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

December 31, 2024 and 2023 with statutory auditor's report

Table of Contents

Certification of the Legal Representative and Public Accountant

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

February 17, 2025

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 Consolidated Statement of Financial Position as of December 31, 2024, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows for the year then ended, which pursuant to the regulations are made available to shareholders and third parties, the statements contained therein have been previously verified and the figures have been faithfully taken from the books. These explicit and implicit statements are as follows:

1. All assets and liabilities included in the consolidated financial statements of the Company and its subsidiary as of December 31, 2024, exist, and all transactions included in such consolidated financial statements have taken place during the year that ended.

2. All the economic events realized by the Company and its subsidiary during the year ended December 31, 2024, have been recognized in the consolidated 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 December 31, 2024.

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 consolidated financial statements.

Colombia Telecomunicaciones S.A. E.S.P. BIC NIT 830.122.566 – 1

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Figures expressed in thousands of Colombian pesos, except for net earnings per share or unless otherwise indicated)

		As of december, 31	
	Notes	**2024**	**2023**
Assets			
Current Assets			
Cash and cash equivalents	5	524.868.079	362.205.669
Financial assets	6	351.909.904	284.742
Receivables and other receivables, net	7	1.295.521.340	1.135.287.569
Prepaid expenses	8	559.617.825	497.612.298
Contractual assets	9	5.691.436	11.072.674
Inventories	10	127.109.712	180.428.613
Taxes and public administrations	11	374.169.532	380.034.553
Total current assets		**3.238.887.828**	**2.566.926.118**
Non-current assets:			
Financial assets	6	59.700.562	58.598.897
Receivables and other receivables, net	7	757.441.922	900.598.544
Investments in companies	12	51.300.822	59.436.247
Prepaid expenses	8	742.855.700	711.415.811
Contractual assets	9	340.196	2.182.814
Right of use assets	13	1.416.524.706	1.137.026.730
Property, plant and equipment	14	4.310.654.761	3.956.375.044
Investment properties	15	9.879.664	8.045.056
Intangible	16	1.204.787.534	1.012.254.122
Goodwill	17	1.218.402.472	1.355.833.946
Taxes and public administrations	11	462.964.844	476.444.494
Deferred taxes, net	11	986.117.496	1.169.326.314
Total Non-current assets		**11.220.970.679**	**10.847.538.019**
Total assets		**14.459.858.507**	**13.414.464.137**
Liabilities			
Current liabilities:			
Financial liabilities	18	381.534.785	780.335.881
Lease debts	19	371.387.439	399.236.077
Suppliers and accounts payable	20	2.961.604.218	2.400.934.218
Contractual liabilities	9	152.974.114	170.669.840
Taxes and public administrations	11	97.552.728	98.441.268
Deferred liabilities		2.590.540	2.595.769
Pension provisions and liabilities	21	213.544.773	167.535.438
Total current liabilities		**4.181.188.597**	**4.019.748.491**
Non-current liabilities			
Financial liabilities	18	4.369.945.937	3.269.437.949
Lease debts	19	1.234.623.791	1.231.876.268
Suppliers and accounts payable	20	768.662.999	469.976.217
Contractual liabilities	9	141.182.610	187.424.759
Deferred liabilities		5.217.639	5.635.377
Pension provisions and liabilities	21	273.616.457	277.204.146
Total non-current liabilities		**6.793.249.433**	**5.441.554.716**
Total liabilities		**10.974.438.030**	**9.461.303.207**
Total equity, attributable to controlling interests		**3.485.420.477**	**3.953.160.930**
Total liabilities and shareholders' equity		**14.459.858.507**	**13.414.464.137**

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

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2024 AND 2023
(figures expressed in thousands of Colombian pesos, except for net earnings per share or unless otherwise indicated)

		For the year ended december 31,	
	Notes	**2024**	**2023**
Operating income:			
Income from contracts with customers	23	6.134.356.099	6.682.916.825
Other operating income	24	548.191.308	439.998.004
		6.682.547.407	**7.122.914.829**
Operating costs and expenses	25	(5.130.990.061)	(5.562.338.555)
Operating result before depreciation and amortization		**1.551.557.346**	**1.560.576.274**
Depreciation and amortization	26	(1.057.263.407)	(1.396.677.680)
Operational result		**494.293.939**	**163.898.594**
Financial expense, net	27	(700.382.854)	(558.076.907)
Method of participation	12	(76.455.886)	(46.156.669)
Result before taxes		**(282.544.801)**	**(440.334.982)**
Income and supplementary taxes	11	(187.391.269)	(249.331.368)
Net result for the period		**(469.936.070)**	**(689.666.350)**
Other comprehensible results:			
Items to be reclassified to the income statement			
Valuation of derivative hedging instruments, net of taxes	11	(156.774.683)	(81.980.958)
Participation in other comprehensive income in an associate, net of taxes	11	1.290.959	1.064.341
Deferred tax on other comprehensive income in associate	11	(451.836)	(372.519)
		(155.935.560)	**(81.289.136)**
Items that are not reclassified to the income statement:			
Revaluation of real estate, net of taxes	22	135.561.624	-
Actuarial results for post-employment benefits	22	22.569.553	(4.695.616)
		2.195.617	**(85.984.752)**
Net comprehensive income for the period		**(467.740.453)**	**(775.651.102)**

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

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2024 AND 2023
(figures expressed in thousands of Colombian pesos, except for net earnings per share or unless otherwise indicated)

	Subscribed and paid-in capital	Premium on share placement	Reserves	Surplus from revaluation, hedging derivatives and actuarial result	Accumulated results	Total equity
Balances as of December 31, 2022	**3.410.076**	**9.822.380.645**	**71.030.665**	**304.823.103**	**(5.472.832.457)**	**4.728.812.032**
Net income for the year	-	-	-	-	(689.666.350)	(689.666.350)
Transfers (Note 22)	-	-	-	(54.801.493)	54.801.493	-
Other comprehensive income for the year (Note 22)				(85.984.752)		(85.984.752)
Balances as of December 31, 2023	**3.410.076**	**9.822.380.645**	**71.030.665**	**164.036.858**	**(6.107.697.314)**	**3.953.160.930**
Net income for the year	-	-	-	-	(469.936.070)	(469.936.070)
Transfers (Note 22)	-	-	-	(51.093.729)	51.093.729	-
Other comprehensive income for the year (Note 22)	-	-	-	2.195.617	-	2.195.617
Balances as of December 31, 2024	**3.410.076**	**9.822.380.645**	**71.030.665**	**115.138.746**	**(6.526.539.655)**	**3.485.420.477**

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

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. BIC AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024 AND 2023
(figures expressed in thousands of Colombian pesos unless otherwise indicated)

		For the year ended december 31,	
	Notes	**2024**	**2023**
Net cash flows from operating activities			
Cash received from customers		7.601.500.428	7.840.593.268
Cash paid to suppliers and other accounts payable		(5.535.044.312)	(5.778.080.483)
Net interest paid and other financial expenses		(426.092.445)	(415.508.586)
Self-withholding on income tax		(337.013.253)	(305.287.473)
Direct taxes paid		(272.219.911)	(297.195.828)
Interest paid on finance leases	19	(134.916.821)	(121.379.162)
Spectrum license payment		(114.665.495)	(55.513.680)
Net cash provided by operating activities		**781.548.191**	**867.628.056**
Net cash flows used in investing activities			
Collections for the sale of the fiber optic business		35.130.626	23.626.157
Collections for the sale of movable and immovable property		22.670.255	106.934.326
Payments for investments in plant and equipment and intangibles		(488.121.884)	(815.376.698)
Net cash used in investing activities		**(430.321.003)**	**(684.816.215)**
Net cash flows (used in) provided by financing activities			
New financial debt		1.125.378.878	500.040.959
Payment of financial debt		(926.953.367)	(468.350.451)
Finance lease payments	19	(389.095.397)	(315.516.101)
Collections (payments) for exchange rate, net		2.105.108	(19.138.037)
Net cash (used in) provided by financing activities		**(188.564.778)**	**(302.963.630)**
Net increase (decrease) of cash and cash equivalents		**162.662.410**	**(120.151.789)**
Cash and cash equivalents as of January 1		362.205.669	482.357.458
Cash and cash equivalents as of december 31	5	**524.868.079**	**362.205.669**
Cash and cash equivalents as of January 1		**362.205.669**	**482.357.458**
Cash, cash and banks		238.957.607	405.344.578
Temporary investments		123.248.062	77.012.880
Cash and cash equivalents as of december 31		**524.868.079**	**362.205.669**
Cash, cash and banks		273.182.360	238.957.607
Temporary investments		251.685.719	123.248.062

Notes 1 to 33 are an integral part of these Consolidated 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.

The company may also engage in the following activities: (i) provision of telecommunications and computer services that support e-commerce activities, as well as the communication of data messages in general, specialized messaging services, and courier services; (ii) Representation of national or foreign firms involved in the telecommunications industry, either as equipment and/or service providers; (iii) Production, distribution, sale, and marketing of products and elements related to telecommunications, electricity, electronics, informatics, and related fields; (iv) Provision of technical advisory services, equipment and network maintenance, and consultancy in the fields of electricity, electronics, informatics, telecommunications, and related areas; (v) Provision of delegated management services for a company's technology and application functions; (vi) Manufacture, design, installation, commissioning, and marketing of all types of electrical and electronic equipment and systems; (vii) Provision of technical, technological, consultancy, auditing, and any other business advisory support services to companies in Colombia and/or abroad; (viii) Establish, exploit, use, install, expand, extend, renew, or modify telecommunications networks and services and their different elements, for private or public use, nationally or internationally; (ix) Importation, commercialization, installation, and leasing of equipment for private surveillance and security.

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 consists of the performance of one or more of the activities provided for in Law 1341 of 2009, for providers of networks and services of information and communications technologies and other activities proper and complementary to the information and communications technologies sector. The term of the company is indefinite; the address registered as the domicile and main office is located at 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 entered into with KKR was signed so that Colombia Telecomunicaciones S.A. E.S.P. BIC will be able to: (i) receive a higher income by way of an increase in the sale price of fiber optic assets in the amount of USD 50.00 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 Sp for a total of USD 83.33 million. The amendment will not alter the Company's interest in Alamo HoldCo S.L., equivalent to 40% of the capital stock.

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 equivalent to $62,515.4 million. 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. Regarding the third condition, it was verified that the goal was met, and payment to the Company will proceed.

On October 30, 2023, Colombia Telecomunicaciones S.A. E.S.P. BIC signed an amendment to the agreements with Alamo SpainCo, S.L.U. and Onnet Fibra Colombia S.A.S., allowing it to exercise the option to release the exclusivity agreed upon in the wholesale agreement before the expiration of its contractual term. To exercise this right, the Company must reach a certain number of homes connected.

At the end of March 2024, the reconciliation to validate compliance with the third agreed condition related to the corporate segment was completed, confirming that the target was met for all three periods, and the collection is agreed to take place from 2026 to 2029.

At the end of September 2024, the Company carried out the reconciliation with Onnet Fibra Colombia S.A.S. to validate compliance with the agreed conditions for the second year, verifying the Earn-Out compliance with respect to the two established targets, meeting one of the two targets and thus obtaining a receivable right for USD 24,000,000, equivalent to COP 100,279 million. Additionally, a right of USD 16,000,000, equivalent to COP 66,853 million, was generated, which is expected to be capitalized in Álamo Holdco, S.L

c) Single Mobile Access Network Operation

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

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

On February 26, 2024, Colombia Telecomunicaciones S.A. ESP BIC and Colombia Móvil S.A. ESP signed a framework agreement for the implementation of a single mobile access network, through an independent company, as well as for sharing radio spectrum usage permits through a Temporary Union. The closing of the transaction is subject to obtaining the corresponding regulatory approvals and the respective contractual stipulations.

In July 2024, the company "Unired Colombia S.A.S." was established to implement the Single Mobile Access Network, in which, as of August 2024, Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P. each hold an equal share in its capital stock. Both companies will continue to compete in providing telecommunications services while maintaining their independence and autonomy in business management, strategy, and commercial activities.

On December 20, 2024, after obtaining the necessary authorizations, the transaction was completed, leading to the following events:

- The Ministry of Information Technologies and Communications authorized the transfer of the permit for access, use, and operation of 20 MHz of radio spectrum for mobile terrestrial radiocommunication services nationwide (frequency range 703 MHz to 713 MHz paired with 758 MHz to 768 MHz), initially granted to Colombia Móvil S.A. E.S.P., to the Unión Temporal Colombia Móvil – Colombia Telecomunicaciones, a joint venture formed by both companies.

- Colombia Telecomunicaciones S.A. E.S.P. BIC entered into agreements with Unired Colombia S.A.S. (hereinafter "Unired") to access mobile access network services under the required quality and capacity conditions.

- Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P. contributed their mobile infrastructure businesses, in addition to a USD 25 million equalization obligation from Colombia Telecomunicaciones S.A. E.S.P. BIC. As a result, both companies obtained an equal 50% stake in the Joint Operation.

Once all necessary regulatory approvals were obtained, the transaction was finalized, and the Joint Operation commenced through Unired Colombia S.A.S. The company's primary purpose is to design, build, manage, and maintain mobile access networks to meet the capacity, quality, and coverage needs of telecommunications service providers. However, these activities do not include direct responsibility for information transmission.

The transaction constitutes a Joint Operation. The corporate governance of the Joint Operation is regulated by a Shareholders' Agreement, which defines the rules under which shareholders will participate in the funding, direction, and management of Unired. While Unired is established as a separate legal entity, it provides services exclusively to its two shareholders. As a result, there are no third-party transactions, and shareholders remain exposed to all rights and obligations of the Joint Operation. Therefore, Unired and the Unión Temporal form a Joint Operation.

The Temporary Union consolidates the spectrum licenses under joint ownership (50% each) and will acquire additional spectrum if necessary. The first 700 MHz spectrum transfer took place upon the transaction's closing, with further spectrum transfers scheduled for other bands.

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

With the start of the Joint Operation, Colombia Telecomunicaciones S.A. E.S.P. BIC contributed part of its business. According to IFRS 11, paragraph 21A, when an entity acquires an interest in a joint operation that constitutes a business, as defined in IFRS 3 Business Combinations, it must apply, to the extent of its interest and in accordance with paragraph 20, all applicable business combination accounting principles under IFRS 3 and other IFRS that do not conflict with IFRS 11 guidance.

Consideration for the Unired Joint Operation:

	Value added
Assets and obligations	(379.735.328)
Consideration, net of the transaction	**(379.735.328)**

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

	Fair value
Assets	
Debtors and other receivables - third parties	14.145.615
Debtors (Rights to receive from spectrum)	176.751.266
Debtors (Entitlements to receive network equipment)	6.941.730
Rights of use	1.071.750.825
Plant and equipment	736.831.609
Spectrum licensing	580.522.508
Another intangible	44.194.340
Total assets	**2.631.137.893**
Liabilities	
Lease debt	1.085.896.441
Accounts payable - spectrum	228.317.232
Accounts payable - commercial	480.085.263
Decommissioning provision	66.001.353
Total liabilities	**1.860.300.289**
Total Assets, Net (A)	**770.837.604**
Other impacts	
Goodwill	(137.431.475)
Public administrations - VAT	(81.155.154)
Operating costs	(30.187.848)
Total Other Impacts (B)	**(248.774.477)**
Result of the transaction (Profit) (C)	**142.327.799**
Net of Joint Operation (+A +B -C)	**379.735.328**

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

The details of the transaction closing are shown below:

					Integration to CT (*)		
Concept	**Nota**	**CT Contributions (*)**	**Other effects**	**CT (*) drops to UT (**)**	**High UT (**)**	**Unired Highs**	**Total**
Plant and equipment (1)	14	(399.227.038)	-	-	-	736.831.609	337.604.571
Spectrum	16	-	-	(485.920.838)	580.522.508	-	94.601.670
Another intangible	16	(105.652.062)	-	-	-	44.194.340	(61.457.722)
Rights of use	13	(969.959.210)	-	-	-	1.071.750.825	101.791.615
Goodwill (2)	17	-	(137.431.475)	-	-	-	(137.431.475)
Subtotal		**(1.474.838.310)**	**(137.431.475)**	**(485.920.838)**	**580.522.508**	**1.852.776.774**	**335.108.659**
Network equipment rights (3)	7	-	6.941.730	-	-	-	6.941.730
Spectrum rights (4)	7	-	-	-	176.751.266	-	176.751.266
Third-party receivables (5)	7	14.145.615	-	-	-	-	14.145.615
Public administrations - VAT (6)	11	-	(81.155.154)	-	-	-	(81.155.154)
Total Assets		**(1.460.692.695)**	**(211.644.899)**	**(485.920.838)**	**757.273.774**	**1.852.776.774**	**451.792.116**
Spectrum Debt	20	-	-	(442.011.995)	228.317.232	-	(213.694.763)
Commercial Debt	20	-	-	-	395.987.699	84.097.564	480.085.263
Lease Debt	19	(1.077.403.947)	-	-	-	1.085.896.441	8.492.494
Decommissioning Provision	21	(61.607.878)	-	-	-	66.001.353	4.393.475
Total liabilities		**(1.139.011.825)**	**-**	**(442.011.995)**	**624.304.931**	**1.235.995.358**	**279.276.469**
Operating costs (7)		30.187.848	-	-	-	-	30.187.848
Transaction result (Profit)		**(351.868.718)**	**(211.644.899)**	**(43.908.843)**	**132.968.843**	**616.781.416**	**142.327.799**

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

(**) Temporary Union Colombia Móvil S.A. E.S.P – Colombia Telecomunicaciones S.A. E.S.P. BIC.

(1) Includes additions for the recognition of dismantling costs amounting to $66,001 million, associated with the assets contributed to Unired.

(2) Corresponds to the derecognition of goodwill associated with the Company's mobile infrastructure business.

(3) Refers to power equipment that Tigo will contribute to Unired.

(4) Corresponds to spectrum rights to be received in May and August 2025, which Tigo will contribute to Unired.

(5) Relates to subleasing of sites by the Company to Unired.

(6) Corresponds to the derecognition of the tax credit for VAT associated with the assets contributed to Unired.

(7) Primarily corresponds to structuring costs of the Unired Joint Operation (Note 20, Section 1c).

d) Capital Repayment of the Ordinary Bond of Colombia Telecomunicaciones S.A. E.S.P BIC, 2019 issuance.

In accordance with the terms set forth in the Ordinary Bonds prospectus issued on May 29, 2019, for the amount of COP$500 billion. On May 29, 2024, the Company paid its holders the principal associated with Subseries A-5 for the amount of COP$347.590 billion along with its corresponding interest.

2. OPERATIONS

2.1. Ongoing Business

In conducting its business activities, the Group analyzes not only the measurement of assets and liabilities, accounting estimates, and appropriate disclosures but also 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 $524.868.079, other highly liquid assets, and if necessary, initiatives will be activated to generate sufficient working capital for operations.

The Group's management, with the support of the shareholders, is jointly analyzing the necessary measures to strengthen the liquidity and financial indicators of the Group and ensure the ability to continue operating as a going concern. These measures have already been implemented through the execution of the Strategic Plan for the years 2024 to 2026. Additionally, in response to a severe negative scenario, the Group maintains the capacity to take mitigation actions to reduce costs, optimize cash flow, and preserve liquidity.

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

2.2. Impacts of the international conflict

The Group has implemented internal control measures through a protocol so that any transaction with third parties whose location is in Russia or third parties from other countries that were reached by the sanctions imposed by the European Union, United Kingdom, United States, and other countries, are authorized by the intervention area, internal audit, and compliance area. As of the nine-month period ended December 31, 2024, there is no relationship with third parties subject to sanctions, therefore no risks have been generated in the financial information.

No significant impacts have been identified in the financial information or the operation of the Group arising from the current situation of geopolitical conflicts in the Middle East or Western Europe.

2.3. Main Regulatory Matters

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

a) Spectrum Licenses: This is the list of current permits by band and spectrum allocation:

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

b) Memorandum of Understanding and Authorization by the Superintendence of Industry and Commerce (SIC) to Operate a Single Mobile Access Network

On February 26, 2024, a framework agreement was signed between Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P. to develop a Single Mobile Access Network through an independent entity, as well as to share the rights to use the radio spectrum through a Temporary Union

The companies evaluated the creation of a new mobile access infrastructure company to enhance the efficiency of managing existing networks and serve as a vehicle for deploying new mobile technologies such as 5G. The consolidated network aims to improve the quality of mobile services in more than 700 municipalities, benefiting approximately 35 million users. The companies will continue operating separately, both functionally and legally, maintaining their independence and autonomy in business, strategy, and commercial operations, and will remain competitors in the telecommunications market.

The Superintendence of Industry and Commerce (SIC) authorized the operation through Resolution No. 61548 of October 6, 2023, allowing the companies to share their network infrastructure and spectrum usage rights. The SIC determined that the operation would not negatively impact the retail or wholesale telecommunications markets, as Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P. will continue to compete independently and will not share network cores (Core) or transmission routes (backbone and backhaul). The decision highlighted that the new network company submitted a spectrum assignment and return plan to ensure compliance with current spectrum limits. The Unión Temporal will operate 140 MHz (40 MHz in low bands and 100 MHz in mid bands). Currently, Colombia Móvil S.A. E.S.P. holds 120 MHz of spectrum, compared to 85 MHz held by Colombia Telecomunicaciones S.A. E.S.P. BIC.

Furthermore, the SIC established specific conditions for Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P., which will be in effect for five years, including:

- Not unilaterally, unjustifiably, or abruptly modifying agreements with MVNOs (Mobile Virtual Network Operators) in a way that harms them, whether for current or future agreements. The companies must submit a semi-annual report.

- Not unilaterally, unjustifiably, or abruptly modifying agreements with third-party providers for National Automatic Roaming (RAN) services, nor increasing RAN prices unjustifiably. A semi-annual report must be submitted, along with an ad-hoc report whenever a new contract is signed, or commercial conditions are adjusted.

- Implementing a Governance Manual, including provisions on the Shareholders' Assembly, Board of Directors, Legal Representative, Information Handling Protocols, Coverage, and Quality Standards.

The expansion of coverage and improvement of mobile signal quality following the launch of the unified network was announced by the company on December 23, 2024.

Additionally, by the end of the year, the Unión Temporal between Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. E.S.P. had already been created to manage the spectrum usage rights for the single mobile access network company. The Ministry of Information Technologies and Communications (MINTIC) authorized the transfer of the 700 MHz spectrum usage permit, previously held by Colombia Móvil S.A. E.S.P., to the Unión Temporal, through Resolution No. 5194 of December 13, 2024.

c) Millicom and Colombia Telecomunicaciones S.A. E.S.P. BIC Entered into a Non-Binding Agreement to Merge Operations in Colombia

On July 31, 2024, Telefónica Hispanoamérica signed a non-binding agreement with Millicom to explore the combination of their operations in Colombia. This potential transaction is subject to the signing of definitive agreements between the companies and obtaining the necessary regulatory approvals, and it contemplates the sale of Telefónica's shares, as well as the extension of Millicom's offer to the Colombian Nation. The pre-evaluation request for the business integration process was submitted to the Superintendence of Industry and Commerce (SIC) on December 19, 2024.

d) Approved laws

Colombia's Law 2416 of 2024 declared telecommunications service infrastructure and projects to be of public utility and social interest. The legislation aims to improve service quality and expand coverage to areas without access, establishing that telecommunications projects are considered of social interest.

e) Main bills related to the TIC sector currently under consideration by the Congress:

- Bill 59 of 2023 – Senate of the Republic: Creates the National Agency for Digital Security and Space Affairs.

- Bill 210 of 2024 – House of Representatives: Establishes provisions for the development of safe and secure digital environments for children and adolescents.

- Bill 176 of 2023; Senate of the Republic: Establishes the registration and identification of end users of SIM cards and e-SIM or technology that replaces them.

- Bill 406 of 2024 – Senate of the Republic / Bill 219 of 2024 – House of Representatives: Establishes user protection measures in the reconnection process for VoIP, mobile and fixed telephony, internet, and television services, including free reconnection.

- Bill 229 of 2024 / Bill 314 of 2023 – House of Representatives: Establishes provisions to reduce electronic waste generated by charging accessories for smartphones and tablets.

- Bill 269 of 2024 – Senate of the Republic: Implements measures to prevent mobile phone lines and financial products from being used for criminal activities, creating a registry and identification system for end users of SIM and e-SIM cards or any future replacement technology.

- Bill 412 of 2024 – House of Representatives: Regulates digital nomads and establishes strategies to strengthen local economies, as well as initiatives to improve urban and rural connectivity.

f) Main initiatives of MINTIC.

- The contribution rate to the ICT Fund remained unchanged. Resolution No. 05635 of December 31, 2024, maintained the 1.9% rate for the single periodic contribution on gross revenues from the provision of telecommunications networks and services.

- The Comprehensive Digital Connectivity Expansion Plan 2022-2033 was published. The 21 projects in the plan amount to COP 17.6 trillion, with COP 15.2 trillion allocated to improving connectivity and COP 2.4 trillion to stimulating demand. This initiative is designed to bridge the digital gap and ensure universal and meaningful connectivity across the country.

- The Ministry, in collaboration with the CRC, launched a public consultation on OTT digital services. The entities aim to gather information on the operation and functionality of OTT digital services that use Internet networks provided by the telecom companies, in order to gain a deeper understanding of the products and services offered

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

- Regulatory proposal published for public comment to review fixed network compensation. The objectives are to update fixed telephony termination charges and simplify existing regulations.

- CRC publishes for comment the formulation of the project analyzing competition in fixed services. The document aims to provide an overview and review the definition of this relevant market.

- New regulatory proposal to strengthen organized connectivity communities. It includes a User Protection Regime with simplified obligations, simple reporting formats for access and revenue, and a standardized contract for relations with other internet providers.

- CRC proposes fewer regulatory burdens as part of its regulatory simplification initiative. This includes, among other measures, eliminating handsets blocking due to lack of homologation; creating a unified reporting format for small ISPs; creating a single convergent contract for fixed and postpaid mobile services to facilitate user contracting; and eliminating quality indicators for 3G mobile voice services starting in 2026.

- CRC publishes a draft resolution for public comment, with measures for the mobile services market. It covers different aspects, such as promoting the registration and updating of prepaid user identification data; expanding the availability of digital means to modify and cancel plans via mobile applications; and prohibiting network operators from engaging in customer win-back practices during porting and for an additional three months.

- Proposal published for comment to promote connectivity and competition in the carrier market. It seeks to address issues related to market failures identified in the 170 municipal markets declared subject to ex-ante regulation and the information asymmetry identified between wholesale and retail fixed Internet providers.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

3.1. Professional Accounting Standards Applied

3.1.1. Basis of Presentation

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

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

The consolidated financial statements were authorized by the Audit Committee on February 13, 2025, according to Minute No. 75, and approved for issuance by the Board of Directors on February 17, 2025, according to Minute No. 167. They may be modified and must be approved by the Shareholders' Meeting.

3.1.2. Consolidated Financial Statements

The Group prepares its consolidated financial statements that include the information of the Group as a single company by means of the global integration methodology, adding its assets, liabilities, and the operations carried out during the year, excluding those operations 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 from transactions 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:

1. 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.

2. 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 Joint Operations and Agreements

Joint agreements are those over which there is joint control, established by contracts that require unanimous consent for decisions related to activities that significantly affect the returns of the agreement. To recognize these agreements, the Company must record the rights and obligations arising from them, depending on whether they are classified as a joint venture or a joint operation. In addition to evaluating the rights and obligations of the parties, other facts and circumstances are considered to determine whether the agreement constitutes a joint venture or a joint operation.

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

The Group recognizes as Joint Operations those contracts with third parties in which it has rights to the assets and obligations related to the liabilities of the agreement. It accounts for each asset, liability, and transaction, including those jointly held or incurred, based on its percentage of participation in the respective agreement.

The Group has entered into various contractual agreements with other participants to carry out joint activities. When a business controlled by the Group is sold or contributed to a joint operation entity, the Group measures and recognizes any retained interest at fair value. The difference between the book value of the contributed business and the fair value of the retained investment, plus the amount of the disposal, is fully recognized in profit or loss. Additionally, there are certain contractual agreements that do not result in a jointly controlled entity. These agreements may involve joint ownership of assets dedicated to the purposes of each company but do not create a separate jointly controlled entity. Instead, the participants directly obtain the benefits of the activities, rather than deriving returns from an interest in a separate entity.

Los estados financieros del Grupo incluyen su participación en los activos de las operaciones conjuntas junto con los pasivos, ingresos y gastos generados, que se miden de acuerdo con los términos de cada acuerdo, generalmente con base en la participación de cada participante.
The Group's financial statements include its share of assets in joint operations, along with liabilities, revenues, and expenses, measured according to the terms of each agreement, generally based on each participant's share.

3.1.5 Estimaciones y juicios contables

The preparation of 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 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 Consolidated 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 consolidated 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.

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

3.2. Accounting Policies

The principal accounting policies used in the preparation of these Financial Statements have been as follows:

3.2.1. Foreign Currency Conversion.

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation when items are revalued. Balances denominated in foreign currencies are expressed in Colombian pesos at the representative exchange rates of $4.409,15 and $3.822,05 per US$1 on December 31, 2024, and 2023, respectively. Exchange gains and losses resulting from the payment of such transactions and from the translation at the exchange rates at the end of each period of monetary assets and liabilities denominated in foreign currency are recognized in the Statement of Income, except when they are deferred in equity in the Other Comprehensive Income account for transactions that qualify as cash flow hedges.

Exchange differences related to loans are presented in the Statement of Comprehensive Income under the caption "financial income or expenses," depending on the result. Likewise, any other gains or losses generated by other items are presented in the Statement of Comprehensive Income

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

3.2.2. Property, Plant, and Equipment

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

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

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

For significant components of property, plant, and equipment that must be replaced periodically, the Group records the derecognition of the replaced component and recognizes the new component with its corresponding useful life and depreciation. Similarly, when an inspection is performed, the inspection cost is recognized as the replacement to the extent that the requirements for recognition as an asset are met. All other routine repair and maintenance costs are recognized as an expense in the Statement of Income as incurred.

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

Description	Life Minimum (Years)	Life Maximum (Years)
Constructions	10	40
Switching, accessing, and transmitting	2	30
Furniture	10	10
Information processing equipment	4	5
Transportation equipment	7	7

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

3.2.2.1. Decommissioning costs

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

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

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

3.2.2.2. Revaluation of Property

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

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

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

3.2.2.3. Construction in progress

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

3.2.2.4 Assets and Liabilities Held for Sale

Non-current assets held for sale correspond to those assets that the Group has in their current conditions for immediate sale, based on a highly probable sale plan. They are recorded at the lower net book value and fair value less costs to sell and will not be subject to depreciation while they are classified as held for sale. The Group will measure the costs to sell at their present value when the sale is estimated to occur beyond one year. Any increase in the current value of the cost of sales arising during the sale will be presented in the income statement as a finance cost.

Fixed assets classified as held for sale and the assets and liabilities of disposal groups must be presented in the consolidated statement of financial position, separate from other assets and liabilities.

3.2.2.5 Investment Properties

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

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

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

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

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

3.2.3. Intangible Assets

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

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

3.2.3.1. Enablig Titles

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

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

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

Type/Name	Date of Acquisition/Renewal	Expiration date	Type of permit
Resolution 2803 of 2021, Modified by Resolution 2143 of 2022, Band 1900	October 20, 2021	October 19, 2041	Provision of IMT mobile services
Resolutions 1053 and 3046 of 2024, Band 1700/2100 - 4G (AWS)	December 3, 2023	December 3, 2025	Provision of IMT mobile services
Resolution 497 of 2024, Band 3500 (Awarded to the Colombia Movil-Colombia Telecomunicaciones Temporary Union)	February 23, 2024	February 22, 2044	Provision of IMT mobile services
Resolution 2657 of 2024, Renewal of Band 850 and 1900	March 29, 2024	September 28, 2025	Provision of IMT mobile services
Resolution 5194 of 2024, Band 700 (Assignment to the Colombia Movil-Colombia Telecomunicaciones Temporary Union)	December 17, 2024	May 4, 2040	Provision of IMT mobile services

3.2.3.2. Office equipment software

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

3.2.3.3. Irrevocable Rights of Use (IRU)

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

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

No. de IRUS	Start date	Expiration date	Tipo de IRU
12	Since 2013, 2014, 2015 and 2017	Until 2027, 2033, 2034 and 2035	Fiber optic ring

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

3.2.3.4. Ongoing Projects - IT Applications

Ongoing projects include technological investments under development which are required for commercial systems, salesforce, Big Data, and Digitalization.

3.2.3.5. Estimated Useful Lives

The Group amortizes its intangible assets as follows:

Description	Minimum service life (years)	Maximum service life (years)
Enabling titles and spectrum renewal	1,5	20
Software for network and office equipment	3	5
Irrevocable Rights of Use (IRU)	10	20

3.2.4. Leases

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

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

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

3.2.4.1. Leases accounting

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

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

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

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

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

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

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

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

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

3.2.4.2. Lessor's accounting

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

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

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

- **Leasing activities**

The Group leases various properties, equipment, and vehicles. The leases do not impose any covenants, but the leased assets are not used as collateral for lending purposes. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements are normally entered into for fixed periods of 1 to 25 years.

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

- **Variable lease payments**

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

- **Extension and termination options**

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

- **Lease terms**

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

3.2.5. Rights of Use Assets

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

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

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

Right-of-use assets	Minimum Term	Maximum term
Land and buildings	1	25
Technical installations	1	12
Transportation Equipment	1	5

3.2.6. Goodwill

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

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

3.2.7. Impairment of Non-Current Assets

At the end of each reporting period, non-current assets, including goodwill, intangible assets, and property, plant, and equipment, are assessed for the presence or absence of impairment indicators. If such indicators exist or in the case of assets whose nature requires an annual impairment analysis, the Group estimates the recoverable amount of the asset, which is the higher of fair value less costs of disposal and its value in use. This value in use is determined by discounting the estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money, and considers the specific risks associated with the asset.

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

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

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

The reversal is recorded in the Statement of Comprehensive Income, and amortization charges for future periods are adjusted to the new carrying amount unless the asset is carried at a revalued amount. In this case, the reversal is treated similarly to a revaluation increase. Impairment losses on goodwill are not reversed in subsequent periods.

On the other hand, the discount rates used to determine the recoverable value are based on available financial information and are adjusted by the corresponding country risk and business risk rate. Thus, in 2024 and 2023, a nominal percentage rate calculated in pesos of 10,26**%** y 11,50%, respectively, was used.

3.2.8. Financial Instruments

3.2.8.1. Financial Assets

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

a) Financial assets at amortized cost

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

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

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

d) Equity instruments

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

e) Impairment of financial assets

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

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

- Determine the criteria for a significant increase in credit risk;
- Appropriately choose the models and assumptions for the measurement of expected credit loss;
- Establish the number and relative weights of forward-looking scenarios for each product/market type and the associated expected credit loss; and
- Establish groups of similar financial assets to measure expected credit loss.

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

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

The application of the simplified model is developed through allowance matrices, which are constructed based on historical default rates over the expected life of trade accounts receivable and through: i) appropriate groupings of trade accounts based on shared credit risk characteristics, ii) representative collection history and iii) time horizon in accordance with the collection management policy for each type of account. The matrix is a consequence of the results obtained in the ratio collected versus billed, reflecting the evolution of the collection for each billing maturities. To determine the ratio, the historical average recovery of the last years of billing due dates is obtained for each range of arrears, classifying the information by biller and by customer segment.

For accounts receivable in installments from customers, as may be the case of financed sales of terminals or other types of equipment, the policy is based on using historical collectability rates to predict the behavior of customers throughout the life of the contract, i.e., at the maturity of each monthly installment, it allows estimating, approximately, the percentage of debt that will ultimately remain outstanding (expected loss), to be recorded at the initial time.

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

3.2.8.2. Financial Liabilities

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

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

a) Financial liabilities at amortized cost

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

b) Financial liabilities at fair value

Financial liabilities that are managed and their performance evaluated on a fair value basis, such as derivatives, are classified as financial instruments at fair value through profit or loss. The gain or loss on a financial liability measured at fair value is recognized in profit or loss for the period, unless: It is part of a hedging relationship, or it is a financial liability designated as at fair value through profit or loss, and the Group is required to present the effects of changes in the liability's credit risk in other comprehensive income.

3.2.8.3. Other Equity Instruments

In accordance with IAS 32 (financial instruments - presentation), the Group establishes whether the financial instrument meets the definition of equity, where the issuer has no present obligation to deliver cash or another financial asset. In addition, an equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities; the instrument has no priority over other rights to the assets of the entity on liquidation, the distribution to holders of an equity instrument is recognized by the entity directly against equity.

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

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

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

3.2.8.4. Recognition and Measurement

The Group determines the classification of financial liabilities upon initial recognition. All financial liabilities are initially recognized at fair value plus, in the case of loans and payables carried at amortized cost, directly attributable to transaction costs.

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

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

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

The Effective Interest Rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument or, where appropriate, a shorter period, to the carrying amount of the financial asset or financial liability, including all fees and costs payable to or receivable by the parties to the contract.

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

3.2.8.5. Offsetting of Financial Instruments

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

3.2.8.6. Determination of Fair Values

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

For financial instruments not traded in active markets, fair value is determined using valuation techniques appropriate to the circumstances. Such techniques may include using recent market transactions between knowledgeable, willing parties acting at arm's length, reference to the fair values of other financial instruments that are essentially similar, discounted cash flow valuation analysis, and other appropriate valuation models.

3.2.8.7. Derivative Financial Instruments and Hedging Activities

a) Initial recognition and subsequent measurement

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

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

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

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

  Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Income, and the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in income for the period. The gain or loss related to the effective portion of the derivatives is recognized in the Statement of Income as "financial income or expense," as is the ineffective portion recognized in the Statement of Income.

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

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

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

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

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

b) Hedges through options

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

c) Classification of Current and Non-Current Items

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

1. When the Group holds a derivative instrument as an economic hedge (and does not apply hedge accounting) for a period of more than twelve months from the closing date of the reporting period, the derivative is classified as non-current (or split into current and non-current portions) to match the classification of the underlying item.

2. Embedded derivatives that are not closely related to the host contract are classified in a manner consistent with the cash flows of the host contract.

3. Derivatives designated as effective hedging instruments are classified in a manner consistent with the classification of the underlying hedged item. The derivative is divided into a current and non-current portion only if such an allocation can be made reliably.

3.2.9. Inventories

Inventories of merchandise for sale and materials in a warehouse for installation in investment projects are valued at a lower cost or net realizable value. The valuation of obsolete, defective, or slow-moving products has been reduced to their probable net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory costs include transfers from the equity of gains or losses on cash flow hedges for inventory purchases when so defined.

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

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

- For mobile terminals, equipment, and materials of the fixed operation with an age of>360 days, an impairment provision of 100% is recognized.

The recovery of the impairment provision for the sale of provisioned equipment is recognized as a reduction in the value of the charge taken to income for the period.

3.2.10. Cash and Cash Equivalents

Cash and cash equivalents include both cash on hand and freely available demand bank deposits.

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

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

3.2.11. Prepaid Expenses

Prepaid expenses include:

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

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

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

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

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

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

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

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

3.2.12. Capital Stock

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

3.2.13. Current and deferred taxes

The income tax expense for the period comprises current and deferred income tax. The tax is recognized in the Statement of Income, except in the case of items recognized directly in equity, in which case, the tax is also recognized in equity.

3.2.13.1. Current Income Taxes

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

The carrying amounts of current tax assets and liabilities for the present and prior periods represent the amounts estimated to be recoverable from or payable to the tax authorities. The tax rates and tax regulations used to calculate such amounts are those in effect at the closing date, including the income tax rate and the surtax

3.2.13.2. Deferred Income Taxes

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

Deferred tax assets are recognized to the extent that the temporary differences will probably be recovered in the future, the carrying amounts of unused tax credits and unused tax losses can be utilized, except:

- If the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability arising from a transaction that is not a business combination and at the time of the transaction affected neither accounting profit nor taxable profit (loss).

Deferred tax liabilities are recognized in all cases of taxable temporary differences associated with investments in subsidiaries, branches, and associates or interests in joint arrangements unless both of the following conditions are jointly met:

- The parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and

- It is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

Uncertain Tax Positions IFRIC 23

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

As of December 31, 2024, and 2023, the Group has no uncertain tax positions in the determination of income tax disclosed in the consolidated financial statements, considering that both ordinary and extraordinary operations have been treated in accordance with current tax regulations.

3.2.14. Employee benefits

a. Applicable Regulations

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

The Group contributes to private or state funds the resources required by legal regulations and the comprehensive social security system to cover both social benefits and future pension obligations; therefore, the Group has no actuarial obligations with workers for these concepts.

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

b. Salaries and Short-Term Benefits

Current employees' salaries and short-term benefits are recognized in the Statement of Comprehensive Income when the employees render their services.

c. Performance Bonuses

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

d. Vacation

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

e. Share-Based Payment Plans

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

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

The cumulative expense recognized for equity-settled share-based payment transactions at each reporting date through the vesting date reflects the extent to which the vesting period has expired and Telefónica S.A.'s best estimate of the amount of equity instruments that will ultimately remain as a consolidated benefit. The expense or credit in the Statement of Income for the period represents the movement in the cumulative expense recognized at the beginning and end of the period.

The Group recognizes in its Financial Statements the conditions of the plan, upon compliance with the established requirements.

f. Post-employment benefits

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

Post-employment benefits will be measured by the present value of the obligation derived from defined benefits, calculated using the market rate of TES issued by the National Government with terms similar to those estimated for the payment of the obligations. For this purpose, and according to the type of benefit, variables such as wages and salaries, the beneficiary's life expectancy, the average cost of post-employment plans, and historical information on the use of benefits will be taken into account.

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

3.2.15 Earnings per Share

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

3.2.15. Dividends

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

3.2.16. Provisions, Contingent Liabilities, and Contingent Assets

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

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

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

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

3.2.17. Segment Reporting

The Group's management prepares sufficient financial and management information to evaluate profitability, risk, and assets employed at the entity level. Although the Group prepares certain financial and management information for each of the business areas, it is not sufficient and is not differentiated (for example, at the level of costs and expenses and assets used) to be able to assess and determine profitability, risk, and allocated assets and liabilities individually as required by IFRS 8.

Any of the business areas or lower components such as local and long-distance telephone, television, mobile service, or data, among others, have common and/or complementary characteristics to the rest of them (same nature of the business, shared assets such as the network, including its customers, etc.) Likewise, said similarity or complementarity between the different components has been experiencing a growing trend due to the process of packaging and convergence of products such as duos, trios, and integrated offers that involve the aforementioned business areas and the assets used. Taking into account the requirements of the NCIF in relation to the identification of the segments and based on the information available, the Group's Management has determined a single business segment

3.2.18. Revenue Recognition

3.2.18.1. Contract Assets

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

3.2.18.2. Contract Liabilities

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

3.2.18.3 Revenue from ordinary activities arising from contracts with customers

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

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

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

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

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

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

a. Other operating income

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

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

b. Government Grants

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

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

3.2.19. Recognition of Costs and Expenses

Costs and expenses are recorded in the Statement of Comprehensive Income on an accrual basis, i.e., when the actual receipt or delivery of the goods and services they represent occurs, regardless of when the monetary delivery takes place, they are recognized when there is a decrease in future economic benefits related to the decrease of an asset or the increase of a liability, which can be measured reliably.

4. REGULATORY CHANGES

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

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

1. Disclosure of material accounting policies: Amendments to IAS 1.
2. Definition of accounting estimates: Amendments to IAS 8.
3. Deferred tax related to assets and liabilities arising from a single transaction: Amendments to IAS 12.
4. Modification to IFRS 16 – Lease concessions related to COVID-19 beyond June 30, 2021.

4.2. New Regulations Incorporated into the Accounting Framework Accepted in Colombia, Effective from January 1, 2027

Decree 1271 of 2024 added Technical Regulatory Annex 01 of 2024 for Group 1 to the annexes incorporated in Decree 2420 of 2015, which includes IFRS 17 – Insurance Contracts.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts issued with discretionary participation components. The objective is to ensure that entities provide relevant information in a manner that faithfully represents those contracts to assess the effect that contracts within the scope of IFRS 17 have on an entity's financial position, financial performance, and cash flows.

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

Article 2 of Decree 1271 of 2024 added Article 1.1.4.1.4 to Decree 2420 of 2015, including simplifications for the implementation of IFRS 17 – Insurance Contracts. These simplifications must be applied by Group 1 financial statement preparers under the supervision of the Colombian Financial Superintendence.

The management is currently assessing the detailed implications of applying the new standard to the financial statements.

4.3. New Regulations Incorporated into the Accounting Framework Accepted in Colombia, Effective from January 1, 2027

Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture: Amendments to IFRS 10 and IAS 28.

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

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

IAS 12 - International Taxation Reform - Second Pillar Model Rules

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

IAS 7 and IFRS 7 Supplier Financing

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

IFRS 16 - Sale and Leaseback Transactions

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

Modifications to IAS 21 – Lack of Exchangeability

In August 2023, the IASB amended IAS 21 to assist entities in determining whether a currency is exchangeable for another currency and which spot exchange rate to use when it is not.

Modifications to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued specific amendments to IFRS 9 and IFRS 7 to address recent practical questions and introduce new requirements applicable not only to financial institutions but also to corporate entities.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 – Presentation of Financial Statements, introducing new requirements aimed at enhancing comparability in financial performance among similar entities and providing more relevant and transparent information to users.

Although IFRS 18 will not impact the recognition or measurement of items in the financial statements, it is expected to have widespread effects on presentation and disclosure, particularly concerning the statement of financial performance and the inclusion of management-defined performance measures within the financial statements.

IFRS 19 – Subsidiaries Without Public Accountability Obligations

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

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

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

This amendment includes the core framework for disclosing material information about sustainability-related risks and opportunities throughout an entity's value chain.

IFRS S2 - Climate-related Disclosures

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

5. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

	As of december, 31	
	2024	**2023**
Banks in national and foreign currency	273.169.061	238.943.403
Temporary investments (1)	251.685.719	123.248.062
Cash	13.299	14.204
	524.868.079	**362.205.669**

The increase is mainly due to collections from customers and the sale of commercial receivables, partially offset by spectrum license payments and higher payments for finance leases.

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

As of December 31, 2024, and 2023, restricted bank balances amount to $14,200,232 and $12,019,313, respectively.

(1) Includes investments in collective funds, with interest rates ranging between 5.97% and 10.72% for the year ended December 31, 2024, and between 9.25% and 14.82% for 2023. As of December 31, 2024, and 2023, the Company held Tax Refund Bonds (TIDIS) amounting to $197,670 million and $97,052 million, respectively.

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

6. FINANCIAL ASSETS

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

	At fair value through profit or loss	At fair value with changes in OCI	Total financial assets at fair value	At amortized cost	Total financial assets
Current financial assets:					
Hedging instruments (1)	304.687.846	47.222.058	351.909.904	-	351.909.904
	304.687.846	**47.222.058**	**351.909.904**	**-**	**351.909.904**
Non-current financial assets:					
Deposits and guarantees (2)	-	-	-	34.194.862	34.194.862
Hedging instruments (1)	25.445.700	-	25.445.700	-	25.445.700
Other financial assets	-	-	-	60.000	60.000
	25.445.700	**-**	**25.445.700**	**34.254.862**	**59.700.562**
	330.133.546	**47.222.058**	**377.355.604**	**34.254.862**	**411.610.466**

(1) As of December 31, 2024, there was an increase in assets due to the valuation of hedging instruments, mainly driven by the 15.36% devaluation of the peso against the dollar compared to the end of 2023, impacting hedges associated with the Senior Bond.

(2) Corresponds to deposits established by court order, for which the Group is carrying out the necessary resolution processes. The increase is primarily related to processes with territorial entities associated with municipal taxes.

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

The balance of financial assets as of December 31, 2023, is as follows:

	through profit or loss	At amortized cost	Total financial assets
Current financial assets:			
Hedging instruments	-	284.742	284.742
	-	**284.742**	**284.742**
Non-current financial assets:			
Deposits and guarantees	-	31.713.897	31.713.897
Hedging instruments	26.825.000	-	26.825.000
Other financial assets	-	60.000	60.000
	26.825.000	**31.773.897**	**58.598.897**
	26.825.000	**32.058.639**	**58.883.639**

7. DEBTORS AND OTHER ACCOUNTS RECEIVABLE, NET

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

	As of december, 31	
	2024	**2023**
Current		
Customers by sale and provision of services (1)	866.110.798	867.485.015
Other debtors (2)	419.541.656	215.970.955
Portfolio by equipment sold at installments (3)	378.037.453	349.985.815
Related parties (4) (Note 29)	178.366.860	196.432.993
Portfolio with national and international operators (5)	82.397.524	42.108.076
Commercial agents and distribution channels (6)	4.202.002	20.673.278
Portfolio impairment (7)	(633.134.953)	(557.368.563)
	1.295.521.340	**1.135.287.569**
Non-current:		
Related parties (4) (Note 29)	574.929.184	595.235.639
Portfolio for equipment sold in installments (3)	76.156.127	139.193.443
Customers for sales and services (1)	49.235.778	91.073.398
Portfolio with national operators (5)	32.813.048	48.319.174
Other debtors (2)	30.232.717	37.326.887
Portfolio impairment (7)	(5.924.932)	(10.549.997)
	757.441.922	**900.598.544**
	2.052.963.262	**2.035.886.113**

As of December 31, 2024, balances in foreign currency include USD 3,136 thousand (equivalent to $13,827,094) for debtors and other accounts receivable, and USD 45,159 thousand (equivalent to $199,112,805) for related parties. As of December 31, 2023, balances in foreign currency amounted to USD 9,053 thousand (equivalent to $34,601,019) for debtors and other accounts receivable, and USD 70,068 thousand (equivalent to $267,803,399) for related parties (Note 28).

(1) As of December 2024, the variation in the current portion is mainly explained by an increase in residential and corporate customers, driven by the growth in fiber optic services, digital services, and connectivity. Meanwhile, the non-current portion decreased due to the financial update of corporate customer receivables, in accordance with the established payment terms.

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

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

	As of december, 31	
	2024	2023
Current:		
Mass residential	420.724.052	376.700.856
Businesses - Corporations	158.887.361	114.959.620
Clients pending invoice (a)	141.956.465	237.207.539
Businesses - SMEs	129.615.134	123.536.125
Wholesale clients	12.329.844	12.294.678
Other third parties	2.597.940	2.786.197
	866.110.796	**867.485.015**
Portfolio impairment	(441.532.898)	(441.411.501)
	424.577.898	**426.073.514**

(a) There was a decrease in services during 2024, primarily in projects with corporate clients.

(2) As of year-end 2024, the current portion increased mainly due to the recognition of the right to receive spectrum and equipment for $197,838,611 (Note 1(c)). It also includes installments from handset sales through financing lines and a decrease in receivables from real estate sales compared to 2023. The non-current portion decreased due to the reclassification of real estate receivables to the current portion, in line with the established payment terms.

As of December 31, 2024, and 2023, the balance includes fiduciary rights of $37,504,034 and $35,843,986, respectively, related to the Biannual Plan (Note 20). Additionally, the increase is driven by financial returns on fiduciary trusts and pension liability receivables from other entities, amounting to $2,389,935 and $2,616,592, respectively (Note 21).

(3) Includes receivables from handset sales. The non-current portion decreased due to a decline in commercial activity related to handset sales with payment terms exceeding 12 months.

(4) Short-term receivables decreased, primarily due to a drop in deployment services and circuit leasing, partially offset by an increase in private network services, virtual private networks, security, cloud storage, and administrative management services. The non-current portion decreased due to the reclassification of the Earn-Out receivables from the fiber optics business to the current portion, in accordance with the established payment terms (Note 1).

(5) As of year-end 2024, the increase in the current portion corresponds to the finalization of reconciliations and settlement of balances with operators related to international roaming traffic and national interconnection services. The non-current portion decreased due to the financial update of receivables from an operator undergoing corporate reorganization.

(6) As of December 31, 2024, the decrease was mainly due to the closure of commercial activity in the large retail sales channel.

The movement of the impairment of the portfolio is as follows:

	For the year ended december 31,	
	2024	2023
Opening balance	**(567.904.880)**	**(509.301.776)**
Portfolio impairment loss (Note 25)	(79.004.529)	(89.943.256)
Recovery (impairment) of contractual assets	(38.932)	17.524
Collection of written-off portfolio	(8.819)	(1.113.611)
Recovery of portfolio impairment (Note 25)	1.370.199	1.981.741
Portfolio write-off (1)	6.540.756	30.440.818
Closing balance	**(639.046.205)**	**(567.918.560)**

(1) Write-offs of accounts receivable as of December 31, 2024, primarily correspond to consumer receivables amounting to $3,875,091 and receivables from national operators for interconnection services totaling $2,529,295. As of December 31, 2023, write-offs corresponded to consumer receivables of $25,779,668 and equipment receivables of $4,661,150.

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

The detail of the portfolio by the age of customer debtors for sales and services rendered of the current portion at the end of December 2024 is presented below:

Expiration	Residential(2)	Businesses / SMEs	Companies(2)	Wholesalers	Other third parties	Clients pending billing (1)	As of December 31, 2024
A vencer	8.313.928	35.472.081	54.477.220	1.322.023	43.771	141.956.464	**241.585.487**
1 - 30	1.281.934	7.942.083	13.695.221	2.501.000	30.022	-	**25.450.260**
31 - 60	10.460.277	5.550.546	32.206.355	2.415.180	3.031	-	**50.635.389**
61 - 90	10.599.588	4.614.252	5.951.411	877.017	10.871	-	**22.053.139**
91 - 120	8.489.761	2.446.511	6.893.760	202.045	20.212	-	**18.052.289**
121 - 180	8.802.974	3.202.259	1.968.558	366.380	148.403	-	**14.488.574**
181 - 360	47.251.938	8.414.766	4.231.475	578.027	6.609	-	**60.482.815**
> 360	325.523.654	61.972.636	39.463.362	4.068.172	2.335.021	-	**433.362.845**
	420.724.054	**129.615.134**	**158.887.362**	**12.329.844**	**2.597.940**	**141.956.464**	**866.110.798**

(1) The decrease in pending bill customers is mainly due to the provision of services in corporate segment projects.

(2) There is net growth, primarily driven by the completion of projects with corporate clients related to integrated solutions, equipment, connectivity, and digital services, partially offset by the sale of residential and corporate receivables.

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

Expiration	Residential	Businesses / SMEs	Companies	Wholesalers	ther third partie	Clients pending billing	As of December 31, 2023
A vencer	10.073.115	48.042.740	51.636.684	801.446	43.252	237.207.539	**347.804.776**
1 - 30	7.065.519	9.999.338	11.985.478	4.018.069	155.472	-	**33.223.876**
31 - 60	12.861.417	2.646.335	4.684.757	1.294.350	274.675	-	**21.761.534**
61 - 90	9.504.464	2.040.664	4.213.262	543.290	63.103	-	**16.364.783**
91 - 120	7.895.395	1.364.747	1.880.307	464.739	17.867	-	**11.623.055**
121 - 180	6.761.831	2.027.726	2.002.586	629.922	114.507	-	**11.536.572**
181 - 360	37.846.695	7.162.165	2.397.223	1.166.657	559.939	-	**49.132.679**
> 360	284.692.420	50.252.410	36.159.323	3.376.205	1.557.382	-	**376.037.740**
	376.700.856	**123.536.125**	**114.959.620**	**12.294.678**	**2.786.197**	**237.207.539**	**867.485.015**

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

8. PREPAID EXPENSES

The balance of prepaid expenses is as follows:

	As of december, 31	
	2024	**2023**
Current:		
Costs of obtaining client contracts (1)	213.123.464	160.564.727
Cost of equipment at client premises (2)	194.434.489	165.300.070
Cost of fulfilling client contracts (3)	131.962.952	99.912.131
Support and maintenance (4)	14.365.134	29.356.644
Insurance policies	5.690.036	7.463.160
Irrevocable rights of use - capacity (5)	41.750	64.162
Corporate projects (6)	-	34.951.404
	559.617.825	**497.612.298**
Non-current:		
Costs of obtaining customer contracts (1)	330.150.574	285.207.407
Cost of equipment at customer premises (2)	228.662.889	262.944.250
Cost of fulfilling customer contracts (3)	181.473.458	160.214.133
Insurance policies	1.133.674	685.103
Support and maintenance (4)	954.081	1.842.144
Irrevocable rights of use - capacity (5)	481.024	522.774
	742.855.700	**711.415.811**
	1.302.473.525	**1.209.028.109**

(1) As of December 31, 2024, the increase is primarily due to higher commercial activity driven by the expansion of the fiber optic network, leading to higher sales commissions. The amortization for the years ended December 31, 2024, and 2023, amounted to $208,038,070 and $145,516,658, respectively (Note 25).

(2) The amortization for the years ended December 31, 2024, and 2023, related to customer premise equipment (CPE) costs, amounted to $192,295,662 and $143,401,804, respectively (Note 25). The current portion increased mainly due to accelerated commercial activity, driven by the preference for fiber optic network (FTTH) and Internet Protocol Television (IPTV) services, as well as the reclassification from the non-current portion to be amortized over the next twelve months. Meanwhile, the non-current portion showed a net decrease due to reclassifications to the current portion and new installations of customer equipment.

(3) The amortization for the years ended December 31, 2024, and 2023, amounted to $129,094,080 and $93,353,780, respectively (Note 25). Both the current and non-current portions increased due to higher commercial activity related to customer equipment installations in 2024.

(4) Includes licenses, support, and network equipment maintenance. As of December 31, 2024, the decrease in the current portion is mainly due to the amortization of licenses associated with technology platforms, as well as their corresponding technical and functional support for corporate clients and business projects. The decrease in the non-current portion is due to reclassifications to the short term, based on service duration.

(5) As of December 31, 2024, the decrease in the current portion is due to the amortization of transnational cable costs. The decrease in the non-current portion corresponds to reclassifications to the short term, in line with service duration.

(6) As of December 31, 2024, the decrease corresponds to the completion of fiber optic network (FTTH) deployment services.

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

9. CONTRACTUAL ASSETS AND LIABILITIES

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

	As of December 31, 2023	High	Amortization	Transfers	Reversal	As of December 31, 2024
Current contractual asset						
Contractual asset	11.109.329	4.424.133	(13.730.698)	3.894.465	-	5.697.229
Impairment corrections	(36.655)	(4.289)	-	(3.973)	39.124	(5.793)
	11.072.674	**4.419.844**	**(13.730.698)**	**3.890.492**	**39.124**	**5.691.436**
Non-current contractual asset						
Contractual asset	2.191.246	2.043.777	-	(3.894.465)	-	340.558
Impairment corrections	(8.432)	(2.013)	-	3.973	6.110	(362)
	2.182.814	**2.041.764**	**-**	**(3.890.492)**	**6.110**	**340.196**
Total contractual asset(1)	**13.255.488**	**6.461.608**	**(13.730.698)**	**-**	**45.234**	**6.031.632**
Current contractual liabilities (2)	170.669.840	629.743.596	(693.681.471)	46.242.149	-	152.974.114
Non-current contractual liability (2)	187.424.759	-	-	(46.242.149)	-	141.182.610
	358.094.599	**629.743.596**	**(693.681.471)**	**-**	**-**	**294.156.724**

(1) As of December 31, 2024, the decrease corresponds to the net effect of benefits transferred to corporate segment customers.

(2) As of December 2024, prepaid charges include $73,085 million with customers and $13,841 million with operators and commercial agents. Additionally, it includes exclusivity generated from the fiber optics business for $66,048 million. The non-current portion corresponds to the exclusivity commitment valued at $141,183 million.

During 2024, $45,030 million was recognized for exclusivity, a concept included as a commitment in the asset sale contract for fiber optics services. These were recognized as follows: operating income of $65,956 million (Note 24, item 1) and financial expenses of $(20,926) million.

10. INVENTORIES

The balance of inventories is as follows:

	As of december, 31	
	2024	**2023**
Mobile Phones and accessories (1)	59.226.910	87.034.722
Materials and equipment (2)	41.715.722	73.973.367
Equipment in transit	22.753.028	22.178.543
Computer equipment (3)	5.472.585	4.247.118
	129.168.245	**187.433.750**
Provision for obsolescence (4)	(2.058.533)	(7.005.137)
	127.109.712	**180.428.613**

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

(1) The decrease as of December 31, 2024, is primarily due to lower commercial activity, attributed to consumer behavior in response to current economic conditions, as well as changes in the financing structure with allied channels.

(2) Includes equipment for corporate and location-based services. The net decrease is mainly associated with the use of these items in commercial activity during 2024.

(3) Includes equipment for IT workstation projects. The increase as of December 31, 2024, is mainly due to the procurement of these devices to meet the demand of new customers.

(4) During the year ended December 31, 2024, a reversal of the impairment provision was recognized for $4,946,604 (Note 25), primarily due to an improvement in the turnover of inventories older than 360 days.

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

The movement in the provision for obsolescence and slow-moving assets, net of recoveries, are summarized below:

	For the year enden December 31,	
	2024	**2023**
Beginning Balance	**(7.005.137)**	**(3.537.154)**
Recovery (provision) for inventories (Note 25)	4.946.604	(3.467.983)
Closing Balance	**(2.058.533)**	**(7.005.137)**

11. TAXES AND GENERAL GOVERNMENT

The balance of tax and government assets is presented below:

	As of december, 31	
	2024	**2023**
Credit balance (1)	346.362.979	347.501.523
Advance payments, withholdings and self-withholdings from ICA (2)	27.806.553	26.963.974
Sales tax withholdings	-	4.878.674
Tax discount (3)	-	690.382
	374.169.532	**380.034.553**
No Current		
Tax discounts (3)	462.964.844	476.444.494
	462.964.844	**476.444.494**
	837.134.376	**856.479.047**

(1) As of December 31, 2024, the income tax credit balance is recorded. The decrease compared to 2023 is due to the reduction in taxable income used for self-withholding calculations, in line with the business performance.

(2) The net increase as of December 31, 2024, corresponds to the payment of self-withholdings declared and filed during 2024. Additionally, the self-withholding amount related to the integration of the joint operation (Unired) is recorded for $52 million (Note 1 (c)).

(3) The tax credit corresponds to the VAT on the acquisition of real productive fixed assets. The decrease as of December 31, 2024, is due to the write-off of VAT associated with assets allocated to the mobile single network project, amounting to $81,155 million (Note 1 (c)).

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

	As of december, 31	
	2024	**2023**
Withholdings and self-withholdings (1)	68.519.727	63.952.549
Sales tax - VAT (2)	20.548.291	21.345.092
Other current taxes(3)	7.269.900	11.316.037
National consumption tax (4)	1.214.810	1.827.590
	97.552.728	**98.441.268**

(1) Includes withholdings and self-withholdings applied for income tax and industry & commerce tax. The increase compared to the 2023 year-end is due to the acquisition of services and goods, both domestic and foreign, subject to income tax and industry & commerce tax withholdings.

(2) As of December 31, 2024, it includes the VAT return balance for the sixth bimester of 2024. The decrease compared to the 2023 year-end is mainly due to the reduction in revenue and the increase in purchases for 2024. Additionally, the integration of the joint operation (Unired) is recognized for $553 million (Note 1 (c)).

(3) Mainly includes telephone and public lighting taxes payable to the municipalities.

(4) As of December 31, 2024, it includes the balance of the consumption tax return for the sixth bimester of 2024. Compared to 2023, the decrease is due to the lower revenue generated from data and mobile operations.

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

Provision for Income and Complementary Taxes

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

	For the year ended december 31,	
	2024	**2023**
Current income tax	(1.493.737)	(5.612.705)
Ocassional income tax	(3.140.549)	(502.143)
Current income and complementary tax (1)	**(4.634.286)**	**(6.114.848)**
Deferred tax:		
Tax credits (2)	(119.847.457)	54.657.265
Deductible temporary differences (3)	(112.178.160)	(214.977.308)
Taxable temporary differences (4)	49.268.634	(82.896.477)
Deferred income tax	**(182.756.983)**	**(243.216.520)**
Income tax and complementary	**(187.391.269)**	**(249.331.368)**

(1) The income tax and complementary tax mainly correspond to occasional gains from the sale of movable and immovable property. Additionally, the current tax for the integration of the joint operation (Unired) is recorded.

(2) As of December 31, 2024, the use of tax credits is recognized, which were offset against the taxable profit for the period.

(3) As of December 31, 2024, and 2023, the variation mainly corresponds to the update of the deferred tax asset (DTA). The net impact of the transfer of assets and the acquisition of new assets during 2024 amounts to $54,566 million. Additionally, in 2024, the effect of the exclusivity of the Álamo project is recognized for $23,085 million.

(4) As of December 31, 2024, and 2023, the decrease mainly corresponds to the tax recognition of the earn-out as income. Additionally, the deferred tax liability (DTL) generated by the integration of the joint operation is recorded for $8,346 million (Note 1 (c)).

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

	For the year ended december 31,			
	2024		**2023**	
Result before taxes	**100%**	**(282.544.801)**	**100%**	**(440.334.982)**
Result before tax at the nominal rate	(35)%	98.890.680	(35)%	154.117.244
Income tax and deferred accounting	66%	(187.391.269)	57%	(249.331.368)
Difference between nominal tax and accounting tax	**101%**	**286.281.949**	**92%**	**403.448.612**
Tax on permanent differences	57%	162.142.569	13%	57.351.976
Tax on non-deductible temporary differences recognized	24%	66.435.257	43%	183.212.817
Use (recognition) of deferred tax on differences deductible temporary	18%	54.563.574	3%	19.473.519
Tax update on tax losses due to income tax corrections for 2017 and 2018	0%	-	33%	140.846.526
Update on income tax correction rate	0%	-	0%	2.061.631
Occasional income tax	1%	3.140.549	0%	502.143
	100%	**286.281.949**	**92%**	**403.448.612**

The current tax provisions applicable to the Group stipulate that:

Income tax for 2024 was calculated at a nominal rate of 35%, in accordance with Article 240 of the National Tax Statute, based on taxable income. The nominal tax rate for 2024 and subsequent years remains at 35%.

As of December 31, 2024, the Group registered a deferred tax liability of $8,346 million (Note 1 (c)) and a current tax expense of $81 million, generated by the integration of the joint operation with Unired. Additionally, the Company evaluated the provisions of Paragraph 6 of Article 240 of the Tax Statute (ET) regarding the calculation of the Effective Tax Rate (TTD), which does not apply.

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

The following is the reconciliation between book income before taxes and estimated taxable income:

	For the year ended december 31,	
	2024	**2023**
Result before taxes	**(282.544.801)**	**(440.334.982)**
Items that increase the accounting result:		
Accounting depreciation and amortization (Note 26)	1.057.263.407	1.396.677.680
Impairment of accounting portfolio, net of recovery (Note 25)	77.642.089	93.353.780
Tax on financial transactions	14.608.291	13.269.569
Other non-deductible items	55.966.432	-
Net valuation effect of derivatives and exchange difference valued for accounting and tax purposes	3.957.213	188.966.977
Items that decrease the accounting result:	-	-
Tax depreciation and amortization	(523.443.169)	(674.054.268)
Other untaxed items	(56.857.489)	(337.765.203)
Taxable profit	**346.591.973**	**240.113.553**
Compensation of tax losses (1)	(342.853.382)	(236.847.076)
Taxable base for income tax	**3.738.591**	**3.266.477**
Current income tax	(1.493.737)	(5.612.705)
Occasional income tax	(3.140.549)	(502.143)
Income tax and supplementary taxes	**(4.634.286)**	**(6.114.848)**

(1) Corresponds to the offset of tax profits against tax losses generated in previous years.

Tax on occasional profits

	For the year ended december 31,	
	2024	**2023**
Occasional earnings income	29.157.922	20.429.548
Less - Occasional earnings costs	(8.220.930)	(17.081.930)
Taxable occasional earnings	20.936.992	3.347.618
Tax rate	15%	15%
Occasional income tax	**3.140.549**	**502.143**

The following is a summary of the main reconciling items between book equity and tax equity:

	As of december, 31	
	2024	**2023**
Accounting Equity	**3.485.420.477**	**3.953.160.930**
Items that increase accounting equity		
Difference in accounting and tax portfolio provision	472.559.747	400.541.551
Estimated liabilities and provisions	345.368.571	396.943.454
Dismantling provision	86.035.434	75.154.401
Deferred tax liability	22.700.434	71.517.233
Items that reduce accounting equity		
Deferred tax assets	(1.008.817.930)	(1.240.843.547)
Other items	(101.878.829)	(75.264.599)
Investments in companies	(20.037.427)	(58.939.348)
Valuation of hedges	-	(2.882.500)
Taxable equity	**3.281.350.477**	**3.519.387.575**

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

Deferred Tax Assets and Liabilities

As of December 31, 2024, the deferred tax asset related to temporary differences and tax losses was structured according to the Group's strategic plan (2024–2026) and financial projections (2024–2033).

The deferred tax on deductible and taxable temporary differences is measured at the tax rates expected to apply in the periods in which these differences reverse.

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

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

	As of december, 31	
	2024	**2023**
Deferred tax assets:		
Intangibles and property, plant and equipment (1)	95.145.567	206.756.383
Other assets	2.269.379	2.836.723
Deferred tax asset on deductible temporary differences	**97.414.946**	**209.593.106**
Deferred tax asset for tax losses (2)	911.402.984	1.031.250.441
Total deferred tax asset	**1.008.817.930**	**1.240.843.547**
Deferred tax liability:		
Taxable temporary differences (3)	22.700.434	71.517.233
Total deferred tax liability	**22.700.434**	**71.517.233**
Total net deferred tax	**986.117.496**	**1.169.326.314**

(1) As of December 31, 2024, the variation compared to December 31, 2023, is mainly due to the update of the deferred tax asset related to depreciable fixed assets, which were transferred to the Unified Network Project. The net impact of this effect amounts to $54,566 million.

(2) As of December 31, 2024, the use of tax credits was recognized, which were determined based on the calculation of the Group's taxable income.

(3) As of December 31, 2024, the deferred tax liability (DTL) decreased compared to December 31, 2023, due to the fiscal recognition of Earn-Out income amounting to $62,956 million (Note 9). Additionally, the DTL effect recorded for the joint operation integration (Unired) amounts to $8,346 million (Note 1(c)). The Group determined a DTL that is not recognized in the financial statements, related to the gain generated by the contribution of fixed assets to the joint operation integration (Unired). The effect represents a value of $9,532 million.

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

	For the year ended december 31,	
	2024	**2023**
Valuation of hedging instruments (1)	**(156.774.683)**	**(81.980.958)**
Share of other comprehensive income in associate (2)	1.290.959	1.064.341
Deferred tax on share of associate (2)	(451.836)	(372.519)
Participation in associate, net of taxes (Note 13)	**839.123**	**691.822**
	(155.935.560)	**(81.289.136)**

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

(2) It corresponds to the 40% participation in the other comprehensive income of Alamo Holdco, S.L.

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

Tax Losses

La Administración estima que no hay diferencias significativas que impliquen la modificación del impuesto liquidado, ni la imposición de sanciones que conlleven el reconocimiento de contingencias en los estados financieros.

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 $202,079 million.

Below is the summary of tax losses at the closing of December 31, 2024:

Tax	Year of origin	Adjusted losses	Loss compensation (1)	Loss balance	Expiration date
Income	Between 2007 y 2017	2.648.761.892	(342.421.305)	2.306.340.587	Unlimited
CREE	2015	297.667.938	-	297.667.938	Unlimited
		2.946.429.830	**(342.421.305)**	**2.604.008.525**	Unlimited

(1) As of December 31, 2024, the utilization of tax losses against the taxable income generated is included.

The following table summarizes the status of the Group's income tax and CREE tax returns, which may be subject to review by the tax authorities:

Tax	Taxable Period	Closing date for review
Income	2020	April 2026
Income	2018	July 2025

Regarding the income tax return for the 2023 tax year, the Group considers it final, as it benefited from the audit benefit. However, the final confirmation of its firmness is still under review by the tax administration.

Transfer Pricing

The Group is required to file a transfer pricing declaration and study to declare and analyze the operations it has carried out with its related economic parties or related parties abroad.

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

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

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

12. INVESTMENTS IN COMPANIES

Investments in the Company's companies are as follows:

				As of december, 31	
				2024	2023
Investments in companies	**Type of investment**	**Country/City**	**Direct participation**	**Investment**	**Inversión**
Alamo Holdco, S.L. (1)	Significant influence	Spain / Madrid	40%	51.300.822	59.436.247
				51.300.822	**59.436.247**

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

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

		As of december, 31			Balance as of December 31,
	January 11, 2022	**2022**	**2023**	**2024**	**2024**
Share subscription	183.409.182	-	41.819.091	67.029.500	**292.257.773**
Added costs incurred in the acquisition of minority interests	13.775.601	-	-	-	**13.775.601**
Transfer of control	(67.277.748)		-	-	**(67.277.748)**
Equity method of income	-	(67.197.550)	(46.156.669)	(76.455.885)	**(189.810.104)**
Equity method of income (OCI) (Note 13)	-	-	1.064.341	1.290.959	**2.355.300**
	129.907.035	**(67.197.550)**	**(3.273.237)**	**(8.135.426)**	**51.300.822**

Equity method

Investments in associated companies, in which the Company holds a direct stake or participates through its subsidiaries or their subsidiaries, are accounted by using the equity method.

During the years ended December 31, 2024, and 2023, the application of the equity method resulted in a loss recognized in the income statement of $76,455,885 and $47,221,010, respectively. Additionally, a gain was recognized in other comprehensive income of $1,290,959 in 2024 and $1,064,341 in 2023.

The impact of applying the equity method on the results for the years ended December 31, 2024, and 2023, is detailed below:

		Result		Participation Method	
		For the year ended December 31,			
Subsidiary / Associate	**Participation**	**2024**	**2023**	**2024**	**2023**
Alamo Holdco, S.L.	40%	(191.139.714)	(115.391.672)	(76.455.886)	(46.156.669)
		(191.139.714)	**(115.391.672)**	**(76.455.886)**	**(46.156.669)**

Determining the equity method for other comprehensive income for the year:

		Other Comprehensive Income		Participation Method	
		For the year ended December 31,			
Associate	**Participation**	**2024**	**2023**	**2024**	**2023**
Alamo Holdco, S.L.	40%	5.888.251	2.660.853	2.355.300	1.064.341
		5.888.251	**2.660.853**	**2.355.300**	**1.064.341**

The main figures of the company to which the equity method was applied in 2024 and 2023 were as follows:

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

	Asset		Passive		Results	
	As of december, 31, 2024	As of december, 31, 2023	As of december, 31 2024	As of december, 31, 2023	For the year ended December 31, 2024	2023
Subsidiary / Associate						
Alamo Holdco, S.L.	2.823.042.376	2.502.255.005	2.561.099.818	2.219.973.882	(191.139.714)	(115.391.672)
	2.823.042.376	**2.502.255.005**	**2.561.099.818**	**2.219.973.882**	**(191.139.714)**	**(115.391.672)**

13. ASSETS FOR RIGHT OF USE

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

	As of december, 31 of 2024			As of december, 31 of 2023		
Concept	**Cost**	**Accumulated depreciation**	**Net value in books**	**Cost**	**Accumulated depreciation**	**Net value in books**
Land and buildings (1)	1.006.974.249	(245.457.735)	761.516.514	1.284.425.975	(650.371.319)	634.054.656
Technical installations (1)	839.621.210	(188.401.253)	651.219.957	931.774.236	(434.614.254)	497.159.982
Transport equipment (2)	14.586.702	(10.798.467)	3.788.235	21.948.212	(16.136.118)	5.812.092
	1.861.182.161	**(444.657.455)**	**1.416.524.706**	**2.238.148.423**	**(1.101.121.691)**	**1.137.026.730**

For the years ended December 31, 2024, and 2023, the depreciation expense recognized in the comprehensive income statements was $138,876,758 and $286,330,560, respectively (Note 26).

(1) The net increase of $281,522 million as of December 31, 2024, compared to December 31, 2023, is mainly due to: i) Initial contribution and integration into the joint operation (Unired) for $101,792 million (Note 1); ii) Derecognition of assets associated with lease agreements, primarily land, sites for technical installations, and decommissioning of transmission equipment at the end of their useful life for $10,873 million; iii) Increase due to the subscription and renewal of lease agreements, mainly for land, sites for technical installations, antenna supports, buildings, and transmission media (393 new contracts) for $322,776 million; and, depreciation expense for the year ended December 31, 2024, of $138,877 million.

(2) The net decrease as of December 31, 2024, is primarily due to the renewal and increase in rental fees for vehicle leasing contracts by $4,679 million and depreciation expense for the year ended December 31, 2024, of $5,944 million.

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

Concept	As of december, 31 2023	Highs	Lows	Joint Operation Integration	Traslate	As of december, 31 2024
Cost:						
Land and buildings	1.284.425.973	178.635.358	(112.320.967)	(343.766.115)	-	1.006.974.249
Technical installations	931.774.236	144.141.187	(52.278.011)	(184.016.202)	-	839.621.210
Transport equipment	21.948.212	4.679.059	(7.065.749)	-	(4.974.820)	14.586.702
	2.238.148.421	**327.455.604**	**(171.664.727)**	**(527.782.317)**	**(4.974.820)**	**1.861.182.161**
Accumulated Depreciation:						
Land and buildings	(650.371.319)	(63.096.208)	102.288.149	364.962.262	759.381	(245.457.735)
Technical installations	(434.614.254)	(69.837.013)	51.438.344	264.611.670	-	(188.401.253)
Transportation equipment	(16.136.118)	(5.943.537)	7.065.749	-	4.215.439	(10.798.467)
	(1.101.121.691)	**(138.876.758)**	**160.792.242**	**629.573.932**	**4.974.820**	**(444.657.455)**
	1.137.026.730	**188.578.846**	**(10.872.485)**	**101.791.615**	**-**	**1.416.524.706**

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

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

Concept	As of december, 31 2022	Highs	Lows	As of december, 31 2023
Cost:				
Land and buildings	1.171.972.807	205.054.125	(92.600.959)	1.284.425.973
Technical installations	673.096.782	265.998.519	(7.321.065)	931.774.236
Transport equipment	18.690.748	5.003.643	(1.746.179)	21.948.212
	1.863.760.337	**476.056.287**	**(101.668.203)**	**2.238.148.421**
Accumulated Depreciation:				
Land and buildings	(580.506.058)	(149.075.618)	79.210.357	(650.371.319)
Technical installations	(306.899.830)	(132.988.770)	5.274.346	(434.614.254)
Transportation equipment	(13.616.125)	(4.266.172)	1.746.179	(16.136.118)
	(901.022.013)	**(286.330.560)**	**86.230.882**	**(1.101.121.691)**
	962.738.324	**189.725.727**	**(15.437.321)**	**1.137.026.730**

14. PROPERTY, PLANT, AND EQUIPMENT

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

	As of december, 31 of 2024			As of december, 31 of 2023		
Concept	Cost	Accumulated depreciation	Net value in books	Cost	Accumulated depreciation	Net value in books
Land and buildings (1)	3.159.125.068	(1.768.023.057)	1.391.102.011	2.958.386.691	(1.728.562.428)	1.229.824.263
Switching, access and transmission (2)	8.275.577.115	(6.069.696.654)	2.205.880.461	8.739.605.826	(6.699.536.171)	2.040.069.655
Assets under construction (3)	432.670.575	-	432.670.575	448.488.690	-	448.488.690
Furniture, information and transport equipment (4)	838.913.443	(557.911.729)	281.001.714	717.504.986	(479.512.550)	237.992.436
	12.706.286.201	**(8.395.631.440)**	**4.310.654.761**	**12.863.986.193**	**(8.907.611.149)**	**3.956.375.044**

For the years ended December 31, 2024, and 2023, depreciation expense recognized in results amounted to $507,975,921 and $559,603,799, respectively (Note 26).

(1) The net increase is mainly due to: i) the initial contribution and integration of the joint operation (Unired) for $317,002 million (Note 1 (c)); ii) depreciation for the year amounting to ($369,980) million; and iii) purchases related to the deployment of the 4G mobile network, fiber optic network, infrastructure, and communication networks to support corporate clients, infrastructure for providing television services via Internet Protocol (IPTV), upgrading and replacing power equipment, adapting CoE Data and Analytic infrastructure, replacing copper cables, and infrastructure for emission reduction totaling $219,593 million.

(2) The net increase as of December 31, 2024, is mainly due to: i) the revaluation update for $135,562 million, ii) the initial contribution and integration of the joint operation (Unired) for $66,001 million (Note 1 (c)), and iii) civil works associated with the 4G mobile network and fiber optic network for $5,882 million.

This includes a provision for site dismantling as of December 31, 2024, and 2023, amounting to $86,035,434 and $75,197,479, respectively (Note 21). Depreciation expense for the year ended December 31, 2024, was $40,658 million.

(3) The variation is mainly due to: i) the participation of adds made during 2024 by the Joint Operation (Unired) for $62,562 million and ii) the net effect of new acquisitions of goods and services and the final settlement of assets for the construction of assets mainly related to the deployment of the 4G mobile network, fiber optics, data processing center, adaptation of CoE Data and Analytic infrastructure, infrastructure for providing IP television services, infrastructure for corporate client projects, replacement and upgrading of network equipment, replacement of copper cables, and the infrastructure for the prepaid service billing platform amounting to ($77,704) million.

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

(4) The net increase corresponds to: i) the initial contribution to the joint operation (Unired) ($45,399) million (Note 1 (c)), and ii) the purchase of servers, computing and storage equipment, and measuring equipment primarily associated with 4G-LTE network deployment projects, fiber optic – FTTH, Internet Protocol Television (IPTV) platform, prepaid billing platform, data processing center, and networks for corporate clients for $185,456 million. Depreciation expense for the period was $97,337 million.

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

Concept	**As of december, 31 of 2023**	**Highs**	**Lows**	**Transfers**	**Revaluation**	**As of december, 31 of 2024**
Cost:						
Land and buildings	2.958.386.691	464.083	(1.604.397)	5.417.545	130.459.791 **(a)**	3.159.125.068
Switching, access and transmission	8.739.605.826	78.481.922	(239.615.761)	141.111.338	-	8.275.577.115
Assets under construction	448.488.690	200.017.009	(151.238)	(277.721.373)	-	432.670.575
Furniture, information and transport equipment	717.504.986	91.564.174	(458.742)	94.149.228	-	838.913.443
	12.863.986.193	**370.527.188**	**(241.830.138)**	**(37.043.262)**	**130.459.791**	**12.706.286.201**

Accumulated depreciation:							
Buildings	(1.728.562.428)		(27.950.425)	523.590	-	12.033.794 (b)	(1.768.023.057)
Switching, access, and transmission	(6.699.536.171)	761.533.601	(369.979.766)	238.285.682		-	(6.069.696.654)
Furniture, information equipment, and transportation	(479.512.550)	18.446.820	(97.303.330)	457.328	3	-	(557.911.729)
	(8.907.611.149)	**779.980.421**	**(495.233.521)**	**239.266.600**	**3**	**(12.033.794)**	**(8.395.631.440)**
	3.956.375.044	**400.166.850**	**(124.706.333)**	**(2.563.538)**	**(37.043.259)**	**118.425.997**	**4.310.654.761**

(a) Corresponds to the revaluation update as of December 31, 2024, for $135,561,624 and ii) write-offs due to property sales made during the year for ($5,101,833).

(b) Includes depreciation of revalued building assets for ($12,742,400) and write-offs for $708,604.

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

Concept	**As of december, 31 of 2022**	**Highs**	**Lows**	**Transfers**	**Revaluation**	**As of december, 31 of 2023**
Cost:						
Land and buildings	2.952.468.750	8.536.197	(7.898.462)	36.459.327	(31.179.121)	2.958.386.691
Switching, access and transmission	8.391.031.003	96.803.715	(33.495.776)	285.266.884	-	8.739.605.826
Assets under construction	690.534.628	211.089.064	(134.826)	(453.000.176)	-	448.488.690
Furniture, information and transport equipment	565.235.636	103.613.928	(1.074.190)	49.729.612	-	717.504.986
	12.599.270.017	**420.042.904**	**(42.603.254)**	**(81.544.353)**	**(31.179.121)**	**12.863.986.193**
Accumulated depreciation:						
Buildings	(1.694.785.461)	(27.736.247)	3.797.664	-	(9.838.384)	(1.728.562.428)
Switching, access, and transmission	(6.291.104.435)	(441.951.723)	33.519.987	-	-	(6.699.536.171)
Furniture, information equipment, and transportation	(403.474.114)	(76.790.932)	752.496	-	-	(479.512.550)
	(8.389.364.010)	**(546.478.902)**	**38.070.147**	**-**	**(9.838.384)**	**(8.907.611.149)**
	4.209.906.007	**(126.435.998)**	**(4.533.107)**	**(81.544.353)**	**(41.017.505)**	**3.956.375.044**

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

Concept	**Balance as of december 31, 2023**	**Highs**	**Lows**	**Transfers**	**Balance as of december 31, 2024**
Cost:					
Land and buildings	2.430.301.619	464.083	(1.604.397)	5.417.545	2.500.580.205
Accumulated depreciation:					
Buildings	(1.659.047.617)	(27.950.425)	523.592	-	(1.686.474.450)
	771.254.002	**(27.486.342)**	**(1.080.805)**	**5.417.545**	**814.105.755**

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

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

Concept	Balance as of December 31, 2022	Highs	Lows	Transfers	Balance as of December 31, 2023
Cost:					
Land and buildings	2.393.204.966	8.465.285	(7.827.959)	36.459.327	2.430.301.619
Accumulated depreciation:					
Buildings	(1.635.109.442)	(27.715.020)	3.776.845	-	(1.659.047.617)
	758.095.524	**(19.249.735)**	**(4.051.114)**	**36.459.327**	**771.254.002**

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

Concept	As of december, 31 2023	Increases	Decreases	As of december, 31 2024
Cost:				
Land	272.882.779	40.591.804	(3.145.474)	310.329.109
Buildings	255.201.884	94.969.820	(1.956.359)	348.215.345
	528.084.663	**135.561.624**	**(5.101.833)**	**658.544.454**
Accumulated depreciation:				
Buildings	(69.514.404)	(12.742.400)	708.606	(81.548.198)
	(69.514.404)	**(12.742.400)**	**708.606**	**(81.548.198)**
	458.570.259	**(12.742.400)**	**708.606**	**576.996.256**
Deferred income tax	(115.857.565)	-	-	(115.857.565)
Net revaluation of deferred tax	**342.712.694**	**(12.742.400)**	**708.606**	**461.138.691**

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

Concept	As of december, 31 2022	Increases	Decreases	As of december, 31 2023
Cost:				
Land	291.121.925	-	(18.239.146)	272.882.779
Buildings	268.141.859	-	(12.939.975)	255.201.884
	559.263.784	**-**	**(31.179.121)**	**528.084.663**
Accumulated depreciation:				
Buildings	(59.676.020)	(13.124.897)	3.286.513	(69.514.404)
	(59.676.020)	**(13.124.897)**	**3.286.513**	**(69.514.404)**
	499.587.764	**(13.124.897)**	**(27.892.608)**	**458.570.259**
Deferred income tax	(102.073.577)	(13.783.988)	-	(115.857.565)
Net revaluation of deferred tax	**397.514.187**	**(26.908.885)**	**(27.892.608)**	**342.712.694**

Fully Depreciated Property, Plant, and Equipment

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

	As of december, 31 2024	2023
Switching, access, and transmission	3.724.453.390	3.383.273.940
Furniture, information equipment, and transportation	361.187.700	428.680.396
Buildings	251.196.109	244.045.706
	4.336.837.199	**4.056.000.042**

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

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

15. INVESTMENT PROPERTIES

Concept	As of december, 31 2023	Revaluation	As of december, 31 2024
Land	6.638.699	1.055.894	7.694.593
Buildings	1.406.357	778.714	2.185.071
	8.045.056	**1.834.608**	**9.879.664**

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

As of December 31, 2024, the valuation of the investment properties was updated, and it was performed by an independent professional.

16. INTANGIBLES

The cost and accumulated amortization of intangibles are presented below:

Concept	As of december, 31 of 2024			As of december, 31 of 2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net value in books
Qualifying titles (1)	868.585.532	(41.044.952)	827.540.580	2.762.446.279	(2.180.501.275)	581.945.004
Network and office equipment software (2)	1.406.276.014	(1.123.363.081)	282.912.933	1.451.382.860	(1.116.671.916)	334.710.944
Intangible assets in progress (3)	64.954.313	-	64.954.313	62.935.445	-	62.935.445
Rights (4)	63.225.312	(33.845.604)	29.379.708	63.225.312	(30.562.583)	32.662.729
	2.403.041.171	**(1.198.253.637)**	**1.204.787.534**	**4.339.989.896**	**(3.327.735.774)**	**1.012.254.122**

For the years ended December 31, 2024 and 2023, the amortization expense recognized in the income statement was $410,410,728 and $550,743,321, respectively (Note 26).

(1) As of December 31, 2023, it includes the economic compensation from the arbitration award for the reversal of assets, which finished its amortization in March 2024.

The movements in intangible assets during 2024 are presented below:

Concept	Joint Operation Integration	Highs / Amortization expense	Movement year 2024
Renewals, assignments, and transfers from the Temporary Union			
700 MHz spectrum assigned to UT by MINTIC Resolution 05194 of 2024	580.522.508	-	580.522.508
3500 MHz spectrum assigned to UT and attributable costs, MINTIC Resolution 497 of 202	-	160.154.395	160.154.395
1900 MHz and 850 MHz spectrum - renewal, MINTIC Resolution 2657 of 2024	-	132.437.529	132.437.529
AWS spectrum - renewal, Resolutions 1053 and 3046 of 2024	-	88.661.924	88.661.924
Transfer		(1)	(1)
	580.522.508	**381.253.847**	**961.776.355**
Recognition of the obligation to deliver spectrum to the Temporary Union			
1900 MHz spectrum (30 MHz)	(476.069.513)	-	(476.069.513)
AWS spectrum (20 MHz)	(9.851.325)	-	(9.851.325)
	(485.920.838)	**-**	**(485.920.838)**
Amortization	-	(230.259.940)	(230.259.940)
	94.601.670	**150.993.907**	**245.595.577**

(2) The net decrease as of December 31, 2024 corresponds to: i) initial contribution and integration of the joint operation (Unired) for ($61,458) million (Note 1(c)); ii) amortization for the year of $176,868 million; and iii) increase from the acquisition of software, licenses, and developments mainly related to the 4G network, fiber optic network, infrastructure, and communications networks for corporate clients, commercial billing platform, infrastructure for television service delivery via fiber optics, data processing center, and OSS modernization for $186,527 million.

(3) The balance as of December 31, 2024 includes the participation of adds made during 2024 by the Joint Operation (Unired) for $19,043 million, net of additions and transfers in development for ($17,024) million.

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

(4) The balance as of December 31, 2024 mainly includes Irrevocable Right of Use (IRU) for Fiber Optics. The decrease as of December 31, 2024 corresponds to the amortization for the period of $3,283 million

The movements in intangible assets during 2024 are presented below:

Concepto	As of december, 31 of 2023	high / amortization expense	Low	Joint Operation Integration	Transfer	As of december, 31 of 2024
Costo:						
Intangible assets in progress	62.935.445	42.968.163	-	19.042.888	(59.992.183)	64.954.313
Licensing titles	2.762.446.279	381.253.848	(2.207.309.482)	(67.805.112)	(1)	868.585.532
Network and office equipment software	1.451.382.860	89.492.036	-	(231.634.327)	97.035.445	1.406.276.014
Rights	63.225.312	-	-	-	-	63.225.312
	4.339.989.896	**513.714.047**	**(2.207.309.482)**	**(280.396.551)**	**37.043.261**	**2.403.041.171**
Accumulated amortization:						
Licensing titles	(2.180.501.276)	(230.259.940)	2.207.309.482	162.406.782	-	(41.044.952)
Network and office equipment software	(1.116.671.917)	(176.867.764)	-	170.176.603	(3)	(1.123.363.081)
Rights	(30.562.581)	(3.283.024)	-	-	1	(33.845.604)
	(3.327.735.774)	**(410.410.728)**	**2.207.309.482**	**332.583.385**	**(2)**	**(1.198.253.637)**
	1.012.254.122	**103.303.319**	**-**	**52.186.834**	**37.043.259**	**1.204.787.534**

The movements in intangible assets during 2023 are presented below:

Concept	As of december, 31 of 2022	high / amortization expense	Transfer	As of december, 31 of 2023
Cost:				
Qualifying titles	2.762.446.279	-	-	2.762.446.279
Network and office equipment software	1.186.858.132	103.820.083	160.704.645	1.451.382.860
Intangible assets in progress	82.380.904	59.714.833	(79.160.292)	62.935.445
Rights	63.225.314	-	(2)	63.225.312
	4.094.910.629	**163.534.916**	**81.544.351**	**4.339.989.896**
Accumulated amortization:				
Licensing titles	(1.847.612.566)	(332.888.710)	1	(2.180.501.275)
Software, network and office equipment	(902.100.330)	(214.571.587)	1	(1.116.671.916)
Rights	(27.279.557)	(3.283.024)	(2)	(30.562.583)
	(2.776.992.453)	**(550.743.321)**	**-**	**(3.327.735.774)**
	1.317.918.176	**(387.208.405)**	**81.544.351**	**1.012.254.122**

17. GOODWILL

The balance of Goodwill is as follows:

	As of december, 31 of 2023	Low	As of december, 31 2024
Goodwill	1.355.833.946	(137.431.474,00)	1.218.402.472

Colombia Telecomunicaciones S. A. E.S.P. BIC recognized in its Opening Statement of Financial Position under IFRS 1 the remeasurement of goodwill, from the moment of the acquisition of 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 transaction closing, which took place on December 20, 2024, resulting from the framework agreement signed on February 26, 2024, between the Company and Colombia Móvil S.A. E.S.P. for the implementation of a single mobile access network, through an independent entity (Note 2.3. (b)), stipulates in the agreement the contribution of fixed assets to the new entity, leading to a decrease in the goodwill associated with these assets by $137,431,474 (Note 1(c)).

As of December 31, 2024, an analysis of possible impairment indicators is performed in the different areas that could suggest events indicating impairment in the Cash-Generating Units (CGUs), such as: budget compliance of operations, obsolescence factors, technological changes, and asset capacity utilization, as well as changes and/or new regulatory and tax legislation.

Cash Generating Units - CGU

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

Considering the structure of the entity and type of business, the existence of common assets is considered for developing the services provided by the Group and this is so considering the convergence of services (Basic Line, Television, Broadband, mobile, among others) with which, since there is dependence among them, they do not generate cash inflows independently and therefore it is not possible to determine the cash flows generated by each asset.

Based on the above, the entire Colombian operation is considered as a single CGU.

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

Main Assumptions Used in Value in Use Calculations

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

The plan is in line with the three-year average of analysts' estimates in terms of revenues, which reflect a trend of stability or improvement. This evolution is supported by service revenues, which, leveraged on the differentiation and quality of the Group's products and services thanks to the investments made, incorporate growth in the higher-value customer base and monetization of growing data consumption in rational markets, although very competitive in certain segments.

Discount Rate

At year-end 2023 and 2022, a nominal percentage rate calculated in pesos of 10,26% y 11,50% respectively, was used.

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

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

The most relevant components of the WACC are summarized below:

- Risk-Free Rate: understood as the interest rate offered by long-term sovereign bonds. It is determined with current market data and estimates of the equilibrium levels (according to standard econometric modeling) in which the interest rates should be located. Thus, adjusting the returns at low rates due to the high influence on the term premiums of public debt purchases carried out by central banks.

- Political Risk Premium: incorporates the risk of insolvency inherent to the country due to political and/or financial events, based on quotations of instruments called "Credit Default Swap" for each country or, failing that, the EMBI+ index, published by JP Morgan, depending on the information available and the liquidity conditions of such instruments.

- Market Risk Premium (MRP), which measures the additional risk required for equity assets over and above the return on risk-free assets, is determined by a combination of historical (ex-post) approaches supported by external publications and studies of past performance series, and forward-looking (ex-ante) approaches, based on market publications, taking into account medium and long-term profit expectations based on the degree of maturity and development of each country.

- Beta coefficient: is the multiplier of the market risk premium, considered as systemic risk. It is estimated from series of historical share prices of comparable listed companies, determining the correlation between the profitability of the companies' shares and the profitability of the general index representative of the stock exchange of the country where the company is listed.

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

Sensitivity to Changes in Assumptions

In accordance with the asset recoverability review process based on internal and external factor reviews, the WACC as of December 2024 has been determined. The model sensitivities were performed with a step of +/-1% for the discount rate and +/-5% for the net assets with a WACC rate of 10,26%. The sensitivity 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.

18. FINANCIAL LIABILITIES

The balance of financial obligations is presented below:

	As of december, 31 2024			As of december, 31 of 2023		
	Value	Rate		Value	Rate	
		Base	Spread		Base	Spread
Current:						
Interest payable	51.882.976			43.093.614		
	51.882.976			**43.093.614**		
Financial institutions in local currency						
Financial obligations (1)	307.265.460	Fixed 5,745% IBR3M	1% - 2%	298.000.000		
Interest payable	21.266.359	Fixed 6,65%		9.093.406		
Local bond (2)	-			347.367.924		
	328.531.819			**654.461.330**		
Other obligations						
Hedging instruments (3)	1.119.990			82.780.937		
	1.119.990			**82.780.937**		
	381.534.785			**780.335.881**		
Non-current:						
Foreign currency financial instruments						
Senior bonds (4)	2.196.521.661	Fixed 4,95%		1.901.519.155	Fixed 4,95%	
Financial obligations (5)	306.982.675			-		
	2.503.504.336			**1.901.519.155**		
Financial institutions in national currency						
Financial obligations(1)	1.354.727.696	Fixed 5,745% IBR3M	1,35%-2%	1.099.681.413	Fixed 5,745% IBR3M	1,1%-2%
Local bond (2)	152.216.018	Fixed 6,65% - IPC	3,39%	152.312.625	Fixed 6,65% - IPC	3,39%
	1.506.943.714			**1.251.994.038**		
Other obligations						
Hedging instruments (3)	359.497.887			115.924.756		
	359.497.887			**115.924.756**		
	4.369.945.937	-		**3.269.437.949**		
	4.751.480.722			**4.049.773.830**		

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

(1) The net increase in the current portion corresponds to the acquisition of debt and the refinancing of long-term loans. The non-current portion corresponds to the acquisition of new debt for refinancing debt and working capital. As of December 31, 2024, the nominal value is $1,662,049,291, and the associated transaction costs are $56,135, measured at amortized cost

(2) Local Bond: As of December 31, 2024 and 2023, the face value of the local bond is $152,410 million and $500,000 million, respectively, and the associated transaction costs are $194 million and $319 million, respectively, measured at amortized cost

The characteristics of the issue are summarized below:

Format	Issue currency	Bonuses and discounts	Bonuses and discounts	Total issued amount	Maximum redemption period	Issue date	Expiration date	Rate/Payment	Resource usage
C10	*COP$000*	Cero	152.410.000	152.410.000	10 years	29-may-19	29-may-29	IPC + 3,39% Semester	
A5	*COP$000*	Cero	347.590.000	347.590.000	5 years	29-may-19	29-may-24	"6.65% Semester	Prepayment of local debt
			500.000.000	**500.000.000**					

(a) On May 29, 2024, the Group paid its holders the principal associated with Subseries A-5 in the amount of $347,590 million.

As of December 31, 2024 and 2023, the interest payable on the local bond amounted to $1,199 million and $3,903 million, respectively.

(3) The decrease in the current portion corresponds to the settlement of hedges during 2024 and the depreciation of the peso against the dollar during 2024 by 15.36%. The increase in the non-current portion is related to the interest rate curves that primarily affect the position of the senior bond swaps.

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

	At fair value through profit or loss	At fair value with changes in Ori	Total financial liabilities at fair value
Current			
Hedging instruments	1.119.990	-	1.119.990
	1.119.990	**-**	**1.119.990**
Non-current			
Hedging instruments	13.455	359.484.432	359.497.887
	13.455	**359.484.432**	**359.497.887**
	1.133.445	**359.484.432**	**360.617.877**

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

	At fair value through profit or loss	At fair value with changes in Ori	Total financial liabilities at fair value
Current			
Hedging instruments	43.218.001	39.562.936,00	82.780.937
	43.218.001	**39.562.936,00**	**82.780.937**
Non-current			
Hedging instruments	-	115.924.756	115.924.756
	-	**115.924.756**	**115.924.756**
	43.218.001	**155.487.692**	**198.705.693**

(4) Senior Bond: As of December 31, 2024 and 2023, the face value of the outstanding senior bond is USD 500 million, equivalent to $2,204,575,000 and $1,911,025,000, respectively, and the associated transaction costs are $8,053 million and $9,506 million, respectively, measured at amortized cost.
The characteristics of the issue are summarized below:

Format	Issue currency	Bonuses and discounts	Bonuses and discounts	Total issued amount	Maximum redemption period	Issue date	Expiration date	Rate/Payment	Resource usage
R144/RegS	*USD$000*	Cero	500.000	500.000	10 años	17-jul-20	17-jul-30	4,95% Semestral	Senior Bond Replacement for USD 750 million

As of December 31, 2024 and 2023, the interest payable on the bond was $49,713 million and $43,094 million, respectively.

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

(5) As of December 31, 2024, the nominal value is USD 70 million, equivalent to $308,640,500, and the associated transaction costs are $1,657,825, measured at amortized cost.

The following are the maturities of the financial obligations as of December 31, 2024:

	Current	Non-current:						
Maturities	**2025**	**2026**	**2027**	**2028**	**2029**	**Next years**	**Total non-current**	**Total**
Senior Bond	-	-	-	-	-	2.196.521.661	2.196.521.661	2.196.521.661
Financial Obligations	307.265.460	643.292.539	868.476.530	59.976.530	89.964.772	-	1.661.710.371	1.968.975.831
Local Bond	-	-	-	-	152.216.018	-	152.216.018	152.216.018
Hedging Instruments	1.119.990	528.008.723	129.961.934	104.522.086	83.556.558	(486.551.414)	359.497.887	360.617.877
Interest	73.149.335	-	-	-	-	-	-	73.149.335
	381.534.785	**1.171.301.262**	**998.438.464**	**164.498.616**	**325.737.348**	**1.709.970.247**	**4.369.945.937**	**4.751.480.722**

Presentation of Comparative Information

For presentation purposes, the Group classified, in the consolidated statement of financial position as of December 31, 2023, the amount related to finance leases in a separate line item from financial liabilities, obligations for spectrum acquisition under suppliers and accounts payable, and the presentation of the cash flow statement. This adjustment was made for comparability purposes and did not impact the applied policies, measurement, and recognition of transactions, nor did it affect the statement of comprehensive income, statement of financial position, statement of changes in equity, or the cash flow statement.

19. FINANCIAL LEASES

Below is the movement of the lease liabilities during the year ended December 31, 2024:

	As of december, 31 of 2023	**Highs**	**Lows**	**Payments(a)**	**Transfer(b)**	**Others(c)**	**As of december, 31 of 2024**
Current							
Financial leases	399.236.077	148.826.713	-	(524.012.218)	320.408.303	26928564	371.387.439
	399.236.077	**148.826.713**	**-**	**(524.012.218)**	**320.408.303**	**26.928.564**	**371.387.439**
Non-current							
Financial Lease	1.231.876.268	325.821.230	(10.872.486)	-	(311.915.810)	(285.411)	1.234.623.791
	1.231.876.268	**325.821.230**	**(10.872.486)**	**-**	**(311.915.810)**	**(285.411)**	**1.234.623.791**
	1.631.112.345	**474.647.943**	**(10.872.486)**	**(524.012.218)**	**8.492.493**	**26.643.153**	**1.606.011.230**

(a) Corresponds to lease payments for principal during 2024 amounting to $389,095,397 and interest payments of $134,916,821.

(b) Mainly includes transfers from long-term to short-term according to the maturity schedule and the transfers made to the Joint Operation Unired for lease liabilities amounting to $8,492 million (Note 1 (c)).

(c) Corresponds to the payment made through offsetting between financial liabilities and financial assets, as well as the impact of tax-related items.

The lease liabilities maturity schedule as of December 31, 2024, is presented below:

	Current	Non-current						
Maturities	**2025**	**2026**	**2027**	**2028**	**2029**	**Siguientes años**	**Total no corriente**	**Total**
Financial Leases	371.387.439	255.145.781	230.876.941	201.469.849	164.062.451	383.068.769	1.234.623.791	**1.606.011.230**

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

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

	As of december, 31 of 2022	Highs	Payments	Transfer	Others	As of december, 31 of 2023
Current						
Financial leases	343.747.474	192.569.852	(436.741.036)	322.971.932	(23.312.145)	399.236.077
Financial liabilities-Renting	154.277		(154.277)	-	-	-
	343.901.751	**192.569.852**	**(436.895.313)**	**322.971.932**	**(23.312.145)**	**399.236.077**
No corriente						
Financial Lease	1.111.281.686	459.003.835	-	(322.971.932)	-	1.231.876.268
Financial liabilities-Renting	7.837	-	-		-	-
	1.111.289.523	**459.003.835**	**-**	**(322.971.932)**	**-**	**1.231.876.268**
	1.455.191.274	**651.573.687**	**(436.895.313)**	**-**	**(23.312.145)**	**1.631.112.345**

20. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of suppliers and accounts payable is as follows:

	As of december, 31	
	2024	**2023**
Current:		
Creditors and suppliers (1)	1.832.984.846	1.642.551.373
Suppliers of fixed assets (2)	369.588.324	284.015.546
Related parties (3) (Note 29)	334.336.068	344.534.299
For spectrum acquisition (4)	276.585.675	42.122.076
Equipment installment purchases (5)	60.066.759	-
Employee compensation payable (6)	40.787.239	41.705.583
Government subsidies (7) (Note 7)	37.504.034	35.843.986
Parafiscal contributions	7.733.972	7.993.964
Contracts with third parties (8)	2.017.301	2.167.391
	2.961.604.218	**2.400.934.218**
Non-current:		
Spectrum acquisition (4)	705.556.980	455.987.351
Equipment acquisition on time (5)	51.378.793	-
Third-party contracts (8)	8.612.347	10.404.429
Related parties (3) (Note 29)	3.114.879	3.584.437
	768.662.999	**469.976.217**
	3.730.267.217	**2.870.910.435**

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

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

(1) The balance of suppliers and accounts payable is as follows:

	As of december, 31	
	2024	**2023**
Leasing and third-party activities for customers (a)	324.344.048	330.974.181
Handset providers (b)	307.018.659	286.591.508
Creditors (c)	255.724.231	196.252.951
Content providers (d)	179.800.405	183.280.406
Securities for third parties (e)	146.979.404	113.267.262
Equipment maintenance (f)	125.197.072	132.992.184
Operating leases (g)	115.349.499	91.177.765
Sales commissions	98.667.129	88.031.945
Interconnection and roaming (h)	84.962.702	60.746.046
IT services	84.511.380	64.704.327
Advertising (i)	65.601.523	53.709.646
Customer service	33.585.499	34.032.091
Other minor	11.243.295	6.791.061
	1.832.984.846	**1.642.551.373**

a. Includes services for the development of integral solution projects for the corporate segment and fiber optic network deployment services.

b. As of December 31, 2024, the increase is mainly due to the acquisition of mobile devices to meet the year-end demand and the equipment for FTTH network customers.

c. It mainly corresponds to services related to insurance, technical support, utilities, security, legal and tax advisory, billing services, collection, and debt recovery. The increase at the end of 2024 is primarily due to the obligation with Colombia Móvil S.A. E.S.P. for the equalization derived from the contribution of mobile infrastructure in the Unired Joint Operation, amounting to USD 19.6 million. It includes Joint Operation costs of $23,132 million and paid expenses of $7,056 million (Note 1 (c)).

d. Includes digital OTT platform services (streaming services), TV, and value-added services.

e. Includes amounts received on behalf of third parties in accordance with the definitions in mandate contracts.

f. Includes external plant maintenance services, platform support, technical assistance, and network failure repairs.

g. It mainly includes commitments for submarine cable capacity, media rental, and last-mile rental for fixed services. As of the end of 2024, an increase is observed due to higher network capacity services for fixed customers.

h. Includes national interconnection traffic and roaming services. The increase as of December 31, 2024, is mainly due to the completion of reconciliations and the settlement of accounts with operators.

i. Corresponds to media advertising services for TV, press, and audiovisual campaigns, sponsorships, events, and commercial promotion. As of the end of 2024, an increase is observed due to media campaigns promoting the year-end offer.

(2) It mainly corresponds to obligations related to the purchase of equipment, licenses, and platform developments associated with the mobile network deployment. The increase as of December 31, 2024, is primarily due to the integration of the joint operation (Unired) for $84,098 million (Note 1 (c)). It includes the share of acquisitions made during 2024 by the Joint Operation (Unired) for $84,174 million.

(3) It mainly includes obligations arising from connectivity services through the fiber optic network, brand usage fees (Brand Fee), action plans (a), leased capacity in international media and usage rights, platforms for Internet Protocol Television (IPTV), and costs for services, licenses, and developments for corporate projects. The net decrease is primarily due to reductions in Brand Fee services, connectivity services, links and capacity, and corporate services.

(a) Share-Based Payments (Note 29.2).

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.

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

Performance Share Plan (PSP)

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

The Plan will take effect from the date of its approval by the General Shareholders' Meeting, will have a total duration of five (5) years, and will be divided into three (3) cycles independent of each other with a measurement period of three (3) years each.

Each Cycle will be conditioned by and determined according to the fulfillment of economic-financial objectives, the creation of value for the shareholder and, if applicable, objectives linked to sustainability, the environment, or good governance. The fulfillment of these objectives will determine the allocation of shares.

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

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

	No. of Shares	Unit Value TFSP - PSP	End Date
Cycle 1 - January 1, 2022	280,969	2,6916 euros	December 31, 2024
Cycle 2 - January 1, 2023	263,907	2,2942 euros	December 31, 2025
Cycle 3 - June 1, 2024	291,400	3,1369 euros	December 31, 2026

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

The long-term compensation plan is designed to incentivize and retain key senior executives of the Company by granting shares subject to the fulfillment of specific conditions. Additionally, the executive contributes a percentage of their annual bonus

(4) The amount as of December 31, 2024, corresponds to the obligation generated by the granting of a permit by the Ministry of Information and Communications Technologies for the use of the 3500 MHz radio spectrum band, in accordance with Resolution 00497 of February 23, 2023, and the assignment of the 700 MHz radio spectrum band, in accordance with Resolution 05194 of December 13, 2024 (Note 1), in favor of the temporary union Colombia Móvil S.A. E.S.P. - Colombia Telecomunicaciones S.A. E.S.P. BIC, in which the Company holds a 50% participation. As of December 31, 2024, it includes the initial contribution and integration of the Joint Operation (Unired) for $624,305 million (Note 1 (c)).

As of December 31, 2024, the current portion corresponds to outstanding obligations of $276,586 million, including $71,470 million for the 850-1900 MHz license, $98,907 million for the AWS license, $37,093 million for the 1900 MHz license, $43,559 million for the 700 MHz license, and $25,557 million for the 3500 MHz license. The non-current portion amounts to $705,557 million, consisting of $3,115 million for the 1900 MHz license, $125,264 million for the 3500 MHz license, and $577,178 million for the 700 MHz license.

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

	Current	Non-current						
Maturities	**2025**	**2026**	**2027**	**2028**	**2029**	**Next years**	**Total non-current**	**Total**
Spectrum provider	276.585.675	43.721.430	40.606.531	48.469.927	48.469.927	524.289.165	705.556.980	982.142.655
	276.585.675	**43.721.430**	**40.606.531**	**48.469.927**	**48.469.927**	**524.289.165**	**705.556.980**	**982.142.655**

(5) This corresponds to the installment-based acquisition of customer-premises equipment directly by the supplier. The current portion amounts to $60,066 million, while the non-current portion totals $51,379 million. This business model for equipment acquisition began during the first half of 2024.

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

The maturity schedule of the outstanding account payable for installment-based equipment acquisition as of December 31, 2024, is as follows:

	Current	**Non- current**			
Maturities	**2024**	**2025**	**2026**	**Total non-current**	**Total**
Equipment acquisition on time	60.066.759	48.624.636	2.754.157	51.378.793	**111.445.552**

(6) This corresponds to social benefit obligations. As of December 31, 2024, it includes the following components: (i) severance payments and severance interests amounting to $28,669 million, (ii) vacation provisions totaling $11,677 million, and (iii) other compensations amounting to $441 million.

(7) This corresponds to the Government's subsidy commitment to the Company for fulfilling specific obligations. The variation is due to financial updates during the year 2024.

(8) This includes the balances of the inter-administrative contract with the Metropolitan Area of Barranquilla, valid until 2028, as well as guarantees established by commercial partners. The decrease in the non-current portion corresponds to the reclassification to the short-term portion according to the contract terms.

21. PROVISIONS AND PENSION LIABILITIES

The balance of pension provisions and liabilities is as follows:

	As of december, 31	
	2024	**2023**
Current:		
For taxes and compensation (1)	78.831.068	89.024.046
For voluntary retirement (2)	59.130.353	25.809.581
For employee benefits (3)	30.754.175	23.578.260
Pension liabilities (4)	22.709.955	23.619.092
For contingencies (5) (Note 30)	20.346.812	5.042.371
For tax claims (6)	1.772.410	462.088
	213.544.773	**167.535.438**
Non-current:		
Pension liabilities (4)	182.143.630	193.691.152
For decommissioning (7)	86.035.434	75.197.479
For contingencies (5) (Note 30)	5.437.393	8.315.515
	273.616.457	**277.204.146**
	487.161.230	**444.739.584**

(1) This includes the provision for the Industry and Commerce Tax (ICA), payments to the Ministry of Information and Communications Technology, and the unrecovered VAT from customer accounts receivable for mobile telephony services. The decrease is mainly due to the lower ICA tax generated and the reduced obligation to the Ministry of Information and Communications Technology, in line with revenue performance during 2024.

(2) As of December 31, 2024, the Group included a provision for the efficiency plan through voluntary retirement, which corresponds to a formal plan identifying function, the number of employees, scheduled disbursements, and implementation dates. The balance established as of December 31, 2023, was fully executed during 2024.

(3) This includes employee incentives based on performance and goal achievement, which are expected to be settled in the first half of 2025. The estimation was made based on the current workforce and the projected achievement percentages of the established objectives.

(4) The Group recognizes post-employment benefits related to retirement pensions. The current post-employment benefits plan does not have any assets linked to it.

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

	As of december, 31	
	2024	**2023**
Current Portion	22.709.955	23.619.092
Non-current Portion	182.143.630	193.691.152
	204.853.585	**217.310.244**

The movement of pension liabilities as of December 31, 2024, is presented below:

	For the year ended december 31,	
	2024	**2023**
Balance at the beginning of the year	217.310.244	205.597.301
Interest expense	27.152.682	26.323.230
Actuarial (gains) losses on obligations (a)	(22.569.553)	4.695.616
Payments made by the plan	(17.072.893)	(19.603.954)
	204.820.480	**217.012.193**
Fees receivable	33.105	298.051
Balance at the end of the year	**204.853.585**	**217.310.244**

(a) As of December 31, 2024, and 2023, this corresponds to the update of the actuarial calculation recognized in Other integral Income.

The Group recognizes post-employment benefits related to retirement pensions, which include a pension allowance, funeral assistance, and healthcare. The actuarial calculation covers 671 individuals classified into the following categories: retirees fully covered by the Company, retirees with a shared pension with Colpensiones, lifetime substitutes fully covered by the Company, shared and temporary lifetime beneficiaries fully covered by the Company, as well as those under the Colombian State Pension Administrator (Colpensiones).

The actuarial calculation is measured by an independent actuary using the projected unit credit method. The assumptions considered include the discount rate, pension increases, inflation rate, and expenses. Regarding mortality assumptions, the Colombian annuitants' mortality table based on the 2005–2008 experience for men and women, approved by the Financial Superintendency of Colombia through Resolution 1555 of July 2010, is used. Additionally, the Colombian disability mortality table outlined in Resolution 0585 of 1994 by the Financial Superintendency is applied. Actuarial gains and losses arising from adjustments based on post-employment benefit assumptions are recorded in other comprehensive income for the year. This is subject to the provisions of Law 100 of 1993, Law 797 of 2003, Legislative Act 01 of 2005, and Decree 1748 of 1995.

The current post-employment benefit plan does not have any assets linked to it.

Starting from the 2018 actuarial calculation, the financial position statement considered the portions receivable from other entities. As of December 31, 2024, the projected value for portions receivable from other entities is $2,389,935 (Note 7, section 2).

The actuarial calculation update is performed at the end of each accounting period and was quantified based on an implicit inflation estimate of 5.3%, a discount rate of 10.561%, and a real rate of 4.996%.

Below are the future cash flows up to the year 2030 and the sensitivity analysis as of December 31, 2024:

Future Cash Flows

Year	COP $(000)
2025	22.709.955
2026	23.913.583
2027	25.181.002
2028	26.515.596
2029	27.920.922
2030	29.400.731

Sensitivity Analysis

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

	Interest rate	COP $(000)
Discount rate	10,561%	202.463.650
-50 basis points	10,061%	209.378.207
+50 basis points	11,061%	195.988.841
Inflation rate	10,561%	202.463.650
-50 basis points	10,036%	202.044.456
+50 basis points	11,086%	202.882.844

Source: Actuarial Calculation Report on Pension Reserves as of December 31, 2024, prepared by Cálculos Actuariales S.A.S.

The population considered in the study consists of 671 individuals, including 558 with a mathematical reserve calculation for retirement pensions and 113 with pension bonds.

(5) Includes processes related to customer petitions, complaints, and claims (PQR). Additionally, it covers civil, fiscal, and administrative processes currently under discussion with the regulatory entity. The net increase as of December 31, 2024, is primarily due to the resolution in favor of the third party, Radio Televisión Nacional de Colombia, partially offset by the closure of cases with the Superintendence of Industry and Commerce (SIC).

(6) Corresponds to the industry and commerce tax due to the update of rates in municipalities for the 2024 fiscal year.

(7) Includes costs associated with the dismantling or removal of property, plant, and equipment elements and rights of use, when contractually agreed upon. There is no expected resource outflow schedule for this, as the Group does not currently anticipate the disposal of such sites (Note 14). The net increase at the end of 2024 is mainly due to the integration of the Joint Operation in Unired for $4,393 million (Note 1 (c)); and the update of the provision for dismantling property, plant, and equipment for $6,440 million (Note 27 (7)).

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

	Balance as of December 31, 2023	Provision	Application	Adjustment	Financial update	Transfer	Balance as of December 31, 2024
Current:							
For taxes and compensation	89.024.046	504.774.473	(514.967.451)	-	-	-	78.831.068
For voluntary retirement	25.809.581	60.150.882	(26.830.110)	-	-	-	59.130.353
For employee benefits	23.578.260	53.556.163	(36.135.371)	(10.244.877)	-	-	30.754.175
For pension liabilities	23.619.092	-	-	-	-	(909.137)	22.709.955
For third-party and labor claims (Note 30)	5.042.371	18.621.013	(3.843.589)	(1.681.821)	-	2.208.838	20.346.812
For tax claims	462.088	1.632.614	(322.292)	-	-	-	1.772.410
	167.535.438	**638.735.145**	**(582.098.813)**	**(11.926.698)**	**-**	**1.299.701**	**213.544.773**
Non-current:							
For pension liabilities	193.691.152	-	(17.072.893)	(22.536.448)	27.152.682	909.137	182.143.630
For dismantling	75.197.479	-	-	-	6.444.478	-	86.035.434
For third-party and labor claims (Note 30)	8.315.515	7.609.335	(3.362.215)	(4.916.404)	-	(2.208.838)	5.437.393
	277.204.146	**7.609.335**	**(20.435.108)**	**(27.452.852)**	**33.597.160**	**(1.299.701)**	**273.616.457**
	444.739.584	**646.344.480**	**(602.533.921)**	**(39.379.550)**	**33.597.160**	**-**	**487.161.230**

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

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

	Balance as of December 31, 2023	Provision	Application	Adjustment	Financial update	Transfer	Balance as of December 31, 2024
Current							
Provision for taxes and compensation	100.082.064	404.567.253	(415.625.271)	-	-	-	89.024.046
Provision for voluntary retirement	2.062.378	25.809.000	(2.061.797)	-	-	-	25.809.581
Pension liabilities	21.550.558	-	-	-	-	2.068.534,0	23.619.092
Provision for employee benefits	34.738.066	54.475.270	(54.747.370)	(10.887.706)	-	-	23.578.260
For third-party and labor claims (Note 30)	6.701.584	5.987.595	(7.099.113)	(547.695)	-	-	5.042.371
For tax claims	2.202.958	7.269.302	(8.959.148)	(51.024)	-	-	462.088
	167.337.608	**498.108.420**	**(488.492.699)**	**(11.486.425)**	**-**	**2.068.534**	**167.535.438**
Non-current							
Pension liabilities	184.046.743	4.993.667	(19.603.954)	-	26.323.230	(2.068.534)	193.691.152
Provision for dismantling	58.750.975	10.643.321	-	-	5.803.183	-	75.197.479
For third-party and labor claims (Note 30)	14.691.640	9.361.547	(8.624.418)	(7.113.254)	-	-	8.315.515
	257.489.358	**24.998.535**	**(28.228.372)**	**(7.113.254)**	**32.126.413**	**(2.068.534)**	**277.204.146**
	424.826.966	**523.106.955**	**(516.721.071)**	**(18.599.679)**	**32.126.413**	**-**	**444.739.584**

22. SHAREHOLDERS' EQUITY, NET

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

Authorized capital	1.454.870.740
Subscribed and paid capital	3.410.076
Nominal value (in USD and COP $)	1

The equity participation as of December 31, 2024, and 2023 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%
	3.410.075.788	**100,0000000%**

The equity participation as of December 31, 2024, remained unchanged compared to the closing of December 2023.

Additional paid-in capital

Represents the excess of the value received over the nominal value of the shares in the emissions the Company has made from its inception to date As of December 31, 2024, and 2023, its value is $9,822,380,645.

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

Reserves

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

Reserves:	
Voluntary reserves (1)	38.686.537
Statutory reserves (2)	26.298.376
Legal reserves (3)	6.045.752
	71.030.665

(1) These reserves are constituted by the 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.

b) Reserve for future expansions: Reserve established by the Company for future expansions, non-distributable. The balance of this reserve as of December 31, 2024, and 2023 was $3,730,162.

c) Reserve for Share Repurchase: A non-distributable reserve established by the Company for the repurchase of shares, with a balance of $31,321 as of December 31, 2024, and 2023.

(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 December 31, 2024, and December 31, 2023, the reserves amounted to $26,298,376. With the issuance of Law 1819 of 2016 (Tax Reform), the rule that established this reserve was repealed; therefore, as of the taxable year 2017, it will not be mandatory to constitute such a reserve.

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

Other Comprehensive Income

The Group recognized a profit in Other Comprehensive Income (OCI) of $2,195,617 in 2024 and a loss of $(85,984,752) in 2023, respectively.

Valuation of Hedging Instruments

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

Revaluation surplus net of taxes

The Group carried out the revaluation of assets at the end of 2024 in accordance with its revalued cost policy for land and buildings. As a result, a higher value of these assets was recognized for $135,561,624.

For the years ended December 31, 2024, and 2023, the Group directly transferred to accumulated results the derecognition and the value associated with the depreciation of revalued assets, as well as the corresponding deferred tax, for $51,093,729 and $54,801,493, respectively.

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

Actuarial Result

The Group, for the years ended December 31, 2024, and 2023, reported post-employment benefits results of $22,569,553 and $(4,965,616), respectively.

23. OPERATING INCOME

Income from contracts with customers is presented below:

	For the year ended december 31,	
	2024	**2023**
Mobile Services (1)		
Mobile Data Services	1.580.355.704	1.534.628.275
Voice Services	560.196.026	613.726.050
Value-Added Services	186.602.382	192.444.984
Roaming Out	35.421.356	42.095.021
	2.362.575.468	**2.382.894.330**
Fixed Services (1)		
Capacity and technology solutions	788.776.445	967.375.447
Fixed data services	1.165.898.640	961.997.570
Television revenue	329.894.467	343.763.235
Fixed voice services	125.371.860	163.716.695
	2.409.941.412	**2.436.852.947**
Digital services (2)	641.368.590	701.960.511
Handset Sales (3)	522.749.276	792.583.323
Interconnection services (4)	134.075.330	200.805.808
Roaming revenue	33.717.831	35.404.162
Other data - virtual mobile operator	27.820.248	32.747.819
Sale of equipment for fixed services (5)	2.107.944	99.667.925
	1.361.839.219	**1.863.169.548**
	6.134.356.099	**6.682.916.825**

Revenues from contracts with customers are generated by the provision of services and the sale of goods continuously throughout the period.

During the years ended December 31, 2024, and 2023, operating revenues from related parties amounted to $373,206,136 and $445,244,074, respectively (Note 29).

(1) During the year 2024, service revenues maintained strong performance, reflecting the positive growth in connectivity through the fiber optic network, digital services, corporate business solutions, and prepaid service

(2) During the year 2024, the Group continued driving technological solutions in the corporate market that enhance processes and ensure security, storage, and digitalization operations. Compared to the previous year, revenues were generated from corporate projects that were completed in the last quarter of the year.

(3) The decrease compared to the previous year is mainly due to lower commercial activity during the period, as a result of changes in consumer behavior.

(4) La The variation compared to the previous year's period is mainly due to the decrease in mobile interconnection rates established by the Communications Regulation Commission and agreements in National Automatic Roaming service contracts.

(5) During the year 2024, it includes the installation of fixed services and advanced technology equipment that enhance coverage experience while reducing the sale of WiFi amplifier devices.

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

24. OTHER OPERATING INCOME

Other operating revenues are presented below:

	For the year ending December 31	
	2024	2023
Other operating income (1)	215.041.055	344.713.269
Gain from contribution of assets (2)	142.327.799	-
Sale of movable and immovable property (3)	139.908.001	48.352.905
Work performed on fixed assets	50.756.832	46.790.828
Leasing of investment properties (Note 15)	157.621	141.002
	548.191.308	**439.998.004**

During the year ended December 31, 2024, and 2023, it includes other operating income from related parties amounting to $127,411,662 and $274,850,229, respectively (Note 29).

(1) During the year 2024, the following are included: i) billing services, collection management, debt recovery, and administration amounting to $109,784 million; ii) exclusivity in accordance with the commitment signed with Onnet Fibra Colombia S.A.S. regarding FTTH Homes conected for $91,341 million (amortization of $65,956 million and period update of $25,385 million); iii) income from leasing owned sites for $6,709 million and from contract breaches for $6,788 million; iv) government subsidies amounting to $417 million. The decrease compared to the previous year is mainly due to lower exclusivity revenue by $(158,006) million (amortization of $144,474 million and guarantee of $13,532 million), partially offset by an increase of $28,463 million from collection management, debt recovery, and administration services

(2) Corresponds to the benefit generated by the integration of the Joint Operation, associated with the Single Mobile Access Network (Note 1c).

(3) Includes the sale of copper material as a result of the technological transition to the fiber optic network for $125,030 million and the sale of assets such as duct channels and real estate for $14,878 million. The variation compared to 2023 is due to the sale of copper material for $(73,620) million and the sale of assets and real estate for $(17,935) million.

25. OPERATING COSTS AND EXPENSES

Operating costs and expenses are presented below:

	For the year ended december 31,	
	2024	2023
Equipment costs (1) (Notes 8 and 10)	881.249.903	1.210.924.413
Media and other network infrastructure rentals (2)	587.721.977	537.429.526
Labor costs (3)	585.158.567	542.736.330
Operating costs and expenses (4)	460.115.051	451.375.070
Renting and third-party customer activities (5)	403.958.919	515.048.202
Sales and contract procurement commissions (6)	314.524.198	278.826.780
Taxes and compensation	313.314.288	326.273.317
Content providers	312.458.414	313.548.721
Energy services	265.163.568	259.983.924
Equipment and facility maintenance	256.419.983	270.667.574
Advertising (7)	153.630.916	167.854.260
IT services (8)	153.251.917	168.974.254
Interconnection and roaming (9)	150.700.261	249.613.393
Contract fulfillment costs (10) (Note 8)	129.094.080	93.353.780
Portfolio impairment (11) (Note 7)	77.642.089	87.961.515
Customer service	77.183.490	74.088.031
Other non-recurring costs and expenses (12)	14.349.044	10.211.482
(Recovery) inventory provision (13) (Note 10)	(4.946.604)	3.467.983
	5.130.990.061	**5.562.338.555**

The net decrease between the years ended December 31, 2024, and 2023 is mainly due to lower mobile device sales, impacted by the current economic conditions of the market and financing channels. Additionally, efficiencies and resource optimization were achieved, including more efficient commercial channels, contract renegotiations with partners, inventory availability optimization, and regulatory aspects affecting interconnection and roaming tariffs. This offset the increase in costs related to customer premises equipment and digital services due to growing demand for connectivity services through fiber optics.

During the years ended December 31, 2024, and 2023, operating expenses with related parties amounted to $683,595,760 and $629,179,885, respectively (Note 29).

(1) During the years ended December 31, 2024, and 2023, inventory consumption was recognized and recorded as the cost of sales for $688,954,241 and $1,067,522,609, respectively (Note 10), and amortization for home equipment costs was $192,295,662 and $143,401,804, respectively (Note 8). The net decrease during the year ended December 31, 2024, corresponds to lower handset sales, partially offset by the increase in the sale of customer premises equipment and materials for fiber optic deployment projects compared to the year 2023.

(2) The increase during 2024 was primarily due to connectivity services using fiber optics for residential and corporate segments.

(3) The increase during the year 2024 is mainly due to the recognition of the efficiency plan for voluntary employee retirement.

(4) Mainly includes digital services and products, collection management, copyright fees, temporary staffing expenses, security, travel expenses, consulting and advisory fees, insurance, utilities, and other service expenses. The increase during the nine-month period ended December 31, 2024, was primarily due to the provision of digital services, support services, and consultancy.

(5) The decrease in 2024 is mainly due to lower demand for projects with corporate clients compared to the same period in 2023.

(6) For the years ended December 31, 2024, and 2023, the amortization of contract acquisition costs amounted to $208,038,070 and $145,516,658, respectively (Note 8). The increase is mainly due to higher commercial activity, driven primarily by connectivity services supported by the fiber optic network coverage.

(7) Includes brand usage fees (Brand Fee), media advertising, events, and sponsorships (Colombian Football Federation and Movistar Arena). The decrease in 2024 is mainly due to a reduction in the Brand Fee for brand usage, associated with lower sales revenues.

(8) Corresponde principalmente a la renovación y adquisición de licencias de plataformas de tecnologías de la información (TI) y aplicaciones de software, incluido el soporte técnico y funcional para proyectos con clientes. La disminución en el año 2024 se debe principalmente a la optimización de servicios de digitalización.

(9) The variation in 2024 is mainly due to the decrease in mobile interconnection rates set by the Communications Regulation Commission, compared to the previous year.

(10) The increase in 2024 is mainly due to the amortization of installation costs in customer premises associated with commercial activities carried out in previous years.

(11) During the year ended December 31, 2024, the net expense amounted to $77,522 million, as follows: i) impairment of customers for $78,884 million (Note 7), and ii) recovery of impairment of the contractual asset for $(1,362) million.

(12) The net increase as of December 31, 2024, is mainly due to the ruling in favor of the third party, Radio Televisión Nacional de Colombia, partially offset by the closure of processes with the Superintendence of Industry and Commerce (SIC

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

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

26. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are presented below:

	For the year ending December 31	
	2024	**2023**
Depreciation of property, plant, and equipment (Note 14)	507.975.921	559.603.799
Amortization of intangible assets (Note 16)	410.410.728	550.743.321
Depreciation of right-of-use assets (Note 13)	138.876.758	286.330.560
	1.057.263.407	**1.396.677.680**

The amortization of intangible assets as of December 31, 2024, includes $6,873,420 for the amortization of the permit for the use of the 3500 MHz radio spectrum band, assigned to the Temporary Union Colombia Móvil S.A. E.S.P. - Colombia Telecomunicaciones S.A. E.S.P. BIC, in which the Company holds a 50% stake, in accordance with Resolution 497 of 2024 issued by the Ministry of Information and Communication Technologies of Colombia (MinTIC).

27. FINANCIAL EXPENSES, NET

Financial expenses, net are presented below:

	For the year ending December 31	
	2024	**2023**
Income:		
Financial income from transactions with related parties (1)	75.885.636	111.581.123
Customer late payment interest (2)	40.434.614	37.730.143
Income from temporary and banking investments (3) (Note 5)	18.501.699	4.961.845
	134.821.949	**154.273.111**
Expenses:		
Interest on bond and debenture loans (4)	(373.031.815)	(337.783.454)
Financial expenses on leases	(148.826.713)	(144.989.195)
Other financial expenses (5)	(120.255.487)	(51.332.784)
Interest hedging operations, net	(91.864.199)	(76.639.515)
Expenses on loans from spectrum providers (6)	(57.364.902)	(54.689.046)
Financial restatement of liabilities (7)	(41.622.742)	(32.122.813)
Tax on financial transactions	(3.709.414)	(3.543.654)
	(836.675.272)	**(701.100.461)**
Exchange difference loss. net	1.470.469	(11.249.557)
	(835.204.803)	**(712.350.018)**
	(700.382.854)	**(558.076.907)**

The net increase is mainly due to: i) the acquisition of new debt to refinance maturities for the year at current market rates, ii) an increase in expenses related to the cost of hedging due to movements in the IBR and SOFR curves, primarily associated with swap derivative instruments, and iii) the financial update of payment agreements signed with corporate clients.

(1) The variation during the year ended December 31, 2024, compared to the previous year, is primarily due to the decrease in the Consumer Price Index (CPI), which impacted the interest on the long-term loan with the associated company Alamo Holdco, S.L., as stipulated in the framework agreement for the sale of fiber optic assets made in 2022 (Note 29).

(2) During the year ended December 31, 2024, an increase is reported compared to the same period of the previous year, mainly due to the interest generated from the management of receivables recovery with clients.

(3) During the year 2024, an increase is reported due to the returns on temporary investments.

(4) During the years ended December 31, 2024 and 2023, the interest generated by financial obligations amounted to $245,811,012 and $181,087,693, respectively, interest on the senior bond amounted to $101,407,353 and $106,330,719, and on the local bond amounted to $25,813,450 and $45,828,749, respectively. The increase is due to the acquisition of new debt for the refinancing of loans maturing during the year, at market rates, and for working capital.

(5) During the year 2024, the financial update of payment agreements signed with corporate clients was recognized for \$54,872,352, the long-term contract related to the exclusivity commitment for fiber optics amounted to \$38,031,995, the cost related to the sale of commercial receivables was \$15,084,946, and the bank commissions amounted to \$12,163,067.

(6) During the year ended December 31, 2024, it includes the financial update due to the increase in reference rates on the obligation acquired in the renewal of the 1,900 MHz spectrum. Additionally, there was a larger base for the settlement due to payments made on this obligation compared to the year 2023.

(7) During the years ended December 31, 2024 and 2023, the expense includes the update of the pension liability for \$27,152,682 and \$26,323,230, the update of the provision for dismantling of properties, plant, and equipment for \$6,440,136 and \$6,799,583, respectively, and the update of the provision for judicial contingencies for \$8,029,924 at the end of 2024.

28. 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.

28.1. 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 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 capacity to maintain services and expand them, specifically through participation in spectrum auctions expected to take place in the coming years, 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.

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, two bills are currently under consideration in the legislature: (i) Bill No. 219, which seeks to eliminate reconnection charges for all services (VoIP, mobile, and fixed telephony, internet, and television); and (ii) Bill No. 269, which requires Mobile Network and Telecommunications Service Providers (PRSTM) and financial entities to properly identify the holders of their products to prevent their use in crimes such as fraud or identity theft. This initiative would require investments and would hold Mobile Network and Telecommunications Service Providers (PRSTM) jointly liable with financial entities when a crime is committed using their services.

The competitive position could be affected by the evolution of the competition.

The Company operates in highly competitive markets, which poses the risk of not responding adequately to various commercial actions taken by competitors, potentially jeopardizing its growth objectives, customer retention, revenue, and future profitability. Following the announcement of the non-binding agreement between Telefónica and Millicom, which includes the potential sale of Telefónica's shares (Jul-24), along with the lack of regulatory measures to limit portability between operators, the market has intensified its commercial aggressiveness, leading to an increase in customer portability.

The Group depends on a network of suppliers.

The existence of critical suppliers in the supply chain, especially in areas such as network infrastructure, information systems, or terminals with a high concentration of a small number of suppliers, poses risks that could affect the Group's operations, as well as cause eventual legal contingencies or damage to the Group's image in the event of practices that do not meet acceptable standards or in a manner that does not meet the Group's performance expectations of any participant in the supply chain. This includes delays in the completion of projects or deliveries, poor quality execution, cost deviations, and inappropriate practices.

As of December 31, 2024, the Group awarded contracts to 9 handset suppliers, while it had 44 infrastructure suppliers. The amount awarded for handsets represents 20% of the total awards made in the fourth trimester of 2024, and for infrastructure providers, it represents 12%. The handset supplier with the highest share of awards in this category has 21%. For infrastructure providers, the one with the highest share has 28% of what was awarded to these providers. These suppliers can, among other things, extend delivery times, increase prices, and limit supply due to stock shortages, business requirements, or other reasons.

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

The semiconductor industry, in particular, is facing a number of challenges mainly as a result of global supply issues, which in turn are affecting multiple sectors (including technology) through delivery delays and price increases, which could affect the Group or other actors relevant to its business, including its customers, suppliers, and partners.

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

Markets Subject to Continuous Technological Evolution

The Group's success depends, to a certain extent, on its adaptability to technological evolution, in the times the market demands, anticipating technological changes and market demands. Technological evolution is permanent, offering the market new products, services, and technologies, obliging us to update them constantly. The development of constant technological innovation also generates the obsolescence of some of the products and services offered by the Group, as well as their technology, significantly reducing revenue margins by having an obligation to invest in the development of new products, technology, and services and at the same time continue to provide maintenance in technologies, which will remain in force until we achieve the migration of all users or the regulation allows their controlled shutdown. In addition, the convergence of new technologies allows new entrant operators the possibility of not being subject to the regulatory standards that have been in force in the past, leaving us in a disadvantageous position before these new players in the sector.

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

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

One of the technologies that telecommunications operators, including the Group, are currently investing in is the new FTTH type networks, which offer high-performance broadband access over fiber optics.

However, the deployment of such networks, in which fiber optics replaces all or part of the copper in the access loop, involves high investments. There is a growing demand for the services offered by the new networks to end customers; however, the high level of investment requires continuous analysis of the return on investment, and there is no certainty as to the profitability of these investments.

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

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

28.2 Operational risks.

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

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. Likewise, successful cyberattacks could lead to violations of applicable data protection regulations or stakeholder expectations, as well as potential consequences in terms of investment, increased costs, obstacles to the development of new services, loss of customer or investor trust, and sanctions

Risks Associated with Unplanned Network or System Outages

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

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

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.

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

28.3 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 December 31, 2024 and 2023, financial debt amounted to $4,751,480,722 and $4,049,773,830, respectively (Note 18).

A decrease in the 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.

Credit Rating of Colombia Telecomunicaciones S.A. E.S.P. BIC and its Long-Term Debt

As of December 31, 2024, the company holds international ratings from two rating agencies. Standard & Poor’s has assigned Colombia Telecomunicaciones S.A. E.S.P. BIC a rating of B+ for both issuer and bond issues in the international market, with a positive outlook. On the other hand, Fitch Ratings has assigned a rating of BB+ with a stable outlook.

In the local scale, the company, as issuer, as well as the bonds issued in the local market, hold a rating of AA+ with a stable outlook.

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 December 31, 2024, the Company held the following portfolio of financial derivatives for foreign exchange and interest rate expressed in its home currency, in the following instruments:

Amounts in millions	**NDF**		**SORF**	**IRS IBR**	**IRS IPC**	**CCIRS (margen)**	**CCIRS**
Underlying	**USD**	**EUR**	**USD**	**COP**	**IPC**	**USD**	**USD**
Senior Bond	-	-	500	1.498.700	-	500	1.070
Debt in USD/COP	-	-	-	600.000	152.410	-	-
Commercial Accounts	104	22	-	-	-	-	-
Future Cash Flows	36	-	-	-	-	-	-
	140	**22**	**500**	**2.098.700**	**152.410**	**500**	**1.070**

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

Exchange Rate Risk

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

As of December 31, 2024 and 2023, the Group's debt in U.S. dollars, including the senior bond maturing in 2030, amounts to USD 582 million, equivalent to $2,564,653 million, and USD 511 million, equivalent to $1,954,119 million, respectively, including interest.

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:

Figures in thousands of USD:

	As of december, 31	
	2024	**2023**
Assets		
Cash and cash equivalents (Note 5)	19.949	1.556
Debtors and other receivables (Note 7)	3.136	9.053
Related parties (Note 29)	45.159	70.068
Total assets	**68.244**	**80.677**
Liabilities		
Financial obligations (Note 18)	581.666	511.275
Suppliers and accounts payable (Note 20)	108.584	123.986
Related parties (Note 29)	42.092	60.272
Total liabilities	**732.342**	**695.533**
Net liability position	**(664.098)**	**(614.856)**

Figures in thousands of pesos:

	As of december, 31	
	2024	**2023**
Assets		
Cash and cash equivalents (Note 5)	87.958.133	5.947.110
Debtors and other receivables (Note 7)	13.827.094	34.601.019
Related parties (Note 29)	199.112.805	267.803.399
Total assets	**300.898.032**	**308.351.528**
Liabilities		
Financial obligations (Note 18)	2.564.652.644	1.954.118.614
Suppliers and accounts payable (Note 20)	478.763.144	473.880.691
Related parties (Note 29)	185.589.942	230.362.598
Total liabilities	**3.229.005.730**	**2.658.361.903**
Net liability position	**(2.928.107.698)**	**(2.350.010.375)**

Interest Rate Risk

After hedging, the exposure to variable interest rates accounts for 36% of the total financial debt, within the framework of a risk management policy aligned with the Banco de la República's expansionary monetary policy stance in the medium term.

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

Figures in millions of pesos:

	Financial Obligations		
Fixed-rate bonds	**Value(1)**	**Participation**	**Index**
COP debt	865.882	20,0%	Fixed rate
COP bonds	152.410	3,5%	Fixed rate
Senior bonds	1.763.660	40,8%	
	2.781.952	**64,3%**	
Floating-Rate Bonds			
Senior Bond	440.915	10,2%	Floating
USD Debt	308.641	7,1%	Libor3M
COP Debt	796.167	18,4%	Ibr3M
	1.545.723	**35,7%**	
	4.327.675	**100%**	

(1) Interest rate exposure after hedging.

Sensitivity of Debt to Interest Rate Variations

Debt was analyzed for both positive and negative movements of 100 basis points in interest rates. The sensitivity calculation was performed only on the debt exposed to variable interest rates, which represents 36% of the total.

	Sensitivity (1) Impact on results (COP$000)
+ 100 pb	(15.671.899)
- 100 pb	15.671.899

Derivative Financial Instruments and Risk Management Policy

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

		Notional value (2) - Maturities *(Figures in millions of pesos)*			
Derivatives	**Fair value (1)**	**2025**	**2026**	**Posteriores**	**Total**
Interest Rate Hedges:					
Cash flow	(336.880)	-	-	4.409.150	4.409.150
	(336.880)	**-**	**-**	**4.409.150**	**4.409.150**
Exchange rate hedges:					
Cash flow	879	160.646	-	-	160.646
Fair value	600	616.028	(57.791)	-	558.237
	1.479	**776.674**	**(57.791)**	**-**	**718.883**
Interest rate and Exchange Rate Hedging					
Cash flow	352.139	4.303.275	308.641	2.356.985	6.968.901
	352.139	**4.303.275**	**308.641**	**2.356.985**	**6.968.901**
	16.738	**5.079.949**	**250.850**	**6.766.135**	**12.096.934**

(1) Presented net of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA).

(2) Para cobertura de tipo de interés el importe de signo positivo está en términos de pago fijo, para cobertura de tipo de cambio, un importe positivo significa pago en moneda funcional versus moneda extranjera.

Country Risk

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

On the fiscal front, uncertainty was high in the second half of the year due to a reform increasing central government transfers to regional governments (Sistema General de Participaciones) between 2027 and 2038. This could raise the long-term fiscal deficit to 4.7% of GDP (compared to 2.8% of GDP without the reform). Consequently, the Colombian peso depreciated by 15.3% in 2024 (USDCOP 4,409). Additionally, the persistent strength of the U.S. dollar, concerns over Trump's trade and immigration policies, the decline in oil prices, and concerns about local fiscal management contributed to the COP's depreciation. The possibility of failing to meet fiscal targets could result in a downgrade of the country's credit rating, currently assessed by Moody's at Baa2 and by S&P and Fitch at BB+.

28.4 Legal and Regulatory Compliance Risks

The Company is involved in litigation, tax claims, competition-related disputes, and other legal proceedings.

The Group operates in highly regulated sectors and is currently, and may in the future be, involved in litigation, tax claims, competition-related disputes, and other legal proceedings in the ordinary course of business. The outcomes of these cases are unpredictable and may be unfavorable, not only in economic terms but also due to their potential impact on the Company's image and reputation, especially if they receive media attention. Management assesses these situations based on their likelihood of occurrence—probable, possible, or remote—and the amounts involved, in order to determine the appropriate recognition and/or disclosure in the consolidated financial statements.

An adverse ruling or an out-of-court settlement in these or other current or future legal disputes could impact the Company's financial position, results, or cash flow. In particular, the Company is currently involved in certain joint liability proceedings, lawsuits for unfair competition filed by other operators, class actions brought by users, and tax proceedings related to income tax and CREE tax, all of which are being handled through the appropriate legal channels and procedures.

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

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

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

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

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

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

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

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

For this purpose, the Board of Directors of the Telefónica Group published the Corporate Sanctions Policy, aimed at defining the main control elements to ensure compliance with such regimes within the framework of its relationships with counterparties. This includes due diligence processes and controls on payments to suppliers and/or third parties, protection through contractual clauses, training and advice, and monitoring of the control model.

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

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

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

29. RELATED PARTIES

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

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

29.1. 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 december, 31	
	2024	**2023**
From outside		
Telefónica Hispanoamérica S.A. (1)	14.669.812	13.975.400
	14.669.812	**13.975.400**

(1) This corresponds to support services, assistance, and advisory provided by the Group's direct personnel in the region.

b) Related Parties

	As of december, 31	
	2024	**2023**
National		
Telefónica Global Solutions Colombia, S.A.S. (1)	17.562.662	10.017.879
Telxius Cable Colombia S.A. (2)	588.721	1.514.809
Telefónica Tech Colombia S.A.S	414.868	249.777
Wayra Colombia S.A.S.	130.502	87.465
	18.696.753	**11.869.930**

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

(2) As of December 31, 2024, a decrease is observed due to improved collections for fixed services.

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

	As of december, 31	
	2024	**2023**
From outside		
Telefónica S.A. (1)	2.345.627	346.693
Telefónica Global Solutions S.L. (Antes TIWS II) (2)	1.774.079	2.002.538
Telefónica Móviles España S.A.U. (3)	1.633.808	261.813
Telefónica Global Roaming Gmbh (4)	760.480	436.854
Telefónica Móviles Argentina S.A. (3)	677.362	505.246
Otecel S.A.	422.201	462.047
Telefonica Brasil S.A	339.575	347.002
Telefónica del Perú S.A.	277.397	357.332
Telefónica Venezolana C.A.	187.178	160.405
Telefónica Innovación Digital, S.L (5)	135.513	-
Telefónica Móviles Chile S.A. (6)	133.006	515.260
Terra Networks Mexico S.A. de CV	115.857	143.540
Telefónica Móviles Uruguay	19.861	23.268
Pegaso Pcs. S.A. de C.V. (7)	16.694	229.395
Telefonica Germany GMBH & CO OHG	6.305	2.264
	8.844.943	**5.793.657**
Total national and foreign affiliates	**27.541.696**	**17.663.587**

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

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

(3) At the end of 2024, the variation is mainly driven by tariff reconciliations and credit notes related to roaming services.

(4) This primarily corresponds to an increase in international roaming traffic through local codes (IMSI).

(5) This relates to the provision of digital services associated with licenses and internet platforms for Internet Protocol Television (IPTV) and Big Data training services.

(6) The decrease at the end of 2024 is due to tariff adjustments in roaming services and lower traffic volume.

(7) The decrease at the end of 2024 is due to the collection of a portion of the outstanding accounts receivable.

c) Associated Companies

	As of december, 31	
National	**2024**	**2023**
Onnet Fibra Colombia S.A.S. (1)	135.436.331	163.786.122
Telefónica Factoring Colombia S.A. (2)	85.742	331.202
Unired Colombia S.A.S.	75.000	-
	75.000	-
	135.597.073	**164.117.324**
From outside		
Telefónica UK Ltd.	555.708	671.686
Telefónica Factoring España S.A.	2.571	4.996
	558.279	**676.682**
Total associated companies	**136.155.352**	**164.794.006**
Total accounts receivable from related parties (Note 7)	**178.366.860**	**196.432.993**

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

	As of december, 31	
	2024	**2023**
Alamo Holdco, S.L. (3)	511.044.754	473.931.256
Onnet Fibra Colombia S.A.S. (1)	63.884.430	121.304.383
Total accounts receivable from related parties (Note 7)	**574.929.184**	**595.235.639**
	753.296.044	**791.668.632**

(1) As of December 31, 2024, the net decrease in the current portion is mainly due to the settlement of the second tranche of the Earn-Out for USD 26.6 million, the transfer from long-term for USD 26.6 million corresponding to the third tranche of the Earn-Out, expected to be settled in 2025, and the transfer to long-term for USD 10 million related to the B2B links variable of the Earn-Out, with expected collection between 2026 and 2029. Additionally, it includes the impact of the 15.36% devaluation of the peso against the dollar in 2024 and a decrease in accounts receivable for recurring deployment services by COP 4,497 million.

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

(2) At the end of 2024, the decrease was presented due to improved collection of intermediation commissions in the factoring operation.

(3) The balance as of December 31, 2024, corresponds to the loan granted as part of the negotiation of fiber optic assets in 2022. The increase of COP 37,113 million corresponds to the capitalization of financial interest associated with the loan, in accordance with the contractual agreement.

Foreign currency balances of national accounts receivable with related parties as of December 31, 2024, and 2023, amount to USD 45,159 thousand (COP 199,112,805) and USD 70,068 thousand (COP 267,803,399), respectively (Note 28).

29.2. Accounts payable

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

Current

a) Shareholders

	As of december, 31	
	2024	**2023**
From outside		
Telefónica Hispanoamérica, S.A. (1)	29.095.103	9.007.064
	29.095.103	**9.007.064**

(1) The increase as of December 31, 2024, is primarily due to the provision of support, assistance, and advisory services by regional personnel to the Company.

b) Related parties

	As of december, 31	
	2024	**2023**
Nationals		
Telefónica Tech Colombia S.A.S(1)	47.592.641	38.604.002
Telefónica Global Solutions Colombia, S.A.S. (2)	23.789.854	19.328.806
Telxius Cable Colombia S.A. (3)	22.364.079	31.189.968
	93.746.574	**89.122.776**

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

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

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

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

	As of december, 31	
	2024	**2023**
From outside		
Telefónica Innovación Digital, S L (1)	32.389.041	25.489.541
Telefónica S.A. (2)	28.453.140	51.999.362
Telefónica Global Solutions S.L. (antes TIWS II) (3)	20.775.170	35.024.826
Telefónica Global Technology S.A.U.	15.213.347	14.568.269
Telefónica Global Solutions USA, INC. (antes Telefónica USA)	8.918.333	9.505.017
Telefónica Compras Electrónica, S.L.	7.964.393	5.579.072
Telefónica Chile Servicios Corporativos Limitada (3)	6.710.568	6.297.835
Telefónica Móviles España S.A.U.	3.582.726	2.235.010
Telefónica IoT & Big Data Tech, S.A. (5)	3.320.069	5.600.288
Telefónica del Perú S.A. (6)	2.532.970	5.053.644
Terra Networks Mexico S.A. de CV	2.199.760	2.017.558
Telefónica Móviles Uruguay (7)	1.624.294	45.772
Telefónica Global Roaming Gmbh	1.184.966	708.825
Pegaso Pcs. S.A. de C.V.	747.395	839.615
Telefónica Servicios Audiovisuales S.A.U (8)	613.283	1.063.099
Telefónica Móviles Argentina S.A.	592.622	535.787
Telefonica Brasil S.A	350.550	257.717
Telefónica Global Services GmbH	219.631	-
Otecel S.A.	215.903	415.465
Telefónica Móviles Chile S.A.	179.822	123.602
Telefónica Venezolana C.A.	161.545	92.526
Acens Technologies S.L.	117.821	62.993
Telefonica Germany GMBH & CO OHG	116.040	50.939
Total national and foreign economic associates	**138.183.389**	**167.566.762**
	231.929.963	**256.689.538**

(1) Corresponds to Internet Protocol Television (IPTV) license services during 2024.

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

(3) The variation is due to fewer services provided in 2024 for interconnection and VPN services.

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

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

(6) In 2023, it included obligations for customer-premises equipment purchases. As of the end of 2024, the balance corresponds to roaming services.

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

(8) The decrease at the end of 2024 is due to lower OTT or streaming services (audio, video, and other content transmission over the internet).

c) Associated Companies

	As of december, 31	
	2024	**2023**
Nationals		
Onnet Fibra Colombia S.A.S. (1)	72.750.264	78.638.936
From outside		
O2 T. UK Limited	560.738	198.761
Total with related parties	**560.738**	**198.761**
	73.311.002	**78.837.697**
Total suppliers and accounts payable with related parties (Note 20)	**334.336.068**	**344.534.299**

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

(1) The balance as of December 31, 2024, mainly corresponds to the liability for the FTTH (Fiber to the Home) customer connectivity service.

Non-Current

	As of december, 31	
	2024	**2023**
Share-based payments		
Telefónica S.A. (1)	3.114.879	3.584.437
Total suppliers and accounts payable with related parties (Note 20)	**3.114.879**	**3.584.437**

(1) It mainly corresponds to obligations for long-term action plans.

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

29.3. Revenues, Costs, and Expenses with Related Parties

The 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 year ended december 31,			
	Income		Costs and expenses	
	2024	**2023**	**2024**	**2023**
From outside				
Telefónica Hispanoamérica S.A.(1)	18.649.836	18.171.233	19.782.132	11.315.183
Total actionists from abroad	**18.649.836**	**18.171.233**	**19.782.132**	**11.315.183**

(1) It includes support, assistance, and advisory services provided by the Company's direct personnel in the region and from the region to the Company. The increase in costs and expenses is primarily due to the annual update in corporate services under the Hispam operational model.

b) Related Parties

	For the year ended december 31,			
	Income		Costs and expenses	
	2024	**2023**	**2024**	**2023**
National				
Telxius Cable Colombia S.A. (1)	13.382.474	1.846.101	39.372.817	47.344.167
Telefónica Global Solutions Colombia, S.A.S.(2)	12.975.338	19.975.878	13.334.547	20.186.378
Telefónica Tech Colombia S.A.S. (3)	1.608.699	1.093.993	66.302.189	62.794.896
Wayra Colombia S.A.S.	445.998	441.236	-	-
	28.412.509	**23.357.208**	**119.009.553**	**130.325.441**

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

(2) The decrease in revenue in 2024 is mainly due to lower provision of cloud services and virtual private networks. Costs and expenses in 2024 decreased compared to the previous year due to lower last-mile rental services and reduced project costs in the corporate segment.

(3) In 2024, revenue growth compared to 2023 was mainly driven by office leasing services. Costs increased in 2024, mainly due to security services, licenses, and corporate project activities.

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

	For the year ended december 31,			
	Income		Costs and expenses	
	2024	2023	2024	2023
From outside				
Telefónica Global Solutions S.L. (Antes TIWS II) (2)	11.612.692	14.862.090	31.658.964	46.599.079
Telefónica Global Roaming Gmbh (2)	3.868.191	3.844.791	1.147.711	1.029.983
Telefonica Brasil S.A	829.769	971.230	457.436	411.333
Telefónica Móviles Chile S.A.	809.517	1.081.921	225.497	229.630
Telefónica del Perú S.A. (3)	785.458	927.384	1.022.409	9.266.472
Telefónica Móviles España S.A.U. (4)	722.750	846.097	1.068.122	2.380.435
Otecel S.A.	605.814	669.232	418.566	460.014
Telefónica Móviles Argentina S.A.	232.600	300.782	329.215	390.464
Terra Networks Mexico S.A. de CV	205.457	194.367	4.415.255	3.880.708
Telefónica Innovación Digital, S.L (5)	113.876	-	32.786.031	28.613.975
Pegaso Pcs. S.A. de C.V.	82.814	123.677	928.902	1.237.099
Telefónica Móviles Uruguay (6)	44.741	55.221	1.562.368	63.156
Telefonica Germany GMBH & CO OHG	7.561	11.246	159.237	227.171
Telefónica Venezolana C.A.	6.164	996	258.718	179.455
Telefónica Ingeniería de Seguridad S.A.	-	118.488	-	-
Acens Technologies S.L.	-	8.473	54.836	-
Telefónica Global Services GmbH	-	-	992.607	-
Telefónica S.A.(1)	-	-	48.827.596	55.804.534
Media Networks Latin America S.A.C.	-	-	-	1.696.149
Telefónica Global Technology S.A.U. (7)	-	-	19.198.653	16.998.444
Telefónica Global Solutions USA, INC. (antes Telefónica USA	-	-	13.950.091	10.899.650
Telefónica Compras Electrónica, S.L.	-	-	11.447.175	9.089.502
Telefónica IoT & Big Data Tech, S.A.	-	-	9.579.077	8.774.182
Telefónica Chile Servicios Corporativos Limitada	-	-	7.647.951	6.631.997
Telxius Cable América S.A.	-	-	-	1.917.141
Telefónica Servicios Audiovisuales S.A.U.	-	-	982.201	1.760.677
Telxius Cable España S.L.U.	-	-	-	959.813
	19.927.404	**24.015.995**	**189.118.618**	**209.501.063**
	48.339.913	**47.373.203**	**308.128.171**	**339.826.504**

(1) A decrease in brand usage costs (Brand Fee) is observed, mainly due to lower revenue from terminal sales compared to 2023.

(2) The year-over-year revenue decrease is due to lower international interconnection traffic. Additionally, Virtual Private Network (VPN) services, international traffic, and media leasing declined compared to the previous year.

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

(4) The decrease in revenue and costs in 2024 is mainly due to lower traffic in roaming services.

(5) In 2024, there was an increase in expenses mainly related to Digital Fee services for IPTV licenses and platforms.

(6) During 2024, there was an increase in consulting and support services for the adoption of Hispam best practices.

(7) There was an increase in costs and expenses in 2024 for IT services and application maintenance, mainly SAP and Salesforce.

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

c) Associated Companies

	For the year ended december 31,			
	Income		Costs and expenses	
	2024	2023	2024	2023
National				
Onnet Fibra Colombia (1)	431.069.793	652.004.052	355.411.895	277.716.800
Telefónica Factoring Colombia S.A.	410.695	470.026	-	-
	431.480.488	**652.474.078**	**355.411.895**	**277.716.800**
From outside				
Telefónica UK Ltd	2.147.561	2.071.590	273.562	321.398
Telefónica Factoring España	-	4.199	-	-
	2.147.561	**2.075.789**	**273.562**	**321.398**
	500.617.798	**720.094.303**	**683.595.760**	**629.179.885**

1) During 2024, a decrease in revenue was recorded mainly due to: (i) amortization of the exclusivity generated from the sale of fiber optic assets amounting to $183,390 million; (ii) lower fiber optic network deployment services associated with a reduced number of connected households, amounting to $60,904 million; and (iii) an increase in overperformance with mass-market customers related to the Earn Out, amounting to $25,384 million.

   The net increase in costs and expenses is primarily due to higher customer connectivity, driven by the preference for the nationwide fiber optic network.

The following is a summary of transactions related to revenue, costs, and expenses recorded for the years 2024 and 2023 with related parties, categorized by the nature of the goods or services provided between the parties, as follows:

Income:

	For the year ended december 31,	
	2024	2023
Fixed services (1)	349.114.756	416.919.181
Roaming revenue	10.082.924	10.709.543
Fixed interconnection	9.392.533	12.207.633
Digital services	4.156.244	4.746.901
Mobile services	437.085	659.208
Handset sales	22.594	1.608
	373.206.136	**445.244.074**
Other operating income (2)	127.411.662	274.850.229
Total operating income	**500.617.798**	**720.094.303**
Operating income - Associated Companies (3)	75.896.788	111.581.123
Total income	**576.514.586**	**831.675.426**

1) As of December 31, 2024, there was a decrease mainly associated with the provision of fiber optic deployment services with Onnet Fibra Colombia S.A.S. and private virtual network services with Telefónica Global Solutions Colombia S.A.S.

2) The variation is mainly due to lower revenue with Onnet Fibra Colombia from the amortization of the exclusivity deferred revenue in the sale of fiber optic assets for ($169,858) million and the revenue recognized in 2023 related to the wholesale agreement with KKR for ($13,532) million. This is offset by the revenue recognized in 2024 due to the overachievement with mass-market customers under the Earn Out concept for $25,384 million. Additionally, it includes the revenue generated in 2024 from the sale of dark fiber, ducts, and real estate to Operadora Telxius Cable Colombia S.A. for $12,125 million, as well as administrative services with Telefónica Hispanoamérica S.A.

3) A decrease of ($22,367) million was presented in revenue generated with Onnet Fibra Colombia S.A.S. due to the financial update on the Earn Out right and the reclassification of overachievement with mass-market customers. Additionally, in 2024, financial income associated with the loan granted to Alamo Holdco S.L. decreased by ($13,328) million, linked to the sale of fiber optic assets, mainly due to a lower reference rate.

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

Operating Costs and Expenses:

	For the year ended december 31,	
	2024	**2023**
Media and other network infrastructure rentals (1)	412.333.383	354.858.643
Other operating costs and expenses (2)	102.618.846	76.053.228
Advertising	50.056.746	56.392.145
Leasing and third-party activities for clients (3)	49.615.547	70.763.855
Interconnection and roaming (4)	29.444.268	39.777.059
Handset costs	20.603.234	15.188.725
Content providers	17.820.334	14.400.823
Equipment and facility maintenance	1.061.478	1.457.898
Labor costs	41.924	287.509
Total transactions with related parties	**683.595.760**	**629.179.885**
Financial expenses (5)	38.031.995	31.559.055
Amortization	7.670	-
Total costs and expenses with related parties	**721.635.425**	**660.738.940**

(1) During 2024, there was a net increase mainly due to FTTH connectivity services with Onnet Fibra Colombia SAS, which were partially offset by updates to lease contracts that were reclassified as right-of-use assets with Telxius Cable Colombia S.A. Additionally, there were lower costs for international VPN services associated with corporate projects with Telefónica Global Solutions S.L.U.

(2) The increase in 2024 is mainly related to corporate services under the regional model with Hispam, the provision of digital services for IPTV licenses and platforms with Telefónica Innovación Digital S.L., as well as fees for the use of the Adquira platform with Telefónica Compras Electrónicas, S.L. and Smart M2M with Telefónica IoT & Big Data Tech, S.A.

(3) The decrease in 2024 was mainly driven by lower expenses with Operaciones Tecnológicas y Comerciales S.A.S, Telefónica Tech Colombia S.A.S., and Telefónica Global Solutions Colombia S.A.S. in labor services for fixed customer installations, cybersecurity services, licenses, and lower demand for corporate projects.

(4) The decrease in 2024 was primarily due to lower charges for international traffic and roaming services with Telefónica Global Solutions S.L.U., Telefónica Móviles España S.A., and Telefónica Global Roaming GmbH.

(5) The increase in 2024 was mainly due to the financial update of the Earn Out right associated with the links variable in the B2B segment.

29.4. Remuneration information for key management personnel

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

	For the year ended december 31,	
	2024	**2023**
Salaries, wages, and other benefits	16.971.594	17.111.496
Executive compensation plan (shares and annual bonus)	7.360.377	4.943.628
Institutional plans	2.915.989	2.936.739
Other benefits	607.133	497.006
Voluntary retirement bonus	-	214.572
	27.855.093	**25.703.441**

30. CONTINGENCIES

The 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.

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

As of December 31, 2024, there are 1,937 ongoing proceedings, of which 102 are classified as probable contingencies, 1,044 as possible, and 791 as remote.

1. Probable Proceedings

The following details the proceedings classified as highly probable (Note 21).

	As of december, 31			
	2024		2023	
	Quantity	Value	Quantity	Value
Current:				
Legal proceedings (1)	3	16.363.930	-	-
Administrative investigations of users (2)	25	3.982.882	38	5.042.371
	28	**20.346.812**	**38**	**5.042.371**
Non-current:				
Labor proceedings (3)	42	2.299.911	32	2.142.757
Other investigations (4)	3	1.247.804	-	-
Administrative and regulatory investigations (5)	4	1.050.317	9	2.558.260
Legal proceedings (1)	25	839.361	29	3.614.498
	74	**5.437.393**	**70**	**8.315.515**
	102	**25.784.205**	**108**	**13.357.886**

1. Mainly includes requests related to civil and administrative proceedings. As of December 31, 2024, a resolution was recognized in favor of the third party, Radio Televisión Nacional de Colombia.

2. Includes proceedings related to customer petitions, complaints, and claims (PQR), which are under review by the regulatory entity.

3. Covers legal proceedings arising from direct or indirect employment relationships with the Company, which are conducted before the labor jurisdiction.

4. Includes cases related to user protection and proper information management in compliance with Habeas Data regulations.

5. Primarily includes requests related to administrative and regulatory proceedings before the Superintendence of Industry and Commerce and the Ministry of Information and Communication Technologies of Colombia.

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.

a. Legal Proceedings

Processes aimed at obtaining a decision from the judicial authority called upon to resolve the disputed issue. These include processes from civil, administrative litigation, criminal, constitutional jurisdictions, among others. There are 639 open processes classified as possible, with a total value of $26.648.371.

b. Labor Proceedings

Labor lawsuits through which the claimants seek payment of labor rights arising from their direct employment relationships with the Company or with a third party, in the latter case, seeking the solidarity of Colombia Telecomunicaciones S. A. E.S.P. BIC. There are 339 open processes classified as possible, with a total value of $42.871.830.

c. **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 14 administrative and judicial processes in progress with possible qualifications, valued at $5.926.855.

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 27 possible processes reported for $2.520.829.

iii. Regulatory: Control procedures for alleged breaches in compliance with telecommunications regulatory norms. There are 15 possible processes totaling $67.226.180.

iv. Administrative: Administrative processes initiated by supervisory authorities for investigation by the Superintendence of Industry and Commerce and other administrative entities. There are 10 possible processes totaling $7.470.156.

31. COMMITMENTS

Infrastructure Sharing with Colombia Móvil S. A.

Resolution 449 of 2013, including its amendments and additions, as well as the resolutions of frequency assignment to each of the telecommunications service operators in Colombia, established that for the sake of efficient use of the infrastructure, the assignees of the radioelectric spectrum must share elements of active and/or passive infrastructure, including that related to the communications network equipment (Core Network and Access Network), towers, poles, channeling and any other that may be required, own or from third parties, as long as it does not constitute a spectrum assignment.

In line with the provisions of such resolutions, Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. entered into an Alliance on December 2, 2013, to jointly execute the deployment of the Telecommunications Network, under 4G LTE technology. This alliance allows Colombia Telecomunicaciones S.A. E.S.P. BIC, and Colombia Móvil S.A., the shared use of the 4G access network to support the provision of their telecommunications services under conditions of freedom and competition without sharing or ceding the spectrum. On October 18, 2022, Addendum No. 5 to the alliance was signed to extend its term until December 2, 2028. This alliance allows Colombia Telecomunicaciones S.A. E.S.P. BIC and Colombia Móvil S.A. to share the 4G access network as a support for the provision of their telecommunications services, under conditions of freedom and competition without implying sharing or ceding the spectrum.

Significant Contracts

Below is a detail of the contracts entered into with suppliers in force as of December 31, 2024, and which are considered significant:

	Contractor	Object of the contract	Completion Date	Contract value (COP$000)
1	ATP FIBER COLOMBIA S.A.S.	This contract establishes the terms and conditions applicable between the parties regarding the provision of connectivity services by ATP Fiber to Colombia Telecomunicaciones S.A. E.S.P. through a passive optical network.	21/05/2030	724.909.748
2	COBRA INSTALACIONES Y SERVICIOS SUCURSAL S.A.	Customer loop service consisting of the integrated installation and maintenance of equipment, infrastructure, and telecommunications networks at the facilities of Colombia Telecomunicaciones S.A. E.S.P.	31/05/2025	709.750.694
3	COMFICA COLOMBIA S.A.S	Customer loop services consisting of the integrated installation and maintenance of equipment, infrastructure, and telecommunications networks at the facilities of Colombia Telecomunicaciones in the Bogotá area.	30/06/2025	664.081.926
4	ATC Fibra de Colombia S.A.S.	This contract establishes the terms and conditions applicable between the parties regarding the provision of connectivity services by ATC over a passive optical network to Colombia Telecomunicaciones.	18/12/2029	571.846.203
5	PHOENIX TOWER INTERNATIONAL COLOMBIA LTDA.	Tower space lease.	29/05/2029	552.330.098
6	EMERMEDICA S.A, SERVICIOS DE AMBULANCIA PREPAGADOS	Provision of medical emergency services, including virtual, in-person guidance, and/or patient transportation in a fast, agile, and timely manner for any medical emergencies occurring at Colombia Telecomunicaciones' facilities nationwide.	31/08/2026	516.534.019
7	CISCO SYSTEMS INC	Cisco Colombia equipment agreement for clients, goods, and Cisco services.	30/04/2025	456.005.398
8	ENERGIA INTEGRAL ANDINA S.A.	Provision of carrier services by Energía Integral Andina S.A. to the subscriber through its submarine fiber optic cable system named San Andrés Islas - Tolú Colombia.	30/06/2030	438.114.666
9	OPERACIONES TECNOLÓGICAS Y COMERCIALES OPTECOM S.A.S	The purpose of this contract is the continued provision by the contractor of the customer loop service, consisting of the integrated installation and maintenance of equipment, infrastructure, and telecommunications networks at the facilities of Colombia Telecomunicaciones.	31/05/2025	402.863.796
10	ERICSSON DE COLOMBIA S.A.S	The contractor will supply goods and services for the operation of the RAN network in high frequencies (1900 MHz, AWS 1700-2100 MHz) and low frequencies (700 and 850 MHz) authorized for the contracting entity in western Colombia.	31/12/2024	394.551.159

	Contractor	Object of the contract	Completion Date	Contract value (COP$000)
11	HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	The contractor will supply, as indicated by the contracting entity, eNodeBs and services for their implementation, dismantling, network management, training, and other activities necessary for the operation of the RAN access network in the frequency bands authorized for Colombia Telecomunicaciones S.A. E.S.P. (Phase 7 LTE).	31/03/2025	379.455.329
12	SEGURIDAD ATLAS LTDA	Provision of private security services for the assets, infrastructure, and facilities used by the contracting entity.	30/06/2026	373.131.009
13	YEAPDATA SAS	The contractor will supply goods, licenses, and services for the design, configuration, implementation, maintenance, and support of telecommunications solutions required by the contracting entity's end customers under the Avaya brand, including managed services and complementary products of said brand.	30/07/2026	368.388.101
14	INMEL INGENIERIA S.A.S.	Customer loop service consisting of the integrated installation and maintenance of telecommunications infrastructure, equipment, and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	316.782.188
15	ENERGIA INTEGRAL ANDINA S.A.	This framework agreement regulates the terms and conditions of the legal business for (i) the supply by EIASA of submarine cable transport capacity for San Andrés and (ii) the subscription of a lease contract.	31/03/2032	288.321.918
16	ASKEY COMPUTER CORP.	Supply of VDSL modems, IAD, and VDSL Plus in DAP and FOB mode.	31/12/2025	284.078.096
17	EMCOMUNITEL S.A.S	Customer loop service consisting of the integrated installation and maintenance of telecommunications infrastructure, equipment, and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	271.736.987
18	MITRASTAR TECHNOLOGY CORPORATIONS	Supply of VDSL modems, IAD - Light, IAD-Plus, ONT HGU, and Baseport in DAP FOB mode.	31/12/2024	270.785.886
19	LITEYCA DE COLOMBIA S.A.S	Service known as "loop," consisting of the integrated installation and maintenance of telecommunications infrastructure, equipment, and networks.	31/05/2025	254.106.811
20	ATC SITIOS DE COLOMBIA S.A.S.	Lease of site space.	30/08/2025	214.851.603
21	OPERACIONES TECNOLÓGICAS Y COMERCIALES OPTECOM S.A.S	Design, supervision, and project oversight services for FTTH network deployment.	31/03/2025	196.436.960
22	INFINERA COLOMBIA S.A.S.	The contractor will supply, as indicated by the contracting entity, technology (BS) equipment and services for the integration, operation, and maintenance of DWDM equipment, including demands and capacities of 100/10/1EG/FC/SDH, according to the periodicity, location, and quantity established by the contracting entity.	31/12/2026	194.699.070
23	CARIBEMAR DE LA COSTA S.A.S. E.S.P.	Supply of electricity through the non-regulated market for Colombia Telecomunicaciones' facilities.	31/12/2024	193.934.687
24	HAVAS + S.A.S	Media agency fee 2021.	31/03/2025	191.048.238
25	OPERACION Y GESTION INTEGRAL S.A.S	Customer loop service consisting of (i) the integrated installation and maintenance of telecommunications infrastructure, equipment, and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	187.647.955

	Contractor	Object of the contract	Completion Date	Contract value (COP$000)
26	TD SYNNEX COLOMBIA LTDA	The contractor shall supply, as indicated by the contracting party, UTM Firewall, web content filtering, antimalware system, and proxy. It shall also provide software licenses applicable to the Check Point and Blue Coat brands and offer the necessary support services, in accordance with the established frequency, location, and quantity	30/04/2025	170.582.629
27	HP COLOMBIA S.A.S.	The contractor must supply, as per the contracting party's instructions, computer equipment with associated software, printers, accessories, and POS (Point of Sales) solutions for clients of IT workstations (PDTI) and computer resale, in accordance with the established frequency, location, and quantity.	31/03/2025	159.007.404
28	PROSEGUR VIGILANCIA Y SEGURIDAD PRIVADA LTDA	The contractor must provide physical security services for technical and administrative offices, as well as customer experience centers in the departments of Antioquia, Arauca, Atlántico, Bolívar, Boyacá, Caldas, Casanare, Cesar, Chocó, Córdoba, Guajira, Magdalena, Norte de Santander, Risaralda, San Andrés, Santander, and Sucre, as per the frequency, location, and quantity requested by the contracting party.	30/06/2026	156.251.294
29	FIBERHOME TELECOMMUNICATION TECHOLOGIES CO LTD SUCURSAL COLOMBIA	The contractor undertakes to supply fiber optic cable with the frequency, at the location, and in the quantity specified by the contracting party.	31/03/2025	150.799.424
30	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA	The contractor undertakes to supply the goods and services for integration, commissioning, operation, and maintenance of the equipment for the HL2, HL3, HL4, and HL5 layers of CT's IP network.	31/12/2026	140.181.924
31	INVERSIONES COPSERVIMOS S.A.	Customer loop service consisting of (i) the integrated installation and maintenance of equipment, infrastructure, and telecommunications networks at the premises of Colombia Telecomunicaciones (hereinafter CT), its customers, or third parties with whom Colombia Telecomunicaciones enters into contracts.	31/05/2025	135.070.378
32	TELEFONICA TECH COLOMBIA S.A.S	Services for the development of new cybersecurity products and vulnerability management solutions that facilitate detection and effective response to multiple types of cyber threats that may arise and significantly impact the business model of Telefónica's clients.	31/12/2028	134.221.788
33	ANDEAN TOWER PARTNERS COLOMBIA S A S	ATP leases to Colombia Telecomunicaciones, which accepts it under the same terms, the leased area for the accommodation of Colombia Telecomunicaciones' IT equipment and networks, as well as the provision of related services.	30/12/2033	126.773.497
34	UFINET COLOMBIA S.A.	The contractor grants the contracting party the irrevocable right of use (IRU) for eight fiber optic strands for telecommunications, as well as the provision of operation and preventive and corrective maintenance services for the fiber optic infrastructure.	14/11/2032	126.401.628
35	INFOMEDIA SERVICE S.A.	Supply of goods, licenses, and direct manufacturer support services for telecommunications technology such as routing, switches, and access points, including all necessary components for the proper functioning of the equipment.	30/03/2026	125.346.830

Contractor		Object of the contract	Completion Date	Contract value (COP$000)
36	TELEFONICA TECH COLOMBIA S.A.S	Supply of equipment, goods, licenses, hardware (HW), software (SW), and direct manufacturer support services for technology such as routers, switches, and access points (APs) for end-customer service.	30/03/2026	125.346.826
37	ZTE COLOMBIA SAS	The contractor undertakes to supply, with the frequency, at the location, and in the quantity specified by the contracting party, cards, modules, rack equipment, and other goods, along with installation, implementation, and integration services for CT's NBI solution SDN management systems.	31/12/2026	123.991.673
38	HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	Supply of fiber optic passive components, pre-connectorized fiber cable, and optical splitters.	31/03/2025	122.579.350
39	SERVICIOS POSTALES NACIONALES S. A.	The contractor undertakes to provide, nationwide and as per the contracting party's instructions, distribution, delivery, and reverse logistics services for goods, as well as document legalization and operational management tasks.	31/12/2024	121.029.951
40	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA	The contractor undertakes to supply the goods and services necessary for the development, design, installation, implementation, configuration, testing, commissioning, integration with the SIGRES platform, training, technical support, and expansion of ADSL 2 ports.	30/04/2025	119.576.842
41	WM WIRELESS & MOBILE SAS	The contractor must supply, as per the contracting party's instructions, services for the National Community Surveillance Model (MNVCC) for 2,292 quadrants, including a mobile application, installation, updates, geographic traceability, geographic viewer, line transfer, MDM software, call recording, level 3 support, training, and application development related to the MNVCC.	31/01/2025	109.113.389
42	FSCR INGENIERIA S.A.S	Customer loop service consisting of the integrated installation and maintenance of equipment, infrastructure, and telecommunications networks at Colombia Telecomunicaciones' premises.	31/05/2025	108.114.116
43	BLU-CASTLE IBERIA SL	Supply of IPTV equipment.	31/12/2024	104.561.469

32. FINANCIAL INDICATORS - NOT DEFINED IN THE ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACCEPTED IN COLOMBIA

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

1) EBITDA

	For the year ended december 31,	
	2024	**2023**
Net income for the year	(469.936.070)	(689.666.350)
Add:		
Depreciation and amortization (Note 26)	1.057.263.407	1.396.677.680
Net financial expense (Note 27)	700.382.854	558.076.907
Equity method (Note 12)	76.455.886	46.156.669
Income and complementary taxes (Note 11)	187.391.269	249.331.368
EBITDA	**1.551.557.346**	**1.560.576.274**

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 december 31,	
	2024	2023
a) Total debt level (1)	75,896%	70,531%
b) Level of short-term debt (2)	38,099%	42,486%

(1) The debt level shows an increase as of December 31, 2024, mainly due to the acquisition of new debt with financial institutions to refinance maturities during 2024 at current market rates.

(2) The short-term debt level shows a decrease as of December 31, 2024, primarily due to the payment of the local bond for $347 billion in the first half of 2024, in accordance with the maturity plan.

2.2) Solvency Ratios:

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

	As of december 31,	
	2024	2023
Solvency ratio (1)	1,318	1,418

(1) The solvency ratio measures a company's ability to meet its debt obligations. As of December 31, 2024, a variation is observed mainly due to the acquisition of new loans for debt reprofiling and working capital at current market rates.

2.3) Profitability ratios:

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

	For the year ended december 31,	
	2024	2023
a) Operating margin (1)	7,397%	2,301%
b) OIBDA margin	23,218%	21,909%

(1) The variation at the end of 2024 is mainly due to better performance in terminal sales costs and higher margins in fiber optic deployment projects, as well as costs associated with connectivity through fiber optic access.

2.4) Liquidity ratios

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

	As of december 31,	
	2024	2023
a) Net working capital (In thousands of COP$)	(942.300.769)	(1.452.822.373)
b) Current ratio	0,775 veces	0,639 veces
c) Acid test	0,744veces	0,594 veces

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

These indicators are static measures of the resources available at a given moment to meet short-term obligations. In this regard, the analysis of short-term liquidity and solvency should consider the cash flow projections made by the Group, which ensure ongoing business operations.

This indicator is influenced by the Group's strategies such as the investment execution cycle, non-recurring businesses, changes in business strategy like fiber optic deployment where significant resources are invested to capture customers, and changes in the macroeconomic environment.

2.5) Organizational Capacity

	For the year ended december 31,	
	2024	**2023**
a) Return on equity ROE (1)	(13,483%)	(17,446%)
b) Return on assets ROA (2)	3,418%	1,222%
c) Net profitability	(7,032%)	(9,682%)

(1) The variation at the end of 2024 compared to the same period in 2023 is mainly due to the decrease in net income, primarily driven by the reduction in the (deferred tax asset) recognized for the useful lives of assets classified as held for sale under the single network project. Additionally, the increase in financial expenses due to interest effects from new loans acquired during the year also contributed to the variation.

(2) The variation at the end of 2024 compared to 2023 is mainly due to the net effect between revenue and associated costs, primarily driven by better margins in terminal sales costs and higher margins in fiber optic deployment projects, as well as costs associated with connectivity through fiber optic access.

2.6) Interest coverage

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

	For the year ended december 31,	
	2024	**2023**
Interest coverage (1)	1,063 veces	3,029 veces

The variation of this indicator at the end of 2024 compared to 2023 corresponds to the net effect of: (i) better performance in terminal sales costs and higher margins in fiber optic deployment projects, as well as costs associated with connectivity through fiber optic access, and (ii) the increase in financial expenses due to the acquisition of new financial obligations during the year.

3) Operational Information

a. Accesses

	2024				**2023**
	Dec-31	**sep-30**	**jun-30**	**mar-31**	**Dec-31**
			(Units 000)		
End Customers	**24.373**	**24.421**	**24.644**	**24.394**	**25.112**
Fixed Services:	**3.601**	**3.625**	**3.659**	**3.686**	**3.680**
Basic Line (1)	1.203	1.243	1.297	1.343	1.381
Data	1.549	1.531	1.516	1.502	1.471
Television	849	851	846	841	828
Mobile Services:	**20.772**	**20.796**	**20.985**	**20.708**	**21.432**
Prepaid	*15.638*	*15.622*	*15.747*	*15.389*	*16.001*
Postpaid	*5.134*	*5.174*	*5.238*	*5.319*	*5.431*

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

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

b. ARPU (Average revenues per user)

	2024				2023
	Dec-31	**sep-30**	**jun-30**	**mar-31**	**Dec-31**
			(COP$)		
Basic line, broadband, and TV (1)	39.531	36.174	36.946	34.522	35.030
Total Mobile (2)	10.224	9.960	10.008	10.636	9.983
Prepaid	*2.714*	*2.429*	*2.330*	*2.446*	*2.428*
Postpaid	*32.959*	*32.656*	*33.000*	*34.202*	*32.320*

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

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

33. EVENTS SUBSEQUENT TO THE STATEMENT OF FINANCIAL POSITION DATE

Between January 1, 2025, and the date of issuance of the consolidated financial statements, no significant events have occurred that could affect the Group's financial situation.