

10

Financial Statements



Colombia Telecomunicaciones S. A. E.S.P. BIC

Separate Financial Statements

As of December 31, 2024 and 2023,
with Statutory Auditor's Report

Index

Statutory Auditor's Report	182
Certification of the Legal Representative and Public Accountant	190
Separate Financial Statements:	
Statement of Financial Position	191
Statement of Comprehensive Income	192
Statement of Changes in Shareholders' Equity	193
Statement of Cash Flows	194
Notes to the Financial Statements	195
Statutory Auditor's Report on Internal Control	287



Statutory Auditor's Report on the Separate Financial Statements

To the shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC

Opinion

I have audited the accompanying separate financial statements of Colombia Telecomunicaciones S. A. E.S.P. BIC, which comprise the separate statement of financial position as of December 31, 2024 and the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements that include a summary of the material accounting policies.

In my opinion, the accompanying separate financial statements, fairly stated, present fairly, in all material respects, the financial position of Colombia Telecomunicaciones S. A. E.S.P. BIC, as of December 31, 2024, and the results of its operations and its cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards Accepted in Colombia.

Basis for Opinion

I conducted my audit in accordance with Auditing Standards for Financial Information Accepted in Colombia. My responsibilities under those standards are described below in the Statutory Auditor's Responsibilities section in connection with the audit of the separate financial statements in this report.

I am independent of Colombia Telecomunicaciones S. A. E.S.P. BIC, in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) together with the ethical requirements that are applicable to my audit of the financial statements in Colombia and I have fulfilled my other ethical responsibilities in accordance with those requirements and with the IESBA Code of Ethics.

I consider that the audit evidence I obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, have been of most significance in my audit of the financial statements for the year. These matters have been dealt with in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not express a separate opinion on those matters.

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To the Shareholders of
Colombia Telecomunicaciones S. A. E. S. P. BIC

The key audit matter	How the key matter was addressed in the audit
<p>Revenue recognition - Services pending invoicing</p> <p>The Company's sales and service revenues are derived primarily from the provision of various telecommunications services including traffic, recurring fees for network usage, mobile and digital services, internet, content and other products and services. Revenues from products and services that may be sold separately or together in commercial packages are allocated to each performance obligation based on the ratio of the stand-alone selling prices of each individual component to the total commercial price of the package, and are recognized as the obligation is satisfied.</p> <p>For those revenues whose billing cycle does not coincide with the accounting close, management is required to use accounting estimates to determine the amount to be recognized for services that are pending billing at year-end.</p> <p>During the year, updates were made to the assumptions and inputs used in these accounting estimates.</p> <p>I identified this area as a key issue in the audit of the separate financial statements because of the complexity of the process used by management to estimate the revenue recognized pending invoicing due to the multiple sources of data, types of revenue and the number of systems that support the information. This in turn involves a high degree of effort in designing and performing my audit procedures.</p>	<p>I have performed audit procedures involving information systems specialists on the revenue recognition process, including:</p> <ul style="list-style-type: none"> • Understanding of the internal control environment, evaluation and testing of relevant controls in the process of estimating revenue receivable to be billed. • Evaluation of the reasonableness of the criteria used by management in estimating revenue receivable and the accuracy of the data supporting the estimate. • Substantive tests of detail on significant transactions and billings made subsequent to year-end to verify their consistency with the accounting estimates. <p>Based on the procedures performed, I consider that the estimates made by management are reasonable with respect to the recognition of revenue for services rendered pending invoicing at the end of the fiscal year.</p>



To the Shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC

The key audit matter	How the key matter was addressed in the audit
<p>Evaluation of goodwill impairment</p> <p>As described in note 17 to the separate financial statements. The goodwill recognized at December 31, 2024 of \$ 1.2 trillion, arising as a result of the various business acquisitions made over time, is a relevant asset of the Company. The recoverable amount is determined by calculating the value in use of the cash-generating unit that has the goodwill associated with it, based on the strategic plans approved by management. The Company's cash flow projections require a high degree of judgment in estimating key assumptions, such as long-term EBITDA margin, long-term investment ratio, discount rate and perpetual growth rate, which are changeable from year to year and would be significantly affected by future trends in the economy.</p> <p>This is a key matter of my audit because of the significant judgments made by the Company in estimating the key assumptions underlying the recoverable values of the cash-generating unit, which in turn required a high degree of auditor judgment and effort in assessing those assumptions.</p>	<p>I have performed audit procedures with the participation of valuation experts, on the process carried out by management to determine the recoverable value of the cash-generating unit to which goodwill is associated, including:</p> <ul style="list-style-type: none"> • Understanding of the internal control environment, evaluation and testing of relevant controls in the goodwill impairment review process. • Evaluation of the key assumptions, model and inputs that served as the basis for the calculation of the value in use of the cash-generating unit. • Verification of the reasonableness of the sensitivity analysis defined by management. • Review of the disclosures included in the financial statements in relation to the goodwill impairment test performed by the Company's management. <p>Based on the procedures performed, I consider that the impairment assessment performed by management is reasonable, the estimation of the key assumptions are within a reasonable range, and its conclusions on the valuation of goodwill are consistent with the information contained in the separate financial statements.</p>



To the Shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC

The key audit matter	How the key matter was addressed in the audit
<p>Definition of accounting policies and disclosure of the transaction of the single network project "Unstoppable Project".</p> <p>As described in note 1 to the separate financial statements. During the year, the closing of a framework agreement was carried out with another telecommunications operator operating in the country (hereinafter "Allied Operator"), which allowed the implementation of a joint agreement for the operation of a single mobile access network, through the company Unired Colombia S.A.S., as well as the sharing of permits for the use of radio spectrum through a Temporary Union (hereinafter "Unstoppable Project"). The Company's participation in each of these vehicles is 50 %.</p> <p>Based on the structuring of the "Unstoppable Project" transaction, management had to analyze in depth the accounting framework and apply significant judgments to define the accounting policies that determined that the type of joint arrangement corresponded to a joint operation based on the provisions of IFRS 11 (Joint Arrangement) and on the analysis to conclude whether the transaction met the requirements to be treated as the acquisition of a business in accordance with IFRS 3 (Business Combinations). As a result of the definition of the accounting policies, the Company recorded, by virtue of its participation in the operation, the assets and liabilities of Unired Colombia S.A.S. and the Temporary Union constituted by the Company and the allied operator; the value recorded for the integration of assets and liabilities was 2.6 trillion and 1.9 trillion, respectively.</p>	<p>I have performed audit procedures with the participation of experts in International Financial Reporting Standards - IFRS, on the process carried out by management for the implementation of accounting policies and the disclosure of the joint operation in the separate financial statements, among which are included:</p> <ul style="list-style-type: none"> • Understanding of the internal control environment, evaluation and testing of relevant controls in the process of reviewing the definition of accounting policies and financial statement disclosures related to the "Unstoppable Project". • Evaluation and verification of the reasonableness of the criteria and judgments made by management on the implementation of the accounting policies of the type of joint arrangement - IFRS 11 (Joint Arrangements) and the definition of whether the transaction corresponded to the acquisition of a business in accordance with IFRS 3 (Business Combinations). • Substantive tests of detail on the accounting recognition of the "Unstoppable Project" transaction to verify its consistency with the established accounting policies. • Review of the disclosures included in the financial statements in relation to the recognition of the joint operation IFRS 11 (Joint Arrangements) and acquisition of a business IFRS 3 (Business Combinations), carried out by the Company's management.



To the Shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC

The key audit matter	How the key matter was addressed in the audit
<p>I determined this area as a key audit matter for the audit of the separate financial statements, due to the complexity and significant judgments made by the Company in the determination of the accounting policies and disclosures in the separate financial statements that have required a high degree of judgment and effort in the design and performance of my audit procedures.</p>	<p>Based on the procedures performed, I believe that the accounting policies established by management for the recognition, measurement and presentation of the "Unstoppable Project" transaction are reasonable, the disclosures of the joint operation and the acquisition of the business defined in the Unstoppable Project are reasonable and consistent with the information contained in the separate financial statements.</p>

Other Information

Management is responsible for the other information. The other information comprises the Letter from the CEO President, the report entitled "Organization: Telefónica Movistar Colombia", and the report entitled "Report on Compliance with Good Corporate Governance Practices" that we obtained prior to the date of this audit report, but are not included in the financial statements, nor in my reports as Statutory Auditor, nor in the management report on which I express my opinion below, in the section "Report on other legal and regulatory requirements", in accordance with the requirements defined in Article 38 of Law 222 of 1995. My opinion on the financial statements does not cover the other information and I do not express any form of conclusion that provides a degree of assurance on it. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or with the knowledge I have obtained in the audit or whether there appears to be a material misstatement of the other information for some other reason. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report it. I have nothing to report in this regard.



To the Shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC

Responsibilities of the Entity's Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying separate financial statements in accordance with Colombian Accounting and Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Entity or to cease operations, or has no more realistic alternative but to do so.

Those charged with governance of the Entity are responsible for overseeing the Entity's financial reporting process.

Responsibilities of the Statutory Auditor in Relation to the Audit of the Separate Financial Statements

My objective is to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that contains my opinion. Reasonable assurance is a high degree of assurance, but does not guarantee that an audit performed in accordance with Colombian Accepted Auditing Standards on Financial Information will always detect a material error when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users make based on the separate financial statements.

As part of an audit in accordance with Colombian Accepted Financial Reporting Auditing Standards, I apply my professional judgment and maintain an attitude of professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement in the separate financial statements, due to fraud or error; design and perform audit procedures to respond to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error because fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misstatements, or the circumvention of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



**To the Shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to express a modified opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Entity to cease to be a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate to those charged with governance of the Entity, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that I identify during the course of the audit.

I also provided those charged with governance of the Entity with a statement of my compliance with applicable ethics requirements regarding independence and have disclosed to them all relationships and other matters that might reasonably be expected to bear on my independence and, if present, related safeguards.

Among the matters that have been the subject of communication with those responsible for the Entity's management, I determined those matters that have been of most significance in the audit of the current period's financial statements and which are, accordingly, the key audit matters. I have described these matters in my auditor's report unless law or regulation prohibits public disclosure of a matter or, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of doing so.

Report on Other Legal and Regulatory Requirements

Management is also responsible for compliance with regulatory aspects in Colombia related to accounting document management, the preparation of management reports, the timely and adequate payment of contributions to the Integral Social Security System and the implementation of the Integral System for the Prevention and Control of Money Laundering and Terrorist Financing Risk. My responsibility as Statutory Auditor in these matters is to carry out review procedures in order to issue a conclusion on their adequate compliance.



**To the Shareholders of
Colombia Telecomunicaciones S. A. E.S.P. BIC**

In accordance with the foregoing, I conclude that:

- a) The Company's accounting during the year ended December 31, 2024 has been kept in accordance with legal regulations and accounting technique and the operations recorded are in accordance with the bylaws and the decisions of the Shareholders' Meeting and the Board of Directors.
- b) Correspondence, account vouchers, minute books and share registry books are properly kept and maintained.
- c) There is concordance between the accompanying separate financial statements and the management report prepared by the directors. The directors stated in the management report that they did not hinder the free circulation of invoices issued by vendors or suppliers.
- d) The information contained in the declarations of self-assessment of contributions to the Integral Social Security System, in particular that relating to members and their contribution base income, has been taken from the accounting records and supports. As of December 31, 2024, the Company is not in arrears for contributions to the Integral Social Security System.
- e) The Company has implemented the Integral System for the Prevention and Control of the Risk of Money Laundering and Financing of Terrorism in accordance with the provisions of Part III of Title I of Chapter VII of the Basic Legal Circular issued by the Superintendency of Finance.

In compliance with the responsibilities of the Statutory Auditor contained in Article 209, Numbers 1 and 3 of the Code of Commerce, related to the evaluation of whether the acts of the administrators of Colombia Telecomunicaciones S. A. E.S.P. BIC are in accordance with the bylaws and the orders and instructions of the Assembly, whether there are, and if they are, adequate measures of internal control, conservation and custody of the Company's assets or those of third parties in its possession and on the effectiveness of the controls of the financial reporting process, I issued a separate report dated February 17, 2025.

Julián Andrés Montaña Gaviria
Statutory Auditor
Professional Card N.º 121760-T
Appointed by PwC Contadores y Auditores S.A.S.
February 17, 2025

Certification of the Legal Representative and Accountant of the Company

To the Shareholders of Colombia Telecomunicaciones S. A. E.S.P. BIC

February 17, 2025

We, the undersigned Legal Representative and Public Accountant of Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter "the Company") certify that for the issuance of the Statement of Financial Position as of December 31, 2024 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, in accordance with the regulations made available to shareholders and third parties, the statements contained therein have been previously verified and the figures have been faithfully taken from the books. These explicit and implicit statements are as follows:

- All assets and liabilities, included in the Company's financial statements as of December 31, 2024, exist and all transactions included in such separate financial statements have occurred during the year then ended.
- All economic events realized by the Company, during the year ended December 31, 2024, have been recognized in the financial statements.
- Assets represent the potential to produce future economic benefits (rights) and liabilities represent the obligation to transfer the economic resource (obligations), obtained or payable by the Company as of December 31, 2024.
- All items have been recognized at their appropriate values, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF).
- All economic events affecting the Company have been correctly classified, described and disclosed in the financial statements.

Fabián Andrés Hernández Ramírez
Legal Representative

Nancy Navarro Bueno
Certified Public Accountant
Professional Card N.º 61799-T

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC SEPARATE STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

(figures expressed in thousands of Colombian pesos or unless otherwise indicated)

	Notes	As of December 31	
		2024	2023
Assets			
Current assets:			
Cash and cash equivalents	5	520,484,893	360,627,174
Financial assets	6	351,909,904	284,742
Debtors and other accounts receivable, net	7	1,293,731,013	1,129,873,694
Prepaid expenses	8	575,398,441	510,790,498
Contractual assets	9	5,691,436	11,072,674
Inventories	10	127,109,712	180,428,613
Taxes and general government	11	363,751,292	372,009,010
Total current assets		3,238,076,691	2,565,086,405
Non-current assets:			
Financial assets	6	59,700,562	58,598,897
Debtors and other accounts receivable, net	7	757,441,922	900,598,544
Investments in companies	12	61,908,545	69,949,746
Prepaid expenses	8	764,315,351	732,490,258
Contractual assets	9	340,196	2,182,814
Assets from rights of use	13	1,413,500,200	1,133,076,312
Property, plant and equipment	14	4,309,121,855	3,954,376,869
Investment properties	15	9,879,664	8,045,056
Intangible assets	16	1,204,577,056	1,011,978,400
Goodwill	17	1,218,402,472	1,355,833,946
Taxes and general government	11	462,964,844	476,444,494
Deferred income taxes, net	11	986,117,496	1,169,326,314
Total non-current assets		11,248,270,163	10,872,901,650
Total assets		14,486,346,854	13,437,988,055
Liabilities			
Current liabilities:			
Financial liabilities	18	381,534,785	780,335,881
Lease payables	19	367,957,440	396,507,959
Suppliers and accounts payable	20	2,961,156,415	2,399,242,536
Contractual liabilities	9	152,974,114	170,669,840
Taxes and general government	11	93,042,965	95,243,678
Deferred liabilities		2,590,540	2,590,540
Provisions and pension liabilities	21	211,471,322	165,981,811
Total current liabilities		4,170,727,581	4,010,572,245
Non-current liabilities			
Financial liabilities	18	4,369,945,937	3,269,437,949
Lease receivables	19	1,234,206,385	1,230,184,049
Suppliers and accounts payable	20	768,662,999	469,976,217
Contractual liabilities	9	141,182,610	187,424,759
Deferred liabilities		5,217,639	5,635,377
Provisions and pension liabilities	21	273,569,036	277,161,068
Total non-current liabilities		6,792,784,606	5,439,819,419
Total liabilities		10,963,512,187	9,450,391,664
Total shareholders' equity		3,522,834,667	3,987,596,391
Total liabilities and shareholders' equity		14,486,346,854	13,437,988,055

Notes 1 to 33 are an integral part of these Financial Statements.

Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)

Nancy Navarro Bueno
Certified Public Accountant
Professional Card N.º 61799-T
(See attached certification)

Julián Andrés Montaña Gaviria
Statutory Auditor
Professional Card N.º 121760-T
Appointed by PwC Contadores y Auditores S.A.S.
(See my report dated February 17, 2025)

**COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2024 AND 2023**


(figures expressed in thousands of Colombian pesos, except net income per share or unless otherwise stated)

	Notes	Year ended December 31	
		2024	2023
Operating income			
Revenues from contracts with customers	23	6,133,742,470	6,682,037,286
Other operating income	24	538,436,632	436,401,080
		6,672,179,102	7,118,438,366
Operating costs and expenses	25	(5,124,482,072)	(5,560,708,228)
Operating income before depreciatio, and depreciation and amortization		1,547,697,030	1,557,730,138
Depreciation and amortization	26	(1,052,490,086)	(1,393,278,306)
Operating income (loss)		495,206,944	164,451,832
Interest expense, net	27	(699,823,237)	(557,922,045)
Equity method, net	12	(76,361,660)	(41,511,464)
Income before taxes		(280,977,953)	(434,981,677)
Income tax and supplementary taxes	11	(185,979,388)	(245,826,306)
Net income for the year		(466,957,341)	(680,807,983)
Basic net income per share for the year		(136,93)	(199,65)
Other comprehensive income			
Items reclassified to the statement of income:			
Valuation of hedging derivative instruments, Net of taxes	11	(156,774,683)	(81,980,958)
Equity in other comprehensive income of associated companies, Net of taxes	11	1,290,959	1,064,341
Deferred tax on other comprehensive income in associate	11	(451,836)	(372,519)
		(155,935,560)	(81,289,136)
Items that are not reclassified to the income statement:			
Revaluation of real estate, net of taxes	22	135,561,624	-
Actuarial results for post-employment benefits	22	22,569,553	(4,695,616)
		2,195,617	(85,984,752)
Comprehensive net income (loss) for the year		(464,761,724)	(766,792,735)

Notes 1 to 33 are an integral part of these Financial Statements.


Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)


Nancy Navarro Bueno
Certified Public Accountant
Professional Card N.º 61 799-T
(See attached certification)


Julián Andrés Montaña Gaviria
Statutory Auditor
Professional Card N.º 121760-T
Appointed by PwC Contadores y Auditores S.A.S.
(See my report dated February 17, 2025)

**COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
SEPARATE STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2024 AND 2023**


(figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Subscribed capital and paid	Premium on revaluation shares	Reserves	Surplus for placement, derivatives of coverage and result actuarial	Results accumulated	Total equity
Balances as of December 31, 2022	3,410,076	9,822,380,645	71,030,665	304,823,103	(5,447,255,363)	4,754,389,126
Net income for the year	-	-	-	-	(680,807,983)	(680,807,983)
Transfers (Note 22)	-	-	-	(54,801,493)	54,801,493	-
Other comprehensive income for the year (Note 22)	-	-	-	(85,984,752)	-	(85,984,752)
Balances as of December 31, 2023	3,410,076	9,822,380,645	71,030,665	164,036,858	(6,073,261,853)	3,987,596,391
Net income for the year	-	-	-	-	(466,957,341)	(466,957,341)
Transfers (Note 22)	-	-	-	(51,093,729)	51,093,729	-
Other comprehensive income for the year (Note 22)	-	-	-	2,195,617	-	2,195,617
Balances as of December 31, 2024	3,410,076	9,822,380,645	71,030,665	115,138,747	(6,489,125,466)	3,522,834,667

Notes 1 to 33 are an integral part of these Financial Statements.


Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)


Nancy Navarro Bueno
Certified Public Accountant
Professional Card N.º 61 799-T
(See attached certification)


Julián Andrés Montaña Gaviria
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(See my report dated February 17, 2025)

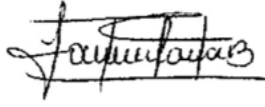
**COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
SEPARATE STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2024 AND 2023**


(figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Notes	Year ended December 31	
		2024	2023
Net cash flows provided by operating activities			
Cash received from customers		7,601,074,745	7,840,095,549
Cash paid to suppliers and other accounts payable		(5,556,125,264)	(5,798,616,196)
Net interest paid and other financial expense		(426,092,445)	(415,508,586)
Self-withholdings of income tax		(334,048,941)	(301,933,838)
Taxes paid		(260,563,199)	(281,993,503)
Interest paid on financial leases	19	(134,358,905)	(121,030,762)
Spectrum license payment		(114,665,495)	(55,513,680)
Net cash provided from operating activities		775,220,496	865,498,984
Net cash flows used in investing activities			
Proceeds from sale of real estate and personal property		22,670,255	106,934,326
Proceeds from sale of fiber optic assets		35,130,626	23,626,157
Payments for investments in plant and equipment and intangible		(487,760,403)	(814,946,809)
Net cash used in investing activities		(429,959,522)	(684,386,326)
Net cash flows used in financing activities			
New financial debt		1,125,378,878	500,040,959
Payment of financial debt		(926,953,367)	(468,350,451)
Financial lease payment	19	(385,933,874)	(312,697,940)
Proceeds (payments) from exchange rate hedges and interest, net		2,105,108	(19,138,037)
Net cash used in financing activities		(185,403,255)	(300,145,469)
Net increase (decrease) in cash and cash equivalents		159,857,719	(119,032,811)
Cash and cash equivalents as of January 1		360,627,174	479,659,985
Cash and cash equivalents as of December 31	5	520,484,893	360,627,174
Cash and cash equivalents as of January 1			
Cash and banks		360,627,174	479,659,985
Temporary investments		237,379,112	402,647,105
Cash and cash equivalents as of December 31		520,484,893	360,627,174
Cash and banks		520,484,893	360,627,174
Temporary investments		268,799,174	237,379,112
		251,685,719	123,248,062

Notes 1 to 33 are an integral part of these Financial Statements.


Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)


Nancy Navarro Bueno
Certified Public Accountant
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**COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

(figures expressed in thousands of Colombian pesos, unless otherwise stated)

1. GENERAL INFORMATION

a) Economic Entity

Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter "the Company") was incorporated as a commercial corporation by shares in Colombia by Public Deed N.º 1331 of June 16, 2003 with a duration until December 31, 2092 and with its principal place of business in Bogotá D.C. located at Transversal 60 N.º 114 A 55 A - 55. The Company, whose capital is majority owned by individuals, is subject to the legal regime set forth in Law 1341 of 2009 and other applicable regulations, being thus classified as a public utilities company (E.S.P.).

The Company's main corporate purpose is the organization, operation, provision and exploitation of network activities and telecommunications services, such as local, extended local and national and international long distance basic public switched telephony, mobile services, cellular mobile telephony services in any territorial, national or international order, carriers, teleservices, telematic, value added, satellite services in their different modalities, television services in all its modalities including cable television, broadcasting services, wireless technologies, video, computer application hosting services, data center services, operation services of private and public telecommunication networks and total operations of information systems, services of provision and/or generation of contents and applications, information services and any other activity, product or service qualified as telecommunication and/or information and communication technologies (ICT) such as resources, tools, equipment, computer programs, applications, networks and media, which allow the provision and/or generation of contents and applications, information services and any other activity, product or service qualified as telecommunication and/or information and communication technologies (ICT) such as resources, tools, equipment, computer programs, applications, networks and media, which allow the compilation, processing, storage, transmission of information such as voice, data, text, video and images, including their complementary and

supplementary activities, within the national territory and abroad and in connection with the exterior, using for this purpose goods, assets and rights of its own or exercising the use and enjoyment of goods, assets and rights of third parties.

Likewise, the Company may develop the following activities: (i) provision of telecommunications and computer services that support the performance of electronic commerce activities, and communication of data messages in general, as well as specialized messaging and courier services; (ii) Representation of national or foreign firms involved in the telecommunications industry, either as equipment and/or service provider; (iii) Production, distribution, sale and marketing of products and elements related to telecommunications, electricity, electronics, information technology and related areas; (iv) Provision of technical advisory services, equipment and network maintenance and consulting services in the electricity, electronics, information technology, telecommunications and related areas; (v) To provide delegated management services of the technology and application functions of a company; (vi) To manufacture, design, install, put into operation and commercialize all kinds of electrical and electronic equipment and systems; (vii) To provide technical, technological, consulting, auditing and any other business advisory services to companies in Colombia and/or abroad; (viii) Establish, exploit, use, install, extend, widen, expand, renew or modify telecommunication networks and services and their different elements, for private or public, national or international use; (ix) Import, commercialize, install and lease equipment for private security and surveillance.

The Company may develop the commercial activities that have been defined in its bylaws.

On September 27, 2017, the Company acquired the majority shareholding of the companies Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P., equivalent to 99.99 % and 99.97 %, respectively. In this way, Telefónica S. A. acquired control of these companies through Colombia Telecomunicaciones S. A. E.S.P. BIC, and on November 9 and 8, 2017, the aforementioned control situation was registered in the Chamber

of Commerce of Bucaramanga and Barranquilla, respectively. On April 9, 2018, the Company registered the situation of Business Group of the Company, Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P. with the controlling company Telefónica S. A. at the Chamber of Commerce.

On May 27, 2020, by means of Public Deed N.º 769 granted in the Notary Office Sixteen (16) of the Circle of Bogotá D.C., the statutory reform of merger was solemnized, by virtue of which Colombia Telecomunicaciones S. A. E.S.P. BIC absorbed Metrotel and Telebucaramanga. The aforementioned public deed was registered in the Mercantile Registry of the Chamber of Commerce of Bogotá D.C., on May 28, 2020.

On July 28, 2020, the Company registered in the Chamber of Commerce the modification of the Company's Business Group status, in the sense of indicating that it is only between the Company and the controlling company Telefónica S. A.

The companies Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P. were owners of 100 % of the shares of the company Operaciones Tecnológicas y Comerciales S.A.S. – "Optecom", for which reason, upon request of the Company to Optecom Colombia S.A.S. This company proceeded to (i) cancel the titles of Metrotel and Telebucaramanga; (ii) issue in the name of Colombia Telecomunicaciones S. A. E.S.P. BIC the titles corresponding to the 2,330 shares owned by Metrotel and Telebucaramanga; and (iii) register in the share registry book Colombia Telecomunicaciones S. A. E.S.P. BIC as shareholder of Optecom. Consequently, Colombia Telecomunicaciones S. A. E.S.P. BIC has a share corresponding to 100 % of the capital stock of Optecom. The situation of control over Optecom is predicated of Telefónica S. A., who registered it before the Chamber of Commerce of Barranquilla on November 8, 2018.

The company Operaciones Tecnológicas y Comerciales S.A.S. – "Optecom" was incorporated under Colombian law on October 22, 2013 as a simplified joint stock company (S.A.S.). The main corporate purpose includes general consulting, design, supervision and execution of works, electromagnetic assemblies, maintenance and commercial operation of telecommunications networks, carrying out energy transmission and maintenance projects, integral maintenance of networks associated with external plant and client's loop, design and construction of all kinds of

works, assemblies, construction and maintenance of internal and external telecommunications plants with wireless access or built in multipair copper, fiber optic or coaxial cable, or any other technology. The term of duration of the company is indefinite, the address registered as domicile and main office is Calle 74 N.º 57 - 35, 2nd floor (Barranquilla, Colombia).

b) Transaction with Kohlberg Kravis Roberts ("KKR")

On January 11, 2022, after obtaining the necessary regulatory authorizations and the fulfillment of certain conditions agreed on July 16, 2021, the transactions approved by the Board of Directors of Colombia Telecomunicaciones S. A. E.S.P. BIC were completed. Consequently, Colombia Telecomunicaciones S. A. E.S.P. BIC perfected the sale of the fiber optic assets (hereinafter FTTH) to Onnet Fibra Colombia S.A.S. ("Onnet"), for an amount equivalent to USD 328.9 million (\$ 1,307,473.1 million).

The negotiation included the agreement of an Earn-Out, which was agreed between the parties based on the analysis of the Master Business Plan. On March 23, 2022, the modification of the operation entered into with KKR was subscribed, so that Colombia Telecomunicaciones S. A. E.S.P. BIC will be able to: (i) receive a higher income by way of increase in the variable price of sale of fiber optic assets in the amount of USD 50 million in cash in three payments over time, subject to compliance with conditions of the Master Business Plan over the years 2022, 2023 and 2024, and (ii) USD 33.33 million for capitalization in Álamo Holdco, S.L., for a total of USD 83.33 million. The Company's interest in Álamo Holdco, S.L., equivalent to 40 % of the capital stock, will not be altered by the amendment.

At the end of September 2023, the Company carried out the reconciliation with Onnet Fibra Colombia S.A.S. to validate compliance with the conditions agreed for the first year, verifying compliance with the Earn-Out regarding the three established goals, exceeding two of the three established goals, obtaining the payment of USD16.0 million, equivalent to \$62.515.4 million, in addition to the payment of USD83.33 million.515.4 million, in addition to the above, USD10,666,667 equivalent to \$41,819.1 million were capitalized as a greater value in the investment of Álamo Holdco, S.L. At the end of March 2024, the reconciliation was completed to validate compliance with the third condition agreed, verifying that the goal was met and the payment to the Company will be made.

On October 30, 2023, Colombia Telecomunicaciones S. A. E.S.P. BIC signed an amendment to the agreements signed with Álamo Spainco, S.L.U. and Onnet Fibra Colombia S.A.S. that allows it to exercise the option to release the exclusivity agreed in the wholesale agreement before the end of its contractual term. To exercise this right, the Company must reach a certain number of connected real estate units.

At the end of March 2024, the reconciliation was completed to validate compliance with the third condition agreed, associated with the corporate segment, verifying that the goal was met for the three periods and Colombia Telecomunicaciones S. A. E.S.P. BIC received the payment.

At the end of September 2024, the Company carried out the reconciliation with Onnet Fibra Colombia S.A.S. to validate compliance with the conditions agreed for the second year, verifying compliance with the Earn-Out regarding the two established goals, meeting one of the two goals and thus obtaining a collection right for USD 24.0 million, equivalent to \$ 100.28 billion. In addition to the above, USD 16.0 million, equivalent to \$ 66.85 billion, were capitalized as a greater value in the investment of Álamo Holdco, S.L.

c) Single Mobile Access Network Operation

On June 9, 2023, Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter the Company) and Colombia Móvil S. A. E.S.P. (hereinafter Tigo) entered into a non-binding Memorandum of Understanding to explore the possibility of sharing their mobile access networks and other network resources.

On December 14, 2023, the Company's Board of Directors fully authorized the transaction and on February 19, 2024, the General Shareholders' Meeting of Colombia Telecomunicaciones S. A. ESP BIC authorized the execution of a binding agreement between Tigo and the Company for the sharing of mobile access networks and radio spectrum.

On February 26, 2024, Colombia Telecomunicaciones S. A. E.S.P. BIC. and Colombia Móvil S. A. E.S.P. entered into a framework agreement for the implementation of a single mobile access network, through an independent company, as well as to share the permits for the use of radio spectrum through a Temporary Union. The closing of the transaction was subject to obtaining the corresponding regulatory authorizations and the respective contractual stipulations.

In July 2024 the company "Unired Colombia S.A.S." was incorporated for the implementation of the single mobile access network, in which, as of August 2024, Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. have equal participation in its capital stock. The companies will continue to be competitors in the provision of telecommunications services and will maintain their independence and autonomy in the management of the business, strategy and commercial activity.

On December 20, 2024, after obtaining the corresponding authorizations, the closing of the transaction took place and the following events occurred:

- The Ministry of Information and Communication Technologies authorized the assignment of the permit for the access, use and exploitation of 20 MHz of radio electric spectrum for the operation of land mobile radio communications services in the national territory (frequency range from 703 MHz to 713 MHz paired with 758 MHz to 768 MHz) granted to Colombia Móvil S. A. E.S.P. in favor of the Colombia Móvil - Colombia Telecomunicaciones Temporary Union formed between these two companies.
- Colombia Telecomunicaciones S. A. E.S.P. BIC entered into agreements with Unired Colombia S.A.S. (hereinafter Unired), that allow it to access mobile access network services under the required quality and capacity conditions.
- Colombia Telecomunicaciones S. A. E.S.P. BIC. and Colombia Móvil S. A. E.S.P. contributed their mobile infrastructure businesses, and added to the USD25 million obligation of Colombia Telecomunicaciones S. A. E.S.P. BIC for equalization, obtaining an equal participation of 50 % in the Joint Venture.

Once the pertinent regulatory approvals were obtained, the transaction was closed, initiating the Joint Venture through Unired Colombia S.A.S., whose main corporate purpose is to provide design, construction, administration and maintenance services for mobile access networks to meet the capacity, quality and coverage needs required by telecommunications service providers, without such activities including or involving direct responsibility for the transmission of information.

The transaction constitutes a Joint Operation. The corporate governance of the Joint Operation is regulated by a Shareholders Agreement that establishes the rules under which the shareholders will participate in the funding, management and

administration of the Unired Company. Although there is separation through a vehicle (Unired), from the other facts and circumstances it is visualized that Netco, by providing services only to its two shareholders, there are no results transcended to third parties and, therefore, they end up exposed to their rights and obligations. In this way, Unired, together with the Temporary Union, form a Joint Operation.

The Temporary Union receives and consolidates the spectrum permits under joint ownership with 50 % participation each and will acquire additional spectrum if necessary. The first assignment of 700 MHZ spectrum occurred on the date of closing of the transaction, and the assignment dates for the other spectrum bands are agreed upon.

With the beginning of the Joint Operation, Colombia Telecomunicaciones S. A. E.S.P. BIC

makes the contribution of part of its business. As established in IFRS 11 paragraph 21A, when an entity acquires an interest in a Joint Operation in which the activity of such Joint Operation constitutes a business, as defined in IFRS 3 Business Combinations, it shall apply, to the extent of its interest, in accordance with paragraph 20, all the accounting principles for business combinations in IFRS 3 and other IFRS, which do not conflict with the guidelines of IFRS 11.

Consideration of the Unired Joint Operation below:

	Value contributed
Assets and liabilities	(379,735,328)
Consideration, net of transaction	(379,735,328)

The assets and liabilities recognized as a result of the integration of the Joint Venture are as follows:

	Fair value
Assets	
Debtors and other accounts receivable - third parties	14,145,615
Accounts receivable (spectrum receivables)	176,751,266
Accounts receivable (rights to receive network equipment)	6,941,730
Right of use,	1,071,750,825
Plant and equipment	736,831,609
Spectrum licenses	580,522,508
Other intangible assets	44,194,340
Total assets	2,631,137,893
Liabilities	
Lease debt,	1,085,896,441
Accounts payable - Spectrum	228,317,232
Accounts payable – trade	480,085,263
Provision for decommissioning	66,001,353
Total liabilities ,	1,860,300,289
Total assets, net (A)	770,837,604
Other impacts	
Goodwill	(137,431,475)
Public sector - VAT	(81,155,154)
Operating costs	(30,187,848)
Total other impacts (B)	(248,774,477)
Result of the transaction (profit) (C)	142,327,799
Net of Joint Venture (+A+B-C)	379,735,328

Details of the transaction closing are shown below:

Item	Note	TC Contributions (*) to Unired	Other effects	TC Retirements (*) for UT (**)	Integración a CT (*)		Total
					New Additions UT (**)	New Additions Unired	
Plant and equipment (1)	14	(399,227,038)	-	-	-	736,831,609	337,604,571
Spectrum	16	-	-	(485,920,838)	580,522,508	-	94,601,670
Other intangible assets	16	(105,652,062)	-	-	-	44,194,340	(61,457,722)
Rights of use	13	(969,959,210)	-	-	-	1,071,750,825	101,791,615
Goodwill (2)	17	-	(137,431,475)	-	-	-	(137,431,475)
Subtotal		(1,474,838,310)	(137,431,475)	(485,920,838)	580,522,508	1,852,776,774	335,108,659
Rights to receive network equipment (3)	7	-	6,941,730	-	-	-	6,941,730
Rights to receive spectrum (4)	7	-	-	-	176,751,266	-	176,751,266
Accounts receivable from third parties (5)	7	14,145,615	-	-	-	-	14,145,615
General government - VAT (6)	11	-	(81,155,154)	-	-	-	(81,155,154)
Total assets		(1,460,692,695)	(211,644,899)	(485,920,838)	757,273,774	1,852,776,774	451,792,116
Spectrum debts	20	-	-	(442,011,995)	228,317,232	-	(213,694,763)
Commercial debt	20	-	-	-	395,987,699	84,097,564	480,085,263
Leasehold debt	19	(1,077,403,947)	-	-	-	1,085,896,441	8,492,494
Provision for decommissioning	21	(61,607,878)	-	-	-	66,001,353	4,393,475
Total liabilities		(1,139,011,825)	-	(442,011,995)	624,304,931	1,235,995,358	279,276,469
Operating costs (7)		30,187,848	-	-	-	-	30,187,848
Resultado de la Result of the transaction (profit)		(351,868,718)	(211,644,899)	(43,908,843)	132,968,843	616,781,416	142,327,799

(*) Colombia Telecomunicaciones S. A. E.S.P. BIC.

(**) Unión Temporal Colombia Móvil S. A. E.S.P - Colombia Telecomunicaciones S. A. E.S.P. BIC.

- Includes additions for the recognition of dismantling for \$ 66,001 million associated to the assets contributed to Unired.
- Corresponds to the goodwill write-down associated with the Company's mobile infrastructure business.
- Corresponds to the energy equipment that Tigo will contribute to Unired and the spectrum right to be received in May and August 2025.
- Corresponds to spectrum rights to be received in May and August 2025 that Tigo will contribute to Unired.
- Corresponds to sublease of sites by the Company to Unired.
- Corresponds to the derecognition of the right for the VAT discount associated with the assets contributed to Unired.
- Corresponds mainly to the costs of structuring the Unired Joint Venture (Note 20 (Item 1c)).

d) Restitution of capital of the ordinary bond of Colombia Telecomunicaciones S. A. E.S.P. BIC 2019 issue.

In accordance with the provisions of the prospectus of Ordinary Bonds issued on May 29, 2019, for the amount of \$ 500 billion, on May 29, 2024 the Company paid to its holders the capital associated to Subseries A-5 for the amount of \$ 347.59 billion with its corresponding yields.

2. OPERATIONS

2.1. Ongoing Business

In the development of its corporate purpose activities, the Company not only analyzes the measurement of assets and liabilities, accounting estimates and appropriate disclosures, but also its ability to continue as a going concern.

Management continues to have a reasonable expectation that the Company has adequate resources to continue operating for at least the next 12 months, and that the accounting basis remains adequate. The Company has resources comprising cash and cash equivalents of \$ 520,484,893, other highly liquid assets and if necessary, initiatives will be activated to generate sufficient working capital for the operation.

The Company's Management, together with the support of the Shareholders jointly analyze the necessary measures to strengthen the Company's liquidity and financial indicators and ensure the ability to continue operating as a going concern, measures that have already been implemented through the Strategic Plan for the years 2024 to 2026. In addition, to respond to a severe negative scenario, it maintains the ability to take mitigating actions to reduce costs, optimize the Company's cash flow and preserve liquidity.

These separate financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and expenses reported, which might otherwise be required if the going concern basis were not appropriate.

2.2. International Conflict Impacts

The Company has implemented internal control measures through a protocol so that any transactions with third parties whose location is in Russia or third parties from other countries that were hit by sanctions imposed by the European Union, United Kingdom, the United States and other countries, are authorized by the intervention area, internal audit and compliance area. As of December 31, 2024, there is no relationship with third parties affected by the sanctions; therefore, no risks have been generated in the financial information.

No relevant impacts have been identified in the financial information or in the Company's operation derived from the current situation due to the geopolitical conflicts in the Middle East or Western Europe.

2.3. Main Regulatory Aspects

The main regulatory aspects as of December 31, 2024 are as follows:

a) Spectrum licenses: this is the list of current permits by band and amount of spectrum.

- 850 MHz band, 25 MHz, MINTIC Resolution 2657 of 2024.
- 1900 MHz band, 15 MHz, MINTIC Resolution 2657 of 2024
- 1900 MHz band, 15 MHz, MINTIC Resolution 2803 of 2021, modified by Resolution 2143 of 2022.
- AWS 30 MHz band, Resolutions 1053 and 3046 of 2024.
- 3500 MHz band (5G), 80 MHz, MINTIC Resolution 497 of 2024, awarded to Unión Temporal Colombia Móvil S. A. E.S.P. - Colombia Telecomunicaciones S. A. E.S.P. BIC.
- 700 MHz band, 20 MHz, MINTIC Resolution 05194 of 2024, assigned by Colombia Móvil S. A. E.S.P., in favor of Unión Temporal Colombia Móvil S. A. E.S.P. - Colombia Telecomunicaciones S. A. E.S.P. BIC.

b) Memorandum of understanding and authorization from the Superintendence of Industry and Commerce (SIC) to operate a single mobile access network

On February 26, 2024, a framework agreement was signed between Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. to develop a single mobile access network through an independent company, as well as to share the permits for the use of the radio electric spectrum through a Temporary Union.

The companies evaluated the creation of a new mobile access infrastructure Company to make the management of the current networks more efficient and to serve as a vehicle for the deployment of new mobile technologies such as 5G. The consolidated network aims to improve the quality of mobile services in more than 700 municipalities and for some 35 million users. The companies will continue to operate in a functionally and legally separate manner, will continue to compete in the provision of telecommunications services and will maintain their business, strategic and commercial independence and autonomy.

The Superintendence of Industry and Commerce – SIC authorized the operation through Resolution 61548 of October 6, 2023, for the companies to share their network infrastructure and spectrum usage rights. It acknowledged that there will

be no impact on the retail and wholesale telecommunications markets, since Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. will continue to participate independently, and will not share the network cores (Core) or transmission routes (backbone and backhaul). The decision highlights that the new network company presented a plan for the assignment and return of spectrum portions in order not to exceed the current ceilings. The Temporary Union will use 140 MHz (40 in low bands and 100 in mid bands). Today, Colombia Móvil S.A. E.S.P. has 120 MHz of spectrum compared to 85 MHz of Colombia Telecomunicaciones S. A. E.S.P. BIC.

In addition, the Authority established conditions for Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. for the operation, effective for 5 years, as follows:

- Not to unilaterally, unjustifiably or untimely modify current or future agreements to the detriment of the MVNOs, and to submit a semi-annual report.
- Not to unilaterally, unjustifiably or untimely modify, to the detriment of third party providers, current or future National Automatic Roaming agreements, nor to increase the price of RAN in an unjustified manner, having to submit a semi-annual report, and an eventual report when entering into a new contract or when adjusting the commercial conditions.
- Implement a Governance Manual, and other provisions regarding the Shareholders' Meeting, the Board of Directors, the legal representative, information management protocols, coverage and quality.

The entry into force of the coverage expansion and the improvement of the mobile signal due to the entry into operation of the unified network was announced by the company as of December 23, 2024.

In addition, by the end of the year, the Temporary Union between Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. had already been created, which will manage the spectrum use permits to be used by the single mobile access network company, and MINTIC authorized in its favor the assignment of the spectrum use permit held by Colombia Móvil S. A. E.S.P. in the 700 MHz band through Resolution 5194 of December 13, 2024.

c) Millicom and Colombia Telecomunicaciones S. A. E.S.P. BIC established a non-binding agreement to combine operations in Colombia

On July 31, 2024, Telefónica Hispanoamérica signed a non-binding agreement with Millicom to explore the combination of its operations in Colombia. This potential transaction is subject to the signing of definitive agreements between the companies and obtaining the corresponding regulatory approvals and provides for the sale of Telefónica's shares, as well as the extension of the offer by Millicom to the Colombian Nation. The document requesting the pre-evaluation process of the business integration operation was filed with the SIC on December 19, 2024.

d) Approved laws

Law 2416 of 2024 of Colombia declared of public benefit and social interest the works and projects for the provision of telecommunications services. The norm seeks to improve the quality of service and expand coverage to areas that do not have access, establishing that telecommunications projects are of social interest.

e) Main bills related to the ICT sector under study by Congress at the end of 2024

- Bill 59 of 2023; Senate of the Republic: Creates the National Agency for Digital Security and Spatial Affairs.
- Bill 210 of 2024; House of Representatives: Establishes provisions for the development of healthy and safe digital environments for children and adolescents.
- Bill 176 of 2023; Senate of the Republic: Creates the registry and identification of end users of sim and e-sim cards or technology that replaces them.
- Bill 406 of 2024; Senate of the Republic; Bill 219 of 2024; House of Representatives: Establish measures to protect the user in the reconnection processes of VoIP, mobile and fixed telephony services, internet and television - free reconnection.
- Bill 229 of 2024; Bill 314 of 2023; House of Representatives: Provisions to reduce the volume of waste produced by wired charging accessories for smartphones and electronic tablets.

- Bill 269 of 2024; Senate of the Republic: Measures to prevent cell phone lines and financial products from being used as a means for the commission of crimes; creates the registration and identification of end users of sim and e-sim cards or technology that replaces them.
- Bill 412 of 2024; House of Representatives: Regulates digital nomads and establishes strategies to strengthen local economies, and develop actions for urban and rural connectivity.

f) Main MINTIC initiatives

- The rate of consideration to the ICT Fund was maintained. Resolution 05635 of December 31, 2024, left unchanged the percentage corresponding to the single periodic fee for the provision of telecommunications networks and services at 1.9 % of the gross income for these concepts.
- The Integral Plan for the Expansion of Digital Connectivity 2022-2033 was published. The 21 projects have a value of \$ 17.6 trillion, \$ 15.2 trillion to improve connectivity and \$ 2.4 trillion to impact demand. The initiative designed seeks to close the digital divide and ensure significant and universal connectivity throughout the territory.
- In conjunction with the CRC, the Ministry opened a public consultation on OTT digital services. The entities seek to receive information on the operation and functioning of OTT digital services that use the Internet networks of the PRSTs, and thus deepen the knowledge of the products and services offered.

g) Topics on the Agenda of the Communications Regulation Commission (CRC).

- Regulatory proposal to review the remuneration of fixed networks is published for comments. The objectives are to update fixed telephony termination charges and simplify current regulations.
- CRC publishes for comments the formulation of the draft competition analysis of fixed bundled services. The document seeks to provide an overview and to review the definition of this relevant market.
- Proposal for a new regulation to strengthen organized connectivity communities. It

contemplates a User Protection Regime with simplified obligations; simple formats to report access and revenues; and standardize the contract for the relationship with other internet providers.

- CRC proposes less regulatory burdens in its regulatory simplification exercise. It includes, among other measures, eliminating the blocking of mobile terminals for non-homologation; creating a unified reporting format for small ISPs; creating a single convergent contract for fixed and postpaid mobile services, to facilitate contracting for users; and eliminating quality indicators for 3G mobile voice from 2026.
- CRC publishes draft resolution for comments, with measures for the mobile services market. It covers different fronts, such as promoting the registration and updating of identification data of prepaid users; expanding the availability of digital means to modify and cancel plans through the mobile application; and prohibiting network operators from recovering ported customers during porting and for three more months.
- A proposal to promote connectivity and competition in the carrier market was published for comments. It seeks to solve the problems related to the market failure identified in the 170 municipal markets declared susceptible to ex ante regulation, and the asymmetry of information identified between wholesale and retail fixed Internet providers.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

3.1. Professional Accounting Standards Applied

3.1.1. Basis of Presentation

The Company prepares its financial statements in accordance with Accounting and Financial

Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, officially translated and authorized by the International Accounting Standards Board (IASB), until 2018, not including IFRS 17 (Insurance Contracts). Regulated in Colombia by Decree 2420 of 2015, as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 of 2021 and 1611 of 2022, by which the technical annex of the Financial Reporting Standards of the Sole Regulatory Decree of the Accounting, Financial Reporting and Information Assurance Standards is amended and other provisions are issued. These standards may differ in some aspects from those established by other State control agencies.

These separate financial statements have been prepared based on the historical cost model, except for land, buildings, investment properties and derivative financial instruments, which have been measured at fair value.

The carrying amounts of assets and liabilities recognized and designated as hedged items in fair value hedging relationships have been adjusted to record the changes in fair values attributable to the risks being hedged in the respective hedging relationships with changes in other comprehensive income (OCI) or with changes in income, as appropriate.

The separate financial statements are presented in Colombian pesos, which is the Company's functional currency, and all values in Colombian pesos are rounded to the nearest thousand unless otherwise indicated.

The separate financial statements for the year ended December 31, 2024, were authorized by the Audit Committee on February 12, 2025, according to minute No.º 75 and approved for issuance by the Board of Directors on February 17, 2025 according to minute N.º 167. They may be modified and must be approved by the shareholders' meeting.

3.1.2. Separate Financial Statements

The separate financial statements present the Company's information as an individual entity, recognizing investments in subsidiaries and associates by the equity method.

3.1.3 Investment in Subsidiaries

Investments in subsidiaries in which the Company has control by directly owning more than 50 % of

the capital stock are accounted for by the equity method. Under this method, investments are initially recorded at cost and subsequently adjusted, with credit or debit to income, as appropriate, to recognize the Company's share of profits or losses in the subsidiaries. The cash distribution of the profits of these companies is recorded as a reduction in the value of the investment.

Additionally, the proportional share in the variations in other equity accounts of the subsidiaries, other than income for the year, is also recorded as a greater or lesser value of the investments indicated above, with a credit or charge to the equity method surplus account.

3.1.4. Investments in associates

Investments in associates in which the Company has significant influence are accounted for by the equity method. Under this method, investments are initially recorded at cost and subsequently adjusted, with credit or debit to income, as appropriate, to recognize the share in the profits or losses of the associate. The cash distribution of the profits of these companies is recorded as a reduction in the value of the investment.

Additionally, the proportional share in the variations in other equity accounts of the associates, other than income for the period, is also recorded as an increase or decrease in the value of the investments indicated above, with a credit or charge to the equity method surplus account.

In a transaction involving an associate or a joint venture, the extent to which the gain or loss is recognized depends on whether the assets sold or contributed constitute a business:

- When the entity sells or contributes assets that constitute a business, to a joint venture or associate, or loses control of a subsidiary that contains a business, but retains control or significant influence, the gain or loss from that transaction is recognized in full.
- Conversely, when the entity sells or contributes assets that do not constitute a business to a joint venture or associate, or loses control of a subsidiary that does not contain a business but retains joint control or significant influence in a transaction involving an associate or joint venture, the gain or loss resulting from that transaction is recognized only to the extent of the unrelated investor's interest in the joint venture or associate, the entity's share of the gain or loss is eliminated.

Therefore, in accordance with the terms of the contract for the sale of the fiber optic assets, Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to a 40 % interest in Álamo Holdco, S.L., and considering that the transaction constitutes the sale of a business with a subsequent investment in an associate, in the presentation of these separate financial statements, the gain or loss from this transaction will be recognized in full.

3.1.5. Joint operations and agreements

Joint arrangements are those over which there is joint control, established by contracts that require unanimous consent for decisions related to activities that significantly affect the performance of the arrangement. For the recognition of the agreements, the Company is required to record the rights and obligations arising from such agreement, depending on whether they are classified as a joint venture or a joint operation. For this purpose, in addition to assessing the rights and obligations of the parties, other facts and circumstances are considered to determine whether the arrangement is a joint venture or a joint operation.

The interests of a joint venture are recognized using the equity method, while for joint operations, each party recognizes its respective share of the assets, liabilities, revenues and expenses.

The Company recognizes as a joint operation those contracts with third parties over which it has rights to the assets and obligations with respect to the liabilities, related to the arrangement and accounts for each asset, liability and transaction, including those held or incurred jointly, in connection with the operation in accordance with the percentage interest in the respective arrangement.

The Company has entered into various contractual arrangements with other participants to engage in joint activities. When there is a sale or contribution of a controlled business to a joint venture entity, the Company values and recognizes at fair value any retained interest. The difference between the carrying amount of the contributed business and the fair value of the retained investment plus the amount of the disposal is recognized in full in income. There are also certain contractual arrangements that do not result in a jointly controlled entity. These arrangements sometimes involve joint ownership of assets dedicated to the purposes of each enterprise, but do not create a jointly controlled entity, whereby the participants derive benefits

from the activities directly, rather than deriving returns from an interest in a separate entity.

The Company's financial statements include its share of the assets of the joint operations together with the liabilities, revenues and expenses generated, which are measured in accordance with the terms of each arrangement, generally based on each participant's share.

3.1.6. Accounting estimates and judgments

The preparation of separate financial statements in accordance with MFRS requires the use of certain critical accounting estimates. Based on the foregoing, Management makes judgments, estimates and assumptions that could affect the reported amounts of revenues, costs and expenses, assets and liabilities at the date of the separate financial statements, including the respective disclosures in future periods. Although they may differ from their final effect, Management considers that the estimates and assumptions used were appropriate in each of the circumstances.

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including the expectation of the occurrence of future events that are considered reasonable under the circumstances. The following is a summary of the main accounting estimates and judgments made by the Company in the preparation of the separate financial statements:

- The assumptions used to calculate the fair value of financial instruments.
- The valuation of financial assets to determine the existence of impairment losses.
- The useful life of property, plant and equipment and intangibles.
- The variables used and the assumptions used in the evaluation and determination of impairment indicators for non-financial assets.
- The variables used in the evaluation and determination of losses and obsolescence of inventories.
- The discount rate used in the calculation of the lease liability and the right of use.
- The probability of occurrence and the value of the liabilities that determine the amount to be

recognized as provisions related to litigation and restructuring.

- The assumptions used in the recognition of the decommissioning liability.
- The assessment of the probability of having future profits for the recognition of deferred tax assets.
- The estimated time to depreciate the rights of use; the assumptions used in the calculation of the growth rates of the lease contracts recorded as rights of use, and the variables used for the valuation of the lease liability.
- Post-employment employee benefits, the present value of pension and other post-employment benefit obligations depend on certain factors that are determined on an actuarial basis using a number of assumptions.

These estimates have been made on the basis of the best information available on the facts analyzed at the date of preparation of the separate financial statements, which may result in future modifications due to possible situations that may occur and that would require their recognition prospectively, which would be treated as a change in an accounting estimate in future financial statements.

3.2. Accounting Policies

The main accounting policies used in the preparation of these financial statements have been as follows:

3.2.1. Foreign Currency Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation when items are revalued. Balances denominated in foreign currencies are expressed in Colombian pesos at the representative exchange rates of \$ 4,409.15 and \$ 3,822.05 per US 1 at December 31, 2024 and 2023, respectively. Exchange gains and losses resulting from the payment of such transactions and from the translation at the exchange rates at the end of each period of monetary assets and liabilities denominated in foreign currency are recognized in the Statement of Income, except when deferred in equity in the Other Comprehensive Income account for transactions that qualify as cash flow hedges.

Exchange differences related to loans are presented in the Statement of Comprehensive Income under the "Financial income or expenses" entry, depending

on the result. Likewise, any other gains or losses generated by other items are presented in the Statement of Comprehensive Income.

Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates in effect at the date of the transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date on which the fair value is determined. Gains or losses arising from the translation of non-monetary items are recognized on the basis of the gain or loss on the item giving rise to the translation difference. Therefore, translation differences on items whose gain or loss are recognized in other comprehensive income or in profit or loss are also recognized in other comprehensive income or in profit or loss, respectively.

3.2.2. Property, Plant and Equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses, if any, except for land and buildings, which are stated at revalued cost. Land is not subject to depreciation. Acquisition cost includes external costs plus internal costs consisting of warehouse material consumption, direct labor costs used in the installation and an allocation of indirect costs necessary to carry out the investment. The acquisition cost includes the best estimate of the costs associated with the dismantling or removal of the item.

The costs of expansion, modernization or improvement, which represent an increase in productivity, capacity or efficiency, or a lengthening of the useful lives of the assets, are capitalized as an increase in cost when they meet the recognition requirements, only when it is probable that they will generate future economic benefits for the Company and the cost of these assets can be reasonably measured. The cost of property, plant and equipment includes the transfer from Other Comprehensive Income of any gain or loss arising from cash flow hedges used for foreign currency purchases.

Gains or losses on the sale of assets correspond to the difference between the proceeds of the transaction and the carrying value of the assets. These income and expense differences are included in the Statement of Income.

For significant components of property, plant and equipment that must be replaced periodically, the Company records the retirement of the

replaced component and recognizes the new component with its corresponding useful life and depreciation. Similarly, when an inspection is performed, the cost of the inspection is recognized as the replacement to the extent that the requirements for recognition as an asset are met. All other routine repair and maintenance costs are recognized as an expense in the Statement of Income as incurred.

The Company depreciates its property, plant and equipment from the time they are in usable condition, distributing the cost of the assets on a straight-line basis over the useful life in years, as follows:

Description	Minimum useful life (years)	Maximum useful life (years)
Construction	10	40
Switching, access and transmission	2	30
Furniture	10	10
Information processing equipment	4	5
Transport equipment	7	7

The depreciation methods and periods applied are reviewed at the end of each year and, if necessary, adjusted prospectively.

3.2.2.1. Decommissioning Costs

The initial estimate of the costs of dismantling and removal of the asset, as well as the rehabilitation of the site on which it sits, are included as part of the costs of property, plant and equipment or right of use. The Company determines and recognizes in its financial statements the best estimate of the minimum costs of removal or relocation when it has been defined at the contractual level or by regulation, but in no case are those corresponding to the transfer of the equipment to a new site for continued use included.

In the particular case that the lease contracts provide for the return of the building or land in the same conditions in which it was transferred at the beginning of the lease period, at the initial moment, a provision for its dismantling is estimated and is incorporated as a higher amount of the cost of the rights of use and its counterpart a liability for dismantling.

The carrying amount of the provision is reviewed and adjusted annually considering changes in the variables used for its estimation, using a rate that reflects the specific risk of the liability. Any change in the present value of the estimated expense is reflected as an adjustment to the provision and its corresponding property, plant and equipment or right of use. When there is a decrease in the asset retirement obligation related to a productive asset that exceeds the carrying amount of the asset, the excess is recognized in the income statement. The financial cost of restatement of these liabilities is recognized in the income statement for the period, as financial expense.

3.2.2.2. Revaluation of Real Estate

Since the convergence to Financial Reporting Accounting Standards (NCIF), the Company has made the subsequent measurement under the revalued cost policy for land and buildings, taking as fair value the revalued value less depreciation and the accumulated amount of impairment losses. The revaluation surplus of land and buildings included in equity is transferred directly to retained earnings. As a result of the above, at the end of each period, the Company transfers from the surplus reserve to retained earnings systematically with the revaluation depreciation of the revalued asset.

Any revaluation increase is recognized in Other Comprehensive Income - ORI (equity) as asset revaluation reserve, unless such increase reverses a revaluation decrease of the same asset previously recognized in the Separate Income Statement, in which case such decrease is transferred from asset revaluation reserve to retained earnings. The frequency of revaluations depends on the changes in the fair values of the land and buildings being revalued. When the fair value of the revalued asset differs significantly from its carrying amount, a new revaluation is required at least every three years.

The reserve generated by the revaluation of real estate is restricted for distribution to shareholders.

3.2.2.3. Construction in Progress

Construction in progress or assets under construction are stated at cost less any impairment loss. When these assets are ready for their intended use, they are transferred to the appropriate category. At this point, depreciation begins on the same basis as that applicable to the transferred category.

3.2.3. Assets and Liabilities Held for Sale

Non-current assets or disposal groups comprised of assets and liabilities held for sale correspond to those assets and liabilities that the Company has in their present condition for transfer in a transaction based on a highly probable disposal plan. They are carried at the lower of net book value and fair value less costs to sell and are not subject to depreciation while they are classified as held for sale. When the sale is estimated to occur beyond one year, the Company will measure the costs to sell at their present value. Any increase in the present value of costs to sell arising during the course of the year is presented in the statement of income.

Property, plant and equipment classified as held for sale, and assets and liabilities of disposal groups held for sale should be presented in the statement of financial position separately from other assets and liabilities.

3.2.4. Investment Properties

Investment properties are properties held for the purpose of obtaining rental income or for capital appreciation on the investment or both, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured initially at cost and subsequently at fair value through profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of investment property. The cost of assets constructed by the Company includes the cost of materials and direct labor, any other costs directly attributable to the process of making the asset fit to work for its intended use and capitalizable borrowing costs.

Any gain or loss on the sale of an investment property (calculated as the difference between the consideration obtained from the disposal and the carrying amount of the asset) is recognized in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment at the date of reclassification, its fair value becomes the cost for accounting purposes.

3.2.5. Intangible Assets

Intangible assets acquired separately are recorded at acquisition cost, decreased by accumulated amortization and any accumulated impairment losses, if any. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortization (in cases where they are assigned defined useful lives) and any accumulated impairment losses, if any.

The amortization methods and periods applied are reviewed at year-end and, if appropriate, adjusted prospectively. Gains or losses arising on derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Comprehensive Income when the respective asset is derecognized. Costs associated with software maintenance are recognized as an expense when incurred. The main intangible assets owned by the Company are listed below, indicating their measurement and recognition procedures:

3.2.5.1. Entitlements

These represent the acquisition price and associated costs of licenses and permits obtained for the provision of telecommunications services granted by the National Government. These permits grant a renewal option to the extent that the Company complies with the conditions required for the same, in which case they may be automatically renewed.

Amortization is made on a straight-line basis from the moment the commercial exploitation of the licenses and permits begins, during the period of validity of the same.

The characteristics of the licenses and permits recorded at year-end are summarized below:



Type/Name	Date of Acquisition/ Renewal	Expiration date	Type of permit
Resolution 2803 of 2021, Amended by Service provision Resolution 2143 of 2022 Band 1900	20 October 2021	19 October 2041	Provision of service mobiles IMT
Resolution 1053 and 3046 of 2024 Band 1700/2100 _ 4G (AWS)	3 December 2023	3 December 2025	Provision of service mobiles IMT
Resolution 497 of 2024 Band 3500 (Awarded to the temporary joint venture Colombia Móvil - Colombia Telecommunications)	February 23, 2024	February 22, 2044	Provision of service mobiles IMT
Resolution 2657 of 2024 Band Renewal 850 and 1900	March 29, 2024	September 28, 2025	Provision of service mobiles IMT
Resolution 5194 of 2024 Band 700 (Assignment to In favor of the Colombia Móvil - Colombia Telecomunicaciones Temporary Union)	17 December 2024	4 May 2040	Provision of service mobiles IMT

3.2.5.2. Office Equipment Software

These are recorded at acquisition cost and are amortized on a straight-line basis over their useful life, which is estimated according to whether they are network equipment software or office equipment software that supports the Company's different technological platforms.

Description	Minimum useful life (years)	Maximum useful life (years)
Licenses and renewal of spectrum	1.5	20
Network and office equipment software	3	5
Irrevocable rights of use (IRUs)	10	20

3.2.5.3. Irrevocable Rights of Use (IRUs)

Rights of use of infrastructure that allow the use of the capacity during the term and with the contractually specified bandwidth are recognized at acquisition cost and are amortized on a straight-line basis over the contractual term.

The IRUs recorded as assets at the end of 2024 have the following characteristics:

IRU	Start date	Expiration date	Type of IRU
12	From year 2013, 2014, 2015 and 2017	To year 2027, 2033, 2034 and 2035	Fiber optic ring

3.2.5.4. Ongoing Projects - Computer Applications

Ongoing projects include technology investments under development which are required for commercial systems, sales force, Big Data and Digitalization.

3.2.5.5. Estimated Useful Lives

The Company amortizes its intangible assets as follows:

2.1.6. Leases

A lease is an agreement whereby a lessor assigns to a lessee, in exchange for a payment or series of payments, the right to use an asset for a specified period of time.

The Company is lessor and lessee of various properties, plants, equipment and vehicles. Lease agreements are generally for fixed periods of 1 to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The extension and termination options included in the Company's leases are used to maximize operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable simultaneously by the Company and the respective counterparty.

3.2.6.1. Lessee's Accounting

Leases are recognized as a right-of-use asset and a corresponding liability on the date the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to income over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities are initially measured based on the present value of the lease payments to be made over the lease term. At the commencement date, lease payments included in the measurement of the lease liability comprise the net present value of the following lease payments:

- Fixed payments (including substantial fixed payments), less any lease incentive receivable.
- Variable lease payment based on an index or rate.
- Amounts expected to be paid by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Penalty payments for terminating the lease, if the condition of the lease reflects that the lessee exercised that option.

Lease payments are discounted using the interest rate implicit in the lease, if such rate or the incremental borrowing rate can be determined.

The lessee's incremental borrowing rate is the interest rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset over a similar term. The incremental borrowing rate will be based on the yield curves available to the Telefónica Group by calculating the rate implicit in the lease terms.

Rights-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made on or before the commencement date
- Any initial direct costs, and
- Dismantling and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized under the straight-line method as an expense in the statement of income. Short-term leases have a term of 12 months or less. Low-value assets comprise computer equipment and small items of office furniture.

3.2.6.2. Lessor's Accounting

When assets are leased under finance leases, the present value of future lease payments is recognized as a receivable. The difference between the gross amount receivable and the present value of the receivable is recognized as finance income.

The account receivable is amortized by allocating each of the royalties between finance income and amortization of principal in each accounting period, such that the recognition of finance income reflects in each period a constant rate of return on the net financial investment that the lessor has made in the finance lease.

When assets are leased under operating leases, the asset is included in the statement of financial position according to the nature of the asset. Income from operating leases is recognized over the term of the lease on a straight-line basis.

• Leasing Activities

The Company leases various properties, equipment and vehicles. Lease agreements are normally entered into for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The leases do not impose any covenants, but the leased assets are not used as collateral for lending purposes.

Leases are recognized as rights-of-use assets and corresponding liabilities on the date on which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis.

• Variable Lease Payments

Variable lease payments are recognized in the statement of income in the period in which the condition that triggers such payments occurs.

• Extension and Termination Options

Extension and termination options are included in several of the Company's property and equipment leases. These conditions are used to maximize operational flexibility in terms of contract management.

• Lease Terms

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The Company reviews whether a significant event or change in circumstances occurs that affects this assessment.

3.2.7. Right-of-Use Assets

IFRS 16 establishes a global and methodological framework for the recognition of right-of-use assets recorded by the Company. Right-of-use assets correspond to assets that represent the right for a lessee to use an underlying asset during the term of the lease. They are stated at cost, reduced by accumulated depreciation and impairment losses, if any, adjusted for any remeasurement of the lease liability to reflect remeasurements or modifications to the lease.

The cost of the right-of-use asset corresponds to the value of the initial measurement of the lease liability determined as the net present value of future lease payments committed within the minimum non-cancellable term at the date of initial recognition.

The Company depreciates right-of-use assets using the straight-line method according to the minimum non-cancelable period of each lease in force, as follows:

Right-of-use asset	Minimum term of use	Maximum term of use
Land and buildings	1	25
Technical installations	1	12
Transport equipment	1	5

3.2.8. Goodwill

Goodwill is initially measured at cost, represented by the excess of the sum of the consideration transferred and the amount recognized for the non-controlling interest, with respect to the net identifiable assets acquired and liabilities assumed. If the consideration is less than the fair value of the net assets acquired, the difference is recognized as a gain at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss, if any. Goodwill is not amortized, but is reviewed annually for impairment.

3.2.9. Impairment of Non-Current Assets

At the end of each reporting period, the corporate team of Telefónica S. A. performs a recoverability analysis for the consolidated CGU of Colombia (Colombia Telecomunicaciones S. A. - E.S.P. BIC and its Subsidiary - Optecom) in which it evaluates the presence or absence of impairment indicators on non-current assets, including goodwill, intangible assets and property and equipment. If such indicators exist or, in the case of assets whose nature requires an annual impairment analysis, the Company estimates the recoverable value of the asset, which is the higher of fair value less costs of disposal and its value in use. This value in use is determined by discounting the estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money and considering the specific risks associated with the asset.

When the recoverable amount or financial valuation of an asset is below its net book value, impairment is considered to exist. In this case, the carrying value is adjusted to the recoverable value, recording the loss in the Statement of Income. Amortization charges for future periods are adjusted to the new carrying amount over the remaining useful life.

For the purpose of assessing impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash flows and use the strategic plan and financial projections for this purpose. Such strategic plan generally covers a period of three years. For longer periods, from the fifth year onwards, projections based on these strategic plans are used, applying a zero or decreasing growth rate.

When new events or changes in existing circumstances occur that indicate that an impairment loss recorded in a prior period may no longer exist or may have been reduced, a new estimate of the recoverable amount of the related asset is made. Previously recognized impairment losses are reversed only if the assumptions used in the recoverable amount calculation have changed since the most recent impairment loss was recognized. In this case, the carrying amount of the asset is increased to its new recoverable amount, up to the limit of the carrying amount that would have been determined had no impairment loss been recognized in prior periods.

The reversal is recorded in the Statement of Comprehensive Income and amortization charges for future periods are adjusted to the new carrying

amount, unless the asset is carried at revalued amount, in which case the reversal is treated similarly to a revaluation increase. Impairment losses on goodwill are not reversed in subsequent periods.

On the other hand, the discount rates used to determine the recoverable value are based on available financial information and are adjusted by the corresponding country risk and business risk rate. Thus, in 2024 and 2023 a nominal percentage rate calculated in pesos of 10.26 % and 11.50 %, respectively, was used.

3.2.10. Financial Instruments

3.2.10.1. Financial Assets

The Company classifies its financial assets in the following measurement categories, considering the characteristics of the cash flows and the business model under which they are held: those measured at fair value with changes in other comprehensive income - ORI (debt instrument), at fair value through profit or loss, at amortized cost or fair value with changes in other comprehensive income - ORI (equity instrument).

a) Financial Assets at Amortized Cost

A financial asset is classified as measured at "amortized cost" only if the following criteria are met: The objective of the Company's business model is to hold the asset to earn contractual cash flows, and the contractual terms result on specified dates in receiving cash flows that are solely payments of principal and interest on the principal outstanding.

b) Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset (debt instrument) is measured at fair value through other comprehensive income if the following criteria are met: The Company's business model objective is to hold the asset to earn contractual cash flows and sell, and the contractual terms result on specified dates in receiving cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset that is not measured neither at amortized cost nor at fair value through other comprehensive income because the above criteria are not met, is measured at fair value through profit or loss.

c) Financial Assets at Fair Value Through Profit or Loss

A financial asset (debt instrument) is measured at fair value through profit or loss when it is not classified in models a) and b) above.

d) Equity Instruments

All equity instruments are measured at fair value. Equity instruments held for trading are measured at fair value through profit or loss. For all other equity instruments, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income in equity, rather than through profit or loss.

e) Impairment of Financial Assets

The measurement of the allowance for expected credit losses for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the probability of default by customers and resulting losses).

Several significant judgments are also required when applying accounting requirements to measure expected credit loss, such as:

- Determining the criteria for a significant increase in credit risk;
- Appropriately choosing the models and assumptions for measuring expected credit loss;
- Establishing the number and relative weights of forward-looking scenarios for each product/market type and the associated expected credit loss; and
- Establish groups of similar financial assets for the purpose of measuring expected credit loss.

At the end of each reporting period, the Company establishes an expected credit loss model for the recognition of impairment of financial assets as defined by IFRS-9. The expected credit loss model is applied to financial assets that are debt instruments, measured at amortized cost or at fair value through other comprehensive income (includes accounts receivable, contractual assets within the scope of IFRS-15 Contracts with customers, customers pending invoicing and other debtors).

The estimation of expected losses on financial assets is based on the simplified model, supported by an "estimated uncollectibility rate" approach to estimate the expected credit loss for the entire life of the asset.

The application of the simplified model is developed through allowance matrices, which are constructed

based on the historical default rates throughout the expected life of trade accounts receivable and through: i) appropriate groupings of trade accounts based on shared credit risk characteristics, ii) representative collection history and iii) time horizon in accordance with the collection management policy for each type of accounts. The matrix is a consequence of the results obtained in the collected versus billed ratio, which reflects the evolution of the collection for each of the billing maturities. To determine the ratio, the historical average recovery is obtained for the last years of billing maturities, classified by each delinquency range, by biller and by customer segment.

For accounts receivable in installments from customers, such as financed sales of terminals or other types of equipment, the policy is based on the use of historical uncollectibility rates to predict the behavior of customers throughout the life of the contract. That is, at the maturity of each of the monthly installments, it makes it possible to estimate, approximately, the percentage of debt that will ultimately remain outstanding (expected loss), to be recorded at the initial time.

The carrying amount of the asset is reduced through the recognition of the provision for impairment loss and in the income statement for the period as an impairment loss (gain) the amount of the expected credit losses (or reversal) by which the impairment loss is required to be adjusted at the reporting date.

3.2.10.2. Financial Liabilities

The Company's financial liabilities include contractual obligations to deliver cash or another financial asset to another entity, or contracts that may be settled using the Company's own equity instruments.

The Company classifies its financial liabilities into the following measurement categories: those measured at amortized cost, and those measured at fair value through profit or loss.

a) Financial Liabilities at Amortized Cost

The gain or loss on a financial liability that is measured at amortized cost and is not part of a hedge will be recognized in profit or loss when the financial liability is derecognized and through the amortization process.

b) Financial Liabilities at Fair Value

Financial liabilities that are managed and measured on a fair value basis, such as derivatives, are classified as financial instruments at fair value

through profit or loss. The gain or loss on a financial liability measured at fair value is recognized in profit or loss for the period, unless: it is part of a hedging relationship, or it is a financial liability designated as at fair value through profit or loss and the Company is required to present the effects of changes in the liability's credit risk in other comprehensive income.

3.2.10.3. Other Equity Instruments

In accordance with IAS 32 (Financial Instruments - Presentation), the Company establishes whether the financial instrument meets the definition of equity, where the issuer has no present obligation to deliver cash or another financial asset. In addition, an equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities, the instrument does not have priority over other rights to the assets of the entity on liquidation, the distribution to holders of an equity instrument is recognized by the entity directly against equity.

In the absence of a right to receive or an obligation to deliver a fixed or determinable amount of monetary units for these instruments, non-monetary items are determined and therefore are not subject to adjustment for exchange differences.

The Company, based on the absence of a contractual obligation to deliver cash or another financial asset and the fact that the counterparties cannot obligate the Company to pay coupons or cancel the securities in part or in full, and given the specific characteristics that both the payment of coupons and the cancellation of the instrument are at the sole discretion of the issuer, it is established that the bonds issued by the Company correspond to perpetual equity instruments, recognizing them at their nominal amount as part of the net equity attributable to the Company and will be modified only upon settlement of the principal.

Transaction costs associated with the issuance of the equity instrument are recognized as a deduction from equity, net of any related tax benefit. Coupon payments are recognized in equity as a reduction of retained earnings, when the obligation to pay them arises; the payment of coupons does not impact the Statement of Income, nor will it adjust (i.e., not be deducted from) the Company's profit or loss for the computation of earnings per share.

3.2.10.4. Recognition and Measurement

The Company determines the classification of financial liabilities upon initial recognition. All

financial liabilities are initially recognized at fair value plus directly attributable transaction costs in the case of loans and payables carried at amortized cost.

Gains or losses on a debt instrument that is subsequently measured at fair value and is not part of a hedging relationship are recognized in profit or loss and presented in the Statement of Income within "Other (loss)/gain, net" in the period in which they occur.

Gains or losses on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship, are recognized in income for the period when the financial asset is derecognized or impaired and through the amortization process using the effective interest method.

The Effective Interest Method is the method used to calculate the amortized cost of a financial asset or liability and to distribute interest income or expense over the entire period.

The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument, or, where appropriate, a shorter period, with the carrying amount of the financial asset or financial liability. This calculation should include all fees and costs payable to or receivable by the parties to the contract.

Transaction costs correspond to incremental costs directly attributable to the acquisition, issuance or disposal of financial assets or liabilities.

3.2.10.5. Offsetting of Financial Instruments

Financial assets and liabilities are offset and their net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and the Company intends to settle the net amount or to realize the asset and settle the liability simultaneously.

3.2.10.6. Determination of Fair Values

At each closing date of the reporting period, the fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices, or prices quoted by market participants (bid price for long positions and ask price for short positions), without deducting transaction costs.

For financial instruments that are not traded in active markets, fair value is determined

using valuation techniques appropriate to the circumstances. Such techniques may include the use of recent market transactions between knowledgeable, willing parties acting at arm's length, reference to the fair values of other financial instruments that are essentially similar, discounted cash flow analysis and other appropriate valuation models.

3.2.10.7. Derivative Financial Instruments and Hedging Activities

a) Initial Recognition and Subsequent Measurement

Derivatives are initially recognized at fair value on the date the contract is entered into and are permanently measured at fair value.

If derivative financial instruments do not qualify for recognition through the hedge accounting treatment, they are recorded at fair value through the Statement of Income. Any change in the fair value of these derivatives is recognized immediately in the Statement of Income as "Financial income or expense, net." If designated as hedges, the method of recognizing the gain or loss resulting from changes in the fair values of the derivatives depends on the nature of the risk and item being hedged.

At the inception of the hedge, the Company designates and formally documents the hedging relationship to which it decides to apply hedge accounting between the hedging instruments and the hedged items, as well as its objectives and risk management strategy that support its hedging transactions. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk it chooses to hedge and how the entity will assess the effectiveness of changes in the fair value of the hedging instrument in offsetting the exposure to changes in the fair value of the hedged item or changes in cash flows attributable to the hedged risk.

The Company designates its hedges as follows:

- Fair Value Hedges: when they hedge the exposure to changes in the fair value of recognized assets or liabilities, or unrecognized firm commitments (except in the case of exchange rate risk hedges).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Income,

and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in income for the period. The gain or loss related to the effective portion of the derivatives is recognized in the Statement of Income as "Financial income or expense," as is the ineffective portion which is also recognized in the Statement of Income.

If the hedge no longer meets the criteria to be recognized through the hedge accounting treatment, the adjustment to the carrying amount of the hedged item is amortized to income using the effective interest method over the remaining period to maturity. If a hedged item is derecognized, the unamortized fair value is recognized immediately in the Statement of Income as finance income or finance costs, as appropriate.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability, with a corresponding gain or loss recognized in the Statement of Income as finance income or finance costs, as appropriate.

- Cash Flow Hedges: when they hedge the risk of changes in cash flows attributable to either a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or to foreign exchange rate risk in the case of an unrecognized firm commitment. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Income as "Other gains (loss), net."

Amounts accumulated in the Statement of Changes in Equity are transferred to the Statement of Income in the periods in which the hedged item affects them; however, when the hedged forecast transaction results in the recognition of a non-financial asset (e.g., inventories or property, plant and equipment), the gains or losses previously recognized in equity are included as part of the cost of the asset. The amounts capitalized are ultimately recognized in cost of sales when the products sold are sold in the case of inventories or in depreciation in the case of property, plant and equipment.

When a hedging instrument expires or is sold, or when it no longer meets the criteria to be recognized through hedge accounting treatment, any accumulated gain or loss in equity at that date is recognized in the Statement of Income. When a forecasted transaction is no longer expected to occur, the accumulated gain or loss in equity is immediately transferred to the Statement of Income as "Financial income or expense."

b) Option Hedges

Exchange rate options are derivative instruments used for foreign exchange hedging; the valuation of the derivative instrument, options, is classified as intrinsic and temporary. A change in the fair value of the intrinsic portion is recorded in equity until its allocation, while changes in fair value of the temporary portion are recorded in the Statement of Income. The difference between the allocated portion and the fair value of the intrinsic portion is recorded in the Statement of Income.

c) Classification of Current and Non-Current Items

Derivative instruments are separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contractual cash flows) as follows:

1. When the Company holds a derivative instrument as an economic-type hedge (and does not apply hedge accounting) for a period of more than twelve months from the closing date of the reporting period, the derivative is classified as non-current (or split into current and non-current portions) to match the classification of the underlying item.
2. Embedded derivatives that are not closely related to the host contract are classified in a manner consistent with the cash flows of the host contract.
3. Derivatives that are designated as effective hedging instruments are classified in a manner consistent with the classification of the underlying hedged item. The derivative is divided into a current and a non-current portion only if such an allocation can be made reliably.

3.2.11. Inventories

Inventories of merchandise for sale, as well as materials in stock for installation in investment projects, are valued at cost or at net realizable

value, the lower of both. The valuation of obsolete, defective or slow-moving products has been reduced to their probable net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory costs include transfers from equity of gains or losses on cash flow hedges for inventory purchases when so defined.

Goods acquired from a supplier abroad, whose contracting condition consists of receiving the goods prior to nationalization, are recognized as of this moment as inventory in transit. When the goods are nationalized, they are transferred to warehouse inventory.

The recoverable value of inventories is calculated based on the age of the inventories and their turnover as follows:

- For mobile terminals, equipment and materials of the fixed operation older than 360 days, a 100 % impairment provision is recognized.

The recovery of the provision for impairment due to the sale of provisioned equipment is recognized as a reduction in the value of the charge recorded in the Statement of Income for the period.

3.2.12. Cash and Cash Equivalents

Both cash funds, and demand and unrestricted bank deposits are considered cash.

Cash and cash equivalents include cash on hand, unrestricted bank deposits and other short-term highly liquid investments with original maturities of three months or less. Advances in bank checking accounts are interest-bearing loans, payable on demand, are part of the Company's treasury management, and therefore also assimilated to cash equivalents.

For financial statement purposes, bank overdrafts are presented in the current financial liabilities account in the statement of financial position.

3.2.13. Prepaid Expenses

Prepaid expenses include:

- a. The cost of equipment used for the provision of television, broadband and basic line services delivered to the customer, on which associated revenues are being generated. These costs are amortized over the shortest period between the average life of the customer and the useful life of the installed element.

- b. Customer contract fulfillment costs correspond mainly to the installation services of equipment delivered to the customer for the provision of television, broadband and basic line services. These costs are amortized over the shortest period between the average life of the customer and the useful life of the installed element.

- c. Costs of obtaining contracts with customers. The Company has reviewed the indefinite life time period for the purpose of updating the transfer to the customer of the goods or services to which these expenses relate. Following the analysis performed, the use of the estimate of customer renewals based on their turnover rate (average lifespan of customers) has been considered, with certain limitations in the event that there are subsequent expenses in line with the initial ones.

- d. Annual payments for the use of the radio electric spectrum for the provision of telecommunications services, which are amortized over the same term.

- e. Payments for irrevocable rights of use over capacity, which are amortized over a period of 15 years.

- f. Support and maintenance costs for computer platforms and applications, which are amortized over the term of the contract.

- g. Other prepaid expenses are represented by licenses, insurance policies, operating leases and contributions which are amortized over the term of the contract or period covered by the prepayment.

- h. Global Stock Purchase Plan for employees of the Company that provides the opportunity to acquire Telefónica S. A. shares, through direct and monthly deductions from their salary.

3.2.14. Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are presented in equity as a deduction from the amount received, net of taxes, if any.

3.2.15. Current and Deferred Taxes

The income tax expense for the period comprises current and deferred income tax. The tax is

recognized in the Statement of Income, except in the case of items recognized directly in equity, in which case the tax is also recognized in equity.

3.2.15.1. Current Income Taxes

Current income tax assets and liabilities are calculated on the basis of tax laws enacted or substantively enacted at the date of the Statement of Financial Position. Management periodically evaluates positions taken in tax returns filed with respect to situations where tax laws are subject to interpretation. Where appropriate, provisions are made for amounts expected to be payable to the tax authorities.

The carrying amounts of current and prior period tax assets and liabilities represent the amounts expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax regulations used in the calculation of these amounts are those in effect at the balance sheet date, including the income tax rate and surtax.

3.2.15.2. Deferred Income Taxes

The amount of deferred taxes is obtained from the analysis of the Statement of Financial Position considering the temporary differences, which are reversed over time, between the tax values of assets and liabilities and their respective book values.

Deferred tax assets are recognized to the extent that it is probable that the temporary differences will be recovered in the future. The carrying amount of unused tax credits and unused tax losses can be utilized, except:

- If the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability arising from a transaction that is not a business combination and at the time of the transaction affected neither accounting profit nor taxable profit (loss).
- Deferred tax liabilities are recognized in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associates, or interests in joint arrangements, unless both of the following conditions are jointly met:
 - The parent, investor, participant in a joint venture or joint operation is able to control the timing of the reversal of the temporary difference; and
 - It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is an enforceable right to offset current tax assets and liabilities, and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on the same taxable entity or taxpayer, or on different taxable entities or taxpayers, but the Company intends either to settle the current tax assets and liabilities on a net basis or to simultaneously realize its tax assets and liabilities. The main temporary differences arise from differences between the tax and book values of property, plant and equipment, intangible assets, estimated liabilities and provisions, portfolio impairment, deferred income, valuation of hedges, as well as differences between the fair values of net assets acquired from an entity and their tax values.

Deferred tax assets and liabilities are not discounted to their present value and are classified as non-current, regardless of the date of reversal. At each balance sheet date, the carrying amount of the deferred tax assets recorded is analyzed, and the necessary adjustments are made to the extent that there are doubts as to their future recoverability. Likewise, deferred tax assets not recorded in the Statement of Financial Position are assessed at each balance sheet date and are recognized to the extent that it becomes probable that they will be recovered with future tax benefits.

Deferred income tax is determined using tax rates that have been enacted at the Statement of Financial Position date and are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is paid.

Current and deferred taxes are recorded directly against equity if the tax relates to items that are charged or credited directly against equity.

Uncertain Tax Positions IFRIC 23

International Financial Reporting Interpretations Committee - IFRIC 23 was issued in May 2017. This Interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatments. In this circumstance, an entity shall recognize and measure its deferred or current tax asset or liability by applying the requirements of IAS 12 on the basis of the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this interpretation.

As of December 31, 2023 and 2022, the Company has no uncertain tax positions in the determination of income taxes disclosed in the separate financial statements, considering that both ordinary and

extraordinary operations have been treated in accordance with current tax regulations.

3.2.16. Employee Benefits

a. Applicable Regime

All the Company's employees are covered by Law 50 of 1990, since the Company started working after this Law came into force. The Company complies with the labor obligations set forth in the Substantive Labor Code, the comprehensive social security system, and other complementary regulations. Labor laws provide for the payment of deferred compensation to certain employees on the date of their retirement from the Company. The amount received by each employee depends on the date of entry, type of hiring and salary. In accordance with NCIF, the liability for such obligations is accounted for under the presumption of voluntary retirement, for the amount accrued at the date of the Statement of Financial Position.

The Company contributes to private or state funds the resources required by legal regulations and the comprehensive social security system to cover both social benefits and future pension obligations; therefore, the Company does not have actuarial obligations with workers for these concepts.

The Company records liabilities related to termination of employment, considering the authorizations of the Executive Committee and/or Board of Directors, as well as the analysis of a detailed formal plan, which must include the following elements: a) location, function and approximate number of employees whose services are to be terminated; b) the termination benefits for each type of employment or function; and c) the time at which the plan will be implemented.

b. Salaries and Short-Term Benefits

Short-term salaries and benefits for current employees are recognized in the Statement of Comprehensive Income when the employees render their services.

c. Performance Bonuses

The Company recognizes liabilities and expenses for performance bonuses received by employees for the fulfillment of indicators defined by the Company, recognizing a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation.

d. Vacation

The Company recognizes liabilities and expenses for these benefits to the extent that the employee earns this right; the accrued liability will be reduced by the payment of these benefits, which must coincide with the time enjoyed by the employee.

e Stock-Based Payment Plans

The Company's executives receive remuneration in the form of share-based payments, under which they provide services in consideration for equity instruments (stock option rights to purchase shares of Telefónica S. A., the Company's ultimate parent company).

The cost of equity-settled share-based payment transactions is measured by reference to the fair value at the date on which they were granted. The fair value is determined through an appropriate pricing model. The cost of equity-settled share-based payment transactions is recognized, together with a corresponding increase in the liability, over the period in which the performance and/or service conditions are satisfied.

The cumulative expense recognized for equity-settled share-based payment transactions at each reporting date and through the vesting date reflects the extent to which the vesting period has expired and Telefónica S A.'s best estimate of the amount of equity instruments that will ultimately remain as a vested benefit. The expense or credit in the statement of income for the period represents the movement in the cumulative expense recognized at the beginning and end of the period. The Company recognizes in its financial statements the conditions of the plan, upon compliance with the established requirements.

f. Post-Employment Benefits

Benefits other than those for termination of employment or contractual relationship that are paid after completing the period of employment with the Company are recognized as post-employment benefits. These include pensions paid by the Company and other post-employment benefits such as life and health insurance.

Post-employment benefits will be measured by the present value of the obligation derived from defined benefits, calculated using the market rate of TES issued by the National Government with terms similar to those estimated for the payment of the obligations. For this purpose, and according

to the type of benefit, variables such as wages and salaries, life expectancy of the beneficiary, average cost of post-employment plans and historical information on the use of benefits will be taken into account.

The recognition of the present service cost, the cost for past services and the interest on the liability will affect the result for the period. On the other hand, the actuarial gains and losses of the benefit plan will affect the equity and will be presented in the other comprehensive income.

3.2.17. Earnings per Share

Basic earnings per share represent the profit from ordinary activities after taxes attributable to the Company's shareholders, divided by the weighted average number of ordinary shares outstanding during the year.

3.2.18. Dividends

The Stockholders' Meeting is the authorized body of the Company to decree and establish the conditions for the payment of dividends to the stockholders.

3.2.19. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event that is likely to require an outflow of resources to settle the obligation and the amount can be reliably estimated.

The expense corresponding to any provision is presented in the Statement of Comprehensive Income in the line that best reflects the nature of the provision, net of any related reimbursement. Provisions should be reviewed at each reporting date and adjusted, if necessary, to reflect the best estimate at that time. In the event that the outflow of resources to settle an obligation is no longer probable, the related provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the risks specific to the liability. When the discount is recognized, the increase in the provision resulting from the passage of time is recognized as a finance cost in the income statement. A contingent liability is not recognized in the financial statements, but is

disclosed in the notes, except where the possibility of a possible outflow of resources to settle the liability is remote.

A contingent asset is an asset of a possible nature, arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events in the future, which are not entirely within the Company's control. A contingent asset is not recognized in the financial statements, but is disclosed in the notes, though only if the inflow of economic benefits is probable.

3.2.20. Segment Reporting

The Company's management prepares financial and management information sufficient to evaluate profitability, risk and assets employed at the entity level. Although the Company prepares certain financial and management information for each of the business areas, it is not sufficient and is not differentiated (for example, at the level of costs and expenses and assets used) to be able to assess and determine profitability, risk and allocated assets and liabilities individually as required by IFRS 8. Any of the lower business areas or components such as local and long distance telephony, television, mobile service or data, among others, have common and/or complementary characteristics to the rest of them (same nature of the business, shared assets such as the network, including its customers, etc.). Taking into account the requirements of the NCIF in relation to the identification of segments and based on the information available, the Company's management has determined a single business segment.

3.2.21. Revenue Recognition

3.2.21.1. Contractual Asset

It is the right that the Company has as consideration in exchange for goods or services transferred to a customer, when that right is conditioned by something other than the passage of time. Contract costs eligible for capitalization as incremental costs of obtaining a contract are recognized as an asset. The costs of obtaining and fulfilling contracts are capitalized as incurred if the Company expects to recover such costs and are classified as current and non-current to the extent that the economic benefits of such assets are expected to be received. Contracts are amortized on a systematic basis consistent with the transfer to the customer of the services once the related revenues have been recognized.

3.2.21.2. Contract Liabilities

Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration or payment from the customer (or has become due). They also include deferred revenue related to goods or services to be delivered or rendered in the future, which are billed to the customer in advance. Contractual liabilities are classified as current and non-current according to the term of the contract and will be derecognized when the performance obligations are satisfied.

3.2.22. Revenue from Contracts with Customers

The application of IFRS 15 establishes the criteria for the recognition of revenue from contracts with customers and requires the Company to make judgments that affect the determination of the amount and timing of revenue from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model established in IFRS 15:

- Identification of contracts with customers.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocating the transaction price to the performance obligations in the contract.
- Revenue recognition when (or as) the Company fulfills a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time if any of the following criteria are met:

- (a) The Company's performance does not create an asset with an alternative use for the Company, and the Company has an enforceable right to payment for performance completed to date.
- (b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- (c) The customer both receives and consumes the benefits that result from the Company's performance as it works.

Revenue is measured based on the consideration specified in the contract with the customer, and excludes amounts received on behalf of third parties. The Company recognizes revenue when it transfers control over a good or service to a customer and is presented net of rebates and discounts. The Company evaluates its revenue plans based on specific criteria to determine whether it is acting as principal or agent. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and if revenue and costs, if any, can be measured reliably.

a. Other Operating Income

The Company recognizes in other operating income transactions that, being non-recurring and/or related to the services it provides, arise from or are indirectly related to its operating activities, such as the sale and lease of property, plant and equipment used in its operations, support from manufacturers, breach of contracts and government subsidies, among others.

For presentation purposes, the Company reflects in the Statement of Comprehensive Income the operating revenues considering those generated by wireless service, fixed service and other operating revenues, including the necessary headings and subtotals that allow a reasonable presentation to understand the Company's financial performance.

b. Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that all conditions attached to the grant will be fulfilled. When the grant relates to an expense item, it is recognized as revenue on a systematic basis over the periods in which the Company recognizes the costs that the grant is intended to offset.

Grants related to assets are recognized in the Statement of Financial Position as deductions from the carrying value of the associated assets and their counterpart is recognized in the Statement of Income as a reduction of depreciation expense in accordance with the useful life of the asset.

3.2.23. Recognition of Costs and Expenses

Costs and expenses are recorded in the Statement of Comprehensive Income on an accrual basis, i.e., when the actual receipt or delivery of the goods and services they represent occurs, regardless of when the monetary delivery occurs, they are

recognized when there is a decrease in future economic benefits related to the decrease in an asset or increase in a liability, which can be measured reliably.

4. REGULATORY CHANGES

4.1. New Standards and Amendments Adopted by the Company in 2024

The Company has applied the following amendments for the first time in its annual financial statements as of December 31, 2024:

- Disclosure of material accounting policies: Amendments to IAS 1.
- Definition of accounting estimates: Amendments to IAS 8.
- Deferred tax related to assets and liabilities arising from a single transaction: Amendments to IAS 12.
- Amendments to IFRS 16 Leases - Rent Reductions Related to COVID 19 beyond June 30, 2021.

4.2. New Regulations Incorporated to the Accounting Framework Accepted in Colombia whose Application is Mandatory as from January 1, 2027

Decree 1271 of 2024 added Regulatory Technical Annex 01 of 2024 of Group 1 to the annexes incorporated in Decree 2420 of 2015, containing Financial Reporting Standard IFRS 17 Insurance Contracts.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment

contracts issued with discretionary participation components. The objective is to ensure that entities provide relevant information in a manner that faithfully represents those contracts to assess the effect that contracts within the scope of IFRS 17 have on an entity's financial position, financial performance and cash flows.

IFRS 17 repeals IFRS 4 Insurance Contracts which was an interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations from those requirements. Some previous insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

Article 2 of Decree 1271 of 2024 added Article 1.1.1.4.1.4 to Decree 2420 of 2015, including simplifications for the implementation of the International Financial Reporting Standard IFRS 17, Insurance Contracts, to be applied by Group 1 financial information preparers and supervised by the Financial Superintendency of Colombia.

Management is currently evaluating the detailed implications of the application of the new standard in the financial statements.

4.3. New Standards Issued by the International Accounting Standards Board (IASB) That Have Not Yet Been Incorporated into the Accounting Framework Accepted in Colombia

Sale or contribution of assets between an investor and its associate or joint venture: Amendments to IFRS 10 and IAS 28.

The IASB has made amendments of limited scope to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

In December 2015, the IASB decided to defer the application date of this amendment until the IASB has completed its research project on the equity method standard.

IAS 12 - International Tax Reform - Pillar 2 Model Rules

In May 2023, the IASB made limited scope amendments to IAS 12 that provide temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements the qualifying rules. Supplementary minimum domestic taxes described in those standards.

IAS 7 and IFRS 7 Vendor Financing Arrangements

These amendments require disclosures to improve the transparency of vendor financing arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some companies' vendor financing arrangements are not sufficiently visible, making it difficult for investors to analyze.

IFRS 16 - Lease Liabilities on a Sale and Leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not dependent on an index or rate are more likely to be affected.

Amendments to IAS 21 - Lack of Interchangeability

In August 2023, the IASB amended IAS 21 to assist entities in determining whether a currency is convertible into another currency and what spot rate to use when it is not.

Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued specific amendments to IFRS 9 and IFRS 7 to respond to recent questions that arose in practice and to include new requirements not only for financial institutions but also for corporate entities.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. While IFRS 18 will not affect the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be widespread, particularly those related to the statement of financial performance and the provision of management-defined performance measures within the financial statements.

IFRS 19 Non-Publicly Accountable Subsidiaries

IFRS 19, issued in May 2024, allows certain eligible subsidiaries of parent entities reporting under IFRS Accounting Standards to apply reduced disclosure requirements.

4.4. New standards issued by the International Sustainability Standards Board (ISSB) that have not yet been incorporated into the accepted accounting framework in Colombia

IFRS S1 - General Requirements for Disclosure of Financial Information Related to Sustainability

This standard includes the central framework for the disclosure of material information on risks and opportunities related to sustainability throughout an entity's value chain.

IFRS S2 - Climate-Related Disclosures

This is the first thematic standard issued that establishes requirements for entities to disclose information about climate-related risks and opportunities.

5. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

	As of December 31 2024	As of December 31 2023
Cash	3,609	4,514
Temporary investments (1)	251,685,719	123,248,062
Banks in local and foreign currency	268,795,565	237,374,598
	520,484,893	360,627,174

The increase corresponds mainly to the effect of customer collections and the sale of commercial portfolio, partially offset by the spectrum license payment, and higher payments for financial leases.

Cash and cash equivalents include balances in foreign currency and their equivalent in thousands of pesos as of December 31, 2024 and 2023, amounted to USD 19,949 thousand (\$ 87,958,133) and USD 1,556 thousand (\$ 5,947,110), respectively (Note 28).

As of December 31, 2024 and 2023, the balances of restricted securities in banks amount to \$ 14,200,232 and \$ 12,019,313, respectively.

(1) Includes investments in collective funds whose rates for the year ended December 31, 2024 and 2023 ranged from 5.97 % to 10.72 %, and from 9.25 % to 14.82 %, respectively. At December 31, 2024 and 2023, Tax Refundable Securities (TIDIS) were held for \$ 197,670 million and \$ 97,052 million, respectively.

Yields on temporary and bank investments, recognized during the years ended December 31, 2024 and 2023, were \$ 18,501,699 and \$ 4,961,845, respectively (Note 27).

6. FINANCIAL ASSETS

The balance of financial assets as of December 31, 2024 is as follows:

	At fair value with changes in results	At fair value with changes in ORI	Total assets financial to fair value	At cost amortized	Total assets financial
Current					
Hedging instruments (1)	304,687,846	47,222,058	351,909,904	-	351,909,904
	<u>304,687,846</u>	<u>47,222,058</u>	<u>351,909,904</u>	<u>-</u>	<u>351,909,904</u>
Non-current:					
Deposits and guarantees (2)	-	-	-	34,194,862	34,194,862
Hedging instruments (1)	25,445,700	-	25,445,700	-	25,445,700
Other financial assets	-	-	-	60,000	60,000
	25,445,700	-	25,445,700	34,254,862	59,700,562
	330,133,546	47,222,058	377,355,604	34,254,862	411,610,466

(1) As of December 31, 2024, there is an increase in the asset for valuation of hedging instruments, mainly due to the devaluation of the peso against the dollar of 15.36 % compared to the closing of 2023, impacting the hedges associated to the Senior Bond.

(2) Corresponds to deposits constituted by court order on which the Company has been advancing the necessary processes for their resolution. The increase corresponds mainly to processes with territorial entities associated with municipal taxes.

The balance of financial assets as of December 31, 2024, is as follows:

	At fair value with changes in results	At cost amortized	Total assets financial
Current			
Deposits and guarantees	-	284,742	284,742
	<u>-</u>	<u>284,742</u>	<u>284,742</u>
Non-current:			
Deposits and guarantees	-	31,713,897	31,713,897
Hedging instruments	26,825,000	-	26,825,000
Other financial assets	-	60,000	60,000
	26,825,000	31,773,897	58,598,897
	26,825,000	32,058,639	58,883,639

7. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES, NET

The balance of accounts receivable and other receivables is as follows:

	As of December 31	
	2024	2023
Current:		
Trade receivables for sales and services (1)	864,223,493	862,112,051
Other accounts receivable (2)	419,426,827	215,865,564
Portfolio for equipment sold in installments(3)	378,037,453	349,985,815
Related parties (4) (Note 29)	178,452,253	196,483,793
Portfolio with national and international operators(5)	82,397,524	42,108,076
Sales agents and distribution channels (6)	4,202,002	20,673,278
Impairment of loan portfolio(7)	(633,008,539)	(557,354,883)
	1,293,731,013	1,129,873,694
Non-current:		
Related parties (4) (Note 29)	574,929,184	595,235,639
Backlog for equipment sold at installments (3)	76,156,127	139,193,443
Trade receivables for sales and services (1)	49,235,780	91,073,398
Portfolio with national operators (5)	32,813,047	48,319,174
Other accounts receivable (2)	30,232,716	37,326,887
Impairment of portfolio (7)	(5,924,932)	(10,549,997)
	<u>757,441,922</u>	<u>900,598,544</u>
	2,051,172,935	2,030,472,238

As of December 31, 2024, balances in foreign currency with debtors and other accounts receivable are included, of USD3,136 thousand (equivalent to \$ 13,827,094) and with related parties of USD 45,159 thousand (equivalent to \$ 199,112,805). As of December 31, 2023, balances in foreign currency with debtors and other accounts receivable amounted to USD 9,053 thousand (equivalent to \$ 34,601,019) and with related parties to USD 70,068 thousand (equivalent to \$ 267,803,399) (Note 28).

(1) At the end of December 2024, the variation in the current portion is mainly explained by the increase in residential and corporate customers related to the increase in the provision of fiber optic services, digital services and connectivity. On the other hand, the non-current portion presents a decrease due to the financial restatement of the portfolio of corporate customers, in accordance with the established terms.

Below is a summary of the balances with customers for sales and services rendered, net of impairment:

	As of December 31	
	2024	2023
Current:		
Mass residential	420,724,052	376,700,856
Companies - Corporations	158,056,656	114,959,620
Clients pending invoicing (a)	140,899,867	231,834,575
Businesses - SMEs	129,615,134	123,536,125
Wholesale customers	12,329,844	12,294,678
Other third parties	2,597,940	2,786,197
	864,223,493	862,112,051
Impairment of portfolio	(496,084,960)	(441,411,501)
	368,138,533	420,700,550

(a) There is a decrease in services during 2024, mainly in projects with corporate clients.

(2) At the end of 2024, the current portion shows an increase mainly due to the recognition of the right to receive spectrum and equipment for \$ 197,838,611 (Note 1(c)). It includes fees for the sale of terminals through the financing lines and a decrease in the portfolio for the sale of real estate compared to 2023. The non-current portion presents a decrease due to the transfer to the current portion for the sale of real estate in accordance with the established terms.

As of December 31, 2024 and 2023, it includes: trust rights for \$ 37,504,034 and \$ 35,843,986 respectively, corresponding to the Biannual Plan (Note 20). On the other hand, the increase is generated by the financial yields of the fiduciary assignments and the portfolio generated by pension installments to other entities for \$ 2,389,935 and \$ 2,616,592, respectively (Note 21).

(3) Includes the portfolio from the sale of mobile terminals. The variation in the non-current portion is due to the decrease in the commercial activity related to the sale of equipment with terms of more than 12 months.

(4) The short-term portfolio shows a decrease, mainly in the provision of deployment and circuit rental services, offset by the increase in private network services, virtual private network services, network security and storage, and administrative management. The decrease in the non-current portion is due to the transfer to the current portion of the Earn Out of the fiber optic business, in accordance with the established terms (Note 1).

(5) At the end of 2024, the increase in the current portion corresponds to the closing of reconciliations and legalization of items with operators for international roaming traffic and national interconnection. The balance in the non-current portion shows a decrease due to the financial restatement of the portfolio with the operator, which is undergoing a business reorganization.

(6) As of December 31, 2024, the decrease is mainly due to the closing of the commercial activity in the commercialization channel with large supermarkets.

(7) Below is the movement of the portfolio impairment:

	Year ended December 31	
	2024	2023
Beginning balance	(567,904,880)	(509,294,017)
Impairment of portfolio to income (Note 25)	(78,884,037)	(89,937,335)
Recovery (impairment) of contractual asset	(38,932)	17,524
Collection of written-off receivables	(8,819)	(1,113,611)
Recovery of portfolio impairment (Note 25)	1,362,441	1,981,741
Write-off of portfolio (1)	6,540,756	30,440,818
Closing balance	(638,933,471)	(567,904,880)

(1) The portfolio write-offs as of December 31, 2024 correspond mainly to the consumer portfolio for \$ 3,875,091 and the portfolio with national operators for interconnection services for \$ 2,529,295. Portfolio write-offs as of December 31, 2023 correspond to consumer portfolio for \$ 25,779,668 and equipment portfolio for \$ 4,661,150.

The detail of the portfolio by age of accounts receivable for sales and services rendered of the current portion as of December 31, 2024 is presented below:

Maturity	Residential (2)	Business/SMEs	Corporate (2)	Wholesalers	Other third parties	Customers pending invoicing (1)	As of December 31, 2024
To expire	8,313,927	35,472,081	54,477,220	1,322,023	43,771	140,899,866	240,528,888
1 - 30	1,281,934	7,942,083	13,695,221	2,501,000	30,022	-	25,450,260
31 - 60	10,460,277	5,550,546	32,206,355	2,415,180	3,031	-	50,635,389
61 - 90	10,599,588	4,614,252	5,892,179	877,017	10,871	-	21,993,907
91 - 120	8,489,761	2,446,511	6,893,760	202,045	20,212	-	18,052,289
121 - 180	8,802,974	3,202,259	1,909,045	366,380	148,403	-	14,429,061
181 - 360	47,251,938	8,414,766	4,076,144	578,027	6,609	-	60,327,484
> 360	325,523,654	61,972,636	38,906,732	4,068,172	2,335,021	-	432,806,215
	420,724,053	129,615,134	158,056,656	12,329,844	2,597,940	140,899,866	864,223,493

(1) The decrease in clients pending invoicing corresponds mainly to the rendering of services in projects of the corporate segment.

(2) Net growth is mainly due to the closing of projects with corporate clients related to integral solutions, equipment, connectivity and digital services, offset by the sale of residential and corporate portfolios.

The detail of the portfolio by age of accounts receivable for sales and services rendered of the current portion at the end of December 2023 is presented below:

Maturity	Residential	Business/SMEs	Companies	Wholesalers	Other third parties	Customers pending invoicing	As of December 31, 2023
To expire	10,073,115	48,042,740	51,636,684	801,446	43,252	231,834,575	342,431,812
1 - 30	7,065,519	9,999,338	11,985,478	4,018,069	155,472	-	33,223,876
31 - 60	12,861,417	2,646,335	4,684,757	1,294,350	274,675	-	21,761,534
61 - 90	9,504,464	2,040,664	4,213,262	543,290	63,103	-	16,364,783
91 - 120	7,895,395	1,364,747	1,880,307	464,739	17,867	-	11,623,055
121 - 180	6,761,831	2,027,726	2,002,586	629,922	114,507	-	11,536,572
181 - 360	37,846,695	7,162,165	2,397,223	1,166,657	559,939	-	49,132,679
> 360	284,692,420	50,252,410	36,159,323	3,376,205	1,557,382	-	376,037,740
	376,700,856	123,536,125	114,959,620	12,294,678	2,786,197	231,834,575	862,112,051

8. PREPAID EXPENSES

The balance of prepaid expenses is as follows:

	As of December 31	
	2024	2023
Current:		
Costs to obtain contracts with customers (1)	213,123,464	160,564,727
Equipment costs at customers' premises (2)	194,434,489	165,300,070
Cost of compliance with customer contracts (3)	147,917,490	113,273,137
Support and maintenance (4)	14,209,925	29,194,946
Insurance policies	5,671,323	7,442,052
Irrevocable rights of use - capacity (5)	41,750	64,162
Corporate projects (6)	-	34,951,404
	575,398,441	510,790,498
Non-current:		
Costs to obtain contracts with customers (1)	330,150,574	285,207,407
Cost of equipment at customers' homes (2)	228,662,887	262,944,250
Cost of compliance with customer contracts (3)	202,933,110	181,288,580
Insurance policies	1,133,674	685,103
Support and maintenance (4)	954,081	1,842,144
Irrevocable rights of use - capacity (5)	481,025	522,774
	764,315,351	732,490,258
	1,339,713,792	1,243,280,756

- As of December 31, 2024, the increase corresponds mainly to higher commercial activity, leveraged by the expansion of the fiber optic network, which generated higher sales commissions. Amortization for the years ended December 31, 2024 and 2023 was \$ 208,038,070 and \$ 145,516,658, respectively (Note 25).
- Amortization for the years ended December 31, 2024 and 2023 for costs of customer premises equipment amounted to \$ 192,295,662 and \$ 143,401,804, respectively (Note 25). The current portion presents an increase mainly due to the acceleration in commercial activity, leveraged by the preference for fiber optic network services (FTTH) and Internet Protocol Television (IPTV), and by the transfer from the non-current portion of the costs to be amortized in the next twelve months. On the other hand, the non-current portion shows a net decrease due to transfers to the current portion and new equipment installations in customers' homes.
- Amortization for the years ended December 31, 2024 and 2023 amounted to \$ 144,618,593 and \$ 104,762,602, respectively (Note 25). The current and non-current portion presents an increase for equipment installation services in customers' homes due to increased commercial activity in 2024.
- Includes licenses, support and maintenance of equipment for the network. As of December 31, 2024, the decrease in the current portion corresponds mainly to the amortization of licenses associated with technological platforms, as well as their respective technical and functional support for corporate clients and business projects. The decrease in the non-current portion corresponds to transfers to the short term in accordance with the term of the service.
- As of December 31, 2024, the decrease in the current portion corresponds to the amortization of the transnational cable costs. The decrease in the non-current portion corresponds to transfers to the short term in accordance with the term of service.
- As of December 31, 2024, the decrease corresponds to the termination of the fiber optic-FTTH network deployment services.

9. CONTRACTUAL ASSETS AND LIABILITIES

The balances as of December 31, 2024 and 2023, together with the movement for the period ended December 31, 2024 of contractual assets and liabilities are as follows:

	As of					As of December 31, 2024
	December 31, 2023	Additions	Amortization	Transfers	Reversion	
Current contractual assets						
Contractual assets	11,109,329	4,424,133	(13,730,698)	3,894,465	-	5,697,229
Impairment correction	(36,655)	(4,289)	-	(3,973)	39,124	(5,793)
	11,072,674	4,419,844	(13,730,698)	3,890,492	39,124	5,691,436
Non-current contractual assets						
Contractual assets	2,191,246	2,043,777	-	(3,894,465)	-	340,558
Impairment correction	(8,432)	(2,013)	-	3,973	6,110	(362)
	2,182,814	2,041,764	-	(3,890,492)	6,110	340,196
Total contractual assets (1)	13,255,488	6,461,608	(13,730,698)	-	45,234	6,031,632
Current contractual liabilities (2)	170,669,840	629,743,596	(693,681,471)	46,242,149	-	152,974,114
Non-current contractual liabilities (2)	187,424,759	-	-	(46,242,149)	-	141,182,610
	358,094,599	629,743,596	(693,681,471)	-	-	294,156,724

- As of December 31, 2024, the decrease corresponds to the net effect of benefits transferred to customers in the corporate segment.
- At the end of December 2024, this includes anticipated charges with customers for \$ 73.09 billion and with operators and commercial agents for \$ 13.84 billion. Additional includes the exclusivity generated by the fiber optic business for \$ 66.05 billion. The balance in the non-current portion corresponds to the exclusivity commitment for \$ 141.18 billion.

During the year 2024, \$ 45.03 billion of exclusivity were recognized and included as a commitment in the asset sale agreement for fiber optic services. These were recorded as follows: operating income of \$ 65.96 billion (Note 24 paragraph 1) and financial expenses of \$ (20.93) billion.

10. INVENTORIES

The balance of inventories is as follows:

	As of December 31	
	2024	2023
Cell phones and accessories (1)	59,226,910	87,034,722
Materials and equipment (2)	41,715,722	73,973,367
Equipment in transit	22,753,028	22,178,543
Computer equipment (3)	5,472,585	4,247,118
	129,168,245	187,433,750
Provision for obsolescence (4)	(2,058,533)	(7,005,137)
	127,109,712	180,428,613

During the years 2024 and 2023, the consumption of inventories carried at cost of sales was \$ 688,954,241 and \$ 1,067,522,609, respectively (Note 25).

- (1) The decrease as of December 31, 2024 is mainly due to lower commercial activity, attributed to consumer behavior in relation to current economic conditions, as well as changes in the financing structure with allied channels.
- (2) Includes equipment for the provision of corporate and localization services. The net decrease is mainly associated with the use of these items in commercial activity during 2024.
- (3) Includes equipment for computer workstation projects. The increase as of December 31, 2024 corresponds mainly to the provisioning of this equipment to meet the demand of new customers.
- (4) During the year ended December 31, 2024, a recovery of the provision for impairment of \$ 4,946,604 was recognized (Note 25), generated mainly by an improvement in the turnover of inventories exceeding 360 days.

The movement in the allowance for obsolescence and slow-moving inventories, net of recoveries, is summarized below:

	Year ended December 31	
	2024	2023
Beginning balance	(7,005,137)	(3,537,154)
Inventory recovery (allowance) (Note 25)	4,946,604	(3,467,983)
Ending balance	(2,058,533)	(7,005,137)

11. TAXES AND PUBLIC ADMINISTRATIONS

The balance of tax and public administration assets is presented below:

	As of December 31	
	2024	2023
Current		
Balance in favor (1)	335,944,739	341,304,481
Advances, withholdings and self-withholdings of ICA(2)	27,806,553	25,825,855
Sales tax withholdings	-	4,878,674
	363,751,292	372,009,010
Non Current		
Tax credits (3)	462,964,844	476,444,494
	462,964,844	476,444,494
	826,716,136	848,453,504

- (1) As of December 31, 2024, there is a balance in favor of income. The decrease compared to the year 2023 corresponds to the reduction of the base income for the calculation of self-withholdings, in accordance with the behavior of the business.
- (2) The net increase as of December 31, 2024 corresponds to the payment of self-withholdings declared and presented during the year 2024. Additionally, the value of the self-withholdings corresponding to the integration of the Joint Operation (Unired) is recorded for \$ 52 million (Note 1 (c)).
- (3) The tax discount corresponds to VAT on the acquisition of real productive fixed assets. The decrease as of December 31, 2024 corresponds to the derecognition of VAT associated with the assets assigned to the single mobile network project for \$ 81.16 billion (Note 1 (c)).

The balance of liabilities for taxes and public administrations is presented below:

	As of December 31	
	2024	2023
Withholdings and self-withholdings (1)	66,540,230	63,325,010
Sales tax - VAT (2)	18,018,025	18,775,041
Other current taxes (3)	7,269,900	11,316,037
National excise tax (4)	1,214,810	1,827,590
	93,042,965	95,243,678

- (1) Includes withholdings and self-withholdings for income and industry and commerce. The increase with respect to the end of 2023 corresponds to the acquisition of services and purchase of goods from both nationals and foreigners, subject to income and industry and commerce withholdings.
- (2) As of December 31, 2024, includes the balance of the VAT return for the sixth bimonthly period of 2024. The decrease compared to the end of 2023 corresponds mainly to the reduction in revenues and the increase in purchases for the year 2024. Additionally, there is the recognition for the integration of the Joint Operation (Unired) for \$ 553 million (Note 1 (c)).
- (3) Corresponds mainly to the telephone and public lighting tax payable to the municipalities.
- (4) As of December 31, 2024, it includes the balance of the excise tax declaration corresponding to the sixth bimester of 2024. Compared to 2023, the decrease is due to the lower value of revenues generated in data and mobile telephony operations.

Provision for Income Tax and Complementary Taxes

The current and deferred income tax expense recognized in income is composed as follows:

	Year ended December 31	
	2024	2023
Tax on occasional income	(3,140,549)	(502,143)
Current income tax	(81,856)	(2,107,643)
Current income and supplementary taxes (1)	(3,222,405)	(2,609,786)
Deferred income tax:		
Tax credits (2)	(119,847,457)	(82,896,477)
Deductible temporary differences (3)	(112,178,160)	(214,977,308)
Taxable temporary differences (4)	49,268,634	54,657,265
Deferred income tax	(182,756,983)	(243,216,520)
Income tax and supplementary taxes	(185,979,388)	(245,826,306)

- (1) Income tax and supplementary taxes correspond mainly to the occasional gain generated by the sale of real estate and personal property. Additionally, the current tax is recorded for the integration of the Joint Operation (Unired).
- (2) As of December 31, 2024, the use of tax credits is recognized, which were offset with the tax profit for the period.
- (3) As of December 31, 2024 and 2023, the variation corresponds mainly to the restatement of the deferred tax asset (DTA). The net impact of the transfer of assets and the acquisition of new assets during the 2024 period amounts to \$ 54.57 billion. Additionally, in 2024, the effect of the exclusivity of the Álamo project is recognized for \$ 23.09 billion.
- (4) As of December 31, 2024 and 2023, the decrease corresponds mainly to the tax recognition of the Earn Out as income. Additionally, the value of the deferred tax liability (DTL) generated by the integration of the Joint Venture is recorded in the amount of \$ 8.35 billion (Note 1 (c)).

The reconciliation of the income and supplementary tax rate is presented below:

	Year ended as of December 31,			
	2024		2023	
Income before taxes	100%	(280,977,953)	100%	(434,981,677)
Income before income tax at nominal rate	(35)%	98,342,284	(35)%	152,243,587
Income before income tax at nominal rate	66%	(185,979,388)	57%	(245,826,306)
Difference between nominal tax and accounting tax	101%	284,321,672	92%	398,069,893
Tax on permanent differences	57%	160,182,292	12%	51,973,257
Tax on deductible temporary differences Not recognized	24%	66,435,257	42%	183,212,817
Use (recognition) of deferred tax income tax for the years 2017 and 2018	19%	54,563,574	5%	19,473,519
Update of tax on losses tax correction taxes income tax for the years 2017 and 2018	0%	-	33%	140,846,526
Update of income tax adjustment rate for the year 2022	0%	-	0%	2,061,631
Tax on occasional income	1%	3,140,549	0%	502,143
	101%	284,321,672	92%	398,069,893

The current tax provisions applicable to the Company stipulate that:

Income tax in 2024 was calculated at the nominal rate of 35 % in accordance with Article 240 of the National Tax Statute, based on net income. The nominal rate for the year 2024 and subsequent years is 35 %. In addition, the company considers the provisions of paragraph 6 of Article 240 of the ET, the calculation of the Purified Tax Rate (TTD) which does not apply.

As of December 31, the Company recorded a deferred tax liability of \$ 8.35 billion (Note 1 (c)); and a current tax liability of \$ 81 million generated by the integration of the Joint Venture (Unired).

The following is the reconciliation between pre-tax income and taxable income:

	Year ended December 31	
	2024	2023
Pre-tax income	(280,977,953)	(434,981,677)
Items that increase the accounting result:		
Depreciation and amortization for accounting purposes (Note 26)	1,052,490,086	1,393,278,306
Impairment of book portfolio, net of recovery (Note 25)	77,521,596	87,955,594
Other non-deductible items	55,644,630	-
Tax on financial transactions	14,302,430	13,269,569
Net effect of valuation of derivatives and difference on the other hand accounting and tax appraisal	3,957,213	188,966,977
Items that decrease the accounting result:		
Tax depreciation and amortization	(522,847,810)	(674,054,268)
Other non-taxed items	(57,452,848)	(337,765,203)
Taxable income	342,637,344	236,669,298
Tax loss carryforwards (1)	(342,853,382)	(236,847,076)
Taxable income tax basis	(216,038)	(177,778)
Current income tax	(81,856)	(2,107,643)
Tax on occasional income	(3,140,549)	(502,143)
Income tax and supplementary taxes	(3,222,405)	(2,609,786)

(1) Corresponds to the compensation of tax profits with tax losses generated in previous years.

Tax on occasional profits

	Year ended December 31	
	2024	2023
Income from occasional gains	29,157,922	20,429,548
Less - Occasional income costs	(8,220,930)	(17,081,930)
Taxable occasional income	20,936,992	3,347,618
Tax rate	15%	15%
Occasional income tax	3,140,549	502,143

A summary of the main reconciling items between accounting equity and taxable liquid equity is presented below:

	As of December 31	
	2024	2023
Stockholders' equity	3,522,834,667	3,987,596,391
Items that increase equity Accountant		
Difference in provision for accounting and tax portfolio	472,531,209	400,541,551
Estimated liabilities and provisions	340,026,805	396,943,454
Provision for decommissioning	85,988,013	75,154,401
Deferred tax liabilities	22,700,434	71,517,233
Items decreasing stockholders' equity		
Deferred tax asset	(1,008,817,930)	(1,240,843,547)
Other items	(169,924,873)	(75,264,599)
Investments in companies	(20,037,427)	(58,939,348)
Coverage valuation	-	(2,882,500)
Liquid assets for tax purposes	3,245,300,898	3,553,823,036

Deferred Tax Assets and Liabilities

As of December 31, 2024, the deferred tax asset on temporary differences and tax loss carryforwards was structured in accordance with the Company's strategic plan (2024-2026) and projected results (2024-2033).

Deferred tax on deductible and taxable temporary differences is measured at the tax rates expected to apply in the periods in which such differences will reverse.

The unrecognized deferred tax asset for deductible temporary differences as of December 31, 2024 was \$ 656,217,120.

The balance of deferred tax assets and liabilities is presented below:

	As of December 31	
	2024	2023
Deferred tax asset:		
Intangible assets and property, plant and equipment (1)	95,145,567	206,756,383
Other assets	2,269,379	2,836,723
Deferred tax asset on differences Temporary deductible	97,414,946	209,593,106
Deferred tax asset for tax loss carryforwards (2)	911,402,984	1,031,250,441
Total deferred tax assets	1,008,817,930	1,240,843,547
Deferred tax liabilities:		
Taxable temporary differences (3)	22,700,434	71,517,233
Total deferred tax liabilities	22,700,434	71,517,233
Total deferred taxes, net	986,117,496	1,169,326,314

(1) As of December 31, 2024, the variation with respect to the end of December 2023 corresponds mainly to the restatement of the deferred tax asset on the depreciable fixed assets that generated it, which were transferred to the single network project. The net effect of this impact is equivalent to \$ 54.57 billion.

(2) As of December 31, 2024, the use of tax credits is recognized, which are determined based on the Company's taxable income.

(3) As of December 31, 2024, the deferred tax liability (DTL) decreases compared to the end of 2023 due to the tax recognition of the income corresponding to the Earn out for \$ 6.96 billion (Note 9). Additionally, there is the effect of the DTL recorded for the integration of the Joint Operation (Unired) for \$ 8.35 billion (Note 1 (c)). The Company determined a DTL which it does not recognize for accounting purposes on the profit generated by the contribution in kind of fixed assets to the integration of the Joint Operation (Unired); the effect represents a value of \$ 9.53 billion.

The movement of the deferred tax recognized in the Other Comprehensive Income is presented below:

	Year ended December 31,	
	2024	2023
Valuation of derivative hedging instruments (1)	(156,774,683)	(81,980,958)
Equity in other comprehensive income In associate (2)	1,290,959	1,064,341
Deferred tax on equity in income of associated companies (2)	(451,836)	(372,519)
Equity in income of associated companies, net of taxes	839,123	691,822
	(155,935,560)	(81,289,136)

(1) The variation for the year ended December 31, 2024 corresponds mainly to the 15.36 % devaluation of the peso against the dollar. Additionally, to fluctuations in the curves for SOFR and IBR rates on interest rate hedges. Due to the uncertainty of the recoverability of the deferred tax asset, no deferred tax was recognized.

(2) Corresponds to the 40 % share of the other comprehensive income of Álamo Holdco, S.L. and the associated tax.

Tax Losses

Management considers that there are no significant differences that imply the modification of the tax assessed, nor the imposition of penalties that entail the recognition of contingencies in the financial statements.

In accordance with current tax legislation, losses generated in income tax and complementary taxes and/or income tax for equity - CREE before 2017, must be offset with the net income obtained in 2017 and subsequent periods, taking into account the formula established in Numeral 5, Article 290 of Law 1819 of 2016. The tax losses determined may not be adjusted fiscally.

On the occasion of the provisions of Ruling 25444 of June 30, 2022, issued by the Contentious Administrative Chamber of the Council of State, the Company proceeded to recalculate the tax losses generated in the income tax up to 2017, where an unrecognized deferred tax asset was determined in the amount of \$ 202.08 billion.

Below is a summary of the tax loss carryforwards as of December 31, 2024:

(1) December 31, 2024 includes the use of tax losses on taxable income generated.

Taxes	Year of origin	Adjusted losses	Compensation of losses (1)	Total tax losses
Income	Between 2007 and 2017	2,648,761,892	(342,421,305)	2,306,340,587
CREE	2015	297,667,938	-	297,667,938
		2,946,429,830	(342,421,305)	2,604,008,525

The following table summarizes the status of income tax returns that may be subject to review by the tax authorities:

Tax	Taxable period	Date for closing of review
Income	2020	April 2026
Income	2018	July 2025

Regarding the income tax return for the taxable year 2023, the Company considers that it is final since it has been audited, however, the finality is under review with the tax administration.

Transfer Pricing

The Company is required to file a transfer pricing declaration and study, with the purpose of declaring and analyzing the operations it has carried out with its economic related parties or related parties abroad.

Independent advisors prepare the transfer pricing statement and supporting documentation, required by tax provisions, in order to demonstrate that the transactions with foreign related parties or related parties abroad were carried out at market values. For this purpose, the Company will prepare the return and its supporting documentation for the taxable year 2024 within the deadlines established by the National Government.

Non-compliance with the transfer pricing regime may result in financial penalties and adjustments in the determination of income tax; however, Management and its advisors are of the opinion that the study will be concluded in a timely manner and will not generate significant changes to the basis used for the determination of the 2024 income tax provision.

12. INVESTMENTS IN COMPANIES

Investments in companies in which the Company has an interest are presented below:

Investments in companies	Control/ Significant influence	Country/City	Direct participation	As of December 31	
				2024	2023
Operaciones Tecnológicas y Comerciales S.A.S.	Control	Colombia / Barranquilla	100%	10,607,723	10,513,499
Álamo Holdco, SL (1)	Significant influence	Spain/Madrid	40%	51,300,822	59,436,247
				61,908,545	69,949,746

(1) Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to a 40 % interest in Álamo Holdco, S.L., a Spanish company that owns 100 % of the shares of Onnet Fibra Colombia S.A.S.

Below is the movement of the investment of the Company Álamo Holdco, S.L. from the beginning of operations until December 31, 2024:

	January 11, 2022	As of December 31			Balance as of December 31 2024
		2022	2023	2024	
Subscription of shares	183,409,182	-	41,819,091	67,029,500	292,257,773
Aggregate costs in the acquisition of minority interest	13,775,601	-	-	-	13,775,601
Assignment of control	(67,277,748)	-	-	-	(67,277,748)
Equity method About results	-	(67,197,550)	(46,156,669)	(76,455,885)	(189,810,104)
Equity method About ORI (Note 12)	-	-	1,064,341	1,290,959	2,355,300
	129,907,035	(67,197,550)	(3,273,237)	(8,135,426)	51,300,822

Equity method

Investments in associated and/or subordinated companies in which the Company has, directly or through or with the assistance of its subordinated companies or their subordinated companies, an equity interest, are accounted for by the equity method.

During the year ended December 31, 2024 and 2023, by determination of the equity method on the net income for the year, a loss was recognized in the income statement for \$ 76,455,885 and \$ 47,221,010, respectively, and in the other comprehensive income during the year ended December 31, 2024 and 2023 a benefit of \$ 1,290,959 and \$ 1,064,341, respectively.

The effect of the application of the equity method of accounting on income for the year ended December 31, 2024 and 2023 is presented below:

Subsidiary / Associate	Shareholding	Results		Equity Method	
		Year ended December 31			
		2024	2023	2024	2023
Operaciones Tecnológicas y Comerciales S.A.S	100%	94,225	4,645,205	94,225	4,645,205
Alamo Holdco, S.L.	40%	(191,139,714)	(115,391,672)	(76,455,885)	(46,156,669)
		(191,045,489)	(110,746,467)	(76,361,660)	(41,511,464)

Equity method determination on other comprehensive income for the years ended December 31, 2024 and 2023:

Associate	Participation	Other Comprehensive Income		Equity Method	
		Year ended December 31			
		2024	2023	2024	2023
Alamo Holdco, S.L.	40%	5,888,251	2,660,853	2,355,300	1,064,341
		5,888,251	2,660,853	2,355,300	1,064,341

The main figures of the companies on which the equity method was applied during the year ended December 31, 2024 and 2023 were as follows:

Subsidiary/ Associate	Assets		Liabilities		Results	
	As of December 31				Year ended December 31	
	2024	2023	2024	2023	2024	2023
Operaciones Tecnológicas y Comerciales S.A.S.	38,946,891	47,013,740	28,339,168	36,500,241	94,225	4,645,205
Alamo Holdco, S.L.	2,823,042,376	2,502,255,005	2,561,099,818	2,219,973,882	(191,139,714)	(115,391,672)
	2,861,989,267	2,549,268,745	2,589,438,986	2,256,474,123	(191,045,489)	(110,746,467)

13. RIGHT-OF-USE ASSETS

The cost of right-of-use assets and related accumulated depreciation is presented below:

Concept	As of December 31 2024			As of December 31 2023		
	Cost	Accumulated Depreciation	Net value in books	Cost	Accumulated Depreciation	Net value in books
Land and buildings (1)	1,006,974,253	(245,457,735)	761,516,518	1,284,425,977	(649,611,938)	634,814,039
Technical installations (1)	839,621,210	(188,401,253)	651,219,957	931,774,236	(434,614,254)	497,159,982
Transportation equipment (2)	8,933,812	(8,170,087)	763,725	7,287,751	(6,185,460)	1,102,291
	1,855,529,275	(442,029,075)	1,413,500,200	2,223,487,964	(1,090,411,652)	1,133,076,312

For the years ended December 31, 2024 and 2023, the depreciation expense recognized in the statements of comprehensive income was \$ 134,917,848 and \$ 283,714,441, respectively (Note 26).

(1) The net increase of \$ 280.76 billion as of December 31, 2024, compared to December 31, 2023, corresponds to: i) initial contribution and integration to the Joint Venture (Unired) for \$ 101.79 billion (Note 1(c)); ii) write-offs of assets associated with leases mainly of land and sites for technical facilities, and write-offs of transmission equipment for \$ 10.87 billion; iii) increase due to the subscription and renewal of leases mainly for land and sites for technical facilities, antenna supports, buildings and carrier media (393 new leases) for \$ 322.78 billion; and depreciation for the year ended December 31, 2024 for \$ 132.93 billion.

(2) The net decrease as of December 31, 2024 corresponds to renewal and increases in vehicle leasing contract fees of \$ 1.65 billion and depreciation expense for the year ended December 31, 2024 of \$ 1.99 billion.

Movements during 2024 of the items comprising the cost and depreciation of right-of-use assets are as follows:

Concept	As of December 31. 2023	Highs	Lows	Integration Joint Operation	As of December 31 of 2024
Cost:					
Land and buildings	1,284,425,977	178,635,358	(112,320,967)	(343,766,115)	1,006,974,253
Technical installations	931,774,236	144,141,187	(52,278,011)	(184,016,202)	839,621,210
Transportation equipment	7,287,751	1,646,061	-	-	8,933,812
	2,223,487,964	324,422,606	(164,598,978)	(527,782,317)	1,855,529,275
Accumulated depreciation:					
Land and buildings	(649,611,938)	(63,096,208)	102,288,149	364,962,262	(245,457,735)
Technical installations	(434,614,254)	(69,837,013)	51,438,344	264,611,670	(188,401,253)
Transportation equipment	(6,185,460)	(1,984,627)	-	-	(8,170,087)
	(1,090,411,652)	(134,917,848)	153,726,493	629,573,932	(442,029,075)
	1,133,076,312	189,504,758	(10,872,485)	101,791,615	1,413,500,200

Movements during 2023 of the items comprising the cost and depreciation of the right-of-use assets are as follows:

Concept	As of December 31, 2022	Highs	Lows	Integration Joint Operation	As of December 31, 2023
Cost:					
Land and buildings	1,171,972,811	205,054,125	(92,600,959)	-	1,284,425,977
Technical installations	673,096,782	265,998,519	(7,321,065)	-	931,774,236
Transportation equipment	8,285,678	748,252	(1,746,179)	-	7,287,751
	1,853,355,271	471,800,896	(101,668,203)	-	2,223,487,964
Accumulated depreciation:					
Land and buildings	(579,746,677)	(149,075,618)	79,210,357	-	(649,611,938)
Technical installations	(306,899,830)	(132,988,770)	5,274,346	-	(434,614,254)
Transportation equipment	(6,281,586)	(1,650,053)	1,746,179	-	(6,185,460)
	(892,928,093)	(283,714,441)	86,230,882	-	(1,090,411,652)
	960,427,178	188,086,455	(15,437,321)	-	1,133,076,312

14. PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment and the related accumulated depreciation is presented below:

Concept	As of December 31, 2024			As of December 31, 2023		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
Switching, access and transmission (1)	8,275,577,115	(6,069,696,652)	2,205,880,463	8,739,605,826	(6,699,536,171)	2,040,069,655
Land and buildings (2)	3,158,662,443	(1,767,680,142)	1,390,982,301	2,957,924,068	(1,728,254,294)	1,229,669,774
Assets under construction (3)	432,670,574	-	432,670,574	448,488,689	-	448,488,689
Furniture, information and transportation equipment (4)	835,228,929	(555,640,412)	279,588,517	713,789,367	(477,640,616)	236,148,751
	12,702,139,061	(8,393,017,206)	4,309,121,855	12,859,807,950	(8,905,431,081)	3,954,376,869

For the years ended December 31, 2024 and 2023, the depreciation expense recognized in the income statement was \$ 507,254,657 and \$ 558,929,037, respectively (Note 26).

- The net increase corresponds mainly to: i) initial contribution and integration of the Joint Venture (Unired) for \$ 317,002 million (Note 1 (c)); ii) depreciation for the year of \$ (369.98) billion, and, iii) purchases associated with the deployment of 4G mobile network, fiber optic network, infrastructure and communications networks to support corporate clients and infrastructure to provide Internet Protocol Television (IPTV) service, repowering and replacement of power equipment, adaptation of CoE Data and Analytic infrastructure, replacement of copper cable, and infrastructure for the reduction of emissions for \$ 219.59 billion.
- The net increase as of December 31, 2024 corresponds mainly to: i) restatement of the revalued cost for \$ 135.56 billion, ii) initial contribution and integration of the Joint Operation (Unired) for \$ 66.00 billion (Note 1 (c)), iii) civil works associated with the 4G mobile network and the fiber optic network for \$ 5.88 billion.

Includes provision for decommissioning of sites as of December 31, 2024 and December 31, 2023, for \$ 85,988,013 and \$ 75,154,401, respectively (Note 21). Depreciation expense for the year ended December 31, 2024 was \$ 40.66 billion.

- The variation corresponds mainly to: i) the participation for the acquisitions made during 2024 by the Joint Venture (Unired) for \$ 62.56 billion and ii) the net of new acquisitions of goods and services and the settlement to final assets for the construction of assets related mainly to the deployment of 4G mobile network, optical fiber, data processing center, infrastructure adequacy CoE Data and Analytic, infrastructure for the provision of IP television service, infrastructure for corporate customer projects, replacement and repowering of network equipment, replacement of copper cable, infrastructure prepaid services charging platform for (\$ 77.70) billion.
- The net increase corresponds to: i) initial contribution to the Joint Venture (Unired) (\$ 45.40) billion (Note 1 (c)), ii) purchase of servers, computer and storage equipment, measurement equipment mainly associated with 4G-LTE network deployment projects, optical fiber - FTTH, platform for Internet Protocol Television - IPTV, prepaid charging platform, data processing center, networks for corporate customers for \$ 185.46 billion. Depreciation expense for the period was \$ 96.62 billion.

Movements during 2024 of the items comprising the cost and depreciation of property, plant and equipment are as follows:

	As of December 31 2023	Joint Operation integration	Registration	Retirements	Transfers	Revaluation	As of December 31, 2024
Cost:							
Switching, access and transmission	8,739,605,826	(444,006,210)	78,481,922	(239,615,761)	141,111,338	-	8,275,577,115
Land and buildings	2,957,924,068	66,001,353	464,083	(1,604,397)	5,417,545	130,459,791 (a)	3,158,662,443
Computer equipment, furniture and transportation	713,789,367	(63,846,203)	91,306,771	(170,234)	94,149,228	-	835,228,929
Assets under construction	448,488,689	62,037,487	200,017,009	(151,239)	(277,721,372)	-	432,670,574
	12,859,807,950	(379,813,573)	370,269,785	(241,541,631)	(37,043,261)	130,459,791	12,702,139,061
Accumulated depreciation							
Switching, access and transmission	(6,699,536,171)	761,533,601	(369,979,764)	238,285,682	-	-	(6,069,696,652)
Construction	(1,728,254,294)	-	(27,915,644)	523,590	-	(12,033,794) (b)	(1,767,680,142)
Computer equipment, furniture and transportation	(477,640,616)	18,446,820	(96,616,851)	170,235	-	-	(555,640,412)
	(8,905,431,081)	779,980,421	(494,512,259)	238,979,507	-	(12,033,794)	(8,393,017,206)
	3,954,376,869	400,166,848	(124,242,474)	(2,562,124)	(37,043,261)	118,425,997	4,309,121,855

Movements during 2023 of the items comprising the cost and depreciation of property, plant and equipment are as follows:

Concept	As of December 31, 2022	Additions	Retirements	Transfers	Revaluation	As of December 31, 2023
Cost:						
Land and buildings	2,952,108,182	8,434,542	(7,898,862)	36,459,327	(31,179,121)	2,957,924,068
Switching, access and transmission	8,391,031,004	96,803,715	(33,495,779)	285,266,886	-	8,739,605,826
Assets under construction	690,534,627	211,023,067	(134,826)	(452,934,179)	-	448,488,689
Computer equipment, furniture and transportation	561,765,592	103,100,557	(806,394)	49,729,612	-	713,789,367
	12,595,439,405	419,361,881	(42,335,861)	(81,478,354)	(31,179,121)	12,859,807,950

Concept	As of December 31, 2022	Additions	Retirements	Transfers	Revaluation	As of December 31, 2023
Accumulated depreciation						
Constructions	(1,694,498,954)	(27,715,020)	3,798,064	-	(9,838,384)	(1,728,254,294)
Switching, access and transmission	(6,291,104,434)	(441,951,723)	33,519,986	-	-	(6,699,536,171)
Computer equipment, furniture and transportation	(402,175,213)	(76,137,397)	671,994	-	-	(477,640,616)
	(8,387,778,601)	(545,804,140)	37,990,044	-	(9,838,384)	(8,905,431,081)
	4,207,660,804	(126,442,259)	(4,345,817)	(81,478,354)	(41,017,505)	3,954,376,869

Movements for the year 2024 of land and buildings recognized under the cost method are as follows:

Concept	Balance as of December 31, 2023	Joint Operation integration	Additions	Divestitures	Transfers	Balance as of December 31, 2024
Cost:						
Land and buildings	2,429,839,405	66,001,353	464,083	(1,604,397)	5,417,545	2,500,117,989
Accumulated depreciation						
Construction	(1,658,739,890)	-	(27,915,644)	523,592	-	(1,686,131,942)
	771,099,515	66,001,353	(27,451,561)	(1,080,805)	5,417,545	813,986,047

Movements for the year 2023 of land and buildings recognized under the cost method are as follows:

Concept	Balance as of December 31, 2022	Additions	Retirements	Transfers	Balance as of December 31, 2023
Cost:					
Land and buildings	2,392,844,398	8,434,542	(7,898,862)	36,459,327	2,429,839,405
Accumulated depreciation:					
Constructions	(1,634,822,934)	(27,715,020)	3,798,064	-	(1,658,739,890)
	758,021,464	(19,280,478)	(4,100,798)	36,459,327	771,099,515

Movements for the year 2024 of land and buildings recognized at revalued value are as follows:

	As of December 31, 2023	Increases	Decreases	As of December 31, 2024
Cost:				
Land	272,882,779	40,591,804	(3,145,474)	310,329,109
Construction	255,201,884	94,969,820	(1,956,359)	348,215,345
	528,084,663	135,561,624	(5,101,833)	658,544,454
Accumulated depreciation:				
Constructions	(69,514,404)	(12,742,400)	708,604	(81,548,200)
	(69,514,404)	(12,742,400)	708,604	(81,548,200)
	458,570,259	122,819,224	(4,393,229)	576,996,254
Income tax Deferred	(115,857,565)	(33,958,100)	-	(149,815,665)
Net revaluation	342,712,694	88,861,124	(4,393,229)	427,180,589
Tax Deferred				

Movements for the year 2023 of land and buildings recognized at revalued value are as follows:

	As of December 31, 2022	Increases	Decreases	As of December 31, 2023
Cost:				
Land	291,121,925	-	(18,239,146)	272,882,779
Constructions	268,141,859	-	(12,939,975)	255,201,884
	559,263,784	-	(31,179,121)	528,084,663
Accumulated depreciation:				
Construction	(59,676,020)	(13,124,897)	3,286,513	(69,514,404)
	(59,676,020)	(13,124,897)	3,286,513	(69,514,404)
	499,587,764	(13,124,897)	(27,892,608)	458,570,259
Deferred income tax	(102,073,577)	(13,783,988)	0	(115,857,565)
Net revaluation of	397,514,187	(26,908,885)	(27,892,608)	342,712,694
Deferred income tax				

Fully Depreciated Property, Plant and Equipment

The cost of fully depreciated property, plant and equipment is presented below:

	As of December 31	
	2024	2023
Construction	250,937,659	243,787,256
Switching, access and transmission	3,724,453,390	3,383,273,940
Computer equipment and furniture	360,564,967	428,058,734
	4,335,956,016	4,055,119,930

The increase in fully depreciated property, plant and equipment corresponds to assets that completed their depreciation period during 2024.

15. INVESTMENT PROPERTIES

Concept	As of December 31, 2023	Revaluation	As of December 31, 2024
Land	6,638,699	1,055,894	7,694,593
Construction	1,406,357	778,714	2,185,071
	8,045,056	1,834,608	9,879,664

During the years ended December 31, 2024 and 2023, lease income of \$ 157,620 and \$ 141,002, respectively, was recognized (Note 24).

At the end of 2024, the valuation of investment properties was updated, which was performed by an independent professional.

16. INTANGIBLES

The cost and accumulated amortization of intangibles are presented below:

	As of December 31, 2024			As of December 31, 2023		
	Cost	Accumulated amortization	Net value in books	Cost	Accumulated amortization	Net value in books
Qualifying titles (1)	868,585,532	(41,044,952)	827,540,580	2,762,446,278	(2,180,501,276)	581,945,002
Software network equipment and office automation (2)	1,404,905,130	(1,122,136,678)	282,768,452	1,450,039,883	(1,115,538,665)	334,501,218
Intangible assets in progress (3)	64,888,316	-	64,888,316	62,869,448	-	62,869,448
Rights (4)	63,225,312	(33,845,604)	29,379,708	63,225,312	(30,562,580)	32,662,732
	2,401,604,290	(1,197,027,234)	1,204,577,056	4,338,580,921	(3,326,602,521)	1,011,978,400

For the year ended December 31, 2024 and 2023, the amortization expense recognized in the income statement was \$ 410,317,581 and \$ 550,634,828, respectively (Note 26).

(1) At the end of 2023, this includes the economic compensation of the arbitration award for the reversal of assets that ended its amortization in March 2024.

The net movement during 2024 corresponds to:

Concept	Joint Operation integration	Additions / Expense from amortization	Movement year 2024
Renewals and assignments from the Temporary Joint Venture			
700 MHz spectrum assigned to UT MINTIC Resolution 05194 of 2024	580,522,508	-	580,522,508
3500 MHz spectrum assigned to UT and attributable costs, MINTIC Resolution 497 of 2024	-	160,154,395	160,154,395
1900 MHz and 850 MHz spectrum - renewal, MINTIC Resolution 2657 of 2024	-	132,437,529	132,437,529
AWS Spectrum - renewal, resolutions 1053 and 3046 of 2024	-	88,661,924	88,661,924
	580,522,508	381,253,848	961,776,356
Acknowledgment of obligation to deliver spectrum to the Temporary Consortium			
1900 MHz Spectrum (30 MHz)	(476,069,513)	-	(476,069,513)
AWS Spectrum (20 MHz)	(9,851,325)	-	(9,851,325)
	(485,920,838)	-	(485,920,838)
Amortization	-	(230,259,940)	(230,259,940)
	94,601,670	150,993,908	245,595,578

(2) The net decrease as of December 31, 2024 corresponds to: i) initial contribution and integration of the Joint Venture (Unired) for (\$ 61.46) billion (Note 1 (c)); ii) amortization for the year of \$ 176.78 billion, and iii) increase for the acquisition of software, licenses and developments associated mainly with the 4G network, fiber optic network, infrastructure and communications networks for corporate clients, commercial charging platform, infrastructure for the provision of television service through fiber optics, data processing center, OSS modernization for \$ 186.50 billion.

(3) The balance as of December 31, 2024 includes the participation for the acquisitions made during 2024 by the Joint Venture (Unired) for \$ 19.04 billion, net of acquisitions and transfers under development for (\$ 17.02) billion.

(4) Includes mainly Irrevocable Right of Use - IRU's of Fiber Optics. The decrease as of December 31, 2024 corresponds to the amortization for the period of \$ 3.28 billion. Movements in intangible assets during 2024 are presented below:

	As of December 31, 2023	Joint Operation integration	Additions / Expense from amortization	Divestitures	Transfers	As of December 31, 2024
Cost:						
Intangible assets under construction	62,869,448	19,042,888	42,968,163	-	(59,992,183)	64,888,316
Qualifying titles	2,762,446,278	(67,805,112)	381,253,848	(2,207,309,482)	-	868,585,532
Network and office equipment software	1,450,039,883	(231,634,327)	89,464,129	-	97,035,445	1,404,905,130
Fees	63,225,312	-	-	-	-	63,225,312
	4,338,580,921	(280,396,551)	513,686,140	(2,207,309,482)	37,043,262	2,401,604,290
Accumulated depreciation:						
Qualifying titles	(2,180,501,276)	162,406,782	(230,259,940)	2,207,309,482	-	(41,044,952)
Network and office equipment software	(1,115,538,665)	170,176,604	(176,774,617)	-	-	(1,122,136,678)
Fees	(30,562,580)	-	(3,283,024)	-	-	(33,845,604)
	(3,326,602,521)	332,583,386	(410,317,581)	2,207,309,482	-	(1,197,027,234)
	1,011,978,400	52,186,835	103,368,559	-	37,043,262	1,204,577,056

Movements during the year 2023 are presented below:

	As of December 31 2022	Additions / Expense from amortization	Transfers	As of December 31, 2023
Cost:				
Qualifying titles	2,762,446,278	-	-	2,762,446,278
Network and office equipment software	1,185,585,701	103,749,539	160,704,643	1,450,039,883
Intangible assets under construction	82,380,904	59,714,833	(79,226,289)	62,869,448
Fees	63,225,312	-	-	63,225,312
	4,093,638,195	163,464,372	81,478,354	4,338,580,921
Accumulated depreciation:				
Qualifying titles	(1,847,612,566)	(332,888,710)	-	(2,180,501,276)
Network and office equipment software	(901,075,570)	(214,463,095)	-	(1,115,538,665)
Entitlements	(27,279,557)	(3,283,023)	-	(30,562,580)
	(2,775,967,693)	(550,634,828)	-	(3,326,602,521)
	1,317,670,502	(387,170,456)	81,478,354	1,011,978,400

17. GOODWILL

The balance of Goodwill is as follows:

	As of December 31, 2023	Low	As of December 31, 2024
Goodwill	1,355,833,946	(137,431,474)	1,218,402,472

Colombia Telecomunicaciones S. A. E.S.P. BIC, recognized in its Opening Statement of Financial Position under IFRS 1 the remeasurement of goodwill, from the moment of the acquisition of Celular de Colombia S. A. - COCELO S. A., based on IFRS 3 for \$ 939,163,377 and as of May 27, 2020 and as a result of the merger by absorption, the goodwill originated in the business combination in which the Company acquired control of Empresa Metropolitana de Telecomunicaciones S. A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. for \$ 433,138,188 is incorporated.

On January 11, 2022, as a consequence of the sale of fiber optic assets in that year, the Company recognized a decrease in goodwill for \$ 16,467,619.

The closing of the transaction on December 20, 2024, derived from the framework agreement signed on February 26, 2024 between the Company and Colombia Móvil S. A. E.S.P. for the implementation of a single mobile access network, through an independent company (Note 2.3. (b)), which stipulates in the agreement the contribution to the new company of fixed assets, generates a decrease in goodwill associated with these assets for \$ 137,431,474 (Note 1 (c)).

As of December 31, 2024, an analysis is made of possible impairment indicators in the different areas that could mean events that indicate impairment in the Cash Generating Unit (CGU) such as: budgetary compliance of the operations, obsolescence factors, technological changes and use of the capacity of the assets, as well as changes and/or new regulatory and tax regulations.

Cash Generating Units - CGUs

According to the definition, a CGU is the minimum group of assets that can be identified that generates cash flows largely independent of the cash flows of other assets or groups of assets.

Considering the structure of the entity and type of business, the existence of common assets for the development of the services provided by the Company is recognized. This is due to the convergence of services (basic line, television, broadband, cellular, among others), which generates a dependence among them. As a result, these do not generate cash inflows independently, which makes it possible to determine the cash flows generated by each one.

Based on the foregoing, the Company's operation as a whole is estimated as a single CGU.

In compliance with paragraph 10 (b) of IAS 36 (Impairment of Assets). Annually, the Company performs an impairment test where the recoverable amount of the CGU is calculated by determining its value in use to check for impairment. From the review of the different indicators associated with impairment indicators, it is concluded that there are no indicators that derive in the existence of impairment indicators of the Company as of December 31, 2024.

Main Assumptions Used in the Value-in-Use Calculations

The calculation of the value-in-use of the CGU is based on the approved business plans. Subsequently, certain variables are analyzed, such as EBITDA margins and the ratio of investments in non-current assets (expressed as a percentage of revenues), which are considered key operating assumptions for measuring the Company's business performance and setting its financial targets. Finally, discount rates and terminal growth rates are analyzed.

In terms of revenues, the plan is in line with the average of analysts' three-year estimates, which foresee a trend of stability or improvement. This evolution is supported by service revenues leveraged on the differentiation and

quality of the Company's products and services thanks to the investments made. These revenues incorporate the growth of the higher value customer base and the monetization of growing data consumption, in rational markets, although very competitive in certain segments.

Discount Rate

At year-end 2024 and 2023, a nominal percentage rate calculated in pesos of 10.26 % and 11.50 %, respectively, was used as the discount rate.

The discount rate applied to the cash flow projections is the Weighted Average Cost of Capital (WACC), and is determined by the weighted average of the cost of equity and the cost of borrowed funds, according to the financial structure established for Colombia.

This rate has been calculated according to the methodology of the financial asset pricing model (CAPM), which includes the systemic risk of the asset, as well as the impact of the risks associated with the generation of cash flows and which are not considered in the cash flows themselves, such as country risk, the specific financial risk of the business, the exchange rate risk and the price risk of the financial asset itself.

The most relevant components for the determination of the WACC are summarized below:

- Risk-free rate: understood as the interest rate offered by long-term sovereign bonds. It is determined with current market data and estimates of the equilibrium levels (according to standard econometric modeling) at which interest rates should be located, thus adjusting yields that are at low rates due to the high influence on term premiums of government debt purchases carried out by central banks.
- Political Risk Premium: it incorporates the insolvency risk inherent to the country due to political and/or economic events, basing its calculation on quotations of instruments called "Credit Default Swap" for each country or, failing that, the EMBI+ index, published by JP Morgan bank, depending on the information available and the liquidity conditions of such instruments.
- Market Risk Premium (MRP): it measures the additional risk required for equity assets over and above the return on risk-free assets, is determined through a combination of historical (ex post) approaches, supported by external publications and studies of past performance series, and prospective (ex ante) approaches, based on market publications, taking into account medium and long-term profit expectations based on the degree of maturity and development of each country.
- Beta coefficient: this is the multiplier of the market risk premium, considered as systemic risk. It is estimated from series of historical share prices of comparable listed companies, determining the correlation between the profitability of the companies' shares and the profitability of the general index representative of the stock exchange of the country where the company is listed.

Sensitivity to Changes in Assumptions

In accordance with the process of reviewing the recoverability of the assets based on the reviews of internal and external factors, the WACC, as of December 2024, has been determined. The model sensitivities were performed with a step of +/- 1 % for the discount rate and +/- 5 % for the net assets with a WACC rate of 10.26 %. The sensitivity analyses show that the net book value of the assets and liabilities subject to impairment evaluation is lower than the financial valuation, and therefore no impairment indicators were identified.

18. FINANCIAL LIABILITIES

The balance of financial liabilities is presented below:

	As of December 31 2024			As of December 31, 2023		
	Value	Rate		Value	Rate	
Current:		Base	Spread		Base	Spread
Financial in local currency						
Interest payable	51,882,976			43,093,614		
	51,882,976			43,093,614		
Financial in local currency						
Financial obligations (1)	307,265,460	IBR 3M	1%-2,35%	298,000,000	IBR 3M	1,1%-2%
Interest payable	21,266,359			9,093,406		
Local bond (2)	-			347,367,924		
	<u>328,531,819</u>			<u>654,461,330</u>		
Other obligations						
Hedging instruments (3)	1,119,990			82,780,937		
	381,534,785			780,335,881		
Non-current:						
Financial in foreign currency						
Senior bond (4)	2,196,521,661			1,901,519,155		
Financial obligations (5)	306,982,675			-		
	2,503,504,336			1,901,519,155		
Financial in local currency						
Financial obligations (1)	1,354,727,696	IBR 3M	1,35%-4,65%	1,099,681,413	IBR 3M	1,1%-2%
Local bond (2)	152,216,018	IPC	3,39%	152,312,625	IPC	3,39%
	1,506,943,714			1,251,994,038		
Other obligations						
Hedging instruments(3)	359,497,887			115,924,756		
	359,497,887			115,924,756		
	4,369,945,937			3,269,437,949		
	4,751,480,722			4,049,773,830		

Financial liabilities include balances in foreign currency at December 31, 2024 for USD 581,666 thousand (\$ 2,564,652,644) and at December 31, 2023 for USD 511,275 thousand (\$ 1,954,118,614) (Note 28).

- The net increase in the current portion corresponds to the acquisition of debt and the rescheduling of long-term loans. The non-current portion corresponds to the acquisition of new debt for debt rescheduling and working capital. At December 31, 2024, the nominal value is \$ 1,662,049,291, and the associated transaction costs are \$ 56,135 measured at amortized cost.
- Local bond: At December 31, 2024 and 2023, the face value of the local bond is \$ 152.41 billion and \$ 500 billion, respectively, and the associated transaction costs are \$ 194 million and \$ 319 million, respectively, measured at amortized cost.

The characteristics of the local bond issue are summarized below:

Format	Currency of issue	Premium and discounts	Total amount of the issue	Total amount issued	Max. term of redemption	Date of Issue	Date of maturity / payment	Rate/ Payment	Use of the resources
C10	COP\$000	Cero	152,410,000	152,410,000	10 years	29-May-19	29-May-29	CPI + 3.39 % Semian-nual	Prepago de deuda local
A5 (a)	COP\$000	Cero	347,590,000	347,590,000	5 years	29-May-19	29-May-24	6.65% Semian-nual	
			<u>500,000,000</u>	<u>500,000,000</u>					

- On May 29, 2024, the Company paid to its bondholders the principal associated with Subseries A-5 in the amount of \$ 347.59 billion.

At December 31, 2024 and 2023, interest payable on the local bond amounted to \$ 1.20 billion and \$ 3.90 billion, respectively.

- The decrease in the current portion corresponds to the settlement of hedges during the year 2024 and to the devaluation of the peso against the dollar during 2024, which was 15.36 %. The increase in the non-current portion is associated with the interest rate curves that mainly affect the position of the senior bond swaps.

The balance of hedging instruments liabilities as of December 31, 2024 is as follows:

	At fair value with changes in Results	At fair value with cambios changes in ORI	Total liabilities at reasonable fair value
Current			
Hedging instruments	1,119,990	-	1,119,990
	1,119,990	-	1,119,990
Non-current:			
Hedging instruments	13,455	359,484,432	359,497,887
	13,455	359,484,432	359,497,887
	1,133,445	359,484,432	360,617,877

The balance of hedging liabilities as of December 31, 2023, is as follows:

	At fair value with changes in Results	At fair value with cambios changes in ORI	Total liabilities at reasonable fair value
Current			
Hedging instruments	43,218,001	39,562,936	82,780,937
	43,218,001	39,562,936	82,780,937
Non-current:			
Hedging instruments	-	115,924,756	115,924,756
	-	115,924,756	115,924,756
	43,218,001	155,487,692	198,705,693

- Senior bond: As of December 31, 2024 and 2023, the face value of the outstanding senior bond is USD 500 million, equivalent to \$ 2,204,575,000 and \$ 1,911,025,000 and associated transaction costs of \$ 8.05 billion and \$ 9.51 billion, respectively, measured at amortized cost.

The features of the senior bond issue are summarized below:

Format	Currency issue	Premiums and discounts	Total amount of the issue	Total Amount issued	Max. term of redemption	Date of issue	Date of maturity	Rate/ Payment	Use of the resources
R144/ RegS	USD\$000	Zero	500,000	500,000	10 years	17-jul-20	17-jul-30	4,95% Half-yearly	Replacement Senior bond For USD 750 million

At December 31, 2024 and 2023, the interest payable on the bond was \$ 49.71 billion and \$ 43.09 billion, respectively.

- At December 31, 2024, the face value is USD 70 million, equivalent to \$ 308,640,500, and the associated transaction costs are \$ 1,657,825 million measured at amortized cost.

The schedule of financial obligations as of December 31, 2024:

Maturities	Current				Non-current			Total
	2025	2026	2027	2028	2029	Next years	Total non current	
Senior bonus	-	-	-	-	-	2,196,521,661	2,196,521,661	2,196,521,661
Financial obligations	307,265,460	643,292,539	868,476,530	59,976,530	89,964,772	-	1,661,710,371	1,968,975,831
Hedging instruments	1,119,990	528,008,723	129,961,934	104,522,086	83,556,558	(486,551,414)	359,497,887	360,617,877
Local bond	-	-	-	-	152,216,018	-	152,216,018	152,216,018
Interest	73,149,335	-	-	-	-	-	-	73,149,335
	381,534,785	1,171,301,262	998,438,464	164,498,616	325,737,348	1,709,970,247	4,369,945,937	4,751,480,722

Presentation of comparative information

For presentation purposes, the Company classified in the separate Statement of Financial Position as of December 31, 2023 the amount of finance leases in a separate line item of financial liabilities, spectrum acquisition obligations to the line item of suppliers and accounts payable and cash flow presentation. The foregoing is presented for comparable purposes and had no impact on the policies applied, nor on the measurement and recognition of operations, nor on the statement of comprehensive income, nor on the statement of financial position, changes in equity or cash flow.

19. FINANCIAL LEASES

The movement in finance lease liabilities during the year ended December 31, 2024 is presented below:

	As of December 31, 2023						As of December 31, 2024	
	Additions	Retirements	Payments	Transfers	Other			
Current								
Capital lease	396,507,959	148,279,222	-	(520,292,779)	316,534,472	26,928,566	367,957,440	
	396,507,959	148,279,222	-	(520,292,779)	316,534,472	26,928,566	367,957,440	
Non-current								
Capital leases	1,230,184,049	323,222,212	(10,872,486)	-	(308,041,979)	(285,411)	1,234,206,385	
	1,626,692,008	471,501,434	(10,872,486)	(520,292,779)	8,492,493	26,643,155	1,602,163,825	

- (a) Corresponds to capital lease payments during the year 2024 for \$ 385,933,874 and interest for \$ 134,358,905.
- (b) Includes mainly transfers from long to short term in accordance with the maturity schedule and transfers made to the Unired Joint Venture for financial leasing of \$ 8.50 billion (Note 1 (c)).
- (c) Corresponds to the payment made by crossing accounts between liabilities and financial assets and impact for taxes.

Below is the movement of the finance lease liability during the year ended December 31, 2023:

	As of December 31, 2022						As of December 31, 2023	
	Additions	Retirements	Payments	Transfers	Other			
Current								
Capital leases	340,901,691	189,796,582	-	(433,711,568)	322,833,399	(23,312,145)	396,507,959	
Financial liabilities - leasing	17,134	-	(17,134)	-	-	-	-	
	340,918,825	189,796,582	-	(433,728,702)	322,833,399	(23,312,145)	396,507,959	
Non-current								
Capital lease	1,111,143,152	457,311,617	(15,437,321)	-	(322,833,399)	-	1,230,184,049	
	1,111,143,152	457,311,617	(15,437,321)	-	(322,833,399)	-	1,230,184,049	
	1,452,061,977	647,108,199	(15,437,321)	(433,728,702)	-	(23,312,145)	1,626,692,008	

The maturity schedule for capital leases as of December 31, 2024 is presented below:

Maturities	Current				Non-current			
	2025	2026	2027	2028	2029	Following years	Total non-current	Total
Capital leases	367,957,440	254,728,375	230,876,941	201,469,849	164,062,451	383,068,769	1,234,206,385	1,602,163,825

20. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of suppliers and accounts payable is as follows:

	As of December 31	
	2024	2023
Current:		
Accounts payable and suppliers (1)	1,820,229,510	1,620,734,837
Suppliers of fixed assets (2)	369,588,324	284,015,546
Related parties (3) (Note 29)	351,444,376	370,072,200
For spectrum acquisition (4)	276,585,675	42,122,076
Forward purchase of equipment (5)	60,066,759	-
Government subsidies (6) (Note 7)	37,504,034	35,843,986
Labor compensation payable (7)	35,989,576	36,346,017
Parafiscal contribution	7,730,860	7,940,483
Contracts with third parties (8)	2,017,301	2,167,391
	2,961,156,415	2,399,242,536
Non-current:		
For spectrum acquisition (4)	705,556,980	455,987,351
Forward purchase of equipment (5)	51,378,793	-
Contracts with third parties (8)	8,612,347	10,404,429
Related parties (3) (Note 29)	3,114,879	3,584,437
	768,662,999	469,976,217
	3,729,819,414	2,869,218,753

As of December 31, 2024 and 2023, balances in foreign currency with suppliers and accounts payable are included for USD 108,584 thousand (\$ 478,763,144) and USD 123,986 thousand (\$ 473,880,691), and with related parties for USD 42,092 thousand (\$ 185,589,942) and USD 60,272 thousand (\$ 230,362,598), respectively (Note 28).

(1) The detail of creditors and suppliers is as follows:

	As of December 31,	
	2024	2023
Renting and third party activities to customers (a)	324,344,046	330,974,181
Terminal suppliers (b)	307,018,659	286,591,508
Accounts payable (c)	242,968,902	174,436,415
Content providers (d)	179,800,405	183,280,406
Securities for third parties (e)	146,979,404	113,267,262
Equipment maintenance (f)	125,197,067	132,992,184
Operating leases (g)	115,349,499	91,177,765
Computer services	84,511,380	64,704,327
Sales commissions	98,667,129	88,031,945
Interconnection and roaming (h)	84,962,702	60,746,046
Advertising (i)	65,601,523	53,709,646
Customer services	33,585,499	34,032,091
Other minor	11,243,295	6,791,061
	1,820,229,510	1,620,734,837

- a. Includes services for the development of integrated solutions projects for the corporate segment and fiber optic network deployment services.
 - b. As of December 31, 2024, there is an increase mainly due to the acquisition of mobile terminals to meet the year-end offer and equipment for customers of the FTTH network.
 - c. Corresponds mainly to services related to insurance, technical assistance, utilities, security, legal and tax advice, billing, collection and collection services. The increase at the end of 2024 corresponds mainly to the obligation with Colombia Móvil S. A. E.S.P. for the equalization derived from the contribution of the mobile infrastructure in the Unired Joint Venture for USD 19.6 million. It includes costs of the Joint Venture for \$ 23.13 billion and expenses paid for \$7.06 billion (Note 1 (c)).
 - d. Includes OTT digital platform services (streaming services), TV and value added services.
 - e. Includes amounts received for third parties in accordance with the definitions in the mandate contracts.
 - f. Includes outside plant maintenance services, platform support, technical assistance and network breakdowns.
 - g. Includes mainly commitments acquired for submarine cable capacity, media rental and last mile rental for fixed services. At the end of 2024, there is an increase due to higher network capacity services for fixed customers.
 - h. Includes domestic interconnection and roaming traffic services. The increase as of December 31, 2024 is mainly generated by the closing of reconciliations and the legalization of items with operators.
 - i. Corresponds to media advertising services for TV, press and audiovisual media campaigns, sponsorships, events and promotion. At the end of 2024, there is an increase for media campaigns for the promotion of year-end offers.
- (2) Corresponds mainly to obligations for the purchase of equipment, licenses and platform developments associated with the deployment of the mobile network. The increase as of December 31, 2024 is mainly due to the integration of the joint operation (Unired) for \$ 84.10 billion (Note 1 (c)). It includes the share of the acquisitions made during 2024 by the Joint Venture (Unired) for \$ 84.17 billion.
- (3) Includes mainly obligations generated by connectivity services through the fiber optic network, the use of the brand fee, action plans (a), capacity rental in international media and usage rights, platforms for Internet Protocol Television - IPTV, costs for licensing services and developments for corporate projects. The net decrease corresponds mainly to Brand Fee services, connectivity services, links and capacity and corporate services.

(a) Share-based payments (Note 29.2).

This item includes the plan that allows the Company's executives to receive a certain number of Telefónica, S. A. shares after a period of three years. The plan is based on the prior allocation of a certain number of theoretical shares or units, which will serve as the basis for determining the number of ordinary shares of Telefónica S. A.'s capital stock that may be delivered as variable compensation based on the achievement of the objectives established for each of the cycles into which the plan is divided.

Performance Share Plan (PSP)

With the implementation of the PSP, Telefónica intends to encourage the commitment of the Company's executives to its strategic plan.

The plan will come into effect once approved by the General Shareholders' Meeting, will have a total duration of five (5) years, and will be divided into three (3) independent cycles, each with a measurement period of three (3) years.

Each cycle will be conditioned to the fulfillment of the economic-financial objectives oriented to the creation of value for the shareholder and, if applicable, to objectives related to sustainability, environment or good governance. Compliance with these objectives will determine the allocation of shares.

The final number of shares to be delivered to each employee on the delivery date will be conditioned and determined by the incentive multiplier coefficient, a percentage to be calculated according to the level of compliance with the objectives established by the Company, based on 3 objectives: 50 % in TSR (Total Shareholder's Return), 40 % in FCF (Free Cash Flow) and 10 % in CO2 Emissions.

As of December 31, 2024, the cycles in effect are presented below:

	N.º of shares	Unit value TF SP - PSP	Date of completion
Cycle 1 - January 1, 2022	280,969	2.6916 euros	December 31, 2024
Cycle 2 - January 1, 2023	263,907	2.2942 euros	December 31, 2025
Cycle 3 - June 1, 2024	291,400	3.1369 euros	December 31, 2026

Co-Investment Plan, Cycles 22-24, 23-25 and 24-26

The long-term compensation plan is designed to incentivize and retain key senior executives for the Company, through the delivery of shares subject to the fulfillment of certain conditions. In addition, the executive contributes a percentage of his or her annual bonus.

- (4) The amount as of December 31, 2024 corresponds to the obligation generated by the granting by the Ministry of Information and Communication Technologies of the permit to use the radio electric spectrum of the 3500 MHz band in accordance with Resolution 00497 of February 23, 2023 and by the assignment of the radio electric spectrum of the 700 MHz band in accordance with Resolution 05194 of December 13, 2024 (Note 1) in favor of the temporary union Colombia Móvil S. A. E.S.P. - Colombia Telecomunicaciones S. A. E.S.P. BIC, in which the Company has a 50 % participation. As of December 31, 2024, it includes the initial contribution and integration of the Joint Operation (Unired) for \$ 624.31 billion (Note 1 (c)).

As of December 31, 2024, the current portion corresponds to obligations payable for \$ 276.59 billion, as follows: 850-1900 MHz license for \$ 71.47 billion, AWS license for \$ 98.91 billion, 1900 MHz license for \$ 37.10 billion, 700 MHz license for \$ 43.56 billion and 3500 MHz license for \$ 25.56 billion. In the non-current part, obligations payable for \$ 705.56 billion, detailed as follows: 1900 MHz license for \$ 3.12 billion, 3500 MHz license for \$ 125.26 billion, 700 MHz license for \$ 577.18 billion.

The maturity schedule of the account payable to the spectrum provider as of December 31, 2024 is as follows:

Maturities	Current	Non-current					Total Non-current	Total
	2025	2026	2027	2028	2029	Following years		
Proveedor de espectro	276,585,675	43,721,430	40,606,531	48,469,927	48,469,927	524,289,165	705,556,980	982,142,655

- (5) Corresponds to the installment acquisition of equipment from customers directly by the supplier; the current portion corresponds to \$ 60.07 billion and the non-current portion to \$ 51.38 billion. This business model for the acquisition of equipment started during the first half of 2024.

The maturity schedule of the account payable for the acquisition of equipment on a term basis as of December 31, 2024 is as follows:

Maturities	Current		Non-current				Total Non-current	Total
	2024	2025	2026	2027	2028	Following years		
Acquisition of equipment Forward	60,066,759	48,624,636	2,754,157	-	-	-	51,378,793	111,445,552

- (6) Corresponds to the commitment of the Government grant with the Company to perform the obligations to do. The variation is presented by the financial restatement during the year 2024.
- (7) Corresponds to obligations for social benefits. As of December 31, 2024, it includes the following items: i) severance payments and interest on severance payments for \$ 25.65 billion; ii) vacations for \$ 10.25 billion, and iii) other remunerations for \$ 99 million.
- (8) Includes the balances of the inter-administrative contract with the Metropolitan Area of Barranquilla, with validity until 2028, as well as the guarantees provided by commercial allies. The decrease in the non-current portion corresponds to the transfer to the short term in accordance with the terms of the contract.

21. PROVISIONS AND PENSION LIABILITIES

The balance of provisions and pension liabilities is as follows:

	As of December 31,	
	2024	2023
Current:		
For taxes and considerations (1)	77,581,749	87,878,280
For voluntary retirement (2)	58,802,471	25,809,581
For employee benefits (3)	30,257,925	23,170,399
Pension liabilities (4)	22,709,955	23,619,092
For contingencies (5) (Note 30)	20,346,812	5,042,371
For tax claims (6)	1,772,410	462,088
	211,471,322	165,981,811
Non-current:		
Pension liabilities (4)	182,143,630	193,691,152
For decommissioning (7)	85,988,013	75,154,401
For contingencies (5) (Note 30)	5,437,393	8,315,515
	273,569,036	277,161,068
	485,040,358	443,142,879

- (1) Includes the provision for industry and commerce tax (ICA), the considerations to the Ministry of Information and Communications Technologies and the uncollected VAT on the portfolio of clients for mobile telephony services. The decrease corresponds mainly to the lower ICA tax generated and the lower obligation with the Ministry of Information Technologies and Communications according to the behavior of revenues during the year 2024.
- (2) As of December 31, 2024, the Company included a provision for a voluntary retirement efficiency plan which corresponds to a formal plan, in which functions, number of employees, disbursements to be made and dates of the plan are identified. The balance as of December 31, 2023 was 100 % executed during the year 2024.

- (3) It includes the incentive to employees for compliance and performance, which is expected to be paid in the first half of 2025. The estimate was made based on the current headcount and the estimated percentages of compliance with established objectives.
- (4) The Company recognizes post-employment benefits corresponding to retirement pensions. The post-employment benefit plan in effect at the date does not have any type of asset linked to it.

The classification of pension liabilities at the end of 2024 and 2023 is presented below:

	As of December 31,	
	2024	2023
Current portion	22,709,955	23,619,092
Non-current portion	182,143,630	193,691,152
	204,853,585	217,310,244

Below is the movement in pension liabilities as of December 31, 2024:

	Year ended December 31,	
	2024	2023
Balance at the beginning of the year	217,310,244	205,597,301
Interest expense	27,152,682	26,323,230
Actuarial (gains) losses of the bonds (a)	(22,569,553)	4,695,616
Payments made by the plan	(17,072,893)	(19,603,954)
	204,820,480	217,012,193
Installment accounts receivable	33,105	298,051
Balance at the end of the year	204,853,585	217,310,244

- (a) As of December 31, 2024 and 2023, it corresponds to the restatement of the actuarial calculation recognized in Other Comprehensive Income.

The Company recognizes post-employment benefits corresponding to retirement pensions, which include a pension allowance, funeral allowance and health care. The actuarial calculation includes 671 persons, classified in the following categories: retirees totally in charge of the Company, retirees with shared pension with the Colombian State Pension Administrator (Colpensiones), life substitutes totally in charge of the Company, shared and temporary life substitutes totally in charge of the Company, as well as those under Colpensiones.

The measurement of the actuarial calculation is made through an independent actuary, using the projected unit credit cost method. In relation to the assumptions, the discount rate, the pension increase, the inflation rate and expenses are taken into account. In other assumptions regarding mortality, the Colombian mortality table for annuitants experience 2005-2008 for men and women approved by the Financial Superintendency of Colombia through Resolution 1555 of July 2010 and the Colombian mortality table for invalids contemplated in Resolution 0585 of 1994 of the Financial Superintendency are taken into account. Actuarial gains and losses arising from adjustments based on actuarial assumptions of the post-employment benefit are recorded in other comprehensive income for the year. The above, subject to the provisions of Law 100 of 1993, Law 797 of 2003, Legislative Act 01 of 2005 and Decree 1748 of 1995.

The post-employment benefit plan in force to date does not have any type of asset linked to it.

As of the actuarial calculation for 2018, installments receivable from other entities were considered in the Statement of Financial Position. As of December 31, 2024, the projected value of installments receivable from other entities is \$ 2,389,935 (Note 7, paragraph 2).

The updating of the actuarial calculation is made at the close of each accounting period and was quantified in accordance with the estimate of the implicit inflation of 5.3 %, a discount rate of 10.561 % and a real rate of 4.996 %.

Future cash flows through the year 2030 and the sensitivity analysis as of December 31, 2024 are included below:

Future Cash Flows

Año	COP \$(000)
2025	22,709,955
2026	23,913,583
2027	25,181,002
2028	26,515,596
2029	27,920,922
2030	29,400,731

Sensitivity Analysis

The following sensitivity analysis presents the effect of these possible changes on the obligation, holding all other assumptions constant, as of December 31, 2024:

	Interest rate	COP (000)
Discount rate	10.561%	202,463,650
-50 basis points	10.061%	209,378,207
+50 basis points	11.061%	195,988,841
Inflation rate	10.561%	202,463,650
-50 basis points	10.036%	202,044,456
+50 basis points	11.086%	202,882,844

Source: Actuarial Calculation report for retirement pension reserve as of December 31, 2024, prepared by Cálculos Actuariales S.A.S.

The population considered in the study is 671 people, 558 with mathematical reserve calculation for retirement pensions and 113 pension bonds.

- It includes processes related to requests, complaints and claims (PQR) from clients. Additionally, civil, fiscal and administrative processes, which are under discussion with the regulator. The net increase as of December 31, 2024 corresponds mainly to the resolution in favor of the third party Radio Televisión Nacional de Colombia, partially offset by the closing of processes with the Superintendence of Industry and Commerce (SIC).
- Corresponds to the industry and commerce tax for the update of rates in the municipalities for the year 2024.
- Includes costs associated with the dismantling or removal of elements of property, plant and equipment and rights of use, when this has been contractually agreed. In this regard, there is no expected schedule for the disposal of resources since the Company does not estimate the disposal of such sites at this date (Note 14). The increase during 2024 corresponds mainly to the integration of the Joint Venture in Unired for \$ 4.40 billion (Note 1 (c)), and the updating of the provision for dismantling of property, plant and equipment for \$6.44 billion (Note 27 (7)).

The following is the movement of provisions as of December 31, 2024:

	As of December, 31 2023	Endowment	Application	Reversal	Financial update	Transfers	Join Operation integration	As of December 31, 2024
Current								
For taxes and considerations	87,878,280	502,404,085	(512,700,616)	-	-	-	-	77,581,749
For voluntary retirement	25,809,581	59,823,000	(26,830,110)	-	-	-	-	58,802,471
For pension liabilities	23,619,092	-	-	-	-	(909,137)	-	22,709,955
For employee benefits	23,170,399	53,015,783	(45,928,257)	-	-	-	-	30,257,925
For third party claims and labor liabilities (Note 30)	5,042,371	20,829,851	(3,843,589)	(1,681,821)	-	-	-	20,346,812
For tax claims	462,088	1,632,614	(322,292)	-	-	-	-	1,772,410
	165,981,811	637,705,333	(589,624,864)	(1,681,821)	-	(909,137)	-	211,471,322
Non-current								
For pension liabilities	193,691,152	-	(17,072,893)	(22,536,448)	27,152,682	909,137	-	182,143,630
For dismantling	75,154,401	-	-	-	6,440,136	-	4,393,476	85,988,013
For third party claims and labor liabilities (Note 30)	8,315,515	5,400,497	(3,362,215)	(4,916,404)	-	-	-	5,437,393
	277,161,068	5,400,497	(20,435,108)	(27,452,852)	33,592,818	909,137	4,393,476	273,569,036
	443,142,879	643,105,830	(610,059,972)	(29,134,673)	33,592,818	-	4,393,476	485,040,358

The following is the movement in provisions as of December 31, 2023:

	As of December 31, 2022	Endowment	Application	Reversal	Financial update	Transfers	As of December 31, 2023
Current							
For taxes and considerations	98,928,516	402,540,029	(413,590,265)	-	-	-	87,878,280
For voluntary retirement	2,062,378	25,809,000	(2,061,797)	-	-	-	25,809,581
For pension liabilities	21,550,558	-	-	-	-	2,068,534	23,619,092
For employee benefits	34,695,842	53,560,589	(54,198,326)	(10,887,706)	-	-	23,170,399
For third party claims and labor liabilities (Note 30)	6,701,584	5,987,595	(7,099,113)	(547,695)	-	-	5,042,371
For tax claims	2,202,959	7,269,301	(8,959,148)	(51,024)	-	-	462,088
	166,141,837	495,166,514	(485,908,649)	(11,486,425)	-	2,068,534	165,981,811
Non-current							
For pension liabilities	184,046,743	4,993,667	(19,603,954)	-	26,323,230	(2,068,534)	193,691,152
For dismantling	58,711,497	10,643,321	-	-	5,799,583	-	75,154,401
For third party claims and labor liabilities (Note 30)	14,691,640	9,361,547	(8,624,418)	(7,113,254)	-	-	8,315,515
	257,449,880	24,998,535	(28,228,372)	(7,113,254)	32,122,813	(2,068,534)	277,161,068
	423,591,717	520,165,049	(514,137,021)	(18,599,679)	32,122,813	-	443,142,879

22. SHAREHOLDERS' EQUITY, NET

Authorized, subscribed and paid-in capital as of December 31, 2024 and 2023 is presented below:

Authorized capital	1,454,870,740
Subscribed and paid-in capital	3,410,076
Nominal value (in pesos)	1

The equity interest as of December 31, 2024 and 2023 is presented below:

Accionistas	Número de acciones	Participación
Telefónica Hispanoamerica S.A.	2,301,779,819	67.49937427%
La Nación-Ministerio de Hacienda y Crédito Público	1,108,269,271	32.49984282%
Radio Televisión Nacional de Colombia-RTVC	10,000	0.00029325%
Shirley Puentes Mercado	9,950	0.00029178%
Adriana Cepeda Rodríguez	2,488	0.00007296%
Patricia Cepeda Rodríguez	1,493	0.00004378%
Darío Cárdenas Navas	885	0.00002595%
Eduardo Cárdenas Caballero	826	0.00002422%
Jhon Jairo Gutiérrez Torres	498	0.00001460%
Kira Torrente Albor	349	0.00001023%
Canal Regional de Televisión Ltda. - TEVEANDINA	200	0.00000586%
Área Metropolitana de Bucaramanga	2	0.00000006%
Instituto de Vivienda de Interés Social y Reforma Urbana del Municipio de Bucaramanga — INVISBU	2	0.00000006%
Cooperativa de Empleados de las Empresas Públicas de Bucaramanga Ltda.	2	0.00000006%
Co-payment of employees of state-owned enterprises	2	0.00000006%
Central de Inversiones S.A.- CISA	1	0.00000003%
	3,410,075,788	100.0000000%

The equity participation as of December 31, 2024 did not present changes compared to the closing of December 2023.

Additional Paid-In Capital

This corresponds to the excess of the value received with respect to the nominal value of the shares in the issuances that the Company has made from the moment of creation to date. As of December 31, 2024 and 2023, its value is \$ 9,822,380,645.

Reserves

The following is the detail of reserves as of December 31, 2024 and 2023:

	Reservations
Voluntary reserves (1)	38,686,537
Statutory reserves (2)	26,298,376
Legal reserve (3)	6,045,752
	71,030,665

(1) These reserves are constituted by decision of the Company's Stockholders' Meeting and correspond to:

- Occasional reserve: The Shareholders' Meeting by means of Act N.º 068 of March 16, 2020, constituted a reserve for \$ 34,925,054, corresponding to the profits obtained during 2019 and by means of Act N.º 074 of March 16, 2022 constituted a new reserve for \$ 101,588,959, corresponding to profits obtained during 2021. On July 21, 2022, the Shareholders' Meeting decreed to pay dividends, as follows: direct payment to shareholders for \$ 95,769,390 in December 2022, and \$ 5,819,569 for withholding tax on the payment of dividends to shareholders, amount that was transferred to the National Tax and Customs Directorate – DIAN, for a total of \$ 101,588,959.
- Reserve for future widening: Reserve established by the Company for future widening, which is not distributable. The balance of this reserve at December 31, 2024 and 2023 was \$ 3,730,162.
- Reserve for share repurchase: Reserve established by the Company for share repurchase, non-distributable and whose balance as of December 31, 2024 and 2023 was \$ 31,321.

(2) For tax provisions: The Company, in accordance with tax regulations, when in its income tax return it requests depreciation installments that exceed the value of the installments recorded for accounting purposes, establishes a non-distributable reserve equivalent to 70 % of the greater value requested as a deduction. When the depreciation requested for tax purposes is lower than that recorded for accounting purposes, the Company may release from such reserve an amount equivalent to 70 % of the difference between the value requested and the value recorded; the profits released from the reserve may be distributed as non taxable income. As of December 31, 2024 and 2023, the reserves amounted to \$ 26,298,376. With the issuance of Law 1819 of 2016 (Tax Reform), the rule that established this reserve was repealed; therefore, as of taxable year 2017, it will not be mandatory to constitute such reserve.

(3) Legal Reserve: The Reserve constituted by the Company as of December 31, 2024 and 2023 is \$ 6,045,752.

Earnings per Share

Basic earnings per share are calculated by dividing the net income attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year.

For the years ended December 31, 2024 and 2023, the value of loss per share was calculated based on 3,410,075,788 outstanding shares, respectively, the value of the loss was (\$ 136.93) in pesos and (\$ 199.65) in pesos, respectively.

Other Comprehensive Income

The Company recognized a profit during the year 2024 and loss during the year 2023 in the Other Comprehensive Income (ORI) for \$ 2,195,617 and \$ (85,984,752), respectively.

The variation between the years ended December 31, 2024 and 2023 of hedging instruments is mainly due to the valuation of hedging derivative instruments, generated by the impact of the shift in the SORF and IBR interest rate curves .

Revaluation Surplus Net of Taxes

The Company revalued assets at the end of 2024, in accordance with its revalued cost policy for land and buildings. The result was the recognition of an increase in the value of these assets for \$ 135,561,624.

The Company, for the years ended December 31, 2024 and 2023, transferred directly to retained earnings the write-offs and the value associated with the realized depreciation of the revalued assets, as well as the corresponding deferred tax of \$ 51,093,729 and \$ 54,801,493, respectively.

Actuarial Result

For the years ended December 31, 2024 and 2023, the Company presented results for post-employment benefits for \$ 22,569,553 and \$ (4,965,616), respectively.

23. OPERATING INCOME

Revenues from contracts with customers are presented below:

	Year ended December 31	
	2024	2023
Mobile services (1)		
Mobile data services	1,580,654,520	1,533,796,208
Voice services	560,263,332	613,801,987
Value-added services	186,707,896	192,502,519
Roaming out	35,423,421	42,096,361
	2,363,049,169	2,382,197,075
Fixed services (1)		
Fixed data services	1,165,920,530	962,013,937
Capacity and technological solutions	787,576,430	967,078,190
Television revenues	329,894,551	343,763,235
Fixed voice services	125,372,254	163,716,862
	2,408,763,765	2,436,572,224
Digital services (2)	641,416,583	701,969,682
Sale of terminal equipment (3)	522,791,601	792,672,592
Interconnection service (4)	134,075,330	200,805,807
Roaming revenues	33,717,830	35,404,162
Other data - mobile virtual network operator	27,820,248	32,747,819
Sale of fixed service equipment(5)	2,107,944	99,667,925
	1,361,929,536	1,863,267,987
	6,133,742,470	6,682,037,286

Revenues from contracts with customers are generated from the rendering of services and sale of goods on an ongoing basis during the year.

The years ended December 31, 2024 and 2023 include operating revenues with related parties for \$ 373,847,738 and \$ 445,859,207 respectively (Note 29).

- (1) During 2024, service revenues maintain a good performance, reflecting the positive performance of connectivity through the fiber optic network, digital services, integrated solutions in corporate business and prepaid services.
- (2) During 2024, the Company continued to promote technological solutions in the corporate market that enable process improvement and guarantee security, storage and digitalization operations. In comparison with the previous year, revenues were obtained from corporate projects that culminated in the last quarter of the year.
- (3) The decrease compared to the previous year is mainly due to lower commercial activity during the period, as a result of changes in consumer behavior.
- (4) The variation compared to the prior year period corresponds mainly to the decrease in mobile interconnection rates by the Communications Regulation Commission and the agreements in National Automatic Roaming service contracts.
- (5) During the year 2024, the Company includes in the installation of fixed services and advanced technology equipment that allows a better coverage experience and reducing the sale of WiFi amplifier equipment.

24. OTHER OPERATING INCOME

Other operating income is presented below:

	Year ending December 31,	
	2024	2023
Other operating income (1)	215,038,915	344,598,145
Profit from contribution of assets (2)	142,327,799	-
Sale of real estate and personal property (3)	139,908,002	48,352,905
Work on fixed assets	41,004,296	43,309,028
Lease of investment property (Note 15)	157,620	141,002
	538,436,632	436,401,080

During the year ended December 31, 2024 and 2023, other operating income with related parties is included for \$ 127,501,534 and \$ 274,964,630 respectively (Note 29).

- (1) During the year 2024, it includes: i) billing, collection management, collections and administration services for \$ 109.78 billion; ii) the exclusivity in accordance with the commitment subscribed with Onnet Fibra Colombia S.A.S., with respect to homes connected to fiber optic for \$ 91,341 (amortization for \$ 65.96 billion and restatement for the period for \$ 2.39 billion); iii) Income from leasing of own sites for \$ 6.71 billion and for breach of contracts for \$ 6.79 billion; iv) State subsidies for \$ 417 million. The decrease compared to the previous year is mainly due to: a lower exclusivity for \$ (158.01) billion (amortization \$ 144.47 billion and guarantee \$ 13.53 billion), which is offset by \$ 28.46 billion for collection management, collections and administration.
- (2) Corresponds to the benefit generated by the integration of the Joint Operation, associated to the Single Network of mobile accesses (Note 1c).
- (3) Includes the sale of copper material as a result of the technological transition to the fiber optic network for \$125.03 billion, and sale of assets such as duct channels and real estate for \$ 14.88 billion. The variation compared to 2023 is due to the sale of copper material for \$ (73.62) billion and sale of assets and real estate for \$ (17.94) billion.

25. OPERATING COSTS AND EXPENSES

Operating costs and expenses are presented below:

	Year ending December 31,	
	2024	2023
Cost of equipment (1) (Notes 8 and 10)	881,249,903	1,210,924,413
Rental of other network infrastructures (2)	587,721,977	537,429,526
Labor costs (3)	526,902,225	481,494,035
Renting and third party activities to customers (4)	463,537,429	606,933,230
Operating costs and expenses (5)	403,833,174	373,329,453
Content providers	312,458,414	313,548,721
Commissions on sales and contract awards (6)	311,522,793	275,269,489
Taxes and considerations	310,938,540	323,713,688
Maintenance of equipment and facilities	274,892,712	287,151,929
Energy services	265,015,446	259,844,678
Advertising (7)	153,630,916	167,854,260

	Year ending December 31,	
	2024	2023
Computer services (8)	152,353,169	168,131,739
Interconnection and roaming (9)	150,700,261	249,613,393
Cost of contract fulfillment (10) (Note 8)	144,618,593	104,762,602
Customer Services	98,267,938	99,290,695
Impairment of loan portfolio (11) (Note 7)	77,521,596	87,955,594
Other and non-recurring costs and expenses (12)	14,263,590	9,992,800
(Recovery) allowance for inventories (13) (Note 10)	(4,946,604)	3,467,983
	5,124,482,072	5,560,708,228

The net decrease presented between the years ended December 31, 2024 and 2023 is mainly due to lower sales of mobile equipment impacted by the current economic conditions of the market and financing channels. Additionally, efficiencies and optimization of the use of resources were achieved, such as: commercial costs with more efficient channels, renegotiation of contracts with allies, optimization of inventory availability, and regulatory aspects that impact interconnection and roaming rates. This offset the increase in equipment costs at customers' homes and digital services due to the growth in demand associated with fiber optic connectivity services.

During the years ended December 31, 2024 and 2023, operating expenses with related parties are included for \$ 801,593,569 and \$ 776,423,415, respectively (Note 29).

- During the years ended December 31, 2024 and 2023, the Company recognized the consumption of inventories which were carried at cost of sales for \$688,954,241 and \$1,067,522,609 (Note 10) and the amortization of the cost of customer premises equipment for \$192,295,662 and \$143,401,804 (Note 8), respectively. The net decrease during the year ended December 31, 2024, corresponds to lower sales of mobile terminal equipment offset in part by the increase in the sale of customer premises equipment and materials for the execution of fiber optic deployment projects, compared to the year 2023.
- The increase during 2024 corresponds mainly to fiber optic connectivity services for the residential and corporate segments.
- The increase during the year 2024 corresponds mainly to the recognition of the efficiency plan for voluntary retirement of employees.
- The decrease in 2024 corresponds mainly to lower demand for projects with corporate customers, when compared to the same period of 2023.
- Includes mainly digital services and products, portfolio collection management, royalties, temporary employment agency personnel expenses, surveillance and security, travel expenses, consulting and advisory fees, insurance, utilities and other service expenses. The increase in the year ended December 31, 2024 corresponds mainly to costs associated with the provision of digital services and support, consulting and support services.
- For the years ended December 31, 2024 and 2023, amortization of contract acquisition costs of \$ 208,038,070 and \$ 145,516,658, respectively, is included (Note 8). The increase corresponds to the higher commercial activity generated mainly in connectivity services, which are leveraged on the coverage of the fiber optic network.
- It includes the use of the brand (Brand Fee), advertising in the media and events and sponsorships (Colombian Soccer Federation and Movistar Arena). The decrease in the year 2024 corresponds mainly to a decrease in the Brand Fee for the use of the brand and associated to lower sales revenues.
- Corresponds mainly to the renewal and acquisition of licenses for information technology (IT) platforms and software applications, including technical and functional support for customer projects. The decrease in 2024 is mainly due to the optimization of digitalization services.
- The variation during the year 2024 is mainly due to the decrease in mobile interconnection rates determined by the Communications Regulation Commission, compared to the previous year.

(10) The increase in the year 2024 corresponds mainly to the amortization of installation costs at customers' homes associated with the commercial activity carried out in previous years.

(11) During the year ended December 31, 2024, the net expense was \$ 77.52 billion, as follows: i) impairment of customers for \$78.88 billion (Note 7), and ii) recovery of impairment of contract assets for \$(1.36) billion.

(12) The net increase during the year 2024 corresponds mainly to the resolution in favor of the third party Radio Televisión Nacional de Colombia, partially offset by the closing of proceedings with the Superintendence of Industry and Commerce (SIC).

(13) The decrease during the year ended December 31, 2024 is mainly due to the recovery of the provision, generated by the improvement in inventory turnover.

26. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are presented below:

	Year ended December 31	
	2024	2023
Depreciation of property, plant and equipment (Note 14)	507,254,657	558,929,037
Amortization of intangible assets (Note 16)	410,317,581	550,634,828
Depreciation of right-of-use assets (Note 13)	134,917,848	283,714,441
	1,052,490,086	1,393,278,306

Amortization of intangible assets as of December 31, 2024 includes \$ 6,873,420 for the amortization of the permit for the use of the radio electric spectrum of the 3500 MHz band, assigned to the temporary union Colombia Móvil S. A. E.S.P. - Colombia Telecomunicaciones S. A. E.S.P. BIC, in which the Company is a 50 % participant, in accordance with Resolution 497 of 2024, issued by the Colombian Ministry of Information Technologies and Communications (MinTIC).

27. FINANCIAL EXPENSE, NET

Financial expenses, net, are presented below:

	Year ended December 31	
	2024	2023
Income:		
Financial income from related party transactions (1)	75,898,904	111,581,123
Interest on customer arrears (2)	40,330,347	37,730,143
Income from temporary investments and bank investments (3) (Note 5)	18,501,699	4,961,845
	134,730,950	154,273,111
Expenses:		
Interest on bond and debenture loans (4)	(373,031,815)	(337,783,454)
Financial expenses on leases	(148,279,222)	(144,846,326)
Other financial expenses (5)	(120,152,360)	(51,320,792)
Interest hedging transactions, net	(91,864,199)	(76,639,515)
Supplier loan expenses-Spectrum (6)	(57,364,902)	(54,689,046)
Financial restatement of liabilities (7)	(41,622,743)	(32,122,813)
Tax on financial transactions	(3,709,414)	(3,543,653)
	(836,024,655)	(700,945,599)
Foreign exchange gain (loss),	1,470,468	(11,249,557)
	(834,554,187)	(712,195,156)
	(699,823,237)	(557,922,045)

The net increase corresponds mainly to: i) the acquisition of new debt to refinance maturities for the year at current market rates, ii) an increase in the expense associated with the cost of hedges for movements in the IBR and SOFR curves associated mainly with swap derivative instruments and, iii) the financial restatement of payment agreements entered into with corporate clients.

- (1) The variation during the year ended December 31, 2024, compared to the previous year, corresponds mainly to the decrease in the Consumer Price Index (CPI) which impacts the interest on the long-term loan with the associated company Álamo Holdco, S.L., in accordance with the provisions of the framework contract for the sale of fiber optic assets made in 2022 (Note 29).
- (2) During the year ended December 31, 2024 there is an increase when compared to the same period of the previous year, mainly in the interest generated by the portfolio recovery management with customers.
- (3) During the year 2024, there is an increase generated by yields on temporary investments.
- (4) During the years ended December 31, 2024 and 2023, this corresponds to: interest generated by financial obligations, which amounted to \$ 245,811,012 and \$ 181,087,693, respectively, interest on the senior bond for \$ 101,407,353 and \$ 106,330,719, and interest on the local bond for \$ 25,813,450 and \$ 45,828,749, respectively. The increase is due to the acquisition of new debt for the refinancing of loans maturing during the year at market rates and for working capital.
- (5) During the year 2024, the financial restatement of the payment agreements entered into with corporate clients for \$ 54,872,352, the long-term contract of the exclusivity commitment related to fiber optics for \$ 38,031,995, the cost related to the sales of commercial portfolio for \$ 15,084,946 and bank commissions for \$ 12,163,067 were recognized.
- (6) During the year ended December 31, 2024, it includes the financial restatement for the increase in the reference rates on the obligation acquired in the renewal of the 1900 MHz spectrum. Additionally, the higher settlement basis for the payments made on this obligation, compared to the year 2023.
- (7) During the years ended December 31, 2024 and 2023, the expense for the restatement of the pension liability for \$ 27,152,682 and \$ 26,323,230, the restatement of the provision for decommissioning of property, plant and equipment for \$ 6,440,137 and \$ 6,799,583, respectively, are included, plus restatement of the provision for legal contingency at the end of 2024, for \$ 8,029,924.

28. RISK MANAGEMENT

The most significant risks and uncertainties faced by the Company that could affect the business, its financial position, results and/or cash flows are described below and should be considered together with the information contained in these separate financial statements.

At present, the Company has considered these material, specific and relevant environmental risks in making an informed investment decision. The assessment of the potential impact of the risks is quantitative and qualitative, considering, among other matters, potential economic, compliance, reputational and environmental, social and governance ("ESG") impacts. However, the company is subject to other risks that, once the specificity and importance of these risks have been assessed, based on the evaluation of their probability of occurrence and the potential magnitude of their impact, based on the COSO ERM model, have not been included in this section.

The Company, taking into account the global risks identified by the World Economic Forum, as well as the increase in legal reporting requirements and stakeholder expectations in this area, monitors risks directly related to sustainability, as well as other risks with potential impact on ESG, highlighting those most relevant in the context of the Company's operations, among which are the adaptation to ESG expectations and reporting requirements and climate change.

The risks are presented in this section grouped into four categories (according to the definitions included in the Telefónica Group's Risk Management Policy): business, operational, financial, legal and regulatory compliance.

These categories are not presented in order of importance. However, the Company may change its view on their relative importance at any time, especially if new internal or external events arise.

28.1. Risks Related to the Business

The Company requires licenses and permits for the provision of most of its services, as well as for the use

of spectrum, which is a scarce and costly resource.

The telecommunications sector is subject to specific sector regulation. The fact that the Company's business is highly regulated affects revenues, operating income before depreciation and amortization (EBITDA) and investments.

Many of the Company's activities (such as the provision of telephone services, pay television, installation and operation of telecommunications networks, among others) require licenses or authorizations from governmental authorities, which generally require the Company to meet certain obligations, including specified minimum quality levels, service and coverage conditions. Failure to comply with any of these obligations could result in consequences such as financial or other penalties that, in the worst case, could affect business continuity. Exceptionally, in certain jurisdictions, license awards may be modified prior to expiration, or new obligations may be imposed upon renewal or even non-renewal of licenses.

Access to new spectrum licenses.

The Company needs sufficient spectrum to offer its services. Failure to obtain sufficient spectrum capacity to operate, or its inability to bear the related costs, could have an adverse impact on its ability to maintain the quality of existing services and its ability to launch and provide new services, which could materially adversely affect the Company's business, financial condition, results of operations and/or cash flows.

The Company's objective is to have the necessary spectrum capacity to maintain services and expand services, specifically through participation in spectrum auctions expected to take place in the coming years, which will require potential cash outflows to obtain additional spectrum or to meet coverage requirements associated with some of these licenses.

Existing licenses: renewal processes and modification of service operating conditions.

The renewal or non-renewal of the Company's existing licenses, authorizations or concessions, or any challenge to or modification of their terms, could materially affect the Company's business, financial condition, results of operations and/or cash flows.

The Company operates in a highly regulated market, so changes in regulation or new regulations could adversely affect its business.

The Company is exposed to changes in the regulation of retail and wholesale services. Thus, possible changes in the regulation of retail service prices could generate limitations in the commercialization of services, resulting in loss of income or limitations in the Company's ability to differentiate and compete in the market.

In this regard, there are two bills before the legislature related to: i) Exemption for reconnection charges Law N.º 219, which seeks to eliminate reconnection charges for all services (VoIP, mobile and fixed telephony, Internet and television) and ii) Bill N.º 269, which requires Mobile Telecommunications Network and Service Providers (PRSTM) and financial entities to properly identify the holders of their products in order to prevent their use in committing crimes such as fraud and fraudulent use of their products. Such initiative would require investments and make the PRSTM jointly and severally liable with the financial entities, when a crime is committed using their services.

The competitive position could be affected by competitive developments.

The Company operates in highly competitive markets so there is a risk of not reacting adequately to the different commercial actions carried out by competitors putting at risk the fulfillment of its future growth, customer retention, revenue and profitability objectives. After the announcement of the non-binding agreement between Telefónica and Millicom that contemplates the possible sale of Telefónica's shares (Jul-24), added to the lack of regulatory elements to contain portability between operators, the market increased its commercial aggressiveness, causing increases in customer portability.

The Company depends on a network of suppliers.

The existence of critical suppliers in the supply chain, especially in areas such as network infrastructure, information systems or terminals with high concentration in a small number of suppliers, poses risks that could affect the Company's operations, as well as cause eventual



legal contingencies or damage to the Company's image in the event of practices that do not meet acceptable standards or in a manner that does not meet the Company's performance expectations of any participant in the supply chain. This includes delays in the completion of projects or deliveries, poor quality execution, cost deviations and inappropriate practices.

As of December 31, 2024, the Company awarded 9 suppliers of mobile terminals; on the other hand, there were 44 infrastructure suppliers. The amount awarded for mobile terminals corresponds to 20 % of the total number of awards made in the fourth quarter of 2024 and for infrastructure providers corresponds to 12 %. The mobile terminals supplier with the highest share of the amount awarded for this category is 21 %. For infrastructure providers, the one with the highest share is 28 % of the amount awarded to these providers. These suppliers can, among other things, extend delivery times, raise prices and limit supply due to lack of stock and business requirements or for other reasons.

If the suppliers are unable to supply their products within the agreed deadlines or such products and services do not meet the requirements, they could compromise the deployment and expansion plans of the network, which in certain cases could affect compliance with the terms and conditions of the securities under which the Company operates or compromise the business and operating results.

The semiconductor industry, in particular, faces a number of challenges resulting primarily from global supply issues, which in turn are affecting multiple sectors (including technology), due to delivery delays and price increases, which could affect the Company or other parties relevant to its business, including its customers, suppliers and partners.

The imposition of trade restrictions and any supply chain disruptions, such as those related to international transportation, may result in higher costs and lower margins or affect the Company's ability to offer its products and services and could adversely affect the Company's business, financial condition, operating results and/or cash flows.

Markets Subject to Continuous Technological Evolution

The Company's success depends, to a certain extent, on its adaptability to technological evolution, in the times the market demands, anticipating technological changes and market demands. The technological evolution is permanent, offering to the market new products,

services and technologies, which force us to keep a permanent update on them. The development of constant technological innovation also generates the obsolescence of some of the products and services offered by the Company, as well as its technology, significantly reducing revenue margins by having the obligation to invest in the development of new products, technology and services and at the same time continue to provide maintenance in technologies, which will remain in force until we achieve the migration of all users or the regulation allows their controlled shutdown. In addition, the convergence of new technologies allows new entrant operators the possibility of not being subject to the regulatory standards that have been in force in the past, leaving us in a disadvantageous position before these new players in the sector.

Consequently, it could be costly for the Company to develop the products and technologies necessary to continue competing efficiently with current or future competitors. It is therefore important to consider that the increase in costs could negatively impact the business, its financial situation, and the Company's economic results or cash generation.

The Company, as a major player in the communications market, must continue to upgrade its networks associated with mobile and fixed-line service in a satisfactory manner and in a timely manner in order to maintain and increase its customer base in each of its markets in order to enhance its financial performance, as well as to comply with applicable regulatory requirements. Among other things, the Company may need to upgrade the operation of its networks in order to increase the personalization of its services, the virtualization of equipment, the increase of processing and data storage capacities, as well as the increase of coverage in some of its markets. Equally important is the need to expand and maintain the level of customer service, network management and administrative systems.

One of the technologies that telecommunications operators, including the Company, are currently investing in are the new FTTx-type networks, a technology that enables broadband access over fiber optics at high speeds. However, the deployment of such networks, in which all or part of the copper in the access loop is replaced by fiber optics, involves high investments. There is a growing demand for the services that the new networks offer to the end customer; however, the high level of investment requires continuous analysis of the return on investment, and there is no certainty as to the profitability of these investments.

Additionally, the adaptability of the Company's information systems, both operational and support, to adequately respond to the Company's operational needs, is a relevant factor to consider in business development, customer satisfaction and business efficiency. While automation and other digital processes can lead to significant cost savings and efficiency gains, there are significant risks associated with such process transformation.

Any failure of the Company to develop or implement IT systems that adequately respond to the Company's changing operational requirements could have a negative impact on the business, financial condition, operating results and/or cash generation.

28.2 Operational Risks

Information technology is a relevant element of our business and is exposed to cybersecurity risks.

Risks derived from cybersecurity are part of the most relevant risks due to the importance of information technology for its ability to successfully carry out operations. Despite progress in modernizing the network, and replacing aging systems pending technological renewal, the company operates in an environment of increasing cyber threats and all of its products and services are inherently dependent on information technology systems and platforms that are susceptible to cyber attack. Successful cyber attacks can impede the effective provision, operation and marketing of products and services, in addition to affecting customer usage, so it is necessary to continue to make progress in identifying technical vulnerabilities and security weaknesses in operational processes, as well as in the ability to detect, react and recover from incidents. Likewise, successful cyber-attacks could entail the violation of applicable data protection regulations, or the expectations of stakeholders, as well as the effects that this could entail in terms of investment, cost increases, obstacles to the development of new services, loss of customer or investor confidence and penalties.

Risks Associated with Unplanned Network or System Outages

Network interruptions are situations inherent to the operation of any element that constitutes it, which affect service, causing dissatisfaction among users due to the impossibility of communication, as well as a significant risk of requirements from control entities that could result in high impact

sanctions for the Company. The only possibility of minimizing or achieving a controlled level of risk on unforeseen network interruptions is focused on being able to periodically and efficiently guarantee a model of preventive and corrective maintenance on network equipment, as well as investment in elements that have completed their useful life and that guarantee redundancy to support the service in the event of eventual failures.

On the other hand, information technology is a relevant element of our business and could be affected by cybersecurity risks: Our networks transport and store large volumes of confidential, personal and business data, so it must be prepared to detect and react in a timely manner to cyber threats to prevent their materialization.

It must also be taken into account that natural disasters, climate change and other factors beyond the Company's control can cause network failures, service interruptions or loss of quality.

Unforeseen service interruptions may occur due to system failures, natural disasters caused by natural or meteorological phenomena, lack of power supply, network failures, hardware or software failures, theft of network elements or a cyber attack. All of these can affect the quality or cause interruption in the provision of services.

Changes in temperature and precipitation patterns associated with climate change may increase the energy consumption of telecommunications networks or cause service interruption due to extreme temperature waves, floods or extreme weather phenomena, for which we have processes in place that allow us to respond in the most timely manner to each of these situations.

28.3 Financial Risks

The Company is exposed to risks from commercial loans granted to customers that have an impact on expected collections.

The Company is exposed to possible loss of value of assets associated with non-compliance or delay in the contractual payment obligations of its counterparties, either due to: (i) insufficient financial capacity, or (ii) unwillingness to pay, putting at risk the associated future revenues.

The deterioration of the economic or political environment may adversely affect the Company's business.

The Company is exposed to local legislation, the political and economic environment of the country and the world, so its financial situation and operating results may be affected by factors such as significant variations in the exchange rate, the perception of country risk and/or the hardening of geopolitical tensions. The Colombian economy is highly exposed to the flow of capital from other economies due to its dependence on raw materials and the high proportion of foreign currency debt with respect to the country's total debt.

Therefore, its macroeconomic and financial stability may be affected by changes in commodity prices and global financial conditions.

The Company faces risks related to its level of financial indebtedness, financing capacity and ability to carry out its business plan.

The operation, expansion and enhancement of the Company's networks, the development and distribution of services and products, the execution of the overall strategic plan, the development and implementation of new technologies, the renewal of licenses, and expansion may require substantial financing. The Company is a relevant and frequent issuer of debt in the capital markets. As of December 31, 2024 and 2023, financial debt amounted to \$ 4,751,480,722 and \$ 4,049,773,830, respectively (Note 18).

A decrease in the Company's liquidity, a difficulty in refinancing debt maturities or in raising new funds as debt or equity, could force the Company to use resources already allocated to investments or other commitments for the payment of its financial debt, which could have a negative effect on the Company's business, financial position, operating results and/or cash flows.

Financing could become more difficult and costly in the event of a significant deterioration of conditions in international or local financial markets, due, for example, to monetary policies set by central banks, both due to possible interest rate hikes and decreases in the supply of credit, increased global political and commercial uncertainty and oil price volatility, or a possible deterioration in solvency or operating performance.

Additionally, given the interrelationship between economic growth and financial stability, the materialization of any of the aforementioned economic, political and exchange rate risk factors could adversely affect the Company's ability and cost to obtain financing and/or liquidity. This, in turn, could therefore have a material adverse effect

on the Company's business, financial condition, operating results and/or cash flows. Finally, any downgrade in credit ratings could lead to an increase in its borrowing costs and could also limit its ability to access credit markets.

Rating of Colombia Telecomunicaciones S. A. E.S.P. BIC and its long-term debt.

As of December 31, 2024, the Company has ratings in force on an international scale by two rating agencies. Standard & Poor's, which has assigned Colombia Telecomunicaciones S. A. ESP BIC a B+ rating both as issuer and for bond issues in the international market, with a positive outlook. On the other hand, Fitch Ratings has assigned a rating of BB+ with a stable outlook.

On the local scale, the Company as issuer, as well as the bonds issued in the local market, has a rating of AA+, accompanied by a stable outlook.

The Company's financial condition and results could be affected if we do not effectively manage our exposure to foreign currency exchange rates or interest rates.

Interest rate risk arises primarily from changes in interest rates that affect: (i) the financing costs of floating rate debt (or debt with short-term maturities and foreseeable renewal); and (ii) the value of long-term liabilities with fixed interest rates.

Risk Management Policy

The Company may be exposed to various financial market risks as a result of: i) the normal course of its business and ii) the financial debt contracted to finance its business. The main risks are exchange rate, interest rate, liquidity and credit risks. No significant impacts were identified in the financial risk assessment process.

Interest Rate Risk

This risk arises mainly from changes in interest rates that affect: i) the financial costs of debt at variable rates and/or short-term debt negotiations at fixed interest rates and, ii) long-term liabilities at fixed interest rates.

Liquidity Risks

The Company is exposed to liquidity risk mainly due to imbalances between cash requirements and sources of funds. As a mitigation strategy, the

Company has high liquidity assets and unused lines of credit available, in addition to the alternative of performing rollover in financial obligations.

Credit Risk

Credit risk arises from cash and cash equivalents (deposits in banks and financial institutions), as well as credit exposure to wholesale and retail customers, which includes outstanding balances of accounts receivable and committed transactions.

No significant impacts were identified in the valuation of credit risk; based on the above, Management does not expect the Company to incur significant losses from the performance of its counterparties.

As of December 31, 2024, the Company had the following portfolio of exchange rate and interest rate financial derivatives denominated in their currency of origin, in the following instruments:

Figures in millions	NDF		SORF	IRS IBR	IRS IPC	(margin)	CCIRS
	USD	EUR	USD	COP	IPC	CCIRS	USD
Underlying							
Senior bond	-	-	500	1,498,700	-	500	1,070
Debt in USD/COP			-	600,000	152,410	-	-
Trade accounts	104	22	-	-	-	-	-
Future cash flows	36	-	-	-	-	-	-
	140	22	500	2,098,700	152,410	500	1,070

NDF: Non delivery forwards
IRS: Interest rate swap
CCIRS: Cross currency interest rate swap

Exchange rate risk

The main objective of the exchange rate risk management policy is to protect the value of assets and liabilities denominated in dollars and euros against changes in the exchange rate of the Colombian peso with respect to these currencies.

As of December 31, 2024 and 2023, the Company's debt in US dollars, including the senior bond maturing in 2030, is USD 582 million, equivalent to \$ 2.57 billion, and USD 511 million, equivalent to \$ 1.95 billion, respectively, including interest.

Additionally, considering the ordinary flow of the business, hedges were made on commercial accounts, corresponding to OPEX (Operating Expenses) and CAPEX (Capital Expenditure) invoices in foreign currency, which were recorded in the separate statement of financial position. Finally, highly probable future cash flow hedges were contracted through NDF (Non Delivery Forwards) with terms up to one year to hedge a portion of the OPEX and CAPEX in foreign currency of the budget during the following year. The following is a summary of the balances of assets and liabilities held in U.S. dollars and expressed in thousands of Colombian pesos, respectively, at the end of each period:

The following is the summary of the balances of assets and liabilities held in dollars and expressed in thousands of Colombian pesos respectively at the close of each year:

Figures in thousands of dollars:

	As of December 31	
	2024	2023
Assets		
Cash and cash equivalents (Note 5)	19,949	1,556
Debtors and other receivables (Note 7)	3,136	9,053
Related parties (Note 29)	45,159	70,068
Total assets	68,244	80,677
Liabilities		
Financial obligations (Note 18)	581,666	511,275
Suppliers and accounts payable (Note 20)	108,584	123,986
Related parties (Note 29)	42,092	60,272
Total liabilities	732,342	695,533
Liability position, net	(664,098)	(614,856)

Figures in thousand pesos:

	As of December 31	
	2024	2023
Assets		
Cash and cash equivalents (Note 5)	87,958,133	5,947,110
Debtors and other receivables (Note 7)	13,827,094	34,601,019
Related parties (Note 29)	199,112,805	267,803,399
Total assets	300,898,032	308,351,528
Liabilities		
Financial obligations (Note 18)	2,564,652,644	1,954,118,614
Suppliers and accounts payable (Note 20)	478,763,144	473,880,691
Related parties (Note 29)	185,589,942	230,362,598
Total liabilities	3,229,005,730	2,658,361,903
Liability position, net	(2,928,107,698)	(2,350,010,375)

Interest rate risk

After hedging, the exposure to variable rate is 36 % of the total financial debt, within the framework of a risk management policy in line with the expansionary monetary policy stance of Banco de la República in the medium term.

As of December 31, 2024, the fixed and variable rate debt was as follows:

Figures in millions of pesos:

Fixed-rate debentures	Financial obligations		
	Value (1)	Participation	Rate Index
Debt in COP	865,882	20,0%	Tipo fijo
Cop bond	152,410	3,5%	Tipo fijo
Senior bond	1,763,660	40,8%	Tipo fijo - Sintetico
	2,781,952	64,3%	
Floating rate bonds			
Senior bond	440,915	10,2%	Flotante
Debt in USD	308,641	7,1%	Sofr3M
Debt in COP	796,167	18,4%	IBR3M
	1,545,723	35,7%	
	4,327,675	100,0%	

(1) Interest rate exposure after hedging.

Sensitivity of debt to interest rate changes

A positive and negative interest rate movement of 100 bps was sensitized for the debt. The sensitivity calculation was performed only on the debt exposed to variable interest rates, which represents 36 % of the total. The sensitivity result was as follows:

Sensitivity (1) Impact on results	
(COP \$000)	
+ 100 pb	(15,671,899)
- 100 pb	15,671,899

Derivative Financial Instruments and Risk Management Policy

The breakdown of the Company's derivatives at December 31, 2024, as well as their fair value at that date and the expected maturity schedule by notional value and by type of hedge is as follows:

Derivatives	Fair value (1)	Notional value (2) - Maturities			Total
		2025	2026	Subsequent	
(Amounts in millions of pesos)					
Interest rate hedges:					
Cash flow	(336,880)	-	-	4,409,150	4,409,150
	(336,880)	-	-	4,409,150	4,409,150
Exchange rate hedges:					
Cash flow	879	160,646	-	-	160,646
Fair value	600	616,028	(57,791)	-	558,237
	1,479	776,674	(57,791)	-	718,883
Interest rate and interest rate hedging Change					
Cash flows	352,139	4,303,275	308,641	2,356,985	6,968,901
	352,139	4,303,275	308,641	2,356,985	6,968,901
	16,738	5,079,949	250,850	6,766,135	12,096,934

- (1) Net of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) is presented.
- (2) For interest rate hedging, the positive amount is in terms of fixed payment, for exchange rate hedging, a positive amount means payment in functional currency versus foreign currency.

Country Risk

In the second half of 2024, the Colombian economy showed signs of recovery, accumulating growth of 1.6 %, driven in part by more accessible credit conditions. Inflation, which had been a constant concern, receded faster than expected, reaching 5.20 % y-o-y in December 2024. This brought relief to Colombian households. However, inflation still remains above the 2-4 % target range, preventing Banco de la República from making more aggressive rate cuts, limiting itself to lowering the rate to 9.50 % in December 2024, 350 basis points lower than in December 2023.

On the fiscal front, uncertainty was high in the second half of the year due to the reform that increases central Government transfers to regional Governments (Sistema General de Participaciones) between 2027 and 2038. It could raise the fiscal deficit to 4.7 % of GDP in the long term (compared to 2.8 % of GDP without reform). Therefore, the Colombian peso depreciated by 15.3 % in 2024 (USD 1-COP 4,409). In addition, the persistent strength of the US dollar, concerns about Trump's trade and migration policies, falling oil prices, and concerns about local fiscal management supported the fall of the COP. The possibility of not meeting fiscal targets could result in a downgrade of the country's credit rating, currently assessed by Moody's at Baa2 and by S&P and Fitch at BB+.



28.4 Legal and Compliance Risks

The Company is a party to litigation, tax claims, antitrust and other legal proceedings.

The Company operates in highly regulated industries and is and may in the future be party to litigation, tax, antitrust and other legal proceedings in the ordinary course of its business, the outcome of which is unpredictable and may be unfavorable, not only in economic terms, but also because of their impact on the Company's image and reputation, given their possible repercussion in the media. Management evaluates these situations based on the probable, possible and remote nature of their occurrence and the amounts involved, in order to decide on the amounts recognized and/or disclosed in separate financial statements.

An adverse outcome or an out-of-court settlement of these or other current or future litigations or disputes could have an impact on the Company's financial position, results of operations or cash generation. In particular, the Company is currently party to certain solidarity lawsuits, lawsuits for acts of unfair competition filed by other operators, class actions filed by users and tax proceedings in connection with income and CREE income taxes, which are being handled through the respective procedures and channels.

For further details of litigation, fines and penalties, see Note 30 of these separate financial statements.

The Company is exposed to risks in relation to compliance with anti-corruption legislation and economic sanctions programs.

In Colombia, anti-corruption legislation establishes a series of specific obligations and prohibitions, both for companies and their partners, administrators, managers and collaborators, mainly provided for in Laws 599 of 2000 (Criminal Code), 1474 of 2011 (Anti-Corruption Statute), 1778 of 2016 (Law against Transnational Bribery) and 2195 of 2022.

Among other conducts, such rules prohibit offering any object of value to public or private officials, in order to obtain or maintain business or secure any undue business advantage. Likewise, it is prohibited to keep books and records that do not adequately and accurately reflect transactions.

However, with the issuance of Law 2195 of 2022 there was an expansion of the spectrum of conducts considered as acts of corruption that includes crimes against public administration, the environment, economic and social order, financing of terrorism and organized crime groups, administration of resources related to terrorist activities and organized crime, those enshrined in Law 1474 of 2011 or any punishable conduct related to public assets. In that order of ideas, according to the meaning given by the legislator, corruption includes various punishable conducts ranging from agreements restricting competition to environmental pollution, including the crimes of private corruption and unfair administration.

In this sense, due to the nature of its activity and the broad scope of what is understood as acts of corruption in Colombia, the Company's exposure to this risk has increased and, consequently, its probability of occurrence within the framework of the relationship between the Company and its different stakeholders.

In particular, this risk is especially relevant in the relationship between the Company and public officials and/or entities in the institutional, regulatory (it is a regulated activity in different orders), operational (in the deployment of its network, it is subject to obtaining multiple activity permits) and commercial (it provides services directly and indirectly to the Public Administrations) areas.

In addition to having a high exposure to the risk of corruption, the Company is subject to the authority of different regulators and to compliance with various national or extraterritorial regulations, sometimes with shared competencies, making it very difficult to quantify the possible impacts of any non-compliance, taking into account that such quantification must consider not only the economic amount of sanctions, but also the potential negative impact of such sanctions on the business, reputation and/or brand, and even, if applicable, the ability to contract with the Public Administrations.

On the other hand, the Company is committed to develop its activity in compliance with the international sanctions regimes that may be applicable at any time and, consequently, to respect the restrictions and/or prohibitions that are imposed by governments, regulators, and/or other international organizations against governments/ countries, individuals, entities and/or sectors of activity on the occasion of the development of activities that represent a danger to international security, peace or human rights, among others.

For this purpose, the Board of Directors of the Telefónica Group published the Corporate Regulations on sanctions, whose purpose is to define the main control elements to ensure compliance with such regimes in the framework of the relationship with its counterparties, including due diligence processes and controls of payments to suppliers and/or third parties, protection through contractual clauses, training and advice and monitoring of the control model.

The Company has internal policies and procedures in place to ensure compliance with the aforementioned anti-corruption laws and sanctions regulations, but cannot guarantee that these will eliminate the sources of risk, or that the Company's employees, directors, officers, partners, agents and service providers will not act in violation of the regulations and procedures (or, similarly, in violation of the relevant anti-corruption and sanctions laws). For this reason, the Company currently cooperates with governmental authorities (where appropriate, by conducting internal investigations) regarding requests for information potentially related, directly or indirectly, to possible violations of anti-corruption laws. The Company believes that any potential sanctions in connection with these specific requests would not materially affect the Company's financial position, considering its size.

Notwithstanding the foregoing, non-compliance with anti-corruption laws and sanctions could result not only in financial penalties but also in the termination of public contracts, revocation of authorizations and licenses, and the generation of a material adverse effect on the Company's reputation or business, as well as its financial condition, operating results and/or cash flows.

29. RELATED PARTIES

The Ministry of Finance and Public Credit has a 32.5 % interest in Colombia Telecomunicaciones S. A. E.S.P. BIC, the Ministry is an agency of the Colombian Government. The Company provides mobile and fixed telephony services to the Colombian Government under normal market conditions and prices.

During the years 2024 and 2023, the Company made payments to the Colombian Government for contributions to the Ministry of Communications and Information Technologies (MINTIC) for \$ 88,305,530 and \$ 97,918,136 and to the Communications Regulation Commission (CRC) for \$ 8,177,288 and \$ 7,485,687, respectively, on income obtained from the provision of network and telecommunications services.

29.1. Accounts Receivable

The balances of accounts receivable between the Company and its stockholders, subsidiaries, economic affiliates and associated companies are as follows:

Current

a) Shareholders

	As of December 31	
	2024	2023
From outside		
Telefónica Hispanoamérica, S. A. (1)	14,669,812	13,975,400
	14,669,812	13,975,400

(1) Corresponds to support services, support and advice from direct personnel of the Company in the region,

b) Subsidiaries

	As of December 31	
	2024	2023
National		
Operaciones Tecnológicas y Comerciales S.A.S.	85,393	50,800
	85,393	50,800

c) Related Economic

	As of December 31	
	2024	2023
National		
Telefónica Global Solutions Colombia, S.A.S. (1)	17,562,662	10,017,879
Telxius Cable Colombia S.A. (2)	588,721	1,514,809
Telefónica Tech Colombia S.A.S.	414,868	249,777
Wayra Colombia S.A.S.	130,502	87,465
	18,696,753	11,869,930

(1) The increase generated in 2024 is mainly due to the provision of virtual private network and cloud services.

(2) As of December 31, 2024, there is a decrease due to the improvement in collections for the provision of fixed services.

	As of December 31	
	2024	2023
From outside		
Telefónica S.A. (1)	2,345,627	346,693
Telefónica Global Solutions S.L.U. (2)	1,774,079	2,002,538
Telefónica Móviles España S.A. (3)	1,633,808	261,813
Telefónica Global Roaming GmbH (4)	760,480	436,854
Telefónica Móviles Argentina S.A. (3)	677,362	505,246
Otecel S.A.	422,201	462,047
Telefónica Brasil S.A.	339,575	347,002
Telefónica del Perú S.A.A.	277,397	357,332
Telefónica Venezolana C.A.	187,178	160,405
Telefónica Innovación Digital. S.L. (5)	135,513	-
Telefónica Móviles Chile S.A. (6)	133,006	515,260
Terra Networks México. S.A. de C.V.	115,857	143,540
Telefónica Móviles del Uruguay S.A.	19,861	23,268
Pegaso PCS. S.A. DE C.V. (7)	16,694	229,395
Telefónica Germany GMBH & CO OHG	6,306	2,264
	8,844,944	5,793,657
Total Domestic and foreign associates	27,541,697	17,663,587

(1) As of December 31, 2024, the increase is mainly due to reimbursement of taxes associated with employee stock ownership plans for the 2021-2023 period previously paid by Colombia Telecomunicaciones S. A. E.S.P. BIC.

(2) The decrease in the year 2024 is mainly due to the services rendered during the year and the collection of international long distance traffic.

(3) At the end of 2024, the variation is mainly generated by tariff reconciliations and credit notes associated with the roaming service.

(4) Corresponds mainly to the increase in international roaming traffic through local codes (IMSI).

(5) Corresponds to the provision of digital services associated with licenses and internet platforms through television-IPTV protocol and training services in Big Data.

(6) The decrease at the end of 2024 is generated by tariff adjustments in the provision of roaming services and lower traffic.

(7) The decrease at year-end 2024 corresponds to the collection of a portion of the portfolio.

d) Associated Companies

	As of December 31	
	2024	2023
National		
Onnet Fibra Colombia S.A.S. (1)	135,436,331	163,786,122
Telefónica Factoring Colombia S.A.	85,742	331,202
Unired Colombia S.A.S	75,000	-
	135,597,073	164,117,324
From outside		
Telefónica UK Limited	555,708	671,686
Telefónica Factoring España S.A.	2,570	4,996
	558,278	676,682
Total partes relacionadas (Nota 7)	178,452,253	196,483,793
Non-current:		
Associated Companies		
Alamo Holco S.L. (2)	511,044,753	473,931,256
Onnet Fibra Colombia S.A.S (1)	63,884,431	121,304,383
	574,929,184	595,235,639
Total non-current associates	574,929,184	595,235,639
Total related parties (Note 7)	753,381,437	791,719,432

(1) As of December 31, 2024, the net decrease in the current portion corresponds mainly to the settlement of the second tranche of the Earn Out for USD 26.6 million, the transfer from long-term of USD 26.6 million corresponding to the third tranche of the Earn Out with an expected settlement during 2025, and the transfer to long-term of USD 10 million corresponding to the variable of the B2B links of the Earn Out with expected collection between 2026 and 2029. It also includes the impact of the devaluation of the peso against the dollar in 2024 of 15.36 %; and the decrease in the portfolio for recurring deployment services, for \$ 4.50 billion.

The non-current portion presents a net decrease at the end of 2024 due to the transfers from and to the short term mentioned above.

(2) The balance at December 31, 2024 corresponds to the loan granted in the framework of the negotiation of the fiber optic assets in 2022. The increase of \$ 37.11 billion corresponds to the capitalization of the financial interest associated with the loan, as contractually agreed.

The balances in foreign currency of domestic accounts receivable with related parties as of December 31, 2024 and 2023 are USD 45,159 thousand (\$ 199,112,805) and USD 70,068 thousand (\$ 267,803,399), respectively (Note 28).

29.2. Accounts Payable

The balances of liabilities between the Company and its stockholders, subsidiaries and related parties are as follows:

Current

a) Shareholders

	As of December 31	
	2024	2023
From outside		
Telefónica Hispanoamérica S.A. (1)	29,095,103	9,007,064
	29,095,103	9,007,064

(1) The increase as of December 31, 2024 corresponds mainly to the provision of support services, support and advice from personnel in the region to the Company.

b) Subsidiaries

	As of December 31	
	2024	2023
National		
Operaciones Tecnológicas y Comerciales S.A.S. (1)	17,327,939	25,537,901
	17,327,939	25,537,901

(1) The variation presented at the end of 2024 is mainly due to the lower execution of the network deployment project.

c) Economic ties

	As of December 31	
	2024	2023
National		
Telefónica Tech Colombia S.A.S. (1)	47,592,641	38,604,002
Telefónica Global Solutions Colombia. S.A.S. (2)	23,789,854	19,328,806
Telxius Cable Colombia S.A. (3)	22,364,079	31,189,968
	93,746,574	89,122,776

(1) The variation as of December 31, 2024 corresponds mainly to cloud and cybersecurity services provided to corporate customers.

(2) As of December 31, 2024, it includes last mile rental services and project costs of the corporate segment.

(3) It includes international outbound rental services. The decrease as of December 31, 2024 corresponds mainly to compensation for international outbound rental services received and services provided for dark fiber, ducts and real estate.

	As of December 31	
	2024	2023
From outside		
Telefónica Innovación Digital. S.L (1)	32,389,041	25,489,541
Telefónica S.A. (2)	28,453,140	51,999,362
Telefónica Global Solutions S.L.U. (3)	20,775,170	35,024,826
Telefónica Global Technology S.A.U.	15,213,347	14,568,269
Telefónica Global Solutions Usa. Inc	8,918,333	9,505,017
Telefónica Chile Servicios Corporativos LTDA	6,710,568	6,297,835
Telefónica Compras Electrónicas. S.L.	7,964,393	5,579,072
Telefónica Móviles España S.A. (4)	3,582,726	2,235,010
Telefónica IoT & Big Data Tech. S.A. (5)	3,320,069	5,600,288
Telefónica del Perú S.A.A. (6)	2,532,970	5,053,644
Terra Networks México. S.A. de C.V.	2,199,760	2,017,558
Telefónica Global Roaming GmbH	1,184,966	708,825
Telefónica Móviles del Uruguay S.A. (7)	1,624,294	45,772
Pegaso PCS. S.A. DE C.V.	747,395	839,615
Telefónica Servicios Audiovisuales S.A.U.(8)	613,283	1,063,099
Telefónica Móviles Argentina S.A.	592,622	535,787
Telefónica Brasil S.A.	350,550	257,717
Otecel S.A.	215,903	415,465
Telefónica Móviles Chile S.A.	179,822	123,602
Telefónica Venezolana C.A.	161,545	92,526
Acens Technologies S.L.	117,821	62,993
Telefónica Germany GMBH & CO OHG	116,040	50,939
	137,963,758	167,566,762
	231,710,332	256,689,538

(1) Corresponds to Internet protocol television licensing services - (IPTV) during the year 2024.

(2) As of December 31, 2024, there is a decrease due to the payment of obligations for the use of the brand (Brand Fee).

(3) The variation corresponds to lower services rendered during 2024 for interconnection and VPN services.

(4) The increase corresponds to accounts payable for roaming services.

(5) It includes a fee for the use of the Smart M2M platform.

(6) In the year 2023 includes obligations for the purchase of equipment for the customer's home. At year-end 2024, the balance corresponds to roaming services.

(7) Corresponds to consulting and support services received for the adoption of best practices.

(8) The decrease at year-end 2024 corresponds to lower OTT and Streaming services (audio, video and other content transmission services through the Internet).

Associated Companies

	As of December 31	
	2024	2023
National		
Onnet Fibra Colombia S.A.S. (1)	72,750,264	78,638,936
From outside		
Telefónica UK Limited	560,738	198,761
	73,311,002	78,837,697
Total with related parties (Note 20)	351,444,376	370,072,200

1) The balance as of December 31, 2024 corresponds mainly to the liability generated by the FTTH customer connectivity service.

Non-current

	As of December 31	
	2024	2023
Share-based payments		
Telefónica S. A. (1)	3,114,879	3,584,437
Total related parties (Note 20)	3,114,879	3,584,437

(1) Corresponds mainly to obligations for long-term employee benefit plans.

Non-current

(2) Corresponds mainly to obligations for long-term employee benefit plans.

The balances in foreign currency of accounts payable with related parties as of December 31, 2024 and 2023 are USD 42,092 thousand – \$ 185,589,942 and USD 60,272 thousand – \$ 230,362,598 respectively (Note 28).

29.3. Revenues, Costs and Expenses with Related Parties

The Company carries out transactions with its related parties under the same market conditions and mutual independence. The following is a summary of the Company's revenues, costs and expenses with related parties:

a) Shareholders

	Ingresos		Costos y gastos	
	Year ended December 31			
	2024	2023	2024	2023
From outside				
Telefónica Hispanoamérica S.A. (1)	18,649,836	18,171,233	19,782,132	11,315,183
	18,649,836	18,171,233	19,782,132	11,315,183

(1) Includes support and advisory services provided by direct personnel from the Company to the Hispam region and from the region to the Company.

The increase in costs and expenses corresponds mainly to the update of the annuity in the corporate services of the Hispam operating model.

b) Subsidiaries

	Revenues		Costs and expenses	
	Year ended December 31			
	2024	2023	2024	2023
National				
Operaciones Tecnológicas y Comerciales S.A.S. (1)	731,474	729,534	118,990,416	147,243,530
	731,474	729,534	118,990,416	147,243,530

(1) The year-over-year decrease corresponds to lower costs for fiber optic network deployment services and lower labor costs for fixed customer installations.

c) Related Economic

	Revenues		Costs and expenses	
	Year ended December 31			
	2024	2023	2024	2023
National				
Telxius Cable Colombia S.A. (1)	13,382,474	1,846,101	39,372,817	47,344,167
Telefónica Global Solutions Colombia S.A.S. (2)	12,975,338	19,975,878	13,334,547	20,186,378
Telefónica Tech Colombia S.A.S. (3)	1,608,699	1,093,993	66,302,189	62,794,896
Wayra Colombia S.A.S.	445,998	441,236	-	-
	28,412,509	23,357,208	119,009,553	130,325,441

(1) During 2024, there is an increase in revenues from the sale of dark fiber, ducts and real estate. Costs decrease mainly due to the conditions of the contracts that are now recognized as a right of use.

(2) The decrease in revenues in 2024 corresponds mainly to lower cloud and virtual private network services. Costs and expenses in 2024 decrease versus prior year due to lower last-mile leasing services and lower corporate segment project costs.

(3) During 2024, revenue growth versus 2023 is primarily in office leasing services. Cost increased during 2024, mainly due to security services, licensing and corporate project activities.

	Revenues		Costs and expenses	
	Year ended December 31			
	2024	2023	2024	2023
From outside				
Telefónica S.A. (1)	-	-	48,827,596	55,804,534
Telefónica Global Solutions S.L.U. (2)	11,612,692	14,862,090	31,658,964	46,599,079
Telefónica Global Roaming GmbH	3,868,191	3,844,791	1,147,711	1,029,983
Telefónica Brasil S.A.	829,769	971,230	457,436	411,333
Telefónica Móviles Chile S.A.	809,517	1,081,921	225,497	229,630
Telefónica del Perú S.A.A. (3)	785,458	927,384	1,022,409	9,266,472
Telefónica Móviles España S.A. (4)	722,750	846,097	1,068,122	2,380,435
Otecel S.A.	605,814	669,232	418,566	460,014
Telefónica Móviles Argentina S.A.	232,600	300,782	329,215	390,464
Terra Networks México. S.A. de C.V.	205,457	194,367	4,415,255	3,880,708
Telefónica Innovación Digital. S.L. (5)	113,876	-	32,786,031	28,613,975
Pegaso PCS. S.A. DE C.V.	82,814	123,677	928,902	1,237,099
Telefónica Móviles del Uruguay S.A. (6)	44,741	55,221	1,562,368	63,156
Telefónica Germany GMBH & CO OHG	7,561	11,246	159,237	227,171
Telefónica Venezolana C.A.	6,164	996	258,718	179,455
Telefónica Factoring S.A.	-	4,199	-	-
Telefónica Ingeniería de Seguridad S.A.U	-	118,488	-	-
Telefónica Global Technology S.A.U. (7)	-	-	19,198,653	16,998,444
Telefónica Global Solutions Usa. Inc	-	-	13,950,091	10,899,650
Telefónica Compras Electrónicas. S.L.	-	-	11,447,175	9,089,502
Telefónica IoT & Big Data Tech. S.A.	-	-	9,579,077	8,774,182
Telefónica Chile Servicios Corporativos Ltda.	-	-	7,647,951	6,631,997
Telefónica Servicios Audiovisuales S.A.U.	-	-	982,201	1,760,677
Acens Technologies S.L.	-	8,473	54,836	-
Media Network Latin América	-	-	-	1,696,149
Telxius Cable América S.A. (antes TIWS AMERICA)	-	-	-	1,917,141
Telxius Cable Colombia S.A.	-	-	-	959,813
	19,927,404	24,020,194	188,126,011	209,501,063
	48,339,913	47,377,402	307,135,564	339,826,504

(1) There is a decrease in the costs for the use of the Brand Fee brand, mainly due to lower revenues from the sale of terminals compared to 2023.

(2) The year-over-year decrease in revenues was generated by lower international interconnection traffic. In addition, Virtual Private Network (VPN) services, international traffic and media rental decreased compared to the previous year.

(3) During 2024, there was a decrease in costs and expenses for the purchase of fixed equipment, modems and baseports compared to 2023.

(4) The decrease in revenues and costs in 2024 corresponds mainly to lower traffic in roaming services.

(5) During 2024, there will be an increase in expenses mainly for Digital Fee services related to IPTV licenses and platforms.

(6) During 2024, there will be an increase in consulting and support services for the adoption of Hispam best practices.

(7) There is an increase in costs and expenses in 2024 for IT services and application maintenance, mainly SAP and Salesforce.

d) Associated Companies

Operations:	Revenues		Costs and expenses	
	Year ended December 31,			
	2024	2023	2024	2023
National				
Onnet Fibra Colombia S.A.S. (1)	431,069,793	652,004,052	355,411,895	277,716,800
Telefónica Factoring Colombia S.A.	410,695	470,026	-	-
	431,480,488	652,474,078	355,411,895	277,716,800
From outside				
Telefónica UK Limited	2,147,561	2,071,590	273,562	321,398
	2,147,561	2,071,590	273,562	321,398
	501,349,272	720,823,837	801,593,569	776,423,415

- 1) During 2024, there was a decrease in revenues mainly due to: i) the amortization of the exclusivity generated in the sale of the fiber optic assets for \$ 183.39 billion, ii) lower fiber optic network deployment services associated with lower delivery of connected homes for \$ 60.90 billion; and iii) an increase in overcompliance with mass customers due to the Earn Out for \$ 25.38 billion.

The net increase in costs and expenses is mainly due to higher connectivity by customers leveraged by the preference in the fiber optic network nationwide.

The following is a summary of revenue, cost and expense transactions that occurred for the years 2024 and 2023 with parties

	Year ended December 31	
	2024	2023
Fixed services (1)	349,137,665	416,935,715
Roaming income	10,082,924	10,709,543
Fixed interconnection	9,392,533	12,207,633
Digital services	4,204,118	4,756,065
Mobile services	910,807	1,159,374
Terminal equipment window	119,691	90,877
	373,847,738	445,859,207
Subtotal – Operating income with related parties		
Other operating income (2)	127,501,534	274,964,630
Total operating income with related parties	501,349,272	720,823,837
Financial income (3)	75,898,904	111,581,123
Total income with related parties	577,248,176	832,404,960

- 1) As of December 31, 2024 there is a decrease mainly associated to the provision of optical fiber deployment services with Onnet Fibra Colombia S.A.S. and virtual private network services with Telefónica Global Solutions Colombia S.A.S.
- 2) The variation is mainly due to a lower income with Onnet Fibra Colombia due to the amortization of the deferred exclusivity on the sale of fiber optic assets for (\$ 16.86) billion and income recognized in the year 2023 associated to the wholesale agreement of the business with KKR for (\$13.53) billion, which is offset by the income recognized in 2024 due to the effect of the overcompliance with massive clients for the Earn Out for \$ 25.38 billion. Additionally, it includes the income generated in 2024 from the sale of dark fiber, ducts and real estate with Operadora Telxius Cable Colombia S. A. for \$ 12.13 billion and administrative services with Telefónica Hispanoamérica S. A.
- 3) There is a decrease of \$ 22.37 billion in the income generated with Onnet Fibra Colombia S.A.S. due to the financial update on the Earn Out right and the reclassification of overcompliance with massive clients. Additionally, in 2024, financial income associated with the loan granted to Álamo Holdco S.L., which is linked to the sale of fiber optic assets, decreased by \$ 13.33 billion, mainly due to a lower reference rate.

Operating Costs and Expenses:

	Year ended December 31	
	2024	2023
Media rental (1)	412,333,383	354,858,643
Renting and third party activities to customers (2)	127,811,795	174,231,955
Other operating costs and expenses (3)	123,939,658	103,334,667
Advertising	50,056,746	56,392,145
Interconnection and roaming (4)	29,444,268	39,777,059
Cost of terminals	20,603,234	15,188,725
Maintenance	19,542,227	17,951,889
Content providers	17,820,334	14,400,823
Labor and personnel expenses	41,924	287,509
	801,593,569	776,423,415
Total related party transactions	801,593,569	776,423,415
Financial expenses (5)	38,031,995	31,559,055
Depreciation and amortization	7,670	-
Total costs and expenses with related parties	839,633,234	807,982,470

- (1) During 2024 there is a net increase mainly due to FTTH connectivity services with Onnet Fibra Colombia SAS which are partially offset by the updates of the lease agreements which are now recognized as rights of use with Telxius Cable Colombia S.A. Additionally, due to lower international VPN costs associated with corporate projects with Telefónica Global Solutions S.L.U.
- (2) Decrease during 2024 mainly with the operators Operaciones Tecnológicas y Comerciales S. A.S., Telefónica Tech Colombia S.A.S. S. and Telefónica Global Solutions Colombia, S.A.S. S. in labor services in fixed customer installations, cybersecurity services, licenses and lower demand for corporate projects.
- (3) The increase during 2024 corresponds mainly to the corporate services of the regional model with Hispam, the provision of digital services related to licenses and platforms for IPTV with Telefónica Innovación Digital S.L., and fee for the use of Adquiria platforms with Telefónica Compras Electrónicas, S.L. and Smart M2M with Telefónica IoT & Big Data Tech, S.A.S.
- (4) The decrease during 2024 is mainly due to lower charges for international traffic and roaming services with the operators Telefónica Global Solutions S.L.U., Telefónica Móviles España S.A. and Telefónica Global Roaming GmbH.
- (5) The increase in 2024 corresponds mainly to the financial restatement of the Earn Out right associated with the variable of the links of the B2B segment.

29.4. Information on remuneration of key management personnel.

The remuneration received by the Company's key employees according to their hierarchies is presented below:

	Year ended December 31	
	2024	2023
Wages, salaries and other benefits	16,971,594	17,111,496
Management compensation plan (shares and bonus)	7,360,377	4,943,628
Institutional plans	2,915,989	2,936,739
Other benefits	607,133	497,006
Voluntary retirement bonus	-	214,572
	27,855,093	25,703,441

30. CONTINGENCIES

The Company is subject to claims for regulatory, labor, tax assessments and other claims arising in the ordinary course of business. The Company evaluates these situations based on the probable, possible and remote nature of their occurrence and the amounts involved, in order to decide on the amounts recognized and/or disclosed in separate financial statements. This analysis, which may require considerable judgment, includes reviewing legal proceedings instituted against and claims not yet initiated, all supported by reports and evaluation of the Company's legal advisors. A provision is recognized when the Company has a present obligation due to a past event, it is probable that resources will be required to settle the obligation and the amount can be reliably estimated.

As of December 31, 2024, 1,921 lawsuits are in progress, 102 correspond to probable contingencies, 1,044 are classified as possible and 775 as remote.

1. Probable Proceedings

The following is a detail of the processes classified as high probability (Note 21).

	As of December 31,			
	2024		2023	
	Quantity	Value	Quantity	Value
Current:				
Legal proceedings (1)	3	16,363,930	-	-
Administrative user investigations (2)	25	3,982,882	38	5,042,371
	28	20,346,812	38	5,042,371
Non current:				
Labor proceedings (3)	42	2,299,910	32	2,142,757
Other research (4)	3	1,247,804	-	-
Administrative and regulatory investigations (5)	4	1,050,317	9	2,558,260
Judicial Proceedings (1)	25	839,362	29	3,614,498
	74	5,437,393	70	8,315,515
	102	25,784,205	108	13,357,886

- Includes mainly civil and administrative petitions. As of December 31, 2024, the resolution in favor of the third party Radio Televisión Nacional de Colombia was recognized.
- Includes processes related to customer petitions, complaints and claims (PQR), which are in the process of review with the regulator.
- Includes judicial processes that originate in an employment relationship, whether direct or indirect, with the Company, which are being processed before the labor jurisdiction.
- Includes processes related to the protection of users and the proper handling of information in accordance with habeas data regulations.
- Mainly, this includes petitions for administrative and regulatory processes before the Superintendence of Industry and Commerce and the Ministry of Information Technology and Communications of Colombia.

2. Possible Contingencies

The Company is a party in litigation qualified with low probability, which are currently being processed before judicial, administrative and arbitration bodies.

Taking into consideration the reports of the Company's legal advisors in these proceedings, it is reasonable to estimate that these lawsuits will not significantly affect the Company's economic-financial situation or solvency.

a. Legal Proceedings

Proceedings aimed at obtaining a decision by the jurisdictional authority called upon to resolve the disputed matter. They include civil, contentious-administrative, criminal and constitutional proceedings, among others. There are 639 open proceedings classified as possible for \$ 26,648,371.

b. Labor Proceedings

Labor lawsuits seeking payment of labor rights arising from the relationships that the plaintiffs have or have had directly with the Company or with a third party, in the latter case, seeking the solidarity of Colombia Telecomunicaciones S. A. E.S.P. BIC presents 339 open processes classified as possible for \$42,871,830.

c. Administrative Investigations

Proceedings initiated by administrative authorities through the formulation of charges, ex officio or by complaints from third parties, aimed at determining the responsibility of the investigated party in the infringement of regulations.

Contingencies for administrative investigations are classified as follows:

- Taxes: Proceedings under discussion for taxes with different municipalities in the country, corresponding to claims, such as: industry and commerce tax (ICA) and public lighting tax, among others. There are 14 administrative and judicial processes in progress with possible qualification, valued at \$ 5,926,855.
- Petitions, Complaints and Claims: Administrative proceedings initiated by the Superintendence of Industry and Commerce - SIC, due to positive administrative silences, habeas data, or non-compliance with resolutions. There are 27 possible processes reported for \$ 2,520,829.
- Regulatory: Control proceedings for alleged failures to comply with telecommunications regulatory standards. There are 15 possible proceedings for \$6 7,226,180.
- Administrative: Administrative proceedings initiated by investigative oversight authorities of the Superintendence of Industry and Commerce and other administrative entities. There are 10 possible processes for \$ 7,470,156.

31 COMMITMENTS

Infrastructure Sharing with Colombia Móvil S. A.

Resolution 449 of 2013, including its amendments and additions, as well as the resolutions of frequency assignment to each of the telecommunications service operators in Colombia, established that for the sake of an efficient use of the infrastructure, the assignees of the radio electric spectrum must share elements of active and/or passive infrastructure, including that related to the communications network equipment (Core Network and Access Network), towers, poles, channeling and any other required, own or third parties, as long as it does not constitute a spectrum assignment.

In line with the provisions of such resolutions, Colombia Telecomunicaciones S. A. ESP BIC and Colombia Móvil S. A. ESP entered into an alliance on December 2, 2013, to jointly execute the deployment of the Telecommunications Network, under 4G LTE technology. On October 18, 2022, an Addendum N.º 5 to the Alliance was signed to extend its term until December 2, 2028. This alliance allows Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. to share the 4G access network to support the provision of their telecommunications services, under free and competitive conditions without sharing or ceding the spectrum.



Significant Contracts

Below are the contracts signed with suppliers in force as of December 31, 2024, that are considered significant:

Contractor	Subject of the contract	Termination date	Contract value (COP000)
1 ATP FIBER COLOMBIA S. A. S.	The purpose of this agreement is to establish the terms and conditions that shall be applicable between the parties in connection with the provision of services by ATP Fiber to Colombia Telecomunicaciones S.A. E.S.P., connectivity services through a passive optical network.	21/05/2030	724,909,748
2 COBRA INSTALACIONES Y SERVICIOS SUCURSAL S. A.	Service called customer loop consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones S.A. E.S.P.'s facilities.	31/05/2025	709,750,694
3 COMFICA COLOMBIA S. A. S.	Customer loop services consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones' facilities in the area called Bogotá.	30/06/2025	664,081,926
4 ATC Fibra de Colombia S. A. S.	The purpose of this agreement is to establish the terms and conditions that will be applicable between the parties in relation to the provision of connectivity service by ATC over a passive optical network to Colombia Telecomunicaciones.	18/12/2029	571,846,203
5 PHOENIX TOWER INTERNATIONAL COLOMBIA LTDA.	Lease of space in tower.	29/05/2029	552,330,098
6 EMERMEDICA S.A. SERVICIOS DE AMBULANCIA PREPAGADOS	To provide the service of attention, virtual and on-site guidance and/or transfer of patients in a fast, agile and timely manner for any type of medical emergencies occurring at the nationwide facilities of Colombia Telecomunicaciones' offices.	31/08/2026	516,534,019
7 CISCO SYSTEMS INC	Cisco Colombia equipment agreement for Cisco customers, goods and services.	30/04/2025	456,005,398
8 ENERGIA INTEGRAL ANDINA S. A.	Provision of carrier services by Energía Integral Andina S. A. to the subscriber, through its network of the submarine fiber optic cable system called San Andrés Islas - Tolu Colombia.	30/06/2030	438,114,666
9 OPERACIONES TECNOLÓGICAS Y COMERCIALES OPTECOM S.A.S.	The purpose of this contract is the continued performance by the contractor company of the service known as the customer's loop, consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	402,863,796
10 ERICSSON DE COLOMBIA S.A.S.	The contractor shall supply goods and services for the operation of the RAN network in high (1900 MHz, AWS 1700-2100 MHz) and low (700 and 850 MHz) frequencies authorized for the contractor in western Colombia.	31/12/2024	394,551,159
11 HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	The contractor shall supply, as indicated by the contractor, eNodeBs and services for their implementation, de-installation, network management, training and other activities necessary for the operation of the RAN access network in the frequency bands authorized for Colombia Telecomunicaciones S.A. E.S.P. (phase 7 LTE).	31/03/2025	379,455,329

Contractor	Subject of the contract	Termination date	Contract value (COP000)
12 SEGURIDAD ATLAS LTDA.	To provide private security services for the goods, infrastructure and facilities used by the contractor.	30/06/2026	373,131,009
13 YEAPDATA S.A.S.	The contractor shall supply goods, licenses and design, configuration, implementation, maintenance and support services for telecommunications solutions required by the contractor's end customers under the Avaya brand, including managed services and complementary products of said brand.	30/07/2026	368,388,101
14 INMEL INGENIERIA S.A.S.	Customer loop service consisting of the integrated installation and maintenance of infrastructure equipment and telecommunications networks in Colombia Telecomunicaciones' facilities.	31/05/2025	316,782,188
15 ENERGIA INTEGRAL ANDINA S.A.	The purpose of this framework agreement is to regulate the terms and conditions of the legal business (i) the supply by EIASA of transport capacities in San Andrés submarine cable and (ii) the subscription of a lease contract.	31/03/2032	288,321,918
16 ASKEY COMPUTER CORP.	Supply of VDSL, IAD, VDSL Plus modems in DAP and FOB modality.	31/12/2025	284,078,096
17 EMCOMUNTEL S.A.S	Customer loop service consisting of integrated installation and maintenance of telecommunications equipment, infrastructure and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	271,736,987
18 MITRASTAR TECHNOLOGY CORPORATIONS	Supply of VDSL modems, IAD - Light, IAD-Plus, ONT HGU and Baseport in DAP FOB modality.	31/12/2024	270,785,886
19 LITEYCA DE COLOMBIA S.A.S.	Loop service consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks.	31/05/2025	254,106,811
20 ATC SITIOS DE COLOMBIA S.A.S.	Lease of space in sites.	30/08/2025	214,851,603
21 OPERACIONES TECNOLÓGICAS Y COMERCIALES OPTECOM S.A.S.	Design, supervision and auditing services of network projects for the deployment of the FTTH network.	31/03/2025	196,436,960
22 INFINERA COLOMBIA S.A.S.	The contractor shall supply, as indicated by the contractor, technology equipment (BS) and integration, operation and maintenance services for DWDM equipment, including 100/10/1EG/FC/SDH demands and capacities, in the periodicity, place and quantity established by the contractor.	31/12/2026	194,699,070
23 CARIBEMAR DE LA COSTA S. A. S. E.S.P.	Supply of electricity through the non-regulated market for Colombia Telecomunicaciones' facilities.	31/12/2024	193,934,687
24 HAVAS + S.A.S.	Fee media agency 2021.	31/03/2025	191,048,238
25 OPERACION Y GESTION INTEGRAL S.A.S.	Service called customer loop consisting of (i) the integrated installation and maintenance of telecommunications equipment, infrastructure and networks.	31/05/2025	187,647,955



Contractor		Subject of the contract	Termination date	Contract value (COP000)
26	TD SYNEX COLOMBIA LTDA.	The contractor will supply, as indicated by the contracting party, UTM Firewall, web content filter, anti-malware system and proxy. It will also grant software licenses applicable to the Check Point and Blue Coat brands, and will provide the necessary support services, complying with the periodicity, place and quantity established.	30/04/2025	170,582,629
27	HP COLOMBIA S.A.S.	The contractor must supply, according to the contracting party's instructions, computer equipment with associated software, printers, accessories and POS (Point of Sales) solutions for clients of computer workstations (PDTI) and computer sales and purchases, complying with the established periodicity, place and quantity.	31/03/2025	159,007,404
28	PROSEGUR VIGILANCIA Y SEGURIDAD PRIVADA LTDA.	The contractor must provide physical security services for technical and administrative offices and experience centers in the departments of Antioquia, Arauca, Atlántico, Bolívar, Boyacá, Caldas, Casanare, Cesar, Chocó, Córdoba, Guajira, Magdalena, Norte de Santander, Risaralda, San Andrés, Santander and Sucre, according to the periodicity, place and quantity requested by the contractor.	30/06/2026	156,251,294
29	FIBERHOME TELE-COMMUNICATION TECHNOLOGIES CO LTD SUCURSAL COLOMBIA	The Contractor is obliged to supply, with the periodicity, at the place and in the quantity indicated by the contracting party, fiber optic cable.	31/03/2025	150,799,424
30	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA.	The contractor undertakes with the contracting party to supply the goods and services of integration, commissioning, operation and maintenance of the equipment of the HL2, HL3, HL4 and HL5 layers of the CT IP network.	31/12/2026	140,181,924
31	INVERSIONES COPSERVIMOS S. A.	Customer loop service consisting of (i) the integrated installation and maintenance of telecommunications equipment, infrastructure and networks at the facilities of Colombia Telecomunicaciones (hereinafter CT) of the customer or of third parties with whom Colombia Telecomunicaciones enters into contracts.	31/05/2025	135,070,378
32	TELEFONICA TECH COLOMBIA S.A.S.	Services for the development of new cybersecurity and vulnerability management products that facilitate the detection and effective response to multiple types of cyber threats that may arise and have a strong impact on the business model of Telefónica's customers.	31/12/2028	134,221,788
33	ANDEAN TOWER PARTNERS COLOMBIA S.A.S.	ATP rents the leased area to Colombia Telecomunicaciones, which receives it for its use and enjoyment, to house Colombia Telecomunicaciones' equipment and computer networks; and (ii) to provide related services.	30/12/2033	126,773,497
34	UFINET COLOMBIA S. A.	The contractor grants the contracting party the irrevocable right of use (IRU) of eight optical fiber strands for telecommunications, as well as the supply of operation and preventive and corrective maintenance services for the optical fiber.	14/11/2032	126,401,628

Contractor		Subject of the contract	Termination date	Contract value (COP000)
35	INFOMEDIA SERVICE S. A.	Supply of goods, licenses and direct support services from the manufacturer for telecommunications technology such as: routing, switches, access point, including everything for the operation of the equipment.	30/03/2026	125,346,830
36	TELEFONICA TECH COLOMBIA S.A.S.	Supply of equipment, goods, licenses and HW, SW and direct support services from the manufacturer for technology such as: routers, switches and AP's, for the attention of end customers.	30/03/2026	125,346,826
37	ZTE COLOMBIA SAS	The contractor undertakes with the contracting party, with the periodicity, in the place and in the quantity indicated by the contracting party, to supply cards, modules, rack equipment and other goods with the installation, implementation and integration services of CT's NBI management systems SDN solution.	31/12/2026	123,991,673
38	HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	Supply of fiber passives, preconnectorized fiber cable and optical splitter.	31/03/2025	122,579,350
39	SERVICIOS POSTALES National S.A.	The Contractor undertakes with the contracting party to provide nationwide, with the periodicity, in the place and in the amount indicated by the Contractor, the distribution, delivery and reverse logistics services of goods, as well as the documentary legalizations and formalities inherent to the operation.	31/12/2024	121,029,951
40	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA.	The contractor undertakes with the contracting party the supply of goods and services necessary to carry out the development, design, installation, implementation, configuration, testing, commissioning, integration with the SIGRES platform, training, technical support, which allow the expansion of the ADSL 2 ports.	30/04/2025	119,576,842
41	WM WIRELESS & MOBILE S.A.S.	The contractor must provide, as directed by the contracting party, services of the National Community Surveillance Model for 2292 quadrants, including mobile application, installation, updates, geographic traceability, geographic viewer, line transfer, MDM software, call recording, level 3 support, training and development of applications related to the MNVCC.	31/01/2025	109,113,389
42	FSCR INGENIERIA S.A.S.	Customer loop service consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones' facilities.	31/05/2025	108,114,116
43	BLU-CASTLE IBERIA SL	Supply of IPTV equipment.	31/12/2024	104,561,469

32. FINANCIAL INDICATORS - NOT DEFINED IN THE ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACCEPTED IN COLOMBIA

The following are the financial indicators calculated by the Company and which are an integral part of the financial analysis performed:

1) EBITDA

	Year ended December 31,	
	2024	2023
Net income (loss) for the year	(466,957,341)	(680,807,983)
Depreciation, depreciation and amortization (Note 26)	1,052,490,086	1,393,278,306
Interest expense, net (27)	699,823,237	557,922,045
Equity method (Note 12)	76,361,660	41,511,464
Income tax and supplementary taxes (Note 11)	185,979,388	245,826,306
EBITDA	1,547,697,030	1,557,730,138

EBITDA: corresponds to income before depreciation and amortization, financial expense, equity method, and income and deferred taxes.

2) Financial Indicators

The following are the financial indicators calculated by the Company and which are an integral part of the financial analysis performed:

2.1. Indebtedness Ratios

This indicator measures to what extent and in what form short and long-term creditors participate in the Company's financing.

	Year ended December 31,	
	2024	2023
a) Level of total indebtedness (1)	75.682%	70.326%
b) Short-term debt level (2)	38.042%	42.438%

(1) The level of indebtedness shows an increase as of December 31, 2024, mainly due to the acquisition of new debt with financial institutions to refinance maturities during 2024 at current market rates.

(2) The level of short-term indebtedness presents a decrease as of December 31, 2024, mainly due to payment of the local bond for \$ 347 billion in the first half of 2024, in accordance with the maturity schedule.

2.2. Solvency Ratio:

The solvency ratio indicates how much resources are held in assets compared to liabilities.

	Year ended December 31,	
	2024	2023
Solvency ratio (1)	1.321 v	1.422 v

(1) The solvency ratio measures a company's ability to pay its debts. As of December 31, 2024, there is a variation mainly due to the acquisition of new loans as debt reprofiling and working capital at current market rates.

2.3. Profitability ratios:

Profitability is an index that measures the relationship between profits or benefits, the investment or resources that were used to obtain them.

	Year ended December 31,	
	2024	2023
a) Operator's margin(1)	7.422%	2.310%
b) EBITDA margin	23.196%	21.883%

(1) The variation at the end of 2024 is mainly due to a better performance of terminal sales costs and higher margins in fiber optic deployment projects and costs associated with fiber optic access connectivity.

2.4. Liquidity Ratios

These indicate the short-term availability to meet short-term commitments.

	Year ended December 31,	
	2024	2023
a) Net working capital (COP)	(932,650,890)	(1,445,485,840)
b) Current ratio	0.776 times	0.64 times
c) Acid test	0.746 times	0.595 times

These indicators are static measures of the resources available at a given time to meet short-term obligations. In this sense, the analysis of liquidity and short-term solvency is enriched by incorporating future cash flows, thus ensuring the continuity of an ongoing business.

This indicator is influenced by the Company's strategies such as the investment execution cycle, changes in the business strategy such as the deployment of fiber optics where important resources are executed in the transformation of the fixed business for the capture and loyalty of customers.

2.5. Organizational Capacity

	Year ended December 31,	
	2024	2023
a) Return on equity - ROE (1)	(13.255)%	(17.073)%
b) Return on assets	3.418%	1.224%
c) Profitability, net	(6.999)%	(9.564)%

(1) The variation at the end of 2024, compared to the same period of 2023, is due to the decrease in net income, mainly due to the decrease in the deferred tax asset recognized for the useful lives of the assets associated with those subject to the available-for-sale in the single network project. Also, due to the increase in financial expenses on account of the effects of interest generated by the new loans acquired during the year.

(2) The variation at year-end 2024 compared to 2023 corresponds mainly to the net effect between revenues and the associated costs, mainly due to a better margin in terminal sales costs and higher margins in fiber optic deployment projects and costs associated with fiber optic access connectivity.

2.6. Interest coverage

It allows measuring the Company's capacity to meet its obligations associated with financial interests.
Access

	Year ended December 31	
	2024	2023
Interest coverage (1)	1.151 v	0.419 v

(1) The variation of this indicator at the end of 2024 compared to 2023 corresponds to the net effect of: i) a better performance of terminal sales costs and higher margin in fiber optic deployment projects, as well as the costs associated with connectivity for fiber optic accesses, and ii) the increase in financial expenses due to the acquisition of new financial obligations during the year.

3. Operating Information

3.1 Access

	2024				2023
	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31
	(Units 000)				
End customers	24,373	24,421	24,644	24,394	25,112
Fixed services:	3,601	3,625	3,659	3,686	3,680
Baseline(1)	1,203	1,243	1,297	1,343	1,381
Data	1,549	1,531	1,516	1,502	1,471
Television	849	851	846	841	828
Mobile services:	20,772	20,796	20,985	20,708	21,432
Prepaid	15,638	15,622	15,747	15,389	16,001
Postpaid	5,134	5,174	5,238	5,319	5,431

(1) Includes fixed wireless and voice over IP accesses.

3.2. Average revenues per user - ARPU (Average revenues per user)

	2024				2023
	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31
	(COP\$)				
Basic line, broadband and television (1)	39,531	36,174	36,946	34,522	35,030
Total Mobile (2)	10,224	9,960	10,008	10,636	9,983
Prepaid	2,714	2,429	2,330	2,446	2,428
Postpaid	32,959	32,656	33,000	34,202	32,320

(1) Includes monthly fixed tariffs for traditional products and connectivity.

(2) Excludes revenues from Mobile Virtual Network Operators - MVNOs.

33. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Between January 01, 2025 and the date of issuance of the separate financial statements, no significant events have occurred that could affect the Company's financial position.



Report of the statutory auditor on the compliance by the directors with the statutory provisions and the orders and instructions of the Assembly, on the existence of adequate internal control, conservation and custody measures for the Company's assets or those of third parties in the Company's possession, and on the effectiveness of the financial reporting process controls.

To the shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC

Description of the Main Issue

In the performance of my duties as statutory auditor of Colombia Telecomunicaciones S.A. E.S.P. BIC, and in accordance with the provisions of sections 1 and 3 of article 209 of the Commercial Code and Annex 1 of Chapter I of Title V of Part III of the Basic Legal Circular issued by the Financial Superintendence of Colombia, I am required to inform the Assembly whether during the year ended December 31, 2024, the Company had and maintained adequate measures for internal control, conservation and custody of its assets and those of third parties in its possession. I am also required to report on the proper compliance by the Company's administrators with certain regulatory aspects established in various legal and statutory norms.

The criteria considered for evaluating the aforementioned matters include: a) the Company's bylaws, the minutes of the Assembly, and the legal and regulatory provisions under the jurisdiction of my duties as statutory auditor, and b) the components of the internal control system that Management and those charged with governance of the Entity deem necessary for the adequate and timely preparation of its financial information.

Management's Responsibility

The Entity's Management is responsible for establishing and maintaining an adequate internal control system to safeguard its assets and those of third parties in its possession, and to ensure proper compliance with the bylaws and the decisions of the Assembly. To fulfill these responsibilities, Management must apply judgment to evaluate the expected benefits and related costs of control procedures. These procedures are intended to provide Management with reasonable, but not absolute, assurance that assets are safeguarded against loss through unauthorized use or disposition, that the Entity's operations are executed and recorded appropriately, and to enable the preparation of financial statements free from material misstatement due to fraud or error and in accordance with Colombian Accounting and Financial Reporting Standards.



**To the shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC**

Statutory Auditor's Responsibility

My responsibility as statutory auditor is to perform an assurance engagement to express a conclusion, based on the procedures executed and the evidence obtained, on whether the acts of the Entity's administrators conform to the bylaws and the orders or instructions of the Assembly, on whether the internal control measures established by the Entity's Management to safeguard its assets or those of third parties in its possession are in place and are adequate, and on the effectiveness of the financial reporting process controls.

I carried out my duties in accordance with information assurance standards accepted in Colombia. These standards demand my compliance with the ethical and independence requirements established in Decree 2420 of 2015, which are based on the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional conduct, and to plan and carry out the procedures I deem necessary to obtain assurance regarding compliance by the Entity's directors with the bylaws and the orders or instructions of the Assembly, on whether the measures for internal control, and the **conservation and custody** of the Entity's or **third parties'** assets held by the Entity as of December 31, 2024, and for the year ending on that date, are in place and are adequate in all material aspects of evaluation, and in accordance with the description of the criteria for the main matter.

The accounting firm to which I belong and of which I am designated as the Entity's statutory auditor applies the International Standard on Quality Control N.º 1 and, consequently, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, professional standards, and legal and regulatory requirements applicable.

Assurance Procedures Carried Out

The aforementioned auditing provisions require that I plan and perform assurance procedures to obtain reasonable assurance about whether the internal controls implemented by the Entity are properly designed and operate effectively. The assurance procedures selected depend on the statutory auditor's judgment, including the assessment of the risk of material misstatement in the financial statements due to fraud or error, and that an adequate efficiency and effectiveness of the Entity's operations are not achieved. The procedures performed included selective tests of the design and effective operation of the controls that I considered necessary under the circumstances to provide reasonable assurance that the control objectives determined by the Entity's Management are adequate.



**To the shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC**

The assurance procedures carried out were as follows:

- Review of the Entity's bylaws, minutes of the Shareholders' Assembly, and other supervisory bodies, in order to verify proper compliance by the Entity's directors with said bylaws and the decisions made by the Shareholders' Assembly.
- Inquiries with Management regarding changes or proposed reforms to the Entity's bylaws during the period covered, and validation of their implementation.
- Understanding and evaluating the internal control components of the Entity's financial reporting, such as: control environment, risk assessment, information and communication, monitoring of controls, and control activities.
- Understanding how the Entity has responded to emerging risks from information systems.
- Understanding and evaluating the design of relevant control activities in the financial reporting process and their validation to establish that they were implemented by the Entity and are operating effectively.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for the conclusion I express below.

Inherent Limitations

Due to its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements due to fraud or error. Furthermore, it is possible that the results of my procedures may differ or change during the period under review because my report is based on selective tests performed during the period. Additionally, projections of any evaluation of the effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Conclusion

Based on the evidence obtained from the work carried out and described above, and subject to the inherent limitations set forth, I conclude that, during the year ended December 31, 2024, the acts of the Entity's directors conform to the bylaws and the orders or instructions of the Assembly, adequate measures for internal control, and the **conservation and custody** of the Entity's assets or those of third parties in its possession are in place, and the controls over the reporting of financial information operated effectively.



**To the shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC**

This report is issued to the shareholders of Colombia Telecomunicaciones S.A. E.S.P. BIC, **solely to comply** with the requirements established in sections 1 and 3 of article 209 of the Commercial Code, and should not be used for any other purpose.



Julián Andrés Montaña Gaviria
Statutory auditor
Professional card n.º 121760-T
Appointed by PwC Accountants and Auditors S.A.S.
February 18, 2025

