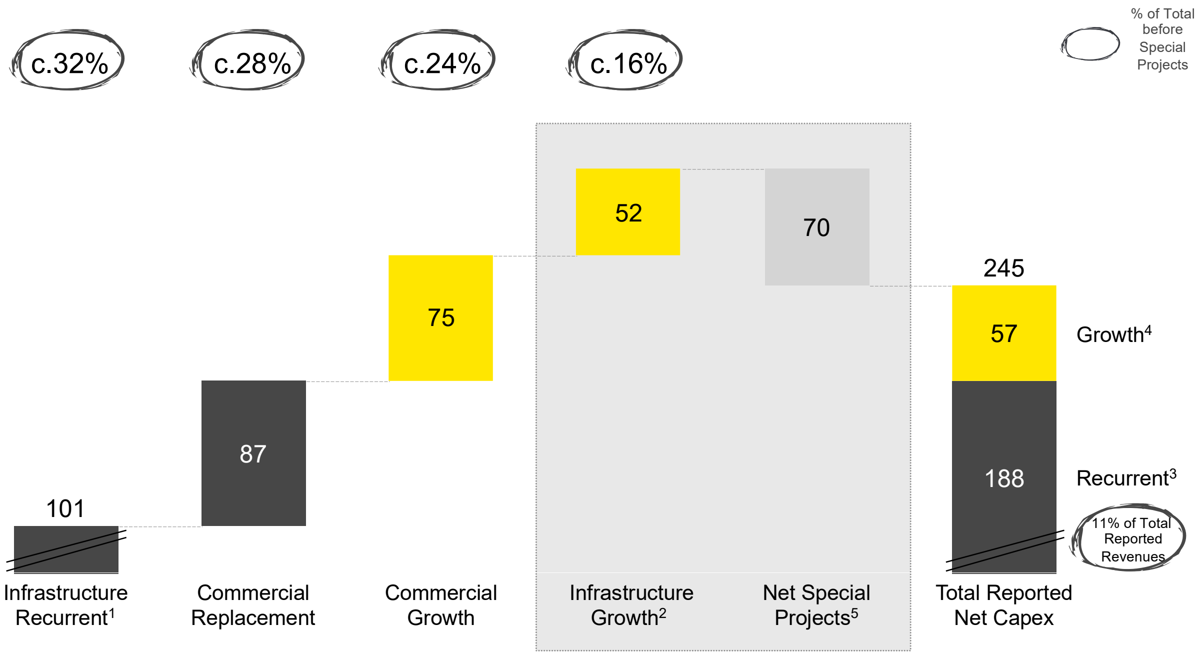
Cash Flow Statement

- **Reported Net Capex of €245M in 9M21**

  Total Reported Net Capex reached €245M in 9M21, or €315M excluding the impact of special projects Ucles and Monterrei (the former representing a sale of assets). Both projects have been netted in the chart below for a better understanding of a like for like underlying Capex trend. All Capex figures are on Reported basis

  Total Reported Net Capex is split between Recurrent and Growth Capex, the former representing c.60% of the Group's Net Capex during the period (pre-Special Projects), while Growth Capex reached the remaining 40%, which equals to 11% of Total Reported Revenues during 9M21.

Chart 4 – Net Capex 9M21 (€M)



1 Includes all maintenance of both fixed and mobile infrastructures, plus IT & spectrum Capex
2 Includes all infrastructure Capex that is not accounted under maintenance infrastructure Capex
3 Includes churn related (replacement) commercial Capex and maintenance infrastructure Capex
4 Net FTTH network deployment & commercial growth-related capex
5 Monterrei project for €230M capex, net of Ucles project for €300M cash inflow
Source: Company

- Recurrent Capex amounted to €188M during the period, of which:
  - Infrastructure Recurrent Capex reached €101M in 9M21, representing c.32% of Total Net Capex (before Special Projects).

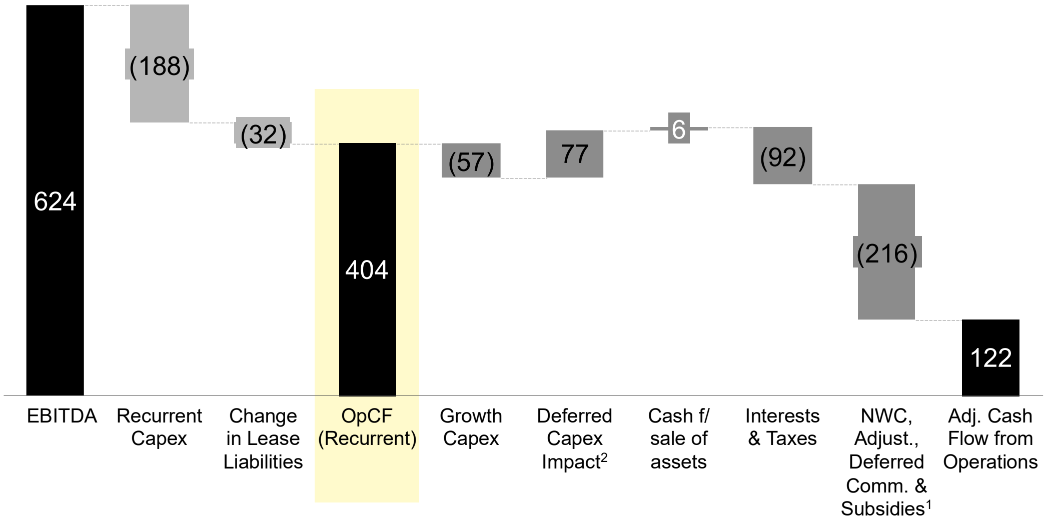
    It includes mainly Capex devoted to maintenance of Group's both fixed and mobile infrastructure, plus IT and spectrum Capex
  - Commercial Replacement Capex amounted to €87M, representing commercial investment required to replace the broadband lines that have churned over the period, for a total of c.28% of Net Capex (before Special Projects)

- Growth Capex reached €57M in 9M21, and is composed of:
  - Commercial Growth Capex amounted to €75M (c.24% of Net Capex before Special Projects), which represents the commercial investment required to accommodate the net new broadband lines obtained over the period
  - Infrastructure Growth Capex reached €52M, or c.16% of Net Capex (before Special Projects). This includes the deployment of BU's pending to be transferred under Ucles project.

    It also includes the remaining of Infrastructure Capex not accounted for under Infrastructure Maintenance Capex
  - Net Special Projects represents the combined contribution from Ucles and Monterrei projects (€70M combined).
    - The Ucles project implied a cash inflow of c.€300M from the sale of BU's (not properly Capex as per official accounts, but included here for consistency)
    - The Monterrei project amounted to €230M of accrued capex (to be paid during the next 7 years)

- **Adj. Cash Flow from Operations of €122M in 9M21 (all the below is on Adjusted Reported basis)**
  - Adj. Reported EBITDA reached, as previously discussed, €624M over 9M21, while Maintenance Capex amounted to €188M in the same period
  - IFRS16-related change in lease liabilities totaled €32M in the first nine months of the year
  - The above allowed the Group to report €404M of Recurrent Operating Cash Flow during the period
  - Growth Capex accounted for €57M. This figure includes the non-cash Monterrei project mentioned in paragraphs above (excluded from the Deferred Capex Payment figure detailed below) but also the proceeds received so far from the Ucles project
  - Cash out-flows resulting from the payment of Capex incurred in previous periods (for instance the 2021 installment from the 2019 contract signed with Orange) net of €230M of the non-cash Monterrei accrued capex implied Deferred Capex in-flow of positive €77M in 9M21
  - Out of the Cash from the sale of assets of €306M, the collection of a material part, but not all, of the Ucles project represents €300M (most of the remaining of the Ucles project is expected to be collected next year)
  - Interest and taxes implied €92M of cash outflow while NWC, Adjustments, Deferred Commissions & Subsidies (including IFRS15 adjustments) were -€216M during the period
  - Thus, Cash Flow from Operations reached the positive figure of €122M in 9M21

Chart 5 – Cash Flow from Operations 9M21 (€M)



1 Includes IFRS15
2 Includes mainly both the Pomelo project and the non-cash Monterrei project (€230M)
Source: Company

- **Cash Flow movements below Adj. Cash Flow f/ Operations**
  - One-offs were mainly due to:
    - Non-recurring costs related to the migration of the legacy national roaming contracts and one-off integration costs for €9M
    - Some Covid19 related expenses and Other One-offs for €12M
    - One-off expenses for €43M including takeover bid and other Euskaltel's acquisition related expenses
    - One-off payment to managers of Euskaltel under its now cancelled LTMIP
  - M&A payments coming mainly from the TOB on Euskaltel and the financing of the transaction (prior to the refinancing completed early October (after end of 9M21)

Table 5 – Cash Flow (€M)

(Million €)	9M21
Adjusted EBITDA	624
NWC, Adjustments, Deferred Commissions and Subsidi	(216)
Payments from lease liabilities (IFRS16)	(32)
Net Financial expenses	(85)
Corporate tax	(7)
Cash Flow from operations before Capex	**284**
Accrued Net Capex (before special projects)	(315)
Payments for previous periods Capex	(153)
Cash from sale of assets (includ. special projects)	306
Cash Flow from Capex	**(162)**
Adjusted Cash Flow from operations	**122**
One-offs	(77)
Cash Flow from operations	**45**
M&A	(3,357)
Financing	3,386
Net increase/(decrease) in cash and cash equivalents	**74**

Source: Company

- **Net Debt, as calculated by the Company, reached €6.6bn at the end of September**
  - Group's Net Debt reached €6,644M at the end of September on Company's calculations, with €2.9bn of TLB; €2.6bn of LT Bridge Loans and €800M of Bonds, as the Group's debt refinancing took place after the end of the third quarter
  - Once the refinancing of the Euskaltel's TOB (Take Over Bid) was completed in early October 2021, the Group's Net Debt mainly included, as of October 31st:
    - Two TLBs for a total nominal value of €3.2bn: a TLB1 for €2.2bn with 425b.p. margin over Euribor and 9/27 maturity and a TLB2 for 1.0bn with 375b.p. margin on Euribor and same maturity. None of the associated revolving credit facilities had been used as of the end of November
    - Senior Secured Notes for €2.35bn on nominal value with 4% coupon and maturity on 9/27
    - Senior Notes for €500M (nominal value) with 5.125% coupon & maturity on 9/29
    - Commercial paper for c.€380M
    - A LT Asset Bridge Loan for €500M linked to the NetCo project (sale of part of Euskaltel's cable network)

Table 6 – Net Debt Overview (€M)

(€m)	9M21
TLB	2,921
Long Term Bridge Loans	2,636
RCF	0
Corporate bond	799
Commercial paper	377
Other bank debt	10
Other Debts (grants, deposits and guarantees)	30
M&A deferred payments	27
Capital Decrease (Minority holding)	0
Total Gross Debt (as per Company's calculations)	**6,799**
Cash & Equivalents	155
Group's Net Debt (as per Company's calculations)	**6,644**

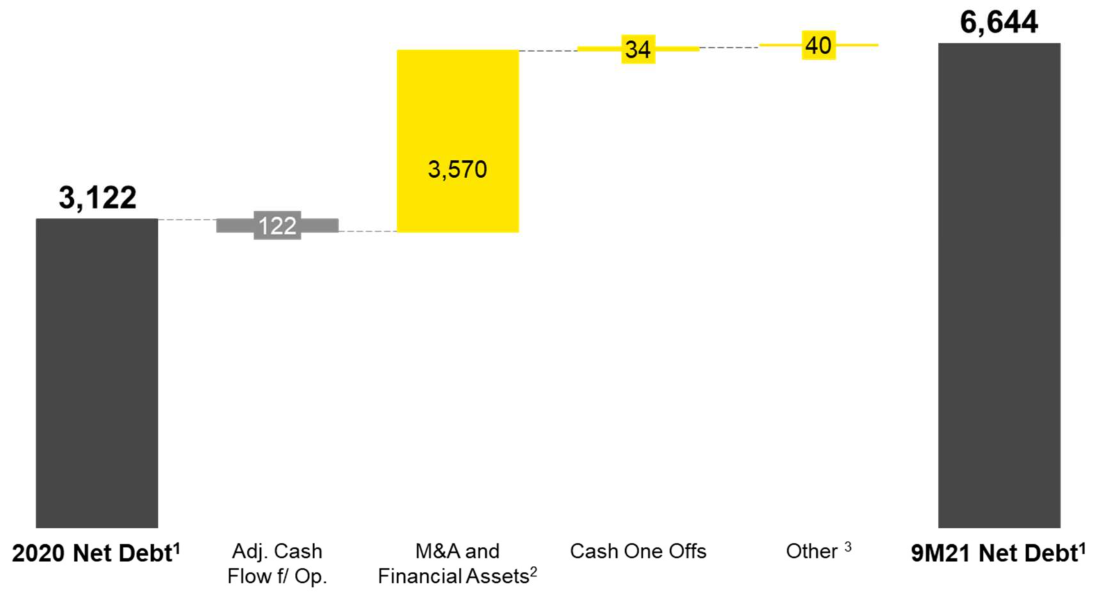
Source: Company

Please note that previous figures are calculated excluding some debts, mainly debts without cash interest charges or with shareholders, including €238M of financial leases under IFRS16 accounting practices

The increase in Net Debt from €3.1bn reported at the end of FY20 to €6.6bn reported at the end of 9M21 is explained by:

- Adjusted Cash Flow from Operations for €122M
- M&A and Financial Assets payments for a total of €3.4bn, mainly from the take-over bid on Euskaltel, completed last August 2021, including Debt consolidated from the acquisition of Euskaltel for c.€170M (mainly commercial paper)
- Cash one-off costs for a total of €77M, of which c.43M€ were coming from the Euskaltel bid (and therefore shown as M&A and Financial Assets) while the remaining €34M were explained by integration and Covid-related issues
- Other increases in Net Debt without impact on cash for €40M

Chart 6 – Change in Net Debt (€M) mainly coming from the bid on Euskaltel



1 As per Company's calculations
2 Mostly due to Euskaltel acquisition. It includes the net debt incorporated at the time of the acquisition for €170M. It also includes one-offs related to the transaction
3 Includes other accrued debt and interest in B/S
Source: Company

- **Total Leverage stood at 5.1x at the end of September, or 4.2x Senior Leverage**
  - Table below reflects Group's Net Debt on nominal basis, showing both:
    - Net Debt and PF Structuring EBITDA (L2QA) as indicated in the recent refinancing document (Project Erik) of €6,522M, and a total leverage of 5.2x (senior leverage of 4.2x)
    - Net Debt as of the end of 9M21 of €6.576M corresponding to the nominal net debt of the Group following the same structure than in Project Erik, as mentioned in the previous paragraph
  - Similarly, for EBITDA:
    - Project Erik's implied a PF Structuring EBITDA of €1,265M
    - PF Structuring EBITDA (L2QA) of €1,281M is calculated as: 1) annualized last 2 quarters of combined Adjusted EBITDA (resulting of adding MASMOVIL plus Euskaltel figures); plus 2) synergies expected for the next 24 months and run rate adjustments as detailed in Project Erik's roadshow.
  - The above results in a Total Leverage of 5.1x for 9M21, with Senior Leverage at 4.1x

Chart 7 – 3Q21 PF Net Debt Structure

€m	Project Erik		Q3-21	
	Amount	xL2QA EBITDA	Amount	xL2QA EBITDA
Cash	(224)		(155)	
TLB1	2 200		2 200	
TLB2	800		1 000	
SSN	2 550		2 350	
Senior Structural Net debt	**5 326**	**4.2x**	**5 395**	**4.2x**
SUN	500		500	
Commercial paper & other debt	438		444 (2)	
Finance leases & Monterrei debt	257		238	
Total Structural Net debt	**6 521**	**5.2x**	**6 576**	**5.1x**
PF Structuring EBITDA (L2QA)		**1 265**		**1 281**

Source: Company.

1. Pro forma for the NetCo asset disposal and syndication closed in October
2. Including €377m commercial paper, €67m other debt
3. Adjustments as per Erik syndication

Appendix – Lorca JV Co Reported Consolidated Financial Statements

Consolidated Balance Sheet

In thousands of Euros	31/12/2020	30/09/2021
Assets		
Goodwill	2,855,189	4,956,804
Intangible assets	2,381,994	2,677,276
Property, plant and equipment	754,951	2,005,966
Rights of use	191,433	234,092
Cost of obtaining contracts with customers and contractual assets	62,396	213,284
Investments accounted for using the equity method	55,813	63,306
Other investments	12,459	22,669
Prepayments for non-current assets	25,144	47,117
Deferred tax assets	-	436,173
Total non-current assets	**6,339,379**	**10,656,687**
Current assets held for sale	48,338	-
Inventories	4,122	3,580
Trade and other receivables	281,181	449,198
Cost of obtaining contracts with customers and contractual assets	90,716	197,539
Current tax assets	5,740	20,779
Other investments	16,869	30,383
Prepayments for current assets	13,832	22,465
Cash and cash equivalents	81,385	155,251
Total current assets	**542,183**	**879,195**
Total assets	**6,881,562**	**11,535,882**
Total Equity	**1,787,235**	**1,974,208**
Liabilities		
Loans and borrowings	2,098,012	5,518,461
Derivative financial instruments	-	1,571
Other payables	79,779	227,111
Finance lease payables	157,281	195,221
Other financial liabilities	812,376	858,826
Debts with Group Companies	-	179,160
Provisions	46,536	43,610
Government grants	3,406	14,342
Deferred tax liabilities	14,414	339,186
Other non-current liabilities	175,687	215,152
Total non-current liabilities	**3,387,491**	**7,592,640**
Loans and borrowings	7,862	47,527
Current tax liabilities	53	49,414
Other payables	306,817	322,733
Finance lease payables	33,813	44,877
Other financial liabilities	295,750	396,648
Debts with Group Companies	200,935	3,859
Trade and other payables	837,488	1,090,118
Provisions	24,118	13,858
Total current liabilities	**1,706,836**	**1,969,034**
Total liabilities	**5,094,327**	**9,561,674**
Total equity and liabilities	**6,881,562**	**11,535,882**

Source. - Company

Consolidated Income Statement

In thousands of Euros	31/12/2020	30/09/2021
Revenue	520,353	1,711,141
Other operating income	19,836	24,158
Merchandise, raw materials and consumables used	(204,159)	(663,888)
Employee benefits expenses	(21,573)	(75,237)
Depreciation and amortisation expense	(131,750)	(436,901)
Impairment and benefit for disposals of fixed assets	(12,271)	243,379
Other operating expenses	(204,129)	(436,272)
Results from operating activities	**(33,693)**	**366,380**
Finance income	1,955	2,557
Finance costs	(69,346)	(162,849)
Change in fair value of financial instruments	669	(3,832)
Exchange differences	37	(114)
Impairment and results from sdisposals of financial instruments	-	1,652
Gain on bargain purchase	-	
Net finance cost	**(66,685)**	**(162,586)**
Results from equity-consolidated investments	5,627	3,562
Income/(Loss) for the period from continuing operations, before income tax	**(94,751)**	**207,356**
Income tax	28,569	(21,534)
Income/Loss for the period from continuing operations	**(66,182)**	**185,822**
Income/Loss for the period	**(66,182)**	**185,822**
Loss for the period attributable to:		
Equity holders of the Parent	(65,179)	187,162
Third-party shareholders	(1,003)	(1,340)
Income/Loss for the period	**(66,182)**	**185,822**

Source. - Company

GRUPOMASMOVIL

Consolidated Cash Flow Statement

In thousands of Euros	**31/12/2020**	**30/09/2021**
Cash flow from operating activities		
Profit/(Loss) from continuing operations	**(66,182)**	**185,822**
Adjustments for:		
Depreciation and amortisation	131,750	436,901
Impairment losses from trade receivables	9,146	29,846
Change in provisions	936	(283)
Government grants recognised	(626)	(451)
Exchange differences	(37)	114
Change in fair value of financial instruments	(669)	3,832
Capitalization of the cost of obtaining contracts with customers	1,350	35,504
Recognised costs for contractual assets	28,051	92,388
Proceeds from disposal of assets		(243,379)
Impairment and benefit for disposals of fixed assets	12,271	0
Financial income	(1,955)	(2,557)
Financial expenses	69,346	162,849
Results from investments accounted for using the equity method	(5,627)	(3,562)
Other income and expenses	(5,751)	18,318
Income tax income/(expense)	(28,569)	21,534
Changes in working capital		
- Trade and other receivables	(33,957)	(90,977)
- Cost of obtaining contracts with customers	(48,332)	(156,579)
- Contract assets	(36,324)	(122,100)
- Other assets	(6,809)	(29,880)
- Trade and other payables	62,923	42,975
- Provisions	(4,568)	(11,008)
Cash flow from operating activities	**76,367**	**369,307**
Interest paid	(24,249)	(85,192)
Income tax received/(paid)		(7,016)
Net cash flow from operating activities	**52,118**	**277,099**
Cash flow from investing activities		
Proceeds from investment on financial assets	30,144	
Proceeds from sale of property, plant and equipment	6,747	305,822
Payments from sale of financial assets	(4,232)	600
Payments for acquisition of property, plant and equipment	(62,792)	(302,331)
Payments for acquisition of intangible assets	(24,472)	(204,780)
Acquisition of subsidiaries, net of cash and cash equivalents	(2,928,828)	(3,357,041)
Net cash flow used in investing activities	**(2,983,433)**	**(3,557,730)**
Cash flow from financing activities		
Proceeds from issue of share capital	1,850,038	1,600
Proceeds from bank borrowings	2,729,090	3,733,449
Proceeds from Government grants	253	
Proceeds from other financial liabilities	1,022,384	340,816
Payments for lease liabilities including interest	(10,210)	(32,335)
Payments for bank borrowings	(2,571,843)	(340,051)
Payment for other financial liabilities	(7,012)	(348,982)
Net cash flow from/(used in) financing activities	**3,012,700**	**3,354,497**
Net increase/(decrease) in cash and cash equivalents	81,385	73,866
Cash and cash equivalents at 1 January	-	81,385
Cash and cash equivalents at 30 June	**81,385**	**155,251**

Source. - Company

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