

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

### As of September 30, 2023, and for the nine-month period ended September 30, 2023

(Amounts in billions of pesos, unless otherwise indicated)

Colombia Telecomunicaciones S.A. E.S.P. BIC informs that today, November 14, 2023, it has transmitted to the Financial Superintendency of Colombia the **Consolidated and Separate Financial Statements** as of September 30, 2023, and for the nine-month period ended September 30, 2023.

## I. Relevant Matters

### 1. Relevant Matters as of September 30, 2023

Colombia Telecomunicaciones S.A. E.S.P. BIC continues to experience growth in revenues from customer contracts at the close of the period ending on September 30, 2023, primarily driven by new accesses in postpaid mobile customers, digital services in the corporate segment, fiber optics leveraged by connectivity speed, and the accelerated deployment of the fiber optic network. However, this growth is affected by reduced consumption in prepaid services, a decline in the sale of mobile terminals, mainly due to changes in consumer behavior related to current economic conditions, and regulatory changes leading to a decrease in interconnection service fees.

The results during the first nine months of 2023 reflect **the Company's** good commercial and operational performance, along with the execution of a strategy focused on value, growth, and profitability into a complex macroeconomic environment. Additionally, **the Company** maintains financial discipline focused on cash management efficiencies, evident in an efficient management of costs and investments.

### 2. Impact of inflation growth and peso devaluation against the dollar

As of September 30, 2023, the 12-month accumulated inflation reached 10.99%, and it is expected to continue its downward trend in the last quarter of the year. Local inflation results are mixed; on the positive side, food inflation continued to show a downward trend, mitigating the impact on the inflation for lower-income populations. However, overall inflation remained at elevated levels due to pressures from fuel price adjustments and the indexation of tariffs to the inflation of the previous year, mainly in services. In this regard, the current inflation is explained by the core component, unlike 2022, where it was driven by food prices.

As of September 30, 2023, the exchange rate stood at \$4,053.76 per dollar, showing an appreciation of 15.7% compared to the close of 2022. This appreciation is explained by a decrease in the country's risk premium, despite the context of high global uncertainty and declines in oil prices. **The Company** has conducted a combined assessment of financial risk related to inflation and exchange rate fluctuations. Following the measures taken with hedging instruments, no significant impacts have been observed that would affect the operational results, financial situation, and liquidity.

## II. Operating Results

At the close of the first nine months of 2023, **the Company** presented a sustained strengthening of its commercial activity, with year-on-year growth in mobile (+6.9%) and fiber optic (+52.3%) customers, leveraging a year-on-year increase in operational revenue from customer contracts of +1.1% (\$56 million).

As of September 30, 2023, **the Company's total customers** reached 25.04 million (+7.2% YoY) and are composed as follows: **mobile business customers** amount to 21.4 million (+6.9% YoY), with a net gain of 1.4 million accesses YoY, driven by the growth of commercial activity in a highly competitive environment. In the **fixed business**, customers total 3.7 million. The Company continues to transform fixed connectivity through optical fiber, achieving excellent results in deployment with a total of 1.1 million accesses (+52.3% YoY), representing

<sup>1</sup> Subsidiary as of March 31, 2023: Empresa Operaciones Tecnológicas y Comerciales S.A.S. - "Optecom".

79.1% of the total broadband base (1.4 million customers) with a net gain of 287k accesses YoY. TV customers amount to 809k, with IPTV accesses reaching 695k (85.9% of the total TV).

### III. Consolidated Financial Results

#### 1. Consolidated Statement of Comprehensive Income

**Total operating revenues** during the first nine months of 2023 amounted to \$5,250 million, showing no significant variation compared to the same period in 2022 (excluding the effect of the operation carried out with KKR in January 2022 for \$841 million). **Revenues from customers** reached \$5,041 million, with a net year-on-year growth of 1.1% (\$4,985 million during the same period in 2022). This growth is mainly attributed to fixed services driven by connectivity through the fiber optic network, leveraging expanded coverage and higher connection speeds. The growth was partially affected by the decrease in mobile-to-mobile interconnection tariffs set by the Regulatory Communications Commission of Colombia in January 2023 and the reduction in the commercialization of handsets, primarily attributed to changes in consumer preferences influenced by the current economic market conditions.

**Other operating revenues** of \$208 million showed a decrease of 31.4% (excluding the effect of the operation carried out with KKR) compared to the same period in 2022, mainly due to the reduction in the sale of properties (Rooftops) during the 2023 period. This decrease is partly offset by the revenues recognized for the exclusivity contract commitment, which includes the supply of deployment and connectivity services through the fiber optic network between the Company and Onnet Fibra Colombia S.A.S., and for administrative and management platform services.

**Operating costs and expenses** amounted to \$4,175 million at the end of the first nine months of 2023, reflecting an increase of 4.6% (\$3,991 million for the first nine months of 2022). This increase is primarily attributed to costs associated with the growth of the fiber optic network (connectivity, content, and customer premises), the execution of fiber optic deployment projects, and the rise in prices due to macroeconomic effects and impacts from the tax reform (Law 2277 of 2022). This is partially offset by costs with mobile operators due to a decrease in regulated mobile-to-mobile interconnection rates.

The **EBITDA**, an indicator measuring performance and operating results before depreciation and amortization, amounted to \$1,075 million at the end of the first nine months of 2023. This represents a decrease of 17.1% compared to the same period in 2022 (excluding the effect of the operation with KKR in January 2022). The **EBITDA** for the first nine months of 2023 was mainly impacted by macroeconomic effects and the decrease in handset sales, primarily due to changes in consumer behavior related to current economic conditions. However, this indicator includes the strong performance in revenue from fiber optic services, digital services in the Corporate segment, and fiber optic deployment services, as well as the realization of efficiencies in non-commercial costs and expenses.

**Depreciation and amortization** expense during the first nine months of 2023 amounted to \$1,050 million, representing a slight increase compared to the same period in 2022. **The net financial result** was \$401 million, showing a 10.0% year-on-year increase. This increase is primarily attributed to the rise in the IBR (Indicador Bancario de Referencia) and SOFR (Secured Overnight Financing Rate) curves, impacting debt exposed to variable interest rates, compared to the same period in 2022. Additionally, it is influenced by new debt to address short-term needs and financial leasing contracts.

The **net result** at the close of the first nine months of 2023 is -\$409 million (-\$15 million during the same period in 2022). It is primarily affected by the prices of goods and services acquired due to macroeconomic effects during the 2023 period, which also impacted lower handset sales and real estate compared to the same period in 2022. The **net result** includes an **income tax expense** of \$20 million (compared to \$719 million during the same period in 2022).

## 2. Consolidated Statement of Financial Position

The **consolidated total assets** of Colombia Telecomunicaciones S.A. E.S.P. BIC and its subsidiary as of September 30, 2023, amount to \$13.948 million. **Current assets** total \$2.825 million, and **non-current assets** amount to \$11.123 million. The main variations in the assets compared to the closing on December 31, 2022, are summarized below:

**Current assets** show a net decrease of 7.9% (\$241 million), driven by the items of cash and cash equivalents, mainly due to payments to suppliers, the payment of 10% of the obligation for the acquisition of radio spectrum and financial leasing, the decrease in financial assets due to the valuation of hedges reflecting the appreciation of the peso against the dollar by 15.7% during the 2023 period, and the decrease in inventories. This is partially offset by the increase in prepaid expenses for acquiring contracts with clients, the cost of equipment and installation at clients' premises generated by the commercial activity during the period, and in taxes and public administrations due to the self-withholdings generated on income during the first nine months of 2023.

**Non-current assets** presented a net decrease of 5.3% (\$622 million), mainly in financial assets due to the valuation of hedges reflecting the appreciation of the peso against the dollar during the first nine months of 2023. There is also a decrease in property, plant, and equipment, as well as intangibles due to depreciation and amortization. Additionally, there is a transfer of accounts receivable to the current portion according to the terms of sales contracts. This is partially offset by an increase in prepaid expenses for obtaining contracts with clients and the cost of equipment and installation at clients premises generated by the commercial activity during the period, as well as the renewal and new contracts for lease rights.

**Total consolidated liabilities** at the end of September 30, 2023, amount to \$9,835 million, reflecting a net decrease of 2.5% (\$248 million). The main variations compared to the closing on December 31, 2022, are summarized as follows:

**Current liabilities** of \$3,943 million show a net increase of 14.4% (\$497 million). This increase is primarily due to the transfer to short-term liabilities of the local bond for the payment of the first tranche at a fixed rate during the first semester of 2024, and a local loan in pesos. There is also an increase in financial obligations due to loans acquired to address short-term cash flow needs. Additionally, there is an increase in taxes and public administrations for VAT and withholding taxes payable, which will be offset by the income tax balances for 2022, and a decrease in the accounts payable to suppliers due to payments made during the period of 2023 for balances as of December 31, 2022.

**Non-current liabilities** amounted to \$5,893 million, showing a net decrease of 11.2% (\$744 million). This decrease is mainly due to the transfer to short-term liabilities of the local bond for its first tranche at a fixed rate and a local loan in pesos. Additionally, the effect of the peso's appreciation against the dollar on foreign currency financial obligations during the first nine months of 2023 contributed to the reduction.

**Consolidated net equity** at the close of September 30, 2023, amounted to \$4,113 million, representing a decrease of 13.0% (\$616 million) compared to the 2022 closing. This reduction is mainly attributable to the results during the first nine months of 2023 and the decrease in the valuation of hedge instruments, primarily due to the appreciation of the peso against the dollar during the period and variations in the SOFR and IBR curves associated with swap instruments.

## IV. Subsequent Events

The notes to the Financial Statements disclose information related to subsequent events.

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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 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 September 30, 2023 and for the nine-month period ended September 30, 2023  
with statutory auditor's report

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## Certification of the Legal Representative and Public Accountant

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

November 10, 2023

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 September 30, 2023, and the Condensed Consolidated Interim Statement of Comprehensive Income, the Condensed Consolidated Interim Statement of Changes in Equity and the Condensed Consolidated Interim Statement of Cash Flows for the nine-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. 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 September 30, 2023, exist and all transactions included in such condensed consolidated interim financial statements have occurred during the nine-month period then ended.
2. All economic events of the Company and its subsidiary during the nine months ended September 30, 2023, 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 September 30, 2023.
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 statement.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2023 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(figures expressed in thousands of Colombian pesos, except net income per share or unless otherwise stated)



Notes	As of september, 30		As of december, 31		
	2023		2022		
	(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	12.258	49.692.605	118.990	482.357.458
Financial assets	6	70	284.742	28.239	114.473.812
Debtors and other receivables, net	7	351.294	1.424.060.532	306.580	1.242.801.246
Prepaid expenses	8	115.623	468.708.341	82.236	333.365.146
Contractual assets	9	2.731	11.070.120	2.839	11.509.945
Inventories	10	62.318	252.623.780	120.266	487.531.477
Taxes and public administration	11	152.599	618.598.936	97.289	394.385.624
<b>Total current assets</b>		<b>696.893</b>	<b>2.825.039.056</b>	<b>756.439</b>	<b>3.066.424.708</b>
<b>Non-current assets:</b>					
Financial assets	6	43.310	175.566.326	124.633	505.232.823
Debtors and other receivables, net	7	214.547	869.721.339	244.894	992.739.484
Investments companies	12	23.354	94.673.289	15.469,00	62.709.480,00
Prepaid expenses	8	170.979	693.108.046	130.626	529.527.808
Contractual assets	9	818	3.317.519	1.470	5.957.797
Right of use assets	13	259.555	1.052.172.360	237.493	962.738.324
Property, plant and equipment	14	965.850	3.915.323.501	1.038.519	4.209.906.007
Investment properties	0	1.985	8.045.056	1.985	8.045.056
Intangibles	15	274.261	1.111.787.455	325.110	1.317.918.174
Goodwill	16	334.463	1.355.833.946	334.463	1.355.833.946
Taxes and public administration	11	110.114	446.374.615	99.570	403.634.509
Deferred taxes	11	344.738	1.397.485.272	343.202	1.391.257.589
<b>Total Non-current assets</b>		<b>2.743.974</b>	<b>11.123.408.724</b>	<b>2.897.434</b>	<b>11.745.500.997</b>
<b>Total assets</b>		<b>3.440.867</b>	<b>13.948.447.780</b>	<b>3.653.873</b>	<b>14.811.925.705</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Financial obligations	17	305.239	1.237.366.238	120.553	488.692.357
Suppliers and accounts payable	18	527.733	2.139.304.431	625.084	2.533.940.691
Contractual liabilities	9	34.964	141.735.103	35.833	145.259.250
Taxes and public administration	11	66.534	269.713.814	26.690	108.196.785
Deferred liabilities	0	639	2.590.540	639	2.590.540
Provisions and pension liabilities	19	37.476	151.913.935	41.280	167.337.608
<b>Total current liabilities</b>		<b>972.585</b>	<b>3.942.624.061</b>	<b>850.079</b>	<b>3.446.017.231</b>
<b>Non-current liabilities</b>					
Financial obligations	17	1.281.877	5.196.421.790	1.450.626	5.880.490.894
Suppliers and accounts payable	18	12.046	48.832.559	17.991	72.930.673
Contractual liabilities	9	96.086	389.509.943	103.570	419.849.081
Deferred liabilities	0	1.436	5.819.715	1.563	6.336.436
Provisions and pension liabilities	19	62.170	252.023.825	63.519	257.489.358
<b>Total non-current liabilities</b>		<b>1.453.615</b>	<b>5.892.607.832</b>	<b>1.637.269</b>	<b>6.637.096.442</b>
<b>Total liabilities</b>		<b>2.426.200</b>	<b>9.835.231.893</b>	<b>2.487.348</b>	<b>10.083.113.673</b>
<b>Total equity, attributable to controlling interests</b>	20	<b>1.014.667</b>	<b>4.113.215.887</b>	<b>1.166.525</b>	<b>4.728.812.032</b>
<b>Total liabilities and shareholders' equity</b>		<b>3.440.867</b>	<b>13.948.447.780</b>	<b>3.653.873</b>	<b>14.811.925.705</b>

Notes 1 to 30 are an integral part to these condensed interim financial statements.

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**AS OF SEPTEMBER 30, 2023 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(figures expressed in thousands of Colombian pesos, except net income per share or unless otherwise stated)



Notes	For the nine-month period ended september 30,				
	2023	2022	2023	2022	
	(Unaudited)				
(In thousands of US\$)					
Operating income:					
Income from contracts with customers	21	1.243.619	1.229.723	413.931	424.266
Other operating income	22	51.403	282.312	16.502	53.234
		<b>1.295.022</b>	<b>1.512.035</b>	<b>430.433</b>	<b>477.500</b>
Operating costs and expenses	23	(1.029.787)	(984.593)	(348.439)	(347.764)
<b>Operating profit before depreciation and amortization</b>		<b>265.235</b>	<b>527.442</b>	<b>81.994</b>	<b>129.736</b>
Depreciation and amortization	24	(259.119)	(254.885)	(88.817)	(83.584)
<b>Operational result</b>		<b>6.116</b>	<b>272.557</b>	<b>(6.823)</b>	<b>46.152</b>
Interest expense, net	25	(99.009)	(90.027)	(23.293)	(33.608)
<b>Profit before taxes</b>		<b>(92.893)</b>	<b>182.530</b>	<b>(30.116)</b>	<b>12.544</b>
Income and supplementary taxes	11	(4.945)	(177.459)	(2.650)	(29.175)
<b>Net profit for the period</b>		<b>(97.838)</b>	<b>5.071</b>	<b>(32.766)</b>	<b>(16.631)</b>
<b>Other comprehensible results:</b>					
<b>Items to be reclassified to the income statement</b>					
Valuation of hedging derivatives, net of tax	11 y 20	(51.590)	(7.226)	(1.167)	550
Participation over the other comprehensive income in associated company	11 y 20	561	-	(542)	-
<b>Other comprehensive income</b>	20	<b>(51.029)</b>	<b>(7.226)</b>	<b>(1.709)</b>	<b>550</b>
<b>Net comprehensive income for the period</b>		<b>(148.867)</b>	<b>(2.155)</b>	<b>(34.475)</b>	<b>(16.081)</b>

Notes	For the nine-month period ended september 30,				
	2023	2022	2023	2022	
	(Unaudited)				
(In thousands of COP\$)					
Operating income:					
Income from contracts with customers	21	5.041.334.927	4.985.003.137	1.677.977.974	1.719.872.820
Other operating income	22	208.377.233	1.144.424.765	66.893.243	215.799.069
		<b>5.249.712.160</b>	<b>6.129.427.902</b>	<b>1.744.871.217</b>	<b>1.935.671.889</b>
Operating costs and expenses	23	(4.174.508.208)	(3.991.304.041)	(1.412.487.737)	(1.409.751.508)
<b>Operating profit before depreciation and amortization</b>		<b>1.075.203.952</b>	<b>2.138.123.861</b>	<b>332.383.480</b>	<b>525.920.381</b>
Depreciation and amortization	24	(1.050.407.197)	(1.033.242.491)	(360.042.377)	(338.829.932)
<b>Operational result</b>		<b>24.796.755</b>	<b>1.104.881.370</b>	<b>(27.658.897)</b>	<b>187.090.449</b>
Interest expense, net	25	(401.360.172)	(364.946.115)	(94.423.195)	(136.238.351)
Participation method	12	(12.127.754)	(35.090.103)	(4.462.971)	(30.991.400)
<b>Profit before taxes</b>		<b>(388.691.171)</b>	<b>704.845.152</b>	<b>(126.545.063)</b>	<b>19.860.698</b>
Income and supplementary taxes	11	(20.047.079)	(719.378.086)	(10.740.563)	(118.270.099)
<b>Net profit for the period</b>		<b>(408.738.250)</b>	<b>(14.532.934)</b>	<b>(137.285.626)</b>	<b>(98.409.401)</b>
<b>Other comprehensible results:</b>					
<b>Items to be reclassified to the income statement</b>					
Valuation of hedging derivatives, net of tax	11 y 20	(209.130.363)	(29.292.272)	(4.729.534)	2.229.673
Participation over the other comprehensive income in associated company	11 y 20	2.272.468	-	(2.195.212)	-
<b>Other comprehensive income</b>	20	<b>(206.857.895)</b>	<b>(29.292.272)</b>	<b>(6.924.746)</b>	<b>2.229.673</b>
<b>Net comprehensive income for the period</b>		<b>(615.596.145)</b>	<b>(43.825.206)</b>	<b>(144.210.372)</b>	<b>(96.179.728)</b>

Notes 1 to 30 are an integral part to 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 SEPTEMBER 30, 2023 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023.**



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

	Subscribed and paid-in capital	Premium on share placement	Reserves	Revaluation surplus, hedging derivatives and actuarial result	Results of post-employment benefit obligations	Accumulated results	Total	Total Equity
	(In thousands of US\$)							
<b>Balances as of December 31, 2021</b>	<b>841</b>	<b>2.423.030</b>	<b>17.522</b>	<b>96.343</b>	<b>(3.055)</b>	<b>(1.300.699)</b>	<b>1.233.981</b>	<b>1.237.037</b>
Net profit for the period	-	-	-	-	-	(3.585)	-	(3.585)
Distributable reserves	-	-	25.060	-	-	(25.060)	-	-
Transfers (Note 20)	-	-	-	(3.920)	-	3.920	-	-
Other comprehensive income for the period (Note 20)	-	-	-	(7.226)	-	-	(7.226)	(7.226)
<b>Balances as of September 30, 2022 (Unaudited)</b>	<b>841</b>	<b>2.423.030</b>	<b>42.582</b>	<b>85.197</b>	<b>(3.055)</b>	<b>(1.325.424)</b>	<b>1.226.755</b>	<b>1.226.226</b>
<b>Balances as of December 31, 2022</b>	<b>841</b>	<b>2.423.030</b>	<b>17.522</b>	<b>75.195</b>	<b>(3.290)</b>	<b>(1.350.063)</b>	<b>1.163.234</b>	<b>1.166.525</b>
Net profit for the period	-	-	-	-	-	(100.829)	(100.829)	(100.829)
Transfers (Note 20)	-	-	-	(11.873)	-	11.873	-	-
Other comprehensive income for the period (Note 20)	-	-	-	(51.029)	-	-	(51.029)	(51.029)
<b>Balances as of September 30, 2023 (Unaudited)</b>	<b>841</b>	<b>2.423.030</b>	<b>17.522</b>	<b>12.293</b>	<b>(3.290)</b>	<b>(1.439.019)</b>	<b>1.011.376</b>	<b>1.014.667</b>

	Subscribed and paid-in capital	Premium on share placement	Reserves	Revaluation surplus, hedging derivatives and actuarial result	Results of post-employment benefit obligations	Accumulated results	Total	Total Equity
	(In thousands of COP\$)							
<b>Balances as of December 31, 2021</b>	<b>3.410.076</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>390.551.030</b>	<b>(12.386.002)</b>	<b>(5.272.721.589)</b>	<b>5.002.264.825</b>	<b>5.014.650.827</b>
Net profit for the period	-	-	-	-	-	-14532934	-	14.532.934
Distributable reserves	-	-	101.588.959	-	-	(101.588.959)	-	-
Transfers (Note 20)	-	-	-	(15.891.830)	-	15.891.830	-	-
Other comprehensive income for the period (Note 20)	-	-	-	(29.292.272)	-	-	(29.292.272)	(29.292.272)
<b>Balances as of September 30, 2022 (Unaudited)</b>	<b>3.410.076</b>	<b>9.822.380.645</b>	<b>172.619.624</b>	<b>345.366.928</b>	<b>(12.386.002)</b>	<b>(5.372.951.652)</b>	<b>4.972.972.553</b>	<b>4.970.825.621</b>
<b>Balances as of December 31, 2022</b>	<b>3.410.076</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>304.823.104</b>	<b>(13.338.881)</b>	<b>(5.472.832.458)</b>	<b>4.715.473.151</b>	<b>4.728.812.032</b>
Net profit for the period	-	-	-	-	-	(408.738.250)	(408.738.250)	(408.738.250)
Transfers (Note 20)	-	-	-	(48.128.598)	-	48.128.598	-	-
Other comprehensive income for the period (Note 20)	-	-	-	(206.857.895)	-	-	(206.857.895)	(206.857.895)
<b>Balances as of September 30, 2023 (Unaudited)</b>	<b>3.410.076</b>	<b>9.822.380.645</b>	<b>71.030.665</b>	<b>49.836.611</b>	<b>(13.338.881)</b>	<b>(5.833.442.110)</b>	<b>4.099.877.006</b>	<b>4.113.215.887</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
AS OF SEPTEMBER 30, 2023 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023.**  
(figures expressed in thousands of Colombian pesos, unless otherwise state)



Notes 1 to 30 are an integral part to these condensed interim financial statements.

	Notes	For the nine-month period ended september 30,			
		2023		2022	
		(Unaudited)			
		(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Net cash flows from operating activities</b>					
Cash received from customers		1.384.078	5.610.718.858	1.301.207	5.274.781.384
Cash paid to suppliers and other accounts payable		(1.088.959)	(4.414.376.399)	(1.119.328)	(4.537.490.015)
Net interest paid and other financial expenses		(88.731)	(359.695.582)	(72.843)	(295.288.218)
Direct taxes paid		(51.140)	(207.310.936)	(56.437)	(228.783.776)
Self-withholding on income tax		(52.829)	(214.157.991)	(54.917)	(222.620.097)
Interest paid on finance leases	17	(21.467)	(87.023.562)	(16.154)	(65.485.739)
<b>Net cash provided by (used in) operating activities</b>		<b>80.952</b>	<b>328.154.388</b>	<b>(18.472)</b>	<b>(74.886.461)</b>
<b>Net cash flows used in investing activities</b>					
Collections for the sale of real estate and equipment		11.732	47.560.200	46.309	187.725.359
Payments for investments in plant and equipment and intangibles		(162.586)	(659.083.781)	(78.666)	(318.891.830)
Collections optical fiber		-	-	166.620	675.438.000
<b>Net cash (used in) provided by investing activities</b>		<b>(150.854)</b>	<b>(611.523.581)</b>	<b>134.263</b>	<b>544.271.529</b>
<b>Net cash flows used in financing activities</b>					
New financial debt	17	74.015	300.040.975	-	-
Spectrum license payment		(13.694)	(55.513.680)	(27.389)	(111.027.359)
Finance lease payments		(55.882)	(226.533.642)	(54.246)	(219.900.634)
Exchange rate hedging charges		-	-	5.683	23.035.653
Exchange rate hedging payments		(10.437)	(42.307.098)	-	-
Payment of financial debt		(30.831)	(124.982.215)	(129.837)	(526.326.240)
<b>Net cash used in financing activities</b>		<b>(36.829)</b>	<b>(149.295.660)</b>	<b>(205.789)</b>	<b>(834.218.580)</b>
Decrease net in cash and cash equivalents		<b>(106.731)</b>	<b>(432.664.853)</b>	<b>(89.998)</b>	<b>(364.833.512)</b>
Cash and cash equivalents as of January 1		118.990	482.357.458	135.200	548.069.973
<b>Cash and cash equivalents as of march 31,</b>	5	<b>12.258</b>	<b>49.692.605</b>	<b>45.202</b>	<b>183.236.461</b>
<b>Cash and cash equivalents as of January 1</b>					
Cash, cash and banks		99.992	405.344.578	108.282	438.949.908
Temporary investments		18.998	77.012.880	26.918	109.120.065
<b>Cash and cash equivalents as of march 31,</b>		<b>12.258</b>	<b>49.692.605</b>	<b>45.202</b>	<b>183.236.461</b>
Cash, cash and banks		11.769	47.707.113	36.370	147.433.733
Temporary investments		490	1.985.492	8.832	35.802.728

Notes 1 to 30 are an integral part to these condensed interim financial statements.

## 1. GENERAL INFORMATION

### a) Economic Entity

Colombia Telecomunicaciones S. A. E.S.P. BIC (hereinafter "the Company") was incorporated as a commercial corporation by shares in Colombia by Public Deed No. 1331 of June 16, 2003, with a duration, 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 network activities and telecommunications services, such as local, extended local and national and international long distance basic public switched telephony, mobile services, cellular mobile telephony services in any territorial, national or international order, carriers, teleservices, telematic 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, operation services of private and public telecommunication networks and total operations of information systems, services of provision and/or generation of contents and applications, information services and any other activity, product or service qualified as telecommunication and/or information and communication technologies (ICT) such as resources, tools, equipment, computer programs, applications, networks and media, which allow the provision and/or generation of contents and applications, information services and any other activity, product or service qualified as telecommunication and/or information and communication technologies (ICT) such as resources, tools, equipment, computer programs, applications, networks and means, which allow the compilation, processing, storage, transmission of information such as voice, data, text, video and images, including their complementary and supplementary activities, within the national territory and abroad and in connection with the exterior, using for this purpose goods, assets and rights of its own or exercising the use and enjoyment of goods, assets and rights of third parties. Likewise, the Company may develop the commercial activities that have been defined in its bylaws.

On September 27, 2017, the Company acquired the majority shareholding of the companies Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P. equivalent to 99.99% and 99.97%, respectively. In this way, Telefónica S. A. acquired control of these companies through Colombia Telecomunicaciones S. A. E.S.P. BIC, and on November 9 and 8, 2017, the aforementioned control situation was registered in the Chamber of Commerce of Bucaramanga and Barranquilla, respectively. On April 9, 2018, the Company registered the situation of Business Group of the Company, Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P. with the controlling company Telefónica S. A. at the Chamber of Commerce.

On May 27, 2020, by means of Public Deed 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 Business Group status, in the sense of indicating that it is only between the Company and the controlling company Telefónica S. A.

The companies Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. and Metropolitana de Comunicaciones S. A. E.S.P. were owners of 100% of the shares of the company Operaciones Tecnológicas y Comerciales S. A. S. - "Optecom", S. S., this company proceeded to (i) cancel the titles of Metrotel and Telebucaramanga; (ii) issue in the name of Colombia Telecomunicaciones S. A. E.S.P. BIC the titles corresponding to the 2,330 shares owned by Metrotel and Telebucaramanga; and (iii) register in the share registry book the company Colombia Telecomunicaciones S. A. E.S.P. BIC as shareholder of Optecom. Consequently, Colombia Telecomunicaciones S. A. E.S.P. BIC has a share corresponding to 100% of the capital stock of Optecom. The situation of control over Optecom is predicated 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 includes general consulting, design, supervision and execution of works, electromagnetic assemblies, maintenance and commercial operation of telecommunications networks, carrying out energy transmission and maintenance projects, integral maintenance of networks associated with external plant and client's loop, design and construction of all kinds of works, assemblies, construction and maintenance of internal and external telecommunications plants with wireless access or built in multipair copper, fiber optic or coaxial cable, or any other technology. The term of duration of the company is indefinite, the address registered as domicile and main office is Calle 74 No. 57 - 35, 2nd floor (Barranquilla, Colombia).

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

On January 11, 2022, after obtaining the necessary regulatory authorizations and the fulfillment of certain conditions agreed on July 16, 2021, the transactions approved by the Board of Directors of Colombia Telecomunicaciones S. A. E.S.P. BIC were completed. Consequently, Colombia Telecomunicaciones S. A. E.S.P. BIC perfected the sale of the fiber optic 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).

The negotiation included the agreement of an Earn-Out, which was agreed between the parties based on the analysis of the Master Business Plan. On March 23, 2022, the modification of the operation with KKR was signed so that Colombia Telecomunicaciones S.A. E.S.P. BIC will be able to: (i) receive higher income through an increase in the variable sale price of fiber optic assets in the amount of USD 50 million in cash in three payments over time, subject to the fulfillment of conditions outlined in the Master Business Plan over the years 2022, 2023, and 2024, and (ii) USD 33.33 million for capitalization in Alamo Holdco, S.L., for a total of USD 83.33 million. The Company's participation in Alamo Holdco, S.L., equivalent to 40% of the share capital, will not be altered by the modification. At the close of September 2023, the Company conducted a conciliation with Onnet Fibra Colombia S.A.S. to validate the fulfillment of the agreed conditions for the first year. By achieving the Earn-Out and surpassing two of the three established goals, the result was a payment of USD 16,000,000. In addition to this, USD 10,666,667 was capitalized, equivalent to \$41,819.1 million, as an increased value in the investment in Álamo Holdco, S.L. (Note 12).

## **c) Profit Distribution Project - Absorption of Losses**

The Group at the end of fiscal year 2022 generated a net loss of \$79,132,425. In accordance with the above, the General Shareholders' Meeting of Colombia Telecomunicaciones S.A. E.S.P. BIC, at the ordinary meeting held on March 17, 2023, approved "the non-distribution of profits given that at the close of the 2022 fiscal year they were not generated, according to the financial statements as of December 31, 2022".

## **2. OPERATIONS**

### **2.1. Ongoing business**

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 \$49.692.605, 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 primarily due to the country's macroeconomic impacts related to inflation and interest rates, the Group's management retains the ability to take mitigation 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. Main Regulatory Matters**

The main regulatory issues as of September 30, 2023, are as follows:

#### **Spectrum Licenses**

- In accordance with the procedures stipulated by the Ministry of Information and Communications Technologies (hereinafter MINTIC), the Group applied for the renewal of the 30 MHz in the AWS band in June 2023, as well as the 25 MHz in the 850 band and the 15 MHz of spectrum in the 1900 MHz band in September 2023.
- MINTIC announced that the auction to allocate spectrum supporting 5G technology will take place during the year 2023 and will have the support of the International Telecommunication Union - ITU.

MINTIC released two draft of the resolution projects for comments, the first with a maximum comment deadline of August 15 and the second by September 20, 2023. They also conducted forums to socialize the drafts. MINTIC has the following deadlines planned:

- October 17, 2023: Publication of the resolution with the final conditions.
- November 2, 2023: Submission of requests for allocation of permits.
- December 20, 2023: Spectrum allocation auction.
- February 22, 2024: Issuance of administrative allocation acts.

#### **Approved laws**

- The framework of the National Development Plan 2022- 2026, establishes the allocation of the spectrum to maximize social welfare and its sharing, increases the maximum allowed for obligations to do, orders the MINTIC and the Communications Regulation Commission (hereinafter CRC) to define a single procedure for infrastructure deployment in territories, favorable conditions to serve remote areas and/or vulnerable population and regulation of the regulated prices update index for sharing of poles and ducts in the sector.
- The law project "dejen de fregar" orders the CRC and MINTIC to extend the registry of excluded numbers so that users stop receiving promotional calls. The said project was sanctioned through Law 2300 on July 10, 2023.
- Pink Alert Law Project, this initiative seeks to expedite the search for missing women by sending a text message to internet-connected devices, official media (radio and television), civil society and public entities as a mass call of utmost urgency. It was sanctioned through Law 2326 of 2023.

#### **Bills related to the TIC sector under study by the Congress of the Republic**

- Minimum vital Internet, this project seeks to guarantee a vital minimum of Internet access and use for Colombians from their homes and public entities, through the technologies deployed.
- TIC easements, this project seeks to regulate easements on real estate affected by works for the provision of telecommunications services.
- Identity theft, this project seeks to prevent identity theft, would require providers of mobile telecommunications networks and services and financial entities to establish measures to avoid negative reports, and would prevent them from charging those who are processing administrative complaints and reports of identity theft.
- "Sara Sofia" Law Project, the initiative to create an alert system for lost underage According to the Law Project "the alert must appear on the main screen of the cell phones for a few seconds where the information of the underage will be displayed. The photograph must occupy at least 70% of the screen of the cellular device and must vibrate. The alert signal will be in red danger color".
- The Congress of the Republic would declare, through a Law, the public utility and social interest of the expansion, construction, and operation of networks for public telecommunications services

#### **Ongoing regulatory projects of the Agenda 2023-2026**

- The Communications Regulation Commission issued Resolution No. 7120 of 2023, which establishes the conditions for access, use and remuneration of passive infrastructure for the deployment of infrastructure
- The CRC issued Resolution No. 7151 of 2023, which incorporates the changes on mobile number portability by eliminating payment default as a cause for rejection.
- Problem formulation document for the "4G mobile service quality continuous improvement tools" project, this document defines the problem to be solved and is the result of the initial phase of the application of the Regulatory Impact Analysis - RIA methodology, corresponding to the first phase of this regulatory initiative.

- The sector regulator uploaded the problem formulation document for the “4G mobile service quality continuous improvement tools” project to its website; this document defines the problem to be solved and is the result of the initial phase of applying the Regulatory Impact Analysis methodology - RIA, corresponding to the first phase of this regulatory initiative.
- The Regulator requested by May 25, 2023 information on costs associated with the subscription television service, within the analysis of audiovisual markets, and by June 30 of the same year, the number of poles and ducts to establish the indicator for updating the regulated caps on passive infrastructure sharing, as established in the National Development Plan.

#### **Initiatives of the National Spectrum Agency (ANE)**

The ANE postponed compliance with Resolution 797 until October 31, 2023. This decision gives more time for coordination between mobile operators and the Penitentiary Institute (INPEC). This Institute must invest to modernize its signal inhibitor equipment in prisons. Resolution 797 was issued in 2019 and regulated the operation of the inhibitor or blocking systems installed by INPEC inside penitentiary and prison establishments and the attenuation or reduction of radio signals coming from mobile stations near these establishments.

#### **Initiatives of the Mayor's Office of Bogotá**

The Mayor's Office of Bogotá issued the Decree that regulates the requirements and procedure to authorize and install antennas and stations in the city. The regulation, which is of local application, serves as a reference for many administrations in other municipalities. It included the charge for the use of public space; it requires compliance with the height standards for buildings defined for each urban treatment. It stipulated that the minimum distance between radioelectric stations in private properties on urban land will be 50 meters, as opposed to the 2 meters mentioned in the proposal. It is estimated that the impact of the measure is lower since under the new network deployment model, the Company leases technical sites to specialized companies.

#### **Interconnection**

The prices scheme of access charges between telecommunications operators is found in Resolutions 5050 of 2016 modified by resolutions 5107 and 5108 of 2017, which regulated the price of National Automatic Roaming (hereinafter RAN) for voice, data and SMS; and the volume of discounts and the methodology of the base price to charge mobile virtual operators, respectively. CRC Resolution 7007 of December 2022 established a new adjustment in the pricing conditions for interconnection in mobile networks and the prices of Automatic National Roaming and adjusted the rules for prices to be charged to Mobile Virtual Network Operators (hereinafter OMV). We highlight the adoption of the Bill and Keep (B&K) scheme as of 2025. It is estimated that the decision will favor users by reducing and in some cases eliminating wholesale interconnection costs, since final prices were reduced more slowly than the initial proposal.

### **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 September 30, 2023, and for the nine-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, 2022. 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, investment properties and derivative financial instruments, which have been measured at fair value.

The carrying amounts of assets and liabilities recognized and designated as hedged items in fair value hedging relationships 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. 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.

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation when items are revalued. Balances denominated in foreign currencies are expressed in Colombian pesos at the representative exchange rates of \$4,053.76 and \$4,810.20 per US\$1 at September 30, 2023 and December 31, 2022, respectively.

The Condensed Consolidated Interim Financial Statements for the period ended September 30, 2023, were authorized for issue by the Chief Executive Officer of Colombia Telecomunicaciones S. A. E.S.P. BIC on November 10, 2023.

### **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 from the date on which Colombia Telecomunicaciones S. A. E.S.P. BIC obtains control and will continue to be 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 that of 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 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 in the profits or losses of the associate after the elimination of 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 participation in the variations in other equity accounts of the associates, other than income for the period, is also recorded as an increase or decrease in the value of the investments indicated above, with a credit or 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, which constitute a business, to a joint venture or associate; or loses control of a subsidiary that contains a business but retains control or significant influence; the gain or loss from that transaction is recognized in full.
- Conversely, when the entity: sells or contributes assets that do not constitute a business to a joint venture or associate; or loses control of a subsidiary that does not contain a business but retains joint control or significant influence in a transaction involving an associate or joint venture; the gain or loss resulting from that transaction is recognized only to the extent of the unrelated investor's interest in the joint venture or associate, the entity's share of the gain or loss is eliminated.

Therefore, in accordance with the terms of the contract for the sale of the fiber optic assets, Colombia Telecomunicaciones S.A. E.S.P. BIC has subscribed shares equivalent to a 40% interest in Alamo HoldCo S.L. and considering that the operation constitutes the sale of a business with subsequent investment in an associate, in the presentation of these consolidated financial statements, the profit or loss arising 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 MFRS 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 following is a summary of the main accounting estimates and judgments made by the Group in the preparation of the Condensed Consolidated Interim Financial Statements:

- The assumptions used to calculate the fair value of financial instruments,
- The valuation of financial assets to determine the existence of impairment losses,
- The useful life of property, plant and equipment and intangibles,
- The variables used and the assumptions used in the evaluation and determination of impairment indicators for non-financial assets,
- The variables used in the evaluation and determination of losses and obsolescence of inventories,
- The discount rate used in the calculation of the lease liability and the right of use,
- The probability of occurrence and the value of the liabilities that determine the amount to be recognized as provisions related to litigation and restructuring,
- The assumptions used in recognition of the decommissioning liability,
- The assessment of the probability of having future profits for the recognition of deferred tax assets,
- The estimated time to depreciate the rights of use, the assumptions used in the calculation of the growth rates of the lease contracts recorded as rights of use, and the variables used for the valuation of the lease liability.
- Post-employment employee benefits, the present value of pension obligations, and other post-employment benefits depend on certain factors that are determined on an actuarial basis using several assumptions.

These estimates have been made on the basis of the best information available on the events analyzed at the date of preparation of the Condensed Consolidated Interim Financial Statements, which may give rise to future modifications by virtue of possible situations that may occur and that would require their recognition prospectively, which would be treated as a change in an accounting estimate in future financial statements.

### **3.2. Accounting Policies**

The Group's main accounting policies are described in the accounting policies section of the annual report as of December 31, 2022. The same has been applied for the period covered by these Condensed Consolidated Interim Financial Statements.

## **4. REGULATORY CHANGES**

### **4.1. New standards incorporated into the accounting framework accepted in Colombia, the application of which is mandatory as from January 1, 2023**

Decree 938 of 2021 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia, mainly incorporating amendments to the standards that had already been compiled by Decrees 2270 of 2019, 1432 of 2020 and 1611 of 2022, 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, 2022, 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, 2023.



## 5. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Banks in national and foreign currency	11.764	47.691.582	99.989	405.332.724
Temporary investments (1)	490	1.985.492	18.998	77.012.880
Cash	4	15.531	3	11.854
	<b>12.258</b>	<b>49.692.605</b>	<b>118.990</b>	<b>482.357.458</b>

The net decrease corresponds mainly to the increase in payments to suppliers during the 2023 period, driven by higher commercial activity, acquisitions of goods and services, and the execution of Capital Expenditure (CAPEX). Additionally, the payment of 10% of the obligation for the acquisition of the 1900 MHz Spectrum, payments of financial obligations, and payments associated with financial leases were made.

Cash and cash equivalents include balances in foreign currency and its equivalent in thousands of pesos at September 30, 2023 of USD776 thousand (\$3.145.718) and at December 31, 2022 of USD 849 thousand (\$4.083.860), respectively (Note 26). As of September 30, 2023 and December 31, 2022, the restricted values in banks amount to \$12.255.006 and \$12.276.033, respectively.

- (1) Includes investments in collective funds whose rates for the nine months ended September 30, 2023, and 2022 ranged between 9.27% and 14.66% and between 4.18% and 6.14%, respectively. Yields on temporary investments and bank investments recognized during the nine months ended September 30, 2023, and 2022 were \$4.211.396 and \$1.212.881, respectively (Note 25).

## 6. FINANCIAL ASSETS

The balance of financial assets as of September 30, 2023, is as follows:

	At fair value through profit or loss	At amortized cost	Total financial assets
		(In thousands of US\$)	
<b>Current financial assets:</b>			
Hedging instruments (1)	1	-	1
Deposits and guarantees (1)	-	70	70
	<b>1</b>	<b>70</b>	<b>71</b>
<b>Non-current financial assets:</b>			
Hedging instruments (2)	35.197	-	35.197
Deposits and guarantees (1)	-	8.098	8.098
Other financial assets	-	15	15
	<b>35.197</b>	<b>8.113</b>	<b>43.310</b>
	<b>35.198</b>	<b>8.183</b>	<b>43.381</b>

	At fair value through profit or loss	At amortized cost (In thousands of COP\$)	Total financial assets
<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)	142.680.000	-	142.680.000
Deposits and guarantees (1)	-	32.826.326	32.826.326
Other financial assets	-	60.000	60.000
	<b>142.680.000</b>	<b>32.886.326</b>	<b>175.566.326</b>
	<b>142.680.000</b>	<b>33.171.068</b>	<b>175.851.068</b>

- (1) Corresponds to deposits constituted by court order on which the Group is advancing the necessary processes for their resolution. The increase in the long term corresponds mainly to processes with territorial entities associated with municipal taxes.
- (2) As of September 30, 2023, there is a decrease in the valuation of hedge instruments, mainly due to the 15.7% revaluation in the exchange rate compared to the close of the previous year (as of September 30, 2023, for \$4.053,76 and as of December 31, 2022, for \$4.810,2).

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

	At fair value through profit or loss	At amortized cost (In thousands of US\$)	Total financial assets
<b>Current financial assets:</b>			
Investments in commercial papers (3)	-	19.660	19.660
Hedging instruments	8.510	-	8.510
Deposits and guarantees	-	70	70
	<b>8.510</b>	<b>19.730</b>	<b>28.239</b>
<b>Non-current financial assets:</b>			
Hedging instruments	120.267	-	120.267
Deposits and guarantees	-	4.351	4.351
Other financial assets	-	15	15
	<b>120.267</b>	<b>4.366</b>	<b>124.633</b>
	<b>128.777</b>	<b>24.096</b>	<b>152.872</b>

	At fair value through profit or loss	At amortized cost (In thousands of COP\$)	Total financial assets
<b>Current financial assets:</b>			
Investments in commercial papers (3)	-	79.696.222	79.696.222
Hedging instruments	34.492.848	-	34.492.848
Deposits and guarantees	-	284.742	284.742
	<b>34.492.848</b>	<b>79.980.964</b>	<b>114.473.812</b>
<b>Non-current financial assets:</b>			
Hedging instruments	487.534.552	-	487.534.552
Deposits and guarantees	-	17.638.271	17.638.271
Other financial assets	-	60.000	60.000
	<b>487.534.552</b>	<b>17.698.271</b>	<b>505.232.823</b>
	<b>522.027.400</b>	<b>97.679.235</b>	<b>619.706.635</b>

- (3) During the first quarter of 2023, the tax refund certificates were used for the payment of withholding tax returns for December 2022, VAT for the VI bimester 2022 and excise tax for the VI bimester 2022.

## 7. DEBTORS AND OTHER ACCOUNTS RECEIVABLE, NET

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

	As of september, 30		As of december, 31	
	2023		2022	
	(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)	241.287	978.120.204	224.212	908.902.211
Portfolio by equipment sold at installments (2)	94.556	383.307.924	87.141	353.246.808
Related parties (3) (Note 27)	81.921	332.088.331	43.585	176.682.226
Other debtors (4)	52.519	212.902.818	55.823	226.292.747
Portfolio with national operators (5)	9.945	40.313.398	16.452	66.693.267
Commercial agents and distribution channels (6)	3.138	12.722.154	4.732	19.182.475
Portfolio Impairment (7)	(132.074)	(535.394.297)	(125.365)	(508.198.488)
	<b>351.294</b>	<b>1.424.060.532</b>	<b>306.580</b>	<b>1.242.801.246</b>
<b>Non-current:</b>				
Related parties (3) (Note 27)	144.072	584.034.771	179.640	728.217.757
Portfolio by equipment sold at installments (2)	31.828	129.022.776	20.769	84.194.258
Customers by sale and provision of services (1)	19.722	79.946.876	22.723	92.111.667
Portfolio with national operators (5)	11.920	48.319.174	11.919	48.319.174
Other debtors (4)	9.430	38.227.805	10.113	40.999.916
Portfolio Impairment (7)	(2.425)	(9.830.063)	(272)	(1.103.288)
	<b>214.547</b>	<b>869.721.339</b>	<b>244.894</b>	<b>992.739.484</b>
	<b>565.841</b>	<b>2.293.781.871</b>	<b>551.474</b>	<b>2.235.540.730</b>

As of September 30, 2023 include balances in foreign currency with debtors and other accounts receivable for USD8,790 thousand (\$35,632,550) and with related parties for USD85,020 thousand (\$344,650,675) and as of December 31, 2022 for USD6,986 thousand (\$33,604,057) and USD1,934 thousand (\$9,302,927) respectively (Note 26).

- (1) As of September 30, 2023, the growth in the current portion is mainly observed in the corporate segment, related to increased integrated solutions services, traditional services, and digital services. In the residential segment, the increase is primarily associated with the adds presented in the commercial offering of fiber optic services. The decrease in the non-current portion corresponds to the transfer to the short term of the portfolio with corporate clients according to the contractually established terms.
- (2) As of September 30, 2023, The installment equipment portfolio shows an increase in the current and non-current portion due to the sales of mobile handset terminals through the different direct sales channels and WIFI connection amplifiers.
- (3) As of September 30, 2023, the portfolio in the current portion has increased due to the transfer from the non-current portion of the Earn Out concept corresponding to the established 60% in the framework contract for the sale of fiber optic assets, in accordance with the achievement of goals projected in the Master Business Plan. Additionally, it includes the portfolio for fiber optic network deployment services. The decrease in the non-current portion is attributed to the transfer to the current portion according to the negotiation timelines (Note 27).
- (4) The current portion decreases in the financing channels for handset sales, mainly due to policies established in client financing and lower portfolio for real estate sales. The non-current portion decreased because of the transfer of real estate sales portfolio to the short term according to the established timelines  
  
As of September 30, 2023, and December 31, 2022, includes trust rights for \$35.307.249 and \$33.451.319, respectively, of the Biannual Plan. Financial yields from fiduciary assignments generated an increase.
- (5) As of September 30, 2023, there is a variation mainly due to the decrease in regulated tariffs on mobile and fixed access charges and reconciliation with operators for international roaming traffic and national interconnection. The non-current portion corresponds to the portfolio with the national operator that is undergoing a business reorganization.
- (6) As of September 30, 2023, there is an improvement in collection effectiveness, mainly in large retail.
- (7) As of September 30, 2023, the net growth corresponds to the impairment expense of \$62,193 million (Note 23, point 13) and portfolio write-offs of \$26,271 million.

## 8. PREPAID EXPENSES

The balance of prepaid expenses is as follows:

	As of september, 30		As of december, 31	
	2023		2022	
	(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)	37.832	153.363.208	25.443	103.143.589
Costs for obtaining contracts with clients (2)	36.554	148.181.745	26.332	106.738.475
Cost of fulfilling contracts with clients (3)	22.397	90.791.418	15.927	64.563.919
Support and maintenance (4)	7.288	29.545.799	5.846	23.697.526
Corporate projects (5)	5.269	21.360.530	6.264	25.394.219
Radioelectric spectrum (6)	3.291	13.341.657	-	-
Insurance policies	2.975	12.059.822	1.653	6.703.077
Irrevocable use rights - capacity (7)	17	64.162	771	3.124.341
	<b>115.623</b>	<b>468.708.341</b>	<b>82.236</b>	<b>333.365.146</b>
<b>Non-current:</b>				
Cost of equipment at clients' homes (2)	66.628	270.092.624	52.192	211.572.593
Cost of fulfilling contracts with clients (1)	65.927	267.253.252	50.729	205.644.826
Costs for obtaining contracts with clients (3)	37.473	151.907.319	26.269	106.488.111
Support and maintenance (4)	670	2.721.966	971	3.937.756
Insurance policies	147	594.071	458	1.855.575
Irrevocable use rights - capacity (7)	133	538.814	7	28.947
	<b>170.979</b>	<b>693.108.046</b>	<b>130.626</b>	<b>529.527.808</b>
	<b>286.602</b>	<b>1.161.816.387</b>	<b>212.862</b>	<b>862.892.954</b>

- (1) The amortization for the nine-month periods ending on September 30, 2023, and 2022, for customers household's equipment costs was \$102.421.120 and \$72.419.773, respectively (Note 23). The current and non-current portions equipment delivered to customers household's, representing 852 thousand new fixed customer connections during the 2023 period.
- (2) The increase corresponds mainly to higher commercial activity, represented by 1.980 thousand net add clients for fixed and postpaid mobile, resulting in increased sales commissions. Amortization for the period ended September 30, 2023, was \$103.635.943 and \$62.277.712, respectively (Note 23).
- (3) Amortization for the nine months ended September 30, 2023 and 2022 amounted \$75.244.269 and \$57.395.947, respectively (Note 23). The current and non-current portion increases due to higher equipment installed into new customers' households as a result of commercial activity.
- (4) Includes licensing services, support, and maintenance services for network equipment. As of September 30, 2023, the increase in the current portion corresponds mainly to the renewal of licenses associated with technological platforms and their respective technical and functional support for corporate clients and projects. The decrease in the non-current portion corresponds to transfers to the short term in accordance with the term of the service.
- (5) Corresponds mainly to the fiber optic network deployment project and homes passed (UIPs) as part of the framework contract for the sale of fiber optic assets
- (6) As of September 30, 2023, it includes the deferred balance for the consideration to the Communications Fund, which concludes in December 2023.
- (7) The diminution in current portion corresponds to the amortization of the transnational cable costs. The increase in the non-current portion corresponds to a new contract for the right to use 2 strands of dark fiber.

## 9. CONTRACTUAL ASSETS AND LIABILITIES

The changes in contractual assets and liabilities for the nine month period ended September 30, 2023 are as follows:

	As of 31 december 2022,	High	Amortization	Transfers	Reversal	As of 30 september 2023,
	(In thousands of US\$)					
<b>Current contractual asset (1)</b>						
Contractual asset	2.844	1.283	(2.800)	1.458	-	2.785
Impairment corrections	(5)	(54)	-	-	5	(54)
	<b>2.839</b>	<b>1.229</b>	<b>(2.800)</b>	<b>1.458</b>	<b>5</b>	<b>2.731</b>
<b>Non-current contractual asset (1)</b>						
Contractual asset	1.470	817	-	(1.458)	-	818
Impairment corrections	(2)	(19)	-	-	3	(18)
	<b>1.468</b>	<b>798</b>	<b>-</b>	<b>(1.458)</b>	<b>3</b>	<b>800</b>
	<b>4.307</b>	<b>2.027</b>	<b>(2.800)</b>	<b>-</b>	<b>8</b>	<b>3.531</b>
<b>Current contractual liabilities (2)</b>	35.833	111.241	(119.595)	7.484	-	34.964
<b>Non-current contractual liability (2)</b>	103.570	-	-	(7.484)	-	96.086
	<b>139.403</b>	<b>111.241</b>	<b>(119.595)</b>	<b>-</b>	<b>-</b>	<b>131.050</b>

  

	Al 31 de diciembre de 2022	Altas	Amortización	Traspasos	Reversión	Al 30 de septiembre de 2023
<b>Activo contractual corriente (1)</b>						
Activo contractual	11.528.750	5.200.002	(11.348.520)	5.910.091	-	11.290.323
Correcciones por deterioro	(18.805)	(219.645)	-	-	18.247	(220.203)
	<b>11.509.945</b>	<b>4.980.357</b>	<b>(11.348.520)</b>	<b>5.910.091</b>	<b>18.247</b>	<b>11.070.120</b>
<b>Activo contractual no corriente (1)</b>						
Activo contractual	5.966.555	3.336.586	-	(5.910.091)	-	3.393.050
Correcciones por deterioro	(8.758)	(78.310)	-	-	11.537	(75.531)
	<b>5.957.797</b>	<b>3.258.276</b>	<b>-</b>	<b>(5.910.091)</b>	<b>11.537</b>	<b>3.317.519</b>
<b>Total Activo Contractual</b>	<b>17.467.742</b>	<b>8.238.633</b>	<b>(11.348.520)</b>	<b>-</b>	<b>29.784</b>	<b>14.387.639</b>
<b>Pasivo contractual corriente (2)</b>	145.259.250	450.945.223	(484.808.508)	30.339.138	-	141.735.103
<b>Pasivo contractual no corriente (2)</b>	419.849.081	-	-	(30.339.138)	-	389.509.943
	<b>565.108.331</b>	<b>450.945.223</b>	<b>(484.808.508)</b>	<b>-</b>	<b>-</b>	<b>531.245.046</b>

- (1) The net variation as of September 30, 2023, corresponds to the net effect of the recognition of rights granted to corporate clients and the amortization due to fulfillment
- (2) This item includes the agreement for the sale of fiber optic assets made on January 11, 2022 to Onnet Fibra Colombia S. A. S.-Onnet. The transaction price is based on two concepts: the sale of fiber optic assets and the commitment of the 10-year exclusivity contract for the supply of connectivity services through the fiber optic network, as of September 30, 2023, has a balance of \$428.784 million. The current portion decreases mainly due to the completion of infrastructure and network services with interconnection operators and prepaid services with clients. The current portion for the exclusivity commitment is \$39.274 million, and the non-current portion is \$389.510 million.

## 10. INVENTORIES

The balance of inventories is as follows:

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Mobile phones and accessories (1)	29.903	121.220.172	70.056	283.990.364
Equipment in transit (2)	19.304	78.256.039	31.812	128.957.521
Materials and equipment (3)	12.759	51.722.592	12.541	50.838.093
IT equipment (4)	1.854	7.515.519	6.730	27.282.653
	<b>63.820</b>	<b>258.714.322</b>	<b>121.139</b>	<b>491.068.631</b>
Provision for obsolescence (5)	(1.502)	(6.090.542)	(873)	(3.537.154)
	<b>62.318</b>	<b>252.623.780</b>	<b>120.266</b>	<b>487.531.477</b>

During the nine-month period ended September 30, 2023, and 2022, the consumption of inventories carried at the cost of sales was recognized for \$842.897.607 and \$921.128.364, respectively (Note 23).

- (1) The decrease as of September 30, 2023, is primarily due to lower equipment provisioning resulting from a decline in commercial demand during the period
- (2) Corresponds mainly to modems, equipment for corporate services, and location equipment. The decrease is mainly associated to the growth in commercial activity during period.
- (3) Corresponds to equipment in the process of nationalization to meet the commercial offering planned for 2023.
- (4) Includes equipment for computer workstations (PDTIs). The net decrease as of September 30, 2023, compared to December 2022, is associated with the commercial activity during the 2023 period and reduced purchases based on client behavior related to current economic conditions of the market
- (5) During the nine-month period ended September 30, 2023, an impairment provision of \$2,553,389 was recognized (Note 23), mainly due to a low rotation of smartphone handsets.

## 11. TAXES AND GENERAL GOVERNMENT

The balance of tax and government assets is presented below:

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Credit balance (1)	146.240	592.823.176	76.366	309.571.203
Advances, withholdings and self-withholdings of ICA (2)	5.101	20.680.160	6.162	24.980.528
Sales tax withholdings (3)	1.092	4.424.276	572	2.315.978
Tax discount (4)	166	671.324	14.189	57.517.915
	<b>152.599</b>	<b>618.598.936</b>	<b>97.289</b>	<b>394.385.624</b>
<b>No Current</b>				
Tax discounts (4)	110.114	446.374.615	99.570	403.634.509
	<b>110.114</b>	<b>446.374.615</b>	<b>99.570</b>	<b>403.634.509</b>

- (1) Corresponds to the corporate income tax credit balance for the taxable year 2022, this amount will be offset with the VAT and National Consumption Tax returns. Additionally, the increase as of September 30, 2023 corresponds mainly to self-withholdings generated on income during the first nine months of 2023.

- (2) This item corresponds to self-withholdings and withholdings for Industry and Commerce Tax - ICA, the decrease as of September 30, 2023 is mainly due to the application in the annual ICA returns for the year 2022, filed during the first nine months of 2023 and the constitution of self-withholdings and withholdings for ICA during the period of 2023 will be filed in the term of the year 2024.
- (3) As of September 30, 2023, VAT withholdings made during the first nine months of 2023 have been recognized. The withholdings will be applied with the submission of the VAT declarations.
- (4) As of September 30, 2023, no tax discount is recognized for the Industry and Commerce tax, value that will be taken as a deduction in the Corporate Income Tax in accordance with Law 2277 of 2022. The non-current tax discount corresponds to the VAT recognized on the purchase of productive fixed assets.

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

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Sales tax - VAT (1)	47.627	193.072.363	7.390	29.962.115
Withholdings and self-withholdings (2)	13.268	53.784.005	16.425	66.583.036
Other current taxes (3)	3.319	13.453.532	2.243	9.091.300
National consumption tax (4)	2.320	9.403.914	632	2.560.334
	<b>66.534</b>	<b>269.713.814</b>	<b>26.690</b>	<b>108.196.785</b>

- (1) As of September 30, 2023, the increase corresponds to the amount payable for VAT returns from I to IV bimester, that will be offset against the corporate income tax credit balance for the taxable year 2022
- (2) The decrease corresponds to a lower recognition of withholdings made for purchases and services, additionally, a reduction in self-withholdings on income calculated on revenues
- (3) As of September 30, 2023, mainly includes telephone and public lighting taxes payable to the municipalities.
- (4) Includes the amount payable for excise tax returns for the I and IV bimester of 2023, which will be offset against the corporate income tax credit balance for the taxable year 2022.



## Provision for Income and Complementary Taxes

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

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Current income tax	(1.027)	(4.164.490)	(7.190)	(29.146.128)
Occasional earnings tax	(112)	(452.507)	(6.298)	(25.529.429)
<b>Current income and complementary tax (1)</b>	<b>(1.139)</b>	<b>(4.616.997)</b>	<b>(13.488)</b>	<b>(54.675.557)</b>
Deferred tax:				
Taxable temporary differences (2)	6.380	25.867.056	(61.287)	(248.444.691)
Deductible temporary differences (3)	(3.319)	(13.454.406)	27.403	111.086.531
Tax credits (4)	(6.867)	(27.842.732)	(130.088)	(527.344.369)
<b>Deferred income tax</b>	<b>(3.806)</b>	<b>(15.430.082)</b>	<b>(163.972)</b>	<b>(664.702.529)</b>
<b>Income tax and complementary</b>	<b>(4.945)</b>	<b>(20.047.079)</b>	<b>(177.459)</b>	<b>(719.378.086)</b>

- (1) The current tax, occasional and complementary gains during the year 2023, presents a variation compared to 2022, mainly due to the sale of fiber optic assets during 2022.
- (2) As of September 30, 2023, the deferred tax liability is recognized for the Earn-out concept related to the fiber optic sale. The variation during the first nine months of 2023 is caused by the tax effects generated by the sale of fiber optic assets during the same period in 2022.
- (3) The variation during the nine-month period ended September 30, 2023 corresponds mainly to the recognition of the exclusivity commitment of the contract for the supply of connectivity services through the fiber optic network and the restatement of the deferred tax asset - DTA for the useful lives of depreciable and amortizable fixed assets.
- (4) As of September 30, the use of tax credits offset against the tax profit was recognized at a tax rate of 35%.

## Deferred Tax Assets and Liabilities

On September 30, 2023, the deferred tax asset on temporary differences and tax losses is supported by the Group's strategic plan (2023 - 2024) and projected results (2023 - 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 september, 30		As of december, 31	
	2023		2022	
	(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	65.937	267.290.922	69.967	283.631.376
Hedge operations (1)	-	-	74.315	301.252.239
Other assets	735	2.978.560	840	3.404.068
<b>Deferred tax asset on deductible temporary differences (2)</b>	<b>66.672</b>	<b>270.269.482</b>	<b>145.122</b>	<b>588.287.683</b>
<b>Deferred tax asset for tax losses (3)</b>	<b>302.719</b>	<b>1.227.150.712</b>	<b>304.245</b>	<b>1.233.335.678</b>
<b>Total deferred tax asset</b>	<b>369.391</b>	<b>1.497.420.194</b>	<b>449.367</b>	<b>1.821.623.361</b>
<b>Deferred tax liability:</b>				
Taxable temporary differences (4)	24.652	99.934.922	106.165	430.365.772
<b>Total net deferred tax</b>	<b>344.738</b>	<b>1.397.485.272</b>	<b>343.202</b>	<b>1.391.257.589</b>

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

- (1) As of September 30, 2023, the hedging operations generate a net deferred tax asset of \$52,842 million (deferred tax asset (DTA) of \$323,062 million and deferred tax liability (DTL) of \$270,220 million), and due to the uncertainty of its recoverability, this amount is not recognized in the condensed consolidated interim financial statements. At the end of 2022, the same concept generated a net deferred tax liability of \$9,629 million, recognized as follows: deferred liability of \$310,881 million and deferred asset of \$301,252 million.
- (2) As of September 30, 2023, deferred tax assets and liabilities include the effect generated by the restatement of the deferred tax asset - DTA of the useful lives of depreciable and amortizable fixed assets.
- (3) As of September 30, 2023, the decrease corresponds to the net effect of the reduced use of tax losses in the 2022 income tax return and the offset of the value determined in the calculation of the tax profit
- (4) As of September 30, 2023, the deferred tax liability (DTL) includes the effect generated by the update of the tax mainly related to the following concepts: Earn-out and computer workstation positions (PDTI).

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

	<b>For the nine-month period ended september 30,</b>			
	<b>2023</b>		<b>2022</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Valuation of hedging instruments (1)	(51.588)	(209.130.363)	(5.808)	(23.544.713)
Participation over the other comprehensive income in associated company (2)	561	2.272.468	(1.418)	(5.747.559)
	<b>(51.027)</b>	<b>(206.857.895)</b>	<b>(7.226)</b>	<b>(29.292.272)</b>

- (1) The variation is presented by the decrease in the valuation of hedging instruments, resulting from the revaluation of exchange rates of 15.7% during the first nine months of 2023. Due to the uncertainty regarding the recoverability of the deferred tax asset, deferred tax is not recognized for this concept.
- (2) As of September 30, 2023, it corresponds to the 40% equity in Alamo Holdco, S.L. over other comprehensive income related to the valuation of interest rate hedges generated by fluctuations in interest rates

### Tax Losses

Management estimates that no significant differences imply the modification of the tax assessed nor the imposition of penalties that entail 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. Tax losses determined may not be adjusted for tax purposes.

As a result of the provisions of Ruling 25444 of June 30, 2022, issued by the Council of State Contentious Administrative Chamber, the Company proceeded to recalculate the tax losses generated in the Income Tax up to 2017, where an unrecognized deferred tax asset was determined in the amount of \$205,08 million.

Below is the summary of tax losses at the closing of September 30, 2023:

Tax	Year of origin	Losses	Loss compensation		Loss balance
			(In thousands of US\$)		
Rent	Between 2007 y 2017	795.841	(8.063)		787.778
CREE	2015	73.430	-		73.430
		<b>869.271</b>	<b>(8.063)</b>		<b>861.208</b>

Tax	Year of origin	Losses	Loss compensation		Loss balance
			(In thousands of COP\$)		
Rent	Between 2007 y 2017	3.226.148.285	(32.684.021)		3.193.464.264
CREE	2015	297.667.938	-		297.667.938
		<b>3.523.816.223</b>	<b>(32.684.021)</b>		<b>3.491.132.202</b>

## 12. INVESTMENTS IN COMPANIES

Investments in companies of the Group were as follows:

Associated	Type of investment	Country / City	Direct participation	As of september, 30	As of december, 31
				Investment	Investment
				(In thousands of US\$)	(In thousands of US\$)
Alamo HoldCo S.L. (1)	Significant influence	Spain / Madrid	40%	23.354	15.469
				<b>23.354</b>	<b>15.469</b>

Associated	Type of investment	Country / City	Direct participation	As of september, 30	As of december, 31
				Investment	Investment
				(In thousands of COP\$)	(In thousands of COP\$)
Alamo HoldCo S.L. (1)	Significant influence	Spain / Madrid	40%	94.673.289	62.709.480
				<b>94.673.289</b>	<b>62.709.480</b>

- (1) Colombia Telecomunicaciones S. A. E.S.P. BIC has subscribed shares equivalent to a 40% participation in Alamo HoldCo S.L. for \$183.409,2. This Spanish company owns 100% of the shares of Onnet Fibra Colombia S. A. S. S. Additional includes the costs incurred in the acquisition of this minority shareholding for \$13.775,5 million, adjustment as lower value for the cession of control for \$67.277,7 million, loss from the equity method on net income of \$79,325.2, as follows: during the year 2022 loss of \$67.197,5 million and at the end of September of 2023 for \$12.127,7 million and profit from the equity method on other comprehensive income for \$2.272,4 million.

On September 27, 2023, the Group carried out a capitalization of USD 10.666.667 equivalent to \$41.819,1 million (Note 1), maintaining a 40% ownership stake in the company Alamo Holdco, S.L. at the close of September 30, 2023

### Equity method

The investments in subsidiary companies in which the Group directly, or through its subsidiaries or the subsidiaries of these, holds more than 50% of the capital, are accounted for using the equity method

During the nine-month period ended September 30, 2023 and 2022, a loss of (\$12.127.754) and (\$35.090.103) were recognized and on the other comprehensive income for the period, a profit of \$2.272.468 and (\$0) respectively. The financial information of the associated company, taken as a basis for the application of the equity method, corresponds to the closing of September 30, 2023 and 2022.

Determination of the equity method:

Associated	Direct participation	Net participation results		Participation method	
		For the nine-month period ended september 30,			
		2023	2022	2023	2022
				(In thousands of US\$)	
Alamo HoldCo S.L.	40%	(7.479)	(21.640)	(2.992)	(8.656)
		<b>(7.479)</b>	<b>(21.640)</b>	<b>(2.992)</b>	<b>(8.656)</b>

**COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2023 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023.**  
 (figures expressed in thousands of Colombian pesos, unless otherwise state)



Associated	Direct participation	Results		Participation method	
		For the nine-month period ended september 30,			
		2023	2022	2023	2022
(In thousands of COP\$)					
Alamo HoldCo S.L.	40%	(30.319.384)	(87.725.256)	(12.127.754)	(35.090.103)
		<b>(30.319.384)</b>	<b>(87.725.256)</b>	<b>(12.127.754)</b>	<b>(35.090.103)</b>

Determination of equity method on other comprehensive income for the period:

Associated	Direct participation	Comprehensive other income		Participation method	
		For the nine-month period ended september 30,			
		2023	2022	2023	2022
(In thousands of US\$)					
Alamo HoldCo S.L.	40%	1.401	-	561	-
		<b>1.401</b>	<b>-</b>	<b>561</b>	<b>-</b>

Associated	Direct participation	Comprehensive other income		Participation method	
		For the nine-month period ended september 30,			
		2023	2022	2023	2022
(In thousands of COP\$)					
Alamo HoldCo S.L.	40%	5.681.170	-	2.272.468	-
		<b>5.681.170</b>	<b>-</b>	<b>2.272.468</b>	<b>-</b>

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

Subsidiary / Associate	Asset		Passive		Results	
	As of september, 30 2023	As of december, 31 2022	As of september, 30 2023	As of december, 31 2022	For the nine-month period ended	
					2023	2022
(In thousands of US\$)						
Alamo HoldCo S.L.	606.978	521.830	541.403	445.644	(7.479)	(21.640)
	<b>606.978</b>	<b>521.830</b>	<b>541.403</b>	<b>445.644</b>	<b>(7.479)</b>	<b>(21.640)</b>

Subsidiary / Associate	Asset		Passive		Results	
	As of september, 30 2023	As of december, 31 2022	As of september, 30 2023	As of december, 31 2022	For the nine-month period ended	
					2023	2022
(In thousands of COP\$)						
Alamo HoldCo S.L.	2.460.544.091	2.115.372.871	2.194.718.092	1.806.532.006	(30.319.384)	(87.725.256)
	<b>2.460.544.091</b>	<b>2.115.372.871</b>	<b>2.194.718.092</b>	<b>1.806.532.006</b>	<b>(30.319.384)</b>	<b>(87.725.256)</b>

### 13. RIGHTS-OF-USE ASSETS

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

Concept	As of september, 30 2023			As of december, 31 2022		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
	(In thousands of US\$)					
Land and buildings (1)	310.130	(170.353)	139.777	289.108	(143.202)	145.906
Industrial Equipment (1)	218.866	(99.693)	119.173	166.043	(75.707)	90.336
Transport equipment (2)	4.773	(4.168)	605	4.611	(3.359)	1.252
	<b>533.769</b>	<b>(274.214)</b>	<b>259.555</b>	<b>459.761</b>	<b>(222.269)</b>	<b>237.493</b>

Concept	As of september, 30 2023			As of december, 31 2022		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
	(In thousands of COP\$)					
Land and buildings (1)	1.257.193.719	(690.569.020)	566.624.699	1.171.972.807	(580.506.058)	591.466.749
Industrial Equipment (1)	887.228.411	(404.133.501)	483.094.910	673.096.782	(306.899.830)	366.196.952
Transport equipment (2)	19.348.242	(16.895.491)	2.452.751	18.690.748	(13.616.125)	5.074.623
	<b>2.163.770.372</b>	<b>(1.111.598.012)</b>	<b>1.052.172.360</b>	<b>1.863.760.337</b>	<b>(901.022.013)</b>	<b>962.738.324</b>

For the nine-month period ended September 30, 2023, and 2022, depreciation expense recognized in the statements of comprehensive income was \$215.363.244 and \$198.671.339, respectively (Note 24).

- (1) The increase in cost as of September 30, 2023, corresponds to the subscription, renewal, and increases in lease fees for land and sites for technical facilities (531 new contracts), thus generating higher depreciation expense for the nine-month period ended September 30, 2023, compared to the same period of 2022.
- (2) The increase in cost as of September 30, 2023, is mainly due to the subscription and renewal of vehicle leasing contracts (3 new contracts), resulting in higher depreciation expense for the nine-month period ending on September 30, 2023, compared to the same period in 2022.

### 14. PROPERTY, PLANT, AND EQUIPMENT

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

Concept	As of september, 30 2023			As of december, 31 2022		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
Switching, access and transmission (1)	2.136.549	(1.632.017)	504.532	2.069.938	(1.551.918)	518.020
Land and buildings (2)	730.366	(424.169)	306.197	728.328	(418.077)	310.251
Assets under construction (3)	109.979	-	109.979	170.344	-	170.344
Furniture, information and transport equipment	158.147	(113.008)	45.139	139.435	(99.531)	39.904
	<b>3.135.041</b>	<b>(2.169.194)</b>	<b>965.850</b>	<b>3.108.044</b>	<b>(2.069.527)</b>	<b>1.038.519</b>

Concept	As of september, 30 of 2023			As of december, 31 of 2022		
	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
	(In thousands of COP\$)					
Switching, access and transmission (1)	8.661.057.288	(6.615.803.041)	2.045.254.247	8.391.031.003	(6.291.104.435)	2.099.926.568
Land and buildings (2)	2.960.734.948	(1.719.479.112)	1.241.255.836	2.952.468.750	(1.694.785.461)	1.257.683.289
Assets under construction (3)	445.827.183	-	445.827.183	690.534.628	-	690.534.628
Furniture, information and transport equipment	641.092.439	(458.106.204)	182.986.235	565.235.636	(403.474.114)	161.761.522
	<b>12.708.711.858</b>	<b>(8.793.388.357)</b>	<b>3.915.323.501</b>	<b>12.599.270.017</b>	<b>(8.389.364.010)</b>	<b>4.209.906.007</b>

For the nine-month period ended September 30, 2023 and 2022, depreciation expense recognized in income was \$421.954.366 and \$462.076.616, respectively (Note 24).

- (1) The net increase is mainly due to the activation of equipment associated with the deployment of the 4G mobile network, fiber optic network, IPTV platform - television through fiber optics and infrastructure and communications networks for corporate clients.

During the second quarter of 2023, the useful life estimate was updated according to the aging analysis for the assets corresponding to fiber optic cable for aerial and terrestrial deployments, according to technical studies and analysis for this asset class, increasing by 5 years from 25 to 30 years. The impact on results is a lower value of depreciation of \$2.598.463.

- (2) The net increase in cost as of September 30, 2023 corresponds to activations of civil works associated with the deployment mainly of the 4G mobile network and fiber optic network for \$39,543,150 and decrease from the sale of real estate for (\$31,378,598). Includes provision for decommissioning of sites as of September 30, 2023 and December 31, 2022 for \$63,101,391 and \$58,750,975, respectively (Note 19).
- (3) The net decrease as of September 30, 2023 corresponds mainly to the transfer to final assets, both property, plant and equipment of projects associated with the deployment of 4G mobile network, fiber optics, IPTV, Datacenter and infrastructure, which guarantee the provision of services to customers.

## 15. INTANGIBLES

The cost and accumulated amortization of intangibles are presented below:

Concept	As of september, 30 of 2023			As of december, 31 of 2022		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net value in books
	<i>(In thousands of USD)</i>					
Qualifying degrees (1)	681.452	(517.781)	163.671	681.453	(455.777)	225.676
Network and office equipment software (2)	364.155	(261.826)	102.330	313.102	(222.534)	90.568
Rights (3)	15.597	(7.337)	8.260	15.597	(6.729)	8.868
	<b>1.061.204</b>	<b>(786.944)</b>	<b>274.261</b>	<b>1.010.152</b>	<b>(685.040)</b>	<b>325.110</b>

Concept	As of september, 30 of 2023			As of december, 31 of 2022		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net value in books
	<i>(In thousands of COP\$)</i>					
Qualifying degrees (1)	2.762.446.279	(2.098.960.331)	663.485.948	2.762.446.279	(1.847.612.566)	914.833.713
Network and office equipment software (2)	1.476.197.904	(1.061.379.884)	414.818.020	1.269.239.036	(902.100.330)	367.138.706
Rights (3)	63.225.312	(29.741.825)	33.483.487	63.225.312	(27.279.557)	35.945.755
	<b>4.301.869.495</b>	<b>(3.190.082.040)</b>	<b>1.111.787.455</b>	<b>4.094.910.627</b>	<b>(2.776.992.453)</b>	<b>1.317.918.174</b>

For the nine-month periods ended September 30, 2023 and 2022, the amortization expense recognized in income was \$413.089.587 and \$372.494.536 (Note 24).

- (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. The decrease corresponds mainly to the amortization of the first nine months of 2023.
- (2) The increase as of September 30, 2023, is presented by offset by the acquisition of software and licenses mainly for 4G network expansion, activation of services for corporate clients, fiber optic deployment, IPTV platform - television through optical fiber for \$206.888.323 and amortization for the period of (\$159.197.433).
- (3) Mainly includes Irrevocable Rights of Use - IRU's of optical fiber. The decrease as of September 30, 2023, corresponds to the amortization for the period.

## 16. GOODWILL

The value in Goodwill at September 30 2023 and December 2022 is \$1.355.833.946.

Colombia Telecomunicaciones S. A. E.S.P. BIC recognized in its Opening Statement of Financial Position under IFRS 1 the remeasurement of goodwill, from the moment of the acquisition of Empresa Celular de Colombia S. A. - COCELCO S. A., based on IFRS 3 for \$939,163,377 and as of May 27, 2020, and as a result of the merger by absorption indicated in Note 1, the goodwill originated in the business combination in which the Company acquired control of Empresa Metropolitana de Telecomunicaciones S. A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P., for \$433,138,188 is incorporated. On January 11, 2022, the sale of fiber optic assets was formalized, generating a decrease in goodwill and a lower value in goodwill of \$16,467,619.

The impairment analysis is performed in accordance with the strategic plan approved at the end of 2022, considering the restatement and correlation of assets and liabilities as of September 30, 2023 and incorporated for the calculation of the Business Plan. Based on this information, the Group concludes that there is no evidence and reasons to believe that there are indications of impairment.

### Sensitivity to Changes in Assumptions

Based on the analysis of the tracking indicators included in the impairment assessment, it is concluded that there are no indicators affecting the operation of the assets that make up the Cash Generating Unit, and there are no situations triggering the early impairment test. As of September 30, 2023, the nominal percentage rate calculated in pesos is 11.20%. In accordance with the asset recoverability review process based on internal and external factor reviews, the WACC as of September 2023 has been determined. The model sensitivities were performed with a step of +/-1% for the discount rate and +/-5% for the net assets with a WACC rate of 11.20%. The sensitivity analysis shows that the net book value of assets and liabilities subject to impairment is lower than the financial valuation, and therefore no impairment indicators were identified.

## 17. FINANCIAL LIABILITIES

The balance of financial obligations is presented below:

	As of september, 30				As of december, 31			
	Value		Rate		Value		Rate	
	(In thousands of US\$)	(In thousands of COP\$)	Base	Spread	(In thousands of US\$)	(In thousands of COP\$)	Base	Spread
<b>Current:</b>								
<b>Financial in foreign currency</b>								
Interest payable	5.088	20.623.504			13.379	54.235.005		
<b>Financial institutions in national other obligations</b>								
Financial obligations (1)	86.340	350.000.000	Fija 5,745%	IBR1M	-	-		
Local bonus (2)	85.680	347.325.016	Fija 6,65%		-	-		
Interest payable	2.369	9.603.762			2.255	9.142.226		
	<b>174.389</b>	<b>706.928.778</b>			<b>2.255</b>	<b>9.142.226</b>		
<b>Other obligations</b>								
Finance leases (3)	98.489	399.256.974			84.837	343.901.701		
Hedging instruments (4)	18.847	76.399.232			4.651	18.856.031		
	<b>117.336</b>	<b>475.656.206</b>			<b>89.488</b>	<b>362.757.732</b>		
Spectrum Provider (5)	8.426	34.157.750			15.432	62.557.394		
	<b>305.239</b>	<b>1.237.366.238</b>			<b>120.554</b>	<b>488.692.357</b>		
<b>No Current:</b>								
<b>Financial in foreign currency</b>								
Senior bonus (6)	497.565	2.017.011.029	Fija 4,95%		590.598	2.394.141.649	FIJA 4,95%	
	<b>497.565</b>	<b>2.017.011.029</b>			<b>590.598</b>	<b>2.394.141.649</b>		
<b>Financial in national currency</b>								
Financial obligations	295.433	1.197.615.071	Fija 5,745%	1,35%-2%	344.722	1.397.418.961	Fija 5,745%	1,1%-2%
Local bonus (2)	37.569	152.293.812	IPC	3,39%	123.203	499.435.677	FIJA 6,65%	- 3,39%
	<b>333.002</b>	<b>1.349.908.883</b>			<b>467.925</b>	<b>1.896.854.638</b>		
<b>Other obligations</b>								
Finance leases (3)	287.532	1.165.584.544			274.136	1.111.281.686		
Hedging instruments (4)	54.238	219.866.580			9.944	40.311.161		
	<b>341.770</b>	<b>1.385.451.124</b>			<b>284.080</b>	<b>1.151.592.847</b>		
Spectrum supplier (5)	109.540	444.050.754			108.024	437.901.760		
	<b>1.281.877</b>	<b>5.196.421.790</b>			<b>1.450.627</b>	<b>5.880.490.894</b>		
	<b>1.587.116</b>	<b>6.433.788.028</b>			<b>1.571.181</b>	<b>6.369.183.251</b>		

Financial liabilities include balances in foreign currency on September 30, 2023, of USD 505.088 thousand (\$2.047. 505.531) and on December 31, 2022, of USD 511.275 thousand (\$2.459.335.005) (Note 26).

- (1) Transfers from long-term to short-term were made for \$200.000 million in accordance with the payment plan, and short-term debt rollover was conducted with local financial institutions for working capital amounting to \$150.000 million
- (2) Local Bond: As of September 30, 2023, and December 31, 2022, the face value of the local bond is \$500.000 million, and transaction costs of \$381 and \$564 million, respectively, measured at amortized cost

The characteristics of the issue are summarized below:

Format	Issuing currency	Premium discounts	Total amount issued	Total amount issued	Maximum redemption period	Date of issue	Date expiration	Fee/Payment	Resource use
C10	USD millones	Cero	38	38	10 years	29-may-19	29-may-29	IPC + 3,39% Six months	Prepayment of local debt
A5	USD millones	Cero	86	86	5 years	29-may-19	29-may-24	6,65% Six months	
			<b>124</b>	<b>124</b>					

Format	Issuing currency	Premium discounts	Total amount issued	Total amount issued	Maximum redemption period	Date of issue	Date expiration	Fee/Payment	Resource use
C10	COP millones	Cero	152.410	152.410	10 years	29-may-19	29-may-29	IPC + 3,39% Six months	Prepayment of local debt
A5	COP millones	Cero	347.590	347.590	5 years	29-may-19	29-may-24	6,65% Six months	
			<b>500.000</b>	<b>500.000</b>					

At September 30, 2023 and December 31, 2022, interest payable on the bond amounted to \$4.071 million and \$4.126 million, respectively.

- (3) The increase in finance leases is mainly associated with renewals and new contracts in 2023 and increases in rents in accordance with the Consumer Price Index (CPI).

The movement in the finance lease liability for the nine-month period ended September 30, 2023, is presented below:

	As of december, 31 of 2022		High	Low	Payments (a)	Transfers	Others (b)	As of september, 30 of 2023
	(In thousands of US\$)							
<b>Current liabilities</b>								
Financial leasing	84.797	33.353	-	(77.312)	61.106	(3.454)	98.490	
Financial liability - Renting (a)	38	-	-	(38)	-	-	-	
	<b>84.835</b>	<b>33.353</b>	<b>-</b>	<b>(77.350)</b>	<b>61.106</b>	<b>(3.454)</b>	<b>98.491</b>	
<b>Non-current liabilities</b>								
Financial leasing	274.136	77.631	(3.129)	-	(61.106)	-	287.532	
	<b>274.136</b>	<b>77.631</b>	<b>(3.129)</b>	<b>-</b>	<b>(61.106)</b>	<b>-</b>	<b>287.532</b>	
	<b>358.971</b>	<b>110.984</b>	<b>(3.129)</b>	<b>(77.350)</b>	<b>-</b>	<b>(3.454)</b>	<b>386.023</b>	



	As of december, 31 of 2022	High	Low	Payments (a)	Transfers	Others (b)	As of september, 30 of 2023
	(In thousands of COP\$)						
<b>Current</b>							
Financial leasing	343.747.474	135.204.502	-	(313.402.977)	247.709.302	(14.001.327)	399.256.974
Financial liability - Renting (a)	154.227	-	-	(154.227)	-	-	-
	<b>343.901.701</b>	<b>135.204.502</b>	-	<b>(313.557.204)</b>	<b>247.709.302</b>	<b>(14.001.327)</b>	<b>399.256.974</b>
<b>Not current</b>							
Financial leasing	1.111.281.686	314.695.597	(12.683.437)	-	(247.709.302)	-	1.165.584.544
	<b>1.111.281.686</b>	<b>314.695.597</b>	<b>(12.683.437)</b>	-	<b>(247.709.302)</b>	-	<b>1.165.584.544</b>
	<b>1.455.183.387</b>	<b>449.900.099</b>	<b>(12.683.437)</b>	<b>(313.557.204)</b>	-	<b>(14.001.327)</b>	<b>1.564.841.518</b>

a) Corresponds to capital lease payments during the first nine months of 2023 for \$226.533.642 and interest for \$87.023.562.  
 b) Corresponds to payment by crossing accounts between liabilities and financial assets.

- (4) The increase in financial liabilities for hedging instruments is mainly due to the valuation of interest rate curves
- (5) Corresponds to the obligation acquired with the Ministry of Information Technologies and Communications of Colombia (MinTIC) for the renewal of the 1.900 Mhz spectrum for 20 years with a balance of \$388.596 million and the recognition of the financial indexation payable for \$89.613 million, classified between short and long term according to the established payment dates. During the first nine months of 2023, \$55,514 million of capital was paid.
- (6) Senior bond: As of September 30, 2023, and December 31, 2022, the face value of the outstanding senior bond was USD 500 million, equivalent to \$2.026.880 million and \$2.405.100 million and associated transaction costs of \$9.869 million and \$10.958 million, respectively, measured at amortized cost.

The characteristics of the issue are summarized below:

Format	Issuing currency	Premium discounts	Total amount issued	Total amount issued	Maximum redemption period	Date of issue	Date expiration	Fee/Payment	Resource use
R144/RegS	USD millones	Cero	500	500	10 years	17-jul-20	17-jul-30	4,95% Six months	Replacement Senior Bonus For \$750 million

During the periods ended September 30, 2023, and December 31, 2022, interest payable on the bond amounted to \$20.624 million and \$54.235 million, respectively.

The following are the maturities of the financial obligations as of September 30, 2023:

Expirations	Current		Non-Current				Total non-current	Total
	2023	2024	2025	2026	2027	Following years		
Senior bonus	-	-	-	-	-	497.565	497.565	497.565
Financial leasing	98.491	40.405	37.720	37.278	33.749	138.381	287.533	386.024
Financial obligations	86.340	24.175	271.258	-	-	-	295.433	381.773
Local bonus	85.680	-	-	-	-	37.569	37.569	123.249
Spectrum supplier	8.426	8.426	8.426	8.426	8.426	75.836	109.540	117.966
Coverage	18.847	(21.695)	150.978	24.269	22.115	(121.429)	54.238	73.085
Interests	7.457	-	-	-	-	-	-	7.457
	<b>305.239</b>	<b>51.311</b>	<b>468.382</b>	<b>69.973</b>	<b>64.290</b>	<b>627.922</b>	<b>1.281.877</b>	<b>1.587.116</b>

Expirations	Current			Non-Current			Total non-current	Total
	2023	2024	2025	2026	2027	Following years		
Senior bonus	-	-	-	-	-	2.017.011.029	2.017.011.029	2.017.011.029
Financial leasing	399.256.974	163.790.953	152.906.772	151.115.007	136.809.985	560.961.828	1.165.584.545	1.564.841.519
Financial obligations	350.000.000	98.000.000	1.099.615.071	-	-	-	1.197.615.071	1.547.615.071
Local bonus	347.325.016	-	-	-	-	152.293.812	152.293.812	499.618.828
Spectrum supplier	34.157.750	34.157.750	34.157.750	34.157.750	34.157.750	307.419.753	444.050.753	478.208.503
Coverage	76.399.232	(87.948.218)	612.028.083	98.381.153	89.648.907	(492.243.345)	219.866.580	296.265.812
Interests	30.227.266	-	-	-	-	-	-	30.227.266
	<b>1.237.366.238</b>	<b>208.000.485</b>	<b>1.898.707.676</b>	<b>283.653.910</b>	<b>260.616.642</b>	<b>2.545.443.077</b>	<b>5.196.421.790</b>	<b>6.433.788.028</b>

## 18. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of suppliers and accounts payable is as follows:

	As of september, 30		As of december, 31	
	2023	2022	2023	2022
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Creditors and suppliers (1)	393.522	1.595.242.400	443.522	1.797.935.888
Related parties (2) (Note 27)	74.380	301.518.427	56.000	227.009.827
Fixed assets suppliers (3)	46.668	189.181.534	107.897	437.390.429
Labor wages payable (4)	7.678	31.126.181	9.365	37.965.212
Spectrum licensing suppliers (5)	3.421	13.868.633	6.275	25.434.509
Parafiscal contributions	2.064	8.367.256	2.024	8.204.826
	<b>527.733</b>	<b>2.139.304.431</b>	<b>625.084</b>	<b>2.533.940.691</b>
<b>Non-current:</b>				
Government grants (Note 7)	8.710	35.307.249	8.252	33.451.319
Spectrum licensing providers (6)	2.567	10.404.428	8.550	34.661.586
Related parties (2) (Note 27)	769	3.120.882	1.188	4.817.768
	<b>12.046</b>	<b>48.832.559</b>	<b>17.991</b>	<b>72.930.673</b>
	<b>539.779</b>	<b>2.188.136.990</b>	<b>643.075</b>	<b>2.606.871.364</b>

Suppliers and accounts payable include balances in foreign currency at September 30, 2023 of USD 114.853 thousand (\$465.586.497) and to related parts of USD55.808 thousand (\$226.232.238) and at December 31, 2022 of USD 156.931 thousand (\$754.869.496) and USD30.880 thousand (\$148.538.976) (Note 26).

- (1) The decrease corresponds mainly to the payment of suppliers of terminal equipment, network deployment materials, equipment associated with the maintenance and support for the mobile and fixed network and installation services during the first nine months of 2023.
- (2) Corresponds to obligations with group and associated enterprises for purchases and services, the increase is due to new development services, use of licenses, connectivity services, share plan liabilities, project costs, and use of software. The non-current portion decreases due to settlement and payment of employee stock plans.

Share-based payments: The Plan consists of the possibility for Group executives to receive a certain number of Telefónica, S.A. shares after a period of three years, through the prior allocation of a certain number of theoretical shares or units, which will serve as the basis for determining the number of ordinary shares of Telefónica, S.A.'s capital stock that may be delivered under the Plan as variable compensation and based on the fulfillment of the objectives established for each of the cycles into which the Plan is divided

- (3) The decrease as of September 30, 2023 is mainly due to payments during the period for acquisitions of licenses, mobile network and fiber optic network, equipment for installations and software development.
- (4) Corresponds to the consolidated liability for severance and vacations of employees and share-based payments to Group executives, the decrease as of September 30, 2023 corresponds mainly to the transfer of severance payments to the funds during the 2023 period and employees vacation time
- (5) Includes balances of obligations for the renewal of spectrum for the provision of cellular telephone service in March 2014 for a period of 10 years. The decrease is mainly due to the quarterly payment in accordance with the payment plan with the Nation.
- (6) As of September 30, 2023, it mainly corresponds to the balance of the inter-administrative contract with the Metropolitan Area of Barranquilla until 2028. The decrease corresponds to the transfer to the short term of obligations for the renewal of spectrum expiring in March 2024

## 19. PROVISIONS AND PENSION LIABILITIES

The balance of provisions and pension liabilities is as follows:

	As of september, 30 2023		As of december, 31 2022	
	2023	2022	2022	2023
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Current:</b>				
Taxes and consideration (1)	20.941	84.889.569	24.689	100.082.064
Benefits to employees	9.735	39.464.655	8.570	34.738.064
Pension liabilities	5.316	21.550.558	5.317	21.550.558
Contingencies (3) (Note 28)	694	2.813.817	1.653	6.701.584
Tax claims	592	2.390.451	543	2.202.959
For voluntary retirement (4)	199	804.885	509	2.062.379
	<b>37.476</b>	<b>151.913.935</b>	<b>41.280</b>	<b>167.337.608</b>
<b>Non-current:</b>				
Pension liabilities	44.317	179.651.092	45.401	184.046.743
Dismantling (5)	15.566	63.101.391	14.494	58.750.975
Contingencies (3) (Note 28)	2.287	9.271.342	3.624	14.691.640
	<b>62.170</b>	<b>252.023.825</b>	<b>63.519</b>	<b>257.489.358</b>
	<b>99.646</b>	<b>403.937.760</b>	<b>104.799</b>	<b>424.826.966</b>

- (1) Includes the provision for industry and commerce tax (ICA), considerations to the Ministry of ICT, and uncollected VAT. The net decrease as of September 30, 2023, corresponds mainly to payments of industry and commerce taxes in municipalities.
- (2) Includes the provision for vacations and the employee incentive for compliance and performance for 2023. The estimate was based on the current headcount and the estimated compliance percentages with objectives. The increase is mainly due to salary updates in 2023.
- (3) Includes processes related to requests, complaints, and claims (PQR) from additional civil and administrative processes, which are in the process of discussion with the regulator. The net decrease during the nine months of 2023 corresponds mainly to finalized processes.
- (4) Includes the provision for voluntary retirement plan for employees in accordance with the People Plan defined by HR.
- (5) Includes the costs associated with dismantling or removing property, plant, and equipment when this has been contractually agreed. In this regard, there is no expected schedule for the disposal of resources since the Group does not

estimate the disposal of such sites at this date (Note 14). The increase at September 30 of 2023 corresponds mainly to the update of macroeconomic indicators.

## 20. SHAREHOLDERS' EQUITY, NET

The authorized, subscribed, and paid-in capital as of September 30, 2023, and December 31, 2022, is presented below:

	(In thousands of US\$)	(In thousands of COP\$)
Authorized capital	358.894	1.454.870.740
Subscribed and paid capital	841	3.410.076
Nominal value (in USD and COP \$)	<u>0,00025</u>	<u>1</u>

The equity interest as of September 30, 2023 and December 31, 2022 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%
	<u><b>3.410.075.788</b></u>	<u><b>100,0000000%</b></u>

The equity interest as of September 30, 2023 did not change compared to the end of December 2022.

### Reserves

The following is a detail of the reserves as of September 30, 2023 and December 31, 2022 is presented below:

	<b>Reservations</b>	
	(In thousands of US\$)	(In thousands of COP\$)
Voluntary reserves (1)	9.543	38.686.537
Statutory reserves (2)	6.487	26.298.376
Legal reserve (3)	1.491	6.045.752
	<b>17.522</b>	<b>71.030.665</b>

- (1) These reserves are established by decision of the Company's Shareholders' Meeting and correspond to:
- a) Occasional reserve: The Shareholders' Meeting by Act No. 068 of March 16, 2020, constituted a reserve for \$34,925,054 corresponding to profits obtained during 2019, and by Act No.074 of March 16, 2022, constituted a new reserve for \$101,588,959, corresponding to profits obtained during 2021. On July 21, 2022, the Stockholders' Meeting decreed to pay dividends as follows: direct payment to the stockholders for \$95,769,390 in December 2022 and \$5,819,569 for withholding at the source for the payment of dividends to the stockholders. This amount was transferred to the National Tax and Customs Office for a total of \$101,588,959. The balance of these reserves at September 30, 2023 and December 31, 2022 is \$34,925,054.
  - b) Reserve for future expansions: Reserve created by the Company for future expansions, which is not distributable. The balance of this reserve as of September 30, 2023, and December 31, 2022 amounts to \$3.730.162.
  - c) Reserve for share repurchase: Reserve constituted by the Company for share repurchase, non-distributable and whose balance as of September 30, 2023 and December 31, 2022 is \$31,321.
- (2) For tax provisions: The Company, in accordance with tax regulations, when in its income tax return it requests depreciation installments that exceed the value of the installments recorded for accounting purposes, constitutes a non-distributable reserve equivalent to 70% of the greater value requested as a deduction. When the depreciation requested for tax purposes is lower than that recorded for accounting purposes, the Company may release from such reserve an amount equivalent to 70% of the difference between the value requested and the value recorded; the profits released from the reserve may be distributed as non-income taxable income. As of September 30, 2023, and December 31, 2022, the reserve amounted to \$26.298.376. With the issuance of Law 1819 of 2016 (Tax Reform), the rule that established this reserve was repealed; therefore, as of the taxable year 2017, it will not be mandatory to constitute such a reserve.
- (3) Legal Reserve: The Reserve constituted by the Company as of September 30, 2023 and December 31, 2022 is \$6.045.752.

### **Other Comprehensive Income**

The Group recognized net (loss) income in Other Comprehensive Income (OCI) for the periods ended September 30, 2023, and 2022 for (\$206.857.894) and (\$29.292.272), respectively. The decrease during 2023 is mainly due to the valuation of hedging derivative instruments net of taxes, which mainly corresponds to the revaluation of the peso against the dollar of 15,7% for the same period in 2022 and the evolution in the interest rate curves of SOFR (Secured Overnight Financing Rate) and IBR (Reference Banking Indicator)

### **Revaluation surplus net of taxes**

The Group for the periods ended September 30, 2023, and 2022 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 \$48.128.598 and \$15.891.830, respectively.

## 21. OPERATING INCOME

Income from contracts with customers is presented below:

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Mobile Services (1)</b>				
Data services	286.158	1.160.017.303	274.090	1.111.095.194
Voice services	113.691	460.873.479	123.755	501.672.299
Added value services	34.902	141.485.117	32.452	131.553.128
Roaming out	7.828	31.733.048	7.867	31.890.165
	<b>442.579</b>	<b>1.794.108.947</b>	<b>438.164</b>	<b>1.776.210.786</b>
<b>Fixed services (1)</b>				
Data services	172.410	698.905.012	145.683	590.562.260
Technological capabilities and solutions	177.858	720.994.058	180.302	730.900.763
Television revenue	62.498	253.347.785	51.689	209.536.752
Fixed voice services	30.824	124.952.800	36.470	147.841.844
	<b>443.590</b>	<b>1.798.199.655</b>	<b>414.144</b>	<b>1.678.841.619</b>
Sale of terminal equipment (2)	164.927	668.578.402	199.044	806.876.992
Digital Services (3)	122.875	498.106.672	101.860	412.914.025
Interconnection (4)	37.136	150.536.888	52.242	211.778.051
Sale of equipment for fixed services (5)	20.019	81.153.936	12.026	48.750.296
Other data - virtual mobile operator	6.109	24.764.199	6.823	27.659.159
Roaming revenue (6)	6.385	25.886.227	5.420	21.972.209
	<b>357.451</b>	<b>1.449.026.324</b>	<b>377.415</b>	<b>1.529.950.732</b>
	<b>1.243.619</b>	<b>5.041.334.927</b>	<b>1.229.723</b>	<b>4.985.003.137</b>

Revenues from contracts with customers are generated by the provision of services and the sale of goods continuously throughout the period. During the nine-month period of 2023 and 2022, operating income with related parties of \$339.707.421 and \$314.404.094 respectively, is included (Note 27)

- (1) During the nine-month period ending on September 30, 2023, there is an increase in mobile services and connectivity revenues through the fiber optic network, leveraged by expanded coverage and higher connection speeds
- (2) During the nine-month period ending on September 30, 2023, the handset sales decreased compared to the same period of the previous year, due to the market's commercial dynamic, with customers reducing the purchase and renewal of handsets
- (3) The increase during the nine-month period ending on September 30, 2023, is mainly attributable to higher demand from corporate clients for digital connection services, data storage, security, and monitoring integrated into various platforms.
- (4) The variation in revenues during the year 2023 corresponds to the impact of regulatory changes that decrease the rates for interconnection services.
- (5) The growth during the year 2023 corresponds mainly to the sale of Wi-Fi amplifiers, which are associated with the internet offers.
- (6) During the nine-month period ending on September 30, 2023, there is an increase primarily in roaming services due to higher data traffic.

## 22. OTHER OPERATING INCOME

Other operating revenues are presented below:

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Other operating income (1)	33.818	137.088.930	26.138	105.958.857
Sale of movable and immovable property (2)	8.926	36.182.783	247.998	1.005.323.830
Work carried out for fixed assets (3)	8.634	34.999.576	8.151	33.040.502
Leasing of investment property	26	105.944	25	101.576
	<b>51.403</b>	<b>208.377.233</b>	<b>282.312</b>	<b>1.144.424.765</b>

- (1) During the nine-month period ending on September 30, 2023, includes the recognition of the exclusivity and warranty commitment of the fiber optic network deployment contract for the provision of connectivity services for \$66,210 million, administrative platforms, logistical and management support of \$57,365 million, and billing and collection services of \$13,413 million. The increase compared to the same period of the previous year is due to the recognition of revenues derived from the exclusivity and warranty commitment, for \$20,575 million, and \$10,555 million for administrative and management platform services.
- (2) During the nine-month period ending on September 30, 2023, there is a decrease compared to the same period of the previous year, mainly due to the net decrease between the sale of real estate and usable material of \$128,342 million. Additionally, during the same period in 2022, the sale of fiber optic assets to Onnet Fibra Colombia S.A.S. was included for a net amount of \$840,799 million.
- (3) Corresponds mainly to work performed by the Group's direct personnel, who perform work related to the development and start-up of fixed assets.

### Classification in comparative information.

For presentation purposes, the Group classified in the condensed consolidated interim statement of comprehensive income as of the first quarter of 2022 the amount of revenues from customers associated with value added services to the other operating income line. This is presented for comparable purposes and had no impact on the statement of comprehensive income, nor on the statement of financial position, changes in equity or cash flows.

### 23. OPERATING COSTS AND EXPENSES

Operating costs and expenses are presented below:

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Equipment cost (1) (Notes 8 and 10)	233.196	945.318.727	245.093	993.548.137
Labor costs (2)	97.437	394.987.797	85.156	345.203.283
Media rental and other network infrastructures (3)	96.694	391.975.365	78.186	316.947.762
Other costs and operating expenses (4)	84.054	340.736.712	74.641	302.575.656
Renting and third party activities to clients (5)	81.677	331.098.897	88.892	360.347.565
Content providers (6)	71.421	289.522.029	52.929	214.561.957
Taxes and considerations (7)	60.040	243.388.614	50.795	205.909.242
Commissions for sales and obtaining contracts (8)	51.672	209.465.497	46.418	188.166.193
Maintenance of equipment and installations	49.400	200.256.558	49.474	200.556.159
Interconnection and roaming (9)	47.343	191.917.328	63.553	257.629.836
Power service (10)	47.340	191.905.377	39.911	161.788.532
Advertising (11)	31.979	129.635.396	33.985	137.768.887
Computer Services	30.345	123.010.778	29.721	120.483.014
Contract compliance cost (12) (Note 8)	16.548	67.083.284	12.558	50.908.371
Portfolio impairment (13) (Note 7)	15.386	62.370.523	16.973	68.803.840
Customer services (14)	13.635	55.281.894	12.350	50.059.965
Other costs and expenses and non-recurring (15)	988	4.000.043	4.710	19.090.764
Provision for inventories (16) (Note 10)	630	2.553.389	(752)	(3.045.122)
	<b>1.029.787</b>	<b>4.174.508.208</b>	<b>984.593</b>	<b>3.991.304.041</b>

The net variation presented between the nine-month periods ending on September 30, 2023, and 2022, corresponds mainly to: i) network infrastructure services generated by the increase in connectivity services through fiber optics for the residential and corporate segments; ii) increase in television content, mainly due to the rise in the use of applications and licenses for corporate projects and the use of streaming services and premium channels; iii) increase in operational expenses, mainly related to commercial portfolio management and the provision of support, consulting, support, and insurance services; iv) increase in taxes; and v) decrease in interconnection and roaming due to regulatory changes in interconnection service rates. During the nine-month periods ending on September 30, 2023, and 2022, operational expenses with related parties are included, amounting to \$462,990,767 and \$360,521,251, respectively (Note 27).

- (1) During the nine-month periods ending on September 30, 2023, and 2022, the consumption of inventories carried to the cost of sales was recognized, amounting to \$842,897,607 and \$921,128,364, respectively (Note 10), and amortization of customer premises equipment costs amounted to \$102,421,120 and \$72,419,773, respectively (Note 8). The variation during the period ending on September 30, 2023, corresponds to the net effect of lower handset sales and an increase in customer premises equipment and materials for the execution of fiber optic deployment projects, compared to the same period in 2022
- (2) The increase during the nine-month period ending on September 30, 2023, is mainly due to the salary increase implemented during 2023.
- (3) The variation in the first nine months of 2023 compared to the same period of the previous year corresponds mainly to fiber optic connectivity services for the residential and corporate segments.
- (4) It includes mainly expenses for portfolio collection management, surveillance and security, bank charges, insurance, transportation and merchandise logistics expenses, fees for consulting and advisory services, expenses with temporary companies, digital services, and travel expenses. The increase in the nine-month period ending on September 30, 2023, is mainly related to the collection management associated with the commercial portfolio and support services, consulting, support, and insurance.



- (5) The increase in the nine-month period ending on September 30, 2023, corresponds mainly to the decrease in co-investment services for network deployment.
- (6) During 2023 there was an increase mainly due to the use of applications and licenses for corporate segment projects and an increase in the use of streaming services and premium channels.
- (7) The increase during the period ending on September 30, 2023, is mainly due to the industry and commerce tax - ICA, which for the year 2023 will be deducted in the calculation of the net profit tax, compared to the year 2022, where 50% of the tax was treated as a tax discount. Additionally, there is an increase in the expense for public lighting and the use of the spectrum.
- (8) For the periods ending on September 30, 2023, and 2022, includes the amortization of costs of obtaining contracts for \$103,635,943 and \$62,277,712, respectively (Note 8); the variation corresponds to increased commercial activity, mainly in data services leveraged by the coverage of fiber optic deployment.
- (9) During the period ending on September 30, 2023, there is a decrease due to regulatory changes in interconnection service tariffs, compared to the same period in 2022.
- (10) The increase during the period ending on September 30, 2023, corresponds primarily to the volume of consumption and a 17% tariff increase.
- (11) It includes expenses for brand use (Brand fee) and advertising costs in media, promotion, events, and propaganda, as well as sponsorship expenses (Colombian Soccer Federation and Movistar Arena). The decrease compared to the same period in 2022 corresponds to a lower execution of campaigns in digital media.
- (12) The increase during the period ending on September 30, 2023 corresponds primarily to the amortization of client installation costs associated with increased commercial activity during 2022 and 2023.
- (13) During the period ending on September 30, 2023 the net expense was \$62,370 million, as follows: i) Impairment of clients for \$62.193 million (Note 7), ii) recovery for (\$91) million and iii) impairment of contractual assets for \$268 million. The decrease corresponds mainly to the updating of the matrices for each commercial segment.
- (14) The increase during the period ending on September 30, 2023 corresponds mainly to the higher volume of customer service for retention, customer loyalty, and consultations through the mass and technical call. In addition, there was an increase in commercial activity through the door-to-door channel (DTD).
- (15) The decrease corresponds mainly to the restatement of the provision for legal proceedings with third parties. In the first half of 2022 there is a greater impact due to litigation, mainly in processes before the Superintendence of Industry and Commerce, the Ministry of Information Technology and Communications of Colombia and the Superior Council of the Judiciary.
- (16) The variation for the period ending on September 30, 2023, is mainly due to the increase in inventory turnover days for handsets.

## 24. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are presented below:

	<b>For the nine-month period ended september 30,</b>			
	<b>2023</b>		<b>2022</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Depreciation of property, plant and equipment (Note 14)	104.090	421.954.366	113.987	462.076.616
Amortization of intangible assets (Note 15)	101.903	413.089.587	91.889	372.494.536
Depreciation of assets for rights of use (Note 13)	53.127	215.363.244	49.009	198.671.339
	<b>259.119</b>	<b>1.050.407.197</b>	<b>254.885</b>	<b>1.033.242.491</b>

## 25. FINANCIAL EXPENSES, NET

Financial expenses, net are presented below:

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Income:</b>				
Financial income from operations with related parties (2)	22.456	91.029.451	7.935	32.165.242
Clients' interest in arrears (1)	6.087	24.675.019	3.869	15.685.242
Income from temporary investments and bank loans (Note 5)	1.039	4.211.396	299	1.212.881
	<b>29.582</b>	<b>119.915.866</b>	<b>12.103</b>	<b>49.063.365</b>
<b>Expenses:</b>				
Interest on loans, financial obligations and bonds (3)	(61.351)	(248.701.678)	(44.982)	(182.344.312)
Financial expenses for leases (4)	(25.875)	(104.892.547)	(14.792)	(59.964.775)
Operations to cover interest, net	(14.469)	(58.657.359)	(14.712)	(59.639.088)
Costs for spectrum lending providers (5)	(10.320)	(41.834.249)	(12.804)	(51.902.328)
Other financial expenses (6)	(9.729)	(39.440.574)	(11.627)	(47.134.961)
Financial update of liabilities (7)	(3.500)	(14.189.867)	(3.181)	(12.895.185)
Tax on financial transactions	(473)	(1.915.678)	(142)	(576.386)
	<b>(125.717)</b>	<b>(509.631.952)</b>	<b>(102.240)</b>	<b>(414.457.035)</b>
Exchange difference loss net	(2.872)	(11.644.086)	110	447.555
	<b>(128.589)</b>	<b>(521.276.038)</b>	<b>(102.130)</b>	<b>(414.009.480)</b>
	<b>(99.009)</b>	<b>(401.360.172)</b>	<b>(90.027)</b>	<b>(364.946.115)</b>

The net increase is explained by: (i) an increase in net interest from financial obligation hedges due to the rise in IBR (Reference Banking Indicator) and SOFR (Secured Overnight Financing Rate) curves affecting debt exposed to variable interest rates; (ii) an increase in financial leases due to renewals, new contracts made in 2023, and increases in rents associated with the Consumer Price Index (CPI)

- (1) Corresponds to the overachievement of the agreed conditions in the Master Business Plan for the year 2022 of the Earn-Out for \$52.096 million, interest on the long-term loan with the Group associated with Alamo Holdco, S.L. established in the framework contract for the sale of fiber optic assets made in 2023 for \$33.240 million (Note 27). Additionally, financial update on the Earn-Out right for \$5.693 million (Note 27).
- (2) For the nine-month period ending on September 30, 2023, there is an increase compared to the same period in 2022 in late payment interest generated by the management of commercial portfolio recovery with clients.
- (3) Includes interest on the senior bond for the nine-month periods of 2023 and 2022, for \$81,618,752 and \$76,184,063, on the local bond for \$34,648,421 and \$29,051,604, and financial obligations for \$132,434,505 and \$76,821,775, respectively. The variation is due to increases in interest rates impacted by the volatility of the peso against the dollar.
- (4) During the first nine months of 2023, there is an increase compared to the same period in 2022 due to renewals and subscription of new contracts, as well as an increase in fees due to the impact of the Consumer Price Index (CPI).
- (5) Corresponds to financial indexation for renewing the 1,900 MHz spectrum for 20 years.
- (6) Includes mainly the recognition of the financial component of the long-term contract for the exclusivity commitment generated by the sale of fiber optic assets with an impact of \$24.947 million. Additionally, it includes the indexation of obligations to be fulfilled and financial commissions.
- (7) During the periods ending on September 30, 2023, and 2022, it includes the expense for updating the pension liability by \$9.842.189 and \$9.033.864, and the update of the provision for decommissioning fixed assets by \$4.347.678 and \$3.861.322, respectively.

## 26. RISK MANAGEMENT

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

The Group has considered these material, specific and relevant risks in order to make an informed investment decision. However, the Group is subject to other risks which, having assessed their specificity and importance, based on the evaluation of their probability of occurrence and the potential magnitude of their impact, have not been included in this section.

The assessment of the potential impact of risks is quantitative and qualitative, considering, among other issues, potential economic, compliance, reputational and environmental, social and governance ("ESG") impacts.

The Group, taking into account the global risks identified by the World Economic Forum, as well as the increase in legal reporting requirements and stakeholder expectations in this area, monitors risks directly related to sustainability, as well as other risks with potential impact on ESG, highlighting those most relevant in the context of the Group's operations, among which are the adaptation to ESG expectations and reporting requirements and climate change. Risks are presented in this section grouped into four categories (according to the definitions included in the Telefónica Group's Risk Management Policy): business, operational, financial, legal and compliance.

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

### **26.1. Risks related to the business**

#### **The Group requires licenses and permits for the provision of most of its services and for the use of spectrum, which is a scarce and costly resource.**

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

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

#### **Access to new spectrum licenses.**

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

The intention is to have the necessary spectrum to offer new technologies to users, specifically through participation in the 5G spectrum auction, for which the Ministry of Information and Communications Technologies (MinTic) announced that it will be held in the fourth quarter of 2023. which will require possible cash outflows to obtain additional spectrum or to meet the coverage requirements associated with some of these licenses.

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

The revocation or non-renewal of the Group's existing licenses, authorizations, concessions, or any challenge or modification of their terms, could significantly affect the business, financial position, results of operations, and/or cash flows. Over the next 12 months, the Group plans to initiate three spectrum renewal processes for the 850 MHZ, 1900 MHZ and AWS bands.

#### **The Group operates in a highly regulated market and changes in regulation or new regulations could adversely affect its business.**

The Group is exposed to changes in the regulation of retail and wholesale services. Possible changes in the regulation of prices of retail services could generate limitations in the commercialization of services producing revenue losses or limitations in the Group's ability to differentiate and compete in the market. In this regard, on April 4, 2023, the Communications Regulation Commission (CRC) published the draft regulation "Registry of Excluded Numbers and Fraud in Mobile Number Portability" proposing to modify the Mobile Number Portability process to facilitate the right of users to port to another operator while keeping their line and to mitigate the risks of fraudulent conduct during porting requests

One of the proposals within the new measures is to eliminate the obligation for users to be up to date in their obligations with their operator in order to be able to port, a measure that could increase the cost of portfolio provisioning and make its recovery more difficult. On the other hand, new regulatory requirements on net neutrality could limit the possibilities of operators to manage Internet traffic and offer services with differentiated quality, or the possibilities of developing commercial offers and alternative business models to the current ones. Related to the above, in December 2021 the Constitutional Court accepted to study a lawsuit that questions that internet service providers sell data packages to users in which certain types of applications such as social networks are offered free of charge, the result of this lawsuit could generate changes in the current conditions of zero rating offers.

## **26.2 Operational risks.**

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

Cybersecurity is among the most relevant risks for the Group due to the importance of information technology for its ability to successfully carry out operations. Despite progress in modernizing the network and in replacing old systems pending technological renewal, the Group operates in an environment of growing cyber threats, and all its products and services, such as, among others, mobile Internet or pay TV services, are intrinsically dependent on information technology systems and platforms that are susceptible to cyber-attack. Successful cyber-attacks can impede the effective marketing of products and services to customers, so further progress is needed in identifying technical vulnerabilities and security weaknesses in operational processes, as well as in the ability to detect and react to incidents. This includes the need to strengthen security controls in the supply chain (e.g., placing greater focus on the security measures adopted by partners and other third parties) and ensuring the security of cloud services.

Some of the main measures adopted by the Group to mitigate these risks are the early detection of vulnerabilities, the application of access controls to systems, the proactive review of security logs in critical components, the segregation of the network into zones, and the deployment of protection systems such as firewalls, intrusion prevention systems, and virus detection, among other physical and logical security measures. In the event that preventive and control measures do not prevent all damage to systems or data, there are backup systems designed to recover all or part of the information.

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

Information technology is a relevant element of our business and could be affected by cybersecurity risks: Our networks transport and store large volumes of confidential, personal, and business data, so it must be prepared to detect and react in a timely manner to cyber threats to prevent their materialization. It should also be noted that natural disasters, climate change, and other factors beyond the Group's control can cause network failures, service interruptions, or loss of quality.

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

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.

## **26.3 Financial risks.**

### **The economic or political environment deterioration may adversely affect the Group's business**

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

**The Group faces risks related to its level of financial indebtedness, funding capacity, and ability to carry out the business plan.**

The operation, expansion, and improvement of the Group's networks, the development and distribution of services and products, the execution of the overall strategic plan, the development and implementation of new technologies, the renewal of licenses, and expansion may require substantial financing.

The Group is a relevant and frequent debt issuer in the capital markets. As of September 30, 2023 and December 31, 2022, financial debt amounted to \$6.433.788 million and \$6.369.183 million, respectively (Note 17).

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

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

In addition, given the interrelationship between economic growth and financial stability, the materialization of any economic, political, and exchange rate risk factors mentioned above could adversely affect the Group's ability and cost to obtain financing and/or liquidity. This, in turn, could have a material adverse effect on the business, financial condition, operating results, and/or cash flows.

Finally, any downgrade in credit ratings could lead to an increase in borrowing costs and limit its ability to access credit markets.

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

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

**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. No significant impacts were identified in the financial risk assessment process.

**Interest Rate Risk**

Arises mainly from variations 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. As a mitigation strategy, the Company holds highly liquid assets and unused credit lines. Additionally, there is the option to rollover financial obligations.

**Credit risk**

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

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

As of September 30, 2023, the Group had the following portfolio of exchange rate and interest rate financial derivatives, expressed in their currency of origin:

Values in millions Underlying	NDF		IRS Libor	IRS IBR	IRS IPC	CCIRS (margin)	CCIRS
	USD	EUR	USD	COP	IPC	USD	USD
Senior Bond	-	-	500	1.498.700	-	500	1.000
Debt USD\$/COP	-	-	-	600.000	152.410	-	-
Commercial accounts	87	29	-	-	-	-	-
Future cash flows	90	-	-	-	-	-	-
	<b>177</b>	<b>29</b>	<b>500</b>	<b>2.098.700</b>	<b>152.410</b>	<b>500</b>	<b>1.000</b>

NDF: Non delivery forwards

IRS: Interest rate swap

CCIRS: Cross currency interest rate swap

As of December 31, 2022, the Group had the following portfolio of exchange rate and interest rate financial derivatives, expressed in their currency of origin:

Values in millions Underlying	NDF		IRS Libor	IRS IBR	IRS IPC	CCIRS (margin)	CCIRS
	USD	EUR	USD	COP	IPC	USD	USD
Senior Bond	-	-	500	1.498.700	-	500	1.000
Debt USD\$/COP	-	-	-	600.000	152.410	-	-
Commercial accounts	98	31	-	-	-	-	-
Future cash flows	12	-	-	-	-	-	-
	<b>110</b>	<b>31</b>	<b>500</b>	<b>2.098.700</b>	<b>152.410</b>	<b>500</b>	<b>1.000</b>

NDF: Non delivery forwards

IRS: Interest rate swap

CCIRS: Cross currency interest rate swap

### Exchange Rate Risk

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

As of September 30, 2023, and December 31, 2022, the Group's debt in US dollars, including the senior bond maturing in 2030, is equivalent to USD 500 million, and interest of USD5 and USD11, respectively.

Additionally, considering the normal flow of the Group's business, hedges of commercial accounts were made, corresponding to OPEX (Operating Expenses) and CAPEX (Capital Expenditure) invoices in foreign currency, which were recorded in the Consolidated Statement of Financial Position. Finally, highly probable future cash flow hedges were contracted through NDF (Non-Delivery Forwards) with terms up to one year to hedge a portion of the OPEX and CAPEX in foreign currency of the budget during the following year.

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

	<b>As of september,30 2023</b>	<b>As of december, 31 2022</b>
	(In thousands of US\$)	
<b>Assets</b>		
Cash and cash equivalents (Nota 5)	776	849
Debtors and receivables (Nota 7)	8.790	6.986
Related Parties (Nota 27)	85.020	1.934
<b>Total assets</b>	<b>94.586</b>	<b>9.769</b>
<b>Liabilities</b>		
Financial obligations (Nota 17)	505.088	511.275
Suppliers and accounts payable (Nota 18)	114.853	156.931
Related Parties (Nota 27)	55.808	30.880
<b>Total liabilities</b>	<b>675.749</b>	<b>699.086</b>
<b>Posición pasiva, neta</b>	<b>(581.163)</b>	<b>(689.317)</b>

	<b>As of september,30 2023</b>	<b>As of december, 31 2022</b>
	(In thousands of COP\$)	
<b>Assets</b>		
Cash and cash equivalents (Nota 5)	3.145.718	4.083.860
Debtors and receivables (Nota 7)	35.632.550	33.604.057
Related Parties (Nota 27)	344.650.675	9.302.927
<b>Total assets</b>	<b>383.428.943</b>	<b>46.990.844</b>
<b>Liabilities</b>		
Financial obligations (Nota 17)	2.047.505.531	2.459.335.005
Suppliers and accounts payable (Nota 18)	465.586.497	754.869.496
Related Parties (Nota 27)	226.232.238	148.538.976
<b>Total liabilities</b>	<b>2.739.324.266</b>	<b>3.362.743.477</b>
<b>Passive, net position</b>	<b>(2.355.895.323)</b>	<b>(3.315.752.633)</b>

### Interest Rate Risk

After hedging, the variable rate exposure is 26% of 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

### Country Risk

The economic activity has been slowing down, and the initial data for the third quarter of 2023 shows growth much lower than in previous years (2022: 7.3%, 2021: 11%) and in the first quarter of 2023 (3%), although it is higher than observed in the second quarter of 2023 (0.3%). In the July-August bi-month, the Economic Monitoring Indicator (a monthly proxy for GDP) presented a variation of 1.1% compared to the same period the previous year. The slowdown has been explained by the contraction of domestic demand, particularly the poor performance of investment, and to a lesser extent by a moderation in private consumption. This is happening in a local context of high inflation, high-interest rates, and a global context of deceleration.

Inflation has gradually declined from the peak reached in March (13.3%) to 10.99% in September. The correction has been explained by the fall in the inflation of food and goods, while the impact of indexation and fuel prices continues to put pressure on service and regulated inflation. Despite the correction, inflation remained at high levels and well above the central bank's target range (2-4%). As a result, the Central Bank maintained its contractionary monetary policy and kept its reference rate unchanged at 13.25%. In the political sector, uncertainty decreased due to the slow progress of the Government's social reforms in Congress, and the expectation that, if approved, these reforms will have a moderate impact on the markets.

The exchange rate at the close of the period on September 30, 2023, was \$4,053.76 pesos per dollar, appreciating by 15.7% year-to-date, 3% compared to the close of the previous quarter, and 8.7% on average. This was due to a decrease in the

country's risk perception and an increase in oil prices. Finally, the trade balance deficit continued to show signs of reduction, decreasing the country's external vulnerability.

## 26.4 Legal and compliance risks

### Legal proceedings

The Group operates in highly regulated sectors and is party and maybe party in the future to litigation, regulatory proceedings, tax assessments, and others that arise in the ordinary course of its business whose outcome is unpredictable. Management evaluates these situations based on the probable, possible, and remote nature of their occurrence and the amounts involved to decide on the amounts recognized and/or disclosed in the consolidated financial statements. An adverse outcome or an out-of-court settlement of these or other current or future litigation or disputes could impact the Group's financial position, results of operations, or cash generation

## 27. RELATED PARTIES

The Ministry of Finance and Public Credit has a 32,5% interest in Colombia Telecomunicaciones S.A. E.S.P. BIC. The Ministry is an agency of the Colombian Government. The Group provides mobile and fixed telephony services to the Colombian Government under normal market conditions and prices.

For the nine-month period ending on September 30, 2023, and 2022, the Group made payments to the Colombian Government for contributions to the Ministry of Communications and Information Technologies (MINTIC) for \$73,599,416 and \$73,530,401 and to the Communications Regulation Commission (CRC) for \$7,485,687 and \$6,963,816, respectively, on revenues obtained from the provision of network and telecommunications services.

### 27.1. Accounts Receivable

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

#### Current

##### a) Shareholders

	As of september, 30		As of december, 31	
	2023	2022	2023	2022
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
Telefónica Hispanoamerica S.A. (1)	3.085	12.506.662	4.017	16.282.486
	<b>3.085</b>	<b>12.506.662</b>	<b>4.017</b>	<b>16.282.486</b>

##### b) Economic relationships

	As of september, 30		As of december, 31	
	2023	2022	2023	2022
	(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.	2.659	10.778.521	1.689	6.848.683
Telxius Cable Colombia S.A.	313	1.268.830	143	578.032
Telefonica Cybersecurity Tech Colombia	63	255.182	38	153.685
Wayra Colombia S.A.S.	20	80.690	10	40.006
	<b>3.055</b>	<b>12.383.223</b>	<b>1.880</b>	<b>7.620.406</b>



	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
TIWS II	535	2.168.299	1.854	7.513.974
Telefonica Global Roaming GMBH	138	560.770	216	875.785
Otecel S.A.	116	472.870	173	702.603
Telefónica Móviles Argentina S.A.	111	453.376	73	297.818
Telefónica S.A.	86	352.505	6	24.751
Telefonica Brasil S.A	71	290.830	79	321.563
Telefónica Móviles de Chile S.A.	68	276.819	79	322.050
Pegaso Pcs. S.A. de C.V.	63	253.976	36	144.199
Telefónica del Perú S.A.	60	244.137	72	292.358
Telefónica Venezolana C.A.(a)	40	161.743	48	195.007
Terra Networks Mexico S.A. de CV	24	99.260	20	79.943
Telefónica Móviles España S.A.	15	59.667	260	1.052.367
Telefónica Móviles Uruguay S.A.	4	16.269	5	21.097
Telefonica Germany GMBH & CO OHG	-	1.326	36	147.445
	<b>1.331</b>	<b>5.411.847</b>	<b>2.957</b>	<b>11.990.960</b>
	<b>4.386</b>	<b>17.795.070</b>	<b>4.837</b>	<b>19.611.366</b>

**c) Associated Companies**

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Onnet Fibra Colombia S.A.S. (3)	74.259	301.023.380	34.674	140.559.521
Telefonica Factoring Colombia S.A.	51	207.311	-	-
	<b>74.313</b>	<b>301.230.691</b>	<b>34.674</b>	<b>140.559.521</b>
<b>From outside</b>				
O2 T. UK Limited	137	550.912	57	228.853
Telefonica Factoring Colombia S.A.	1	4.996	-	-
	<b>74.451</b>	<b>301.786.599</b>	<b>34.731</b>	<b>140.788.374</b>
	<b>81.922</b>	<b>332.088.331</b>	<b>43.585</b>	<b>176.682.226</b>
<b>Non current</b>				
Alamo HolCo S.L.(4)	112.669	456.729.577	104.469	423.489.359
Onnet Fibra Colombia S.A.S. (3)	31.405	127.305.194	75.173	304.728.398
<b>Total accounts non current</b>	<b>144.074</b>	<b>584.034.771</b>	<b>179.642</b>	<b>728.217.757</b>
<b>Total accounts receivable with related parties (Note 7)</b>	<b>225.996</b>	<b>916.123.102</b>	<b>223.227</b>	<b>904.899.983</b>

- (1) The decrease as of September 30, 2023, is due to the collection of support service and regional support concepts for direct personnel.
- (2) The decrease as of September 30, 2023, corresponds to the lower provision of services during the 2023 period and collection for international long-distance traffic.
- (3) As of September 30, 2023, the current portion of the portfolio increases primarily due to the transfer from the non-current portion of the Earn Out concept corresponding to the 60% established in the framework agreement for the sale of fiber optic assets in accordance with the liquidation and payment plan. Additionally, it includes the portfolio for fiber optic

network deployment services. The decrease in the non-current portion occurs due to the transfer to the current portion according to the negotiation timelines.

- (4) Corresponds to the portfolio generated by the sale of fiber optic assets, as follows: loan for \$366.873,4 million and financial interest for \$89.856,2 million. The increase corresponds to interest accrued during the nine months of 2023.

The balances in foreign currency of domestic accounts receivable from related parties as of September 30, 2023 and December 31, 2022, are USD 85.020 thousand (\$344.650.675) and USD 1.934 thousand (\$9.302.927), respectively (Note 26).

## 27.2. Accounts payable

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

### Current

#### a) Shareholders

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
Telefónica Hispanoamerica S.A. (1)	1.694	6.868.548	2.374	9.622.788
	<b>1.694</b>	<b>6.868.548</b>	<b>2.374</b>	<b>9.622.788</b>

#### b) Economic related parties

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Telefonica Cybersecurity Tech Colombia	9.707	39.351.687	9.586	38.857.323
Tiws Colombia II S.A.S.	5.951	24.125.260	4.693	19.025.875
Telxius Cable Colombia S.A.	4.884	19.798.649	4.311	17.477.719
	<b>20.542</b>	<b>83.275.596</b>	<b>18.590</b>	<b>75.360.917</b>

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>From outside</b>				
Telefónica S.A.	7.885	58.782.956	4.847	19.647.698
TIWS II	14.501	31.963.196	7.692	31.182.254
Telefónica Digital España S.A.	5.875	23.814.840	4.309	17.466.888
Telefónica Global Technology	3.131	12.691.458	1.414	5.731.688
Telefónica USA Inc.	2.526	10.240.576	3.708	15.032.224
Telefónica del Perú S.A.	2.053	8.323.706	1.029	4.173.282
Telefonica IOT & Big Data Tech, S.A	1.148	4.653.717	264	1.071.005
Telefonica Chile Servicios	994	4.029.447	756	3.066.449
Telefónica Compras Electrónicas	958	3.884.376	501	2.029.992
Telefónica Móviles España S.A.	439	1.778.196	343	1.388.772
Telefónica Servicios Audiovisuales	379	1.537.036	98	399.247
Telefónica Global Roaming	225	912.096	228	924.163
Pegaso Pcs. S.A. de C.V.	154	625.242	238	966.155
Telefónica Móviles Argentina S.A.	113	457.448	129	523.189
Otecel S.A.	103	418.384	57	230.849
Telefónica Brasil S.A	50	200.684	88	355.764
Telefónica Móviles de Chile	26	106.190	67	270.335
Telefónica Venezolana C.A.	19	78.736	29	118.488
Telefónica Móviles Uruguay S.A.	6	24.033	45	183.853
O2 Germany GMBH & CO OHG	3	14.098	9	35.072
Telefónica Ingeniería de Seguridad	-	-	17	69.894
Terra Networks Mexico S.A. de CV	554	2.247.154	-	-
<b>Total national and foreign economic associates</b>	<b>41.142</b>	<b>166.783.569</b>	<b>25.868</b>	<b>104.867.261</b>
	<b>63.378</b>	<b>250.059.165</b>	<b>44.458</b>	<b>180.228.178</b>

#### Associated Companies

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>National</b>				
Onnet Fibra Colombia (4)	10.948	44.386.485	9.133	37.025.755
	<b>10.948</b>	<b>44.386.485</b>	<b>9.133</b>	<b>37.025.755</b>
<b>From outside</b>				
O2 T. UK Limited	49	204.228	32	133.106
	<b>49</b>	<b>204.228</b>	<b>32</b>	<b>133.106</b>
<b>Total with related parties (Nota 18)</b>	<b>74.380</b>	<b>301.518.427</b>	<b>56.000</b>	<b>227.009.827</b>

#### Non-current

	As of september, 30		As of december, 31	
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
<b>Share-based payments</b>				
Telefónica S.A.	769	3.120.882	1.188	4.817.768
<b>Total suppliers and accounts payable with related parties (Note 18)</b>	<b>769</b>	<b>3.120.882</b>	<b>1.188</b>	<b>4.817.768</b>

The balances in foreign currency of accounts payable in relation to related parties as of September 30, 2023 and December 31, 2022, are USD\$55.808 thousand (\$226.232.238) and USD \$30.880 thousand (\$148.538.976), respectively, (Note 26)

- (1) As of September 30, 2023, the decrease includes charges for the provision of support services, support, and regional advisory services of direct personnel.
- (2) The increase is due to digital security, monitoring and licensing services, mainly for corporate projects.
- (3) As of September 30, 2023, the current portion increases due to the Brand Fee, while the non-current portion decreases due to the settlement of employee stock plans completed in December 2022
- (4) As of September 30, 2023, the increase is mainly generated by the rental of fiber optic network infrastructure services for greater connectivity.

### 27.3. Revenues, Costs, and Expenses with Related Parties

The Group carries out transactions with its related parties under the same market conditions and mutual independence.

The following is a summary of the Group's income, costs, and expenses with related parties:

#### a) Shareholders

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of US\$)			
<b>From outside</b>				
Telefónica Hispanoamérica S.A. (1)	4.032	2.887	2.214	1.551
	<b>4.032</b>	<b>2.887</b>	<b>2.214</b>	<b>1.551</b>

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of COP\$)			
<b>From outside</b>				
Telefónica Hispanoamérica S.A. (1)	16.344.500	11.701.751	8.976.565	6.287.476
	<b>16.344.500</b>	<b>11.701.751</b>	<b>8.976.565</b>	<b>6.287.476</b>

- (1) During the nine-month period ending on September 30, 2023, an increase compared to the same period in 2022 in revenues and costs is primarily generated by support and regional support services from direct personnel between the parties.

**b) Financial Related Parties**

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of US\$)			
<b>National</b>				
Tiws Colombia II S.A.S.	3.787	3.662	3.771	3.511
Telxius Cable Colombia S.A.	340	1.140	8.951	8.250
Telefónica Tech Colombia S.A.S.	192	71	-	-
Wayra Colombia S.A.S.	81	87	11.510	6.847
	<b>4.400</b>	<b>4.960</b>	<b>24.232</b>	<b>18.608</b>

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of COP\$)			
<b>National</b>				
Tiws Colombia II S.A.S.	15.350.127	14.844.246	15.285.720	14.234.267
Telxius Cable Colombia S.A.	1.377.666	4.621.752	36.284.940	33.445.505
Telefónica Tech Colombia S.A.S.	329.853	353.387	46.658.068	27.757.614
Wayra Colombia S.A.S.	780.182	286.075	-	-
	<b>17.837.828</b>	<b>20.105.460</b>	<b>98.228.728</b>	<b>75.437.386</b>

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of US\$)			
<b>From outside</b>				
TMS II	2.721	3.579	8.789	11.164
Telefónica Global Roaming	760	2.438	220	273
Telefónica Brasil S.A	186	97	70	77
Telefónica Móviles de Chile	176	208	39	31
Telefónica del Perú S.A.	167	137	2.129	82
Telefónica Móviles España S.A.	156	285	442	429
Otecel S.A.	127	100	82	35
Telefónica Móviles Argentina S.A.	54	45	69	46
Terra Networks Mexico S.A. de CV	37	40	699	596
Pegaso Pcs. S.A. de C.V.	34	33	218	274
Telefónica Ingeniería de Seguridad	29	1	-	-
Telefónica Móviles Uruguay S.A.	9	7	9	12
Telefonica Germany GMBH & CO OHG	2	2	45	53
Telefónica Factoring España	1	-	-	-
Media Network Latin América	-	679	418	-
Telefonica Argentina S.A.	-	485	-	-
Telefónica Digital España S.A.	-	13	5.137	3.058
Telefónica Educación Digital, S.L.U.	-	7	-	-
Telefonica Cybersecurity Tech S.L	-	7	-	21
Telefónica S.A.	-	1	10.638	12.072
Telefónica Venezolana C.A.	-	-	35	34
Telefonica On The Spot Services	-	-	1.504	1.492
Telefónica Compras Electrónicas	-	-	1.617	1.495
Telefónica USA Inc.	-	-	2.105	1.540
Telefónica Chile Servicios	-	-	1.038	-
Telefónica Global Technology	-	-	3.007	4.724
Telxius Cable América S.A. (antes TWS AMERICA)	-	-	473	1.063
Telxius Cable	-	-	237	365
Telefónica Servicios Audiovisuales	-	-	371	241
	<b>4.459</b>	<b>8.164</b>	<b>39.391</b>	<b>39.177</b>
	<b>8.859</b>	<b>13.124</b>	<b>63.623</b>	<b>57.785</b>

	<b>For the nine-month period ended september 30,</b>			
	<b>Income</b>		<b>Costs and expenses</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	(In thousands of COP\$)			
<b>From outside</b>				
TWS II	11.030.637	14.507.109	35.626.814	45.257.507
Telefónica Global Roaming	3.081.247	9.884.312	890.014	1.107.689
Telefónica Brasil S.A	752.366	392.091	282.539	312.939
Telefónica Móviles de Chile	712.568	842.259	158.260	126.459
Telefónica del Perú S.A.	678.619	554.304	8.628.977	330.502
Telefónica Móviles España S.A.	632.768	1.156.680	1.791.130	1.737.220
Otecel S.A.	514.206	404.881	333.143	143.238
Telefónica Móviles Argentina S.A.	217.858	181.411	281.140	186.765
Terra Netw orks Mexico S.A. de CV	150.287	160.508	2.831.702	2.415.628
Pegaso Pcs. S.A. de C.V.	139.382	134.757	885.544	1.111.957
Telefónica Ingeniería de Seguridad	118.488	2.150	-	-
Telefónica Móviles Uruguay S.A.	38.394	29.367	35.066	47.020
Telefonica Germany GMBH & CO OHG	9.821	9.271	183.269	213.598
Telefónica Factoring España	4.199	-	-	-
Media Netw ork Latin América	-	2.753.183	1.696.149	-
Telefonica Argentina S.A.	-	1.964.289	-	-
Telefónica Digital España S.A.	-	52.558	20.822.245	12.396.935
Telefónica Educación Digital, S.L.U.	-	29.731	-	-
Telefonica Cybersecurity Tech S.L	-	29.084	-	84.256
Telefónica S.A.	-	3.954	43.125.790	48.938.051
Telefónica Venezolana C.A.	-	113	142.480	138.584
Telefonica On The Spot Services	-	-	6.098.366	6.048.037
Telefónica Compras Electrónicas	-	-	6.555.956	6.059.700
Telefónica USA Inc.	-	-	8.533.244	6.242.008
Telefónica Chile Servicios	-	-	4.207.093	-
Telefónica Global Technology	-	-	12.190.542	19.149.549
Telxius Cable América S.A. (antes TWS AMERICA)	-	-	1.917.141	4.309.854
Telxius Cable	-	-	959.813	1.480.679
Telefónica Servicios Audiovisuales	-	-	1.504.115	975.183
	<b>18.080.840</b>	<b>33.092.012</b>	<b>159.680.532</b>	<b>158.813.358</b>
	<b>35.918.668</b>	<b>53.197.472</b>	<b>257.909.260</b>	<b>234.250.744</b>

c) Associated Companies

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of US\$)			
<b>National</b>				
Onnet Fibra Colombia S.A.S. (2)	92.298	475.997	48.316	29.598
Telefónica Factoring Colombia S.A.	90	84	-	-
	<b>92.298</b>	<b>475.997</b>	<b>48.316</b>	<b>29.598</b>
<b>From outside</b>				
O2 T. UK Limited	368	62	59	-
	<b>368</b>	<b>62</b>	<b>59</b>	<b>-</b>
	<b>105.557</b>	<b>492.070</b>	<b>114.212</b>	<b>88.934</b>

	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of COP\$)			
<b>National</b>				
Onnet Fibra Colombia S.A.S. (2)	374.152.754	1.929.577.810	195.860.879	119.983.030
Telefónica Factoring Colombia S.A.	365.916	340.406	-	-
	<b>374.518.670</b>	<b>1.929.918.216</b>	<b>195.860.879</b>	<b>119.983.030</b>
<b>From outside</b>				
O2 T. UK Limited	1.488.351	252.052	244.063	-
	<b>1.488.351</b>	<b>252.052</b>	<b>244.063</b>	<b>-</b>
	<b>428.270.189</b>	<b>1.995.069.491</b>	<b>462.990.767</b>	<b>360.521.250</b>

Financial:	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
	(In thousands of US\$)			
<b>Nacionales</b>				
Associated Companies (3)	22.461	-	6.154	6.599
Economic Associates	1	7.935	-	-
	<b>22.462</b>	<b>7.935</b>	<b>6.154</b>	<b>6.599</b>
<b>Operational total with related parties</b>	<b>128.019</b>	<b>500.005</b>	<b>120.366</b>	<b>95.533</b>

Financial:	For the nine-month period ended september 30,			
	Income		Costs and expenses	
	2023	2022	2023	2022
<b>National</b>				
Empresas Asociadas (3)	91.050.369	-	24.946.501	26.751.755
Vinculados Económicos	2.227	32.165.242	-	-
	<b>91.052.596</b>	<b>32.165.242</b>	<b>24.946.501</b>	<b>26.751.755</b>
<b>Operational total with related parties</b>	<b>519.322.785</b>	<b>2.027.234.733</b>	<b>487.937.268</b>	<b>387.273.005</b>



- (2) During the nine-month period ending on September 30, 2023, the recognition of income for exclusivity in the optical fiber business is included. During the same period in 2022, income was recognized for the sale of optical fiber assets. The variation in costs corresponds to increased services, mainly infrastructure for optical fiber network, due to higher connectivity demand from customers during the 2023 period.
- (3) During the 2023 period, the verification of compliance for the Earn-Out was completed, approving the conditions agreed upon in the Master Business Plan for the year 2022. As a result, an additional benefit of \$52.096 million was obtained, in addition to what was recognized at the time of negotiation, generating a seasonal increase compared to the same period in 2022. Additionally, the accrued interest on the loan to Alamo Holdco, S.L. is included

The Group has not granted or received any guarantees or pledges to its economic related parties.

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

**Operating Income:**

	<b>Por el período de nueve meses terminado el 30 de septiembre de</b>	
	<b>2023</b>	<b>2022</b>
Servicios fijos (1)	318.331.807	285.603.926
Interconexión fija	8.979.488	10.500.162
Ingresos roaming (2)	8.183.892	13.615.830
Servicios digitales	3.248.470	4.132.602
Servicios móvil	887.326	543.077
Venta de equipos terminales	76.438	8.497
<b>Total operacionales con partes relacionadas</b>	<b>339.707.421</b>	<b>314.404.094</b>
Otros ingresos operativos (3)	88.562.768	1.680.665.397
Ingresos financieros	91.052.596	32.165.242
<b>Total con partes relacionadas</b>	<b>519.322.785</b>	<b>2.027.234.733</b>

- (1) During the nine-month period ending on September 30, 2023, the increase is mainly due to services provided for the deployment of fiber optics.
- (2) During the nine-month period ending on September 30, 2023, the decrease is attributed to the recognition of subscriber traffic in the roaming service during the same period of the year 2022.

- (3) During the nine-month period ending on September 30, 2023, the recognition of income for the exclusivity concept in the fiber optics business is included. During the same period in 2022, income was recognized for the sale of fiber optic assets.

**Operating Costs and Expenses:**

	<b>For the nine-month period ended september 30,</b>			
	<b>2023</b>		<b>2022</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Media rental (1)	62.197	252.130.858	44.272	179.467.540
Renting and third party activities to clients (2)	13.494	54.701.882	6.733	27.295.723
Advertising	10.730	43.496.429	11.436	46.357.876
Other costs and operating expenses (3)	9.949	40.330.074	8.501	34.459.161
Interconnection and roaming	7.510	30.445.013	7.876	31.925.849
Terminal cost	3.453	13.998.542	1.838	7.449.840
Other non-recurring costs and expenses	3.380	13.701.004	4.993	20.241.419
Content providers (5)	2.949	11.953.554	1.725	6.992.643
Maintenance	492	1.995.845	693	2.808.483
Labor expenses (4)	59	237.566	869	3.522.717
	<b>114.212</b>	<b>462.990.767</b>	<b>88.934</b>	<b>360.521.250</b>

- (1) The increase during the first nine months of 2023 is mainly related to services for the use and access to the fiber optic network for connectivity with Onnet Fibra Colombia S.A.S.
- (2) The increase during the first nine months of 2023 is mainly due to cybersecurity services, monitoring, managed security, censuses, and designs, mainly for corporate projects.
- (3) The increase during the first nine months of 2023 is mainly due to logistics support and consulting services.
- (4) During the nine-month period ending in September 2023, there is an increase mainly due to the acquisition of Wi-Fi amplifier equipment.
- (5) During the first nine months of 2023, the increase is attributed to the use of streaming services and premium channels

**27.4 Remuneration information for key management personnel**

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

	<b>For the nine-month period ended september 30,</b>			
	<b>2023</b>		<b>2022</b>	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Salaries, salaries and other benefits	3.163	12.822.347	2.958	11.990.828
Executive remuneration plan (shares and annual bonus)	1.220	4.943.628	1.095	4.440.458
Institutional plans	724	2.936.739	653	2.647.270
Others	109	442.193	100	405.449
Bonus for voluntary withdrawal	53	214.572	0	0
	<b>5.269</b>	<b>21.359.479</b>	<b>4.806</b>	<b>19.484.005</b>

## 28. CONTINGENCIES

The Group is subject to claims for regulatory proceedings, labor, tax settlements, and others arising in the ordinary course of business. The Group evaluates these situations based on the probable, possible, and remote nature of their occurrence and the amounts involved to decide on the amounts recognized and/or disclosed in the consolidated financial statements. This analysis, which may require considerable judgment, includes reviewing legal proceedings instituted against any claims yet to be initiated, all supported by reports and evaluation of the Group's legal advisors.

A provision is recognized when the Group has a present obligation due to a past event, an outflow of resources will probably be required to settle the obligation, and a reliable estimate can be made of the obligation amount.

As of September 30, 2023, there are 2,022 ongoing processes, of which 95 are classified as probable contingencies, 900 as possible, and 1,027 as remote.

### 28.1. Probable Proceedings

The following details the proceedings classified as highly probable (Note 19).

	As of september, 30			As of december, 31		
	2023			2022		
	(In thousands of USD\$)	(In thousands of COP\$)		(In thousands of USD\$)	(In thousands of COP\$)	
Quantity	Amount		Quantity	Amount		
<b>Currents:</b>						
Administrative investigations of users (1)	27	588	2.384.528	54	1.653	6.701.584
Tax processes (2)	1	106	429.289	-	-	-
	<b>28</b>	<b>694</b>	<b>2.813.817</b>	<b>54</b>	<b>1.653</b>	<b>6.701.584</b>
<b>Non-currents:</b>						
Administrative, regulatory and competency investigations (3)	7	933	3.781.908	15	1.907	7.731.708
Legal proceedings (4)	26	852	3.453.948	54	1.206	4.890.737
Labor processes (5)	34	502	2.035.486	27	510	2.069.195
	<b>67</b>	<b>2.287</b>	<b>9.271.342</b>	<b>96</b>	<b>3.623</b>	<b>14.691.640</b>
	<b>95</b>	<b>2.981</b>	<b>12.085.159</b>	<b>150</b>	<b>5.276</b>	<b>21.393.224</b>

- Includes processes related to requests, complaints, and claims (PQR) from customers, which are in the process of being discussed with the regulator. The decrease as of September 30, 2023 corresponds to the settlement and payment of fines to the Superintendence of Industry and Commerce (SIC), mainly for compliance with the telecommunications services user protection regime.
- Includes judicial process with the administrative court, for national excise tax issues.
- It mainly includes requests for administrative and regulatory processes through the Superintendence of Industry and Commerce and the Ministry of Information and Communication Technologies of Colombia. The net decrease is mainly due to the closure of a process with MINTIC for \$2,743 million.
- Includes mainly civil and administrative process petitions.
- Includes legal proceedings arising from an employment relationship, whether direct or indirect, with the Group, which are brought before the labor courts.

### 28.2 Possible Contingencies

The Group is a party to litigation classified as low probability, which is currently being processed 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.

## Legal Proceedings

These processes are aimed at obtaining a decision from the judicial authority called upon to resolve the disputed issue. They include processes from civil, administrative litigation, criminal, constitutional jurisdictions, among others. There are 458 open processes classified as possible, with a total value of \$36,817,440.

## Labor Proceedings

These correspond to labor lawsuits through which the claimants seek payment for labor rights arising from their relationships directly with the Group or with a third party. In the latter case, seeking the solidarity of Colombia Telecomunicaciones S. A. E. S. P. BIC There are 351 open processes classified as possible, with a total value of \$45,365,324.

## Administrative Investigations

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

Contingencies for administrative investigations are classified as:

- i. Taxes: Proceedings under discussion for taxes with different municipalities in the country, corresponding to claims, such as industry and commerce tax (ICA) public lighting tax, among others. There are 20 administrative and judicial processes in progress with possible qualifications, valued at \$4.594.980.
- 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 53 possible processes reported for \$5.041.613.
- iii. Regulatory: Administrative proceedings initiated by oversight and control authorities for alleged failures to comply with telecommunications regulatory standards. There are 18 possible proceedings for \$10.349.978.

## 29. FINANCIAL INDICATORS - NOT DEFINED IN THE 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

	For the nine-month period ended september 30,			
	2023		2022	
	(In thousands of US\$)	(In thousands of COP\$)	(In thousands of US\$)	(In thousands of COP\$)
Net profit for the period	(100.829)	(408.738.250)	(3.585)	(14.532.934)
More:				
Depreciation and amortization (Note 24)	259.119	1.050.407.197	254.885	1.033.242.491
Financial expense, net (Note 25)	99.009	401.360.172	90.027	364.946.115
Equity method (Note 12)	2.992	12.127.754	8.657	35.090.103
Income and complementary taxes (Note 11)	4.945	20.047.079	177.459	719.378.086
<b>EBITDA</b>	<b>265.235</b>	<b>1.075.203.952</b>	<b>527.442</b>	<b>2.138.123.861</b>

EBITDA: corresponds to income before depreciation and amortization, financial expense, equity method, and income and deferred taxes.

### 2) Financial Indicators

The following are the financial indicators calculated by the 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 form short-term and long-term creditors participate in the Group's financing.

	As of september, 30	As of december, 31
	2023	2022
a) Total debt level (1)	70,511%	68,074%
b) Level of short-term debt (2)	40,087%	34,176%

- (1) The level of indebtedness increases during the first nine months of 2023, mainly due to the subscription and renewal of financial leasing contracts for sites for technical installations.
- (2) The level of indebtedness increases during the first nine months of 2023, mainly due to the acquisition of loans from local banks for working capital.

## 2.2. Solvency Ratios:

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

	As of september, 30	As of december, 31
	2023	2022
Solvency ratio (1)	1,418 v	1,532 v

- (1) The solvency ratio measures a company's ability to meet its debt obligations. As of September 30, 2023, there is a slight variation, due to the subscription and renewal of financial leasing contracts for sites with technical installations and the acquisition of short-term loans for working capital.

## 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.

	For the nine-month period ended september 30,	
	2023	2022
a) Operating margin (1)	0,472%	18,026%
b) OIBDA margin (2)	20,481%	34,883%

- (1) The variation during the nine months of 2023 compared to the same period in 2022, after adjusting the 2022 ratio to 5.0%, excluding the impact of the sale of fiber optic assets, corresponds mainly to commercial costs for acquiring new customers in the fiber optic commercial offer and content, obtaining a good performance of revenues and the optimization and control of non-commercial expenses.
- (2) During the nine months of 2023 compared to the same period in 2022, after adjusting the 2022 ratio to 24.5%, excluding the impact of the sale of fiber optic assets, there is a slight decrease mainly due to the increase in commercial costs in acquiring new customers.

## 2.4. Liquidity ratios

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

	As of september, 30	As of september, 30
	2023	2022
a) Net working capital (In thousands of US\$)	(275.691)	(93.640)
a) Net working capital (In thousands of COP\$)	(1.117.585.005)	(379.592.523)
b) Current ratio	0,717 veces	0,89 veces
c) Acid test	0,652 veces	0,147 veces

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 cash flow projections made by the Group, which guarantee a going concern.

The variation corresponds mainly to the subscription, renewal of financial leases of sites for technical facilities, and acquisition of credits for working capital.

## 2.5. Organizational Capacity

	For the nine-month period ended september 30,	
	2023	2022
a) Return on equity - ROE (1)	(9,937%)	(0,298%)
b) Return on assets - ROA (2)	0,178%	7,740%
c) Net profitability (3)	(7,786%)	(0,237%)

- (1) The variation during the first nine months of the period in 2023 compared to the same period in 2022 after adjusting the 2022 ratio (17.847%) excluding the impact of the sale of fiber optic assets, shows an improvement mainly due to the good performance of revenues and optimization and control of non-commercial expenses
- (2) The variation during the first nine months of the period in 2023 compared to the same period in 2022, after adjusting the ratio of 2022 (1.799%) excluding the impact of the sale of fiber optic assets, is mainly due to commercial costs for acquiring new customers in the fiber optic and content commercial offering, achieving good revenue performance and optimizing non-commercial expenses
- (3) The variation during the first nine months of the period in 2023 compared to the same period in 2022, after adjusting the 2022 ratio (16.054%) excluding the impact of the sale of fiber optic assets, shows improvement mainly due to the good performance of revenues and optimization and control of non-commercial expenses.

## 2.6. Interest coverage

This indicator measures the Group's capacity to meet its financial interest obligations.

	For the nine-month period ended september 30,	
	2023	2022
Interest coverage (1)	0,085 v	4,717 v

- (1) During the first nine months of the 2023 period compared to the same period in 2022, after adjusting the 2022 ratio to 1.14 times, excluding the impact of the sale of fiber optic assets. The decrease in this indicator at the close of the period ending in September 2023 is primarily due to the increase in interest rates, the new obligation for the acquisition of spectrum in the 1900MHz band, and the impact on operational results from the increase in commercial costs in acquiring new customers.

### 3) Operational Information

#### 3.1. Access

	2023			2022	
	Sep-30	Jun-30	Mar-31	Dec-31	Sep-30
	(Units 000)				
<b>End Clients Access</b>	<b>25.041</b>	<b>24.672</b>	<b>24.082</b>	<b>23.970</b>	<b>23.354</b>
Basic Line (1)	1.405	1.415	1.419	1.421	1.414
Data	1.443	1.402	1.360	1.318	1.272
TV	809	778	740	704	659
Mobile Services	21.384	21.077	20.563	20.527	20.009
Prepaid	15.870	15.528	15.088	15.088	14.609
Postpaid	5.514	5.548	5.475	5.439	5.400

  

	2023			2022	
	sep-30	jun-30	mar-31	dic-31	sep-30
	(Unidades 000)				
<b>Accesos Clientes Finales</b>	<b>25.041</b>	<b>24.672</b>	<b>24.082</b>	<b>23.970</b>	<b>23.354</b>
Línea Básica (1)	1.405	1.415	1.419	1.421	1.414
Datos	1.443	1.402	1.360	1.318	1.272
Televisión	809	778	740	704	659
Servicios Móvil	21.384	21.077	20.563	20.527	20.009
Prepago	15.870	15.528	15.088	15.088	14.609
Postpago	5.514	5.548	5.475	5.439	5.400

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

#### 3.2. ARPU (Average revenues per user)

	2023			2022	
	sep-30	jun-30	mar-31	Dec-31	sep-30
	(USD\$)				
LB-BA-TV (1)	8,81	8,32	8,35	8,24	7,96
Total Mobile (2)	2,45	2,52	2,58	2,63	2,60
Prepaid	0,57	0,56	0,59	0,66	0,62
Postpaid	7,88	7,95	8,11	8,02	8,00

  

	2023			2022	
	sep-30	jun-30	mar-31	Dec-31	sep-30
	(COP\$)				
LB-BA-TV (1)	35.729	33.710	33.852	33.394	32.268
Total Mobile (2)	9.928	10.209	10.459	10.657	10.546
Prepaid	2.298	2.284	2.389	2.689	2.519
Postpaid	31.940	32.209	32.864	32.530	32.437

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

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

### **30. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE**

The following are the events that occurred between October 1, 2023, and the date of issuance of the condensed consolidated interim financial statements, which have no effect on the figures closed as of September 30, 2023.

On October 30, 2023, Colombia Telecomunicaciones S. A. E.S.P. BIC signed an expanded modification to the agreements between Alamo SpainCo, S.L.U., Kohlberg Kravis Roberts (KKR), and Onnet Fibra Colombia S.A.S., allowing the Company to exercise the option to terminate the exclusivity period stipulated in the wholesale agreement ahead of schedule, subject to the achievement of a specified number of connected homes under the conditions defined in the modification.