

## Colombia Telecomunicaciones S.A. E.S.P. BIC and its Subsidiary <sup>1</sup>

### On March 31, 2022, and for the three-month period ended March 31, 2022

(Amounts in billions of pesos unless otherwise stated)

Colombia Telecomunicaciones S.A. E.S.P. BIC informs that today, May 13, 2022, the **Condensed Consolidated and Separate Interim Financial Statements** as of March 31 and for the three-month period ended March 31, 2022, has been sent to the Financial Superintendency of Colombia.

### Relevant Matters as of March 31, 2022

X

#### 1. Relevant Matters as of March 31, 2022

Colombia Telecomunicaciones S.A. E.S.P. BIC managed a significant number of transactions during the first quarter of 2022, which are disclosed in Note 1 of the reported financial statements as of the end of March 2022.

**The Company**, at the end of the first quarter of 2022, sustained good performance on financial and operational goals, with solid growth in all services, accelerating commercial activity, boosting the profitability of terminals, and capturing market growth opportunities, supported by the expansion of optic-fiber networks from the sale of the fiber business assets. Therefore, It has driven the Company's transformation and has laid the foundations for future business growth amid a rapidly changing industry and an increasingly competitive market. In the midst of this dynamic and within the framework of Telefónica Hispam's new regional operating model, **the Company** seeks to capture the value of regional scale and make the operation more efficient, guaranteeing customer services, advancing in the agile methodology, and transforming the way of doing things.

#### 2. Impact of the Ukraine-Russia Conflict in Latin America

The conflict between Russia and Ukraine has had significant repercussions in the economic sphere. It is expected that the technology and telecommunications industries in Latin America are not immune to the shockwaves of the conflict and may add new pressure to the chipset and semiconductor industry, among others. However, at the end of the first quarter of 2022, there is no evidence of impacts affecting the Group's results of operations, financial position, and liquidity.

#### I. Operating Results

At the end of the first quarter of 2022, **the Company** continues to present positive commercial growth in the main products amid greater commercial dynamics and the benefit derived from the sale of the optic-fiber assets business, which strengthens the Company operationally and financially.

**The Company's** performance was leveraged on the growth of mobile (+12.9%) and FTTH (+55.0%) customers, digital services in the wireline business, and mobile terminals. **Operating revenues from customer contracts** grew +10.6% year-on-year. **Operating income before depreciation and amortization [EBITDA]** grew by 205.2%.

**The Company's total number of customers** at the end of March 31, 2022, reached 22.1 million, as follows: **mobile customers** totaled 18.9 million (+12.9% year-on-year) after reporting positive net adds (+89k in 1Q 2022).

In postpaid services, net adds in 1Q 2022 reached 123k accesses due to the growth in commercial activity and the containment of churn in a very competitive environment with the entry of a new mobile operator. In the **mobile**

<sup>1</sup> Subsidiary as of March 31, 2022: Empresa Operaciones Tecnológicas y Comerciales S.A.S. - "Optecom".

**wireline business**, we continued to transform fixed connectivity through optic-fiber, with excellent results in the deployment and managing to connect 567k customers (+55.0% year-on-year), representing 47% of the total broadband plant, with 68k net additions in 1Q 2022 (+84.0% year-on-year). In Pay TV, IPTV accesses reached 370k (63% of total Pay TV), partially offsetting the decline in DTH (-30%) in 2022.

## II. Interim Condensed Consolidated Interim Financial Results

### 1. Condensed Consolidated Interim Consolidated Statement of Comprehensive Income

**Total operating revenues** for the first quarter of 2022 reached \$2,436MM, an increase of 69.3% compared to the same quarter of 2021, which include the effect of the sale of the fiber business. **Revenues from customers** reached \$1,563MM, which presented a year-on-year growth of 10.6% (\$1,414MM in 1Q2021), mainly generated by the good performance in all segments in both mobile and fixed services, an outstanding commercial activity capturing market opportunities and accelerating the transformation of fixed connectivity through fiber and differential offerings. **Revenues from handset** sales increased 42.1%, leveraged mainly by the commercial strategy as a result of the offers in the market.

**Other operating income** of \$873MM increased mainly due to the sale of the optic-fiber business during the first quarter of 2022. This transaction generated a net income of \$841MM.

**Operating costs and expenses** reached \$1,218MM in the first quarter of 2022, presenting an increase of 17.1% (\$178MM) compared to the same quarter of 2021, mainly due to commercial costs from the sale of mobile terminals and B2B projects associated with higher revenues, fiber deployment and interconnection due to high traffic.

**EBITDA** - an indicator that measures performance and operating income before depreciation and amortization reached \$1,219MM at the end of the first quarter of 2022, up 205.2% versus the same quarter of 2021, when it totaled \$399MM.

**EBITDA growth** during the first quarter of 2022 has been driven by the sale of the optic-fiber business and the good performance in digital service revenues, the increase in mobile handset sales, and the capture of non-commercial cost efficiencies all when compared to the same quarter of 2021.

**Depreciation and amortization expenses** during the first quarter of 2022 reached \$347MM, with a decrease of 2.9% (\$10MM) compared to the same quarter of 2021. **Financial income net** amounted to \$104MM with a net decrease of 4.1% year-over-year (\$4MM).

**Net income** for the first quarter of 2022 was \$288MM and included an **income tax expense** of \$479MM (net income of -\$101M from the first quarter of 2021).

### 2. Consolidated Statement of Financial Position

**The consolidated total assets** of Colombia Telecomunicaciones S.A. E.S.P. BIC and its subsidiary at the end of March 31, 2022, reached \$13,229MM. **Current assets** total \$2,418MM and **non-current assets** total \$10,811MM. The main changes in assets compared to the closing as of December 31, 2021, are summarized below:

**Current assets** present a net decrease of 14.1% (\$396MM) generated mainly by the sale of the optic-fiber business, recognized at the end of December 2021 as assets held for sale, decrease in the cash and cash equivalents line item due to the use in the prepayment of financial obligations, compensation of the income tax credit balance with tax liabilities in accordance with authorization by the U. A.E. Dirección de Impuestos y Aduanas Nacionales - DIAN, and, on the other hand, greater commercial activity during the first quarter of the year 2022 with an impact on debtors, on the costs of obtaining and fulfilling contracts with customers, and an increase in the inventory stock to meet commercial offers.

**Non-current assets** increased 2.0% (\$213MM) mainly due to the sale of the optic-fiber business, resulting from the recognition of the long-term account receivable, which at the end of March 31, 2022, reached \$665,186 million. In addition, the Company has subscribed shares equivalent to a 40% interest in Alamo HoldCo S.L., for a net of \$130,265 million. On the other hand, deferred assets decrease mainly due to the use of tax credits generated by the offset of the tax profit as of March 2022. As a result of the sale of the optic-fiber business.

**Total consolidated liabilities** reached \$7,932MM at the end of March 31, 2022, and presented a net decrease of 5.5% (\$466MM). The main variations compared to the closing as of December 31, 2021, are summarized below:

**Current liabilities** reached \$2,445MM, which presents a net decrease of 7.3%, mainly due to the offset of tax liabilities related to VAT and withholding tax return payable for the year 2021 with the income tax credit balance for 2020 in accordance with the authorization of the Tax Administration. Additionally, for the payment to suppliers during the first quarter of 2022.

**Non-current liabilities** reached \$5,487MM, presenting a net decrease of 4.8% (\$274MM) mainly due to the prepayment of the credit in foreign currency with a financial entity for USD 132 million. On the other hand, the recognition of the deferred liability for the exclusivity commitment of Colombia Telecomunicaciones S.A. E.S.P. BIC generated by the contract for the supply of connectivity services for the -optic- fiber network business for ten years.

**Consolidated equity, net** at the end of March 31, 2022, reached \$5,297MM with a net increase of 5.6% (\$282MM) generated mainly by the net result of the first quarter of 2022, which was leveraged by the benefit derived from the sale of the fiber business and the good commercial performance.

### III. Subsequent Events

Information related to subsequent events is disclosed in the notes to the Financial Statements.

.....

This document may contain summarized financial information, non-GAAP, or unaudited information. The information contained herein should be read in conjunction with the published Financial Statements and The notes to the Financial Statements. Financial indicators are included in such Financial Statements.

.....

Colombia Telecomunicaciones S. A. E.S.P. BIC and its Subsidiary  
Condensed Consolidated Interim Financial Statements

As of March 31, 2022 and for the three-month period ended March 31, 2022  
with statutory auditor's report

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

---

**Table of Contents**

Statutory Auditor's Report .....	1
Certification of the Legal Representative and Public Accountant .....	4
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Interim Consolidated Statement of Financial Position .....	5
Condensed Consolidated Interim Consolidated Statements of Comprehensive Income .....	6
Condensed Consolidated Interim Statement of Changes in Stockholders' Equity .....	7
Condensed Consolidated Interim Condensed Consolidated Statement of Cash Flows .....	8
Notes to the Condensed Consolidated Interim Financial Statements .....	9

## Certification of the Legal Representative and Public Accountant

To the Shareholders of  
COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC

May 12, 2022

The undersigned Legal Representative and Certified Public Accountant of Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter "the Company") certify that for the issuance of the Condensed Consolidated Interim Consolidated Statement of Financial Position as of March 31, 2022, and the Condensed Consolidated Interim Consolidated Statements of Comprehensive Income, Condensed Consolidated Interim Statement of Changes in Equity and Condensed Consolidated Interim Statement of Cash Flows for the three-month period ended on that date, in accordance with the regulations are made available to the shareholders and third parties, the statements contained therein have been previously verified, and the figures have been faithfully taken from the books of Colombia Telecomunicaciones S. A. E.S.P. BIC and its subsidiary. These explicit and implicit statements are as follows:

1. All assets and liabilities included in the condensed consolidated interim financial statements of the Company and its subsidiary as of March 31, 2022, exist and all transactions included in such condensed consolidated interim financial statements have occurred during the three-month period then ended.
2. All economic events of the Company and its subsidiary during the three months ended March 31, 2022, have been recognized in the condensed consolidated interim financial statements.
3. 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 and its subsidiary as of March 31, 2022.
4. All items have been recognized at their appropriate values, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia - (NCIF).
5. All economic events affecting the Company and its subsidiary have been correctly classified, described, and disclosed in the condensed consolidated interim financial statements.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF MARCH 31, 2022**

(Amounts expressed in thousands of Colombian pesos or unless otherwise stated)

	Notes	As of March, 31		As of December, 31	
		2022		2021	
		(Unaudited)		(Audited)	
		(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5	59.553	223.684.557	145.917	548.069.973
Financial assets	6	76	284.742	15.623	58.679.746
Debtors and other receivables, net	7	308.409	1.158.392.344	230.711	866.557.853
Prepaid expenses	8	73.547	276.244.688	60.613	227.665.541
Contractual assets	9	2.384	8.955.334	2.237	8.403.507
Inventories	10	88.240	331.431.712	78.562	295.081.224
Taxes and public administration	11	111.505	418.815.708	152.968	574.550.585
Assets held for sale	12	-	-	62.632	235.248.343
<b>Total current assets</b>		<b>643.714</b>	<b>2.417.809.085</b>	<b>749.263</b>	<b>2.814.256.772</b>
<b>Non-current assets:</b>					
Financial assets	6	19.754	74.196.432	41.426	155.597.808
Debtors and other receivables, net	7	231.755	870.478.482	56.299	211.461.876
society investment	13	34.681	130.264.565	-	-
Prepaid expenses	8	86.432	324.640.931	73.420	275.766.182
Contractual assets	9	341	1.280.151	291	1.092.113
Right of use assets	14	258.499	970.930.118	213.748	802.845.757
Property, plant and equipment	15	1.149.733	4.318.432.143	1.183.458	4.445.105.434
Investment properties		2.142	8.045.056	2.142	8.045.056
Intangibles	16	262.180	984.755.280	292.071	1.097.027.847
Goodwill	17	360.975	1.355.833.947	365.360	1.372.301.565
Taxes and public administration	11	87.619	329.097.739	85.969	322.900.595
Deferred taxes	11	384.248	1.443.245.190	507.474	1.906.087.454
<b>Total Non-current assets</b>		<b>2.878.359</b>	<b>10.811.200.034</b>	<b>2.821.658</b>	<b>10.598.231.687</b>
<b>Total assets</b>		<b>3.522.073</b>	<b>13.229.009.119</b>	<b>3.570.921</b>	<b>13.412.488.459</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Financial obligations	18	90.211	338.835.150	50.370	189.189.792
Suppliers and accounts payable	19	463.262	1.740.026.192	486.320	1.826.631.482
Contractual liabilities	9	24.369	91.530.517	25.648	96.334.508
Taxes and public administration	11	27.165	102.030.973	96.966	364.206.760
Deferred liabilities	20	10.979	41.233.645	690	2.590.789
Provisions and pension liabilities	21	35.093	131.808.912	42.058	157.970.460
<b>Total current liabilities</b>		<b>651.079</b>	<b>2.445.465.389</b>	<b>702.052</b>	<b>2.636.923.791</b>
<b>Non-current liabilities</b>					
Financial obligations	18	1.279.298	4.805.082.855	1.444.125	5.424.176.346
Suppliers and accounts payable	19	20.784	78.065.622	21.764	81.747.324
Contractual liabilities	9	350	1.314.671	519	1.949.300
Deferred liabilities	20	94.469	354.829.115	2.707	10.167.548
Provisions and pension liabilities	21	65.866	247.397.699	64.661	242.873.323
<b>Total Non-current liabilities</b>		<b>1.460.767</b>	<b>5.486.689.962</b>	<b>1.533.776</b>	<b>5.760.913.841</b>
<b>Total Liabilities</b>		<b>2.111.846</b>	<b>7.932.155.351</b>	<b>2.235.828</b>	<b>8.397.837.632</b>
<b>Total equity, attributable to controlling interests</b>	22	<b>1.410.227</b>	<b>5.296.853.768</b>	<b>1.335.093</b>	<b>5.014.650.827</b>
<b>Total liabilities and shareholders' equity</b>		<b>3.522.073</b>	<b>13.229.009.119</b>	<b>3.570.921</b>	<b>13.412.488.459</b>

Notes 1 to 32 are an integral part of these condensed interim financial statements.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022 and 2021**

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

	Notes	Quarter ended March 31,			
		(Unaudited)			
		2022		2021	
		(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Operating income:					
Income from contracts with customers	23	416.074	1.562.786.174	376.343	1.413.555.158
Other operating income	24	232.540	873.427.369	6.684	25.103.940
		<b>648.614</b>	<b>2.436.213.543</b>	<b>383.027</b>	<b>1.438.659.098</b>
Operating costs and expenses	25	(324.164)	(1.217.567.907)	(276.723)	(1.039.380.449)
<b>Operating profit before depreciation and amortization</b>		<b>324.450</b>	<b>1.218.645.636</b>	<b>106.304</b>	<b>399.278.649</b>
Depreciation and amortization	26	(92.267)	(346.557.210)	(95.046)	(356.994.742)
<b>Operational result</b>		<b>232.183</b>	<b>872.088.426</b>	<b>11.258</b>	<b>42.283.907</b>
Interest expense, net	27	(27.662)	(103.899.688)	(28.850)	(108.363.150)
Participation method	13	(430)	(1.613.836)	-	-
<b>Profit before taxes</b>		<b>204.091</b>	<b>766.574.902</b>	<b>(17.592)</b>	<b>(66.079.243)</b>
Income and supplementary taxes	11	(127.452)	(478.720.763)	(9.272)	(34.822.745)
<b>Net profit for the period</b>		<b>76.639</b>	<b>287.854.139</b>	<b>(26.864)</b>	<b>(100.901.988)</b>
<b>Other comprehensible results:</b>					
<b>Items to be reclassified to the income statement</b>					
Valuation of hedging derivatives, net of tax	11	(1.505)	(5.651.198)	24.115	90.577.590
<b>Other comprehensive income</b>		<b>(1.505)</b>	<b>(5.651.198)</b>	<b>24.115</b>	<b>90.577.590</b>
<b>Net comprehensive income for the period</b>		<b>75.134</b>	<b>282.202.941</b>	<b>(2.749)</b>	<b>(10.324.398)</b>

Notes 1 to 32 are an integral part of these condensed interim financial statements.



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise indicated)

	Subscribed and paid-in capital	Premium on share placement	Reserves	Revaluation surplus and hedging derivatives	Results of post- employment benefit obligations	Accumulated results	Total Equity
(In thousands of US\$)							
<b>Balances as of December 31, 2020</b>	<b>908</b>	<b>2.615.096</b>	<b>18.911</b>	<b>20.466</b>	<b>(3.551)</b>	<b>(1.436.128)</b>	<b>1.215.701</b>
Net profit for the period	-	-	-	-	-	(26.864)	(26.864)
Transfers (Note 22)	-	-	-	(40)	-	40	-
Other comprehensive income for the period (Note 22)	-	-	-	24.115	-	-	24.115
<b>Balances as of March 31, 2021 (Unaudited)</b>	<b>908</b>	<b>2.615.096</b>	<b>18.911</b>	<b>44.541</b>	<b>(3.551)</b>	<b>(1.462.952)</b>	<b>1.212.952</b>
(In thousands of COP\$)							
<b>Balances as of December 31, 2021</b>	<b>908</b>	<b>2.615.096</b>	<b>18.911</b>	<b>107.405</b>	<b>(3.425)</b>	<b>(1.403.802)</b>	<b>1.335.093</b>
Net profit for the period	-	-	-	-	-	76.639	76.639
Constitution of occasional reserves	-	-	27.047	-	-	(27.047)	-
Transfers (Note 22)	-	-	-	(1.038)	-	1.038	-
Other comprehensive income for the period (Note 22)	-	-	-	(1.505)	-	-	(1.505)
<b>Balances as of March 31, 2022 (Unaudited)</b>	<b>908</b>	<b>2.615.096</b>	<b>45.958</b>	<b>104.862</b>	<b>(3.425)</b>	<b>(1.353.172)</b>	<b>1.410.227</b>
(In thousands of COP\$)							
<b>Balances as of December 31, 2020</b>	<b>3.410.075</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>76.869.358</b>	<b>(13.338.880)</b>	<b>(5.394.139.250)</b>	<b>4.566.212.612</b>
Net profit for the period	-	-	-	-	-	(100.901.988)	(100.901.988)
Transfers (Note 22)	-	-	-	(151.752)	-	151.752	-
Other comprehensive income for the period (Note 22)	-	-	-	90.577.590	-	-	90.577.590
<b>Balances as of March 31, 2021 (Unaudited)</b>	<b>3.410.075</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>167.295.196</b>	<b>(13.338.880)</b>	<b>(5.494.889.486)</b>	<b>4.555.888.214</b>
<b>Balances as of December 31, 2021</b>	<b>3.410.075</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>403.414.337</b>	<b>(12.863.307)</b>	<b>(5.272.721.588)</b>	<b>5.014.650.827</b>
Net profit for the period	-	-	-	-	-	287.854.139	287.854.139
Constitution of occasional reserves	-	-	101.588.959	-	-	(101.588.959)	-
Transfers (Note 22)	-	-	-	(3.897.959)	-	3.897.959	-
Other comprehensive income for the period (Note 22)	-	-	-	(5.651.198)	-	-	(5.651.198)
<b>Balances as of March 31, 2022 (Unaudited)</b>	<b>3.410.075</b>	<b>9.822.380.645</b>	<b>172.619.624</b>	<b>393.865.180</b>	<b>(12.863.307)</b>	<b>(5.082.558.449)</b>	<b>5.296.853.768</b>

Notes 1 to 32 are an integral part of these condensed interim financial statements.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022 and 2021**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

Notes	Quarter ended March 31,			
	(Unaudited)			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Net cash flows from operating activities</b>				
	400.702	1.505.049.938	389.267	1.462.097.019
	(390.293)	(1.465.953.797)	(300.815)	(1.129.869.262)
	(25.219)	(94.722.257)	(26.365)	(99.028.779)
	(38.533)	(144.729.326)	(26.191)	(98.372.782)
	(20.050)	(75.310.115)	(14.096)	(52.945.978)
18	(5.510)	(20.694.899)	(4.425)	(16.621.226)
	<b>(78.903)</b>	<b>(296.360.456)</b>	<b>17.375</b>	<b>65.258.992</b>
<b>Net cash flows used in investing activities</b>				
	184.230	691.974.162	-	-
	625	2.346.254	451	1.694.000.00
	(39.365)	(147.857.025)	(43.346)	(162.809.914)
	<b>145.490</b>	<b>546.463.391</b>	<b>(42.895)</b>	<b>(161.115.914)</b>
<b>Net cash flows used in financing activities</b>				
	6.133	23.035.653	2.752	10.335.407
18	(18.956)	(71.197.764)	(17.017)	(63.916.890)
5 y 18	(140.128)	(526.326.240)	(94.105)	(353.462.000)
	<b>(152.951)</b>	<b>(574.488.351)</b>	<b>(108.370)</b>	<b>(407.043.483)</b>
	<b>(86.364)</b>	<b>(324.385.416)</b>	<b>(133.890)</b>	<b>(502.900.405)</b>
	145.917	548.069.973	189.219	710.710.921
	<b>59.553</b>	<b>223.684.557</b>	<b>55.329</b>	<b>207.810.516</b>
	<b>145.917</b>	<b>548.069.973</b>	<b>189.219</b>	<b>710.710.921</b>
	116.865	438.949.908	132.690	498.384.457
	29.052	109.120.065	56.529	212.326.464
	<b>59.553</b>	<b>223.684.557</b>	<b>55.329</b>	<b>207.810.516</b>
	49.561	186.150.994	48.912	183.708.721
	9.992	37.533.563	6.417	24.101.795

Notes 1 to 32 are an integral part of these condensed interim financial statements.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY  
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

**1. GENERAL INFORMATION**

**a) Economic Entity**

Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter referred to as "the Company") was incorporated as a commercial corporation by shares in Colombia through Public Deed No. 1331 of June 16, 2003, with a term until December 31, 2092, and with its main domicile in Bogotá D.C. located at transversal 60 No. 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, thus classified as a public utility company (E.S.P.).

The Company's main corporate purpose is the organization, operation, provision, supply and exploitation of telecommunications activities, networks and 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 services, value added services, satellite services in their different modalities, television services in all their modalities including cable television, broadcasting services, wireless technologies, video, computer application hosting services, data center services, private and public telecommunications network operation services and total information systems operations, services of provision and/or generation of contents and applications, information services and any other activity, product or service qualified as telecommunications, 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, but not limited to, the following 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 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. On November 9 and 8, 2017, the aforementioned control situation was registered in the Chamber of Commerce of Bucaramanga and Barranquilla. 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 No. 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 referred 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 status as a Business Group, indicating that this 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", therefore, upon request of the Company to Optecom, 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 securities corresponding to the 2,330 shares held by Metrotel and Telebucaramanga; and (iii) register Colombia Telecomunicaciones S. A. E.S.P. BIC in the share registry book as a 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 on 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 consists of performing one or more of the activities provided for in Law 1341 of 2009, for providers of networks and services of information and communications technologies and other activities proper and complementary to the information and communications technologies sector. The term of duration of the company is indefinite; the address registered as domicile and main office is located at Calle 74 No. 57 - 35, 2nd floor (Barranquilla, Colombia).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

**b) Bylaw Reform (i) Adoption of the legal status of a Benefit and Collective Interest Company (BIC) and (ii) inclusion of activities that the Company undertakes to develop as a BIC and activities for the provision of security telecommunications solutions.**

In an ordinary meeting held on March 16, 2020, the General Shareholders' Meeting of Colombia Telecomunicaciones S. A. E.S.P. approved (i) the adoption of Colombia Telecomunicaciones S. A. E.S.P. of the legal status of Benefit and Collective Interest Company (BIC) and (ii) to amend articles one and four of the Bylaws to add in the corporate name the expression "Benefit and Collective Interest" or the acronym "BIC" and to include in the corporate purpose the following activities: (a) To acquire goods or contract services from companies of local origin or belonging to women and minorities and to give preference in the execution of contracts to suppliers of goods and services that implement equitable and environmental standards; (b) To create a manual for its employees, in order to consign the values and expectations of the corporation; (c) To disclose to its workers the financial statements of the corporation; (d) Establish a reasonable salary remuneration for its workers and analyze the salary differences between its best and worst paid employees to establish equity standards; (e) Provide employment options that allow workers to have flexibility in the working day and create teleworking options, without affecting the remuneration of its workers; (f) Conduct annual environmental audits on energy, water and waste efficiency and disclose the results to the general public and train employees on the social and environmental mission of the company; (g) Monitor greenhouse gas emissions generated by business activities, implement recycling or waste reuse programs, progressively increase the renewable energy sources used by the company, and encourage its suppliers to conduct their own environmental assessments and audits in relation to electricity and water use, waste generation, greenhouse gas emissions, and use of renewable energies; (h) Encourage volunteer activities and create alliances with foundations that support social works in the interest of the community; and (i) Import, commercialize, install and lease private security and surveillance equipment.

On February 25, 2021, the General Assembly of Holders of Ordinary Bonds 2019 Issue of the Company approved the amendment of article four of the Company's Bylaws under the terms of the approval made by the General Assembly of Shareholders of the Company.

On March 8, 2021, by means of public deed No. 0749 of Notary Office Eleven of the Bogota Circle, the bylaw amendment consisting of the modification of articles one and four of the Company's Bylaws related to the "Name and Nature" and "Corporate Purpose," respectively, was notarized. As of said date, the corporate name of the Company is "COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC," and its corporate purpose included the activities associated with the adoption of the legal status of "Benefit and Collective Interest" (BIC) and the importation, commercialization, installation and leasing of equipment for private security and surveillance.

**c) Transaction with Kohlberg Kravis Roberts ("KKR")**

On January 11, 2022, after obtaining the necessary regulatory authorizations and compliance with certain conditions agreed on July 16, 2021, the operations were 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 business (hereinafter FTTH) to Onnet Fibra Colombia S. A. S. ("Onnet") for an amount equivalent to USD 328.9 million (\$1,307,473.1) million, which had the following effects:

- i. The sale of the fiber optic assets business was received in the amount of USD 187.3 (\$757,190.5) million in cash. As a result of the transaction, Colombia Telecomunicaciones S. A. E.S.P. BIC generated a net operating result of \$840,799 million (Note 24).
- ii. An account receivable equivalent to \$550,282.6 million (USD 141.63) is recognized, on which, simultaneously, a portion is paid in equity instruments corresponding to 40%. Therefore, Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to 40% participation in Alamo HoldCo S.L. This Spanish company owns 100% of the shares of Onnet Fibra Colombia S. A. S. for \$183,409.2 (USD 47.2) and will maintain an account receivable for the transaction of \$366,873.4 million (USD 94.43) million. Additionally, its value increases due to the costs incurred in the acquisition of this minority shareholding for \$15,746.9 million and adjustment as lower value due to the transfer of control, affected by the syndicated financial debt acquired by Onnet Fibra Colombia S. A. S. for \$67,277.7 million (Note 13).
- iii. With the closing of the sale of the fiber optic assets business, the Company derecognized from the Consolidated Financial Statements the assets associated with the business object of the transaction for \$235,180,145 (Note 12).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY  
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

---

- iv. The price of the transaction is based on two concepts: the sale of a business and the exclusivity commitment of Colombia Telecomunicaciones S. A. E.S.P. BIC through the contract for the supply of connectivity services through a fiber-optic network, the latter recognized in deferred liabilities, a current portion for 38,643 million and non-current portion for 349,996 million (Note 20). This exclusivity has a term of 10 years, and therefore its deferral period is the same term on a straight-line basis.
- v. The negotiation included an Earn-Out agreement, which was agreed upon between the parties fundamentally from the analysis of the Master business plan. On March 23, 2022, the modification of the operation entered into with KKR was subscribed in such a way that Colombia Telecomunicaciones S. A. E.S.P. BIC will be able to: (i) receive a higher income by way of an increase in the sale price of the fiber optic business in the amount of USD 50.00 million in cash in three payments over time and (ii) USD 33.33 million for capitalization in Alamo HoldCo S.L. for a total of USD 83.33 million. The Company's interest in Alamo HoldCo S.L., equivalent to 40% of the share capital, will not be altered by the amendment.

Once the sale of the business has materialized, contracts are established between the Company and Onnet Fibra Colombia S. A. S., highlighting the following agreements:

- i. Onnet Fibra Colombia S. A. S. will provide connectivity services to the Company (and other customers) regulated by the sales agreement signed between the parties. The service includes the provision of connectivity services through the infrastructure acquired by Onnet Fibra Colombia S. A. S.
- ii. Onnet Fibra Colombia S. A. S. and the Company have agreed on a fiber-optic network deployment plan, including a fiber-optic network, a primary access network, and MBH (Mobile Backhaul) services. Onnet Fibra Colombia S. A. S. will own this network. Onnet will provide PRST (Provider of Telecommunication Networks and Services) connectivity services to the Company and other operators through this network.
- iii. Operation and maintenance agreements, on which it is agreed that the Company will provide the O&M service at market value over the fiber optic network of Onnet Fibra Colombia S. A. S. This service includes the operation, maintenance, and repair of the passive and active elements of the network.

## **2. OPERATIONS**

### **2.1. Business continuity**

In carrying out its business activities, the Group analyzes the measurement of assets and liabilities, accounting estimates, and appropriate disclosures and the Group's ability to continue as a going concern.

Management continues to have a reasonable expectation that the Group has adequate resources to continue as a going concern for at least the next 12 months and that the going concern basis of accounting remains appropriate. The Group has resources comprising cash and cash equivalents of \$223,684,557, other highly liquid assets, and undrawn credit facilities available at the date of issuance of these Condensed Consolidated Interim Financial Statements.

In addition, to respond to a severe negative scenario, the Group's Management maintains the ability to take mitigating actions to reduce costs, optimize the Group's cash flow and preserve liquidity.

These Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis. They do not include any adjustments to the carrying amounts and classification of reported assets, liabilities, and expenses that might otherwise be required if a going concern basis were not appropriate.

### **2.2. Impact of the Ukraine-Russia Conflict on Latin America**

The conflict between Russia and Ukraine has had significant repercussions in the economic sphere. It is estimated that the technology and telecommunications industries in Latin America are not immune to the shockwaves of the conflict and may add new pressure to the chipset and semiconductor industry, among others. However, at the end of the first quarter of 2022, there is no evidence of impacts that affect the results of operations, financial position, and liquidity of the Group.

The Group has implemented internal control measures through a protocol. Any transaction with third parties located in Russia or third parties from other countries affected by the sanctions imposed by the European Union, the United Kingdom, the United States, and other countries are duly authorized.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

### **2.3. Main Regulatory Matters**

The main regulatory issues as of March 31, 2022, are as follows:

#### **Interconnection**

According to Law 1341 of 2009, network providers must allow interconnection of their networks and access and use of their facilities to any provider that requests it. The interconnection regime under which the Group has its Interconnection contracts in force is found in Title IV of Resolution 5050 of 2016 of the CRC.

On February 11, 2022, the Commission issued Resolution 6522, adjusting the general interconnection rules. Among other provisions, it obliges to offer signaling used within each operator's network, and in case of disagreement, the SIP protocol prevails. Companies that provide VoLTE service to their users must allow VoLTE interconnection to third parties that request it and include at least one interconnection node in the Basic Interconnection Offer with these capabilities. This is a very favorable measure for technological modernization and future reduction of operating costs.

The current tariff scheme for access charges between telecommunications operators is found in Resolution 5050 of 2016 as amended by Resolution 5108 of 2017.

Regarding National Automatic Roaming (RAN), Resolution CRC 5107 of 2017 regulated the price of this essential facility for voice, data, and SMS. Likewise, resolution CRC 5108 of 2018 regulated the volume of discounts and the base price methodology for charging mobile virtual operators.

On May 14, 2021, the regulator modified the conditions of the remuneration of the RAN service with the issuance of CRC resolution 6298. It maintained the current price cap path for voice RAN and defined its application to the geographic scope of the 460 municipalities determined in the regulation itself, at the value of the mobile access charge. The list by municipality also applies to the regulated data RAN price. The list of municipalities will be updated on January 1, 2024.

With the National Numbering Plan modification, the Group complied with the provisions of CRC Resolution 5967 of 2020 within the established deadlines. With this measure, the national long-distance prefixes were eliminated, and the prefix 60 was placed before all fixed national numbering. The coexistence of the two systems was allowed until November 30, 2021. In the phase known as establishment, from December 1, 2021, to February 28, 2022, if the user dials in a previous way, the Group is obliged to include a telephone recording informing of the changes.

For incoming international calls, coexistence runs from September 1, 2021, to January 31, 2022, and establishment from February 1 to May 30, 2022.

### **3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

#### **3.1. Professional Accounting Standards Applied**

##### **3.1.1. Basis of Presentation**

These interim financial statements ended March 31, 2022, and for the three-month period ended on that date have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's latest annual consolidated financial statements as of and for the year ended December 31, 2021 ('latest annual financial statements'). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are important to understand the Group's financial position and performance changes since the last annual financial statements.

These Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for land, buildings, 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 that would otherwise have been carried at amortized cost have been adjusted for changes in fair values attributable to the risks being hedged in the respective effective hedging relationships.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

The Condensed Consolidated Interim Financial Statements are presented in Colombian pesos, the Group's functional currency. All values in Colombian pesos are rounded to the nearest thousand unless otherwise indicated.

The Condensed Consolidated Interim Financial Statements for the year ended March 31, 2022, were authorized for issue by the Chief Executive Officer of Colombia Telecomunicaciones S. A. E.S.P. BIC on May 12, 2022.

### **3.1.2. Condensed Consolidated Interim Financial Statements**

The Group prepares its Condensed Consolidated Interim Financial Statements that include the Group's information as a single company using the full integration methodology, adding its assets, liabilities, and transactions for the period, excluding those transactions carried out between the Company and its subsidiary.

The subsidiary is consolidated since the date on which Colombia Telecomunicaciones S. A. E.S.P. BIC obtains control and will continue consolidated until the date on which such control ceases and/or is disposed of. The subsidiary prepares individual financial statements for the same reporting period as Colombia Telecomunicaciones S. A. E.S.P. BIC, applying uniform accounting policies. All balances, transactions, unrealized gains, and losses arising between Group entities are eliminated.

### **3.1.3. Investments in companies**

#### **3.1.3.1. Investment in Subsidiaries**

The equity method accounts for investments in subsidiaries in which the Group has control by directly owning more than 50% of the capital stock. Under this method, investments are initially recorded at cost and subsequently adjusted, with credit or debit to income, as appropriate, to recognize the share of profits or losses in the subsidiaries after eliminating unrealized intercompany profits. The cash distribution of the profits of these companies is recorded as a reduction in the value of the investment.

In addition, 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.

#### **3.1.3.2. Investments in Associates**

The equity method accounts for investments in associates in which the Group has significant influence. Under this method, investments are initially recorded at cost and subsequently adjusted, with credit or debit to income, as appropriate, to recognize the share of profits or losses in the associate after eliminating unrealized intercompany profits. 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 changes in other equity accounts of the associates, other than income for the year, is also recorded as an increase or decrease in the value of the investments indicated above, with a credit or debit 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 establish 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 establish 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.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

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

**3.1.4. Accounting Estimates and Judgments**

The preparation of Condensed Consolidated Interim Financial Statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia - (hereinafter NCIF) requires the use of certain critical accounting estimates. Based on the preceding, Management makes judgments, estimates, and assumptions that could affect the reported amounts of revenues, costs, expenses, assets, and liabilities at the date of the Condensed Consolidated Interim Financial Statements, including the respective disclosures in future periods. Although they may differ from their final effect, Management believes that the estimates and assumptions used were appropriate in each circumstance.

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 judgments made by management during the three months ended March 31, 2022, were the same as those described and used in the last annual consolidated financial statements as of December 31, 2021.

**3.2. Accounting Policies**

The Group's main accounting policies are described in the accounting policies section of the annual report as of December 31, 2021. The same has been applied for the period covered by these Condensed Consolidated Interim Financial Statements.

**4. REGULATORY CHANGES**

Decree 938 of August 19, 2021, updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia with the mandatory application as of January 1, 2023, mainly incorporating amendments to the standards that had already been compiled by Decrees 2270 of 2019 and 1438 of 2020, which considered the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2019.

The latest annual Consolidated Financial Statements as of December 31, 2021, reflect the regulations incorporated into the accounting framework accepted in Colombia, whose application must be evaluated on a mandatory basis in periods subsequent to January 1, 2022.

**5. CASH AND CASH EQUIVALENTS**

The balance of cash and cash equivalents is as follows:

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Cash	6	23.995	1	5.523
Banks in national and foreign currency	9.993	37.533.563	29.052	109.120.065
Temporary investments (1)	49.554	186.126.999	116.864	438.944.385
	<b>59.553</b>	<b>223.684.557</b>	<b>145.917</b>	<b>548.069.973</b>

Cash and cash equivalents include balances in foreign currency at March 31, 2022 of USD5,965 thousand (\$22,404,719) and at December 31, 2021 of USD 20,405 thousand (\$81,235,570) (Note 28). As of March 31, 2022 and December 31, 2021, the restricted values in banks amount to \$9,329,701 and \$8,667,403, respectively.

The net decrease corresponds mainly to the prepayment of financial obligations for \$526,326 million. Additionally, the payment to suppliers and taxes, and public administrations are offset in part by the resources received from the sale of the fiber optic business (Note 1).



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- 1) Includes investments in collective funds whose rates for the three months ended March 31, 2022, and 2021 ranged between 1.82% and 4.50% and between 0.53% and 1.77%, respectively. At March 31, 2022, there is a Time Deposit of USD 5 million equivalent to \$18,780,150 (December 31, 2021 USD 16 million - \$63,698,560). Yields on temporary investments and bank investments recognized during the three months ended March 31, 2022, and 2021 were \$687,856 and \$900,294, respectively (Note 27).

**6. FINANCIAL ASSETS**

The balance of financial assets as of March 31, 2022, is as follows:

	At fair value through profit or loss	At fair value with changes in OCI	Total financial assets at fair value	At amortized cost	Total financial assets
(In thousands of US\$)					
<b>Current financial assets:</b>					
Deposits and guarantees (1)	-	-	-	76	76
	-	-	-	<b>76</b>	<b>76</b>
<b>Non-current financial assets:</b>					
Hedging instruments (2)	2.841	12.784	15.625	-	15.625
Deposits and guarantees (1)	-	-	-	4.113	4.113
Other financial assets	-	-	-	16	16
	<b>2.841</b>	<b>12.784</b>	<b>15.625</b>	<b>4.129</b>	<b>19.754</b>
	<b>2.841</b>	<b>12.784</b>	<b>15.625</b>	<b>4.205</b>	<b>19.830</b>

	At fair value through profit or loss	At fair value with changes in OCI	Total financial assets at fair value	At amortized cost	Total financial assets
(In thousands of COP\$)					
<b>Current financial assets:</b>					
Deposits and guarantees (1)	-	-	-	284.742	284.742
	-	-	-	<b>284.742</b>	<b>284.742</b>
<b>Non-current financial assets:</b>					
Hedging instruments (2)	10.670.351	48.017.524	58.687.875	-	58.687.875
Deposits and guarantees (1)	-	-	-	15.448.557	15.448.557
Other financial assets	-	-	-	60.000	60.000
	<b>10.670.351</b>	<b>48.017.524</b>	<b>58.687.875</b>	<b>15.508.557</b>	<b>74.196.432</b>
	<b>10.670.351</b>	<b>48.017.524</b>	<b>58.687.875</b>	<b>15.793.299</b>	<b>74.481.174</b>

- 1) Corresponds to deposits constituted by court order on which the Group is advancing the necessary processes for their resolution.
- 2) As of March 31, 2022, there is a decrease in the valuation of derivative instruments, mainly due to the 5.65% revaluation of the exchange rate compared to the close of the previous year (as of March 31, 2022, for \$3,756.03 and as of December 31, 2021, for \$3,981.16) and due to increases in the Libor and IBR curves associated with hedging instruments.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

The balance of financial assets on December 31, 2021, is as follows:

	At fair value through profit or loss	At fair value with changes in OCI	Total financial assets at fair value	At amortized cost	Total financial assets
	<i>(In thousands of US\$)</i>				
<b>Current financial assets:</b>					
Hedging instruments	9.883	5.656	15.538	-	15.538
Deposits and guarantees	-	-	-	85	85
	<b>9.883</b>	<b>5.656</b>	<b>15.538</b>	<b>85</b>	<b>15.623</b>
<b>Non-current financial assets:</b>					
Hedging instruments	37.054	288	37.342	-	37.342
Deposits and guarantees	-	-	-	4.068	4.068
Other financial assets	-	-	-	16	16
	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.084</b>	<b>41.426</b>
	<b>9.883</b>	<b>5.656</b>	<b>15.538</b>	<b>4.169</b>	<b>57.049</b>
	At fair value through profit or loss	At fair value with changes in OCI	Total financial assets at fair value	At amortized cost	Total financial assets
	<i>(In thousands of COP\$)</i>				
<b>Current financial assets:</b>					
Hedging instruments	37.119.411	21.242.363	58.361.774	-	58.361.774
Deposits and guarantees	-	-	-	317.972	317.972
	<b>-</b>	<b>-</b>	<b>-</b>	<b>317.972</b>	<b>58.679.746</b>
<b>Non-current financial assets:</b>					
Hedging instruments	139.176.134	1.082.716	140.258.850	-	140.258.850
Deposits and guarantees	-	-	-	15.278.958	15.278.958
Other financial assets	-	-	-	60.000	60.000
	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.338.958</b>	<b>155.597.808</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.656.930</b>	<b>214.277.554</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**7. DEBTORS AND OTHER ACCOUNTS RECEIVABLE, NET**

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

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current</b>				
Customers by sale and provision of services (1)	247.060	927.963.757	212.805	799.300.127
Portfolio by equipment sold at installments (2)	85.499	321.134.947	52.090	195.653.155
Other debtors (3)	55.415	208.142.645	52.871	198.587.441
Related parties (Note 29) (4)	24.179	90.816.395	9.692	36.403.454
Portfolio with national operators	11.266	42.315.501	11.108	41.721.179
Commercial agents and distribution channels (5)	4.628	17.383.921	5.291	19.871.557
Portfolio Impairment (7)	(119.638)	(449.364.822)	(113.146)	(424.979.060)
	<b>308.409</b>	<b>1.158.392.344</b>	<b>230.711</b>	<b>866.557.853</b>
<b>Non-current:</b>				
Related parties (Note 29) (4)	177.098	665.186.151	-	-
Customers by sale and provision of services (1)	28.302	106.304.057	29.517	110.865.855
Other debtors (3)	13.491	50.669.100	13.918	52.276.847
Portfolio with national operators (6)	12.864	48.319.174	12.864	48.319.174
	<b>231.755</b>	<b>870.478.482</b>	<b>56.299</b>	<b>211.461.876</b>
	<b>540.164</b>	<b>2.028.870.826</b>	<b>287.010</b>	<b>1.078.019.729</b>

Debtors and other accounts receivable include balances in foreign currency as of March 31, 2022 for USD 8,289 thousand (\$31,133,733) and as of December 31, 2021 for USD 8,663 thousand (\$34,488,789) (Note 28).

- As of March 31, 2022, the current portion shows growth mainly due to corporate client projects related to integrated solutions services, equipment, connectivity, and digital services. In the residential segment, growth is due to the great performance of services offered in fiber. The decrease in the non-current portion corresponds to the transfer to the short term of the portfolio with the client Corporación Red Nacional Académica RENATA.
- The portfolio of equipment sold in installments has increased as a result of the greater commercial activity and market strategy with mobile terminals. At the end of 2021, the portfolio of mobile terminals was sold for \$220,810,279.
- The non-current portion presents variation due to transfers to the short term of the real estate portfolio. As of March 31, 2022, the current portion shows a net increase, mainly due to fiber optic deployment projects through turnkey contracts. On the other hand, in the first quarter of 2022, the portfolio decreased due to the sale of real estate.

As of March 31, 2022, and December 31, 2021, includes trust rights for \$32,732,113 and \$32,629,465, respectively, of the Biannual Plan III (Note 19).

- The increase in the current portion corresponds mainly to fiber-optic network deployment services. The non-current portion is generated by the sale of the fiber optic business (Note 1).
- As of March 31, 2022, the decrease corresponds mainly to the sales volume compared to the sales presented at the end of 2021.
- The long-term balance corresponds to the portfolio with Avantel, an operator that is undergoing a business reorganization.
- During the quarters ended March 31, 2022 and 2021, portfolio impairment was recognized for \$29,116,219 and \$16,453,068, respectively (Note 25). The increase in the expense during the first quarter of 2022 is mainly due to the commercial activity of the period.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**8. PREPAID EXPENSES**

The balance of prepaid expenses is as follows:

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Cost of equipment at clients' homes (1)	18.780	70.537.981	18.396	69.094.957
Costs for obtaining contracts with clients (2)	18.461	69.338.419	15.385	57.785.556
Cost of fulfilling contracts with clients (3)	12.562	47.184.217	12.966	48.699.570
Radio spectrum (4)	9.955	37.389.675	-	-
Corporate projects and other concepts	6.194	23.268.330	6.045	22.707.670
Support and maintenance	4.802	18.036.773	4.677	17.565.826
Irrevocable use rights - capacity	1.784	6.701.074	1.783	6.701.074
Insurance policies	1.009	3.788.219	1.361	5.110.888
	<b>73.547</b>	<b>276.244.688</b>	<b>60.613</b>	<b>227.665.541</b>
<b>Non-current:</b>				
Costs for obtaining contracts with clients (2)	37.796	141.962.415	32.721	122.901.285
Cost of equipment at clients' homes (1)	28.594	107.399.601	22.633	85.008.529
Cost of fulfilling contracts with clients (3)	17.251	64.795.354	14.750	55.403.298
Support and maintenance	1.702	6.391.158	1.631	6.127.481
Irrevocable use rights - capacity	693	2.605.953	1.228	4.607.344
Insurance policies	396	1.486.450	457	1.718.245
	<b>86.432</b>	<b>324.640.931</b>	<b>73.420</b>	<b>275.766.182</b>
	<b>159.979</b>	<b>600.885.619</b>	<b>134.033</b>	<b>503.431.723</b>

- (1) Amortization for the three months ended March 31, 2022 and 2021 for customer premises equipment costs amounted to \$23,596,460 and \$26,323,905, respectively (Note 25). The non-current portion increases due to higher equipment delivered to customers' premises as a result of increased commercial activity.
- (2) The increase corresponds mainly to higher commercial activity, increasing the commissions due to the acquisition of new customers. Amortization for the three months ended March 31, 2022 and 2021 was \$17,271,722 and \$5,908,951, respectively (Note 25).
- (3) Amortization for the three months ended March 31, 2022 and 2021 was \$16,494,436 and \$17,011,592, respectively (Note 25). The equipment installation service increases the non-current portion at customers' homes due to increased commercial activity during the first quarter of 2022.
- (4) As of March 31, 2022, includes the consideration to the Communications Fund, which will be amortized during 2022.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**9. CONTRACTUAL ASSETS AND LIABILITIES**

The changes in contractual assets and liabilities for the quarter ended March 31, 2022 are as follows:

	As of December 31, 2021	High	Amortization	Transfers	Reversal	As of March 31, 2022
			(In thousands of US\$)			
<b>Current contractual asset (1)</b>						
Contractual asset	2.247	701	(794)	240	-	2.393
Impairment corrections	(10)	(1)	-	-	2	(9)
	<b>2.237</b>	<b>700</b>	<b>(794)</b>	<b>240</b>	<b>2</b>	<b>2.384</b>
<b>Non-current contractual asset (1)</b>						
Contractual asset	291	289	-	(240)	-	341
Impairment corrections	-	-	-	-	-	-
	<b>291</b>	<b>289</b>	<b>-</b>	<b>(240)</b>	<b>-</b>	<b>341</b>
	<b>2.528</b>	<b>989</b>	<b>(794)</b>	<b>-</b>	<b>2</b>	<b>2.725</b>
<b>Current contractual liabilities (2)</b>	25.648	54.581	(56.029)	169	-	24.369
<b>Non-current contractual liability</b>	519	-	-	(169)	-	350
	<b>26.167</b>	<b>54.581</b>	<b>(56.029)</b>	<b>-</b>	<b>-</b>	<b>24.719</b>

	As of December 31, 2021	High	Amortization	Transfers	Reversal	As of March 31, 2022
			(In thousands of COP\$)			
<b>Current contractual asset (1)</b>						
Contractual asset	8.441.180	2.633.898	(2.987.543)	902.626	-	8.990.161
Impairment corrections	(37.673)	(3.719)	-	-	6.565	(34.827)
	<b>8.403.507</b>	<b>2.630.179</b>	<b>(2.987.543)</b>	<b>902.626</b>	<b>6.565</b>	<b>8.955.334</b>
<b>Non-current contractual asset (1)</b>						
Contractual asset	1.093.263	1.091.087	-	(902.626)	-	1.281.724
Impairment corrections	(1.150)	(423)	-	-	-	(1.573)
	<b>1.092.113</b>	<b>1.090.664</b>	<b>-</b>	<b>(902.626)</b>	<b>-</b>	<b>1.280.151</b>
	<b>9.496.770</b>	<b>3.721.266</b>	<b>(2.987.543)</b>	<b>-</b>	<b>6.565</b>	<b>10.235.485</b>
<b>Current contractual liabilities (2)</b>	96.334.508	205.007.096	(210.445.716)	634.629	-	91.530.517
<b>Non-current contractual liability</b>	1.949.300	-	-	(634.629)	-	1.314.671
	<b>98.283.808</b>	<b>205.007.096</b>	<b>(210.445.716)</b>	<b>-</b>	<b>-</b>	<b>92.845.188</b>

(1) As of March 31, 2022, the current contractual asset increased due to transfers from long-term to short-term.

The increase in the non-current portion corresponds to the change of permanence and incentives transferred to corporate customers as of March 31, 2022.

(2) The variation corresponds mainly to the exit of new offers with expired charges and consumption effectiveness vs. prepaid recharges.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**10. INVENTORIES**

The inventory balance is as follows:

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Mobile phones and accessories	41.932	157.498.269	42.265	158.749.397
Materials and equipment (1)	24.632	92.519.440	19.587	73.568.070
Equipment in transit (2)	15.861	59.572.040	11.094	41.669.082
IT equipment	6.501	24.418.339	6.929	26.025.091
	<b>88.926</b>	<b>334.008.088</b>	<b>79.875</b>	<b>300.011.640</b>
Provision for obsolescence (3)	(686)	(2.576.376)	(1.313)	(4.930.416)
	<b>88.240</b>	<b>331.431.712</b>	<b>78.562</b>	<b>295.081.224</b>

During the three-month periods ended March 31, 2022, and 2021, the consumption of inventories carried at the cost of sales was recognized for \$247,780,321 and \$184,887,449, respectively (Note 25).

- (1) The increase as of March 31, 2022, corresponds mainly to modems, equipment for corporate services, and localization equipment required for commercial activities.
- (2) The increase as of March 31, 2022, corresponds to equipment in the nationalization process to service customer installations and commercial offers of mobile smartphones.
- (3) During the three months ended March 31, 2022, and 2021, a provision recovery of \$2,354,040 and a provision of \$249,264, respectively, were recognized (Note 25).

During the first quarter of 2022, the accounting estimate of the provision was changed from 50% for terminals older than 180 days to 100% for terminals older than 360 days, consolidating the criteria for mobile devices and fixed terminals older than 360 days. This generated an impact on the results of a provision recovery of \$1,437 million and a recovery during the first quarter of 2022 of \$917 million generated by the higher commercial activity of the period.

**11. TAXES AND PUBLIC ADMINISTRATIONS**

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

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Balance in favor (1)	91.119	342.247.437	134.028	503.413.747
Tax discounts (2)	16.215	60.902.945	12.893	48.427.397
ICA advances, withholdings and self-withholdings (3)	3.739	14.042.647	6.009	22.570.091
Sales tax withholdings (4)	432	1.622.679	38	139.350
	<b>111.505</b>	<b>418.815.708</b>	<b>152.968</b>	<b>574.550.585</b>
<b>No Current</b>				
Tax discounts (2)	87.619	329.097.739	85.969	322.900.595
	<b>87.619</b>	<b>329.097.739</b>	<b>85.969</b>	<b>322.900.595</b>

- (1) As of March 31, 2022, the net decrease corresponds to compensation with taxes payable in accordance with the authorization of the National Tax and Customs Directorate - DIAN. Additionally, the 2020 income tax return correction is recognized, which decreases the balance in favor, partially offset by the self-withholdings on income for the first quarter of 2022.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (2) The current tax credit at the end of March 31, 2022, corresponds to 50% of the ICA effectively paid. The non-current tax credit corresponds to the VAT paid on the purchase of fixed assets. This discount is increased compared to the end of 2021 due to purchases made during the 2022 period.
- (3) There is a net decrease due to the application of self-withholdings and ICA withholdings in the annual returns for 2021, settled and filed during the first quarter of 2022, and the constitution of self-withholdings and ICA withholdings in 2022.
- (4) Corresponds to VAT withholdings made during the first quarter of 2022, which will subsequently affect the bi-monthly VAT return.

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

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Sales Tax – VAT (1)	15.794	59.322.330	38.849	145.916.990
Withholdings & Self-Withholdings (1)	8.477	31.841.453	53.223	199.906.178
Other current taxes (2)	1.866	7.009.781	1.256	4.715.964
National consumption tax (1)	1.028	3.857.409	2.422	9.098.800
Import taxes (3)	-	-	1.216	4.568.828
	<b>27.165</b>	<b>102.030.973</b>	<b>96.966</b>	<b>364.206.760</b>

- (1) The decrease corresponds mainly to compensation with credit balances in accordance with the authorization of the National Tax and Customs Directorate - DIAN (Dirección de Impuestos y Aduanas Nacionales). The balances presented at the end of the first quarter of 2022 correspond to the declaration of withholding at source, self-withholdings by financial entities, VAT, and consumption tax.
- (2) The increase corresponds to the cellular telephony tax payable by the municipalities during the first quarter of 2022.
- (3) As of March 31, 2022, there are no obligations pending due for import declarations or shipments at tariff fees.

**Provision for Income Tax and Complementary Taxes**

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

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Current income tax	(3.868)	(14.528.347)	(4.886)	(18.350.811)
Casual income tax	(359)	(1.350.152)	(100)	(376.795)
<b>Current income and complementary tax (1)</b>	<b>(4.227)</b>	<b>(15.878.499)</b>	<b>(4.986)</b>	<b>(18.727.606)</b>
Deferred tax:				
Deductible temporary differences (2)	35.225	132.306.878	3.743	14.057.492
Taxable temporary differences (3)	(28.893)	(108.522.842)	234	878.434
Tax credits (4)	(129.557)	(486.626.300)	(8.263)	(31.031.065)
<b>Deferred income tax</b>	<b>(123.225)</b>	<b>(462.842.264)</b>	<b>(4.286)</b>	<b>(16.095.139)</b>
<b>Income tax and complementary</b>	<b>(127.452)</b>	<b>(478.720.763)</b>	<b>(9.272)</b>	<b>(34.822.745)</b>

On September 14, 2021, the Congress of the Republic of Colombia approved the Tax Reform Law 2155. The text of the reform highlights the increase in the income tax rate from 30% to 35% starting in 2022 and the decrease in the benefit from 100% to 50% of the tax discount on industry and commerce tax payments starting in 2022, matters that the Group considers in its condensed consolidated interim financial statements at the end of the first quarter of 2022.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (1) The current tax during the first quarter of 2022 presents a decrease due to the offset of tax credits, and the tax discount is included as current tax. The occasional profit tax presents an increase mainly due to the sale of the fiber optic business.
- (2) The increase corresponds mainly to the sale of the fiber optic business during the first quarter of 2022 due to the impact of exclusivity and useful lives of the assets sold (Note 1). The effect on the deferred tax asset (taxable temporary difference) is recognized at a rate of 35% (according to tax reform Law 2155 of September 14, 2021). Additionally, recognition is made to update the taxable rates for fixed assets.
- (3) The decrease corresponds to the sale of the fiber optic business during the first quarter of 2022, mainly generated by the recognition and recording of the Earnout for USD 83.3 million, for which a 35% rate is applied (Note 1).
- (4) The increase presented during the first quarter of 2022 corresponds to the use of tax losses of the Group, derived from the 2020 income adjustment and restatement of tax credits as of March 31, 2022, at the 35% tax rate.

**Deferred Tax Assets and Liabilities**

On March 31, 2022, the deferred tax asset on temporary differences and tax losses is supported by the Group's strategic plan (2022 - 2024) and projected results (2024 - 2031); at the end of the 2021 period, temporary differences and tax credits were supported by the strategic plan (2022 - 2024) and projected results (2024 - 2031).

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 balance of deferred tax assets and liabilities is presented below:

	As of March, 31		As of December, 31	
	2022	2021	2021	2020
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Deferred tax assets:</b>				
Intangibles and property, plant and equipment	46.585	174.976.503	46.585	174.976.503
Deferred tax for the sale of the fiber optic business	35.225	132.306.878	-	-
Other assets	1.070	4.019.811	1.070	4.019.811
<b>Deferred tax asset on deductible temporary differences (1)</b>	<b>82.880</b>	<b>311.303.192</b>	<b>47.655</b>	<b>178.996.314</b>
<b>Deferred tax asset for tax losses (2)</b>	<b>339.935</b>	<b>1.276.799.053</b>	<b>469.493</b>	<b>1.763.425.353</b>
<b>Total deferred tax asset</b>	<b>422.815</b>	<b>1.588.102.245</b>	<b>517.148</b>	<b>1.942.421.667</b>
<b>Deferred tax liability:</b>				
Taxable temporary differences	38.567	144.857.055	9.674	36.334.213
<b>Total deferred tax liability (1)</b>	<b>38.567</b>	<b>144.857.055</b>	<b>9.674</b>	<b>36.334.213</b>
<b>Total net deferred tax</b>	<b>384.248</b>	<b>1.443.245.190</b>	<b>507.474</b>	<b>1.906.087.454</b>

- (1) The balances as of March 31, 2022, of deferred tax assets and liabilities include the update of income tax rates to 35% as of 2022 in accordance with the provisions of the Tax Reform Law 2155 of September 14, 2021. Additionally, the deferred tax asset for the sale of the fiber optic business is recognized for the deferral of exclusivity and the deferred tax liability generated by the Earn-Out.
- (2) The variation corresponds mainly to the use of the tax credits generated by the compensation of the tax profit calculated as of March 2022 and additionally the use for the correction of the income tax return for the year 2020.

The movement in the valuation of hedges recognized in the Other Comprehensive Income is presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Valuation of hedging instruments (1)	(1.505)	(5.651.198)	24.115	90.577.590
<b>Hedge valuation result, net of taxes</b>	<b>(1.505)</b>	<b>(5.651.198)</b>	<b>24.115</b>	<b>90.577.590</b>



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (1) The decrease during the first quarter of 2022 is due to the 5.65% revaluation of the exchange rate for the period and increases in the Libor and IBR curves associated with the swap instruments.

**Tax Losses**

Management estimates that no significant differences imply the modification of the tax assessed nor the penalties' imposition that implies the recognition of contingencies in the condensed consolidated interim 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.

Below is the summary of tax losses at the closing of March 31, 2022:

<u>Tax</u>	<u>Year of origin</u>	<u>Adjusted losses</u>	<u>Loss compensation</u>	<u>Loss balance</u>
			(In thousands of US\$)	
Rent	Between 2007 y 2017	1.195.385	(303.399)	891.986
CREE	2015	79.251	-	79.251
		<b>1.274.636</b>	<b>(303.399)</b>	<b>971.237</b>

<u>Tax</u>	<u>Year of origin</u>	<u>Adjusted losses</u>	<u>Loss compensation</u>	<u>Loss balance</u>
			(In thousands of COP\$)	
Rent	Between 2007 y 2017	4.489.903.581	(1.139.574.225)	3.350.329.356
CREE	2015	297.667.938	-	297.667.938
		<b>4.787.571.519</b>	<b>(1.139.574.225)</b>	<b>3.647.997.294</b>

**12. ASSETS HELD FOR SALE**

On July 16, 2021, the Board of Directors of Colombia Telecomunicaciones S. A. E.S.P. BIC approved the execution of the sale and purchase agreement for the fiber optic assets owned by the Group with a Colombian company ("InfraCo") controlled by Kohlberg Kravis Roberts ("KKR") (Note 1).

As of December 31, 2021, the net book value of assets classified as assets held for sale of \$235,248,343 corresponds to the cost of \$227,874,728 and VAT of \$7,373,615 on the purchase of fixed assets.

With the closing of the fiber-optic assets business sale, the Group proceeded to derecognize from the Consolidated Financial Statements the assets associated with the business object of the transaction for \$235,180,145.

**13. INVESTMENTS IN COMPANIES**

Investments in companies of the Group were as follows:

<u>Associated</u>	<u>Type of investment</u>	<u>Country / City</u>	<u>As of March, 31</u>		<u>As of December, 31</u>	
			<u>Direct participation</u>	<u>Investment</u>	<u>Direct participation</u>	<u>Investment</u>
				(In thousands of USD\$)		
Alamo HoldCo S.L.	Significant influence	Spain / Madrid	40%	34.681	-	-
				(In thousands of COP\$)		
Alamo HoldCo S.L.	Significant influence	Spain / Madrid	40%	130.264.565	-	-

In accordance with the contract terms for the sale of the fiber optic business, Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to 40% interest in Alamo HoldCo S.L. This Spanish company owns 100% of the shares of Onnet Fibra Colombia S. A. S. (Note 1).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to 40% participation in Alamo HoldCo S.L.. This Spanish company owns 100% of the shares of Onnet Fibra Colombia S. A. S. S. for \$183,409.2 (Note 1). Additional includes the costs incurred in the acquisition of this minority shareholding for \$15,746.9 million, adjustment as lower value for the cession of control for \$67,277.7 million, and a loss for the equity method for the period of \$1,613.8 million.

**Equity method**

The equity method accounts for investments in associated companies in which the Group has a direct equity interest.

The main figures of the company on which the equity method was applied were as follows:

Associated	Active		Passive		Results	
	As of March 31, 2022	As of December 31, 2022	As of March 31, 2022	As of December 31, 2022	Quarter ended March 31, 2022	2021
	(In thousands of USD\$)					
Alamo HoldCo S.L.	483.823	-	362.834	-	(1.074)	-
	<b>483.823</b>	<b>-</b>	<b>362.834</b>	<b>-</b>	<b>(1.074)</b>	<b>-</b>
	(In thousands of COP\$)					
Alamo HoldCo S.L.	1.817.254.733	-	1.362.817.235	-	(4.034.590)	-
	<b>1.817.254.733</b>	<b>-</b>	<b>1.362.817.235</b>	<b>-</b>	<b>(4.034.590)</b>	<b>-</b>

Determination of the equity method:

	Quarter ended March 31, 2022	
	(In thousands of USD\$)	(In thousands of COP\$)
Associated results	(1.074)	(4.034.590)
Participation	40%	40%
Participation method	<b>(430)</b>	<b>(1.613.836)</b>

**14. RIGHTS-OF-USE ASSETS**

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

Concept	As of March, 31 of 2022			As of December, 31 of 2021		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
	(In thousands of USD\$)					
Land and buildings (1)	282.141	(120.758)	161.383	229.374	(110.400)	118.974
Technical installations (1)	153.529	(58.167)	95.362	143.166	(50.421)	92.745
Transport equipment	5.788	(4.034)	1.754	5.452	(3.421)	2.029
	<b>441.458</b>	<b>(182.959)</b>	<b>258.499</b>	<b>377.992</b>	<b>(164.242)</b>	<b>213.748</b>
	(In thousands of COP\$)					
Land and buildings (1)	1.059.728.334	(453.570.241)	606.158.093	861.535.850	(414.666.218)	446.869.632
Technical installations (1)	576.661.061	(218.478.032)	358.183.029	537.733.613	(189.384.557)	348.349.056
Transport equipment	21.741.451	(15.152.455)	6.588.996	20.475.612	(12.848.543)	7.627.069
	<b>1.658.130.846</b>	<b>(687.200.728)</b>	<b>970.930.118</b>	<b>1.419.745.075</b>	<b>(616.899.318)</b>	<b>802.845.757</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

For the three-month periods ended March 31, 2022, and 2021, depreciation expense recognized in the statements of comprehensive income was \$68,357,644 and \$59,789,533, respectively (Note 26).

- 1) The increase in cost as of March 31, 2022, corresponds to the subscription, renewal, and increases in lease fees for land and sites for technical facilities, thus generating higher depreciation expense for the three-month period ended March 31, 2022, compared to the same quarter of 2021.

**15. PROPERTY, PLANT AND EQUIPMENT**

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

Concept	As of March, 31 of 2022			As of December, 31 of 2021		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
	<i>(In thousands of USD)</i>					
Land and buildings (1)	813.517	(455.120)	358.397	813.753	(452.364)	361.389
Switching, access and transmission	2.206.099	(1.582.215)	623.884	2.204.860	(1.549.034)	655.826
Assets under construction (2)	114.368	-	114.368	110.028	-	110.028
Furniture, information and transport equipment	146.801	(93.718)	53.083	145.361	(89.146)	56.215
	<b>3.280.785</b>	<b>(2.131.053)</b>	<b>1.149.733</b>	<b>3.274.002</b>	<b>(2.090.544)</b>	<b>1.183.458</b>

Concept	As of March, 31 of 2022			As of December, 31 of 2021		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
	<i>(In thousands of COP\$)</i>					
Land and buildings (1)	3.055.595.685	(1.709.442.711)	1.346.152.974	3.056.482.879	(1.699.093.671)	1.357.389.208
Switching, access and transmission (2)	8.286.173.778	(5.942.845.283)	2.343.328.495	8.281.521.400	(5.818.218.169)	2.463.303.231
Assets under construction (3)	429.570.132	-	429.570.132	413.267.460	-	413.267.460
Furniture, information and transport equipment	551.388.516	(352.007.974)	199.380.542	545.979.353	(334.833.818)	211.145.535
	<b>12.322.728.111</b>	<b>(8.004.295.968)</b>	<b>4.318.432.143</b>	<b>12.297.251.092</b>	<b>(7.852.145.658)</b>	<b>4.445.105.434</b>

For the three-month periods ended March 31, 2022 and 2021, depreciation expense recognized in income was \$154,204,007 and \$163,422,728, respectively (Note 26).

- (1) Includes provision for decommissioning of sites as of March 31, 2022 and 2021 for \$49,589,200 and \$48,499,953, respectively (Note 21).
- (2) The net decrease corresponds mainly to depreciation in the first quarter of 2022.

The useful life estimate was updated during the first quarter of 2022 according to aging tests for the assets corresponding to fiber optic cable for aerial and terrestrial deployments. The impact on results is a lower value of depreciation of \$1,521,551.

- (3) The variation corresponds to new acquisitions of goods and services for the construction of assets related mainly to the deployment of a 4G mobile network and optical fiber.

**16. INTANGIBLES**

The cost and accumulated amortization of intangible assets are presented below:

Concept	As of March, 31 of 2022			As of December, 31 of 2021		
	Cost	Accumulated	Net book value	Cost	Accumulated	Net value in
	<i>(In thousands of USD)</i>					
Qualifying degrees (1)	611.331	(450.559)	160.772	611.331	(430.164)	181.167
Network and office equipment software (2)	296.153	(204.971)	91.182	293.032	(192.572)	100.460
Rights (3)	16.833	(6.607)	10.226	16.833	(6.389)	10.444
	<b>924.317</b>	<b>(662.137)</b>	<b>262.180</b>	<b>921.196</b>	<b>(629.125)</b>	<b>292.071</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

Concept	As of March, 31 of 2022			As of December, 31 of 2021		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net value in books
	<i>(In thousands of COP\$)</i>					
Qualifying degrees (1)	2.296.177.445	(1.692.311.257)	603.866.188	2.296.177.445	(1.615.707.162)	680.470.283
Network and office equipment software (2)	1.112.358.119	(769.877.054)	342.481.065	1.100.635.127	(723.306.346)	377.328.781
Rights (3)	63.225.314	(24.817.287)	38.408.027	63.225.314	(23.996.531)	39.228.783
	<b>3.471.760.878</b>	<b>(2.487.005.598)</b>	<b>984.755.280</b>	<b>3.460.037.886</b>	<b>(2.363.010.039)</b>	<b>1.097.027.847</b>

For the three-month periods ended March 31, 2022 and 2021, the amortization expense recognized in income was \$123,995,559 and \$133,782,481 (Note 26).

- (1) Includes the renewal of the use of the spectrum of the mobile operation and the economic compensation of the arbitration award for the reversion of assets.
- (2) The decrease corresponds mainly to the amortization of the first quarter of 2022.
- (3) Mainly includes Irrevocable Right of Use - IRUs of Optical Fiber.

## 17. GOODWILL

The changes in Goodwill during the first quarter of 2022 are presented below:

	As of December, 31 of 2021	Low	As of March, 31 of 2022
	<i>(In thousands of USD\$)</i>		
Goodwill	365.360	(4.385)	360.975
	<i>(In thousands of COP\$)</i>		
Goodwill	1.372.301.565	(16.467.618)	1.355.833.947

On January 11, 2022, the sale of the fiber optic business was formalized (Note 1), generating an expense in results during the first quarter of 2022 and a lower value in Goodwill of \$16,467,618, considering the derecognition of the assets associated with the business object of the transaction and that the Group has determined a single business segment or Cash Generating Unit - CGU.

The Business Plan was updated as of March 31, 2022, with the following variables:

### Discount Rate

At the closing of March 31, 2022, a nominal percentage rate calculated in pesos of 10.61% was used.

### Sensitivity to Changes in Assumptions

In accordance with the asset recoverability review process, the WACC as of March 2022 has been determined. Based on the above, the model sensitivities were performed with a step of +/-1% and a WACC rate of 10.61%. In performing the sensitization exercise, no indications of impairment were identified.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**18. FINANCIAL LIABILITIES**

The balance of financial liabilities is presented below:

	As of March, 31 of 2022			As of December, 31 of 2021		
	Value	Rate		Value	Rate	
		Base	Spread		Base	Spread
<b>Current:</b>	(In thousands of USD\$)					
<b>Other obligations:</b>						
Financial leasing (1)	73.664			30.831		
Derivatives financial instruments (2)	9.706			6.063		
Interest payable	6.841			13.476		
	<b>90.211</b>			<b>50.370</b>		
<b>Non-current:</b>						
<b>Financial institutions in national currency</b>						
Financial obligations (3)	371.994	Fija 5,45% IBR3M	1,1% - 2%	371.977	Fija 5,774% IBR3M	2,00%
<b>Financial institutions in foreign currency</b>						
Financial obligations (3)	-			139.912	LIBOR3M	1,75%
<b>Otras obligaciones</b>						
Senior bond (4)	496.792	Fija 4,95%		526.665	Fija 4,95%	
Financial leasing (1)	275.497			272.667		
Local bond (5)	132.920	Fija 6,65% - IPC	3,39%	132.904	Fija 6,65% - IPC	3,39%
Derivatives financial instruments (2)	2.095			-		
	<b>907.304</b>			<b>932.236</b>		
	<b>1.279.298</b>			<b>1.444.125</b>		
	<b>1.369.509</b>			<b>1.494.495</b>		

	As of March, 31 of 2022			As of December, 31 of 2021		
	Value	Rate		Value	Rate	
		Base	Spread		Base	Spread
<b>Current:</b>	(In thousands of COP\$)					
<b>Other obligations:</b>						
Financial leasing (1)	276.685.345			115.801.389		
Derivatives financial instruments (2)	36.457.700			22.771.904		
Interest payable	25.692.105			50.616.499		
	<b>338.835.150</b>			<b>189.189.792</b>		
<b>Non-current:</b>						
<b>Financial institutions in national currency</b>						
Financial obligations (3)	1.397.221.394	Fija 5,45% IBR3M	1,1% - 2%	1.397.156.510	Fija 5,774% IBR3M	2,00%
<b>Financial institutions in foreign currency</b>						
Financial obligations (3)	-			525.513.120,00	LIBOR3M	1,75%
<b>Otras obligaciones</b>						
Senior bond (4)	1.865.967.270	Fija 4,95%		1.978.169.143	Fija 4,95%	
Financial leasing (1)	1.034.773.543			1.024.146.769		
Local bond (5)	499.251.183	Fija 6,65% - IPC	3,39%	499.190.804	Fija 6,65% - IPC	3,39%
Derivatives financial instruments (2)	7.869.465			-		
	<b>3.407.861.461</b>			<b>3.501.506.716</b>		
	<b>4.805.082.855</b>			<b>5.424.176.346</b>		
	<b>5.143.918.005</b>			<b>5.613.366.138</b>		

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

Financial liabilities include balances in foreign currency as of March 31, 2022 of USD 505,088 thousand (\$1,897,125,681) and as of December 31, 2021 of USD 643,333 thousand (\$2,561,211,606), Note 28.

(1) The movement in the finance lease liability for the three-month period ended March 31, 2022, is presented below:

	As of December, 31 of 2021	High	Payments (a)	Transfers	Others (b)	As of March, 31 of 2022
(In thousands of US\$)						
<b>Current</b>						
Financial leasing	30.723	9.428	(24.411)	59.296	(1.428)	73.608
Financial liability - Renting	108	-	(54)	2	-	56
	<b>30.831</b>	<b>9.428</b>	<b>(24.465)</b>	<b>59.298</b>	<b>(1.428)</b>	<b>73.664</b>
<b>Not current</b>						
Financial leasing	272.665	62.128	-	(59.296)	-	275.497
Financial liability - Renting	2	-	-	(2)	-	-
	<b>272.667</b>	<b>62.128</b>	<b>-</b>	<b>(59.298)</b>	<b>-</b>	<b>275.497</b>
	<b>303.498</b>	<b>71.556</b>	<b>(24.465)</b>	<b>-</b>	<b>(1.428)</b>	<b>349.161</b>
(In thousands of COP\$)						
	As of December, 31 of 2021	High	Payments (a)	Transfers	Others (b)	As of March, 31 of 2022
<b>Current</b>						
Financial leasing	115.394.649	35.410.154	(91.690.199)	222.717.822	(5.359.194)	276.473.232
Financial liability - Renting	406.740	-	(202.464)	7.837	-	212.113
	<b>115.801.389</b>	<b>35.410.154</b>	<b>(91.892.663)</b>	<b>222.725.659</b>	<b>(5.359.194)</b>	<b>276.685.345</b>
<b>Not current</b>						
Financial leasing	1.024.138.932	233.352.433	-	(222.717.822)	-	1.034.773.543
Financial liability - Renting	7.837	-	-	(7.837)	-	-
	<b>1.024.146.769</b>	<b>233.352.433</b>	<b>-</b>	<b>(222.725.659)</b>	<b>-</b>	<b>1.034.773.543</b>
	<b>1.139.948.158</b>	<b>268.762.587</b>	<b>(91.892.663)</b>	<b>-</b>	<b>(5.359.194)</b>	<b>1.311.458.888</b>

(a) Includes capital lease payments of \$71,197,764 and interest of \$20,694,899.

(b) Corresponds to payment through cross-checking of accounts between financial liabilities versus financial assets.

2) The increase in the liability valuation of hedging instruments at the end of March 2022 compared to the end of December 2021 corresponds mainly to the revaluation of exchange rates by 5.65% (at March 31, 2022, for \$3,756.03 and on December 31, 2021, for \$3,981.16) and due to increases in the Libor and IBR curves associated with swap instruments.

3) The decrease in the non-current portion as of March 31, 2022 corresponds to the prepayment of the obligation in dollars for USD 132 million (\$526,326 million).

4) Senior Bond:

As of March 31, 2022, and December 31, 2021, the face value of the outstanding senior bond was USD 500 million, equivalent to \$1,878,015 million and \$1,990,580 million, and the associated transaction costs were \$12,048 million and \$12,411 million respectively, measured at amortized cost.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

The characteristics of the issue are summarized below:

Format	Issuing currency	Premiums and discounts	Total amount of issue	Total amount issued	Max. redemption term	Date of issue	Expiry date	Rate/Payment	Use of resources
(In thousands of USD\$)									
R144/RegS	USD\$000	Zero	500.000	500.000	10 years	17-jul-20	17-jul-30	4,95% Biannual	Substitution of Senior Bond for USD750 million

During the periods ended March 31, 2022, and December 31, 2021, interest payable on the bond amounted to \$19,108,802 and \$44,887,579, respectively.

5) Local bond:

As of March 31, 2022, and December 31, 2021, the face value of the local bond is \$500,000 million, and transaction costs of \$749 million and \$809 million, respectively.

The characteristics of the issue are summarized below:

Format	Issuing currency	Premiums and discounts	Total amount of issue	Total amount issued	Max. redemption term	Date of issue	Expiry date	Rate/Payment	Use of resources
(In thousands of USD\$)									
C10	COP\$000	Zero	40.577	40.577	10 years	29-may-19	29-may-29	IPC + 3,39% Biannual	Prepayment of local debt
A5	COP\$000	Zero	92.542	92.542	5 years	29-may-19	29-may-24	6,65% Biannual	
			<b>133.119</b>	<b>133.119</b>					

Format	Issuing currency	Premiums and discounts	Total amount of issue	Total amount issued	Max. redemption term	Date of issue	Expiry date	Rate/Payment	Use of resources
(In thousands of COP\$)									
C10	COP\$000	Zero	152.410.000	152.410.000	10 years	29-may-19	29-may-29	IPC + 3,39% Biannual	Prepayment of local debt
A5	COP\$000	Zero	347.590.000	347.590.000	5 years	29-may-19	29-may-24	6,65% Biannual	
			<b>500.000.000</b>	<b>500.000.000</b>					

At March 31, 2022 and December 31, 2021, interest payable on the bond amounted to \$3,336,700 and \$3,126,808, respectively.

The following are the maturities of the financial obligations as of March 31, 2022:

Maturities	Current			Non-current:			Total non-current	Total
	2021 (1)	2022	2023	2024	2025	Following years		
(In thousands of USD\$)								
Financial obligations	-	-	79.339	292.655	-	-	371.994	371.994
Senior bond	-	-	-	-	-	496.792	496.792	496.792
Financial leasing	73.665	48.258	56.775	37.307	27.323	105.834	275.497	349.162
Hedging instruments	9.705	6.741	8.125	(15.936)	107	3.059	2.096	11.801
Local bond	-	-	92.402	-	-	40.517	132.919	132.919
Interests	6.841	-	-	-	-	-	-	6.841
	<b>90.211</b>	<b>54.999</b>	<b>236.641</b>	<b>314.026</b>	<b>27.430</b>	<b>646.202</b>	<b>1.279.298</b>	<b>1.369.509</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

Maturities	Current		Non-current:				Total non-current	Total
	2021 (1)	2022	2023	2024	2025	Following years		
	(In thousands of COP\$)							
Financial obligations	-	-	298.000.000	1.099.221.394	-	-	1.397.221.394	1.397.221.394
Senior bond	-	-	-	-	-	1.865.967.270	1.865.967.270	1.865.967.270
Financial leasing	276.685.345	181.257.393	213.248.120	140.127.414	102.626.064	397.514.552	1.034.773.543	1.311.458.888
Hedging instruments	36.457.700	25.318.188	30.516.154	-	59.855.186	400.215	11.490.094	7.869.465
Local bond	-	-	347.065.830	-	-	152.185.353	499.251.183	499.251.183
Interests	25.692.105	-	-	-	-	-	-	25.692.105
	<b>338.835.150</b>	<b>206.575.581</b>	<b>888.830.104</b>	<b>1.179.493.622</b>	<b>103.026.279</b>	<b>2.427.157.269</b>	<b>4.805.082.855</b>	<b>5.143.918.005</b>

**19. SUPPLIERS AND ACCOUNTS PAYABLE**

The balance of suppliers and accounts payable is as follows:

	As of March, 31		As of December, 31	
	2022	2021	2021	2020
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Creditors and suppliers (1)	367.439	1.380.112.679	371.110	1.393.896.503
Related parties (2) (Note 29)	51.353	192.883.798	41.335	155.254.693
Suppliers of fixed assets (3)	27.379	102.838.173	55.285	207.653.597
Labor wages payable	7.107	26.692.626	9.823	36.896.515
Spectrum licensing providers (4)	7.098	26.659.049	5.734	21.538.056
Parafiscal contributions	2.886	10.839.867	3.033	11.392.118
	<b>463.262</b>	<b>1.740.026.192</b>	<b>486.320</b>	<b>1.826.631.482</b>
<b>Non-current:</b>				
Spectrum licensing providers (4)	11.660	43.796.111	12.507	46.976.903
Government grants (Note 7)	8.715	32.732.113	8.687	32.629.465
Related parties (2) (Note 29)	409	1.537.398	570	2.140.956
	<b>20.784</b>	<b>78.065.622</b>	<b>21.764</b>	<b>81.747.324</b>
	<b>484.046</b>	<b>1.818.091.814</b>	<b>508.084</b>	<b>1.908.378.806</b>

Suppliers and accounts payable include balances in foreign currency at March 31, 2022 of USD 100,843 thousand (\$378,769,333) and at December 31, 2021 of USD 114,551 thousand (\$456,045,859), Note 28.

- (1) Includes mainly acquisitions of materials and equipment for mobile and fixed network deployment and installation services.
- (2) The increase in the current portion corresponds mainly to the provision of wholesale connectivity services related to the deployment of optical fiber. The decrease in the non-current portion corresponds to reclassification to the short term due to the maturity of obligations associated with the share plan.
- (3) The decrease is mainly due to payments during the first quarter of 2022 for the execution of CAPEX related to the coverage of more homes and more cities in the country, consolidating our commitment to the connectivity of all regions by the end of 2021.
- (4) Includes the balances of obligations to do, renewal of spectrum for the provision of cellular telephony service in March 2014 for ten years, concession right for operation and exploitation of satellite television service for ten years since February 2017, and inter-administrative contract with the Metropolitan Area of Barranquilla until 2028.



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**20. DEFERRED LIABILITIES**

The balance of deferred liabilities is as follows:

	As of March, 31		As of December, 31	
	2022	2021	2022	2021
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Income received in advance				
Other deferred income (1)	10.288	38.643.093	-	-
Government Grants	524	1.967.148	524	1.967.148
Deferred income	167	623.404	166	623.641
	<b>10.979</b>	<b>41.233.645</b>	<b>690</b>	<b>2.590.789</b>
<b>Non-current:</b>				
Income received in advance				
Other deferred income (1)	93.182	349.996.011	-	-
Government Grants	1.287	4.833.104	2.707	10.167.548
	<b>94.469</b>	<b>354.829.115</b>	<b>2.707</b>	<b>10.167.548</b>
	<b>105.448</b>	<b>396.062.760</b>	<b>3.397</b>	<b>12.758.337</b>

- (1) According to the sale of the fiber optic business made on January 11, 2022, to Onnet Fibra Colombia S. A. S. - Onnet (Note 1), the price of the transaction is based on two concepts: the sale of a business, and the exclusivity commitment of Colombia Telecomunicaciones S. A. E.S.P. BIC through the contract for the supply of connectivity services through the fiber-optic network. Said exclusivity has a duration of ten years, and therefore its deferral period is the same term on a linear basis.

**21. PROVISIONS AND PENSION LIABILITIES**

The balance of provisions and pension liabilities is as follows:

	As of March, 31		As of December, 31	
	2022	2021	2022	2021
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
For taxes and consideration (1)	23.987	90.093.418	27.051	101.603.316
Pension liability (2)	5.209	19.563.650	5.209	19.563.650
For employee benefits (3)	3.095	11.625.801	8.030	30.161.385
For contingencies (Note 30)	1.810	6.797.591	694	2.607.434
For voluntary withdrawal	680	2.555.769	704	2.645.120
For tax claims	312	1.172.683	370	1.389.555
	<b>35.093</b>	<b>131.808.912</b>	<b>42.058</b>	<b>157.970.460</b>
<b>Non-current:</b>				
Pension liability (2)	48.777	183.206.688	49.065	184.296.085
For dismantling (4)	13.203	49.589.200	12.913	48.499.953
For contingencies (Note 30)	3.886	14.601.811	2.683	10.077.285
	<b>65.866</b>	<b>247.397.699</b>	<b>64.661</b>	<b>242.873.323</b>
	<b>100.959</b>	<b>379.206.611</b>	<b>106.719</b>	<b>400.843.783</b>

- (1) Includes the provision for industry and commerce tax (ICA), considerations to the Ministry of ICT, and uncollected VAT. The decrease corresponds to the payment of tax obligations during the first quarter of 2022.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (2) The Group recognizes post-employment benefits corresponding to retirement pensions. The post-employment benefit plan in force at the date does not have any asset related to it.
- (3) Includes the incentive to employees for compliance and performance. The decrease corresponds to the payment made in the first quarter of 2022.
- (4) Corresponds to the estimated costs associated with the dismantling or retirement of property, plant, and equipment. There is no expected timetable for the outflow of resources since there is no expectation of its use in the short term (Note 15).

**22. SHAREHOLDERS' EQUITY, NET**

The authorized, subscribed, and paid-in capital as of March 31, 2022, and December 31, 2021, is presented below:

	(In thousands of US\$)	(In thousands of COP\$)
Authorized capital	387.343	1.454.870.740
Subscribed and paid capital	908	3.410.076
Nominal value (in USD and COP \$)	0,0003	1

The equity interest as of March 31, 2022 and December 31, 2021 is presented below:

Shareholders	Number of Shares	Participation
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%
Caja de Previsión Social Municipal	2	0,00000006%
Cooperativa de Empleados de las Empresas Públicas de Bucaramanga Ltda.	2	0,00000006%
Central de Inversiones S.A.- CISA	1	0,00000003%
	<b>3.410.075.788</b>	<b>100,0000000%</b>

The equity interest as of March 31, 2022 did not change compared to the end of December 2021.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**Reserves**

The following is a detail of the reserves:

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Reserves:</b>				
Voluntary reserves (1)	37.347	140.275.496	10.300	38.686.537
Statutory reserves (2)	7.002	26.298.376	7.002	26.298.376
Legal reserve	1.609	6.045.752	1.609	6.045.752
	<b>45.958</b>	<b>172.619.624</b>	<b>18.911</b>	<b>71.030.665</b>

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

- Occasional reserve: The Stockholders' Meeting, by means of minute No.074 of March 16, 2022, constituted a new reserve for \$101,588,959 corresponding to profits obtained during the year 2021, which will be used in accordance with what is established by the Meeting.
- Reserve for future expansions: The balance of this reserve as of March 31, 2022, and December 31, 2021 amounts to \$3,730,162.
- Reserve for share repurchase: The balance on March 31, 2022, and December 31, 2021, is \$31,321.

(2) For tax provisions: The balance as of March 31, 2022, and December 31, 2021, was \$26,298,376. With the issuance of Law 1819 of 2016 (Tax Reform), the rule that established this reserve was repealed; therefore, as of the taxable year 2017, it will not be mandatory to constitute such reserve.

**(a) Other Comprehensive Income**

The Group recognized net (loss) income in Other Comprehensive Income (OCI) for the periods ended March 31, 2022, and 2021 for (\$5,651,198) and \$90,577,590 respectively.

The decrease in the valuation of hedging instruments corresponds mainly to the revaluation of exchange rates 5.65% during the first quarter of 2022 and due to increases in the Libor and IBR curves associated with swap instruments.

**(b) Revaluation surplus net of taxes**

The Group for the periods ended March 31, 2022, and 2021 transferred directly to retained earnings the write-offs and the value equal to the depreciation made to the revalued assets and the corresponding deferred tax for \$3,897,959 and \$151,752, respectively.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**23. OPERATING INCOME**

Revenues from contracts with customers are presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Mobile Services (1)</b>				
Data services	99.134	372.352.087	97.344	365.625.825
Voice services	46.259	173.748.962	42.187	158.456.916
Added value services	12.824	48.168.970	13.617	51.147.634
	<b>158.217</b>	<b>594.270.019</b>	<b>153.148</b>	<b>575.230.375</b>
<b>Fixed services (1)</b>				
Data services	51.208	192.340.242	50.115	188.230.882
Technological capabilities and solutions	59.308	222.759.470	34.962	131.315.505
Fixed voice services	12.562	47.184.279	18.126	68.080.503
Television revenue	17.925	67.325.093	15.506	58.241.411
	<b>141.003</b>	<b>529.609.084</b>	<b>118.709</b>	<b>445.868.301</b>
Sale of terminal equipment (2)	61.030	229.229.829	42.950	161.322.797
Digital Services (3)	30.586	114.881.021	35.773	134.366.150
Interconnection	18.085	67.928.622	20.883	78.436.888
Other data - virtual mobile operator	2.545	9.559.238	2.565	9.633.034
Sale of equipment for fixed services (4)	3.572	13.415.962	1.617	6.074.298
Roaming revenue	1.036	3.892.399	698	2.623.315
	<b>116.854</b>	<b>438.907.071</b>	<b>104.486</b>	<b>392.456.482</b>
	<b>416.074</b>	<b>1.562.786.174</b>	<b>376.343</b>	<b>1.413.555.158</b>

During the first quarter of 2022 and 2021, operating income with related parties of \$74,950,766 and \$12,756,546, respectively, is included (Note 29).

- (1) Revenues grew mainly due to the good performance in all mobile and fixed services segments, with a good performance of prepaid recharges, an excellent commercial activity capturing market opportunities, and accelerating the transformation of fixed connectivity through fiber and differential offers.
- (2) The increase during the first quarter of 2022 of mobile terminals is leveraged by the commercial strategy and product of the offers in the market.
- (3) The decrease during the first quarter of 2022 corresponds to data storage and IoT security services recognition. During the same quarter of the previous year, the implementation and installation of projects with corporate clients were recognized in addition to the services.
- (4) The increase in fixed data services generated the massive sale of connection repeaters.

**24. OTHER OPERATING INCOME**

Other operating income is presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Sale of movable and immovable property (1)	223.858	840.816.437	1.300	4.881.919
Other operating income (2)	5.785	21.730.667	2.884	10.834.504
Work carried out for fixed assets (3)	2.888	10.846.406	2.491	9.354.645
Leasing investment properties	9	33.859	9	32.872
	<b>232.540</b>	<b>873.427.369</b>	<b>6.684</b>	<b>25.103.940</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (1) The growth corresponds mainly to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S. (Note 1), which generated a net income of \$840,799 million, as follows: (i) income from the sale of the business for \$1,307,473 million, (ii) Earn-Out for \$308,898 million (iii) write-offs from the sale of assets for (\$235. 180) million, (iv) write-off of Good Will (\$16,468) million, (v) control premium of (\$67,278) million, (vi) deferral of exclusivity of (\$397,472) million, and (vii) business structure expenses (\$38,839) million and foreign exchange hedges of (\$20,336) million. The first quarter of 2022 includes other operating income with related parties of \$1,616,371 million (Note 29).
- (2) The increase corresponds to an associated company's logistics support and administrative platform services. The first quarter of 2022 and 2021 includes other operating income with related parties of \$9,590 million and \$6,167 million, respectively (Note 29).
- (3) Correspond to work performed by Group personnel whose work is related to the development and start-up of fixed assets.

**25. OPERATING COSTS AND EXPENSES**

Operating costs and expenses are presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Equipment cost (Notes 8 and 10) (1)	72.251	271.376.781	56.233	211.211.354
Labor costs (2)	29.841	112.083.109	34.543	129.743.309
Renting and third party activities to clients (3)	29.494	110.782.147	21.120	79.328.404
Media rental and other network infrastructures (4)	25.383	95.337.467	15.539	58.364.588
Other costs and operating expenses	24.044	90.311.804	21.971	82.523.493
Interconnection and roaming	22.309	83.792.606	21.499	80.749.487
Content providers (5)	18.554	69.688.837	15.614	58.645.271
Maintenance of equipment and installations	17.752	66.676.147	17.756	66.691.602
Taxes and considerations	15.736	59.105.569	15.729	59.077.199
Commissions for sales and obtaining contracts (6)	15.314	57.519.069	11.467	43.068.902
Power service (7)	12.970	48.715.543	11.250	42.256.458
Advertising (8)	11.535	43.327.527	9.769	36.693.309
Computer Services	11.047	41.492.859	10.641	39.966.533
Portfolio impairment (Note 7) (9)	7.752	29.116.219	4.380	16.453.068
Contract compliance cost (Note 8)	4.391	16.494.436	4.529	17.011.592
Customer services	3.908	14.679.079	4.122	15.482.073
Other costs and expenses and non-recurring	2.510	9.422.748	496	1.864.543
Provision for inventories (Note 10) (11)	(627)	(2.354.040)	65	249.264
	<b>324.164</b>	<b>1.217.567.907</b>	<b>276.723</b>	<b>1.039.380.449</b>

The net variation presented between the quarters ended March 31, 2022, and 2021 corresponds mainly to i) an increase due to the execution of new contracts for integral solutions with corporate customers; ii) an increase in access charge traffic; iii) higher cost of equipment due to commercial activity mainly for mobile terminals smartphones; iv) increase in the cost of sales due to commercial activity, mainly in smartphones and materials due to strategic alliance with third parties for the execution of fiber deployment projects; v) higher impairment of accounts receivable due to growth in gross adds in line with commercial activity; vi) increase in content costs due to higher demand for services by customers; and, vii) decrease in labor expenses mainly due to adjustments to the Hispam operating model.

During the quarters ended March 31, 2022, and 2021, operating expenses with related parties of \$108,000,131 and \$81,205,740, respectively, are included (Note 29).

- (1) During the quarters ended March 31, 2022 and 2021, consumption of inventories carried at cost of sales of \$247,780,321 and \$184,887,449 (Note 10) and amortization of customer premises equipment costs of \$23,596,460 and \$26,323,905 (Note 8), respectively, were recognized. The increase during the quarter ended March 31, 2022, corresponds to higher commercial activity, mainly in mobile smartphones and materials for the execution of fiber optic deployment projects, compared to the first quarter of 2021.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

- (2) The decrease in the first quarter of 2022 compared to the same quarter of the previous year corresponds mainly to compensation recognized for voluntary retirement during the 2021 period.
- (3) The increase in the first quarter of 2022 corresponds mainly to the execution of new integrated solutions contracts with corporate clients.
- (4) The variation in the quarter ended March 31, 2022, compared to the first quarter of 2021, corresponds mainly to new projects in the corporate segment.
- (5) Corresponds to the increase in costs associated with content services, mainly from entertainment platforms for customers.
- (6) The quarters ended March 31, 2022, and 2021 include the amortization of contract acquisition costs of \$17,271,722 and \$5,908,951, respectively (Note 8). The increase corresponds to higher commercial activity during the first quarter of 2022.
- (7) The increase during the first quarter of 2022 corresponds mainly to the increase in tariffs for consumption volume.
- (8) The increase during the first quarter corresponds mainly to a higher volume of media campaigns to promote fiber-optic service in homes.
- (9) The increase during the first quarter of 2022 is mainly due to a higher backlog due to increased commercial activity.
- (10) At the end of March 31, 2022, there was a greater impact due to litigation held up during the pandemic, mainly represented in complaints and claims (PQR) from customers through the Superintendence of Industry and Commerce.
- (11) The decrease during the first quarter of 2022 is mainly due to the change in the provision estimate from 50% to 100%, unifying the criteria for mobile and fixed terminals when they are older than 360 days (Note 10).

**26. DEPRECIATION AND AMORTIZATION**

Depreciation and amortization are presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Depreciation of property, plant and equipment (Note 15)	41.055	154.204.007	43.509	163.422.728
Amortization of intangible assets (Note 16)	33.012	123.995.559	35.618	133.782.481
Depreciation of assets for rights of use (Note 14)	18.200	68.357.644	15.919	59.789.533
	<b>92.267</b>	<b>346.557.210</b>	<b>95.046</b>	<b>356.994.742</b>

**27. FINANCIAL EXPENSES, NET**

Financial expenses, net are presented below:

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Income:</b>				
Clients' interest in arrears (1)	2.141	8.043.326	1.258	4.722.408
Income from temporary investments and bank loans (Note 5)	183	687.856	240	900.294
	<b>2.324</b>	<b>8.731.182</b>	<b>1.498</b>	<b>5.622.702</b>
<b>Expenses:</b>				
Interest on loans, financial obligations and bonds (2) (Note 18)	(14.017)	(52.649.052)	(12.740)	(47.851.099)
Interest hedging transactions, net	(6.388)	(23.993.421)	(10.914)	(40.992.721)
Financial expenses for leases	(5.465)	(20.525.147)	(4.130)	(15.513.323)
Financial update of liabilities and other (3)	(3.105)	(11.662.476)	(2.195)	(8.245.366)
Tax on financial transactions	(9)	(38.486)	(29)	(108.167)
	<b>(28.984)</b>	<b>(108.868.582)</b>	<b>(30.008)</b>	<b>(112.710.676)</b>
Exchange difference loss. net	(1.002)	(3.762.288)	(340)	(1.275.176)
	<b>(29.986)</b>	<b>(112.630.870)</b>	<b>(30.348)</b>	<b>(113.985.852)</b>
	<b>(27.662)</b>	<b>(103.899.688)</b>	<b>(28.850)</b>	<b>(108.363.150)</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

The decrease during the first quarter of 2022 is mainly due to lower expenses caused by hedges associated with the prepayment of debt in dollars made in January 2022; the increase in interest rate curves positively affects the IBR swap instruments, partially offset by the increase presented in the line of interest on financial obligations.

- (1) The increase during the first quarter of 2022 is mainly with domestic operators as contractually established.
- (2) Mainly includes interest on the senior bond for the quarters ended March 31, 2022 and 2021 for \$23,952,082 and \$22,305,174, on the local bond for \$8,832,302 and \$7,459,057 and financial obligations for \$19,863,401 and \$18,086,868, respectively.
- (3) The increase during the first quarter of 2022 corresponds mainly to i) commission for prepayment of foreign currency obligations; and ii) financial restatement of liabilities related to decommissioning obligations and provisions for decommissioning.

## **28. RISK MANAGEMENT**

### **28.1. Financial Risks**

#### **28.1.1. Risk Management Policy**

The Group 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. In the valuation process of financial risks, no significant impacts were identified.

A summary of these risks is presented below:

#### **Interest Rate Risk**

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

#### **Liquidity risks**

The Group is exposed to liquidity risk mainly due to imbalances between cash requirements and sources of funds.

#### **Credit risk**

Credit risk arises from cash and cash equivalents (deposits with banks and financial institutions) and credit exposure to wholesale and retail customers, which includes outstanding balances of accounts receivable and committed transactions. No significant impacts were identified in the credit risk valuation based on the above. Management does not expect the Group to incur substantial losses from the performance of its counterparties.

#### **Foreign Exchange 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 March 31, 2022, and December 31, 2021, the Group's debt in US dollars, including the senior bond maturing in 2030, is equivalent to USD 500 million and USD 632 million, respectively.

Additionally, considering the ordinary flow of the Group's business, hedges of trade accounts corresponding to OPEX (Operating Expenses) and CAPEX (Capital Expenditure) invoices in foreign currency were made, which were recorded in the Condensed Consolidated Interim Statement of Financial Position. Finally, highly probable future cash flow hedges were contracted through NDF (Non-Delivery Forwards) and options 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.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

The following is a summary of the balances of assets and liabilities held in dollars and expressed in local currency, respectively, at the end of each period:

	<b>As of March, 31</b>	<b>As of December, 31</b>
	<b>2022</b>	<b>2021</b>
	(In thousands of US\$)	
<b>Assets</b>		
Cash and cash equivalents (Note 5)	5.965	20.405
Debtors and other receivables (Note 7)	8.289	8.663
Related Parties (Note 29)	80.463	1.529
<b>Total assets</b>	<b>94.717</b>	<b>30.597</b>
<b>Liabilities</b>		
Financial obligations	505.088	643.333
Suppliers and accounts payable (Note 19)	100.843	114.551
Related Parties (Note 29)	14.660	14.648
<b>Total liabilities</b>	<b>620.591</b>	<b>772.532</b>
<b>Passive, net position</b>	<b>(525.874)</b>	<b>(741.935)</b>

	<b>As of March, 31</b>	<b>As of December, 31</b>
	<b>2022</b>	<b>2021</b>
	(In thousands of COP\$)	
<b>Assets</b>		
Cash and cash equivalents (Note 5)	22.404.719	81.235.570
Debtors and other receivables (Note 7)	31.133.733	34.488.789
Related Parties (Note 29)	302.221.442	6.087.194
<b>Total assets</b>	<b>355.759.894</b>	<b>121.811.553</b>
<b>Liabilities</b>		
Financial obligations	1.897.125.681	2.561.211.606
Suppliers and accounts payable (Note 19)	378.769.333	456.045.859
Related Parties (Note 29)	55.063.400	58.316.032
<b>Total liabilities</b>	<b>2.330.958.414</b>	<b>3.075.573.497</b>
<b>Passive, net position</b>	<b>(1.975.198.520)</b>	<b>(2.953.761.944)</b>

### Interest Rate Risk

After hedging, the variable rate exposure is 23.14% of the total 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.

### 28.2 Corporate and Business Risks

The Group's business is conditioned both by intrinsic factors exclusive to the Group and by certain exogenous factors that are not common to any company in its sector, the most significant of which are the following:

#### Legal Regulatory Risk

The Group operates in a highly regulated industry that requires the use of spectrum for the deployment of new services or improvement of existing ones, so that adverse changes in the regulatory framework could lead to an increase in obligations, entailing a cost for its operations or a reduction in prices. Likewise, eventual barriers to obtaining permits for spectrum use could influence the expected growth.

The MINTIC is the authority that exercises State intervention in Colombia's information and communications technology sector. It adopts the sector's policies, plans, programs, and projects, establishes the general conditions for the operation and commercialization of networks and services, grants permits for the use of the radioelectric spectrum, and exercises control and surveillance functions in the information and communications technology sector, among other functions.



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

The Communications Regulation Commission (CRC) promotes and regulates free competition, preventing unfair behavior and restrictive commercial practices through general regulations or specific measures. It may propose differential rules of behavior according to the position of the suppliers after having determined the existence of a market failure. Among its most relevant functions are: (i) To issue all regulations of a general and particular nature in matters related to the competition regime, technical and economic aspects related to the interconnection obligation, and the access and use of essential facilities; as well as the remuneration for the access and use of networks and infrastructure, wholesale prices, billing and collection conditions; the regime of access and use of networks; the quality parameters of services; the sector's efficiency criteria and the measurement of sectoral indicators for progress in the information society; and dispute resolution, ii) To regulate the access and use of all networks and access to the telecommunications, broadcast television, and radio broadcasting services markets, towards a market-based regulation.

On the other hand, the Group is involved in different types of litigation, the outcome of which is unpredictable and may be unfavorable for the Group, not only in economic terms but also because of its impact on its image and reputation due to its possible repercussion in the media.

### **Risks Inherent to the Sector of Activity in which the Group Operates**

The rendering of services is carried out under the authorizations and the permits for spectrum use. In March 2014, as a consequence of the transition regime of Law 1341 of 2009, the permit for the use of the spectrum of 25 MHz in the 850 band and 15 MHz in the 1900 band used for mobile services was renewed for ten more years until March 2024, by resolution 597 of 2014.

In October 2011, after an auction process with the participation of other mobile operators, Colombia Telecomunicaciones S. A. E.S.P. BIC obtained the assignment of 15 MHz of spectrum in the 1900 MHz band. This spectrum allocation was materialized in MINTIC Resolution 002105 of September 15, 2011, regarding which the following aspects are worth highlighting:

1. The permit duration is ten years, reckoned from October 20, 2011.
2. The value to be paid as consideration was USD 47,700 thousand, which were paid as follows:
  - (a) 50% in cash (USD 23,850 thousand) six months after the date on which the spectrum assignment act becomes final.
  - (b) 50% through compliance with the obligation to perform (coverage of 36 locations and service to educational institutions).
3. Obligation of 3G coverage in all the municipal capitals the Group had coverage, no later than April 18, 2012.

By means of Decree 2980 of August 19, 2011, the MINTIC changed the radio spectrum cap for use in terrestrial mobile services from 55 MHz to 85 MHz. According to this decree, once the process of issuing permits in the band from 1710 MHz to 1755 MHz and 2110 to 2155 MHz, and 2500 MHz of the band in 2690 MHz, which was developed in 2013, is completed, the maximum radio spectrum for use by the land mobile service provider of telecommunication networks and services will have the following detail:

- 85 MHz for the higher bands (between 1710 MHz and 2690).
- 30 MHz for the lower bands (between 698 MHz and 960 MHz).

In the 4G auction process, the Group obtained 30 MHz of spectrum in the 1710 MHz to 1755 MHz band paired with 2110 MHz to 2155 MHz, a resource that was assigned by Resolution 2625 of 2014, with a 10-year term, confirmed by Resolution 4142 of October 25, 2013.

With these assignments, the Group has a total of 85 MHz of spectrum distributed as follows: 30 MHz in the band in 1900, 25 MHz in the 850 band, and 30 MHz in the AWS band.

MINTIC issued Decree 2194 of 2017, increasing the maximum spectrum cap in land mobile services to 90MHz for the high bands (between 1710 MHz and 2690 MHz) and 45 MHz for the low bands (between 698 MHz and 960 MHz).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

---

Regarding the renewal of the 15MHz in 1900MHz of the Group, on October 19, 2021, the Ministry issued Resolution 2803, setting a price of \$686.6 billion (~ €154 million) for 20 years, plus technological upgrade obligations, within a maximum term of four years, to provide theoretical peak speeds of 73.7 Mbps Downlink peak, and 36.7 Mbps Uplink peak, in municipalities of less than 100 thousand inhabitants, through the alternatives of coverage footprint matching, or upgrade by an existing base station.

This resolution did not make explicit the methodology used to fix the renewal price, which is estimated to be up to three times higher than international standards, which must be added to the value of the investments of the upgrade obligations.

On November 3, 2021, the Group filed an appeal requesting that the price be aligned with the regional benchmarking to comply with the legal principles of having reasonable and non-discriminatory conditions for access to the spectrum and that social welfare and not tax collection be maximized. In addition, it was requested that the technological update obligation be proportional to the use of the band and the amount of spectrum subject to renewal and that the amount derived from compliance with this obligation be computed in the payment of the renewal.

On the issue of spectrum assignment regulation, the Ministry published in April for comments the draft regulation, and in July, issued decree 934 setting general rules for the development of the secondary market, favorable to transparency and legal certainty: the spectrum may be transferred, prior approval of the MINTIC. The regulation establishes:

- (i) the scope of application and application requirements,
- (ii) the duration of the procedure, of 15 working days, which may be doubled by requesting the ANE's opinion,
- (iii) and a prior approval requirement from MINTIC before a business integration. The Assignor must accredit compliance with the obligations derived from the license, and the Assignee must assume the pending ones and submit an operations plan showing how it will use the spectrum. In addition, the decree allows the temporary exceeding of the spectrum cap for continuity of service: the Transferee must submit a transition plan or technical measures with the reasons for the exceeding and the actions to comply with the cap in the future within a reasonable period of time.

In November 2021, the Ministry submitted for comments a new project to modify Decree 934. This initiative was received with legal uncertainty as it changed the criteria that had been in force for only three months. To date, the Ministry has not communicated its final decision on the modification of the decree.

### **Markets Subject to Continuous Technological Evolution**

The Group'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. Technological evolution is permanent, offering the market new products, services, and technologies, which oblige us to keep them constantly updated. The development of constant technological innovation also generates the obsolescence of some of the products and services offered by the Group, as well as their technology, significantly reducing revenue margins by having an obligation to invest in the development of new products, technology, and services and at the same time continue to provide maintenance in legacy 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 not to be subject to the regulatory standards that have been in force in the past, leaving us at a disadvantage before these new players in the sector.

Consequently, it could be costly for the Group to develop the products and technologies necessary to compete efficiently with current or future competitors. Therefore, it is important to consider that increased costs could negatively impact the business, its financial situation, and the Group's economic results or cash generation.

The Group, as a major player in the communications market, must continue to upgrade its networks associated with mobile and fixed-line services in a satisfactory manner and in a timely manner to maintain and increase its customer base in each of its markets to enhance its financial performance, as well as to comply with applicable regulatory requirements. Among other things, the Group may need to upgrade the operation of its networks to increase the personalization of its services, the virtualization of equipment, the increase of processing and data storage capacities, and 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.

### **Risks Associated with Network or Unplanned System Outages**

Network interruptions are situations inherent to the operation of any element that constitutes it, which affect the service, causing dissatisfaction among users due to the impossibility of communication and a significant risk of requirements from the control entities that could result in high impact sanctions for the Group. The only possibility of minimizing or reaching a controlled level of risks on unforeseen network interruptions is focused on being able to guarantee a periodic and efficient preventive and corrective maintenance model on network equipment, as well as the 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.

### **Price Risk**

The Group is exposed to the price risk of the goods and services it acquires for the development of its operations, for which it negotiates purchases with small and large suppliers (including global suppliers) to ensure a continuous supply of the same. This model, through which significant savings are achieved in local and regional negotiations, avoids a high risk of concentration and dependence, which could result in the medium and long term a dependence that could hardly be solved by not having alternative suppliers to manage pressure levers to avoid breaches in product quality, delivery times, non-agreed price increases or margins of maneuver that could not be solved by having a single supplier in some of the layers of the network.

The World has experienced the appearance of two crises that impact the sector: the chip crisis due to the fact that the large semiconductor producers saw their manufacturing capacities affected so that the current supply is not enough to supply the demand for this kind of components, affecting several industries including the telecommunications sector; and the container crisis where there has been an increase in the frequency of lead time change in shipments that are in international transit due to increased stops before delivery, transshipments, a saturation of ships, among others. Considering the external context, the Group modified its demand planning process, focusing on the most sensitive ranges, brought forward negotiation dates and gave early visibility to manufacturers, incorporated new suppliers, scaled and prioritized the needs of Colombia in the Telefónica Group's Global Device Unit from which regional actions are generated, booked in advance with freight forwarders, shipping lines, and airlines to meet import times, among others. Depending on the global evolution of these crises, the Group could be exposed to risks associated with the availability of components that could affect the income for the postpaid, prepaid, terminal, and fixed lines of business, increase in the prices of components, availability of transportation and increase in freight that entails an increase in customs taxes.

### **Country Risk**

Economic activity has shown some moderation in the growth rate in the first quarter of the year; so far this year, up to February, economic activity measured through the Economic Tracking Indicator (monthly proxy of GDP) grew 7.9% YoY, while in 4Q21 GDP registered a 10.8% YoY growth. This is partly explained by a higher comparison base effect and a deceleration in the dynamics of trade and other services after a very positive 4Q21, favored by the three-day VAT-free measure. Likewise, agriculture has shown less favorable dynamics. As a result, economic activity in February 2022 was 5.9% above the pre-pandemic reference level (Feb-20), while in Dec-21, it was 7.1% above.

Inflation rose from standing at 5.6% at the close of 2021 to 8.5% in March 2022, a new high since July 2016. The significant increase in food prices has mainly guided the strong upward trend; these have been pressured by increases in agricultural input costs, accentuated by the conflict between Russia and Ukraine, supply problems at the local level for some products, and effects associated with the weather. Likewise, high inflation at the end of 2021 and the historic increase in the minimum wage (10% YoY) have also led to widespread price increases across the board via the indexation effect. Non-food inflation rose from 3.4% to 5.1% between Dec-21 and Mar-22. Rising inflationary pressures and the remarkable recovery of economic activity led the Central Bank to increase the pace of monetary policy normalization, bringing the benchmark rate from 3% in December to 5% in March, with two 100 bps increases.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

At the close of the first quarter of 2022, the exchange rate stood at \$3,756.03 pesos per dollar, appreciating 5.7% with respect to the close of 2021 (\$3,981.16). The strong rebound in oil prices has determined the recent strength of the Colombian peso to levels not observed since 2014 due to the Russia-Ukraine conflict.

**29. RELATED PARTIES**

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

During the quarters ended March 31, 2022, and 2021, the Group made payments to the Colombian Government for contributions to the Ministry of Communications and Information Technologies (MINTIC) for \$24,508,116 and \$23,494,875 and to the Communications Regulation Commission (CRC) for \$3,407,528 and \$3,198,168 respectively, on revenues obtained from the provision of network and telecommunications services.

**29.1. Accounts receivable**

The balances of accounts receivable between the Group and its shareholders, subsidiaries, economic-related parties, and associated companies are as follows:

**Current:**

**a) Economic Related Parties**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Tiws Colombia II S.A.S.	6.492	24.382.913	5.151	19.347.173
Telxius Cable Colombia S.A.	230	863.825	242	910.344
Telefónica Cybersecurity Tech Colombia	8	28.908	15	54.740
Wayra Colombia S.A.S.	23	85.891	10	37.955
	<b>6.753</b>	<b>25.361.537</b>	<b>5.418</b>	<b>20.350.212</b>
	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
TIWS II	1.182	4.439.480	1.516	5.694.385
Otecel S.A.	450	1.689.824	463	1.740.371
Telefónica Hispanoamerica	204	764.504	1.106	4.152.844
Telefónica Móviles España S.A.	203	764.004	281	1.057.133
Telefónica Venezolana C.A.	166	624.981	176	660.927
Tele Cybersecurity & Cloud	147	550.487	147	550.487
Telefónica Móviles Argentina S.A.	104	390.729	92	347.118
Telefónica Móviles Chile S.A.	88	330.479	40	151.585
Telefónica Germany GMBH & CO OHG	62	233.287	66	247.262
Telefónica Brasil S.A.	19	72.089	18	67.907
Terra Networks Mexico S.A. de CV	17	63.926	15	57.182
Telefónica Digital España S.A.	17	62.544	-	-
Pegaso Pcs. S.A. de C.V.	2	8.555	75	283.195
Telefónica Móviles Uruguay S.A.	2	7.245	1	5.227
Telefónica S.A.	-	-	106	398.787
Telefónica del Perú S.A.	-	-	104	392.447
Telefónica Móviles El Salvador S.A.	-	-	22	82.044
	<b>2.663</b>	<b>10.002.134</b>	<b>4.228</b>	<b>15.888.901</b>
<b>Total national and foreign affiliates</b>	<b>9.416</b>	<b>35.363.671</b>	<b>9.646</b>	<b>36.239.113</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**b) Associated Companies**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Onnet Fibra Colombia (1)	14.700	55.212.516	-	-
Telefónica Factoring Colombia S.A.	32	125.597	32	111.563
	<b>14.732</b>	<b>55.338.113</b>	<b>32</b>	<b>111.563</b>
<b>Exterior</b>				
02 T. UK Limite	31	114.611	14	52.778
Total Asociadas nacionales y exterior	<b>14.763</b>	<b>55.452.724</b>	<b>46</b>	<b>164.341</b>
<b>Total accounts receivable with related parties (Note 7)</b>	<b>24.179</b>	<b>90.816.395</b>	<b>9.692</b>	<b>36.403.454</b>

**Non-current:**

**Associated companies**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Alamo HodCo S.L. (2)	98.494	369.946.515	-	-
Onnet Fibra Colombia (1)	78.604	295.239.636	-	-
<b>Total accounts receivable with related parties (Note 7)</b>	<b>177.098</b>	<b>665.186.151</b>	<b>-</b>	<b>-</b>
<b>Total accounts receivable with related parties</b>	<b>201.277</b>	<b>756.002.546</b>	<b>9.692</b>	<b>36.403.454</b>

The foreign currency balances of domestic accounts receivable from related parties as of March 31, 2022, and December 31, 2021, are USD 80,463 thousand (\$302,221,442) and USD 1,529 thousand (\$6,087,194), respectively (Note 28).

- As of March 31, 2022, the current portion corresponds to the fiber-optic network deployment plan, including a fiber-optic network, a primary access network, MBH (Mobile Backhaul) services, and O&M service over the fiber-optic network. The non-current portion corresponds to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S. this negotiation included the agreement of an Earn-Out, which was agreed upon between the parties fundamentally from the analysis of the Master Business Plan for three years for USD 83.3 million (Note 1). As of March 31, 2022, the above amount is currently recognized at USD 78.6 million (\$295,239.6 million).
- Corresponds to the account receivable that the Group will maintain with Alamo HoldCo S.L. for \$366,873.4 million (USD 94.43) million (Note 1), related to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S., plus financial restatement as of March 31, 2022, for \$3,073.0 million.

**29.2. Accounts payable**

The balances of liabilities between the Group and its shareholders, subsidiaries, and related economic parties are as follows:

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**Current:**

**a) Economic Related Parties**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Telefonica Cybersecurity Tech Colombia	9.161	34.408.142	8.737	32.817.967
Tiws Colombia II S.A.S.	6.841	25.694.836	5.607	21.061.230
Telxius Cable Colombia S.A.	2.792	10.485.179	3.047	11.443.467
	<b>18.794</b>	<b>70.588.157</b>	<b>17.391</b>	<b>65.322.664</b>
<b>From outside</b>				
TIWS II	6.223	23.374.342	6.126	23.008.723
Telefónica S.A.	5.199	19.525.913	5.140	19.306.362
Telefónica Digital España S.A.	4.124	15.488.814	3.861	14.501.390
Telefónica Global Technology	1.828	6.867.081	417	1.566.673
Telefónica Compras Electrónicas	1.361	5.111.653	933	3.502.888
Telefónica USA Inc.	1.313	4.930.976	908	3.411.043
Telefonica IOT & Big Data Tech, S.A	694	2.607.811	510	1.917.266
Otecel S.A.	434	1.630.868	459	1.722.820
Telefónica Global Roaming	304	1.141.016	314	1.178.426
Terra Networks Mexico S.A. de CV	299	1.123.212	388	1.458.743
Telefónica Móviles España S.A.	241	904.892	205	770.137
Media Network Latin América	165	620.705	221	829.080
Telefónica del Perú S.A.	163	611.102	152	571.738
Pegaso Pcs. S.A. de C.V.	135	506.505	233	875.551
Telefónica Venezolana C.A.	108	406.157	103	388.608
Telefónica Servicios Audiovisuales	104	390.523	183	688.682
Telefónica Móviles de Chile	75	282.171	70	262.255
Telefonica Cybersecurity Tech S.L	49	183.886	33	124.620
Telefónica Móviles Argentina S.A.	48	180.923	2.417	9.076.851
Telefónica Brasil S.A	28	104.885	19	71.315
O2 Germany GMBH & CO OHG	25	94.006	21	79.345
Telefónica Ingeniería de Seguridad	25	92.980	26	98.996
Telefónica Educacion Digital	8	29.731	8	29.731
Telefónica Móviles Uruguay S.A.	6	23.685	2	7.682
E-Plus Mobilfunk GMBH & CO	-	299	-	317
Telefónica de Argentina S.A.	-	-	1.108	4.160.152
Telefónica Móviles El Salvador S.A.	-	-	2	7.104
<b>Total national and foreign economic associates</b>	<b>22.959</b>	<b>86.234.136</b>	<b>23.859</b>	<b>89.616.498</b>

**b) Associated Companies**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
Onnet Fibra Colombia (1)	9.512	35.726.179	-	-
O2 T. UK Limited	88	335.326	85	315.531
	<b>9.600</b>	<b>36.061.505</b>	<b>85</b>	<b>315.531</b>
<b>Total with related parties</b>	<b>32.559</b>	<b>122.295.641</b>	<b>23.944</b>	<b>89.932.029</b>
<b>Total suppliers and accounts payable with related parties (Note 19)</b>	<b>51.353</b>	<b>192.883.798</b>	<b>41.335</b>	<b>155.254.693</b>

(1) Corresponds mainly to connectivity services through the fiber optic infrastructure established in the sale agreement of the fiber optic business (Note 1).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**Non-Current:**

**Shareholders**

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Share-based payments				
Telefónica S.A.	409	1.537.398	570	2.140.956
<b>Total suppliers and accounts payable with related parties (Note 19)</b>	<b>409</b>	<b>1.537.398</b>	<b>570</b>	<b>2.140.956</b>

The foreign currency balances of accounts payable in relation to related parties as of March 31, 2022, are USD 14,660 thousand (\$55,063,400) and as of December 31, 2021, are USD 14,648 thousand (\$58,316,032) (Note 28).

**29.3. Revenues, Costs, and Expenses with Related Parties**

The Group conducts transactions with its related parties on arm's length and arm's length terms. The following is a summary of the Group's revenues, costs, and expenses with related parties:

**a) Economic Related Parties**

	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of US\$)			
<b>National</b>				
Tiws Colombia II S.A.S.	1.545	1.346	1.221	2.238
Telxius Cable Colombia S.A.	72	63	2.756	2.459
Wayra Colombia S.A.S.	29	28	-	-
Telefonica Cybersecurity Tech Colombia	6	24	2.214	2.601
	<b>1.652</b>	<b>1.461</b>	<b>6.191</b>	<b>7.298</b>

	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of COP\$)			
<b>National</b>				
Tiws Colombia II S.A.S.	5.802.792	5.055.250	4.585.689	8.405.728
Telxius Cable Colombia S.A.	268.811	234.788	10.350.430	9.235.486
Wayra Colombia S.A.S.	107.116	103.348	-	-
Telefonica Cybersecurity Tech Colombia	24.292	92.000	8.314.675	9.768.353
Telefónica Learning Services Colombia	-	-	-	-
	<b>6.203.011</b>	<b>5.485.386</b>	<b>23.250.794</b>	<b>27.409.567</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of US\$)			
<b>From outside</b>				
TIWS II	1,433	2,120	3,897	3,559
TEF Hispanoamerica	262	-	-	-
Telefónica Móviles España S.A.	134	85	92	50
Telefónica Móviles de Chile	80	20	5	2
Media Network Latin América	56	-	-	1,717
Telefónica del Perú S.A.	48	105	29	9
Telefónica Brasil S.A.	25	6	20	5
Telefónica Móviles Argentina S.A.	23	10	-	3
Otecel S.A.	17	4	2	7
Telefónica Digital España S.A.	14	190	899	313
Terra Networks Mexico S.A. de CV	10	8	144	136
Pegaso Pcs. S.A. de C.V.	2	3	80	34
Telefónica Ingeniería de Seguridad	2	190	-	-
Telefónica Móviles Uruguay S.A.	1	-	5	-
Telefónica Germany GMBH & CO OHG	1	1	5	-
Telefónica S.A.	-	599	3,876	3,533
Telefónica Empresas Chile S.A.	-	-	-	-
Telefónica Móviles El Salvador S.A.	-	59	-	1
Telefónica Cybersecurity Tech S.L	-	-	9	1,683
Telefonica On The Spot Services	-	-	681	143
Telefónica Venezolana C.A.	-	-	11	5
Telefónica Global Roaming	-	49	73	24
Telefonica Chile S.A.	-	23	-	-
Telefónica Educación Digital, S.L.U.	-	-	-	10
Telefónica Compras Electrónicas	-	3	714	629
Telefónica USA Inc.	-	2	664	213
Telefónica de Costa Rica	-	-	-	4
E-Plus Mobilfunk GMBH & CO	-	-	-	-
Telefónica Global Technology	-	-	1,865	1,594
Telxius Cable América S.A. (antes TIWS AMERICA)	-	-	382	382
Telxius Cable	-	-	131	131
Telefónica Servicios Audiovisuales	-	-	80	95
Telefonica de Contenidos SAU	-	-	-	38
	<b>2,108</b>	<b>3,477</b>	<b>13,664</b>	<b>14,320</b>
<b>Total national and foreign economic associates</b>	<b>3,760</b>	<b>4,938</b>	<b>19,855</b>	<b>21,618</b>



**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of COP\$)			
<b>Del exterior</b>				
TIWS II	5.381.810	7.962.989	14.635.709	13.369.493
TEF Hispanoamerica	984.640	-	-	-
Telefónica Móviles España S.A.	503.077	320.306	345.925	188.373
Telefónica Móviles de Chile	302.245	73.466	19.285	8.921
Media Network Latin América	211.418	-	-	6.449.533
Telefónica del Perú S.A.	180.410	394.634	108.417	34.482
Telefónica Brasil S.A.	93.529	24.185	74.829	17.863
Telefónica Móviles Argentina S.A.	86.019	36.775	-	12.271
Otecel S.A.	63.905	13.599	8.404	25.969
Telefónica Digital España S.A.	52.558	713.444	3.378.306	1.175.536
Terra Networks Mexico S.A. de CV	37.367	29.476	541.246	510.292
Pegaso Pcs. S.A. de C.V.	6.523	12.184	300.783	129.069
Telefónica Ingeniería de Seguridad	6.017	712.723	-	-
Telefónica Móviles Uruguay S.A.	4.535	1.458	18.820	1.553
Telefónica Germany GMBH & CO OHG	4.156	2.290	18.314	-
Telefónica S.A.	-	2.249.274	14.557.699	13.270.335
Telefónica Empresas Chile S.A.	-	-	-	-
Telefónica Móviles El Salvador S.A.	-	221.891	-	4.680
Telefónica Cybersecurity Tech S.L	-	-	32.035	6.320.401
Telefonica On The Spot Services	-	-	2.557.793	535.591
Telefónica Venezolana C.A.	-	447	39.837	16.938
Telefónica Global Roaming	-	184.275	275.838	89.684
Telefonica Chile S.A.	-	87.039	-	-
Telefónica Educación Digital, S.L.U.	-	-	-	36.195
Telefónica Compras Electrónicas	-	11.697	2.683.159	2.361.443
Telefónica USA Inc.	-	6.978	2.494.628	800.767
Telefónica de Costa Rica	-	-	-	14.329
E-Plus Mobilfunk GMBH & CO	-	449	-	-
Telefónica Global Technology	-	-	7.006.631	5.988.845
Telxius Cable América S.A. (antes TIWS AMERICA)	-	-	1.436.618	1.436.618
Telxius Cable	-	-	493.560	493.560
Telefónica Servicios Audiovisuales	-	-	301.518	358.094
Telefonica de Contenidos SAU	-	-	-	144.124
	<b>7.918.209</b>	<b>13.059.579</b>	<b>51.329.354</b>	<b>53.794.959</b>
<b>Total vinculados económicos nacionales y del exterior</b>	<b>14.121.220</b>	<b>18.544.965</b>	<b>74.580.148</b>	<b>81.204.526</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**b) Associated Companies**

	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of US\$)			
<b>National</b>				
Onnet Fibra Colombia	449.037	-	8.895	-
Telefónica Factoring Colombia S.A.	28	17	-	-
	<b>449.065</b>	<b>17</b>	<b>8.895</b>	<b>-</b>
<b>From outside</b>				
O2 T. UK Limited	18	56	2	-
	<b>18</b>	<b>56</b>	<b>2</b>	<b>-</b>
	<b>452.843</b>	<b>5.011</b>	<b>28.752</b>	<b>21.618</b>
	Quarter ended March 31,			
	Income		Costs and expenses	
	2022	2021	2022	2021
	(In thousands of COP\$)			
<b>Nacionales</b>				
Onnet Fibra Colombia	1.686.596.650	-	33.411.179	-
Telefónica Factoring Colombia S.A.	105.544	63.818	-	-
	<b>1.686.702.194</b>	<b>63.818</b>	<b>33.411.179</b>	<b>-</b>
<b>Del exterior</b>				
O2 T. UK Limited	65.822	209.693	8.804	1.214
	<b>65.822</b>	<b>209.693</b>	<b>8.804</b>	<b>1.214</b>
<b>Total con partes relacionadas</b>	<b>1.700.889.236</b>	<b>18.818.476</b>	<b>108.000.131</b>	<b>81.205.740</b>

The following is the summary of transactions for revenues, costs, and expenses that occurred during the period with related parties, according to the nature of the good or service rendered between the parties, as follows:

**Operating Income:**

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Fixed services	18.195	68.340.011	1.750	6.572.288
Fixed interconnection	1.020	3.829.645	1.108	4.163.002
Digital services	361	1.356.605	304	1.143.387
Roaming revenue	321	1.207.489	193	725.589
Mobile services	56	211.131	17	64.541
Sale of terminal equipment	2	5.885	23	87.739
	<b>19.955</b>	<b>74.950.766</b>	<b>3.395</b>	<b>12.756.546</b>
Other operating income (1)	432.888	1.625.938.470	1.615	6.061.930
	<b>452.843</b>	<b>1.700.889.236</b>	<b>5.010</b>	<b>18.818.476</b>

(1) The growth during the first quarter of 2022 corresponds mainly to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S. for \$1,616,371 million and administrative platforms for \$9,590 million, and the first quarter of 2021 for \$6,167 million (Note 24).

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**Operating Costs and Expenses:**

	<b>Quarter ended March 31,</b>			
	<b>2022</b>		<b>2021</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Media rental	14.053	52.784.131	7.402	27.803.908
Other costs and operating expenses (2)	4.264	16.016.571	1.312	4.927.541
Advertising	3.859	14.493.340	3.460	12.995.639
Other non-recurring costs and expenses (1)	2.722	10.224.661	2.798	10.507.562
Interconnection and roaming	2.607	9.792.569	2.152	8.082.246
Content providers	863	3.240.433	409	1.536.194
Maintenance	227	853.034	250	937.869
Renting and third party activities to clients	113	418.042	3.781	14.200.115
Labor expenses	20	74.551	37	138.527
Sales commissions	18	69.843	20	76.139
Terminal cost	9	32.956	-	0
	<b>28.755</b>	<b>108.000.131</b>	<b>21.621</b>	<b>81.205.740</b>

(1) Includes mainly computer applications, consulting and project integration, equipment rental, and costs, among others.

(2) Mainly includes Security Operations Center (SOC) services for IT infrastructure, maintenance, monitoring, and management.

**Remuneration information for key management personnel**

Remuneration received by the Group's key employees according to their hierarchies is presented below:

	<b>Quarter ended March 31,</b>			
	<b>2022</b>		<b>2021</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Salaries, salaries and other benefits	965	3.625.918	1.165	4.375.394
Institutional plans	666	2.502.855	1.844	6.926.798
Executive remuneration plan (shares and annual bonus)	798	2.997.273	908	3.410.800
Others	8	30.444	-	-
Bonus for voluntary withdrawal	-	-	327	1.228.080
	<b>2.437</b>	<b>9.156.490</b>	<b>4.244</b>	<b>15.941.072</b>

**30. CONTINGENCIES**

The Group is subject to claims for regulatory proceedings, labor, tax assessments, and others arising in the ordinary course of business. The Group evaluates these situations based on their occurrence's probable, possible, and remote nature and the amounts involved to decide on the amounts recognized and/or disclosed in the Condensed Consolidated Interim 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 Group's legal advisors. A provision is recognized when the Group has a present obligation as a result of a past event. An outflow of resources will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

As of March 31, 2022, 2,625 processes are in progress, of which 140 correspond to probable contingencies, 575 are classified as possible, and 1,910 are classified as remote.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**1. Probable Proceedings**

The following is a detail of the proceedings classified as highly probable (Note 21).

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of US\$)			
	Cantidad	Valor	Cantidad	Valor
<b>Currents:</b>				
Administrative investigations of users (1)	41	1.810	21	694
	<b>41</b>	<b>1.810</b>	<b>21</b>	<b>694</b>
<b>Non-currents:</b>				
Legal proceedings (2)	50	1.923	47	1.861
Administrative, regulatory and competency investigations (3)	18	1.268	11	277
Labor processes	31	695	29	545
	<b>99</b>	<b>3.886</b>	<b>87</b>	<b>2.683</b>
	<b>140</b>	<b>5.696</b>	<b>108</b>	<b>3.377</b>

	As of March, 31		As of December, 31	
	2022		2021	
	(In thousands of COP\$)			
	Cantidad	Valor	Cantidad	Valor
<b>Currents:</b>				
Administrative investigations of users (1)	41	6.797.591	21	2.607.434
	<b>41</b>	<b>6.797.591</b>	<b>21</b>	<b>2.607.434</b>
<b>Non-currents:</b>				
Legal proceedings (2)	50	7.222.106	47	6.992.227
Administrative, regulatory and competency investigations (3)	18	4.765.612	11	1.039.558
Labor processes	31	2.614.093	29	2.045.500
	<b>99</b>	<b>14.601.811</b>	<b>87</b>	<b>10.077.285</b>
	<b>140</b>	<b>21.399.402</b>	<b>108</b>	<b>12.684.719</b>

- (1) Includes processes related to customer complaints and claims (PQR), which are in the process of discussion with the regulator.
- (2) Includes mainly petitions from civil and administrative processes.
- (3) Includes mainly petitions from administrative and regulatory processes through the Superintendence of Industry and Commerce and the Ministry of Information and Communications Technologies of Colombia.

**2. Possible Contingencies**

The Group is a party to litigation classified as low probability, which is currently pending before judicial, administrative, and arbitration bodies.

Taking into consideration the reports of the Group's legal advisors in these proceedings, it is reasonable to estimate that these lawsuits will not significantly affect the Group's economic-financial situation or solvency.

**a. Legal Proceedings**

There are proceedings aimed at obtaining a decision by the jurisdictional authority called upon to resolve the disputed issue. They include civil, contentious-administrative, criminal, constitutional, and other proceedings. There are 152 open proceedings classified as possible for a value of \$122,554,142.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**b. Labor Proceedings**

Labor lawsuits through which the payment of labor rights derived from the relationships that the plaintiffs have or have had directly with the Group or with a third party is sought, in the latter case, seeking the solidarity of the Group, there are 311 open processes classified as possible for an amount of \$33,428,793.

**c. Administrative Investigations**

The processes initiated by administrative authorities through the formulation of charges, ex officio, or complaints from third parties are aimed at determining the responsibility of the investigated party in the infringement of regulations.

Contingencies for administrative investigations are classified as:

- i. 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 20 administrative and judicial processes in progress with possible qualification, valued at \$2,977,736.
- ii. 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 72 possible processes reported for \$9,709,527.
- iii. Regulatory: Administrative proceedings initiated by oversight and control authorities for alleged failures to comply with telecommunications regulatory standards. There are 20 possible proceedings for \$7,693,460.

**31. FINANCIAL INDICATORS - NOT DEFINED IN ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACCEPTED IN COLOMBIA**

The following are the financial indicators calculated by the Group and which are an integral part of the financial analysis performed:

**1) EBITDA (1)**

	Quarter ended March 31,			
	2022		2021	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Net profit for the period	76.639	287.854.139	(26.864)	(100.901.988)
More:				
Depreciation and amortization (Note 26)	92.267	346.557.210	95.046	356.994.742
Financial expense, net (Note 27)	27.662	103.899.688	28.850	108.363.150
Participation method	430	1.613.836	-	-
Income and complementary taxes (Note 11)	127.452	478.720.763	9.272	34.822.745
<b>EBITDA</b>	<b>324.450</b>	<b>1.218.645.636</b>	<b>106.304</b>	<b>399.278.649</b>

EBITDA: corresponds to income before depreciation and amortization, financial expenses, and income and deferred taxes.

**2) Financial Indicators**

The following are the financial indicators calculated by the Group and which are an integral part of the financial analysis performed:

**2.1. Indebtedness Ratios.**

This indicator measures to what extent and in what way short and long-term creditors participate in the Group's financing.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

	As of March, 31 2022	As of December, 31 2021
a) Total debt level (1)	59,960%	62,612%
b) Level of short-term debt (2)	30,830%	31,400%

- (1) The level of total indebtedness decreases mainly due to the prepayment of financial debt.
- (2) The level of short-term indebtedness decreases mainly due to suppliers and accounts payable generated at the end of the first quarter of 2022.

## 2.2 Solvency Ratio:

The solvency ratio indicates how much resources are held in assets compared to liabilities.

	As of March, 31 2022	As of December, 31 2021
Solvency ratio (1)	1,668	1,597

- 1) It presents a slight growth mainly due to new contracts and renewals of longer-term financial leases.

## 2.3 Profitability ratios:

Profitability is an index that measures the relationship between profits or benefits and the investment or resources used to obtain them.

	Quarter ended March 31,	
	2022	2021
a) Operating margin (1)	35,797%	2,939%
b) OIBDA margin	50,022%	27,754%

- (1) The improvement during the first quarter of 2022 corresponds mainly to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S. (Note 1). Excluding this impact, the adjusted operating margin is 2.0%, generated mainly by commercial costs related to the higher commercial activity during the quarter.
- (2) The improvement during the first quarter of 2022 corresponds mainly to the sale of the fiber optic business to Onnet Fibra Colombia S. A. S. (Note 1). Excluding this impact, the adjusted EBITDA margin is 23.68%; the variation corresponds mainly to commercial costs related to the higher commercial activity during the 2022 quarter.

## 2.4 Liquidity Ratios

Indicates the short-term availability to meet its short-term commitments.

	As of March, 31 2022	As of March, 31 2021
a) Net working capital (In thousands of US\$)	(7.363)	47.213
a) Net working capital (In thousands of COP\$)	(27.656.304)	177.332.981
b) Current ratio	0,989	1,067
c) Acid test	0,853	0,955

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

These indicators are static measures of the resources available at a given time to meet short-term obligations. In this sense, the analysis of short-term liquidity and solvency must consider the projections of future cash flows that the Group makes and guarantee continuity as a going concern.

The variation corresponds mainly to the prepayment of the long-term obligation in dollars for USD 132 million (\$526,326 million).

**2.5. Organizational Capacity**

	Quarter ended March 31,	
	2022	2021
a) Return on equity	5,434%	(2,12%)
b) Return on assets	6,592%	0,315%
c) Return, net	11,816%	(7,014%)

- (1) The increase in this indicator at the end of the first quarter of 2022 is mainly due to the sale of the fiber optic business net of taxes (Note 1).
- (2) The increase in this indicator at the end of the first quarter of 2022 is mainly due to the sale of the fiber optic business (Note 1).

**2.6. Interest coverage**

Interest coverage is used to measure the Group's capacity to meet its obligations associated with financial interests.

	Quarter ended March 31,	
	2022	2021
Interest coverage	16,564 v	0,884 v

- (1) The net increase in this indicator at the end of the first quarter of 2022 is mainly due to the improvement in operating results.

**3. Operational Information**

**3.1. Access**

	2022	2021		
	Mar-31	Dic-31	Sep-30	Jun-30
		<i>(Units 000)</i>		
<b>End Clients Access</b>	<b>22.073</b>	<b>21.924</b>	<b>21.024</b>	<b>20.321</b>
Basic Line (1)	1.414	1.410	1.411	1.419
Data	1.207	1.183	1.170	1.166
TV	586	554	535	527
Mobile Services	18.866	18.777	17.908	17.209
Prepaid	13.759	13.792	13.043	12.477
Postpaid	5.107	4.985	4.865	4.732

- (1) Includes fixed wireless and voice over IP accesses.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2022 AND FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
(Amounts expressed in thousands of Colombian pesos, unless otherwise stated)

**3.2. Average revenues per user - ARPU (Average revenues per user)**

	2022		2021	
	Mar-31	Dic-31	Sep-30	Jun-30
	(USD\$)			
LB-BA-TV (1)	8,43	8,69	8,47	8,32
Total Mobile (2)	3,03	3,07	3,10	3,18
<i>Prepaid</i>	0,79	0,78	0,72	0,72
<i>Postpaid</i>	9,06	9,40	9,46	9,71

	2022		2021	
	Mar-31	Dic-31	Sep-30	Jun-30
	(COP\$)			
LB-BA-TV (1)	31.652	32.626	31.801	31.262
Total Mobile (2)	11.391	11.539	11.645	11.948
<i>Prepaid</i>	2.964	2.934	2.690	2.714
<i>Postpaid</i>	34.040	35.318	35.522	36.462

(1) Includes monthly fixed tariffs and excludes data and rental revenues.

(2) Excludes revenues from Mobile Virtual Network Operators - MVNOs.

**32. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The following are the events that occurred between April 1 and the date of issuance of the Condensed Consolidated Interim Financial Statements, which do not affect the figures as of March 31, 2022.

On April 6, 2022, Colombia Telecomunicaciones S. A. E.S.P. BIC informed that the risk rating agency S&P Global Rating confirmed, in its annual review, the company's long-term debt risk rating on a global scale at BB and modified the outlook from negative to stable.