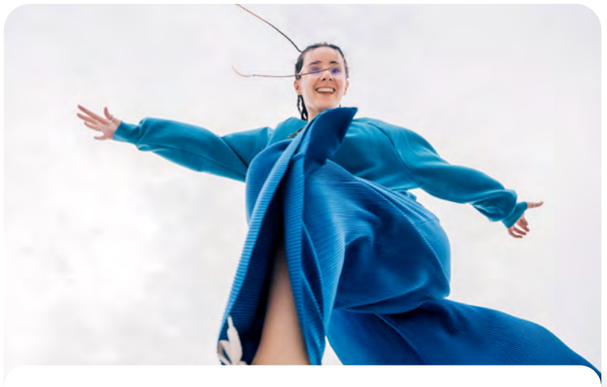


Responsible Management Report

2024

Colombia Telecomunicaciones S.A. E.S.P. BIC
BIC Management Report with GRI Standards

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Letter from the CEO

(GRI Content 2-22)



2024: A year of transformation and commitment to the future

2024 has been a year of great changes and challenges, marked by significant milestones in the telecommunications industry. We have played a leading role in this evolution, adapting to new dynamics and laying the foundations for the transformation of the sector in the coming years. More than ever, this year has shown the impact and relevance of our industry in people's lives.

Despite macroeconomic, regulatory and climate challenges, Telefónica Movistar Colombia closed the year with solid results in a highly competitive environment. Our purpose of *making our world more human by connecting people's lives* continues to be our greatest inspiration. We are committed to inclusive and sustainable connectivity, contributing to reduce gaps and generating well-being through technology.

As a Collective Benefit and Interest Company (BIC), we integrate responsible practices, ensuring a business model aligned with governance, environmental protection, human rights, labor equity and community and business development. We are committed to sustainable growth, supported by technology and certified processes that endorse our commitment to the digital, social and economic development of the country.

None of this would be possible without the talent, passion and commitment of our 5,422 direct employees and more than 17,000 indirect employees. Thanks to their dedication, we have achieved our goals, benefiting more than 24.4 million customers, including 22.83 million people and 2 million companies.

This success has been driven by a strategy that integrates sustainability and digital transformation, generating excellent economic, operational, and financial results. In 2024, we made investments of approximately COP 503 billion, mainly in our mobile network, single network and customer service. As a result, we achieved operating revenues of around COP 6.67 trillion, an EBITDA of COP 1.54 trillion. In addition, we reaffirmed our commitment to sustainability by managing to negotiate close to COP 1.6 trillion in debt under a credit financing model linked to sustainability indicators such as women's leadership, cybersecurity training, energy efficiency and emissions reduction.

In our bet on digital inclusion, we reaffirmed our commitment to connect the country more and better, consolidating our position as the first operator to deploy the 5G network, providing a key opportunity to strengthen the digital infrastructure that the country needs for its development and we continue to be the number one operator in Fiber Optics in Colombia; we closed 2024 with almost 1.5 million homes and companies connected and more than 5.9 million homes passed in 92 municipalities. In addition, for the sixth consecutive time, we were recognized with the Ookla *Speedtest Award* as the operator with the fastest fixed Internet in the country, reaffirming our commitment to quality connectivity. This technology is not only more efficient and sustainable, but has also been key to driving our employability and equity agenda. Thanks to its deployment and operation, we have generated opportunities for more than 3,460 people, including more than 620 women who are now part of *Mujeres en Red* (Connected Women).

This year we celebrated one of the most important milestones in the sector: the closing of the transaction that allowed the creation of Unired Colombia SAS, a joint effort between Telefónica Movistar Colombia and Tigo - Colombia Móvil for the implementation of a single mobile access network. This progress will allow us to expand coverage, improve speed and capacity, and offer our Movistar users a superior browsing and call quality experience.

As a Telco, it is linked to our Core in the way we do things, and in our commitment to being a responsible business, we have set goals that drive our environmental, social and governance agenda.

On the environmental front, we are making progress on our sustainability goals. Our objective is clear: to achieve zero net emissions by 2040. In 2024, we achieved a 73 % reduction in our CO_2 emissions compared to 2015, which is equivalent to more than 39 thousand fewer tons of carbon in the environment. We also reaffirmed our leadership in sustainability by participating in key events such as COP16, strengthening our commitment to biodiversity and long-term environmental strategies.

We are proud to be pioneers in digital solutions with the Eco Smart Seal, helping more than 67 thousand companies to reduce their carbon footprint and efficiently manage their resources.

The promotion of the circular economy has been key: in 2024, we refurbished equipment, optimized maintenance and managed copper scraps, recovering this material for commercialization. Thanks to these initiatives, we recycled 99.7 % of our waste, minimizing disposal and promoting sustainable practices.

Social impact has also been a key pillar. Through the Telefónica Movistar Colombia Foundation, we have benefited more than 1.7 million people by means of Digital Education, Employability and Digital Entrepreneurship, Knowledge and Digital Culture programs, and the Corporate Volunteer Program.

We also maintain our commitment to the development of local suppliers and allies, expanding our commercial relationships in the country; today, 74 % of our suppliers are Colombian and have been awarded 90 % of the value of our purchases, in addition to promoting sustainability in our supply chain.

This report presents our progress in 2024, in line with the Sustainable Development Goals (SDGs), the United Nations Global Compact Principles and our sustainability commitments. Through these actions, we reaffirm our purpose of contributing to the sustainable development of Colombia and the world, promoting connectivity, diversity, inclusion and respect for human rights, while enhancing the digital and sustainable transformation of the country.

I invite you to read this report and to continue collaborating to build, together, a more connected, sustainable and inclusive future.



FABIÁN ANDRÉS HERNÁNDEZ RAMÍREZ
Presidente CEO Telefónica Movistar Colombia



01

About this Report

GRI Content 2-2, 2-3

Colombia Telecomunicaciones S.A. ESP BIC (hereinafter Telefónica Movistar Colombia, Movistar or the "Company"), has prepared this report in accordance with the GRI Standards for the period from January 1 to December 31, 2024. This report is framed within the guidelines of Law 1901 of 2018, Decree 2046 of 2019, and Resolution 200-004394 issued by the Superintendence of Companies of Colombia, applicable to Collective Benefit and Interest Companies (BIC).

The document includes information on the Company's financial (economic) and non-financial (environmental, social and corporate governance, ESG) management, also complying with the provisions of Articles 46 and 47 (as amended by Article 1 of Law 603 of 2000), Article 446 of Law 222 of 1995 (Colombian Commercial Code) and Article 87 of Law 1876 of 2013.

Some items refer to other Telefónica Group entities operating in Colombia, such as Fundación Telefónica Movistar Colombia and Wayra, whose results are not reflected in the Company's financial statements.

This report adopts the recommendations established in the ESG Reporting Guidelines for Issuers in Colombia, documenting Movistar's management within the framework of the Global Compact Principles, the contribution to the 2030 Agenda through the Sustainable Development Goals (SDGs), and the results achieved in the Key Performance Indicators (KPI) related to credits linked to the performance of sustainability indicators agreed with financial entities.

Conventions

In this report you will find the conventions associated with the management of the activities of a BIC company prioritized by Colombia Telecomunicaciones S.A. ESP BIC and the sustainability indicators linked to Sustainable Financing.

1 Business Model

Activity prioritized as a BIC Company in the Business Model dimension

2 Corporate Governance

Activity prioritized as a BIC Company in the Corporate Governance dimension

3 Labor Practices

Activity prioritized as a BIC Company in the Labor Practices dimension

4 Environmental Practices

Activity prioritized as a BIC Company in the Environmental Practices dimension

5 Community Practices

Activity prioritized as a BIC Company in the Community Practices dimension

Sustainability indicator associated with bank credit commitments

Process for the Preparation of the Report

The Company considers the GRI Standards for reporting in response to the requirements as a BIC company. The Responsible Management Report includes the following stages for its preparation: preparation, collection of information, drafting, review and approval, and publication and communication.

1. Preparation → 2. Information Collection → 3. Drafting → 4. Review and Approval → 5. Publication and Communication

Preparation
The Company's legal representative leads the preparation of the Responsible Management Report - BIC Management Report. However, he designates the Public Affairs Department and the Sustainability Coordination to advance the collection of information and drafting of the report.

Information collection
Qualitative and quantitative information is collected and analyzed from different areas, considering commitments with the Global Compact, financial entities and other stakeholders. Tools such as Workiva and GreTel help systematize sustainability indicators. Materiality, sustainability KPIs and other commitments are also reviewed.

Drafting
(GRI Contents 2-3, 2-5)

The Responsible Management Report - BIC Management Report is published annually. The information is provided in January, and once the indicators and information from the previous year have been closed, management is documented, responding to the prioritized BIC activities, the commitments made with other organizations and the principles of GRI Standards.

The report is reviewed by the management team, the Audit Committee, the Board of Directors and approved by the General Shareholders' Meeting. It also includes audited figures from the operation in Colombia for the Telefónica S.A. Report.

Review and Approval
The Responsible Management Report - BIC Management Report is submitted by the legal representative to the Board of Directors and is reviewed and approved by the General Shareholders' Meeting.

Publication and Communication
After approval, the report is published on the website and sent to entities such as the Global Reporting Initiative, the Superintendence of Companies, Global Compact and other interested parties upon request.

02

Organization: Telefónica Movistar Colombia

GRI Content 2-1 and 2-6

Origin

Colombia Telecomunicaciones S. A. E.S.P. BIC (the "Company", Telefónica Movistar Colombia or Movistar), was incorporated in Colombia as a commercial company by Public Deed N.º 1331 of June 16, 2003 until December 31, 2092 and with its main domicile in Bogotá D.C. located at Transversal 60 N.º 114A - 55. It is subject to the legal regime set forth in Law 1341 of 2009 and other applicable regulations. Since 2021, the Company included the expression "BIC" in its corporate name, after having adopted the legal status of Collective Benefit and Interest Company.

The Company operates under the Movistar trademark. It is part of the Telefónica Group, one of the world's leading telecommunications service providers, present in Europe and Latin America, offering telephony and mobile connectivity services, broadband services, fiber optics to the home, pay TV, fixed telephony and a complete range of digital solutions for small, medium and large companies and corporations.

Shareholding composition

During 2024, there were no changes in the capital stock structure or other operations related to the Company's capital.
The Company's shareholder structure is as follows:

Shareholder	Nit/C.C.	N.º of shares	Percentage of participation
Telefónica Hispanoamérica, S.A.	900.847.726-9	2,301,779,819	67.49937427
La Nación - Ministry of Finance and Public Credit	899.999.090-2	1,108,269,271	32.49984282
Radio Televisión Nacional de Colombia - RTVC	900.002.583-6	10,000	0.00029325
Shirley Puentes Mercado	32.771.179	9,950	0.00029178
Adriana Cepeda Rodríguez	32.797.578	2,488	0.00007296
Patricia Cepeda Rodríguez	22.656.420	1,493	0.00004378
Darío Cárdenas Navas	17.066.629	885	0.00002595
Eduardo Cárdenas Caballero	19.210.431	826	0.00002422
Jhon Jairo Gutiérrez Torres	72.225.428	498	0.00001460
Kira Torrente Albor	32.732.749	349	0.00001023
Regional Television Channel TEVEANDINA	830.005.370-4	200	0.00000586
Bucaramanga Metropolitan Area	890.210.581-8	2	0.00000006
Institute of Social Interest Housing and Urban Reform of the Municipality of Bucaramanga - INVISBU	804.001.897-0	2	0.00000006
Caja de Previsión Social Municipal de Bucaramanga (Bucaramanga Social Security Fund)	890.204.851-7	2	0.00000006
Cooperativa de Empleados de las Empresas Públicas de Bucaramanga Ltda.	800.093.901-1	2	0.00000006
Central de Inversiones S.A. - CISA-	860.042.945-5	1	0.00000003
Total		**3,410,075,788**	**100.00000000%**

Our Mission and values

Telefónica firmly believes that it is people who give meaning to technology, not the other way around. In a world where technology is increasingly present, the Company stresses that the most important connections are human, since the quality of life depends on these interactions. It is therefore engaged in providing connections that bring people together.

Telefónica is guided by core values that reflect its commitment to collaboration, innovation and trust. It fosters an open work environment, where transparency and inclusion are key to finding the best solutions. The Company defines itself as a challenger, always seeking to transform and simplify people's lives through innovation. In addition, it is characterized by its reliability, working with honesty and commitment to offer secure and quality connections, adapting to the needs of customers throughout its history.

Open
Challenging
Reliable

"We want to make our world more humane by connecting people's lives."



Strategy

GRI Contents 2-22, 2-23, 2-24

Telefónica's strategy is guided by its mission to **"make the world more humane, connecting people's lives"** and its main lines of action have been revised to reflect the progress of the transformation made in recent years and its vision for the future of telecommunications. This has enabled the Company to adapt its Responsible Business Plan to the new realities of the environment.

The future of the Company is deeply linked to that of telecommunications, since digitalization is undoubtedly the path to the future. In this sense, the role of telecommunications operators is essential, and offering quality connectivity is crucial for development.

Under this premise, Telefónica's Business Plan is based on five key pillars:

1.

Sustainability of revenue growth for consumers and households: Implementing a strategy aimed at attracting and retaining customers through attractive propositions, based on the quality of its network and a product offering with integrated services that go beyond connectivity. This approach is enhanced by massive digital ecosystems and the capitalization of its national brands.

2.

Maintaining the good momentum of the corporate business: The Company continues to expand advanced solutions for companies and the public sector, with a focus on supporting the digitalization of their businesses. Telefónica Tech is positioned as the benchmark in advanced solutions such as cloud, cybersecurity, IoT and big data, in addition to offering professional services.

3.

Evolution of wholesale revenues and partner agreements: Telefónica seeks to generate valuable revenues by optimizing the network, providing access to different customer segments and helping to monetize infrastructure investment. The company will strengthen its wholesale business in key markets and attract software developers and integrators through the Open Gateway initiative.

4.

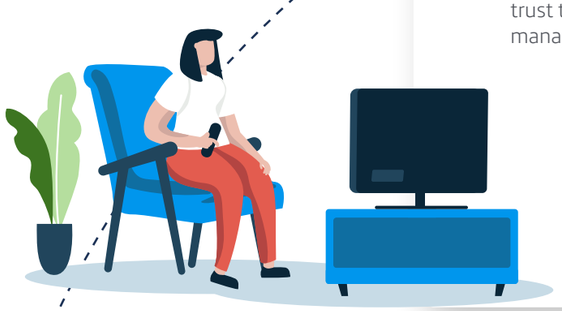
Achieving operational efficiencies: Telefónica is focused on reducing its cost structure through technological transformation, accelerating the shutdown of legacy networks (such as copper, 2G and 3G) and the integration of artificial intelligence and automation to achieve greater operational efficiency.

5.

Moderation of investment intensity: The Company maintains a differential profile while moderating investment, supported by its early commitment to fiber and 5G, as well as the completion of the main 5G spectrum auctions. This will allow it to overcome the CapEx peak and optimize network deployments through agreements with investment partners and Telefónica Infra.

Telefónica implements a transversal sustainability strategy integrated into the Responsible Business Plan, reflecting its commitment to efficiency and the generation of long-term value.**This approach reinforces the bonds of trust with its stakeholders and with society in general, through three fundamental pillars:**

- **Building a greener future:** Leveraging technology and digital services to achieve a holistic transition (green, social and digital) that drives a competitive and resilient economy.
- **Helping society thrive:** Promoting economic and social development through digitalization.
- **Leading by example:** Generating trust through the responsible management of its activity.



ESG management is aligned with the Company's strategy and is consolidated in the Responsible Business Plan (RBP).

Equity Story: **Growth**

Environmental E -Environmental
Building a greener futuree

RBP pillars
- Energy and climate change
- Circular economy
- Eco Smart solutions
- Eco Rating
- ISO 14001

ODS

Equity Story: **Profitability**

Social S-Social
Helping society thrive

RBP pillars
- Connectivity and digitalization
- Gender, diversity and inclusion
- Human rights
- Ethical and sustainable products and services

ODS

Equity Story: **Sustainability**

Governance G-Gobernanza
Leading by example

RBP pillars
- Corporate governance
- Ethical culture and responsible principles
- Digital trust
- Commitment to suppliers

ODS

Sustainability, both in the "what" and in the "how", is the key to achieving the desired economic results, managing the business from a social and environmental perspective. For Telefónica, ESG (Environmental, Social and Governance) management is transversal and a fundamental part of its DNA. Although from its inception in Colombia it focused on generating economic value with responsible business conduct, it was in 2021 when it formalized the adoption of the legal status of a Collective Benefit and Interest Company (BIC). This includes activities in five key dimensions: Business Model, Corporate Governance, Labor Practices, Environmental Practices and Community Practices (*see chapter 15. BIC Management Report*)

Movistar Planet: Commitment to Sustainability

Movistar Planet is a portfolio of products and services designed with sustainable criteria, which integrates the commercial offer with environmental and social attributes for private and corporate customers. This portfolio promotes innovative solutions, offers training options and encourages responsible consumption.

Allies of Sustainable Development in Colombia

GRI Content 2-22

Based on its Responsible Business Plan, centered on the three fundamental axes: Building a greener future, Helping society thrive, and Leading by example, the Company contributes significantly to the goals of the 2030 Agenda as follows:

Building a greener future

To increase the contribution to society and the environment for a more sustainable and respectful development of the planet.

To have a more efficient telecommunications network powered by renewable energy.

Provider of digital solutions that help customers reduce their CO_2 emissions and drive Sustainable Mobility.

Promote the circular economy and responsible consumption in the use of electronic devices through reuse and recycling.

Helping society thrive

Promote inclusive connectivity that brings digitalization closer to all people, favoring the social and economic development of the communities in which it operates.

To provide faster and better quality Internet to individuals and businesses.

To manage talent by promoting labor equity, the inclusion of people with disabilities, and the promotion of digital talent aligned with the economy of the future.

Address inequalities by investing in education, digital skills and accessibility with a differential offer.

Leading by example

Generating trust through actions and commitments, and ensuring digital trust and the promotion of sustainability among all stakeholders.

Improving trust through ethical and responsible use of technology, robust corporate governance and ensuring that the security and privacy of customer data is safeguarded.

Commitment to the highest standards of business principles and ethics, promoting sustainability in the supply chain.

As a leader in the Information and Communications Technology (ICT) sector, Telefónica Movistar Colombia is actively committed to contributing to the Sustainable Development Goals (SDGs).

While SDG 9 (building resilient infrastructure, promoting sustainable industrialization and fostering innovation) is the one most directly influenced by the Company, it also has a positive impact on other key SDGs, such as those related to economic growth and equal opportunities (SDG 4, SDG 5, SDG 8 and SDG 10), environmental protection (SDG 7, SDG 12 and SDG 13), quality education (SDG 4), the development of sustainable societies (SDG 11), the promotion of ethical behavior and integrity (SDG 16), and the generation of partnerships for the fulfillment of these goals (SDG 17). Movistar continues to work on integrating these SDGs into its operations and strategies, contributing to sustainable development and improving the quality of life in the communities where it operates.



Movistar Colombia in Figures

Movistar Colombia is one of the major drivers of the digital economy in the country.
Its main figures are:

Employment

Direct:
5,422**

Indirect (Partners and Commercial Agents):
17,718

Customer accesses

24.4 million

Mobile: 20,772,360
LB: 1,202,944
BA: 1,548,706
TV: 848,550

Operating income

COP 6.672 Billion

EBITDA*

COP 1.547 Billion

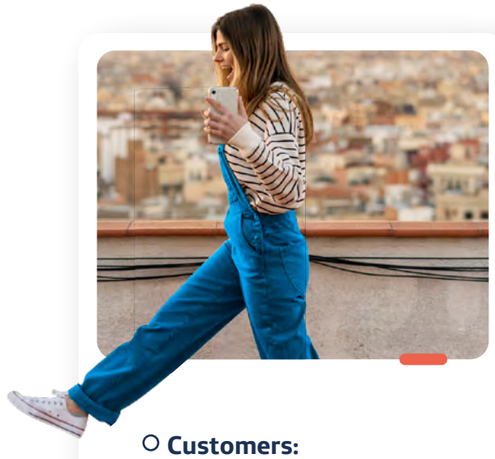
Figures in Colombian pesos (COP).
** Direct and temporary jobs. Does not include Fundación Telefónica Movistar payroll.

Business Model and Value Chain

GRI Content 2-6

The telecommunications business is based on the investment and operation of a series of assets, mainly network assets, to offer connectivity services to all its customers.

The Company's traditional value chain includes the following elements:



- **Assets: :** tangible and intangible elements resulting from a normally capital-intensive investment. They are mainly fixed and mobile networks owned by the company or third parties, their subsequent evolutions, business and service platforms and other intangible elements (licenses, spectrum, brands, etc.) and digital platforms (data centers, hardware and software).
- **Services:** companies in the sector develop their own services based on their own or third-party deployed assets. The Core business includes the main fixed and mobile communications businesses, although operators have been evolving towards businesses adjacent to connectivity and customer service through different channels, including experience centers.
- **Customers:** integrated telecommunications companies, such as Telefónica, usually have a very diverse portfolio of customers in each of their markets (residential, corporate and public administration segments, among others). The commercial offer is tailored to meet their needs.

However, networks are evolving towards models similar to software platforms, giving rise to new business models based on making the main capabilities of networks available through connections or applications to various players (not only end customers). This is the birth of digital services: cybersecurity, cloud, internet of things (IoT), big data and advertising.

Assets

1. **Physical assets:**
   - Fixed networks
   - Mobile networks
   - IT (datacenters & hardware)
   - Real estate
2. **Intangible assets:**
   - IT platform (software)
   - Operations and processes
   - Licenses and spectrum

Services

1. **Basic telecommunications:**
   - Connectivity
   - Communications
2. **Digital services:**
   - TV and content
   - Cloud services
   - IoT
   - Etc
3. **Professional services:**
   - Security
   - Big Data
   - Managed IT services
   - Etc

Customers

1. **Residential:**
   - Homes
   - Individuals
2. **SMEs, business and professionals**
3. **Large corporations**
4. **Multinationals**
5. **Public administrations and entities**

Products and Services

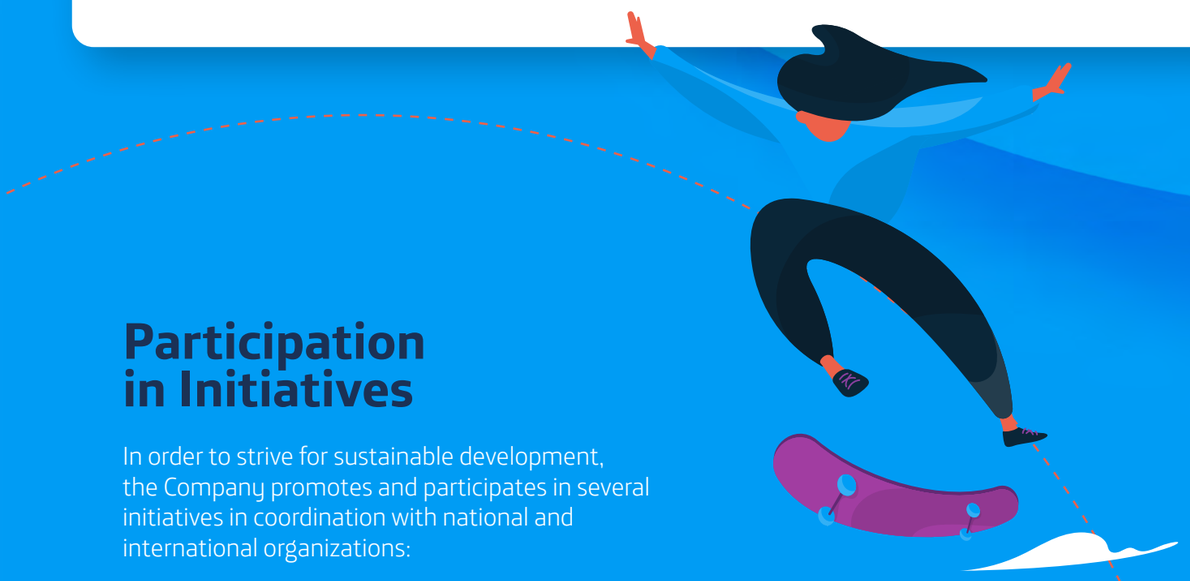
Telefónica Movistar Colombia offers a broad portfolio of products and services for the connectivity and digital transformation of individuals, entrepreneurs, SMEs, businesses and corporations *(see more in chapter 5.3. Digital Solutions for Companies)*.

Mobile products and services
- Prepaid
- Postpaid
- Terminals

Fixed services
- Broadband internet (Fiber/Copper)
- Televisión
- Fixed telephony

Digital services
- Internet of things (IoT)
- Big data
- Advertising
- Cyber security
- Cloud

Customer Plant/Accesses								
Mobile		Basic line	Broadband		Televisión	Dedicated	RPVS	Total
Prepaid	Postpaid		FTTH	Copper				
15.638.053	5.134.307	1.202.944	1.491.315	57.391	848.550	6.460	11.682	**24.390.702**



Participation in Initiatives

In order to strive for sustainable development, the Company promotes and participates in several initiatives in coordination with national and international organizations:

- Early Adopter, Anti-Corruption Roundtable, Inclusion Roundtable, WEPs - Women's Empowerment Principles, Human Rights Roundtable of the Global Compact Colombia Network.
- Agreement for Sustainability - Andesco.
- Unicef's #TratameAlDerecho (Treat Me Right) campaign (promoting the elimination of violence against children and adolescents).
- Safe Workplaces Without Harassment (ELSA) - GenderLab and Inter-American Development Bank.
- Colombia Guides on Human Rights (HR) and International Humanitarian Law (IHL).
- United for the SDGs Alliance.
- VIGUÍAS - Safe Internet Center (I Protect You, You Lead, I Guide You and Knowledge Center).
- Corporate Commitment Against Corruption (CEA) - Transparencia por Colombia.
- Responsible Business Conduct Committee (CER) - Bogota Chamber of Commerce.
- De Empresas Para Empresas (DEPE) - Alliance for Integrity and Global Compact.
- EcoCómputo- Waste Electrical and Electronic Equipment (WEEE) Management
- Safe Spaces - Office of the Mayor of Bogotá D.C.
- G12 - Grupo Éxito, Bavaria, ISA, Postobón, Enel, Ecopetrol, Terpel, Grupo Sura, Grupo Nutresa, Grupo Argos, Grupo Bancolombia.
- Internet Governance Board for Colombia.
- My Game My Name, an international initiative to report sexist treatment in the gaming industry.
- Pride Connection Colombia (LGBT+ Community).
- Vision 30/30 Packaging Management.
- We Take Action - Alliance for Integrity.
- ESG Sustainable and Responsible Business Commission - Spanish-Colombian Chamber of Commerce.

Associations

GRI Content 2-28

Telefónica Movistar Colombia participates in the following guilds and associations:

Association of the Colombian Mobile Industry - **ASOMOVIL**

Interamerican Association of Telecommunications Companies - **- ASIET**

National Association of Businessmen of Colombia - **ANDI**

National Association of Public Utilities and Communications Companies – **ANDESCO**

Association for the Advancement of Management - **APD**

Official Spanish Chamber of Commerce in Colombia

Colombian Chamber of Electronic Commerce

Bogotá Chamber of Commerce Affiliates Circle

Center for Research and Development in Information and Communication Technologies - **CINTEL**

Excellence in Justice Corporation - **CEJ**

Global Compact Local Network Corporation in Colombia

Carolina Foundation

Colombia Guides on Human Rights and Businesses

PROBOYACÁ Liberator Region



Recognitions, Awards and Rankings

Equipares Gold Seal from the Ministry of Labor and the United Nations Program UNDP: Movistar is the first Telco in Colombia to receive the recertification.

Ranked 1st Speedtest Award de Ookla, as the Operator with the fastest fixed Internet in Colombia for the sixth consecutive time.

Ranked 4th in the 100 Open Startups in partnership with Connect: Wayra as one of the companies that most supports entrepreneurship in Colombia.

Ranked 1st in the Telco Sector and 4th overall in the Top 10 Open Corps Ranking for Open Innovation and Entrepreneur Engagement

Ranked 2nd Most Innovative Company and 8th Most Innovative CEO Fabián Hernández in the Change Markers Colombia - Horse Ranking

Andesco Sustainability 2024 Award Award in the Gender Equity category for the Women in Network Program

Mujeres en Red (Connected Women) as a pioneer initiative in the Latam Inclusive Tech Awards

Ranked 10th in the ranking of Companies Committed to Youth in Ibero-America by the International Youth Organization - OIJ.

Best Bicycle Use Promotion Program delivered by the District Mobility Secretariat and its network Muévete Mejor: bicycle and scooter sharing system.

Quality Seal for the bike parking spot at the Morato location, awarded by the District Mobility Secretariat and its Muévete Mejor network.

MERCO Companies (2024): Corporate Reputation Business Monitor: Telco Sector Ranked 2nd, and 60th in Total companies

MERCO Talent (2024): Telco Sector Ranked 1st, and 60th in Total companies

MERCO ESG Responsibility (2023): Telco Sector Ranked 2nd, and 71st in Total companies

Best Telework Program delivered by the District Mobility Secretariat and its network Muévete Mejor: promoting flexibility and balance between personal and professional life.

Certified Management

Telefónica Movistar Colombia has an Integrated Management System structured under the ISO standards.

The Integrated Management System is made up of:

The Quality Management System (QMS), certified since 2007 and structured under the ISO 9001 standard, seeks to control and improve its performance, as well as efficiency and excellence in the services provided.

The Environmental Management System (EMS), certified since 2007 and structured under the ISO 14001 standard, seeks to protect the environment and respond to changing environmental conditions, in balance with socioeconomic needs.

The Occupational Health and Safety Management System (SGSST) certified since 2015 and structured under the ISO 45001 standard, which seeks to manage and control the risks associated with the safety and health of workers.

The Information Security Management System (ISMS), certified since 2016 and structured under ISO 27001, which seeks to preserve the basic properties of information.

The Anti-Bribery Management System (ABMS) certified since 2022, structured under the ISO 37001 standard, which seeks to avoid or mitigate the costs, risks and damages of engaging in bribery and acts of corruption.

The Business Continuity Management System (BCMS) certified since 2022 structured under ISO 22301, which seeks to prepare, provide and maintain plans, procedures and capabilities to continue operating during disruptive events.



The Integrated Management System is a tool to support sustained compliance with the needs and expectations of stakeholders. At least once a year, senior management reviews the performance of each Management System to ensure its suitability, adequacy and effectiveness and to make decisions regarding improvement actions, resources or any required changes.

Each year internal audits for the Integrated Management System are contemplated as an essential activity to make sure management objectives are followed, evaluate and ensure compliance with procedures, policies and controls, and their effectiveness. Similarly, an external audit evaluation is performed for each section of the standards according to the scope of the IMS, which includes indicators, legal requirements, risks, among others, to determine whether the Management System is in line with the needs of the operation and with the criteria defined by the international standard established for each system.

For the year 2024, 41 audits were conducted nationwide, in order to identify timely improvements to the Management Systems, both internal and with third parties (suppliers), ensuring the planning of actions and strategies aimed at solving the identified deviations, as well as the execution of 7 auditing exercises by the External Certification Body, where satisfactory results were obtained, ratifying the certification under international standards, proving an adequate degree of maturity, which continuously improves and leverages on the organization's strengths.

Likewise, the Management Systems analyze the needs and expectations of interested parties based on the dialogues and materiality analysis conducted by the Sustainability team. **Within these material issues, it has been identified that stakeholders value various aspects related to the scope of the Company's Management Systems, such as, for example:**

For these material issues, action plans are defined with the objective of improving the level of stakeholder appreciation.

- Responsible marketing
- Customer promise
- Digital security
- Responsible supply chain management
- Ethical behavior and corporate governance
- Contribution to the fight against climate change
- Circular economy
- Employee welfare



Risk Management Model

GRI Content 201-2

Telefónica has a Risk Management Model based on COSO ERM 2017 (Committee of Sponsoring Organizations of the Treadway Commission). It is implemented in Colombia Telecomunicaciones, and those responsible for the Company, in its scope of action, carry out the timely identification, evaluation, response and monitoring of the main risks.

This model, inspired by best practices, facilitates the prioritization and development of coordinated actions to address risks, both from a global perspective for the Group and specifically in Colombia.

On the other hand, the Responsible Business Principles specifically state that: "We establish adequate controls to evaluate and manage all relevant risks for the Company". In this sense, the Company has a Risk Management Policy, approved by the Board of Directors, and a Corporate Risk Management Procedure for the Telefónica Group, both based on experience, best practices and Good Corporate Governance recommendations, thus contributing to continuous improvement in business performance.

The Model adapts to changes in the environment and periodically analyzes the Company's internal and external context.

As a result, and in order to facilitate the risk identification process for the Company's managers, the Telefónica Group has a risk catalog that is updated periodically , which allows to homogenize and consolidate the information and to meet the requirements of internal and external reporting on the main risks. **This catalog considers four categories:**

- Business Risks - related to the industry and especially to the Company's strategy, such as competitive developments and market consolidation, regulatory framework, supply chain, technological innovation, data privacy, talent management, adaptation to changing customer demands and/or the development of new ethical or social standards.
- Operational Risks - related to cybersecurity; climate change, natural disasters and other factors that may cause physical damage to the technical infrastructure that may cause network failures, service interruptions or loss of quality; customer-related risks; people-related risks, as well as operational management.
- Financial Risks - arising from adverse movements in the economic environment or financial variables, and the Company's ability to meet its commitments, liquidate its assets and have the financing capacity to carry out the business plan, including tax issues.
- Legal and Compliance Risks - related to litigation and regulatory compliance, including anti-corruption legislation, as well as compliance with legal obligations and the Company's own environmental, social and governance (ESG) objectives including climate.



Risk Management Process

The risk management process takes the Company's strategy and objectives as the basis for identifying the main risks that could affect their achievement. Risks are identified and evaluated by managers in order to prioritize their reporting and follow-up, but especially to determine the response to them, mainly through mitigation plans, or strategies to avoid or transfer such risks. In general, risks are updated at least every six months, in addition to emergency or exceptional reports for new ones, or significant changes that are considered relevant.

The process consists of four stages, described below:



Identification

Risks are identified by management on the basis of both the factors that cause them and the effects they may have on the achievement of objectives. This identification considers both those associated with the strategic plan and potential 'emerging' ones, meaning risks that could eventually have an adverse impact on future performance, although their outcome and time horizon is uncertain and difficult to predict.

Assessment

This stage aims to give an order of magnitude or relevance of the risks, considering both their possible impact and their probability of occurrence.

Tracking and reporting

In accordance with the diverse typology of risks, the mechanisms for monitoring and responding to them include global initiatives and/or actions specifically aimed at addressing specific risks in Colombia.

Response and action plans

The Risk Management Model contemplates both the identification and evaluation of risks and the establishment of reasonable response and follow-up mechanisms. In this sense, it contemplates procedures to respond to challenges.

Certain risks may be fully or partially insured through the insurance market or through the Telefónica Group's instrumental insurance subsidiaries.

The Telefónica Group is constantly insuring risks through insurance policies.

1. **Mitigate** Take measures to reduce the probability of occurrence of the risk or its impact.
2. **Avoid** Change the way of acting or not proceeding with the activity that causes the risk.
3. **Accept** Make the decision to assume a risk based on management criteria, and justify the reason for such decision.
4. **Transfer** To a third party through the contracting of insurance or outsourcing of activities.

Roles and Responsibilities

Everyone within the organization has a responsibility to contribute to risk management, which entails integrating this concept and describing each person's duties. **In order to coordinate these activities, the following roles and responsibilities are distributed:**

Risk management function: as a support to the development of supervision activities by the Audit Committee, a risk management function has been established within the Internal Audit area, independent from management, in order to promote, support, coordinate and verify the application of the provisions of the Risk Management Policy. This function is not the owner of the risks, nor does it assume responsibility for actions taken against them, a mission entrusted to the areas responsible for the risks.

Risk managers: they actively participate in the risk strategy and risk management decisions. Each of the risks identified will be assigned a manager (normally a senior manager), who will prepare a plan for their mitigation and effectively monitor their evolution.

Supervision of the risk management system: the Board of Directors, through its Audit Committee, supervises the efficiency of the Risk Management System.

Main Impacts, Risks and Opportunities

The most significant risks and uncertainties facing the Company that could affect its business, financial position and results of operations should be considered together with the information contained in the financial statements:

- The Company operates in a highly regulated market; therefore, unfavorable changes in regulatory conditions could significantly affect the competitive scenario faced.
- The growing sophistication and automation of cybercrime, together with technical vulnerabilities present in systems or networks, could generate possible information leaks, unauthorized access or unavailability of systems, as well as contingencies for non-compliance with local regulations and reputational impact in the event of media accusations.
- The Company operates in highly competitive markets and therefore faces the challenge of marketing products and services efficiently and reacting adequately to the different commercial actions carried out by the different competitors.
- The Company is exposed to litigation of various types, the results of which are unpredictable and may affect it, not only in economic terms, but also because of their impact on its image and reputation due to their possible repercussion in the media.

Relationship with Stakeholders and Materiality

GRI Contents 2-25, 2-26, 2-29

The Company is interested in building relationships of trust with its stakeholders. According to the mapping carried out by the Stakeholder Panel consultation, seven key categories are defined:

I. Customers: both residential (B2C) and business (B2B) customers, as well as all organizations representing customers.

II. Employees: employees, associations and unions representing workers' interests.

III. Strategic partners and suppliers: key companies for the development and provision of services, as well as supplier companies and agencies and associations representing supply chain interests.

IV. Shareholders and investors: companies that invest in Colombia Telecomunicaciones and/or analyze its sustainable profitability.

V. Government entities and regulators: local, national and international organizations.

VI. Opinion leaders, media and communication services: influencers, press, communication agencies, branding and advertising.

VII. Society: (including communities, NGOs, sustainability-Eastd organizations, business and advisory associations): affected communities, as well as special groups, NGOs, companies, think tanks, business schools and universities.



Stakeholder participation allows the Company to understand the context in which it operates, as well as to identify both strengths and opportunities for improvement in which it must define its action plans.

Some of the dialogue channels used are:

Stakeholder Panel	Responsible Business Channel	eNPS measurement	**Dialogues/ Cafés**	Workplace, intranet	Social networks
Questions, Complaints and Claims Channels (PQR)	**Net Promoter Score (NPS)**	Shareholder Service Office	Labor Coexistence Committee	Diversity Committee	Joint Occupational Safety and Health Committee (Copasst)



Through the stakeholders, the context in which the Company operates is understood, as well as identifying both the strengths and opportunities for improvement in which it must define its action plans.

In addition to this, the Company knows the perception of its stakeholders and maintains a relationship with them through dialogue tools and channels, **some actions by stakeholders are:**

Collaborators

2 Corporate Governance

The Employee Net Promoter Score (eNPS) is calculated through an annual Motivation Survey, and the Company achieved an eNPS of 82, reflecting a positive experience aligned with its values and strategic objectives. Key actions included:

- **Workplace wellness:** Implementation of programs such as *Conecta Vida* and the *Digital Disconnection* campaign to balance work and personal life.
- **Inspirational Leadership:** Initiatives such as *Master Leader, Conversation Circles*, and specific guides to empower leaders.
- **Recognition:** Significant increase in recognition among employees (+250 %) through campaigns such as *Gente de Valor* and *Hispam Reconoce*.
- **Authentic connections:** Spaces such as *inspiring encounters* and team-building activities.
- **Communication and awareness:** Campaigns to promote understanding and commitment to eNPS.

In addition, there were other opportunities for dialogue with employees at the national level:

- **15 discussion forums** led by the chief executive officer at the national headquarters, and 145 led by regional directors and managers.
- **Regional Connection:** monthly communication format on the Company's progress and results with chapters dedicated to the regions to highlight their contribution and relevance in achieving the business objectives.
- **Management meetings:** Hybrid quarterly meetings (workplace and face-to-face) to review key operating and financial indicators and receive perspectives from external expert guests to learn their views on the contribution of technology to development and the role of innovation for economic and social transformation. An average of 1,300 employees participated, and a cascading communication strategy ensured effective dissemination throughout the company.

Shareholders and Investors

The Company has both the Shareholder Service Office and the Investor Service Office. In 2024, in addition to the meetings of the General Shareholders' Meeting, two bulletins were issued to shareholders informing them of the main events related to the Company, the financial statements at the end of the year and interim periods, as well as the progress of the Responsible Business Plan. Similarly, in the case of investors, **127 requests were received from 60 investors,** responding by mail or scheduled meeting.



Media/Journalists

The Company implemented several strategic initiatives to strengthen its relationship with the media and journalists, including the following:

- **Media Management:** The main media topic of the year was the non-binding agreement between Telefónica Colombia and Millicom to explore the combination of their operations, for which explanatory interviews were conducted. Also, other issues such as the decision of the International Center for Settlement of Investment Disputes (ICSID) in favor of Telefónica and the termination as suppliers of SENA.
- **Cybersecurity training:** In response to the hacking of more than 100 journalists in 2023, 8 face-to-face and virtual trainings were carried out in collaboration with Telefónica Tech and Movistar Empresas. These impacted 125 journalists from 30 media outlets and achieved the participation of 1,200 people in the first training aimed at parents.
- **Launch of the "Plan Periodista" (Journalist Plan):** More than 120 journalists were presented with an exclusive 10% discount on postpaid plans and fiber optics, consolidating the company as the first telecommunications operator in Colombia to offer this benefit.
- **Sector interviews:** 226 interviews were conducted to help journalists understand regulatory issues, such as the mobile network unification with Tigo, and the challenges of the Telco sector in the country.
- **Gaming and female inclusion:** Led two events on the participation of women in eSports, including the *Women in eSports Level Up*, with more than 1,250 attendees and extensive media coverage.

These actions strengthened the relationship with the media, promoted understanding of the sector and consolidated the Company's image as a leader in innovation and social commitment.

Digital Relationship

In 2024, Telefónica and Movistar stood out significantly in the digital environment. Mentions of these brands reached **802,615 interactions**, impacting **467.4 million profiles**. Of these, **54 %** reflected positive sentiment, **30 % neutral** and **16 % negative**.

- **Main drivers of positive mentions:**
  - **Sponsorships:** *Movistar Arena*, with weekly ticket raffles, was the biggest generator of positive mentions..
  - **Sports initiatives:** Digital activities such as *Movistar GameClub*, dynamics with the Colombia National Team, and cycling events under the hashtag #RetoMovistar.
- **Outstanding Institutional Campaigns:** These included milestones such as Telefónica's Centennial, the launch of the 5G network, Cooper Skin, the awarding of the MACC Movistar 2024 Women of Excellence Scholarship, and the Meeting for Digital Inclusion.

These actions consolidated the Company's digital presence, generating positive connections with diverse audiences and strengthening the positioning of its brands.



Customers

Customers seek efficient solutions in every interaction with the Company, preferably at the first contact. Their main concerns are grouped in two areas: service performance and value proposition.

In terms of operation, they expect stability and rapid resolution of interruptions, although external factors such as vandalism, theft and public works may affect Movistar's network. Regarding the value proposition (offer, price and plans), their concerns are focused on tariff variations, fulfillment of offers and competitiveness vis-à-vis other companies.

To evaluate customer experience, Telefónica uses the Net Promoter Score (NPS). This system, applied globally, allows us to compare operations in different regions through random surveys managed by an external firm, guaranteeing objectivity and quality in the results. In 2024, **42,480** surveys were conducted with an Estimated Error (EE) of **0.06**, ensuring the reliability of the data.

The results prompted the company to optimize processes, policies and platforms that impacted the customer experience. A plan was implemented with structural initiatives monitored weekly by the executive committee and multidisciplinary teams were created to analyze root causes and solutions. These actions involved authorities, suppliers and industry best practices, with support from Telefónica's global and regional teams.

Satisfaction analysis is complemented by transactional surveys, which allow for a quick response to any negative impact. In 2024, a total of **4,152,849 surveys were conducted, with a monthly average of 346,071.** We were able to stabilize and automate 100% of the measurement of processes, extending its scope to all areas of the Company for comprehensive monitoring. In terms of indicators, there were significant year-on-year improvements: an increase of +10 percentage points in the renewal and replacement experience, and an improvement of +16 pp in technical support in the field.

Materiality

GRI Contents 3-1, 3-3

To update the material topics, the Company follows the recommendations of the GRI Standards through a four-step process:

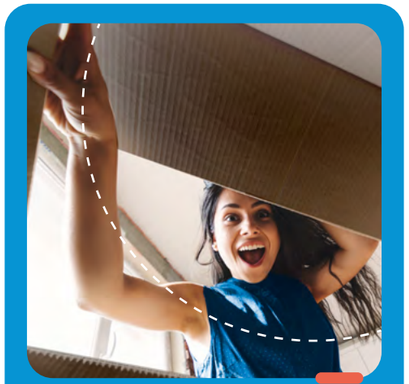
Context analysis → Identification of actual and potential impacts → Evaluation of importance and performance → Prioritization of the most significant impacts

1. **Context analysis:** This includes the monitoring of media, social networks, guilds, control entities, competition and legislative agenda, in addition to the mission, portfolio of products and services, sector analysis, value chain, sustainability context and BIC companies, together with the identification of stakeholders.

2. **Identification of actual and potential impacts:** Based on the EY study (2020) on contribution to human development, the Integrated Management System and the analysis of contributions to the Sustainable Development Goals (SDGs).

3. **Materiality and performance assessment:** Through the consulting firm Ipsos, a Materiality Assessment (2023) was conducted to identify relevant aspects that impact stakeholders and the business model. This process included consultations with key stakeholders in 8 Hispam markets (with 807 surveys in Colombia out of a total of 3,477). It remains in force in 2024.

4. **Prioritization of significant impacts:** Issues are ranked in a matrix that crosses importance with perceived performance, focusing management on the most relevant aspects with the lowest identified performance.



This approach allows us to strategically allocate resources and manage the most critical issues for the Company's sustainability and performance.

The management of the Company's Material Issues is discussed in the chapters of this Report.

Material Issues

GRI Contents 3-1, 3-2

The Company's Materiality Matrix organizes material issues along two main axes: importance (to stakeholders) and performance (perceived by the organization). The issues are grouped into seven key dimensions covering 18 main variables.



Dimension	Definition	Issues
Customer relationship	Aspects related to service, attention, quality and safety of products and services.	• Customer promise • Digital security • Responsible marketing
Human capital management	It includes talent, diversity, organizational culture and employee well-being.	• Employee welfare • Talent management
Relationship with partners and suppliers	Commitment to sustainability in the value chain and long-term relationships.	• Supplier relationship • Supply chain • Co-creation with suppliers
Business ethics and corporate governance	Ethical practices, regulatory compliance, transparency and emergency response.	• Ethical behavior • Encourages dialogue • Corporate governance
Connecting society as a whole	Guarantee access, continuity and responsible use of technology for social development.	• Inclusive connectivity • Social digitalization
Climate change and environment	Minimization of environmental impact and promotion of the circular economy and biodiversity.	• Circular economy • Climate change
Impact on society	Contribution to socioeconomic development, employment, social action and public health.	• Local economy • Responsible use • Social contribution

Materiality Matrix





03

Economic and Financial Management

GRI Content 201-1, 203-1, 203-2

In 2024, macroeconomic conditions improved on multiple fronts. On the one hand, economic growth strengthened due to a recovery in domestic demand as a result of lower interest rates, which went along with lower inflation levels. At the same time, although the Colombian peso depreciated, this behavior favored exports and a reduction in the current account deficit thanks to remittances, which in turn increased Colombian household income and consumption.

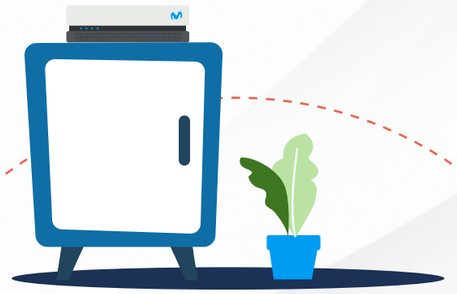
Consequently, the Company achieved growth due to the acceleration of some products and services: it closed with 24.4 million total customers (-2.9 % year-over-year). In contract, the figure fell by -296 thousand customers due to the acidity of the market with the dynamics of mobile service offers, and the increase in churn due to portability, achieving 5.1 million customers. In the prepaid mobile business, there was also a decrease of -2.3 % compared to the previous year, reaching a total of 15.6 million customers.

In the fixed business, the Fiber Optic expansion strategy has achieved the expected results, standing out for the repositioning of the offers leveraged on the increase of the navigation speed up to 900 megabytes, strengthening its competitiveness in the market. Likewise, during 2024, the Company accelerated the deployment of its fiber network, reaching more than 5.9 million homes passed and close to 1.5 million connected customers, which represents a 22 % growth in the customer base compared to the previous year. These advances position Movistar as a leader in fiber optic service in Colombia, not only for its number of customers, but also for its coverage in 92 municipalities, the most extensive in the country.

As for pay TV, Movistar closed the year with more than 848 thousand accesses, of which 808 thousand correspond to IPTV, a segment that experienced a year-on-year growth of 11.1 %, partially offsetting the -60 % drop in Direct TV over Satellite (DTH) accesses, which closed with 40,213 accesses in 2024.

The Company achieved operating revenues of COP 6.67 trillion in 2024, reflecting a year-on-year decrease of 6 % with respect to the previous year, maintaining a moderate performance, mainly driven by prepaid services and with offers that allow satisfying communication and connectivity needs, mitigating the regulatory effect that affects the portability of users between operators and the decrease in mobile interconnection rates determined by the CRC. Traditional fixed services represent strong growth due to the rapid transformation to fiber to the home, reaching 96 % of fixed broadband accesses connected to this technology.

Revenues from digital services were impacted by the slowdown in commercial activity and the non-recurrence of some corporate businesses.



The sale of mobile terminals has decreased due to lower market growth in this line of business, high financing rates and a macroeconomic environment of low growth that has slowed the commercial dynamics in this product.

In other operating income, the sale of copper material was a growth driver as a result of the transition from cabling to fiber optics.

Operating expenses decreased year-over-year, mainly due to lower sales of mobile equipment impacted by the current economic conditions and lower direct costs associated with lower commercial activity of digital services in the corporate segment, in addition to efficiencies and optimization of the use of resources such as: renegotiation of contracts with allies, commercial costs with more efficient channels, optimization of inventory availability and regulatory aspects with impact on interconnection and roaming rates, on the other hand, increased costs of equipment in the customer's home and fiber optic connectivity service.

During 2024, the Company made investments and executed CAPEX of approximately COP 503 billion. These investments included the development and deployment of infrastructure to support both mobile and fixed communications, promoting the expansion and quality of connectivity in the country. In addition, resources were allocated to strategic projects for the Wholesale and Enterprise segment, providing advanced technological solutions for its corporate customers.

Movistar also prioritized the strengthening of its digital platforms and customer service systems, in order to optimize operational efficiency and provide a more agile and personalized experience to users.

EBITDA–an indicator that measures performance and operating income before depreciation and amortization– reached COP 1.54 trillion, reflecting a slight decrease of 0.6 % compared to the previous year. Despite this adjustment, the result during 2024 was driven by the performance of fiber optic and prepaid services revenues, as well as by the sale of copper material, which contributed to mitigate the pressure on profitability. In addition, the company implemented cost optimization strategies and captured efficiencies in operating expenses, which allowed it to sustain an EBITDA margin of 23.2 %.



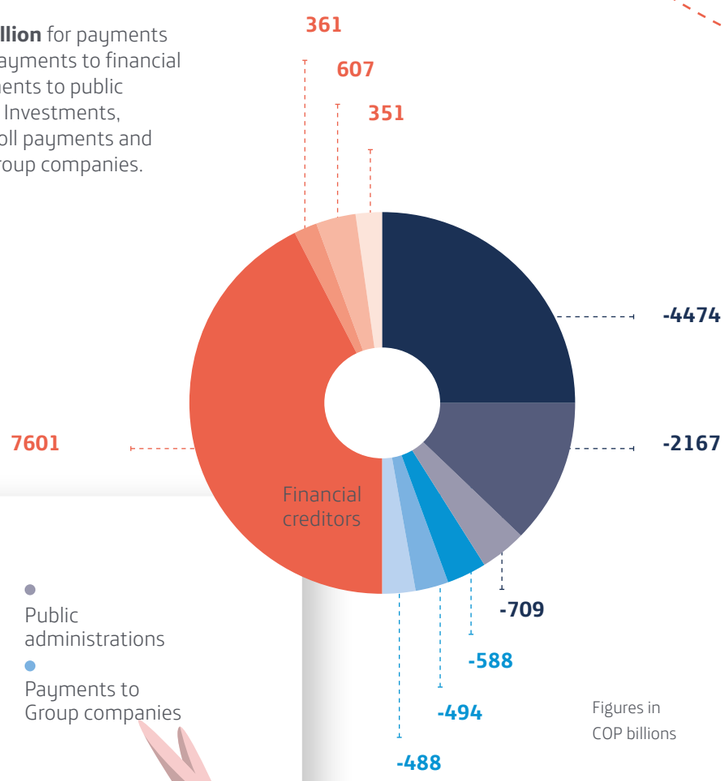
Sources and Uses

Cash flow shows sources and uses totaling COP 8.9 billion.



In 2024, uses included **COP 4.47 trillion** for payments to suppliers, **COP 2.16 trillion** for payments to financial creditors, **COP 709 billion** for payments to public administrations, **COP 488 billion** in Investments, **COP 588 billion** for employee payroll payments and **COP 494 billion** for payments to Group companies.

Total 2024
COP 8.92 billion



Uses
- Suppliers
- Financial creditors
- Public administrations
- Employees
- Investors
- Payments to Group companies

Sources
- Customers
- Initial cash
- New debt
- Other sources



Sustainable Financing

Since the implementation of the model, the Company has negotiated close to COP 1.6 trillion in debt with financial institutions through loans linked to sustainability indicators. In 2024, it closed agreements with Bank of Nova Scotia and Itaú and maintained commitments with Bancolombia and BBVA to comply with indicators: women's leadership, cybersecurity training, energy efficiency and emissions reduction scopes 1 and 2.

In 2024, the Limited Assurance process was carried out, and following PwC reports, the banks confirmed compliance with the 2023 targets, strengthening confidence and commitment to sustainability.

04

E - Building a Greener Future

Environmental Management

4
Environmental Practices

The Company has implemented the Environmental Management System based on the ISO 14001:2015 standard, ensuring compliance with applicable environmental requirements, control of significant environmental risks and aspects, management of the footprint generated by the telecommunications network deployment processes, etc., all under a rigorous standard with clearly defined objectives and goals that have been monitored throughout these 16 years, thus achieving continuous improvement of the Company's environmental management.

Telefónica Movistar Colombia's Environmental Management System has five Environmental Programs, designed under two approaches, the first one associated to the mitigation of environmental impacts, and the second one to the prevention of fines and sanctions. The axes are: resource management, energy and climate change, circular economy, attention to legal requirements and continuous environmental improvement.

The Company adapts to global trends and is a leader in the waste management sector, aligned with the circular economy strategy not only on a national scale but also worldwide, and promotes responsible environmental management among its allies and contractors in order to reduce their impact.

Each year, the evaluation of environmental aspects and impacts is carried out by analyzing the business life cycle and the interaction with the Company's administrative, technical and commercial processes or activities at the national level. At the end of 2024, impacts associated with gasoline consumption in the vehicle fleet, generation of hazardous waste and generation of waste from electrical appliances have been identified.

Different control and follow-up measures have been established, such as working groups with critical allies for the environmental management system, on significant environmental aspects and indicators of circular economy and climate change, and on environmental legal compliance and timely reporting to environmental authorities at the national level. In addition to this, the implementation of different environmental and energy efficiency projects.

Telefónica has a corporate environmental policy that establishes the environmental guidelines and commitments for all the group's operators. **This policy is based on:**

- Risk management and environmental compliance.
- Setting ambitious environmental targets for continuous improvement.
- Improvement of internal eco-efficiency.
- Promotion of digital solutions to help customers address the major environmental challenges affecting society as a whole.
- Involving suppliers and partners in the Company's environmental commitments.

The environmental policy is available to all stakeholders in digital and physical media at the national level in the centers of expertise and the web portal.

Similarly, the Company has an Energy Management Policy, defined within the framework of the Telefónica Group's Environmental Policy, and develops the principles of environmental management in the energy field. This Policy aims to provide a common frame of reference for the establishment of objectives and the undertaking of actions based on Telefónica's commitment to efficiently consume energy and reduce its greenhouse gas emissions, in order to move towards a Company with zero net carbon emissions.

In addition, the Supply Chain Sustainability Policy establishes obligations to comply with best environmental practices.



Management of Environmental Programs

Telefónica has focused its management on the preservation of the environment and the reduction of CO_2 emissions, and has therefore defined clear goals to reduce emissions, in line with the development of products and services and the growth and expansion of the network.

The climate action plan frames the quantification of greenhouse gases (GHG) emissions and defines the objectives and actions to achieve them for the Company's different activities.

Every year, energy consumption (electricity, fuels, refrigerant gases, etc.) is reported and quantified and the carbon footprint is calculated and verified by an external entity, which in 2024 was AENOR.

Likewise, the data associated with the Company's environmental management is consolidated and reported in order to follow up on the effectiveness of the actions taken to prevent the environmental impact of its operations.

In relation to the Circular Economy, the Company has goals for the use of hazardous waste and electrical and electronic equipment to offer recovered or used raw materials to other productive sectors in the country, such as aluminum, copper, iron, oils, lead contained in batteries, paper and cardboard, among others.

With regard to the management of waste electrical and electronic equipment, the Company receives unused cell phones and accessories in all its experience centers nationwide, thus seeking to recover the components and minimize environmental impacts. Likewise, the process of returning modems and decos by customers helps to reincorporate this equipment in the operation, minimizing the use of materials for the manufacture of new equipment and reducing the waste generated by the services delivered to the customer's premises.

Eco Rating

In 2024, Movistar continued to promote Eco Rating, updating its label to facilitate understanding of the environmental impact of mobile devices. This tool assigns a score from 1 to 100, where a higher mark reflects a higher level of sustainability and respect for the environment.

The label also highlights five key aspects:

- **Durability:** useful life of the device.
- **Repairability:** ease of repair and prolonged use.
- **Recyclability:** recovery of materials at the end of their life cycle.
- **Climate efficiency:** reduction of carbon emissions.
- **Efficiency in the use of resources:** optimization of materials and energy.



With this initiative, Eco Rating helps consumers to make responsible decisions, encouraging more conscious and sustainable consumption.

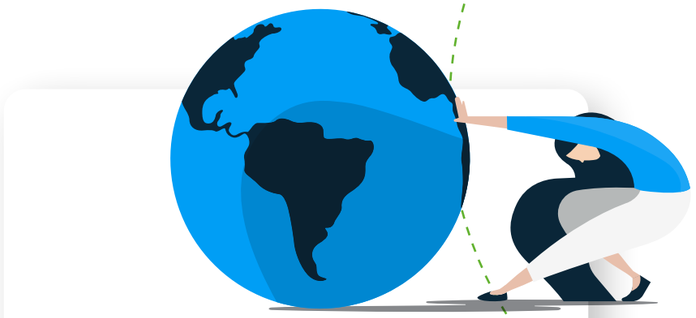
To increase its reach, work is underway to evaluate a greater number of devices and to improve the visibility of the seal in the Movistar Online Cellular Store, where the catalog is periodically updated. More information is available at Eco Rating Movistar.

Climate Change

Climate change has a profound influence on the Company's global business strategy, due to both its direct impact and the risks and opportunities it generates. The energy and climate change strategy is designed to drive long-term value creation through effective risk management and the exploitation of new opportunities.

Telefónica has established specific targets and indicators for its operation, aligning its efforts with the level of decarbonization needed to keep global warming below 1.5 °C, in line with the Science Based Targets (SBTi) initiative. These indicators, monitored on a quarterly basis, include the emissions inventory, carbon footprint, electricity and fuel consumption, as well as the progress of ongoing projects.

In addition, the analysis of risks associated with climate change is carried out under Telefónica's risk assessment methodology, prioritizing those with the greatest significant impact. The actions implemented allow us to effectively mitigate and control these risks, reinforcing the Company's commitment to sustainability and the transition to a cleaner future.



Climate Change Risks and Opportunities

GRI Content 201-2

To determine the financial implications, risks and opportunities derived from climate change in the operation of Telefónica Movistar Colombia, a specific methodology has been developed taking into account two fundamental axes, physical and transition risks, as well as the climate sphere, impact of the risk, economic range and probability of occurrence.

After analyzing the risks associated with climate change before establishing the necessary measures to minimize or control them (BaU Scenario) and taking 2050 as the time horizon, **the following conclusions were reached:**

- Significant monetary impact:
  The Net Zero 2050 scenario presents transition risks with a considerable monetary impact for Telefónica Movistar Colombia, reaching almost COP **40 billion** in 2050.
- Outstanding market risk: :
  There is a market risk of OPEX expense due to the increase in the price of electricity, which has the greatest impact, reaching almost COP **24 billion** in 2050, with a **90.5 %** probability of occurrence.
- Reputational risk:
  although of lesser impact, the risk of offsetting emissions through the purchase of carbon credits stands out.

Based on the analysis of each risk, opportunities have also been identified:

Energy sources and PPAs opportunity

Although representing a minor monetary impact, the implementation of projects to improve energy efficiency, self-generation of energy and the use of cleaner sources represents a significant opportunity to reduce costs and improve operational efficiency. Improving energy efficiency involves optimizing the use of existing energy resources, leading to a decrease in operating costs associated with electricity, heating and cooling. This not only has a positive impact on the financial bottom line, but also contributes to the long-term sustainability of the Company.

Opportunity to increase business derived from the fight against climate change

This is identified as the greatest opportunity, with economic benefits derived from IoT and Cloud services, particularly Eco Smart products. The benefits could exceed COP 400 billion, standing out as the main opportunity for Telefónica Movistar Colombia in the transition scenario towards an emission-free economy.



In summary the Net Zero 2050 scenario poses Telefónica Movistar with considerable financial challenges, but simultaneously opens doors to significant opportunities for sustainable economic growth. Rapid alignment with new technologies and business models focused on combating climate change emerges as a strategic opportunity.

Energy

GRI Contents 302-1, 302-3, 302-4, 302-5

Telefónica has a global corporate energy and climate change strategy, with quantitative targets that are not only compatible with network expansion and service quality, but will also help to be more competitive.

Responsible energy consumption is one of the greatest opportunities to generate savings and efficiencies for the Company, through the implementation of energy efficiency projects, self-generation and consumption of alternative and cleaner energies.

In 2024, total energy consumption was 284,394 MWh, or 7 % less than in 2023.



This comprises the Company's direct consumption of two types of energy: electricity (including self-generation) and fuels:

	2023	**2024**
Total fuel consumption (MWh)	13,869	10,745
Total electricity consumption (MWh) + Self-generation	292,609	273,649
Total energy consumption (MWh)	306,478	284,394

In 2024, the operation's total electricity consumption, including third-party sites, reached **273,649 MWh.** Of this total, **271,748 MWh** corresponded to energy supplied by the national distribution network and **1,901 MWh** were self-generated through photovoltaic systems implemented in the second phase of the PPA On Site Project. Total electricity consumption at the company's own facilities was **252,066 MWh.**

Thanks to our commitment to energy efficiency and responsible consumption, nearly **233,771** MWh of total consumption came from renewable sources, representing **92.7 %** of the electrical energy used in our own facilities and **85.4 %** of total electricity consumption.

The distribution of the Company's electricity consumption was as follows: 89 % was for technical site management, 6 % for datacenters, 4 % for commercial use and 1 % for offices.

Fuel is another source of energy used and serves as a backup when the electric power supply is interrupted or not provided. In 2024, consumption was **931 thousand liters of gas oil/diesel,** a **22 %** reduction compared to 2023, equivalent to more than **266,840 liters.** This was provided thanks to the implementation of equipment with greater efficiency and to the gas oil/diesel consumption controls from partners and suppliers in the supply to the network nationwide.

Total fuel consumption gas oil/ diesel (liters)

2023	**2024**
1,198,616	931,776

The Company has also made great efforts to **reduce fuel consumption in the vehicle fleet,** increasingly using fuel-efficient vehicles and improving fleet management through the use of M2M solutions. Consumption decreased by 24 % compared to 2023.

Fuel consumption in vehicles (liters)

2021	2022
165,258	209,700

2023	**2024**
199,833	151,227

Energy Intensity

In 2024, the energy intensity per unit of traffic was 27.2 MWh/PB, reflecting the Company's commitment to energy reduction by ensuring nationwide network deployment.

Emissions

GRI Contents 305-1, 305-2, 305-5

Based on an annual analysis of energy consumption, the calculation of the carbon footprint of all Telefónica Group operations is performed according to the GHG Protocol methodology applied to scopes 1 and 2. To calculate the indicator, the 1.5 °C scenario of the Paris Agreement was used as a baseline calculation and the result of 2015 consumptionfor different aspects such as energy, fuels and refrigerant gases, among others. The gases included in the calculation are CO_2, CH_4, N_2O, HFC.

To make the calculation, the emission factors established for Colombia by the Mining-Energy Planning Unit UPME year by year have been taken as a reference. For the year 2024, the CO_2 emission factor for electricity for Colombia is 112 g CO_2eq/ KWh.

The Company carries out an independent verification process of energy and emissions data, in order to obtain quality information about the energy consumed by the Company and the greenhouse gases emitted into the atmosphere in its activities. This has made it possible to identify process improvements and manage energy and carbon in a transparent manner.

4 Environmental Practices

Similarly, based on this quantification and verification, compliance with global energy and climate change objectives is evaluated.

In 2024, scopes 1 and 2 emissions totaled 14,872 tons. Thanks to the implementation of an ambitious energy efficiency program, the Company has reduced carbon emissions by 73 % since 2015–the year from which the carbon footprint inventory began to be calculated and the climate action commitments were established–that is, it has reduced the emission of 39,488 tons of CO_2.

Similarly, the Company continues to promote the model of electricity consumption from renewable sources, which in 2024 reached 92.7 % of consumption at its own sites; and 85.4 % of the total electricity consumption of the entire operation, including third-party sites, which helped us to avoid more than 26,182 t CO_2.

This is the evolution of annual scopes 1 and 2 emissions:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
CO_2 direct emissions (scope 1)	18,897	17,534	16,814	15,025	12,036	12,689	14,101	11,040	10,141	10,406
CO_2 indirect emissions (scope 2)	35,463	36,436	36,153	35,499	18,530	15,314	20,971	6,846	5,558	4,466
Total CO_2 - tons	**54,360**	**53,970**	**52,967**	**50,524**	**30,566**	**28,003**	**35,072**	**17,886**	**15,699**	**14,872**

Water

GRI Content 303-5

The Company has an efficient resource management program that seeks to control leaks, consumption and good saving practices, as well as to promote a culture of efficient use of the resource; in any case, water consumption is not significant or material for the Company's operations.



In 2024, water consumption at the national level was of 163,167 cubic meters, for domestic use, and comes directly from the municipal aqueduct system.

There was a 3 % increase in water consumption in the Company with respect to 2023. This increase is due to being back in the office, going from two to three days. However, actions such as early detection and control of leaks, cancellation of accounts, as well as the participation of employees in environmental awareness campaigns are maintained. Water consumption has not been determined for water-stressed areas in Colombia.

Water consumption (m3)

Water consumption at operational, administrative and commercial sites

158,378
2023

163,167
2024

The measurement of water consumption comes directly from the invoices of the water companies that have a measurement system through meters at each of Telefónica Movistar Colombia's sites nationwide; in this case, 6% of total consumption is estimated since the invoicing is in the process of being generated by the public utilities company. Likewise, the water consumption of third party companies located in the facilities is discounted.

Waste Management

GRI Contents 306-1, 306-2, 306-3, 306-4, 306-5

Telecommunications networks require preventive and corrective maintenance, which generates urban waste, special handling waste (WEEE - debris) and hazardous waste due to the use of different supplies such as filters, batteries, oils, refrigerant gases, paints, lighting, spare parts, fiber, electrical and electronic equipment, among others. Different operational controls have been defined for these activities and waste is managed in accordance with applicable environmental regulations.

In 2024, 11,398 tons of waste were managed, mostly from the operation and maintenance of the grid, electricity backup systems and works for the deployment of infrastructure. 99.6 % of the waste is non-hazardous and 0.4 % is hazardous and, due to its characteristics, is not reincorporated in the operation, but is used as raw material for other production processes.

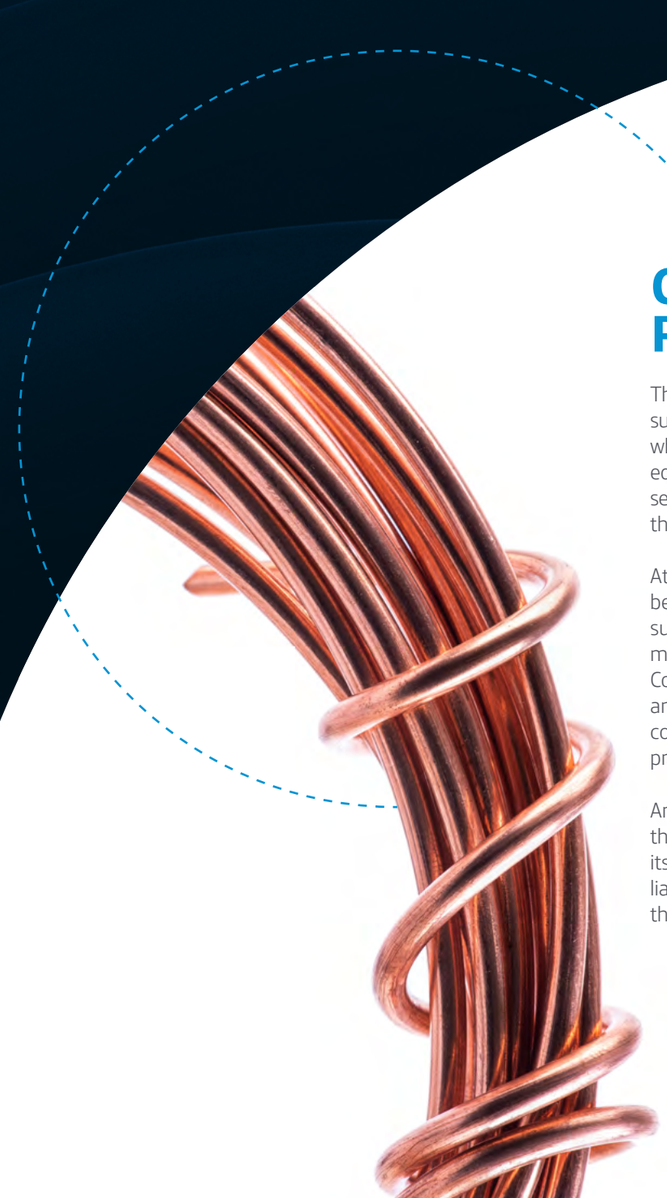
Type of waste	Residue	Unit	2023	2024
Non hazardous	Paper and cardboard	Tons	83	67
	Cables, plastic pipes and metals	Tons	4,546	10,281
	WEEE operations and offices	Tons	108	64.7
	Customer mobile phones	Tons	5	2.5
	WEEE clients (except cell phones)	Tons	82	39.8
	Other non-hazardous waste (demolition and construction)	Tons	840	891.8
Dangerous	Fluorescent	Tons	1	0.7
	Batteries	Tons	15	25.4
	Other hazardous waste	Tons	8	9.3
	Used oils	Tons	12	13.6
	Refrigerant gases and their equipment	Tons	16	1.6
	WEEE operations and offices (CRT screens, PCB, with oils)	Tons	0	0.3
	Total (Tons)		5,717	11,398



The Company relies on specialized and duly authorized partners to properly manage, handle, transport and dispose of hazardous and special handling waste. Waste is not managed within the Company's facilities; it is treated through these authorized managers in their own plants.

Specialized working groups have been defined to perform monthly monitoring of the generation and proper disposal of waste by the allies, taking into account the type generated, the proper disposal, the managers used and the type of treatment, always guaranteeing that such management is within the framework of the regulations and the implementation of appropriate operational controls. This ensures control and traceability of information on the whole process, from generation to final disposal.

The Company uses the GreTel tool to control the data of the waste generated at a national level, which allows uploading the information for each of the waste groups defined and generated in the organization. In turn, this platform receives the uploading of the information of the waste managed by the allies or different areas of the Company. Regarding hazardous waste, **Telefónica Movistar Colombia guarantees the respective annual report to the competent environmental authority.**



Circular Economy Promotion

The Company has established different waste circularity mechanisms, such as the reuse of modems and decos returned by customers, which means that they are no longer waste electrical and electronic equipment and are reintroduced into the life cycle of the broadband service. In 2024, 520,163 pieces of equipment were reused thanks to this mechanism, equivalent to 235 tons.

At the same time, preventive and corrective maintenance has been optimized in the Company, reducing the frequency of such maintenance and its waste, purchasing more efficient, maintenance-free equipment with a longer useful life. The Company has a specialized manager for handling waste electrical and electronic equipment so that the majority of electronic components can be recovered and used for other production processes outside the organization.

Another of the circularity measures implemented by the Company is the re-deployment of scrap copper at the national level, which allows its use in different production processes, reducing environmental liabilities and generating non-operating income from its sale. By the end of 2024, 9,868 tons had been re-deployed.

4 Environmental Practices

These initiatives led to **99.7 % of the waste being recycled** in 2024, while **0.7 % was treated in other ways, such as landfills and incineration and deposited in safety cells,** when there are limitations of access to the area or due to the characteristics of the waste:

		Final Provision			
Type of waste	**Waste**	**Recycling**	**Landfill and Incineration**	**Other, e.g. cells**	**Grand total**
Not hazardous	Paper and cardboard	66.9	0	0	66,9
	Cables, plastic pipes and metals	10,281.2	0	0	10,281.2
	WEEE operations and offices	64.7	0	0	64.7
	Customer mobile phones	2.5	0		2.5
	WEEE customers (except cell phones)	39.8	0	0	39.8
	Other non-hazardous waste (demolition/construction)	869.0	15,9	6,9	891.8
Total not hazardous		11,324.1	15.9	6.9	**11,346.9**
Dangerous	Fluorescent	0.5	0	0.2	0.7
	Batteries	25.4	0.1	-	25.4
	Other hazardous wastes	0.8	1.4	7.1	9.3
	Used oils	11.7	2	1.9	13.6
	Refrigerant gases and their equipment	1.6	0	-	1.6
	WEEE operations and offices (CRT screens, PCB, with oils)	0.3	0	-	0.3
Total dangerous		40.3	1.4	9.2	**51.0**
Grand total		11,364.4	17.4	16.1	11,398
Total % type of treatment		**99.7**	**0.2**	**0.1**	**100**



Although waste management depends on the authorization generated in the environmental licenses of the managers that support it, the Company has a waste management priority chain, where the first treatment must be focused on its reuse, recycling or exploitation.

Commitment to Biodiversity

GRI Content 101-1, 101-2, 304-1, 304-3

Telefónica Movistar Colombia has aligned its actions with the Global Biodiversity Framework, promoting projects that not only foster environmental conservation, but also minimize the environmental impact of its operations.

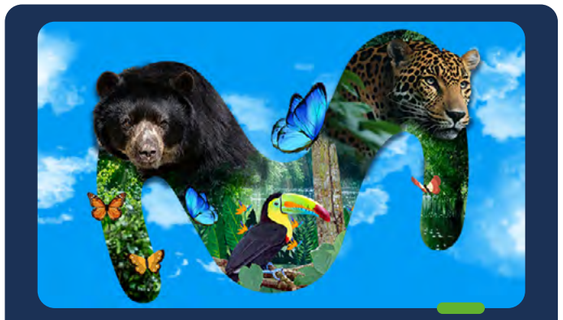
In the conservation area, the Company has developed specific plans for protected areas. In the **Sumapaz National Natural Park,** 146 native trees were planted along 145 linear meters, while in the **Galeras Flora and Fauna Sanctuary,** 583.33 m² were restored with the planting of 442 plants of 18 species. Telefónica Movistar Colombia also installed information billboards in the **Tatamá National Park** to protect wildlife and organized awareness-raising workshops in Nariño on ecological restoration.

In terms of pollution reduction, Telefónica Movistar Colombia has **achieved a 73 % reduction in CO_2 emissions (scopes 1 and 2)** since 2015, equivalent to more than 39,000 tons of CO_2 avoided. In addition, its **Integrated Waste Management Plan** has enabled the recycling of 99.7 % of more than 11,000 tons managed, consolidating a commitment to circular economy and efficient waste management.

As part of its strategy to combat climate change, Telefónica Movistar Colombia has migrated **92 % of its electricity consumption to renewable sources,** and has implemented photovoltaic self-generation systems that produce **1.9 GWh annually.** The company has also made progress in shutting down 2G and 3G networks, prioritizing **4G and 5G** technologies, which are up to 90 % more energy efficient.

In the area of responsible consumption, **38 % of its digital business portfolio** has the **Eco Smart seal,** promoting energy savings and sustainability. It has also promoted the use of **Eco Rating**, a tool that evaluates the sustainability of mobile devices, helping consumers to make more responsible choices.

Finally, in its commitment to transparency, Telefónica Movistar Colombia annually publishes its **Responsible Management Report** under international standards such as **GRI, TCFD and SASB. I**t is also actively involved in global initiatives, participating in TNFD (Taskforce on Nature-Related Financial Disclosures) and **1 Trillion Trees**, reaffirming its role in global sustainability.



Telefónica Movistar at COP16: Commitment to Connectivity and Biodiversity

Durante la COP16, celebrada en Cali, Colombia, Telefónica During COP16, held in Cali, Colombia, Telefónica Movistar played a prominent role by participating in various spaces, for example in the **Congress of the Business and Productive Sector of Colombia,** organized by the National Business Council and ANDI. Represented by Asomóvil, Telefónica Movistar presented its strategies to mitigate environmental impacts and promote sustainability.

To ensure optimal connectivity during the event, it **strengthened its 4G and 5G** network at key points in Cali, such as the **Bulevar del Río, the Valle del Pacífico Events Center, the airport and the hotel zone.**

In order to facilitate attendees' connection, it also deployed its sales force in key locations, offering free SIM cards and the COP16 Prepaid PRO plan, which included data, minutes and SMS at no cost.

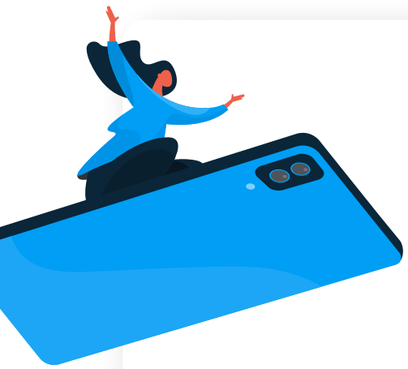
These actions reflect its commitment to connectivity and biodiversity, aligning its operation with Colombia's digital and environmental development.

Sustainable Mobility



Telefónica Movistar Colombia reaffirmed its commitment to sustainability and the well-being of its employees, working on various fronts to achieve the goals set for sustainable mobility. Some of the most outstanding achievements of the year are:

- **Expansion of the carpooling program,** which incorporated more than **2,600 employees**, generating **205,378** route publications and **20,802** effective connections, benefiting **695** women with a safe travel.
- **Success of the bicycle and scooter sharing programn** with the participation of more than **720 users,** who made **34 thousand trips** and traveled 443 thousand kilometers, reducing 110 tons of CO_2 and adding **568 days of wellbeing** thanks to the reduction of traffic.
- **Free bicycle and skateboard maintenance workshops** were organized in Bogotá, benefiting more than **450 employees.** In addition, physical activity was promoted through stationary bicycles and an interactive electric track, with the participation of **112 employees.**
- **Improvements in the shared mobility stations,** which included the incorporation of 6 electric assisted bicycles and the adaptation of areas for the loan of **7 bicycles and 16 free scooters.**
- **Promoting the use of low environmental impact** transportation by creating new parking spaces for **15 electric motorcycles** and increasing the capacity for **8 electric scooters.**
- **Training in road safety,** where **107 employees** were trained in basic protocols for responding to road accidents, in partnership with the Victims of Traffic Accidents Guidance Center (Centro de Orientación para Víctimas de Siniestros Viales – ORVI).



Digitalization

Telefónica Movistar Colombia is engaged in achieving a world where technology contributes to protect the planet, so it is focused on digitalization, which plays a key role in decarbonization and green transition. **That is why the company is committed to develop internal and external actions for customers:**

Internal Actions:

- **Hera:** The administrative resource tool improved the management of maintenance services, integrating the entire process and achieving 89 % internal satisfaction. Since its implementation, more than **7,215 cases** have been managed, generating savings of COP 350 million, reinvested in the renovation of air conditioners to optimize comfort in the Experience Centers.
- **MyPlace:** The parking lot management tool was optimized, streamlining the opening of gates through the use of the carnet and adding the option of sharing routes. This improved efficiency and safety, reducing the operational burden on security personnel.
- **Compensation automation:** A tool was developed to automate the management of compensatory days, facilitating their control for leaders and employees, ensuring traceability, transparency and efficient operation.



External Actions:

Telefónica drives digitalization and connectivity so that its customers can operate more efficiently and sustainably, optimizing resources such as energy and water, reducing CO_2 emissions and promoting the circular economy

In 2024, the Eco Smart Seal continued to be promoted in Colombia, and 37 % of Movistar Empresas' portfolio of digital solutions have been verified and have this seal, which promotes environmental benefits, such as:

SERVICIOS ECOSMART — VERIFICADO POR AENOR

- Energy savings
- Reduction of water consumption
- Reduction of CO_2 emissions
- Circular economy

These solutions, aimed at key sectors such as tourism, industry and banking, leverage technologies such as cloud, IoT, big data and AI to contribute to decarbonization and sustainability. See more at: **www.movistar.com.co/empresas/servicios-ecosmart**

Environmental Audits and Assessments

4 Environmental Practices

Within the prioritization made for suppliers and contractors in relation to environmental issues, different monitoring and verification parameters have been defined according to the services they provide to Telefónica Movistar Colombia associated to the life cycle of the organization, but not discriminated by significant environmental aspects.

In 2024, the Company carried out 27 audits: internal and third party (suppliers), equivalent to 82 audit days, in order to identify improvements to the Environmental Management System, ensuring adequate action planning and strategies aimed at resolving the deviations detected.

Environmental Trainings

GRI Contents 404-1, 404-2

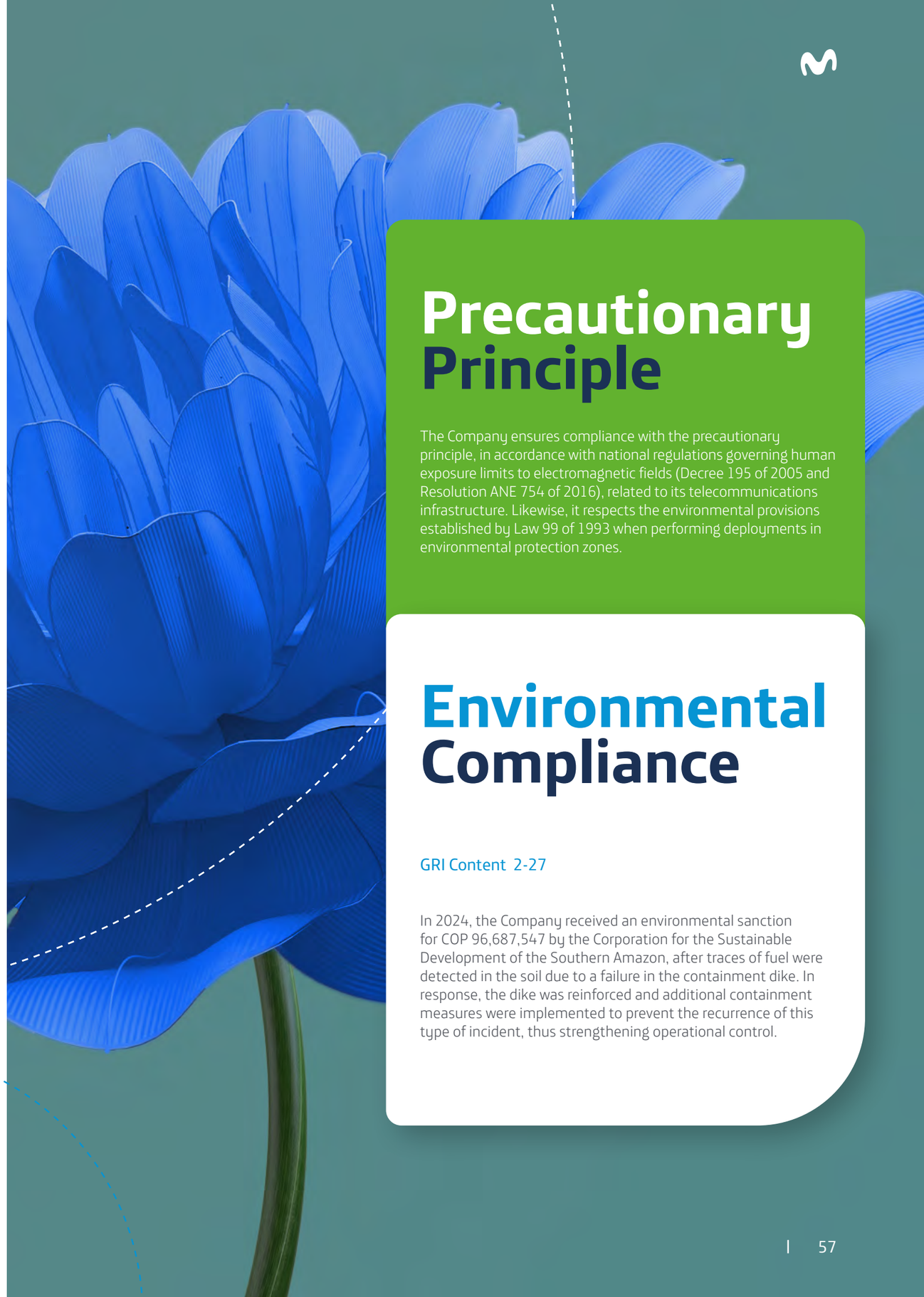
4 Environmental Practices

In 2024, the Company carried out 27 audits: internal and third party (suppliers), equivalent to 82 audit days, in order to identify improvements to the Environmental Management System, ensuring adequate action planning and strategies aimed at resolving the deviations detected.

Telefónica Movistar Colombia has a training program for employees and partners to improve their knowledge and qualification in environmental issues. In 2024, different sessions were held for positions that require strengthening their skills in environmental issues such as Carbon Footprint Calculation, Circular Economy, sustainable finances, and Energy Management System, among others.

The ESG Academy was also launched as a global field to train and promote a sustainability culture in the Company, available to all employees, including environmental training such as Eco Smart, Eco Rating, Taxonomy, circular economy and climate change.

In addition, the Company provides its employees with a corporate website (intranet) where they can consult information regarding the Environmental Policy, management programs, indicators, objectives, environmental performance results, tips, and environmental aspects and impacts, among others.



Precautionary Principle

The Company ensures compliance with the precautionary principle, in accordance with national regulations governing human exposure limits to electromagnetic fields (Decree 195 of 2005 and Resolution ANE 754 of 2016), related to its telecommunications infrastructure. Likewise, it respects the environmental provisions established by Law 99 of 1993 when performing deployments in environmental protection zones.

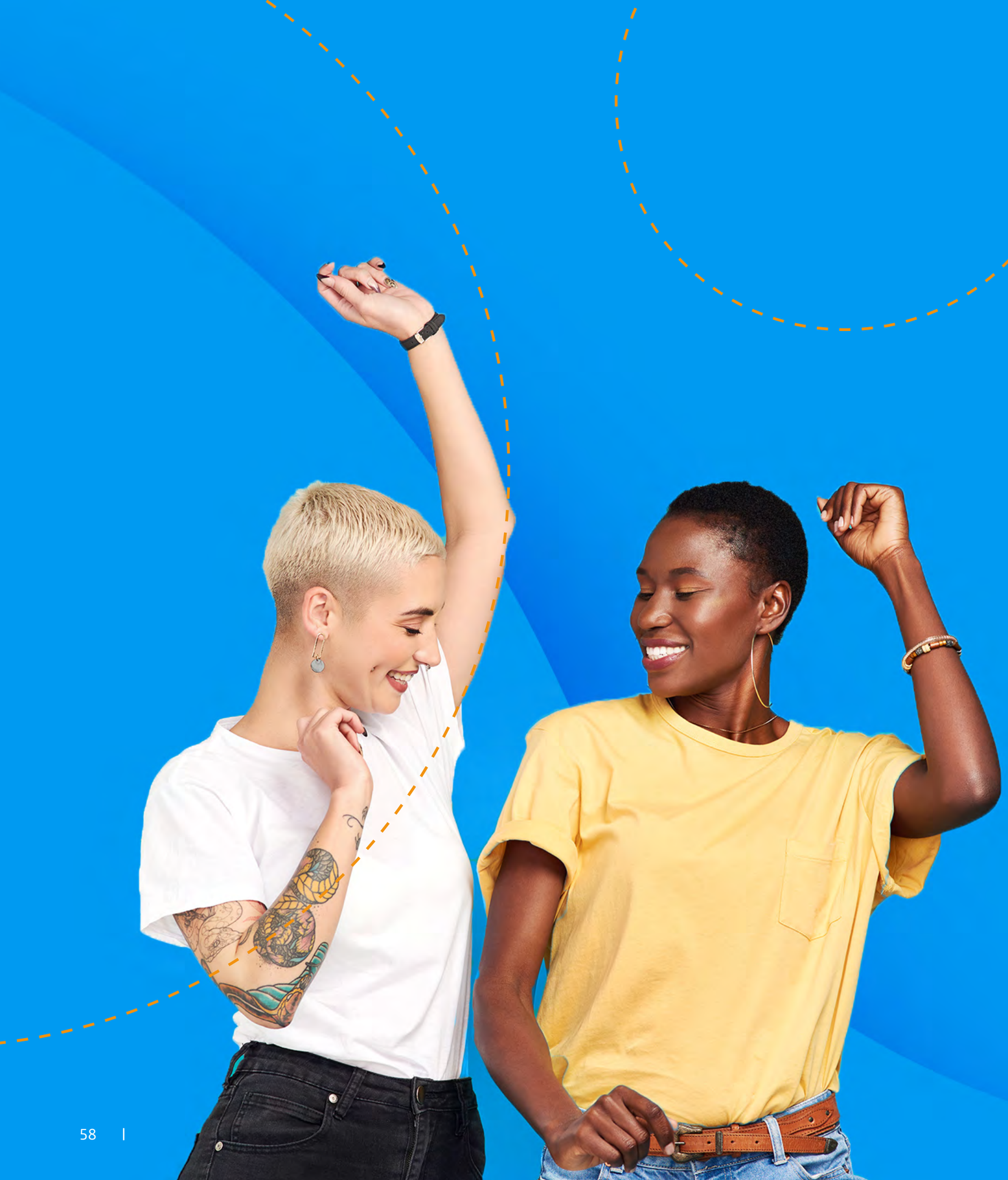
Environmental Compliance

GRI Content 2-27

In 2024, the Company received an environmental sanction for COP 96,687,547 by the Corporation for the Sustainable Development of the Southern Amazon, after traces of fuel were detected in the soil due to a failure in the containment dike. In response, the dike was reinforced and additional containment measures were implemented to prevent the recurrence of this type of incident, thus strengthening operational control.

05

S - Helping Society Thrive



Connectivity for Digital Growth

GRI Contents 2-6, 203-2, 3-3

2024 was a challenging year in social, political and environmental terms, factors that significantly impacted economic variables. To address these challenges, the Company focused on identifying opportunities and the best ways to adapt to these effects, reinventing itself and seeking new growth models with a digital base. In this context, actions were promoted to contribute to the construction of more inclusive and sustainable societies.

Digitalization is a key factor to make growth possible. The Company's commitment is to put technology at the service of people while simultaneously accompanying the transformation of local talent, which not only improves the country's productivity levels, but also offers innovative alternatives so that people can enhance their talent. Additionally, to operate under the commitment of being a responsible business, reducing its environmental impact and offering customers solutions that allow them to develop their activity in a more efficient and sustainable way.

In order to boost the digital economy, the Company is committed to a more connected, equitable and inclusive country; pillars that will drive competitiveness, welfare and sustainable development. Therefore, one of its main objectives is to modernize and expand the technological coverage of telecommunications networks, to connect the unconnected and continue developing products and services that improve productivity and business efficiency.

In this context of superconnectivity and high traffic, networks are facing increasing saturation. In addition, the effects of the weather continue to affect the national territory, which has extended failure recovery times. Added to this are the difficulties in some regions with the supply of electricity and the increase in thefts in the infrastructure, which has generated pressures on the stability of the network.



Nevertheless, the Company has managed to successfully overcome these challenges, maintaining an average availability of over 99.8 % throughout the network: 99.85 % in the basic line, 99.99 % in Broadband and Fiber Optics in the internal plant, and 99.83 % in the mobile access network, in accordance with the parameters established by regulation.

Movistar Fiber

GRI Contents 2-6, 2-7, 2-8, 405-1

The deployment of optical fiber was consolidated as one of the main strategic initiatives and one of the major growth levers for Telefónica Movistar Colombia in 2024, reaffirming itself as the best technology available in the market. Thanks to key alliances, the Company took on the challenge of carrying out one of the largest fiber optic network deployments in Colombia, reaching 5.9 million homes in 92 locations. This represented the incorporation of 1 million new homes during 2024, compared to the previous year.

This ambitious bet demanded an investment of COP 273.51 billion, which allowed the Company to generate an EBITDA of COP 38.98 billion. This effort not only improved profitability, but also allowed the expansion of coverage to 24 new municipalities, further consolidating the presence of Telefónica Movistar Colombia in the national market.

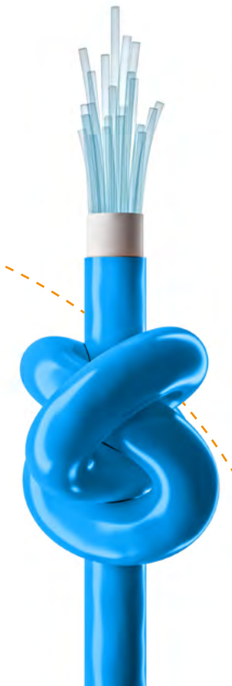
A highlight was the increase in fiber optic penetration in homes in strata 1 and 2, with increases of 10 % and 40 %, respectively. This achievement positions Telefónica Movistar Colombia as the company with the largest fiber optic deployment in the country, demonstrating its firm commitment to quality connectivity for all sectors of the population. In addition to covering the main capital cities and their metropolitan areas, the network was extended to intermediate municipalities such as Mariquita, Espinal, Santa Rosa de Cabal, Acacías and Ciénaga, among others. These advances mark a significant milestone for the industry, promoting greater digital inclusion and strengthening the country's technological infrastructure.

This expansion plan also had a positive impact on Colombia's social and economic development, generating more than 3,461 jobs. The construction of this infrastructure was guided by principles of sustainability, equity, employability and social inclusion, contributing not only to technological progress, but also to the well-being of communities throughout the country.

In commercial fiber activity, Telefónica Movistar Colombia positioned itself through the campaign "We are fans of what you do", which leveraged customer growth, closing 2024 with nearly 1.5 million connected customers. In this way, Telefónica Movistar Colombia is the only operator that grew in Market Share in fixed connections.

The substantial increase in the speed of internet connections is the result of its proposal to satisfy the vertiginous demand for data from homes and businesses, offering entry speeds of 500 megabytes and maximum speed of 900 megabytes. These figures are very significant and support the company's strategy of continuing to enhance the potential of fiber and its benefits. The Company extended the benefits of more speed to postpaid customers with the Movistar Total (Fiber + Postpaid) segment, delivering benefits such as more speed, more data and the entire Black program available to Telefónica Movistar Colombia customers.

In 2024 we also continued with the strategy of positioning fiber optic connections, through regional launches, in order to present the advances in connectivity and the contribution of this technology to the country's development, which is relevant due to its social, economic and environmental implications.



Mujeres en Red

GRI Contents 2-8, 405-1

By the end of 2024, the **Mujeres en Red (Connected Women)** program reached **627 technical positions** occupied by women in the partner workforce. With the support of **ten strategic partners** and contractors, the program expanded its reach to technical support **operations in call centers,** consolidating its presence in all regions of the country.

This initiative has become a benchmark in employability and equity, offering development opportunities in areas such **as home technical service, infrastructure maintenance, technical support in call centers and logistics.** It also contributes to the fulfillment of the **Women's Empowerment Principles,** which has led to the recognition of its impact at national and international level.

Andesco Sustainability Award 2024 in the special category of Labor Equity.

Conecta Latam Awards granted Telefónica Hispanoamérica the first place in the *"Best Sustainability Initiative in Telecom of the Year"* category.

"Highlights" initiatives in the World Economic Forum's Diversity, Equity and Inclusion Report (January 9, 2025), where it was recognized as a best practice that, due to its innovative approach, provides valuable lessons to other organizations worldwide.



Network Management and Mobile Services

GRI Contenido 203-1

Regarding mobile network deployment activities, more than COP 87.68 billion were allocated in 2024 to carry out more than 1,900 interventions in 3G, 4G and 5G technologies. Approximately 1,287 works were executed in 3G and 4G technologies to prepare the integration to the unified mobile access network, nearly 500 carriers were implemented in 4G technology and 113 5G carriers. All this made it possible to improve capacity and coverage in about 388 municipalities, and also to strengthen the network in order to support mobile traffic and quality of service.

On the commercial front, 2024 saw a hectic market dynamic, mainly due to regulatory changes focused on portability processes and new offerings among mobile operators in the market.



Driving Digital Transformation with 5G

Movistar reaffirms its commitment to Colombia's digital transformation by becoming the first operator to deploy 5G technology, marking a milestone in the evolution of mobile connectivity in the country.

Beginning 2024, the company started expanding its 5G network, bringing users the most advanced technology globally. This commitment not only improves connection speed and capacity, but also drives innovation, the digitalization of industry and the development of new applications in key sectors such as health, education and business productivity.

Thanks to this expansion, more people and companies can access faster, more stable and efficient connectivity. By the end of 2024, a total of 14 locations (12 municipalities) in Colombia already had 5G coverage, including: Altavista, Medellín, Barranquilla, Bogotá, Cartagena, Valledupar, Montería, Santa Marta, Apiay, Villavicencio, Cúcuta, Bucaramanga, Ibagué and Cali.

Within the framework of the Single Network, which facilitated the acquisition of the 5G Spectrum, significant infrastructure improvements have been made, including the deployment of 111 new sites in these locations, expanding network coverage and capacity.

With this leadership in 5G, Movistar accelerates the modernization of the digital ecosystem in Colombia and reaffirms its commitment to innovation and technological transformation in the country.

Postpaid Segment

The post-paid offering was strengthened with segmented tactical actions that boosted its value proposition, such as the market launch of a unique alliance of new IlimiDatos (Unlimited Data) plans with Disney+ and Star+ included at no additional cost. At the end of 2024, 49,322 customers were activated in these plans and approximately 19,184 people enjoyed the Combo+ included benefit. In addition, differential personalization attributes are maintained for customers in the Postpaid offer, such as ElegiApps to choose the favorite apps of the plan and browse freely; Pasa Gigas, to transfer and request gigas from and to other Movistar postpaid plans, and Roaming Data to use the plan's gigas in up to 61 countries at no additional cost.

Movistar is the only operator that allows its customers to maintain their connection even when the initial data of their plan has been consumed, this concept, which is called Ilimidatos® exclusive to Movistar in the Colombian market, brings the latest trends in connectivity to the country and puts them at the service of its customers, thus, those who purchase these plans do not have to worry about disconnections or negative experiences when using the Movistar network. In addition to the above, there are benefits that Movistar Total customers receive with up to 50 % more gigabytes permanently in the plan, preferential benefits such as pre-sales at Movistar Arena, great strategic allies and preferential attention for owning fixed and mobile products.



Prepaid Segment

Movistar's prepaid segment is a key pillar in Colombia's digital inclusion, connecting more people and overcoming economic and geographic barriers. Currently, more than 80 % of the connections in the country are made through this modality, reflecting its significant reach that transcends economic and geographic barriers.

With its Prepaid Product, Movistar offers an accessible solution, where, for less than the cost of an urban transport ticket, anyone can acquire a SIM with immediate connectivity. For example, users can recharge from COP 1,000 in more than 70.000 physical points and digital channels, including e-wallets, bank applications, Fintech, banking correspondents, and even lottery and gaming points of sale, in any corner of the country, whether urban or rural.

The company focuses on improving connectivity and offering differential benefits, such as unlimited access to key applications, unlimited minutes to any operator and international calls, supporting the migrant population. It has also launched innovative packages that facilitate access to digital content without a credit card, such as Movistar Arena Music and Win Sports, with plans to expand its offer to insurance, assistance and new video platforms.

One of the great innovations of 2024 was the launch of "Prepago Pro", a proposal focused on optimizing investment in connectivity.

Its success allowed us to expand our customer base and consolidate Movistar as a leader in this segment, providing digital solutions that transform the lives of millions of people.

Digital Solutions for Companies

Today, Telefónica Movistar Colombia is a technology company with a portfolio of solutions in four verticals: Big Data; Internet of Things; Digital Security and Cloud. These are services tailored to large organizations of all sizes **In 2024, more than 67 thousand companies had at least one Movistar Empresas digital service:**



IoT

- Legacy IoT Connectivity
- Kite Managed Connectivity
- Vehicle management
- Geo-management
- Online company
- Connected industry
- Industry IoT Networks
- IoT equipment

Advertising

- Enterprise Messaging (MEPE)
- Sponsored data
- Smart campaigns
- Omnichannel (Sendit, One Inbox)

Big Data

- Smart Steps: Luca Transit,
- Luca Store, Luca Turismo
- Smart Digits: Luca ATP, Luca Match, Luca Scoring, Movistar Verify
- Luca consumption
- 1DOC3- virtual medical guidance
- Consulting and analytical services
- RPA and IA

Cloud

- FlexWAN
- Azure
- AWS
- Huawei cloud
- VDC- Virtual Data Center
- Data center solutions
- Office 365
- Google Workspace
- Webex Calling
- Team Talk - Push To Talk instant communication
- Managed WiFi
- Sip Cloud Trunk

Security

- Multi-Device Protection - Endpoint Protection License on PCs and Mobile Devices
- EDR
- Anti DDoS Shield
- Managed security
- SIEMaaS: Monitoring and Early Warning Platform
- Security Edge
- Email Protection
- Safe traffic
- Next Defense: SOC risk and vulnerability management
- SMDM: Remote device management and restriction system

Major Milestones In The Corporate Segment

Launch of the Trunking SIP Cloud service: to meet the needs of customers who have PBX solutions in the cloud and require access to voice channels. The solution was launched with Data centar infrastructure to enable connectivity through a public IP.

Launch of 5G technology: with a practical demonstration to customers of the B2B segment of the benefits obtained by the different sectors when using the fifth generation of cellular telephony combined with other technologies such as computer vision, virtual reality, augmented reality, robotics and drones.

Launch of the Artificial Intelligence value proposition: with different solutions to maximize benefits, reduce costs and automate processes.

Renewal of infrastructure in Data center Zona Franca 2: upgrade of PDUs due to obsolescence, which support the electrical and redundancy system of the Data center, to provide services to clients such as Itaú, Banco Caja Social and ATH.



Innovation

Innovation is a lever for transformation in the Company, and it is based **on three pillars:**

Generation of new revenues through process optimization and product/service development.

Creation of innovation spaces that promote motivation and retention of talent.

Strengthening the ecosystem through strategic alliances, promoting co-creation and sustainable solutions.

Wayra: Innovation and Entrepreneurship

Wayra, the investment, innovation and entrepreneurship support arm of Telefónica in Latin America, strengthened Telefónica Movistar Colombia's ecosystem in 2024 by integrating startups as strategic allies and suppliers. This collaboration generated revenues in excess of **COP 50 billion**, highlighting the case of **ADDI**, whose solution facilitated the financing of cell phones for B2C customers, optimizing portfolio management and liquidity.

27 Colombian startups
in Wayra Hispam portfolio

From 28 Wayra startups working with Telefónica Movistar Colombia, **20 belong to Hispam portfolio and 8 to Global's**

Wayra also accompanied organizations in their innovation processes, with outstanding cases such as:

- Grupo Energía de Bogotá: Through the *Venture Client* program, selected startups aligned with its strategic focuses on industry 4.0, smart grids, GHG reduction, customer experience, sustainable mobility and fuels of the future.
- ISA Group: Advised on the launch of *Inndigo*, an innovation investment program that seeks strategic alliances with technology startups to accelerate the energy transition in Latin America.



Strengthening the Innovation Ecosystem

Wayra is also a Managing Partner in Corporate Impact Venturing Latin America & the Caribbean (CIV LAC), an IDB Lab and IDB Invest initiative that connects large companies with startups that address regional challenges in social inclusion, education, support to MSMEs and environmental sustainability. Telefónica participates as a member company. In 2024, Wayra promoted Corporate Venture Capital in Colombia with an event in collaboration with IDB, bringing more than 25 companies together to share experiences on investing in innovation. **In addition, it published key reports for the ecosystem, such as:**

- Digital Health & Open Innovation Latam 2024, with more than 40 cases of innovation in health.
- Corporate Venturing Latam 2024, which explores corporate investment opportunities in startups.

Agility and Digital Transformation

GRI Content 404-2

Telefónica Movistar Colombia has consolidated a solid agile work culture that adds value to the business with a digital vision focused on customers, obtaining outstanding results. In 2024, more than 1,800 employees worked under agile structures distributed in Trains, Centers of Excellence (CoEs) and areas of the Business as Usual (BAU) management model, integrating agile practices and principles to optimize the operation. This approach was strengthened thanks to the incorporation of process management and the structuring of a governance model for Artificial Intelligence, consolidating its leadership in digital transformation.

Digital transformation is positioned as a strategic pillar to accelerate results, anticipate market dynamics and keep the focus on customers. In this sense, Telefónica Movistar Colombia integrated this attribute through a decentralized methodology implemented in more than 55 agile cells, which allowed the development of a Lean chapter that included tools such as SIPOC and A3, generating benefits valued at COP 600 million. At the same time, process automation was promoted through the use of innovative technologies, accompanied by transversal efforts that achieved continuous and tangible value delivery, maximizing the experience of clients and internal teams.

Among the most important milestones there are initiatives such as the Digital Transformation Summit, Digital Transformation Week, Power Platform training and innovation workshops in collaboration with Wayra.

These spaces have been key in promoting learning, co-creation and the adoption of new technological tools.



Thanks to these actions, Telefónica Movistar Colombia reached significant milestones in terms of business maturity:

- An Agile Maturity Index (AMI) of **3.90/5, showing sustained growth.**
- A Digital Maturity Index (DMI) of **6.3/10, driven by the increase in 100 % automated transactions in digital channels.**
- A Process Maturity Index (PMI) of **4.2/5, reflecting operational optimization.**

In operational terms, the time to release new features (LT) improved from 170 days to 91 days, while the compliance ratio increased from 85 % to 87 %, integrating business and development teams in this metric for the first time. These advances were possible thanks to the strengthening of key agile roles like Scrum Masters (SM) and Product Owners (PO), as well as the constant review and redesign of agile structures that allowed us to strategically prioritize areas such as cash, profitability and efficiencies capturing.

Metrics-based management has been a key differentiator, enabling the evolution of Telefónica Movistar Colombia through quarterly OKRs. Indicators such as T2M, productivity and quality have been essential to maximize business impact, simplify processes and accelerate decision making. This approach, together with the digitalization and automation of processes, generated efficiencies valued at COP 32.44 billion, with internal developments and technological alliances that have had a positive impact on both costs and OIBDA.

Telefónica Movistar Colombia is consolidated as a benchmark in the digital ecosystem, leading business agility and digital transformation in the region. The learnings and achievements of more than five years of agile transformation are testimony to a continuous evolution that allows it to address challenges in a disruptive way, generating positive results for customers, society, the sector and the business.

Actions to promote digital inclusion and development

GRI Content 413-1

2nd Meeting on Digital Inclusion in Latin America

The **2nd Meeting for Digital Inclusion in Latin America**, held on October 21 in Bogota, brought leaders and experts together to discuss how connectivity can boost digital development in the region and what actions the public and private sectors should take to reduce the gaps in internet access and use. According to the GSMA, by the end of 2023, 45 million people in Latin America lacked mobile internet coverage, and 181 million, although they had access, did not use these services due to lack of digital skills.

The event was organized by **Internet for All, IDB, IDB Invest, Telefónica Hispanoamérica and CAF,** together with other partners. It highlighted the need for a comprehensive approach that combines coverage with digital skills development and attracting sustainable investments.

As part of the meeting, **Telefónica Movistar** Colombia celebrated the second edition of the **"Conectarse para Crecer"** (Connect to Grow) award, which supported projects of rural women who use technology for social and economic development. Eighty-two applications were received in categories such as Education, Environment, Business in Progress and Health, and three winners were awarded. The initiative was supported by several entities: American Tower, Universidad del Rosario and OAS-CITEL.







Ruta del Jaguar 2024: Promoting Well-Being in Vaupés

The department of Vaupés faces the highest rate of youth suicide in the country, influenced by cultural and social factors such as forced displacement and the affectation of the territories. In response to this situation, the **Government of Vaupés,** through the Secretary of Government and its Social Manager, implemented actions aimed at improving the mental health of adolescents and young people. In this context, and in partnership with **Telefónica Movistar Colombia,** the **"Ruta del Jaguar 2024 for life, people with disabilities and their caregivers"** was developed, a MTB cycling race with 200 bikers participating. This initiative promoted sports as a tool to strengthen self-confidence, well-being and quality of life, in addition to contributing to the reduction of anxiety.

Prior to the event, paralympic cyclist and Movistar ambassador **Juan José Florián,** known as "Mochoman", gave inspiring talks to people with disabilities, caregivers and students, impacting more than 500 people with his testimony of resilience and overcoming challenges.





FAC 105th Anniversary Race "Run like the Wind"

In commemoration of the 105th anniversary of the Colombian Air Force (FAC), Telefónica Movistar Colombia and its Telefónica Movistar Colombia Foundation joined forces with this institution to organize a 500-meter race in which 30 children with functional diversity participated. This initiative highlighted the importance of inclusion and teamwork, demonstrating that solidarity and community spirit can have a positive impact on society.





Human Talent Management

GRI Contents 2-7, 2-8

With people at the center of the strategy, the Company is convinced that maximizing employee potential and increasing their motivation are the enablers of change and sustainable growth. Their enthusiasm and commitment to Telefónica's purpose and values is key to achieving its objectives.

In 2024, the Company continued to be a relevant actor of employability in the country. In the six regions (Central Administration, Bogotá, Caribbean, Northwest, East and South), 5,422 employees were engaged, 47.6 % of them women and 52.4 %, men.

It is important to note that for all data in this chapter, the Company's headcount as of December 31, 2024 was taken as the closing date. It does not include the Telefónica Foundation payroll. Income and turnover indicators do not include temporary positions or interns.

Employees by type of contract and gender

Type of contract	Women		Men		Grand total	
Indefinite	2,019	37.2	2,370	43.7	4,389	80.9
Temporary	460	8.5	397	7.3	857	15.8
Learning	92	1.7	64	1.2	156	2.9
Fixed	9	0.2	11	0.2	20	0.4
Grand total	**2,580**	**47.6%**	**2,842**	**52.4%**	**5,422**	**100%**

*Does not include Foundation Payroll

Employees by type of contract and region

Type of contract	Central administration		Bogotá		Caribbean		Northwest		East		South		Grand total	
Indefinite	2,167	40.0	505	9.3	446	8.2	412	7.6	377	7.0	482	8.9	4,389	80.9
Temporary	5	0.1	252	4.6	127	2.3	223	4.1	119	2.2	131	2.4	857	15.8
Learning	81	1.5	17	0.3	12	0.2	19	0.4	15	0.3	12	0.2	156	2.9
Fixed	20	0.4		0.0		0.0	0	0.0		0.0		0.0	20	0.4
Total	2,273	41.9%	774	14.3%	585	10.8%	654	12.1%	511	9.4%	625	11,5%	5,422	**100%**

* Foundation's payroll not included.

Hiring and rotation

GRI Content 401-1



Total number and rate of new employee hires by age group, gender and region.

Regional	Women							
	Less than 30		Between 30 and 50		Over 50		**Total**	
Central administration	18	4.8	22	5.9		0.0	40	10.7
Bogota	8	2.1	22	5.9		0.0	30	8,0
Caribbean	4	1.1	16	4.3		0.0	20	5,3
Northwest	11	2.9	19	5.1	1	0,3	31	8,3
East	11	2.9	9	2.4		0.0	20	5,3
South	12	3.2	15	4.0		0.0	27	7,2
Grand total	**64**	**17.1%**	**103**	**27.5%**	**1**	**0.3%**	**168**	**44.9%**

Regional	Men								Grand total	
	Less than 30		Between 30 and 50		Over 50		**Total**			
Central administration	34	9.1	33	8.8		0.0	67	17.9	107	28.6%
Bogota	11	2.9	16	4.3		0.0	27	7.2	57	15.2%
Caribbean	10	2.7	17	4.5		0.0	27	7.2	47	12.6%
Northwest	12	3.2	23	6.1	2	0,5	37	9.9	68	18.2%
East	9	2.4	12	3.2		0.0	21	5.6	41	11.0%
South	6	1.6	21	5.6		0.0	27	7.2	54	14.4%
Grand total	**82**	**21.9%**	**122**	**32.6%**	**2**	**0.5%**	**206**	**55.1%**	**374**	**100%**

*Scholarship holders or temporary employees not included.

Total number and turnover rate by age group, gender and region.

Regional	Women								
	Less than 30		Between 30 and 50		Over 50		**Grand total**		
Central administration	18	7.2%	67	26.9%	18	7.2%	103	41.4%	
Bogota	10	8.9%	39	34.8%	3	2.7%	52	46.4%	
Caribbean	6	10.7%	13	23.2%	2	3.6%	21	37.5%	
Northwest	14	12.2%	36	31.3%	3	2.6%	53	46.1%	
East	8	9.8%	27	32.9%	2	2.4%	37	45.1%	
Sur	14	15.2%	24	26.1%	5	5.4%	43	46.7%	
Grand total	**70**	**9.9%**	**206**	**29.2%**	**33**	**4.7%**	**309**	**43.8%**	

Total index Rotation
15,74%

*Scholarship holders not included

Regional	Men								Grand total	
	Less than 30		Between 30 and 50		Over 50		**Total**			
Central administration	28	11.2%	92	36.9%	26	10.4%	146	58.6%	249	35.3%
Bogota	11	9.8%	41	36.6%	8	7.1%	60	53.6%	112	15.9%
Caribbean	4	7.1%	27	48.2%	4	7.1%	35	62.5%	56	7.9%
Northwest	13	11.3%	39	33.9%	10	8.7%	62	53.9%	115	16.3%
East	6	7.3%	34	41.5%	5	6.1%	45	54.9%	82	11.6%
Sur	1	1.1%	35	38.0%	13	14.1%	49	53.3%	92	13.0%
Grand total	**63**	**8,9%**	**268**	**38%**	**66**	**9,3%**	**397**	**56,2%**	**706**	**100%**

Diversity, Equity and Inclusion

GRI Contents 404-3, 405-1, 406-1

Companies are a reflection of the people who work in them. For this reason, Diversity, Equity and Inclusion (DEI) management is a key lever to drive the digital transformation and the Company's Responsible Business Plan. Accordingly, the Company has a global Diversity Council and a local Diversity Council, which is responsible for the design, implementation and monitoring of all diversity actions, programs and initiatives.

In addition, the Telefónica Group's Board of Directors reinforces its commitment to a Global Diversity Policy, which guarantees equal opportunities, an inclusive culture, and fair treatment throughout the organization. This policy rejects any form of discrimination based on factors such as nationality, ethnicity, gender, sexual orientation, disability, age or religion.

At the end of 2024, 52.4 % of employees were men, while 47.6 % were women. The composition of the workforce by gender and job category is as follows:

Employees by labor category

Category	Women				Men				Grand total
	Less than 30	Between 30 and 50	Over 50	Total Women	Less than 30	Between 30 and 50	Over 50	Total Men	
Middle Management	0%	3.8%	0.4%	4.2%	0.1%	4%	1.1%	5.2%	9.4%
Rest of staff	6%	33.1%	3.1%	42.2%	6.7%	35.2%	6.5%	48.4%	90.6%
Grand total	**6%**	**36.9%**	**3.5%**	**46.5%**	**6.7%**	**39.2%**	**7.6%**	**53.5%**	**100%**

**Management, interns or temporary employees not included.*



Telefónica has consolidated a comprehensive strategy that promotes safe and valued workplaces, with a focus on the individuality of each employee. These initiatives are reflected in key indicators, organizational diagnostics, inclusive culture and an employer brand recognized for its diversity.

Key Performance Indicators

GRI Content 404-3

KPIs are established to accurately measure and evaluate progress in inclusion, closing gaps and diversity in the work environment. These indicators are essential to obtain a quantitative and qualitative view of the efforts made and their impact.

In 2024, the performance evaluation exercise was carried out, **and applied to more than 4 thousand employees in the following roles:**



Individual contributor
3,521
M - 53.45% 1,882
F - 46.55% 1,639

Middle Management
406
M - 54.43% 221
F - 45.57% 185

Pre Directives
118
M - 65.25% 77
F - 34.75% 41

Managers
21
M - 57.14% 12
F - 42.86% 9

Diverse Employer Brand

To project the Company as a place that actively promotes diversity, equity and inclusion, with a focus on making these qualities visible and transmitting them to potential collaborators, thus consolidating an employer brand as a synonym of a diverse and respectful work environment.

Inclusive Culture

Initiatives are implemented to foster an inclusive work environment, promoting diversity in all its aspects. In addition, we seek to cultivate an organizational culture that values and respects individual differences. This approach is not only aimed at superficial changes, but at creating a collective mindset of respect and appreciation for diversity.

Organizational Diagnosis

Diagnostics are conducted to assess the current state of the organization and its progress on the different diversity fronts, analyzing its level of advancement. This approach provides a detailed understanding of the areas requiring attention and guides the implementation of effective strategies.

These four strategic pillars are the basis of the actions in Diversity, Equity and Inclusion, leveraged on a more inclusive and equitable organizational culture that has scope in the following five work fronts:



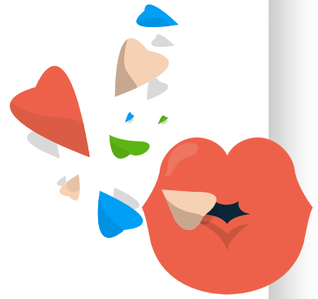
Gender Equity

Promotes initiatives focused on contributing to closing the gap and generating spaces with equality between men and women. Some of the actions taken in 2024 are:

- **Recruitment with a gender focus:** Transparent and unbiased processes implemented, guaranteeing equal opportunities. In leadership roles, at least one woman is included in the final shortlist, and vacancy announcements are free of discriminatory criteria such as sex, age, ethnicity or disability.
- **Launch of WomenTech:** This initiative promoted the hiring of women in technological areas, with the participation of 57 women in strategic projects, achieving two internal movements and involving them in key selection processes.
- **Futura Program:** Designed to strengthen women's leadership, it offered training in 10 modules focused on skills such as negotiation, communication and personal leadership. With more than 400 participants, the program boosted 15 movements to positions of greater responsibility.
- Goals have been defined to leverage equity and the promotion of female leadership in higher level positions. By the end of 2024**, 42.8 % women held managerial positions, and 39.8 % held leadership positions.**
- Obtaining the **Equipares Gold Seal** certifies the Company's commitment to diversity, equity and inclusion, reflected in its internal policies and practices.
- The Company adheres to the UN Women Women's Empowerment Principles (WEPs) and the Global Compact, and strongly expresses its commitment to the promotion of gender equality and the empowerment of women, both in the workplace and within the community in general.

Generational

Implementation of actions and programs aimed at integrating people from different generations of the organization and launching programs that connect with talent by opening the doors to young people under 35 years of age, providing them with the necessary tools and support to encourage them to participate in the creation of a new digital world through programs that promote their involvement in the organization**. By the end of 2024, 36.7 % of the workforce were people under 35 years of age.**



- The Company is measured annually in Employers For Youth EFY, a quantitative study that seeks to recognize and understand the expectations and behaviors of young professionals, as well as the attributes they value most in their companies. For 2024, Telefónica Movistar Colombia ranked 23rd out of 35 in the country.
- Annual participation in the Best Internship Experiences BIE ranking, a quantitative study that seeks to recognize and understand the expectations and behaviors of young interns, as well as the attributes they value most in their companies. For 2024, Telefónica Movistar Colombia was ranked 18th in the country.
- With the Ranking of Companies Committed to Youth, the Company is positioned as one of the best companies for young professionals, identifying and positioning its initiatives in the market. For 2024, Telefónica Movistar Colombia Hispam attained the 4th place within the top 10 of the recognized organizations.

LGBTQI+ Community[1]

A safe working environment for members of the LGBTIQ+ community is fostered by promoting respect and non-discrimination. **It is also managed in this pillar:**



- Extensive benefits for the LGBTIQ+ community were maintained (wedding, bereavement, homoparental, and school leave, among others), promoting their use through a communication campaign.
- Mixed bathroom in the facilities, a space designed to promote equality and value diversity, thus demonstrating the commitment to the well-being and inclusion of the staff.
- Deployment of communication campaigns to raise awareness about respect and inclusion of members of the LGBTIQ+ community.

1 Lesbian, gay, bisexual, transgender, queer and intersex (LGBTQI)



People with Disabilities

In 2024, the Company continued to promote the incorporation of people with disabilities into its workforce. At the end of the year, the Company had 10 certified people with disabilities. In addition, the following actions were implemented:

- Relaunching of the Manual for People with Disabilities, a guide that provides recommendations to eliminate the barriers that are imposed every day with the interaction of people with disabilities.
- Creation of spaces to raise awareness about disability through talks, discussions, testimonials and panels within the organization.
- Launching of communiqués to facilitate and guide employees in obtaining their disability certificate.

Multiculturalism

GRI Content 202-2

The Company promotes the integration of people of different origins and ethnicities, through the deployment of training actions and communication campaigns to raise awareness about the integration of other cultures, ethnic communities and races. Telefónica has a community in Workplace with more than **10 thousand employees** called "Diversaliad@s" where they share actions, communication, information and workshops to generate learning and awareness about diversity in general and in its five work areas. For 2024, more than **20 training actions were carried out, impacting more than 2,700 employees.** 100 % of the managers are of local origin.





Freedom of Association

GRI Content 2-30

In line with the Responsible Business Principles and the Human Rights policy, the Company guarantees the right of employees to belong to the union that represents them and does not tolerate any type of retaliation or hostile action towards those employees who participate in union activities, and according to the third Principle of the Global Compact (companies should support freedom of association and the effective recognition of the right to collective bargaining) by 2024, 2.8 % of the total number of employees were covered by collective bargaining agreements. It should be noted that the Company determines the labor and contractual conditions of both unionized and non-unionized workers, in accordance with the provisions of the law.

Salary

GRI Contents 2-19, 2-20 and 2-21

SOCIEDADES BIC

3 Labor Practices

For Telefónica Movistar Colombia, it is of great importance to have a solid and consistent salary structure that recognizes individual performance, values the importance and impact of each position within the organization and that is competitive in the national salary market. This structure is based on a systematic process that covers from the description to the salary allocation for the organization's positions, as well as the constant comparison with the market to determine the competitiveness of salaries.

This process is carried out based on the position and its valuation and impact on the organization, not on its occupants, so gender is not a determining factor in the calculation of the salary assignment, nor to evaluate its behavior in the market.

Salary Structure

GRI Content 2-19, 2-20

The **Company has a job leveling structure as a result of an appraisal,** which covers a range of 12 different levels, grouping the non-management positions of the organization. Each level is compared for internal equity and external competitiveness to determine the corresponding salary conditions, thus avoiding biases due to salary allocations for higher levels. Consequently, the remuneration defined for the position holders correspond to the functions, responsibilities and their impact on the organization. Therefore, there is no comparison in the salary allocation of a Pre-Management level, compared to the average of the organization, taking into account that more than 60 % of the employees represent the lower levels of this scale (4 to 9).

Compensation for all levels is set based on criteria of external competitiveness (salary market), internal equity (comparison by levels and families of positions) and the economic context of the organization. According to the nature of the functions of each position, a compensation mix is set that includes fixed salary, commissions and annual bonus for organizational results.

- **Fixed Monthly Salary:** no direct employee has less than the minimum legal salary in force each year.
- **Variable Salary (commissions:** applies to employees who perform commercial sales or customer service activities and whose goals are defined and measured by the Commercial Planning area.
- **Annual Bonus:** applies to direct employees of the organization and is typically assigned to non-business positions. Its allocation percentage varies according to the impact of the role on the achievement of business objectives. To measure the results of each of Telefónica's operations, fundamental axes are established with a specific weight, measured at the end of each year to establish the percentage of bonus payment for results. For 2024, these were the KPIs measured:

NPS:	Emissions:	Women:
5%	**5%**	**5%**



Compensation Ratio

GRI Contents 2-21, 202-1, 405-1, 405-2

In 2024, the compensation ratio was 801 %, resulting from the calculation of the highest versus the median compensation assigned. The calculation took into account the Company's plant without scholarship holders, young professionals, foundation and executives.

Additionally, the percentage of increases was set at an average of 9.08 % for the Company, being 15 % the maximum increase, taking into account the increase established by law and the parameters of compliance with performance indicators. The calculation took into account the Company's plant without Scholarship Holders, Young Professionals, Foundation, or Executives.

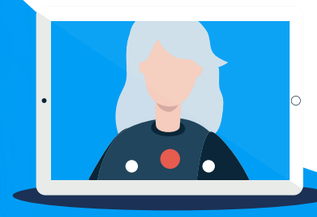
The Company has the Equipares Gold Seal, and an action plan to close the **gender gaps identified in annual salary gap diagnoses:**

Type of position	-29%	-17%	-30%	-1%
Difference	**Manager**	**Chief**	**Professional**	**Analyst**

Well-Being, Teleworking and Work-Life Balance

GRI Content 401-2

The Company promotes innovative programs to improve work-life balance, highlighting:



UNO Benefits

On an anual basis, UNO Benefits plan allows all direct employees of the organization, including interns and SENA apprentices, to program 1,000 and 500 credits respectively, and enjoy the benefits they want, according to their needs and interests. Currently, the program has the following benefits:

- **Flexible Saturday:** Half day off (applies to Experience Centers).
- **My Birthday: :** One day off in the birthday month.
- **Eight are Better:** An extra day for vacation from 7 to 14 consecutive days.
- **15 = 17:** Two additional days for full vacation.
- **Easter Wednesday:** Half day off with continuous schedule.
- **Christmas Shopping:** Half day off for Christmas shopping.
- **Time for You:** Half day off for personal activities.
- **Christmas is Here and The Twelve Grapes:** Two days off in December for Christmas and New Year's Day.

In 2024, 90 % of employees enjoyed at least one benefit, including 91 % women and 90 % men. In Experience Centers, with more rigid schedules, the percentage also reached 90 %, reflecting the success of the program.

Movistar Moments

Movistar Momentos is a portfolio of customizable experiences in categories such as rest, culture, sports, gastronomy, recreation, wellness and tangible products. Activities can be shared with family or friends depending on location. It also includes free activities organized by the Company.

By the end of 2024, 91 % of employees enjoyed at least one experience during the year, 92 % women and 91 % men. **This includes experiences, tangible portal products and area activities.**



Hybrid Working Scheme

Although a hybrid working model has been established since 2022, in 2024 the Company instructed employees in administrative positions to come to the office three days per week and work remotely on the other two. In the wake of the pandemic, the issue of digital disconnection took on greater importance, so we continued to design strategies focused on time management and digital wellness. **Here are some examples of such communications.**

The Company provides connectivity to employees through an endowment plan with unlimited data, value that the Company assumes with the granting of the endowment plan and is not paid directly to the employees. Additionally, it has employee plan benefits to acquire Movistar services with a special discount. The Company also recognizes the corresponding value of the electric energy used in the work tools of the employees, under the concept of teleworking assistance (in accordance with the applicable policies in force).



Time Flexibility

The Company offers a series of benefits related to time and flexibility in the workday **without affecting remuneration.** Its main objective is that employees can choose the option that best suits their needs and preferences.

This program includes flexible schedules (Monday through Thursday) and "Disconnection Fridays" with a continuous workday from 8:00 AM to 2:00 PM. This benefit does not apply in Experience Centers, where they can access the "Two Days per Friday Schedule" benefit.

Other Benefits:

The Company also offers a variety of other time benefits that allow for work flexibility. These are paid leaves of absence (in addition to what is provided by law). Benefits such as: extended maternity and paternity leave, parental leave, gradual return or soft landing, leave in case of miscarriage or non-viable birth, school leave, time for your wedding, domestic calamity leave.

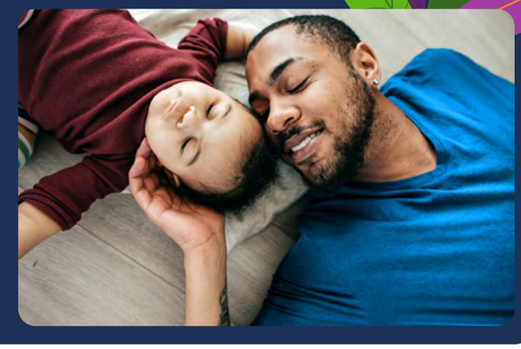
Parental Leave

GRI Content 401-3

In 2024, 120 employees requested a parental leave: **63 women were entitled to maternity leave and 57 men to paternity leave.**

Similarly, 118 employees returned to work after the leave in 2024 (61 women and 57 men), which could have started in 2023 or 2024. There are currently no cases that meet the condition of continuing 12 months after returning to work. Eight women were on maternity leave at the end of 2024.

Return and retention rates for employees who took parental leave were 98 % for both women and men.



Employee Benefits

GRI Content 401-2

The standard benefits for full-time employees are:

Disability assistance

The Company complements the EPS payment up to 100 % of the income during the first **180 days of disability.** Benefit subject to change by decision of the Company.

Additional paid time in addition to that established by law

Extension of licenses:

- **Maternity:** **+2 weeks** (total 20 weeks).
- **Paternity:** **+6 working days** (total 14 working days).

Soft landing: One-hour daily reduction in the workday for 30 days after returning from leave.



Life insurance

Covers death or permanent total disability. Policy assumed in its entirety by the Company from the beginning of the contract.

Special permits

- **School:** Two half-days per year and three hours per two-month period for children's school activities.
- **Domestic calamity:** Paid leave in serious cases affecting personal or family life.
- **Abortion or non-viable childbirth leave:** Two weeks of paid leave for affected couples.
- **Wedding:** Four paid days.
- **Homoparental leavel:** Primary caregiver: 20 weeks (22 in multiple births. **And secondary caregiver:** 14 working days with pay.

Training and Performance

GRI Content 404-1 and 404-2

The Company promotes constant training for its employees, adapting to the needs of the business environment. During 2024, **several outstanding initiatives were implemented:**

Digital Minds Academy: Update of the cultural program focused on agile methodologies and new ways of organization.

CX Academy: Launched for the entire organization, it drives a customer-centric culture and service improvement.

Dexway language program: Employees were granted licenses in English, Portuguese and German.

DesarrollaT: Virtual and collaborative program with 11 topics, open workshops and e-learning. 605 employees in Colombia participated.

Universitas (Corporate University): Offered monthly training in leadership and reskilling. A total of 632 people participated in Colombia.

Coaching: Aimed at developing human potential, with the participation of five Colombian leaders.

Master Leader: Program for leaders, with tools for the development of professional and personal skills. In 2024, 693 leaders from Colombia participated in talking circles to share best practices.

UDEMY Platform: Training routes were strengthened with more than 600 courses for key areas such as BI, Networking, Digital Relationships and Technology, guaranteeing continuous innovation.



Average training: Each employee completed an average of 37.1 hours of training, with differences by gender and job level.



Women: 42.6 hours



Men: 32.3 hours

Individual contributors: 37.7 hours

Middle management: 33.2 hours

Executives: 10.4 hours.

ESG Academy: Espacio global para la formación en sostenibilidad, integrando temas como medioambiente, diversidad, ciberseguridad, ética y cumplimiento. Incluye cursos, webinars, podcasts y artículos para toda la plantilla. En 2024 los principales cursos realizados por empleados en el marco de esta iniciativa fueron:

ESG training:	Percentage of employees trained
Responsible Business Principles	97%
Leading Diversity	3.7%
Female Empowerment	3%
Cybersecurity for Employees: Personal Protection and Co-Responsibility	72%
Global Privacy Policy	32%

Employee Health and Safety

GRI Contents 403-1, 403-2, 403-5, 403-6, 403-7, 403-8 and 403-9

The Company's Occupational Health and Safety Management System (OHSMS), designed under the ISO 45001:2018 standard, is evaluated annually through external audits that verify its compliance and renew its certification. In addition, it is managed in accordance with the legal requirements defined by Decree 1072/2015 and Resolution 0312/2019, which are analyzed and verified annually.

Although certification is not mandatory, a Minimum Standards Evaluation is performed in accordance with Resolution 0312/2019, reporting the results to the Ministry of Labor and the ARL. In 2024, the Company achieved 100 % compliance, exceeding the acceptable standard of 86 %.

The SGSST covers 100 % of employees and extends to all activities and operating sites nationwide. Its implementation involves all areas of the organization and allied companies through the "Responsible Allies" program.

The identification of hazards, evaluation and risk assessment is performed following the methodology of the Colombian Technical Guide GTC45 version 201 People Approach and Headquarters Approach. In the "People" approach, the Groups of Similar Exposure (GES) are grouped considering the activities of each position, including the risks associated with teleworking.

The SGSST ensures the integral management of occupational health and safety, promoting a safe working environment and complying with the highest quality standards.



The classification of the people approach is as follows:

IPEUR Matrix by Job Type - People Approach

C0
Administrative

Performing administrative activities, generally at a desk in front of a computer, at the company's headquarters and outside the company (teleworking).

C1
Store (CE)

Performing commercial activities, generally at a desk in front of a computer, serving the customers visiting the place of work (commercial establishment).

C2
Commercial/Administrative

Performing administrative and commercial activities in and outside the Company (teleworking), usually at a desk in front of a computer, and also moving outside the assigned workplace to perform work or commercial tasks.

C3
Operational/Administrative

Alternating tasks in and outside the company (teleworking), performing administrative activities (at the assigned workplace, usually at a desk in front of a computer) and operational activities inside or outside the assigned workplace (in the field), in which he supervises and receives work from contractors.

C4
Operational/Heights

Alternating tasks in and outside the Company (teleworking), performing administrative activities (in the assigned workplace, usually at a desk in front of a computer) and operational activities inside or outside the assigned workplace (in the field), in which work can be performed at a height greater than 2.0 meters (if required by the operation). Such work is done under the procedures defined by the organization.

C5
Commercial /100 % in the street

Carrying out activities in areas with population of commercial interest (selling fixed products door-to-door and mobile products).



Under the Site Approach, two tools are contemplated to identify and assess the hazards and risks specific to each location: the Vulnerability Analysis and the Matrix for the Identification of Hazards, Evaluation and Assessment of Risks by site typology. This input allows establishing specific controls according to the environment and the site's own characteristics, aimed at preventing undesired events.

The risk matrix is the basis of the system and is updated annually or in the case of relevant events such as serious accidents, inspections with critical findings, or regulatory changes. This tool makes it possible to prioritize risks and design specific management and epidemiological surveillance programs to reduce exposure to risk factors that may cause occupational accidents or diseases.

Workers have various channels available where they can participate and actively consult the Occupational Safety and Health Management System – OSHMS, as well as report hazards or situations that generate risk to their safety and health. Employee participation in the SGSST is essential and is encouraged through channels such as: Observations in system deployments, Reports of unsafe acts and conditions, and Communications with the Joint Committee on Occupational Safety and Health (COPASST).

The system contemplates the rights and duties of workers for the execution of activities, as well as the communication channels with immediate bosses and Business Partners to report situations or new developments, which are evaluated by the OSH team and determine the level of relevance and materialization. No employee is forced to work under conditions that compromise their safety or health.

Accident Investigation: Workplace accidents are investigated using the **5W+1H** methodology, collecting and analyzing all related information to identify root causes. This analysis ensures the implementation of corrective and preventive measures, avoiding the repetition of similar events.

Complementary programs and strategies: The OSHMS includes training and awareness programs to strengthen the safety culture, promoting prevention and the integral wellbeing of employees in all areas of the organization.

Occupational and Preventive Medicine

GRI Content 403-3

The occupational and preventive medicine process of the OSHMS focuses on several fundamental pillars: conducting occupational medical examinations, detailed follow-up of medical cases, origin qualification processes, management of absenteeism due to medical causes, and analysis of key indicators such as the prevalence and incidence of occupational diseases. In addition, all employees and up to five (5) of their family members have free access to 1DOC3, a comprehensive health and wellness platform that operates under the telemedicine modality.

This tool offers care in areas such as general medicine, psychology, nutrition, pediatrics, sexual and reproductive health, and even veterinary services, available 24/7 to ensure continuous and personalized support.

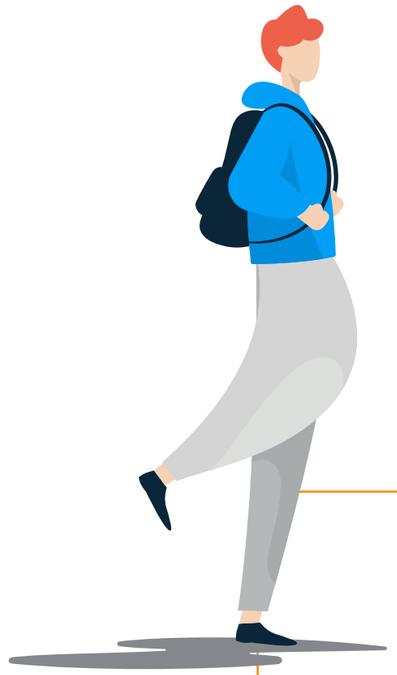


Employee OSH Participation and Consultation

GRI Content 403-4

The **Occupational Safety and Health Management System (OSHMS)** implemented at Telefónica Movistar Colombia encompasses a variety of mechanisms designed to promote the participation and integral wellbeing of employees. **Among these mechanisms, the following stand out:**

- Joint Committee on Occupational Safety and Health - COPASST.
- Labor Coexistence Committee.
- Road Safety Committee.
- Management review.
- Internal customer - Remedy.
- Report of absences due to health reasons.
- Report of absences due to health reasons.
- Report of health conditions.
- Business Partner, OSH team, administrative and regional leaders.
- Lives, campaigns and notes.
- SST training.
- Participation in eNPS measurements Culture and employee experience.



The Joint Occupational Health and Safety Committee (COPASST) is a body of workers' representatives, elected by national vote, and representatives appointed by the company's senior management. Its main objective is to ensure constant communication on the needs and results of the OSHMS. This committee has a term of two years, operates continuously and holds regular monthly meetings. In special cases, extraordinary meetings are called, documenting all activities and issues addressed in minutes accessible for consultation by employees nationwide.

OSH Training for Workers

GRI Contents 403-4, 403-5, 404-2

In 2024, Telefónica Movistar Colombia conducted 533 training sessions, equivalent to 15,211 hours, benefiting 9,146 people. These trainings covered essential topics for strengthening the organizational culture in health and safety.

The most important courses include:

Training in OSHMS and Committees:

- **50-hour OSHMS** course for new members of the Committees (COPASST, Labor Coexistence Committee and Height Coordinators).
- Reinforcement of **20 hours** for those who complete **three years** of initial training.

Specialized Thematic Training:

- **Adaptation to Climate Change:** Impact and measures within the Management Systems - aimed at allies.
- **Sexual Harassment in the Workplace:** Strategies for Prevention and Awareness.
- **Prevention of Behavior Affecting Labor Harmony:** Training in conflict resolution.

Road Safety and Safe Driving:

- Promoting a **culture of road safety:** Five safe driving habits.
- **Preventive Management** Training:
  - Prevention of local and public risks.
  - Safe mobility.
  - Risks in streets and roads.

Induction and Reinduction:

- **Induction/Re-induction of allies:** Generalities of the OSHMS and the Environmental Management System.
- **Specific OSHMS re-induction** for active personnel.

Retraining and Advanced Courses:

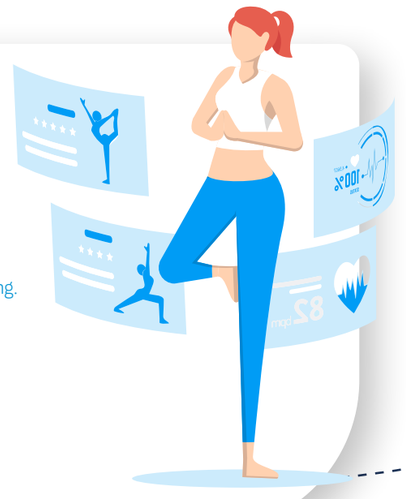
- **Retraining for Work at Heights:** Reinforcement for authorized workers.
- **Integrated Management Course:** Safety, health, environment and quality management.

Risk Identification and Prevention:

- **Hazard Identification and Evaluation workshops** specific to each job.
- Socialization of **the Emergency Attention Plan:**
  - First aid.
  - Fire control.
  - Simulation exercises.

Promotion of Wellness and Healthy Habits:

- **Healthy Lifestyles:**
  - Prevention of musculoskeletal injuries.
  - Ergonomic therapies.
  - Talks on psychosocial risk.
  - Reflection on occupational accidents (lessons learned).
- **Occupational Safety and Health Month:**
  - Strategies to reduce stress.
  - Mental gym, resilience and well-being.
  - Specific talks such as "Prevention of Electrical Risk at Home".



Health Promotion, Prevention and Mitigation of OSH Impacts

GRI Content 403-6, 403-7

Telefónica Movistar Colombia ensures that all its employees are affiliated to health insurance companies from the moment they join the Company. In addition, it promotes face-to-face and virtual activities to promote health, based on the results of the reports on health conditions and absenteeism due to medical reasons. Some actions:

Talks and workshops

Emotional intelligence, stress management, corporate happiness, breast cancer, how to act in a crisis situation, work-family balance, emotional regulation, laughter therapy workshop, coping with grief, learning to let go, among other topics of interest. **The OHSMS covers all activities, operations and employees, including commercial channels.**

Work-Related Injuries

GRI Content 403-9

In 2024, the Company did not have any fatalities in operations and did not record any occupational accidents with serious consequences. A total of 58 recordable occupational injury events were recorded, representing a rate of 5.65 per million hours worked. In total, 10,268,163 man-hours worked were recorded.

The main types of work-related injuries to employees are: sprain, strain, muscle tear, blow and contusion.

For workers who are not directly employed, but whose jobs or workplaces are under the control of the organization, there were also no fatalities or occupational accidents with major consequences. There were 79 recordable injury events reported, with a rate of 10.05 per million hours worked, out of a total of 7,861,802 man-hours worked. The main occupational injuries are blows, contusions, sprains, and injuries associated with road safety risks.

Occupational hazards with the potential to cause serious accidents are identified through a hazard evaluation and assessment tool. This process allows prioritizing risks and designing Risk Management Programs or Epidemiological Surveillance Systems focused on reducing the accident rate.

Although no serious occupational accidents occurred in 2024, the hazards that have caused injuries with major consequences have been: road traffic accidents, sports competitions and exposure to public risk.

Risk Management Programs define specific actions focused on risk reduction and accident reduction. The scope of these programs is for 100 % of the workers without any type of exclusion.

Occupational Diseases and Illnesses

GRI Content 403-10

In 2024, there were no deaths due to occupational diseases, although there was one case of carpal tunnel syndrome. To address these diagnoses, measures such as ergonomic inspections, postural hygiene training, and the provision of ergonomic equipment were activated. These actions are part of the Epidemiological Surveillance System for Musculoskeletal Disorders (SVE DME), which covers 100 % of employees.

Human Rights

GRI Contents 2-22, 2-23, 2-24, 2-27

For Movistar, human rights are a material issue. Therefore, the Company works on the design and implementation of various actions aimed at their management, monitoring the impact of these initiatives through a due diligence process on Human Rights, in accordance with the Guiding Principles on Business and Human Rights of the United Nations.

In accordance with these principles, Telefónica Movistar Colombia assumes the responsibility to respect the human rights of all its stakeholders, both internal and external, throughout its operations. Although the State has the obligation to protect these rights, the Company is not exempt from guaranteeing their respect and remedying their impacts.

Telefónica Movistar Colombia acts in accordance with international human rights standards and conventions. This is reflected in its corporate policies, including Telefónica's Code of Ethics, which establishes the Company's commitment to respect human rights. This commitment extends from employees to its commercial and operational partners, starting from the moment a business relationship is formalized.

The Company also has a Human Rights Policy that is aligned with the Responsible Business Principles and encompasses other relevant corporate policies, such as gender equity, diversity and inclusion, sustainability in the supply chain, among others. In addition, it is incorporated into procedures that consolidate its labor policy.

This commitment is reflected in several key areas of its influence, both in its relationship with employees, suppliers, customers, and society in general:

- **Commitment to customers:**
  Guarantee of privacy and security, protection of freedom of expression, promotion of responsible use of products and services, protection of minors, and non-discrimination.
- **Commitment to employees:**
  Promotion of diversity, inclusion, equal opportunities, as well as the right to health and safety, freedom of association and collective bargaining, against forced labor, slavery and child labor.
- **Commitment to society:**
  Fighting corruption, promoting digital inclusion, protecting the environment and supporting communities.
- **Commitment to the supply chain and business relationships:**
  Respect for human rights in relations with suppliers and business partners.



Risk Management and Remediation of Human Rights Impacts

GRI Contents 2-25

The telecommunications sector and new technologies play a crucial role in the promotion of **human rights,** as proper management can contribute to the progress of countries and improve the quality of life. However, accelerated digitalization brings challenges related to **privacy, freedom of expression, equality and employment.** In this context, the Company's main challenge is to ensure respect for human rights in the digital environment.

Since 2009, Telefónica has adopted **due diligence** principles to identify, prevent and manage risks associated with human rights violations. This approach focuses on the **Global Human Rights Policy,** impact assessments, and the cross-cutting integration of these principles into its processes. In addition, it establishes grievance mechanisms to strengthen the link with stakeholders.

In its **risk management** framework, the Company considers **human rights** as a key risk, encompassing areas such as **privacy, diversity, and security.** To ensure compliance with new regulatory requirements, it conducts a comprehensive analysis of human rights impacts every 3-4 years, assessing the effectiveness of implemented actions through semi-annual indicators. Key risk areas include:

Operations: Those arising from asset and service management.

Human resources: Associated with personnel management.

Products and services: Related to their commercialization and use.

Suppliers and strategic partners: Arising from their activities.

Governance: Management risks of internal mechanisms.



Data Protection

GRI Contents 2-25, 412-1

The Company has assumed a serious commitment with the protection of personal data, following the principle of Proactive Responsibility stipulated in the Colombian legislation. In order to comply with current regulations and ensure proper treatment of personal information, it has implemented various actions to improve its data protection and information security standards.

This includes internal policies and programs that ensure compliance with the Personal Data Protection Law, its regulatory decrees and the corresponding international standards.

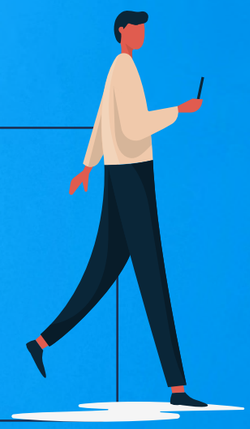
Key initiatives include:

- PQRs and data suppression processes.
- An Integral Personal Data Management Program.
- Continuous local and global training for all group companies.
- Activation of security protocols and data recovery.
- Designation of a Data Protection Officer at the corporate level.
- A Data Protection Committee and an Information Security Incident Committee.
- A Personal Data Protection Center of Excellence that monitors operations in the HispAm region on a weekly basis.
- Implementation of personal data protection and information security policies at local and corporate level.
- Internal and external audits, including audits of third party data processors.
- Use of technological tools such as CETI and Privateca to guarantee security measures in the databases.

In addition, contracts for the transfer of personal data (DPAs) between group companies are in progress, and binding corporate regulations are in the process of being approved in Spain and Germany.

Thanks to these initiatives, the Company guarantees that personal data are used exclusively for the purposes for which they were collected and authorized by their owners. This approach, aligned with Telefónica's global strategies, seeks to create an internal culture of respect for data protection, ensuring that both its local and global operations comply with best practices in personal data protection and information security.

The commitment of senior management, both locally and globally, is clear and serious about the protection of personal data, with the aim of creating an internal culture that respects privacy and ensures that data.



Commitments and Working Groups on Human Rights

GRI Content 2-28

Telefónica Movistar Colombia seeks to promote and preserve the welfare of the social environments in which it operates, and has been managing human rights since 2009 by applying the principles of due diligence in its processes, in order to identify, prevent and manage potential risks of human rights violations.

A key element for the management of Human Rights is focused on the permanent updating and participation in spaces for dialogue and knowledge management on the subject, so in 2024 the Company continued to participate in initiatives that promote responsible management of Human Rights in business environments.



Colombia Human Rights Guides

Telefónica Movistar Colombia participated in the initiative **Guías Colombia en Derechos Humanos (DDHH) y Derecho Internacional Humanitario (DIH),** a multi-stakeholder platform that brings together companies, government entities, international organizations and civil society organizations to promote the improvement of Human Rights in Colombia. Its objective is to encourage responsible and sustainable business practices that contribute to the adoption of practical guidelines for human rights due diligence, essential for long-term sustainability and risk management. With 37 active members, Guías Colombia advocates a dialogue based on trust, motivating concrete advances in the management of HR risks and opportunities.

Among the issues addressed are climate change, working conditions, land management, community relations, institutional strengthening, etc. Some of the actions developed in 2024:

- **Monthly plenaries:** participation in eleven monthly meetings to generate an exchange and feedback on the contents of the initiative.
- Launching of the Guide on Climate Change and Just Transition.
- Update of the supply chain guide, focusing on global trends and new regulations.
- Territorial implementation in the department of Cesar with a focus on agroindustrial just transition.
- Implementation of a supplier program to strengthen human rights due diligence.
- Publication of the first management report, evaluating progress in the implementation of the guidelines.
- Participation in national and international strategic spaces, consolidating Guías Colombia as a reference in human rights and sustainability.
- Signing of a joint declaration to influence public policies related to business and human rights.



Guías Colombia DDHH – Self-Diagnosis

GRI Content 412-1

Telefónica Movistar Colombia implemented the Self-Diagnosis Tool of the **Decent Work Guide,** which evaluates its performance in human rights through 9 cross-cutting indicators and 33 specific indicators on key issues such as freedom of association, equality, diversity, working conditions, forced labor, child labor and industrial safety. This self-diagnosis, based on the PHVA cycle, allows us to identify progress and areas for improvement in order to align our internal programs.

Main results:

- **Compliance:** Movistar achieved 96 % in corporate due diligence in human rights and 100 % in the implementation of the Decent Work Guide, standing out in freedom of association, equality and diversity policies.
- **Gaps identified:** Improvement needed in risk assessment, communication with stakeholders and differential approach to vulnerable populations.
- **Context analysis:** It is recommended to include an explicit human rights perspective in social and political analyses to anticipate risks and mitigate impacts.

Recommendations

- **Strengthen context analysis:** Incorporate a human rights perspective to prevent risks and avoid social conflicts.
- **Promote equality and non-discrimination:** Conduct regular salary audits, ensure fair hiring processes and encourage diversity in leadership roles.
- **Improve communication and participation:** Establish anonymous channels and surveys to receive feedback, and organize communication and negotiation workshops for employees and managers.
- **Monitor and continuously improve**: Apply the PHVA approach to adjust HRD strategies and reinforce internal risk management training.

Movistar has demonstrated outstanding progress in implementing decent work practices, reflecting its commitment to human rights. But to maximize its impact, it is crucial to move towards a more proactive, inclusive management aligned with international standards.

Otros espacios participación DDHH

La Compañía también participó en otras iniciativas relevantes:

- Participación activa en la Mesa de Derechos Humanos de Pacto Global Red Local Colombia.
- En la Comisión de Empresas Sostenibles y Responsables ESG, impulsada por la Cámara de Comercio Hispano-Colombiana y la Embajada de España, promoviendo el desarrollo de acciones responsables en derechos humanos y sostenibilidad.

Human Rights Training

GRI Contents 404-2, 410-1

During 2024, the Company continued with the training process on the Responsible Business Principles, which includes a chapter related to the respect and promotion of Human Rights and Digital Rights. At the end of December 2024, this course had been completed by 95 % of the workforce.

In 2024, together with the Ombudsman's Office and its National Directorate for the Promotion and Dissemination of Human Rights and the Delegate Ombudsman's Office for Economic, Social and Cultural Rights, a training course on basic fundamentals of Human Rights and Business was held for employees and suppliers within the framework of the Allies Academy, aimed at the protection, promotion and respect for human rights, peaceful coexistence and a culture of peace. More than 70 people had the opportunity to participate, including employees and allied companies.



Likewise, we continued the promotion and training of the Supply Chain, especially for security personnel. The Company's current security scheme covers the protection of people, goods and infrastructure and is in charge of the allied companies Seguridad Atlas Ltda., Prosegur S.A. Cía. de Seguridad, and Honor Servicios de Seguridad Ltda.

Prosegur S.A. Cía. de Seguridad

The company, as part of its training plan, has established an online course on Human Rights at Prosegur University, with the purpose of recognizing which behaviors may affect human rights and which are the obligations of the State, companies and individuals in each specific case. As of December 2024, coverage for personnel assigned to the Telefónica Movistar Colombia device is at 91 %.

Seguridad Atlas Ltda.

The training process of this partner company is carried out in two modalities and as of December 2024, the coverage for the personnel assigned to the Telefónica Movistar Colombia device is 87 %:

- **Virtual Mode:** Through the UniAtlas Virtual Campus, training is provided for the **Induction processes:** Code of Ethics, No Bribery Policy and Human Rights; **Integral Development Journey (Reinduction):** Human Rights, Diversity and Inclusion and **Virtual Training:** Human Rights Course and Diploma in Use of Force with emphasis on International Humanitarian Law.
- **Distance mode:** Reinduction booklet for the provision of the service for Telefónica Movistar Colombia, which includes the topics of Code of Ethics, No Bribery Policy, Human Rights, Ethics Line, Siplaft.

Honor Servicios de Seguridad Ltda

The allied company has established virtual courses on Human Rights, Gender Equity and Due Diligence, among others. As of December 2024, coverage for the personnel assigned to the Telefónica Movistar Colombia device is 100 %.

According to the distribution of the personnel of each of the allied companies, the total percentage of training in Human Rights of the Security personnel assigned to the protection of people, goods and infrastructure of Telefónica Movistar Colombia is 87.5 %.

06

G - Leading by Example

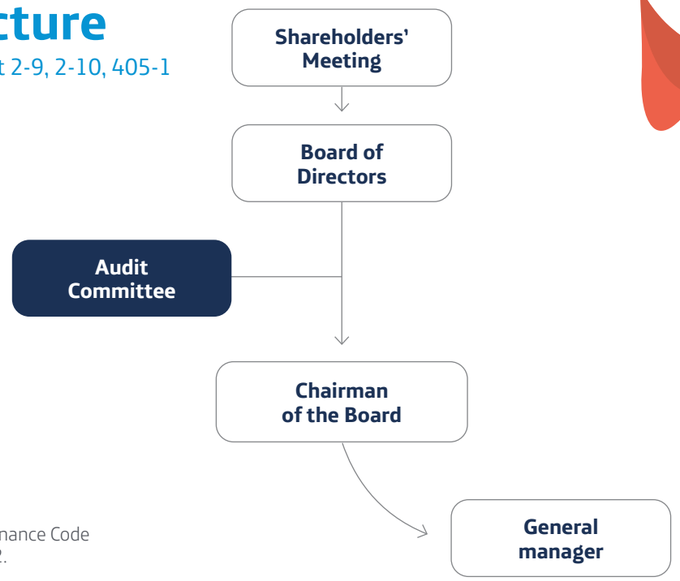
Governance and Ethical Management

Corporate Governance

In order to preserve the integrity of the administrators and safeguard the interests of the organization, the Company has a Code of Good Governance (hereinafter "the Code") which aims to "ensure its proper administration, public knowledge of its management and the mechanisms for evaluation and control of such evaluation"[2]. This Code governs the ethical behavior of the Company and compiles the rules of administration, conduct, information and control to which the Company is subject. Its general principles include, among others, the sustainable investment model, healthy competition and sustainability.

Governance Structure

GRI Content 2-9, 2-10, 405-1



2 Good Governance Code Numeral 1.2.

General Shareholders' Meeting

The General Shareholders' Meeting of Colombia Telecomunicaciones S.A. ESP BIC is the supreme body of the company, where shareholders exercise their right to make decisions on the company's most important matters. Its role is to guarantee the correct administration and management of the company, ensuring respect for the shareholders' interests.

In line with general good corporate governance practices, two main types of meetings are distinguished:

- **Ordinary:** Held periodically, generally once a year, to approve the financial statements, the management of the directors, the distribution of profits and other recurring matters.
- **Extraordinary:** SIt is called when it is necessary to deal with urgent or especially relevant matters, such as amendments to the bylaws, mergers, spin-offs, dissolution of the company or changes in the governance structure.

The powers of the Assembly include:

- Approval of the annual financial statements.
- Distribution of profits and payment of dividends.
- Appointment and removal of members of the Board of Directors and external auditor.
- Modification of the company's bylaws.
- Approval of mergers, spin-offs or liquidation of the company.
- Issuance of shares and other financial instruments.
- Supervision of the management of the Board of Directors.

Regarding convocation, quorum and voting:

- Notice: The Meeting must be called with due notice and in accordance with the bylaws, ensuring that shareholders can exercise their right to participate.
- Quorum: Rules are established regarding the minimum number of shares represented for decisions to be valid.
- Voting: Resolutions are adopted by majority vote, the percentage of which may vary according to the importance of the decision. In some cases, qualified majorities may be required.



This highest authority seeks to guarantee transparency, the exercise of shareholders' rights and good corporate governance.

Board of Directors

GRI Contents 2-9, 2-10, 2-12, 2-13, 2-14, 2-17, 2-18, 405-1

The General Shareholders' Meeting appoints the members of the Board of Directors subject to the provisions of the Bylaws and, as long as the Company is listed on the stock exchange, and in accordance with the provisions of Law 964 of 2005 and the regulations that may amend it. The Board of Directors is comprised of 10 principal members, without alternates.

The Company's Bylaws, the Code of Good Corporate Governance and its Annex No. 3- Regulations of the Board of Directors establish that the members of the Board of Directors shall be professionals of high moral and ethical quality, with managerial leadership skills that allow them to contribute to the Company due to their special knowledge of the information and communications technology sector, financial and risk aspects, legal matters, commercial issues and crisis management. It also establishes that 25 % of the members must be independent, in accordance with the provisions of Law 964 of 2005.

The profiles of the members of the Board of Directors are published on https://www.telefonica.co/accionistas-e-inversionistas/gobierno-corporativo-2/modelo-de-gobierno/junta-directiva-de-colombia-telecomunicaciones-s-a-esp-bic/.

Composition of the Board of Directors

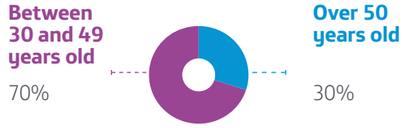
	Name	Genre	Executive/ Non-executive level	Quality	First Appointment
1	Alfonso Gómez Palacio	Male	Executive	Patrimonial	19/12/2006
2	Fabián Andrés Hernández Ramírez	Male	Executive	Executive	9/08/2012
3	Idoya María Arteagabeitia González	Female	Executive	Patrimonial	19/04/2024
4	Diego Colchero Paetz	Male	Executive	Patrimonial	17/03/2016
5	Martha Elena Ruiz Díaz-Granados	Female	Executive	Executive	9/08/2012
6	Pedro Alberto Ramón y Cajal Agüeras	Male	N.A.	Independent	5/11/2010
7	Francisco Javier Azqueta Sánchez-Arjona	Male	N.A.	Independent	22/02/2007
8	Francisco Javier Quiroga Alba	Male	Executive	Patrimonial	19/03/2024
9	Juan Carlos Fernández Martínez	Male	Executive	Patrimonial	26/12/2022
10	Lina Zuluaga Ocampo(*)	Female	N.A.	Independent	26/12/2022

(*) Dr. Lina Marcela Zuluaga resigned from her position as a member of the Board of Directors. The appointment of her replacement will be made by the General Shareholders' Meeting.

Participation by gender



Participation by age



In accordance with the Company's Bylaws, the Board of Directors is responsible for supervising good corporate governance practices and monitoring compliance with the ethical and conduct standards adopted by the Company, including the Code of Good Corporate Governance and the Principles of Responsible Business. In this regard, it periodically receives and approves information on compliance with these policies, as well as on the progress of the Company's business plan and management, including sustainability issues.

The Board of Directors plays an active role in integrating sustainability into the organization, defining strategic guidelines and monitoring management, risk and performance indicators. It also oversees the Responsible Business Plan and good corporate governance practices, ensuring compliance with ethical and conduct standards.

Annually, the Board of Directors reviews the Responsible Management Report - BIC Management Report, prior to its presentation to the General Shareholders' Meeting for approval and subsequent publication through official channels to the corresponding stakeholders and entities.

As part of its oversight role, the Board of Directors ensures compliance with the Anti-Corruption Policy and the certification of the Anti-Bribery Management System under the ISO 37001:2016 standard, ensuring the prevention, detection and mitigation of bribery and corruption risks.

In addition, the Board of Directors receives periodic reports from Compliance Management on the performance of the Compliance Program, including the management of complaints related to possible violations of the Telefónica Group's ethics and integrity regulations. These reports are also submitted to the Audit and the Management Committee, responsible for leading and supervising the planning, implementation and continuous improvement of the Compliance Program.

Aware of the risks associated with Money Laundering (ML), Financing of Terrorism (FT), Proliferation of Weapons of Mass Destruction (WMD), bribery and corruption, the Company has implemented a robust compliance program to prevent its exposure to these illicit practices, mitigating their impacts on the economy and society.



Chairman of the Board

GRI Content 2-11

The Chairman of the Board of Directors is not a senior executive of Colombia Telecomunicaciones SA ESP BIC. The Company's bylaws establish that the Board of Directors shall have a Chairman elected by its members for a term equal to that of this corporate body. The chairman of the Board of Directors shall be the chief executive officer of the Company. However, as long as the Company is listed on the Colombian Stock Exchange, whoever is the Company's legal representative may not serve as chairman of the Board of Directors.

Evaluations

GRI Content 2-18

Although there are no specific evaluations of the performance of the Board of Directors in relation to the supervision of the management of the impacts of the organization on the economy, the environment and people in a specific manner, in accordance with the provisions of the Code of Good Corporate Governance and its Annex N.º 3 - Regulations of the Board of Directors, the Board of Directors performs an annual evaluation of its management, through the mechanism defined by the Board itself.

The self-evaluation includes, among others, the participation and attendance of its members at meetings, their knowledge of the main aspects of the Company and their follow-up of the decisions made by this corporate body and their contribution to defining the Company's strategies and projection.

The results of the self-evaluation of the members of the Company's Board of Directors and the management performed during the year will be included in the Good Corporate Governance Practices Compliance Report 2024, which is published on the Company's website.

Remuneration

GRI Content 2-19, 2-20

The members of the Board of Directors are entitled to remuneration or compensation, in accordance with the provisions of the Company's bylaws, the Code of Good Corporate Governance and its Annex N.º 3 - Regulations of the Board of Directors. The fees are set by the General Shareholders' Meeting, based on the responsibility of the position, the size of the Company and market guidelines. The Company does not have variable remuneration systems, hiring bonuses, hiring incentives, retirement pensions or remuneration systems that incorporate stock options for members of the Board of Directors.



On the other hand, it is reported that fees are not recognized and paid to the members of the Board of Directors appointed by the Telefónica Group who are employed by it.

Finally, it is specified that the remuneration policy for members of the Board of Directors and senior executives is not linked to their performance in managing the impacts of the organization on the economy, the environment and the people.

The Annual Report on Compliance with Good Corporate Governance Practices shall annually report the remuneration received by the members of the Board of Directors in each fiscal year. **This information may be accessed through the web page** https://www.telefonica.co/accionistas-e-inversionistas/gobierno-corporativo-2/informe-de-cumplimiento-de-practicas-de-buen-gobierno-corporativo/.

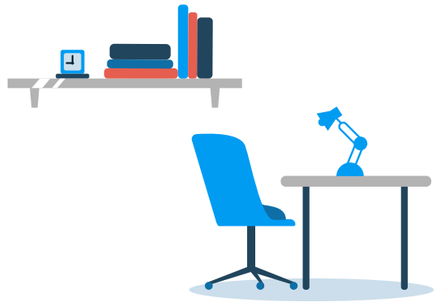
Board of Directors Audit Committee

The Company's Bylaws and the Corporate Governance Code establish that the Audit Committee is composed of five members of the Board of Directors, of which three (3) members shall be independent members. Likewise, it is established that all of them must have knowledge in accounting, financial and other related matters.

The profiles of the members of the Audit Committee are published on the website https://www.telefonica.co/accionistas-e-inversionistas/gobierno-corporativo-2/modelo-de-gobierno/comite-de-auditoria/.

The Audit Committee analyzes the reports on the Responsible Business Plan and the Company's management.

Among its main functions is the supervision of compliance with the internal audit program, ensuring that it considers business risks and comprehensively evaluates all areas of the organization.

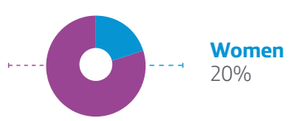


Composition of the Audit Committee

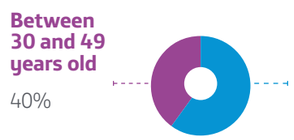
No.	Name	Genre	Executive/ Non-executive level	Quality	First Appointment
1	Alfonso Gómez Palacio	Male	Executive	Patrimonial	27/08/2012
2	Pedro Alberto Ramón y Cajal Agüeras	Male	N.A.	Independent	27/08/2012
3	Francisco Javier Azqueta Sánchez-Arjona	Male	N.A.	Independent	27/08/2012
4	Francisco Javier Quiroga Alba	Male	Executive	Patrimonial	19/03/2024
5	Lina Zuluaga Ocampo(*)	Female	N.A.	Independent	26/12/2022

(*) Dr. Lina Marcela Zuluaga resigned from her position as a member of the Board of Directors, which implies her resignation as a member of the Audit Committee. The appointment of her replacement will be made by the General Shareholders' Meeting.

Participation by gender



Participation by age



Managing the Conflict of Interest

GRI Contents 2-15, 2-24

The Telefónica Group has a Conflict of Interest Policy that requires acting at all times with loyalty, confidentiality and integrity, especially in the face of possible conflicts of interest. These rules regulate those situations in which a direct or indirect personal interest of an employee may influence or generate the perception of influencing their professional decisions, and may conflict with the interests of any Telefónica Group company.

Colombia Telecomunicaciones S.A. E.S.P. BIC has a Code of Good Governance (hereinafter, "the Code") whose purpose is to ensure proper administration, promote transparency in its management and establish evaluation and control mechanisms. This Code protects the integrity of the administrators and safeguards the interests of the organization. Its contents and annexes are available at the following link: Code of Good Corporate Governance and Principles of Responsible Business.

Section 3.7 of the Code establishes that, in accordance with the law, directors must abstain from participating, directly or indirectly, in any act in which there is a conflict of interest. In the case of the Board of Directors, its members must declare any possible conflict of interest to the other members of the governing body, who will determine whether the declarant may intervene in the matter in question.

For directors who are also employees of the Company, the Corporate Conflicts of Interest Policy also applies. **In this context, directors must declare their conflicts of interest at two key points:**



1.
During the selection process, by filling out the "Acceptance of the Regulations on Conflicts of Interest and Regulations on the Telefónica Group's Relationship with Public Entities" form, which is processed before being hired as a collaborator.

2.
Whenever a potential conflict of interest arises, using the Telefónica Group's corporate conflict of interest declaration tool, available on the corporate intranet and managed locally by the Compliance Management.

In both cases, Compliance Management is responsible for analyzing the situation, determining the existence of the conflict and, if necessary, establishing recommendations to mitigate the associated risk.

Regarding the members of the Board of Directors, they must disclose any activity that involves competition with the Company, as well as any other act in which there is a potential conflict of interest, including their participation in other boards of directors or in companies with business relationships with the Company, such as suppliers or other stakeholders.

Likewise, the Telefónica Group has a **corporate policy on the participation of executives and managers in boards or administrative bodies of external companies,** which allows such participation as long as the non-existence of conflicts of interest is guaranteed and the pertinent authorizations are obtained. In these cases, Compliance Management must make a prior report, and subsequently validate and approve the participation.

In addition, employees must declare any situation in which a direct or indirect personal interest may influence or appear to influence their professional decisions. According to the Conflicts of Interest Regulations, these situations include relationships of "kinship, participation in companies either in their capital or in their management and/or administrative bodies, or for any other reason that the Affected Subject considers that limits or conditions his or her objective decision-making capacity in the performance of his or her duties".

During the selection process, candidates must expressly declare any kin or contractual or legal relationship with contractors, suppliers or competitors of the Company, as well as any current contractual relationship with other companies, regardless of their sector or market. This requirement also applies to any previous contractual relationship with public entities, regardless of the model or type of contract existing between the parties.

In 2024, a total of **198 potential conflicts of interest** reported by active employees and candidates in the selection process were managed.

Of these, 175 cases (88 %) were evaluated as not representing a risk, while 23 (12 %) involved a level of risk and were duly mitigated in conjunction with the People area.



Communication of Critical Concerns

GRI Content 2-16

The Company's governing bodies reaffirm their commitment to ethical and responsible management by monitoring the reports received through the whistleblower channels, which are managed by the Inspection Management. These reports may address critical issues with significant impact on the organization.

In addition, Compliance Management submits periodic reports on the performance of the Compliance Program, providing a space for raising key concerns related to the Telefónica Group's ethics and integrity regulations. The complaints received are analyzed by the Disciplinary Action Committee (DAC), which determines the necessary actions to mitigate future risks.

In addition, the Compliance Office has a mailbox to receive inquiries from internal and external stakeholders. If the case does not fall within its competence, a formal transfer is made to the corresponding area for appropriate attention.

In 2024, there were no critical concerns that required direct intervention by the Board of Directors in matters of ethics and corporate responsibility.

Ethical Culture and Responsible Business Principles

GRI Contents 2-23 and 2-24

2 Corporate Governance

To ensure ethical and responsible management, the Company has a solid regulatory framework that governs its commitments in all its activities and business relationships. These principles are reflected in its Code of Ethics, known as Responsible Business Principles (RBP), which encourage transparent, integral and sustainable management, promoting a positive social and environmental impact.

To ensure its integration into the company's strategy and operation, Telefónica has adopted the Policy for the Development and Organization of the Regulatory Framework, which establishes guidelines and mechanisms for coordination between the head office and the Group's companies. This function is led in Colombia by the Compliance Management, in charge of ensuring compliance with the Principles of Responsible Business and their alignment with internal regulations. This standard recognizes that "(...) the Principles of Responsible Business as an ethical code of the Telefónica Group, which inspire and define the way the Group and all employees act in the development of their professional activity, constitute the fundamental standard under which all other Internal Rules of the Group are framed". As the highest standard within the organization, in the framework of the design and establishment of its policies and regulations, the Company must respect the content and scope of the Principles for Responsible Business and its guiding elements from the moment of their creation until their eventual repeal.

To ensure ethical behavior and compliance in the Company, a comprehensive program by the Compliance Management is implemented. This program encompasses risk identification, policies and procedures, due diligence controls, training, non-compliance reporting mechanisms, and remediation plans. These elements are detailed in the Compliance Function Annual Report 2024, which establishes the main lines of action and is complemented by the Action Plan for the following year, both of which are reported to the Audit Committee.

In addition, the Compliance Management is responsible for reviewing local policies and procedures prior to their disclosure, ensuring their alignment with the Group's Preventive Compliance Model (PCM). This review ensures that, by repealing any policy or procedure, the Responsible Business Principles and the obligations of the RCPM are not compromised.

Telefónica's regulatory framework is composed of corporate and local policies and regulations that develop and reinforce the Responsible Business Principles.

Environmental Management and Climate Change

- Global Environment and Energy Policy
- Environmental Management System Handbook
- Operational Control Handbook
- Instruction on identification and evaluation of environmental aspects
- Context Analysis of Risk and Opportunity Identification Instruction

Sustainable Supply Chain Management

- Supply Chain Sustainability Policy
- Supply Chain Sustainability Standards
- Low Carbon Purchasing Instruction

Workplace Safety and Well-Being

- Safety, Health and Welfare at Work Regulations
- Handbook on the Protocol of Action in Situations of Labor or Moral Harassment, Sexual Harassment and Discrimination
- Instruction on Occupational Risks in Contracting of Works and Services

General Aspects of Responsible Business

- Global Human Rights Policy
- Diversity and Inclusion Policy
- Equality Policy
- Gender Equity Regulations
- Diversity Policy and Board Selection
- Responsible Business Principles Channel Management Regulations
- Quality Policy
- Disability Regulations

Responsible Communication

- Responsible Communication Regulations
- Social Networking Regulations
- Local Regulations Internal Communication

Ethics and Integrity

- Anti-Corruption Policy
- Self-Control and Risk Management of Money Laundering and Terrorist Financing Policy
- Sanctions Regulations
- Competition Law Policy
- Regulations on Relations with Public Entities
- Conflict of Interest Policy
- Regulations for Anti-Corruption Certifications for Executives
- Internal Rules of Conduct
- Artificial Intelligence Governance Model Regulations

Digital Security and Trust

- Global security policy
- Global safety regulations
- Global Privacy Policy
- Global supply chain security regulations
- International Supply Chain Security Regulations
- Local Instruction of Security in BI Data Governance
- Local Application and Platform Access Controls Instruction
- Local Operational Risk Manual
- Global IT infrastructure security regulations

Note: Public Outreach Policies are available at: https://www.telefonica.com/es/sostenibilidad-innovacion/como-trabajamos/principios-negocio-responsable/.

The Company's commitments to ensure responsible business conduct are embodied in its Code of Ethics, also known as the Principles for Responsible Business (PNR), which promote transparent, integrated and sustainable management. These principles promote transparent, integrated and long-term management that promotes a more ethical, fair and sustainable social and environmental development.

To ensure that both employees and counterparties adhere to these principles, the Company incorporates contractual clauses in agreements that enforce compliance and establish consequences for possible violations. During 2024, 100% of the members of the Board of Directors and Level I and II directors signed the Anti-Corruption Certificate, reaffirming their commitment to the policies established in the NRPs and the Anti-Corruption Policy. The signing of this document arises as part of the implementation of adequate controls and procedures to ensure compliance with the Anti-Corruption Policy and the Code of Ethics - Principles for Responsible Business. In addition, it is based on the Corporate Regulations on Anti-Corruption Certifications for Executives (4th edition). In addition, the Management Committee received training in this area in the second half of the year.

The Company also has a Corporate Governance Code, which ensures respect for the rights of shareholders, creditors, investors and other stakeholders. This code establishes principles of sustainable investment, healthy competition and social responsibility, and guides sustainability strategies aligned with the Dow Jones Sustainability Index (DJSI). Telefónica also collaborates with non-profit organizations that address development challenges in the country..

In order to make these commitments tangible, **the organization has established a series of implementation mechanisms:**

(I)

Due diligence on counterparties, in order to identify possible corruption risks with the potential to affect the ethical and responsible management of the organization;

(II)

Adherence of counterparties to the Principles of Responsible Business through the subscription of the Anti-Corruption Certificate and the contractual clauses established by Telefónica;

(III)

Provision of the corporate tool for reporting conflicts of interest and the mechanisms for receiving or delivering invitations and gifts in the private and public spheres;

(IV)

Reporting possible conflicts of interest by potential collaborators in the process of joining the Telefónica Group;

(V)

Establishment of consultation and/or complaint channels for collaborators, suppliers, allies and any third party or interest group;

(VI)

Contractual and/or disciplinary mechanisms that enable the application of consequences in the event of any breach of commitments and/or internal and external regulations.

Communication and Training

GRI Contents 2-17, 205-2, 404-2

Training

Fostering an ethical culture within the Company requires a strong focus on compliance training and awareness. During 2024, a new mandatory training offering was launched for all employees, with virtual courses in Code of Ethics and Conduct: Integrity and Anti-Corruption, Information Protection Security Practices and Privacy Principles and Binding Corporate Rules. At the end of December 2024, these courses were completed by 99 %, 97 % and 98 % of key employees, respectively.

In addition, **Compliance Management** provided 31 internal and external trainings on Telefónica's Compliance Program, addressing topics such as Responsible Business Principles, the Anti-Corruption Policy and the Regulations on Conflict of Interest and Relationships with Public Entities.

In addition, 100 % of employees in sensitive positions within the Company completed the "Code of Ethics and Conduct: Integrity and Fight against Corruption" course, available on the corporate learning platform.

As for external training, these were mainly addressed to Optecom S.A.S., a company controlled by Colombia Telecomunicaciones S.A. E.S.P. BIC, and to civil society in various academic spaces on best practices of the Telefónica Group.

All of the new employees (460) who joined in 2024 received a copy of the Responsible Business Principles, the Anti-Corruption Policy and the Conflict of Interest Regulations, in addition to being invited to quarterly Compliance Management training sessions. Specific training was also provided for key areas such as B2B and B2C, reaching a total of 1,026 employees and 66 Experience Centers trained in 2024.

Business Partner Engagement

Telefónica requires its allies, suppliers and partners to adhere to its anti-corruption and anti-ATF/ATF/AML policies. Therefore, in 2024, five external training sessions were held on collective anti-corruption initiatives, and other four at congresses and academic activities on Compliance. These actions made it possible to share the best practices adopted by the Company in the area of compliance.

Awareness

Awareness is a key pillar of the Compliance Program. In 2024, various initiatives were implemented to reinforce the culture of integrity:

1.

Compliance Day:
Global day to bring the Compliance function closer to the business and raise employee awareness of current issues.

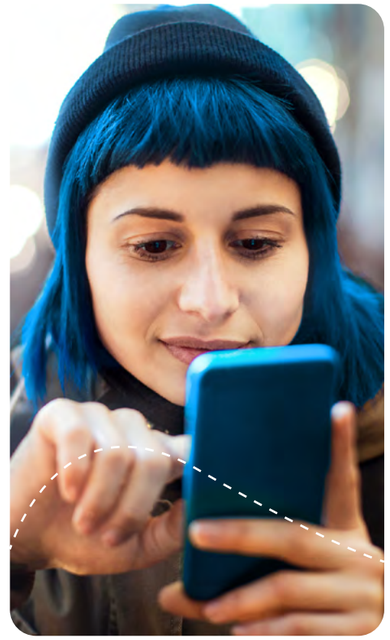
2.

Five Stars Recognition Program:
Initiative that rewards exemplary conduct in integrity, sanctions, privacy and security. In its sixth edition, four employees were recognized locally, and one globally in privacy.

3.

Content Disclosure:
117 communications were published in internal channels on:

- Business ethics and integrity
- Conflicts of Interest Management
- Responsible Business Principles
- Valuation of invitations and gifts
- Mandatory SSFF training
- List of sanctioned countries and territories
- Importance of subscribing to the anti-corruption certificate



Mechanisms, Ethics and Consultation Channels

GRI Content 2-26

The Company has established mechanisms through which any person inside or outside the Company can safely communicate any doubts or concerns related to the Telefónica Group's ethics and integrity regulations.

Complaints Channel

The Company has a Whistleblower Channel, the main mechanism for employees, directors, managers and third parties related to the Company to report, anonymously or personally, any alleged unethical or corrupt conduct that constitutes a violation of any of the regulations, including those related to ethics and integrity or those external parties who commit violations and who have any link with the Company. This channel is managed by the Inspection Management and is governed by the Telefónica Group's Internal Information System, in addition to the Internal Information System Management Procedure.

Complaints can be submitted in writing or verbally, and the channel is available 24/7 through various means, such as the website and corporate intranet (free access) and dedicated e-mail accounts. In addition, complainants can check the status of their complaint, add information and communicate with the team responsible for the analysis.

The Inspection Management receives and investigates complaints diligently, promoting their verification. Subsequently, the Disciplinary Action Committee, composed of the Compliance and Audit areas, promotes the necessary measures for their mitigation, in accordance with internal regulations and procedures.

Among the conducts that can be reported through this channel are those related to bribery, favored treatment, conflicts of interest or those involving crimes against public administration, as well as any unethical or illegal conduct.



Employees

The mechanisms available to employees to access the whistleblower channel are as follows:
Intranet: intranet.telefonica.com/principios-negocios-negocio-responsable/en/#REPORTA_DENUNCIA
E-mail: canal.denuncias.co@telefonica.com
Toll free from anywhere in the country: 018009345712

Through the complaints channel, a total of 78 complaints were received in fiscal year 2024 which, together with the 21 complaints that had remained as **Analysis in progress at the end of year 2023, generated a total of 99 complaints, of which:**

State	Quantity	Percentage
Not admitted for processing	3	3%
Founded	13	13%
Not founded	24	24%
Ongoing analysis	58	59%
Moved	1	1%

As a result of the investigations carried out during this fiscal year, 13 complaints were founded. Of the investigations closed, it may be concluded that there were two for non-compliance with commitments to clients, four for internal fraud, three for external fraud, two for inadequate/improper conduct, one for conflict of interest and one for favored treatment.

It is important to note that the Company took the respective disciplinary and corrective measures in each process for the well-founded complaints. Among the measures adopted as a consequence of the well-founded complaints, there was one termination of the employment contract with just cause, one employee resigned prior to the notification of the disciplinary process, four suspensions, two warnings to direct employees and one warning to a commercial agent.

In accordance with the Group's Anti-Corruption Zero Tolerance Policy, any manifestation of corruption is prohibited, for which reason the Company has specific controls for its prevention, detection and remediation of possible cases, materializing in the adoption of disciplinary measures and/or termination of contracts.

Compliance Mailbox

The Company has two permanent and accessible consultation mailboxes:

- **Compliance Management's corporate mailbox**
  ofc.cumplimiento.co@telefonica.com, a channel that guarantees confidentiality, availability and accessibility. It can be used by any person inside or outside the organization, including Senior Management, to request information or advice regarding (i) ethical dilemmas or (ii) the content and application of the Telefónica Group's ethics and integrity regulations, as well as to report facts or acts contrary to the Telefónica Group's Compliance Program or Corporate Ethics. This corporate inquiry mailbox is governed by the "Specific Procedure of the Compliance Office Mailbox Manual."

- **Compliance Manager's email:**
  Local Compliance officer, registered with the relevant regulators.

In this regard, it is pertinent to specify that an ethical dilemma is understood as those cases in which an executive or employee of Telefónica has doubts about how to behave or act in a specific event, because he/she is not sure whether his/her behavior (i) is ethical, (ii) complies with the ethics and integrity regulations of the Telefónica Group or (iii) if it could generate adverse consequences for him/her or for the organization.

Responsible Business Channel

In addition, the Company has a Responsible Business Channel, for answering any questions and/or complaints related to the Responsible Business Principles. This channel is managed by the Sustainability area and is responsible for transferring the communication to the competent area. In 2024, eight cases were received: two from business partners/suppliers, four from customers, and two from public entities.

The Telefónica Group's channel for consultations and Responsible Business was updated on the **Telefónica - Consultations Channel website.**

Corruption-Related Risks

GRI Content 205-1

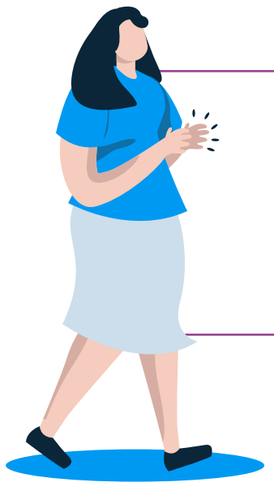
The Compliance Function Charter defines the main lines of the Telefónica Group's Compliance Program, its interaction with business processes and other areas, and particularly relevant matters. The starting point for management is risk assessment and the preservation of integrity.

The above is developed in three main axes:

Preventive control through which different functions are developed to generate a culture of compliance;

Reaction, which refers to the existing action protocols for situations of non-compliance indications;

Response that brings together remediation through the mitigation of actions associated with possible and proven violations. On the other hand, it also promotes the recognition of employees with outstanding behavior in terms of their commitment to compliance.



In 2024, and in the exercise of its functions, Compliance Management evaluated the aspects related to compliance risk and, therefore, the risk of corruption in 100 % of the operations carried out by the Company and considered as sensitive to this type of risk.

The following table shows the total number of operations assessed by Compliance Management, according to the type of operation:

Assessed operation	Assessment objective	Number of assessments
Temporary joint ventures	Identify and manage corruption and/or ML/FT/AML risks derived from the formation of temporary unions for the development of projects with the public sector, through (i) due diligence of business partners and (ii) review and incorporation of anti-corruption clauses.	5
Conditional suppliers	Identify and manage corruption and/or ML/FT/AML risks associated with the direct contracting of suppliers within the framework of the execution of projects with public sector clients.	85
Sponsorships	Identify and manage corruption and/or ML/FT/AML risks associated with the provision or granting of sponsorships to third parties.	44
Real estate sales projects	Identify and manage corruption and/or ML/FT/AML risks arising from the sale of the Company's real estate to third parties.	21
Invitations and gifts	Identify and manage the risks of corruption, conflicts of interest or malpractice arising from the offer or receipt of gifts and intentions. This framework seeks to ensure that such interactions are aligned with the organization's ethical and regulatory principles, promoting transparency and legal compliance.	61
Due diligence on counterparties	Identify and manage corruption and/or ML/FT/AML risks derived from the relationship with the Company's counterparties and certain companies of the Telefónica Group in Colombia.	19.462
Linkage with PEP	Identify and manage corruption and/or ML/FT/AML risks arising from relationships with counterparties considered Politically Exposed Persons (PEPs).	18



During 2024, the Company maintained the ISO 37001:2016 Standard certification (Anti-Bribery Management System), after successfully completing the internal and external audit processes in the first half of the year. In this context, Compliance Colombia Management identified 65 risks in its Integrity Risk Matrix, none of which were assessed as "Critical".

The external audits carried out within the framework of the certification highlighted the high level commitment of the personnel, the leadership of Senior Management in the continuous improvement of the Anti-Bribery Management System, the effectiveness of the communications plan and the clear definition of roles and responsibilities within the system.

As part of its commitment to ethics and integrity, the Company continued to strengthen anti-corruption controls in the companies in which it has a majority interest. In particular, it provided guidance to Operaciones Tecnológicas y Comerciales S.A.S. (Optecom S.A.S.) in the identification of its integrity, money laundering, financing of terrorism and proliferation of weapons of mass destruction (LA/FT/PADM) risks, thus contributing to its risk management and minimizing possible direct and indirect impacts on the Company.

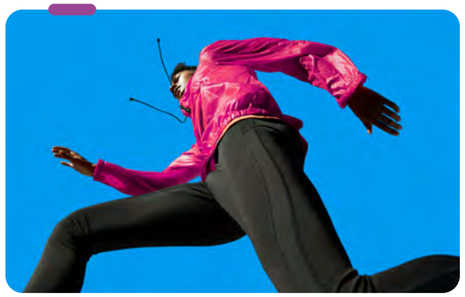
Corruption Cases and Actions Taken

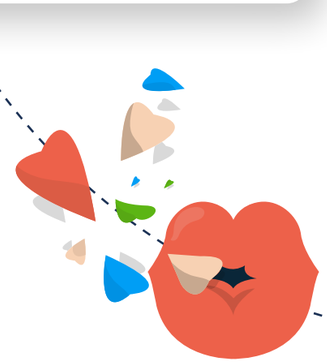
GRI Content 205-3

The Telefónica Group has mechanisms in place to identify, investigate and sanction irregularities related to acts of corruption or breaches of ethics and integrity.

During 2024, there were no confirmed cases of corruption that would have resulted in the termination of contracts with business partners or reputational damage to the Company.

Within the framework of the eight (8) Disciplinary Action Committees held during the year, 141 disciplinary sanctions were analyzed, of which 16 were related to acts contrary to the integrity of the company.





Good Practices

The Company continued to consolidate its position as a benchmark in **good ethics and integrity practices,** promoting a culture of compliance in the business sector during 2024.

Some of his main participations and recognitions were:

Alliance for Integrity: Participation in two sessions of the training program, aimed at strengthening compliance programs in small and medium-sized companies.

Sustainability and Compliance Congress (Universidad EIA de Medellín): Presentation on the integration of sustainability and compliance strategies.

International Fraud Congress (Spanish Association for Cooperation in Fraud Prevention): Presentation of Telefónica's compliance standards.

Alliance for Integrity - Advisory Group: Inclusion of the Company in this advisory group, led by the German Agency for International Cooperation (GIZ), which allows the Company to influence the compliance agenda at national and international level.

Spanish Chamber of Commerce: Call to present Telefónica's compliance program, highlighting its reputation and leadership in compliance strategies.

Mayor's Office of Cali: Recognition of Telefónica's good compliance practices in the private sector, valuing its commitment to transparency and corporate social responsibility.

Measurements and Certifications

In 2024, Colombia Telecomunicaciones reaffirmed its leadership in the sector by maintaining the ISO 37001:2016 certification, an international standard that endorses the implementation of an effective and robust Anti-Bribery Management System. **Originally obtained in 2022, this certification, valid until June 2025, positions the Company as the only one in the telecommunications sector in Colombia with this certification.**

Beyond regulatory compliance, this certification reinforces the trust of partners, clients and regulators, demonstrating a proactive approach to preventing bribery and promoting a culture of integrity.

The maintenance of this certification is the result of the continuous effort of the entire Company under the leadership of the Compliance Office, which guarantees the constant updating and improvement of processes in accordance with the highest international standards. This commitment reaffirms the Company's leadership in the implementation of preventive measures and its determination to be a reference in business ethics within the telecommunications sector.

Digital Trust

Technology has the potential to improve the quality of life and generate value, provided that it is based on respect for and guarantee of privacy and security in the processing of personal data. It is essential that users have confidence in the products and services they use, knowing that their rights are protected and that they have clear options for managing their information.

To this end, the organization is guided by four fundamental principles:

1. **Protection:** Data security is a priority, ensuring the privacy of individuals in every interaction and collaboration.
2. **Design:** Privacy and security are integrated from the conception of products and services, ensuring their implementation throughout their life cycle.
3. **Empowerment:** Tools are provided that enable individuals to manage and control their data, with transparent access to risks and benefits.
4. **Transparency:** Accessible solutions are provided that allow control of information, with technology designed to respect privacy.



Through these principles, trust is strengthened and responsible use of information in the digital environment is guaranteed.

Data Protection and Privacy

GRI Contents 2-24, 418-1

Telefónica Movistar Colombia reaffirms its commitment to personal data protection and digital security, considering them fundamental pillars to improve the lives of citizens and contribute to social development. Its commitment is based on the Responsible Business Principles, which establish common guidelines to ensure the privacy and security of information in all its operations.

The Company's Global Security Policy covers physical, operational and digital security, ensuring business continuity, fraud prevention and supply chain protection. Digital security, which includes cybersecurity and information protection, is implemented in systems, networks and services based on the principles of legality, efficiency, co-responsibility, cooperation and coordination.

Integral security is supported by the following regulatory framework:

- **Global security policy:** Principles and commitments to security, based on international standards and best practices in digital security.
- **General safety regulations:** Development of safety principles and guidelines.
- **Local regulations:** Alignment with national regulations and best practices
- **Global security regulations:** Controls and measures for information classification, incident management, business continuity, risk, IT security, cybersecurity and fraud management, among others.

In 2024, Telefónica Movistar Colombia reached a milestone in digital security by obtaining ISO 27001 recertification for its billing and data center processes, following an external audit that validated its security controls.

The security culture has been strengthened through awareness and training programs, with 93 % of direct employees participating in security courses and talks at Success Factors (SSFF). In addition, the implementation of Office 365 DLP has significantly improved information leakage control.

As part of the risk management strategy, 69 critical processes and 130 essential applications were analyzed, ensuring the identification and mitigation of vulnerabilities prior to implementation in production. In addition, more than 90 % of cloud implementations, including new projects and migrations, were monitored to ensure security in infrastructure, data, integration and access.

The strengthening of Active Directory with Tenable AD has reduced risks of attacks and unauthorized access, benefiting more than 23,000 users and achieving 75 % compliance. In parallel, the adoption of Palo Alto's Prisma CSPM has optimized security in the cloud, providing visibility and control over the infrastructure in Azure (Production, Development and Test).

To reinforce access protection, more than 3,000 third-party users were removed from the T-Técnicos tool in a timely manner, reducing exposure to unauthorized access and improving the quality of the recertification process.

Vulnerability scans and penetration tests were performed on 98 % of SOX critical applications and 100 % of exposed assets. In addition, more than 4,336 technology and internal network assets were integrated into continuous vulnerability monitoring, and more than 10,000 assets were integrated into the security event monitoring system.

The Company managed 100 % of the incidents, ensuring the investigation, mitigation and recovery of assets without affecting the personal data of customers, suppliers or employees. New intelligence sources were also incorporated and the company advanced to Cyber Intelligence Maturity Level 4, anticipating possible threats.

In 2024, Telefónica Movistar Colombia received no complaints from users or authorities for privacy violations or loss of personal data.



Allies Trained in Cybersecurity

At the end of 2024, 97.58 % of the collaborators of allies and third parties were trained in Digital Security, reaching a total of 17,272. This achievement was possible thanks to the joint work with the training area and channel leaders, who actively promoted the course through strategic communications and the creation of spaces that allowed its implementation without affecting the operation. Initiatives that contributed to this result were:

- Definition of the user baseline.
- Planning the deployment of the course in call center, loop, agent and Experience Center channels.
- Launching of the course by the training team.
- Weekly follow-up through progress reports.
- Consolidation of monthly indicator reports.
- Mobilization of the course with contract managers and channel managers.
- Monthly report to the sustainability area for approval.



These actions have strengthened the digital security culture among allies and third parties, ensuring their alignment with best practices in information protection.

Ethics and Artificial Intelligence

GRI Content 2-24

In 2024, the **Artificial Intelligence Governance Model Regulation** was officially implemented, following its approval in November 2023. This document establishes a strategic, organizational and operational framework to guide all activities related to artificial intelligence (AI) in Telefónica, from its design and development to its commercialization. Its purpose is to ensure responsible and sustainable management, in strict compliance with current regulations.

The IA Governance Model adopts a comprehensive approach that balances the optimization of resources with the protection of health, safety and human rights. In addition, it is positioned as a key pillar to mitigate potential negative impacts on society and the environment, aligning with Telefónica's principles of sustainability and responsible business. This framework also facilitates the creation and updating of internal policies and procedures, ensuring that decisions are made within a solid and transparent organizational structure.

The application of the regulation not only strengthens Telefónica's strategy in human rights and sustainability, but also balances technological innovation with social responsibility and digital trust. In this way, artificial intelligence is consolidated as an effective tool, with an ethical component and aligned with global priorities.

The **Compliance** function plays a central role in the definition, implementation and oversight of the AI Governance Model within the Telefónica Group. Its main responsibility is to ensure the effective governance of artificial intelligence through the formulation of policies in coordination with the **Global Sustainability Management (ESG),** Legal Services and Internal Audit. It also develops procedures, processes and regulatory catalogs to ensure compliance with applicable AI regulations, working closely with the **Data Governance area (CDO)** and Legal Services.

This function also validates the adequacy of processes and regulatory catalogs, promotes compliance with the principles defined by Telefónica and ensures alignment with current legislation. In addition, it provides continuous advice for its correct implementation and supervises the risk assessment to be carried out by the business areas, in order to mitigate them effectively.

Protection in Digital Environments



Movistar reaffirms its commitment to the responsible use of technology, promoting a safe digital environment for children and adolescents. Through strategic alliances and technological solutions, the Company promotes digital education and online risk prevention.

This commitment is materialized in several lines of action:

- **Partnerships with key stakeholders:** Works with the National Police, MinTic, NGOs and experts to raise awareness of digital risks and promote child cybersecurity.
- **Participation in Viguías:** As a founding partner of *Te Protejo*, it supports the first Safe Internet Center, which offers reporting lines, help and training for the digital protection of minors (Viguías).
- **Collaboration with suppliers:** Evaluates child protection measures in the design of devices and operating systems.
- **Education and awareness:** Offers educational content through the Dialogando portal, providing tools for responsible use of technology.
- **Protection products and services:** Promotes the use of parental controls and security solutions to help families manage their digital environment.
- **Blocking of illegal content:** Acts against online child abuse and exploitation, blocking materials according to lists of specialized entities and responding to legal notices (more information).

Through these initiatives, Movistar reinforces its commitment to digital safety, ensuring that children can take advantage of technology in a safe and responsible manner.



Responsible Supply Chain Management

GRI Contents 2-24, 204-1, 308-1

The social and environmental impact of companies is closely linked to their supply chain, especially in large multi-sector corporations. At Telefónica, sustainability is a fundamental pillar of its business model, and the Company works strategically with its suppliers to align its practices with its commitments to customers and society.

Given the global magnitude of its supply chain, Telefónica promotes and demands high standards of responsibility through its Supply Chain Sustainability Policy. The Company ensures that its suppliers comply with quality criteria, legal regulations and ethical, social, environmental and privacy principles. This policy, based on the Principles of Responsible Business, guides the relationship with stakeholders, specifically Telefónica's commitment to Sustainable Supply Chain Management.

Developed in accordance with international standards such as the UN Guiding Principles on Business, the Universal Declaration of Human Rights, International Labour Organization conventions, the UN Convention on the Rights of the Child, OECD guidelines and ISO standards, this policy also reflects Telefónica's commitment to the Global Compact on corporate social responsibility, the Sustainable Development Goals and respect for Human Rights.

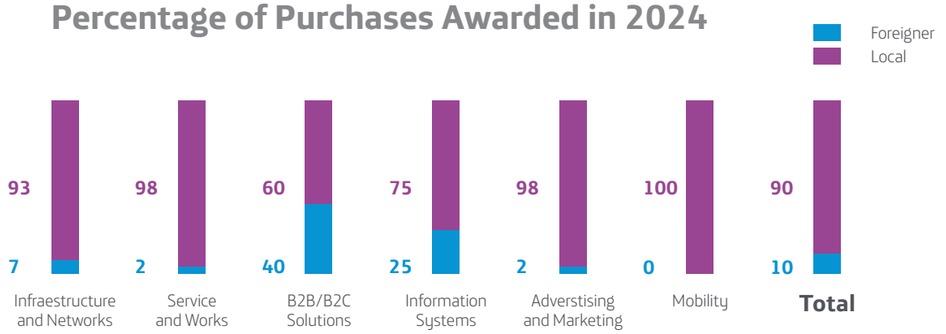
Local Supplier Development

GRI Content 204-1

1 Business Model

Of the 551 suppliers (awardees) that the Company had in 2024, 74 % (409) are companies incorporated in Colombia (local suppliers), who were awarded 90 % of the total purchase values, divided into product lines:

Percentage of Purchases Awarded in 2024



In 2024, the Company was supported by 40 partners and **38 agents,** who contributed to the creation of 17.718 indirect jobs:

Allied Company

Supplier that provides a service to Telefónica and directly or indirectly affects the end or internal customer, allocating exclusive resources (human, physical, financial, etc.) for this service.

Número de emplNumber of indirect employees - Allies:
13.235

Commercial Agents

Organization that undertakes to independently and stably promote the marketing of Telefónica's products and services.

Number of indirect employees - Agents:
4.483

On the other hand, in 2024, the Company entered into 310 new contracts with 252 organizations and 15 modifications with 14 organizations outside the scope of the Telefónica Procurement Model (TPM).

Supplier Sustainability Assessment

GRI Contents 308-1, 308-2, 414-2

1 Business Model

In terms of sustainability assessments, the Company has conducted a comprehensive analysis of high-risk suppliers through the IntegrityNext platform. This approach facilitates the effective management of risks associated with sustainability in the supply chain, ensuring compliance with established responsible standards and principles.

Of the suppliers awarded, 75 have been classified as high risk in terms of sustainability. To date, 39 of these suppliers have been evaluated in IntegrityNext, representing 52 % of the high-risk suppliers identified, demonstrating significant progress in the implementation of the risk mitigation strategy. These evaluations not only allow us to verify regulatory and ethical compliance, but also strengthen the relationship with suppliers and improve transparency in the supply chain.

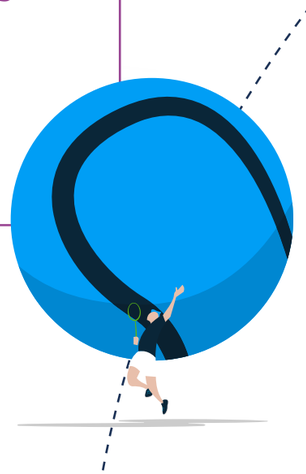
Achilles uses a rating system that evaluates ethical, social, environmental and supply chain management criteria, awarding a sustainability score to each supplier between 0 % and 100 %.

The results of the sustainability audit of the allies in Colombia reflect a positive overall picture, with compliance levels between 87 % and 98 %. However, the Commercial area presents the lowest percentage of compliance (87 %), indicating the need to strengthen controls in this area. In addition, local suppliers have a lower level of compliance in the Responsible Business Principles (RBP) with 78 %, indicating areas for improvement in the management of these suppliers.

The analysis reveals that the main areas of opportunity are Occupational Safety and Health (OSH), Human Resources (HR) and PNR, which represent 32 %, 31 % and 25 % of the findings, respectively. The highest concentration of critical observations is in the Commercial area, which highlights the urgency of reviewing its processes and implementing corrective measures.

It is recommended to strengthen OSH protocols, improve oversight of local suppliers and review the commercial process to reduce critical findings and improve compliance.

In line with the Supply Chain Sustainability Policy, the Company has collaborated with Achilles to evaluate compliance with Telefónica's Responsible Business criteria in 17 allied auppliers.



Supplier Audits and Improvement Plans

In 2024, the Allies Model continued to be strengthened in Colombia, focusing on the development of actions that contribute to strengthening the relationship with suppliers and ensuring compliance with minimum sustainability standards and criteria in the supply chain:

Administrative audits

We conducted 610 audits of contractors to ensure timely compliance with labor obligations. In addition, contract closing audits were conducted to ensure compliance with labor obligations at the end of the agreements.

Comprehensive audits

17 contractors were audited, evaluating aspects related to human resources, occupational health and safety, the environment, responsible business principles and data protection.

On-site audits

18 on-site audits were carried out, reaching 37 % coverage of the allies, which made it possible to identify and develop action plans to eliminate the root causes of the deviations detected.

In addition, as part of the best practices to ensure compliance with social, labor, safety and health standards in the supply chain, the following were developed:

- **OSH technical roundtables:** Technical roundtables were implemented with allies that perform high-risk tasks, including the update of the Instructions for Serious and Fatal Occupational Accidents. In total, two sessions were held with the participation of 34 partners, reaching 148 participants.
- **Induction and reinduction of allies:** Induction of new allies was carried out at the beginning of operations and reinduction of companies in the alliance model every two years. In 2024, five induction and reinduction sessions were held for 17 partners, with a total of 55 participants.

Also to encourage dialogue and supplier satisfaction, they communicated:

- **Allied mail:** Centralized communication channel for issues related to Human Resources and Occupational Health and Safety.
- **Allied newsletters:** Quarterly publications sent to the network of allies and contract administrators, with a total of three editions sent in 2024.

Customer Management

Movistar works to achieve the best customer experience and satisfaction and therefore implements the **Quality Management System (QMS),** structured under the ISO 9001 standard, which highlights, among others, the Company's work in business agility, which is above the average for the region, and the management of Customer Service and Customer Experience.

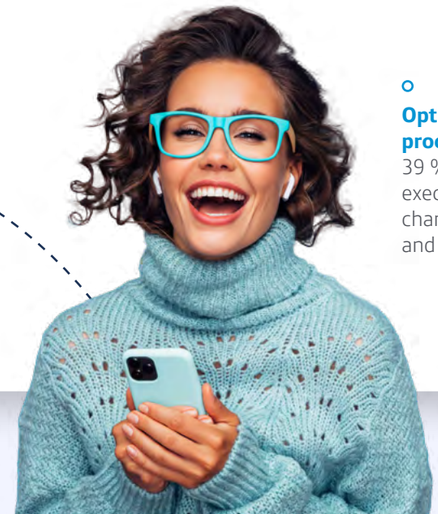
Customer Experience and Customer Service

Technological evolution, the optimization of response times and the support of strategic allies have strengthened the call and digital service channels, enabling the implementation of self-management solutions for customers to make inquiries and transactions quickly and efficiently. With the shift from face-to-face service to virtual and telephone channels, social networking, self-management and multichannel strategies have been reinforced through Interactive Voice Response (IVR) and digital channels. The main initiatives include:

- **Improvements in WhatsApp Bot self-management:** We optimized the management of failures in fixed services, incorporated new microservices and reduced waiting times in billing, achieving an increase in the transactional NPS from -30 % to 8 %.
- **Strengthening of Close the Loop:** Expansion of analysts' capabilities to increase the immediate resolution of incidents, raising the resolution rate from 80 pp to 85 pp.
- **#We Answer We Solve:** Initiative focused on guaranteeing fast and effective access to telephone customer service channels, experience centers and WhatsApp, achieving 99 % availability of the telephone channel and a 2 pp increase in the transactional NPS of the voice channel.
- **Voice of Customer Program:** Implementation of Inner Loop and Outer Loop to scale impacts at the executive level and define actions to improve the customer experience.



- **Artificial Intelligence in IVR and Cognitive Agent:** Automation of transfers between IVR and digital channels, enabling the self-management of 2 million transactions and the routing of 2.3 million calls by 2024.
- **Soy Guía Bot Movistar:** Expansion of functionalities in WhatsApp for balance inquiries, payments, plans, technical support and sales. In 2024, the B2C Chatbot served 870,000 unique monthly customers, with 1.2 million sessions and 80 % contention.
- **Improvements in navigation platforms:** Development of a speed test tool in the My Movistar app, used by 1.9 million customers, who carried out 3.1 million transactions.
- **Development of soft skills:** Disruptive customer service workshops in Experience Centers, promoting closeness and empathy.
- **Protocol for difficult clients:** Creation of videos in WorkPlace with guidelines for complex cases.
- **Expansion of accessible experience centers:** Implementation of formats adapted for deaf customers in 46 Experience Centers in 32 cities.
- **Migration and stabilization of the shift system (Moviturnos):** Modernization to a more flexible and efficient in-house platform, managing 435 thousand visits and scheduling 11 thousand appointments in 2024.
- **Inner Loop Methodology:** Identification and scaling of operational impacts on customer service to ensure structural solutions.
- **Compliance with key indicators:** 101 % in CSI, 103.7 % in service level, and 95 % in solution and satisfaction according to Moviturnos surveys.



- **Optimization of processes and training:** 39 % reduction in the execution of the service channel between 2023 and 2024.

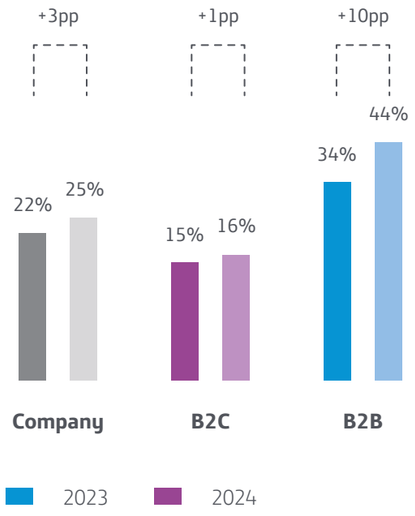
Customer Satisfaction: Net Promoter Score – NPS

The measurement of customer management is focused on the **level of recommendation (NPS – Net Promoter Score)** based on the ACSI model (American Customer Satisfaction Index) and used worldwide in companies of different sectors, under a methodology that applies surveys to randomly selected customers of the active fleet, ensuring representativeness of regions and segments, which are processed by an external market research company, ensuring objectivity in the event of an audit.

During 2024, a total of 42,480 surveys were conducted for a monthly average of 3,540 in-depth customer surveys. The sample reached yields an estimated error of 0.06 out of a maximum allowed of 0.13, which allows us to establish the required robustness in the NPS data obtained.



At the end of 2024, the Company's NPS reached 25 %, an increase of +3 pp compared to 2023, with the B2B segment growing +10 pp and B2C improving by +1 pp.



The main pain points identified were problems in the mobile network, rate increases and the perceived lack of solutions in the self-management processes. **To address these issues, actions were implemented such as:**

- Definition and progress in the mobile network sharing project with Tigo.
- Improvements in the invoice for greater clarity to the client regarding the value variation.
- **Launch and implementation of the Voice of the Customer Program:** Identification of impacts on key processes through survey analysis and escalation of recurring problems in customer service channels.
- **Billing and collection optimization:**
  - 30 % reduction in transaction time at collection machines.
  - Integration of new payment options such as Nequi and Daviplata, reducing transaction times by 20 %.
  - 40 % improvement in invoice delivery times.
  - Personalization of billing and collection notification messages, increasing digital payments to 67 % and payments on due date to 53 %.
- **Optimization in commercial support:**
  - Increase in first-line care to 99.84 %, with referrals to the Back Office of only 0.16 %.
  - Digitalization of commercial tools to improve sales and post-sales times.
  - Compliance with Law 2300 and *habeas data*, optimizing interactions with clients and improving communication through authorized means.

Remediation of Negative Impacts on Customers

GRI Content 2-25

The Company, in addition to having the regulated customer service channels to manage all Questions, Complaints and Claims (PQR), has implemented several actions focused on improving the customer experience through digital and self-management channels, specifically addressing the most recurring issues among users.



Comprehensive claims management

In 2024, the Company managed to reduce to 0.67 % the rate of claims on billed items, an improvement from 0.71 % in 2023. This percentage corresponds to customers who filed claims that resulted in the issuance of credit notes.



Dynamic monitoring

A dynamic dashboard was developed that allows detailed tracking of the behavior of claims with invoice adjustments. This tool facilitated more timely management of root causes, minimizing both the impact on the customer experience and the impact on business revenues.

Customer Journey Map update

In 2024, we reviewed the critical points and gaps in the process that affect business objectives, designing a comprehensive improvement plan that covers everything from sales to customer service. This effort seeks to consolidate a differential experience for customers, ensuring quality throughout their life cycle, especially for convergent customers.

Process optimization

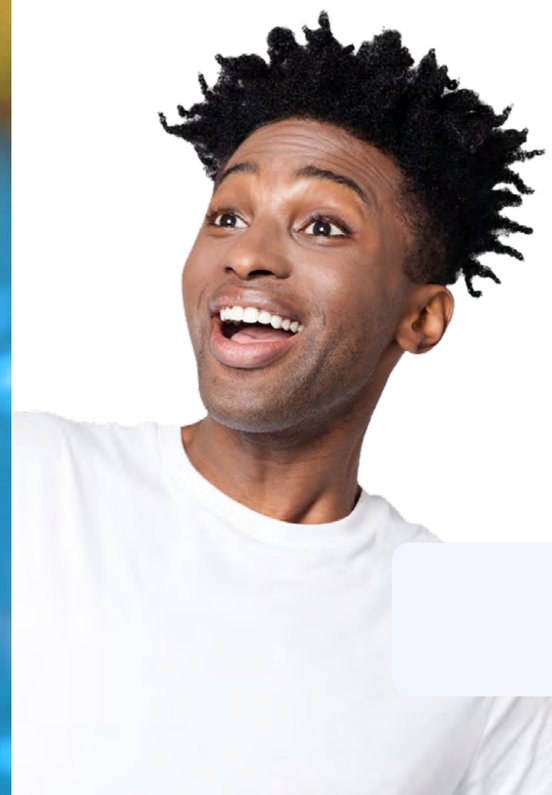
In collaboration with the Revenue Maximization strategic initiative team, policies and processes were modified to reduce recurring adjustments, ensuring effective solutions at the first customer contact. As part of this effort, the *Maxi* tool, designed to simplify claims management, was launched. This tool analyzes the case by entering the line number that is the subject of the complaint, providing the advisor with the procedure to follow and the corresponding script. Its implementation made it possible to reduce the average service time for this type of claim from 40 to only 5 minutes per case.

Legal Management

Investments of the Company in Other Companies

The Company has direct equity investments in Operaciones Tecnológicas y Comerciales S.A.S. - Optecom S.A.S., Comunicación Celular S.A. - Comcel S.A., Álamo Holdco S.L. and UniRed Colombia S.A.S. The following is a detail:

- The Company owns 3,330 common shares, equivalent to 100 % of the capital stock of Optecom S.A.S., a Colombian company.
- Colombia Telecomunicaciones holds and owns 3 shares of Comcel S.A., a Colombian company.
- The Company has a 49.99 % equity interest in Unired Colombia S.A.S., a Colombian company.



- The Company has a 40 % interest in the capital stock of Álamo Holdco S.L., a Spanish company, which owns 100 % of the capital stock of Onnet Fibra Colombia S.A.S., a Colombian company.

Red Única Project

On February 26, 2024, the Company entered into a framework agreement with Colombia Móvil S.A. E.S.P. to develop a unified mobile access network, through the incorporation of an independent company and the sharing of radio spectrum use permits through a joint venture. **After obtaining the corresponding authorizations on December 20, 2024, the closing of the transaction took place and the following events occurred:**

The Company entered into contracts with Unired to deploy the mobile access network under the required quality and capacity conditions.

The Ministry of Information and Communications Technologies authorized the assignment of the permit for the access, use and exploitation of 20 MHz of radioelectric spectrum for the operation of land mobile radiocommunications services in the national territory (frequency range from 703 MHz to 713 MHz paired with 758 MHz to 768 MHz) granted to Colombia Móvil S.A. ESP, in favor of the Unión Temporal Colombia Móvil - Colombia Telecomunicaciones, formed between these two companies.

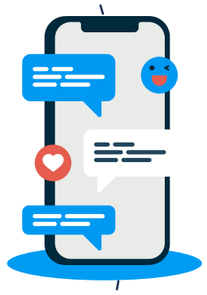
The company "Unired Colombia SAS" was incorporated for the implementation of the single mobile access network, in which Colombia Telecomunicaciones S.A. ESP BIC and Colombia Móvil S.A. ESP have equal participation in its capital stock. The companies will continue to be competitors in the provision of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



The single network will enable the Company to expand its coverage to new locations and offer greater capacity and speed, enhancing the customer experience.

Millicom and Telefónica Movistar Colombia Non-Binding Agreement

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 the obtaining of approvals from the corresponding authorities and provides for the sale of the shares of Telefónica Movistar Colombia, as well as the extension of the offer by Millicom to the Colombian Nation. **The document requesting the pre-evaluation process of the business integration operation was filed with the Superintendence of Industry and Commerce on December 19, 2024.**



Transactions with Shareholders and Directors

The Company did not enter into transactions with shareholders or directors.



Intellectual Property and Copyright Regulations

The Company complied with intellectual property and copyright regulations in the different systems installed. The Company is not aware of any violations or possible non-compliance with laws, regulations and standards on intellectual property and copyrights, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a contingent loss.

Free Circulation of Invoices

The free circulation of invoices was allowed in accordance with the provisions of Article 87 of Law 1676 of 2013.

Corporate Practices Implementation Report - Country Code

The Company duly prepared and submitted to the Colombian Financial Superintendence the report on the implementation of best corporate practices for the year 2024, which is published on the Company's website.



Compliance with Legislation and Regulations

GRI Content 2-27, 418-1

The Company paid in fines imposed by the Superintendence of Industry and Commerce the following amounts (in Colombian pesos): COP 229,000,000; COP 490,604,000; COP 544,207,074, and COP 374,312,712, i.e., a total amount of COP 1,638,123,786 during 2024.

Also, five investigations were initiated by the Superintendence of Industry and Commerce for alleged non-compliance with the Communications Users Protection Regime, and three for alleged non-compliance with the Personal Data Protection and habeas data regulations. As of December 31, contingencies were reported that entail the recording of provisions for COP 1,050,316,570.

During 2024, 23 investigations were conducted by the Ministry of ICT for alleged non-compliance with the general telecommunications regime, including CRC regulations (reports, theft of cell phones, network quality). As of December 31, contingencies were reported for 15 investigations for COP 1.24 billion.

Cases of Non-Compliance Marketing Communications

GRI Contents 2-27 and 417-3

In 2024, the Company filed one case of non-compliance related to marketing communications:

The Superintendence of Industry and Commerce (SIC) through Resolution 77520 of December 11, 2024, resolved the appeal and confirmed the COP 229,000,000 fine imposed on the Company on November 30, 2023. When resolving the appeal, the SIC insists that after analyzing the recordings in the file, it is demonstrated that the Company provided information to the users regarding the way in which they could access the benefit of the Netflix streaming service, but in the case of the complainant that gave rise to this investigation, even when a Movistar customer service advisor informed her that she could enjoy such benefit, the truth is that the user at no time was able to access it, therefore the SIC confirmed the fine initially imposed.



Complaints Related to Privacy and Customer Data

GRI Content 418-1

In 2024, the Company did not identify any complaints from users or authorities for violations of customer privacy or loss of their personal data.

Regulatory Management

Spectrum

Movistar continues to strengthen its telecommunications infrastructure through the optimization and efficient management of the radio spectrum, which is key to guaranteeing the continuity and quality of service, as well as the expansion of its network in Colombia.

This resource is a vital input for the provision of mobile services and, consequently, for the connectivity of thousands of people allowing to guarantee personal, educational and professional development; also for the use at industrial level, allowing to improve processes in economic sectors such as manufacturing, transportation, agriculture and industry in general. As of December 31, 2024, the Company had the permits for the use of the spectrum in different frequency bands, to provide mobile voice and data services in 3G, 4G and 5G technologies:

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 and 2143 of 2022.	AWS band. 30 MHz, Resolutions 1053 and 3046 of 2024.	3500 MHz band (5G), 80 MHz, MinTic Resolution 497 of 2024, awarded jointly with Colombia Móvil.



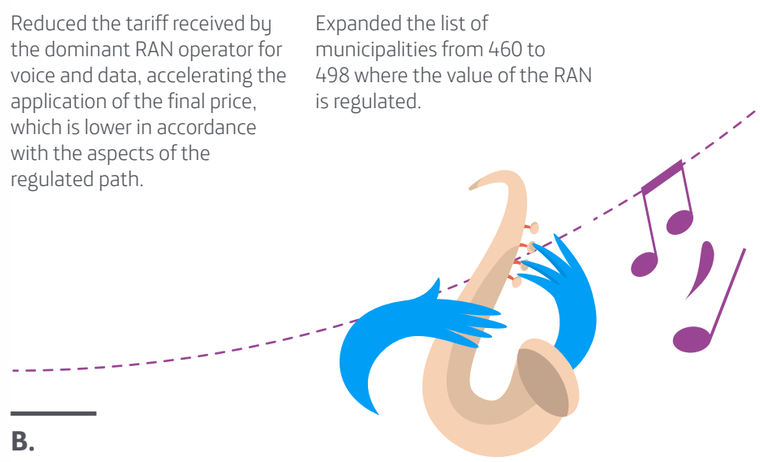
Standards Issued by the CRC

Resolution 7285 of January 2024 - Competence

The project began by analyzing the lack of competition issue in the mobile voice and data packages market, and has provided for the following:

A. National Automatic Roaming (RAN)

- New obligation to offer and provide RAN service under non-discriminatory conditions as requested by the Home Network Provider. If greater unbundling is requested at the municipal level, the visited Network Provider must provide it (if it demonstrates technical restrictions, it must provide it at least per municipality).
- Reduced the tariff received by the dominant RAN operator for voice and data, accelerating the application of the final price, which is lower in accordance with the aspects of the regulated path.
- Expanded the list of municipalities from 460 to 498 where the value of the RAN is regulated.



B. User Rights

- **Rates:** New ability to request subscription to retention, loyalty and recovery plans if they meet the requirements, which should be communicated on the web page. A visible and easily accessible microsite must be set up to publish these plans.
- **Portability:** The change window was extended from 8 AM to 4 PM, Monday through Sunday. The activation period is of one calendar day; user can choose the day to make the porting effective; planning and materialization of the change window, and cancellation of the service of a ported number.
- Customer service in physical offices due to non-compliance with 4G data quality indicators.

C. Competition

- The definition of Mobile Network Operator (MNO) and Mobile Virtual Network Operator (MVNO) was adjusted. A company may be a MVNO in areas where it does not have a spectrum permit, or where it has a permit but does not use it. An MNO is a company that has a spectrum permit.
- **New obligation:** All operators must report the passive infrastructure they use, their own or third parties' (towers, masts, monopoles, floor space and additional services they control in any capacity). The Dominant Operator is also obliged to publish it on its website, together with the reference conditions for sharing such infrastructure.

Resolution 7356 of April 2024 - Register of Excluded Numbers (RNE)

- It defined the RNE as a database in which consumers and users who do not wish to be contacted for commercial and advertising purposes may register, extending it to include not only SMS, but also messaging via applications or web, e-mails and telephone calls.
- It ordered that all producers and suppliers will be able to access the RNE to consult whether or not the consumers and/or users they wish to contact are registered in said database in order to comply with the regulation of not contacting those who are registered therein.
- It pointed out that registration in the RNE does not imply the non-provision of commercial or advertising message services requested by the user prior to registration, nor those expressly requested by the user after such registration.

Resolution 7363 of April 2024- Quality in mobile services

- It modifies the target values for Latency (round-trip), Jitter and Packet Loss Rate indicators for 4G data: Target value indicator by geographic scope: Latency (round-trip) 100 milliseconds maximum; Jitter 50 milliseconds maximum; Packet Loss Rate 5 % maximum.
- Base stations with satellite transmission, latency, phase jitter and packet loss rate indicators are reported in an informative way, they should not meet target values.
- Established target values for 4G mobile data upload and download speed indicators according to the defined geographical areas.



Competition

GRI Content 206-1

The legal actions in 2024 with respect to unfair competition or violations of the legislation on monopolistic practices or free competition were as follows:

For practices restricting competition in the Superintendence of Industry and Commerce (SIC):

There are three ongoing proceedings against the dominant operator for unjustified rejections in mobile number portability; diversion of subsidies to new accesses in the fixed internet plan in strata 1 and 2; and unjustified rejections due to new regulatory grounds. The complaint filed against Telefónica Movistar Colombia, for the dominant company is a complaint for the loyalty bonus and “Better Together” programs.

Jurisdictional claims for unfair competition in the SIC:

There is a process against the dominant operator for acts of unfair competition for discrediting, deceit, client diversion and infringement of the duty of good commercial faith by contacting customers of Movistar’s fixed service and insinuating that they would be left without service coverage. Three lawsuits have been filed against Telefónica Movistar Colombia, by Claro, Tigo and WOM, for the loyalty bonus and “Better Together” programs.

Unfair competition claims against the Company:

Jurisdictional claims for unfair competition in the SIC:

The dominant operator sued Telefónica Movistar Colombia, considering that the loyalty plans of the “Better Together” offer were contrary to the regulation in force, since such offer would be generating rejections of portability requests for having an outstanding debt with the Company. The process is in the deciding stage of the appeal filed by the Company as to whether the claim is admitted or not.

For jurisdictional claims for unfair competition in the SIC:

Colombia Móvil against Telefónica Movistar Colombia, considering that the loyalty plans of the “Better Together” offer was contrary to the current regulation, since such offer would be generating rejections of portability requests for having an outstanding debt with the Company. Currently the process is in the deciding stage of the appeal filed by the Company as to whether the claim is admitted or not.

07

Fundación Telefónica Movistar Colombia[3]

3 The management of Fundación Telefónica Movistar Colombia is not included in the Company's financial statements.

Fundación Telefónica Movistar Colombia Strategy

In 2024, Fundación Telefónica Movistar Colombia consolidated its role in the social and digital transformation of Colombia, with three strategic axes: **Project Implementation, Positioning, and Participation in Public Policy. Its Strategic Objectives are:**

- **Project implementation:** Through strategic alliances, the Foundation expanded its impact throughout the country, promoting digital education and access to technological tools. Priority was given to free and certified training, with a focus on vulnerable communities.
- **Positioning:** The Foundation's presence in key events and its alignment with Telefónica Movistar Colombia's Responsible Business Plan was strengthened, consolidating it as a benchmark in digital education and employability.
- **Participation in public policy:** We promoted the inclusion of digital education in territorial development plans, collaborating with local Governments and contributing to strategic documents such as the **Conpes on technology.**

The Foundation's integrated management focused on optimizing resources and maximizing social impact:

- **Virtual (90 %) and face-to-face (10 %)** training to expand access to digital education.
- **Training paths designed according** to the needs of different audiences, prioritizing the inclusion of women and digital equity.
- **Sustainability and effectiveness,** guaranteed through strategic alliances, data protection and a focus on beneficiary loyalty.



This model allows the Foundation to sustainably contribute to the digital and social transformation of the country, promoting more connected and empowered communities.

Throughout this chapter, the most outstanding stories of each work axis will be shown.

General Achievements and Results

In 2024, Fundación Telefónica Movistar Colombia **benefited 1,703,208 people in Colombia** through programs focused on **Digital Education, Employability and Digital Entrepreneurship, Social Action and Volunteering, and Digital Knowledge and Culture.**

Main achievements by program:

ProFuturo: Benefited 1.333.916 **children** and trained 53.057 **teachers.**

ICT Family School: Certified 9.598 **fathers, mothers** and caregivers.

Social Action and Volunteering: We had 3.022 **active volunteers** and benefited **73,646 people.**

Knowledge and Digital Culture: Reached 50.920 participants in events and exhibitions.

Employability and Digital Entrepreneurship: Trained 117.787 young people and adults, with **61.262 people accessing** digital tools.

The Foundation was present in all 32 departments of the country (100 %) and in 791 of the 1,123 municipalities (70.4 % of national coverage), impacting 84.7 % (144) of the PDET territories (Development Programs with a Territorial Approach).



Investments made by the Foundation Telefónica Movistar Colombia

To carry out the programs and projects, Fundación Telefónica Movistar Colombia implemented actions for a total amount of **COP 6.56 billion,** mainly from the contributions of donors Fundación ProFuturo and Fundación Telefónica España. The distribution of funds was as follows:

For the administrative management of the operation, COP 2.7 **billion were spent.**

Fundación ProFuturo contributed COP 2.88 **billion** for the implementation of the Digital Education projects.

Within the Corporate Volunteering program in Colombia, **COP 54 million** were raised through donation campaigns carried out by volunteers during the years 2023 and 2024. These funds were destined to the acquisition of school kits and the purchase of markets for vulnerable population.

Fundación Telefónica España allocated COP 979 **million,** distributed as follows:

COP 515 million for projects of the Employability and Digital Entrepreneurship axis.

COP 189 million for the Knowledge and Culture axis.

COP 275 million for Social Action and Volunteerism initiatives.



Programs and Projects

ProFuturo Program

ProFuturo is one of the largest digital education programs in the world, promoted by Fundación Telefónica Movistar Colombia and Fundación "La Caixa". Its objective is to improve the quality of education in vulnerable environments through digital tools and teacher training, with presence in 97 % of the departments of Colombia.

The objective is to reduce the educational gap and strengthen teaching through pedagogical innovation, technology in the classroom and access to digital resources that enhance 21st century skills.

Intervention Models

Integral Model:
Techno-pedagogical teacher training and digital experiences in the classroom. Includes annual diagnosis to evaluate the appropriation of resources and educational impact.

Open Model:
Training in educational innovation, leadership and digital competencies, with self-training or virtual tutoring modalities. It is organized in Knowledge Schools in areas such as mathematics, citizenship, digital competence and artificial intelligence.

Impact and Beneficiaries

Integral Model:
3,885 teachers and 98,006 students benefited in **302 institutions.**

Open Model:
49,172 certified teachers, indirectly impacting **1,179,750 students.**

ProFuturo Online Mathematics:
6,610 children benefited.

Highlights in 2024

- Consolidation of Colombia as a regional benchmark in digital education.
- Implementation of the **"ProFuturo Day"** to promote digital teacher autonomy.
- Growth of the teaching community on WhatsApp (+2,000 members).
- Strategic alliances with Fundación Grupo Social and American Tower, benefiting **3,600 children.**
- **220,000 teachers** trained in the last five years, **45 %** of the country's official teaching staff.
- Implementation of training in Artificial Intelligence and socioemotional learning for **1,100 teachers.**
- Delivery of three Fundación Telefónica Movistar Colombia Classrooms with **63 devices** in Pasto, Buenaventura and Barranquilla.
- Celebration of the **Hack4edu** hackathon, with outstanding participation of the Universidad Distrital.
- Diploma in Educational Innovation in alliance with Universidad de La Salle, certifying **38 teachers.**



ICT School Family Project

Escuela TIC Familia is a program of Fundación Telefónica Movistar Colombia that trains fathers, mothers and caregivers in digital skills to promote the safe and effective use of technology at home. It is developed through a virtual platform and, in some cases, through student social service in educational institutions.

The objective is to, empower families in the use of ICTs, allowing them to accompany and guide students in their education, promoting technology as a tool for learning and communication.

Intervention Models

1.
Direct intervention: Training with mentoring from registration to certification.

2.
Indirect intervention - Student Social Service: High school and technical high school students receive training to empower their communities, strengthening digital literacy and their own development.

Impact and Achievements 2024

9.598
fathers, mothers and caregivers certified, achieving 106 % of the goal.

Presence in 26 departments, covering 81 % of the national territory.

202
students certified in Social Service, strengthening their digital competencies and benefiting their communities.

2.612
parents and caregivers trained thanks to the articulation with educational institutions and governmental alliances.

Escuela TIC Familia has promoted digital education at home and in the community, fostering technological and social development in Colombia.



Think Big Project

Piensa en Grande (Think Big) is a program of Fundación Telefónica Movistar Colombia that encourages young people to develop social entrepreneurship with a positive impact. It strengthens digital, social and innovation skills through methodologies based on challenges.

The objective is to promote entrepreneurship and innovation in young people, providing them with skills to create sustainable projects and improve their employability through socioemotional skills.



Intervention Models

1.
Think Big Meetings:
Guided sessions that strengthen skills in three areas:

- **Social-emotional skills** (leadership, communication, critical thinking).
- **Entrepreneurship**
- (idea generation, Canvas model, prototyping).
- **Employability**
- (interview preparation and resume writing).

2.
Think Big Virtual Course:
Self-directed training with certification, structured in four stages:

- **Descubrir_me:** Self-knowledge.
- **Integrar_me:** Teamwork.
- **Despertar_me:** Creativity and innovation.
- **Proyectar_me:** Materialization of initiatives.

Impact and Achievements 2024

Training of **3,339 young** people in the virtual course and **54,038 participants** in the meetings.

Presence in **28 municipalities in Colombia** through public-private partnerships.

Implementation in **122 educational institutions** and 6 penitentiary centers to support social reintegration.

Integration of the program in the career guidance plan of **Colegio San José Las Vegas de Medellín,** with 100 % student approval.

This program has been key in training young people for employability and social entrepreneurship in Colombia.

Conecta Empleo Project

Conecta Empleo is a program of Fundación Telefónica Movistar Colombia that promotes employability and entrepreneurship through free and certified digital training. Its approach is inclusive, aimed at young people and adults, with tools based on artificial intelligence and big data for career guidance.

The objective is to improve employability and strengthen professional profiles through the development of digital and transversal skills, aligned with the demands of the labor market.

Intervention Models

1.
Institutional management of the training offer: Liaison with public and private entities to adapt training to market needs and facilitate access.

2.
Territorial management: Work with educational organizations to advise and enroll beneficiaries in digital courses.

3.
Professional orientation tools::

- *Job Skills Map:* Identifies labor trends in Latin America.
- *Career Coach:* Chatbot that guides in the choice of training and digital careers.

4.
Specialized training courses for women:

- *#ConectaMujeres Bootcamp:* Digital marketing training for women in five countries.
- *Impulso Mujer School:* Training in digital skills, leadership and entrepreneurship.

5.
Professional Nanodegrees 4.0: +100-hour courses in strategic sectors such as construction, agribusiness and tourism, focused on digitalization and technical skills.

Impact and Achievements 2024

60,410 people participating in self-training courses, exceeding the established goal by **131 %.**

10,895 people certified in two or more courses.

Presence in **324** municipalities in Colombia, expanding access to digital training.

Signing of an agreement with **MinTIC** to integrate the program into the *AvanzaTEC* platform.

2,700 women trained in digital entrepreneurship through initiatives such as *ConectaMujeres Bootcamp and Impulso Mujer School.*

281 people certified *in Professional Nanograde*s 4.0, an increase of 31 % over 2023.



Conecta Empleo has been key in the digital transformation and the strengthening of skills for employment in Colombia.

Axis of Knowledge and Digital Culture

The **Knowledge and Digital Culture** axis of Fundación Telefónica Movistar Colombia promotes learning, reflection and dialogue on the impact of technology on society. Through accessible documents, activities and exhibitions, it seeks to form informed, critical and inclusive digital citizens.

The objective is to disseminate knowledge about digital culture in order to promote debates, identify social challenges and contribute to effective and sustainable solutions.

Intervention Models

1.
Digital exhibitions: Virtual tours on art, science and technology, reaching **16,232 visitors** in 2024.

2.
Forums and spaces for dialogue: Virtual and face-to-face events on digital transformation, gender equity and employability, with more than **27,000 participants.**

3.
Strategic alliances: Participation in Women Working for the World (WW4W) and Genera Summit 2024, promoting gender equity and digital entrepreneurship.

Impact and Achievements 2024

35,538 user views of forum content.

Recognition in WW4W for contributing to gender equity in Colombia.

Foros Coordenadas brought together national experts and entities on key topics such as artificial intelligence, entrepreneurship and digital education.

Telos Magazine positioned Colombia as the country with the second highest number of views in the region, with a readership of **+10,000.**



This axis has strengthened access to digital knowledge, fostering inclusion, critical thinking and sustainable development in Colombia.

Social Action and Volunteer Program

More digital, more supportive

Telefónica Movistar Colombia's Corporate Volunteering Program in Colombia mobilizes the talent and commitment of its employees to generate social impact. Through innovative solutions, it addresses three major challenges: social vulnerability, digital and social innovation. In the area of social vulnerability, 67,791 people benefited through activities such as the Telefónica International Volunteer Day (DIVT), which brought together volunteers in more than 30 countries to promote digital skills and carry out social and environmental inclusion activities. We also implemented the Christmas Campaign, which generated links between volunteers and vulnerable communities, the Solidarity Challenge, in which teams from different areas selected volunteer initiatives, and a financial donation program aimed at delivering school kits in 2025.

To reduce digital vulnerability, the Foundation benefited 4,331 people with programs such as the Digital Rebirth School, focused on older adults, and digital literacy actions on cybersecurity, virtual reality, video games, creative reading and digital transformation of social entities.

In terms of social innovation, 1,524 people benefited through initiatives such as the Inclusive Robotics School, which in its third edition offered classroom and virtual training in tools such as Scratch, VEX and Arduino, promoting the inclusion of girls and rural communities in the STEM field. *Los Juegos del Bien* (Kindness Games), a gamified platform for digital volunteering, which allowed the mobilization of social causes in networks, was also highlighted.

5 Community Practices

Impact and Beneficiaries

In 2024, the Foundation had the participation of 3,022 unique volunteers, including collaborators, family members and allies, exceeding the annual goal by 110 %. A total of 73,646 people benefited, reaching 210 % of the established goal. In addition, 23,341 volunteer hours were recorded in 253 social action activities, impacting 44 municipalities and 14 nationwide initiatives.

Outstanding Achievements

The Inclusive Robotics School benefited 1,294 people, with the participation of 112 volunteers who dedicated 986 hours to training. A total of 60 people were trained, 22 of whom took on teaching roles, replicating their knowledge in their institutions.

In DIVT 2024, volunteer contribution grew by 12 % over the previous year, with 1,059 participations and 7,089 hours of work, benefiting 29,403 people and 17 social entities through digital initiatives, reforestation, environmental cleanup and adaptation of school spaces.

Through 36 digital literacy activities, 3,547 people improved their technological skills, reducing the digital divide.

The Christmas Campaign collected 33 % more gifts than the previous year, benefiting 1,659 children in 32 social entities.

Finally, COP 47,384,371 in donations were collected for the purchase of school kits to be delivered in February 2025.

With these actions, Telefónica Movistar Colombia's volunteer program reaffirms its commitment to social transformation and digital inclusion in Colombia.

Collaborations and Alliances

Articulation with allies

5 Community Practices

In 2024, Fundación Telefónica Movistar Colombia consolidated its commitment to social and educational development through three main axes:

- Implementation of the ProFuturo Integral Model in territories.
- Focus on highly relevant population groups.
- Relationship with national strategic allies, trade unions, academia and civil society organizations.



Articulation with Movistar

The Foundation strengthened its intervention model with strategic agreements to design, deploy and monitor educational initiatives:

- **Fundación Proinco:** It implemented ProFuturo, Escuela TIC Familia and Conecta Empleo, benefiting more than 570 thousand people. Its experience ensured effective execution and sustainability.
- **Asociación Visión Social:** It strengthened accompaniment and training strategies, benefiting more than 820 thousand people in the virtual and face-to-face modality.

Alliances with Governmental Entities

Long-term alliances were formalized with territorial entities and/or key government entities, which have contributed to maintaining and improving the Foundation's recognition and positioning:

- **MinTIC:** Memorandum of Understanding to close the digital divide, achieving the enrollment of 7,600 people in Conecta Empleo.
- **Ministry of National Education (MEN):** Synergies in teacher training and secondary education, participation in the International Book Fair.
- **Government of Santander:** Agreement to strengthen 21st century skills, benefiting 592 people and training 49 teachers.
- **SENA:** Training of 599 instructors in four learning paths: School of Digital Competence, Educational Innovation, Citizenship and Computational Thinking.
- **Public Employment Service Unit:** Synergies in training and participation in the launching of Visor Ecosistema Laboral.

Articulation with the private sector and NGOs

Fundación Telefónica Movistar Colombia's programs and projects come to life through solid long-term alliances with NGOs and private entities linked to the education sector. These collaborations not only contribute to the constant evolution of the initiatives, but also facilitate their national reach, generating new ways of working and maximizing their impact.

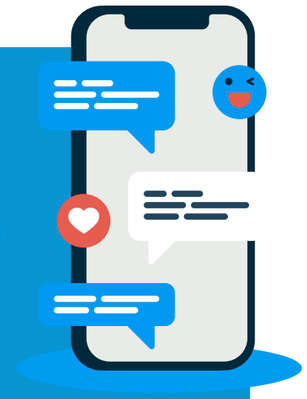
- **Fundación Grupo Social:** Implementation of ProFuturo in 12 institutions in the Bolívar department, benefiting 75 teachers and 269 children. Participation in the Suba Income, Employment and Entrepreneurship Roundtable.
- **American Tower Colombia:** Reforestation with 180 volunteers and delivery of educational suitcases to 10 institutions in Barranquilla, benefiting 2,714 children.
- **La Salle University:** Diploma in Educational Innovation to 38 normal-school students.
- **Critertec Education:** ProFuturo National Meeting and Socioemotional Meeting 2024 to strengthen 21st century skills.
- **Grupo Semana:** Participation in the Leaders for Education Summit and workshop on artificial intelligence in the classroom.
- **AFE:** Exchange of best practices and participation in the Shared Prosperity Forum.
- **Entrepreneurs for Education:** Reflection on collaborative leadership in discussion spaces and regional events.
- **Asociación Colombia Líder:** Agreement to support the Building Dreams Award, promoting the participation of young people in municipal development.
- **Fundación Urrea Arbeláez (Leonisa):** Certification of 104 consultants in Escuela TIC Familia and 623 people in Conecta Empleo, Piensa en Grande and Escuela Impulso Mujer.
- **Icetex:** Training in digital skills for 230 beneficiaries.
- **Fondo Mujer Emprende:** Training in digital skills and leadership for 729 women.
- **Voltaje - Art and Technology Hall:** Artistic reflection on technological waste, with more than 12,000 attendees.
- **Juanfe Foundation:** Participation in Women Working for the World to promote gender equity.
- **GrowthX SAS (Mentex):** Workshop on Design Thinking at Genera Summit, with the participation of 30 entrepreneurs.
- **Fundación Carolina:** Training of 40 interns in social cohesion and digital tools.



Events and Actions with Allies

- **Educational Innovation and Women in IT:** Panel with Fundación Universitaria Los Libertadores (April 8, 2024).
- **"Suba, Impulsa tu futuro" Job Fair:** First event of the Suba Income, Employment and Entrepreneurship Board (October 17, 2024).
- **Launch of Visor Ecosistema Laboral:** Participation as a panelist in a discussion on inclusive labor market (October 28, 2024).

Communications Strategy



In 2024, Fundación Telefónica Movistar Colombia strengthened its position as a leader in digital education, employability, digital culture and social action through a comprehensive communications strategy.

Strategic Deployment

The objective was to increase the Foundation's recognition as a benchmark in digital transformation. Multiple channels were implemented, including social networks, web, mailing, media, public relations, events and internal communication.

Strategic Lines

1.
Project implementation:
- Digital campaigns and coordination with allies.
- Generation of news and valuable content.
- Dissemination in internal and external channels.

2.
Positioning:
- Strategic narratives on digital impact.
- #HistoriasQueInspiran strategy with testimonials from beneficiaries.
- Quarterly reputational measurement to adjust strategies.

Key Results

Digital growth
3,660,049
interactions in networks.

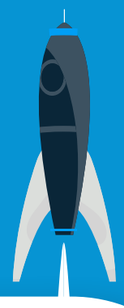
Web positioning:
154,717
subscriptions and visits.

Visibility of content:
1,920,122
reproductions.

Media impact:
452 publications, 46 million
people reached and valuation of
COP 4.43 billion.

Reputational Measurement

Two evaluations were conducted (April-June and September-November) with scores of 10/10, reaffirming the solid perception of the Foundation in digital education and inclusion.



Acknowledgments

Throughout the year, Fundación Telefónica Movistar Colombia received several awards for its impact on education, volunteering, sustainability and peace building in Colombia:

- **Agency for Reincorporation and Normalization (ARN):** Highlighting the Foundation's contribution to productive inclusion, economic sustainability and technical strengthening in the reincorporation and peace-building process.
- **Corporate Volunteering Congress (redVCOLOMBIA):** Special recognition was given to **Leontheen Davidson Martelo,** a volunteer of Telefónica Movistar Colombia, for her outstanding work and commitment to corporate volunteering.
- **EcoGlobal Foundation:** In alliance with ATC, recognizing the Foundation's work in environmental protection during reforestation in the municipality of Bojacá.
- **Secretary of Education of Medellín:** Highlighting the impact of the **Volunteer Program** on education in the city.
- **National Navy:** Recognition for volunteer actions in celebration of **World Oceans Day.**

08

BIC Management Report

In 2024, the Company continued to promote the development of key activities as a Collective Benefit and Interest Company (BIC). It actively participated in different spaces where its work as a BIC Company was made visible, highlighting its presence in the Global Compact Congress, 5th Sustainability Forum 2024 - ANDI, etc. At the same time, it continued to offer solutions through special promotions in a marketplace exclusively for BIC clients.

In compliance with Article 1 of Resolution 200-004394 of the Superintendence of Companies, which establishes the guidelines for the preparation of the management report of BIC companies, the Company has prepared this Responsible Management Report following the GRI (Global Reporting Initiative) Standards.

The activities prioritized by the Company in the five dimensions are detailed below:

SOCIEDADES BIC

- They incorporate a social and environmental purpose that goes beyond maximizing the economic interest of their shareholders.
- They ensure the fulfillment of the described purpose so that the directors and managers of the Company can maximize the social and environmental interest.
- **They guarantee transparency in the reporting of their business impact in five dimensions:** business model, corporate governance, labor practices, environmental practices and community practices.



Business Model

1 Business Model

To procure goods or services from local, minority and women-owned businesses and give preference in contracting to suppliers of goods and services that implement fair and environmental standards.

The highest percentage of the Company's suppliers continued to be of local origin (74 %), and the amounts awarded to companies incorporated in Colombia increased from 89 % in 2023 to 90 % in 2024.

On the other hand, the Company has made progress in the sustainability assessment of its suppliers through IntegrityNext, analyzing 75 high-risk suppliers. So far, 52 % of them have been evaluated, strengthening risk management and transparency in the supply chain. In addition, in partnership with Achilles, 17 allied suppliers were evaluated for compliance with Telefónica's Responsible Business criteria, with sustainability scores between 87 % and 98 %. However, the Commercial area and local suppliers require improvement, especially in Occupational Health and Safety (OHS), Human Resources (HR) and Responsible Business Principles (RBP).

In 2024, the Allies Model in Colombia was reinforced with comprehensive audits to 17 contractors, 18 on-site audits (37 % coverage) and 610 administrative audits. We also implemented OSH technical roundtables for high-risk tasks, induction and reinduction sessions for 17 allies, and communication channels such as the Allies Mail and quarterly newsletters. These actions seek to improve supervision, strengthen OSH protocols and optimize supplier management, ensuring compliance with social, environmental and labor standards in the supply chain *(see more in chapter 10 - Responsible Supply Chain Management)*.

Corporate Governance



2 Corporate Governance

- **To create a handbook for its employees, in order to set forth the values and expectations of the Company.**
- **To disclose the Company's financial statements to its employees.**

The Principles of Responsible Business are the ethical code that define the Company's values and expectations, the way of working to achieve relationships of trust with stakeholders, guiding individual and group actions.

In 2024, these Principles were communicated and the virtual course was promoted, with 95 % of the workforce taking the course. In addition, in 2024, Telefónica Movistar Colombia reinforced its ethical culture through training and compliance awareness. A mandatory training program was implemented with courses on the Code of Ethics, Anti-Corruption, Information Security and Privacy, achieving high completion rates (99 %, 97 % and 98 %).

In addition, Compliance Management provided 31 internal and external trainings on ethical principles, anti-corruption and conflicts of interest. Furthermore, 100 % of employees in sensitive positions completed the integrity course, and 460 new hires received key materials and participated in training sessions. We trained 1,026 employees and 66 Experience Centers in strategic areas such as B2B and B2C *(see more in chapter 8.2 - Ethics-Based Culture and Responsible Business Principles)*.

There are several channels of communication with employees, both face-to-face and virtual, that allow us to keep them abreast of the Company's financial situation. The Management Meeting, the President's Office emails, the lives in *Workplace* and the website are some of the channels through which employees are informed of the financial results. In 2024, Telefónica Movistar Colombia strengthened internal communication with 15 conversations led by the CEO and 145 by regional directors and managers. *Conexión Regional*, a monthly format that highlights the progress and impact of each region on business objectives, was implemented. In addition, quarterly management meetings, in a hybrid format, brought together 1,300 employees for discussions on key indicators and innovation, with cascade dissemination to ensure company-wide reach.

Labor Practices

3 Labor Practices

- **Reasonable salary and analysis of salary differences among its employees.**
- **Flexibility in working hours and telecommuting options, without affecting remuneration.**

For Telefónica Movistar Colombia, it is of great importance to have a solid and consistent salary structure that recognizes individual performance. The Company values the importance and impact of each position within the organization and is competitive in the national salary market.

The salary structure is based on a systematic process that covers from the description to the salary allocation for the organization's positions, as well as the constant comparison with the market to determine the competitiveness of salaries. This process is carried out based on the position and its valuation and impact on the organization, not on its occupants, so gender is not a determining factor in the calculation of the salary allocation, nor to evaluate its performance in the market *(see more in chapter 6.4. Human Talent Management - Salary).*

The Company offers options for a hybrid work model with flexible working hours and work at home initiatives, as well as initiatives that promote the quality of life of employees with time and experience benefits, such as the UNO Program and Movistar Moments *(see more in chapter 6.5 Human Talent Management - Well-being, Teleworking and Work-Life Balance).*

Environmental Practices

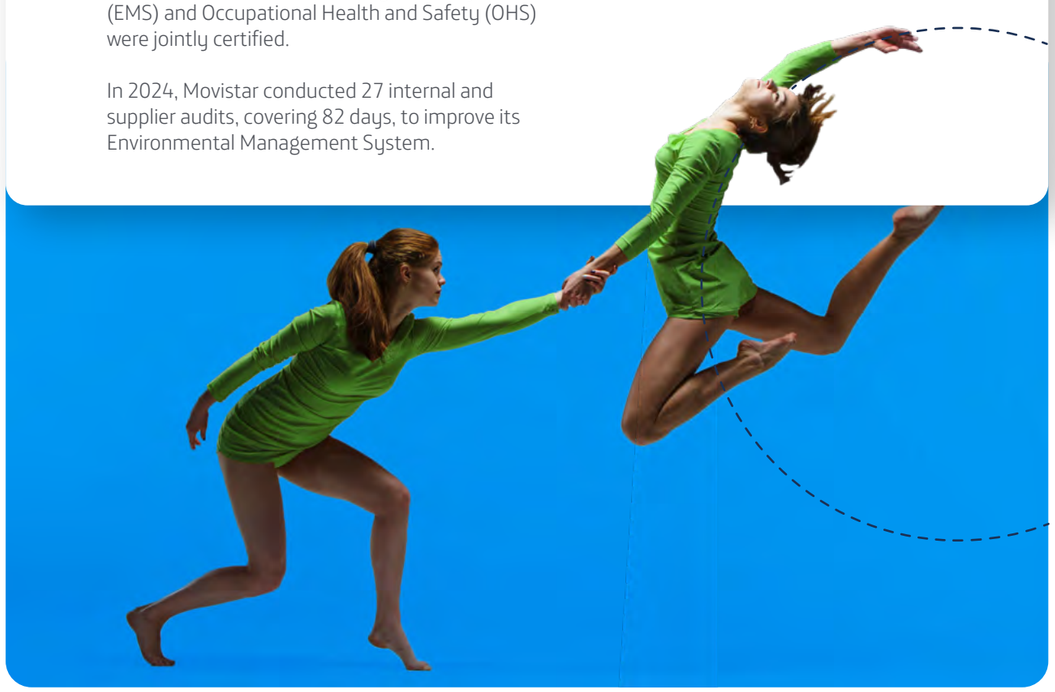
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Environmental Practices

- **Annual audits with disclosure of results and employee training on the social and environmental mission of the Company.**
- **Monitoring greenhouse gas emissions, implementing recycling programs, increasing the use of renewable energy sources and encouraging suppliers to conduct their own environmental assessments.**

The Company has an Environmental Management System (EMS), structured under the ISO 14001 standard, certified since 2007. In 2024, the Environmental Management System (EMS) and Occupational Health and Safety (OHS) were jointly certified.

In 2024, Movistar conducted 27 internal and supplier audits, covering 82 days, to improve its Environmental Management System.



Strengthened sustainability training with courses on carbon footprint, circular economy, sustainable finance and energy management, aimed at key roles. It also launched the ESG Academy, a global space to promote a culture of sustainability with courses on Eco Smart, Taxonomy and climate change.

The Company also set up an intranet site with key environmental information, including policies, indicators and results, thus promoting environmental awareness and commitment among its employees and partners. Within the training program, in order to strengthen the knowledge and training in environmental issues of employees and partners, the operational controls defined in the Company were reinforced, and solutions were implemented for the green transition, purchase of renewable energy, waste management and classification, reporting and monitoring in Gretel for loop partners, emergency preparedness and response, environmental training for auditors, among others.

On the other hand, the Company has established clear goals to reduce emissions, aligned with its products, services and network expansion. This commitment impacts the variable compensation of employees and is linked to Sustainable Financing contracts with banks.

The climate action plan includes the quantification of GHG emissions, the definition of objectives and the implementation of actions. Annually, energy consumption and other key factors are reported and verified to calculate the carbon footprint, with AENOR certification. In 2024, scopes 1 and 2 emissions totaled 14,841 tons. Thanks to its energy efficiency program, the Company has reduced its emissions by 73 % since 2015, avoiding more than 39,500 tons of CO_2.

In addition, it continues to make progress in the use of renewable energy, reaching 92.7 % consumption in its own sites and 85.4 % in the total operation, including third-party sites, consolidating its commitment to sustainability and energy transition.

In relation to waste management and promotion of the Circular Economy, in 2024, Movistar managed 11,398 tons of waste generated in network maintenance and operation, prioritizing circularity and regulatory compliance. To guarantee traceability and control, working groups and the GreTel tool were implemented, ensuring environmental reporting.

The circular economy was also promoted through the refurbishment of 520,163 pieces of equipment, optimization of maintenance and the sale of scrap copper, recovering 9,868 tons.

Thanks to these initiatives, 99.7 % of waste was recycled, minimizing disposal in landfills and incineration and promoting sustainable processes.



Additionally, suppliers are encouraged to carry out their own environmental assessments. The Supply Chain Sustainability Policy defines precisely that the supplier must have or be in the process of having a documented environmental management system that guarantees effective planning, action and control of the most relevant environmental aspects of its activity. This system must meet the requirements of ISO 14001 or other similar internationally recognized standards *(see more in chapter 4. Environmental Management)*.

Practices with the Community

5 Community Practices

Encouragement of volunteer activities and creation of alliances with foundations that support social works in the interest of the community.

Thanks to the Corporate Volunteer Program, the Company mobilizes its employees to generate a significant social impact, addressing challenges such as social vulnerability, digital and social innovation. In 2024, 73,646 people from 44 municipalities benefited, thanks to the solidarity of 3,022 volunteers, who donated 23,341 hours of their time participating in 253 initiatives nationwide. This program focused on addressing three major social challenges: social vulnerability, digital vulnerability and social innovation.
In the area of social vulnerability, activities such as the International Telefónica Volunteer Day (DIVT) and the Christmas Campaign impacted 67,791 people, promoting social and environmental inclusion.

In reducing digital vulnerability, the Foundation benefited 4,331 people through programs such as the Digital Rebirth School and digital literacy actions.

In social innovation, 1,524 people participated in initiatives such as the Inclusive Robotics School and The Games for Good, promoting the inclusion of rural communities and girls in STEM.

Within the framework of this program, donations of COP 47,384,371 were also collected thanks to the generosity of 150 employees of Telefónica Movistar Colombia and Fundación Telefónica.

These funds were earmarked for the purchase of school kits, which will be delivered in February 2025, contributing to the educational strengthening of communities in different regions of the country *(see more in chapter 14.3.6. Fundación Telefónica Movistar Colombia - Social Action and Volunteer Program)*.

Fundación Telefónica Movistar Colombia impacted more than 1.7 million people through programs such as Digital Education, Digital Employability and Entrepreneurship, Digital Knowledge and Culture, and Corporate Volunteering *(see more in chapter 14.2 Fundación Telefónica Movistar Colombia - Overall Achievements and Results)*.

In addition, it strengthened its collaboration with the Company and strategic allies, consolidating its position as a benchmark in digital education. This was achieved through participation in key events and the signing of agreements, establishing lasting alliances with governmental and territorial entities that have strengthened its recognition and relevance *(see more in chapter 14.4. Fundación Telefónica Movistar Colombia - Collaborations and Alliances)*.



The following is a summary of the fulfillment of activities for each of the BIC Company's dimensions:

1 Business Model

Purchases from locally sourced companies. Preference to suppliers with fair and environmental standards:

- **74%** Company of local origin and **90 %** securities awarded to companies incorporated in Colombia.
- Sustainability performance audit process of critical suppliers and allies: Integrity Next and Achilles.

2 Corporate Governance

Manual for employees with societal values and expectations:

- Principles of NR

Disclosure of financial statements with employees:

- Quarterly Management Meetings, monthly CEO president's mail with results, Regional Connection, etc.

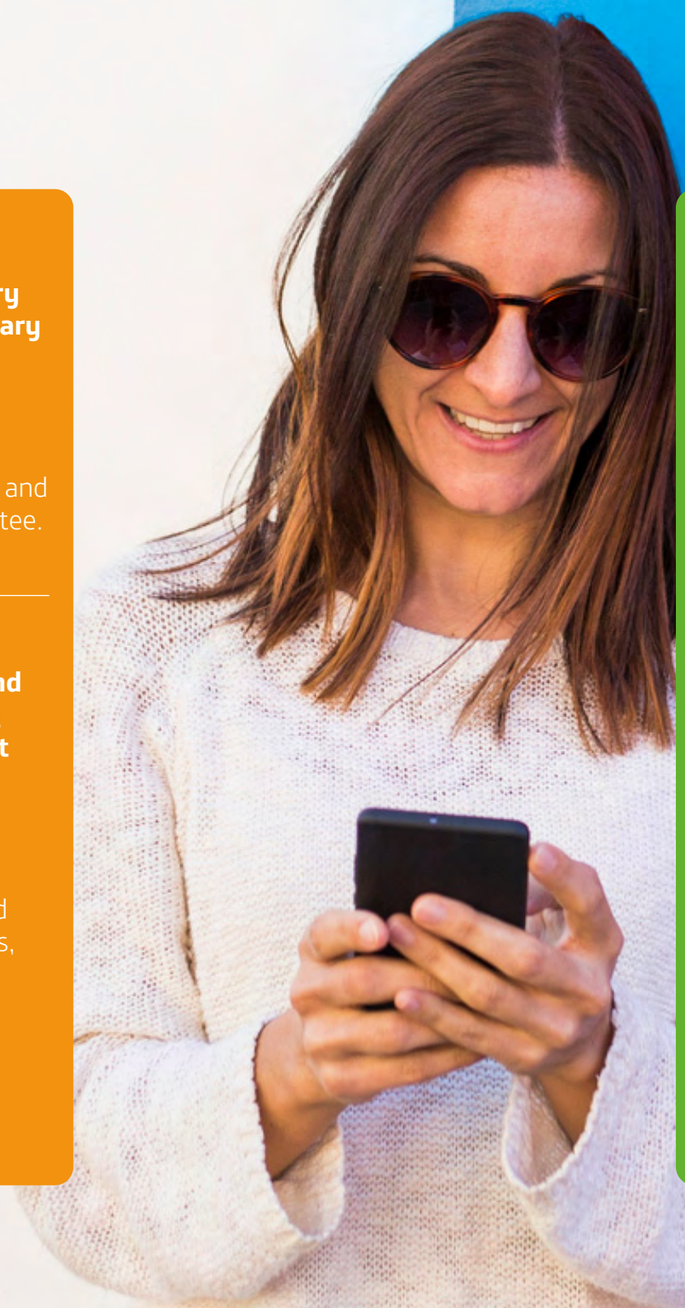
3 Labor Practices

Reasonable salary and analysis of salary differences:

- Remuneration Policy and Nominating Committee.

Flexibility in working hours and telecommuting options, without affecting remuneration:

- UNO Program and Movistar Moments, E-Work, Flexible Schedules.



4 Environmental Practices

Environmental audits (outreach and training)

- 17 years certified in ISO 14001

GHG monitoring, recycling, renewable energy and suppliers with assessments:

- -73 % GHG emissions from
- 92.7 % renewable energy
- Supply Chain Sustainability Policy.

5 Community Practices

Encouragement of volunteer activities and creation of alliances with foundations that support social works in the interest of the community:

- 3,022 active volunteers
- +1.7 M beneficiaries in FTM programs: ProFuturo, Conecta Empleo, Piensa en Grande, Volunteering and Knowledge and Digital Culture.

09

GRI Content Index

Declaration of use	Colombia Telecomunicaciones S.A. ESP BIC has prepared the report in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Fundamentals 2021

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 2: General contents 2021	**General contents**					
	2-1 Organizational details	11-15				Not applicable
	2-2 Entities included in the preparation of sustainability reports	7,8, 12, 18				
	2-3 Reporting period, frequency and contact point	7				
	2-4 Restatements of information			Not applicable		
	2-5 External verification	9				
	2-6 Activities, value chain and other business relationships	18-20, 61				SDG 5, SDG 8, SDG 10, SDG 16, SDG 17 PP 1, PP 2, PP 3, PP 4, PP 5, PP 6, PP10
	2-7 Employees	18, 72-73				
	2-8 Non-employee workers	18, 61, 62, 72				
	2-9 Governance structure and composition	104-109				
	2-10 Appointment and selection of the highest governance body	104-109				
	2-11 Chairman of the highest governance body	105				
	2-12 Role of the highest governance body in overseeing impact management	104-109				
	2-13 Delegation of responsibility for impact management	106-109				
	2-14 Role of the highest governance body in sustainability reporting	106-107				
	2-15 Conflicts of interest	110-111				
	2-16 Communication of critical concerns	111				
	2-17 Collective knowledge of highest governance body	106,114				
	2-18 Evaluation of the highest governance body's performance	108				
	2-19 Compensation policies	79,80,108				
	2-20 Process for determining compensation	79,80,108				
	2-21 Total annual compensation ratio	80				

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 2: General contents 2021	2-22 Sustainable Development Strategy Statement	4,13-17, 93				SDG 5, SDG 8, SDG 10, SDG 16, SDG 17 PP 1, PP 2, PP 3, PP 4, PP 5, PP 6, PP10
	2-23 Commitments and policies	93,112-114				
	2-24 Incorporation of commitments and policies	93,112-114				
	2-25 Processes for remediation of negative impacts	93-95				
	2-26 Mechanisms for seeking advice and raising concerns	116-118				
	2-27 Compliance with laws and regulations	93,138-139				
	2-28 Membership in associations	21				
	2-29 Approach to stakeholder engagement	27-31				
	2-30 Collective bargaining agreements	79				
GRI 3: Topics Materials 2021	**Materiality**					
	3-1 Process for determining material issues	31-33				SDG 16
	3-2 List of material topics	32-33				
	3-3 Management of material issues	31-33				
GRI 201: Economic performance 2016	**Economic performance and climate change**					
	3-3 Management of material issues	31-33				SDG 5, SDG 8, SDG 9 and SDG 13 PP 9, PP 10
	201-1 Direct economic value generated and distributed	36-39				
	201-2 Financial implications and other risks and opportunities of climate change	44-45				
GRI 202: Market presence 2016	**Market presence**					
	3-3 Management of material issues	31-33				SDG 5, SDG 8, SDG 9 and SDG 13 PP 9, PP 10
	202-1 Ratio of standard entry level wage by gender to local minimum wage	79-80				
	202-2 Proportion of senior management hired from the local community	78				
GRI 203: Economic impacts and infrastructure 2016	**Economic impacts and infrastructure**					
	3-3 Management of material issues	31-33				SDG 9
	203-1 Infrastructure investments and services supported	36-37, 61, 63				
	203-2 Significant indirect economic impacts	36-37, 60				

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 204: Sourcing practices 2016	**Sourcing practices**					
	3-3 Management of material issues	31-33				SDG 12, SDG 16, SDG 17
	204-1 Proportion of spending on local suppliers	38, 126-127				
GRI 205: Anticorruption 2016	**Anticorruption**					
	3-3 Management of material issues	31-33				SDG 16 PP 10
	205-1 Operations assessed for corruption-related risks	118-119				
	205-2 Communication and training on anti-corruption policies and procedures	114-115				
	205-3 Confirmed corruption cases and actions taken	120				
GRI 206: Unfair competition 2016	**Competition**					
	3-3 Management of material issues	31-33				SDG 16
	206-1 Legal actions related to unfair competition and monopolistic and anti-competitive practices, and against free competition	143				
GRI 302: Energy 2016	**Energy**					
	3-3 Management of material issues	31-33				SDG 7, SDG 13 PP 7, PP 8, PP 9
	302-1 Energy consumption	46-47				
	302-3 Energy intensity	47				
	302-4 Reduction of energy consumption	46-47				
	302-5 Reduction of energy requirements for products and services	46-47				
GRI 303: Water and effluents 2018	**Water**					
	3-3 Management of material issues	31-33				SDG 6 PP 7, PP 8, PP 9
	303-5 Water consumption	49				
GRI 305: Emissions 2016	**Emissions**					
	3-3 Management of material issues	31-33				SDG 13 PP 7, PP 8, PP 9
	305-1 Direct GHG emissions (scope 1)	48				
	305-2 Indirect GHG emissions from energy generation (scope 2)	48				
	305-5 GHG emissions reduction	48				

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 306: Waste 2020	**Waste**					
	3-3 Management of material issues	31-33				SDG 11, SDG 12 PP 7, PP 8, PP 9
	306-1 Waste generation and significant waste-related impacts	50-52				
	306-2 Management of significant waste-related impacts	50-52				
	306-3 Waste generated	50-52				
	306-4 Wastes not for disposal	50-52				
	306-5 Waste for disposal	50-52				
	Circular economy	50-52				
GRI 308: Environmental assessment of suppliers 2016	**Environmental assessment of suppliers**					
	3-3 Management of material issues	31-33				SDG 16, SDG 17
	308-1 New suppliers that have passed selection filters according to environmental criteria	124, 126				
	308-2 Negative environmental impacts on supply chain and actions taken	126				
GRI 401: Employment 2016	**Employment**					
	3-3 Management of material issues	31-33				SDG 5, SDG 8 PP 3
	401-1 New employee hires and employee turnover	73				
	401-2 Benefits for full-time employees that are not provided to part-time or temporary employees	81-84				
	401-3 Parental leave	83				
	Flexibility and benefits	81-84				
GRI 403: SOccupational health and safety 2018	**Occupational health and safety**					
	3-3 Management of material issues	31-33				ODS 3, ODS 8, ODS 16 PP 1, PP 4, PP 5, PP 6
	403-1 Occupational health and safety management system	86				
	403-2 Hazard identification, risk assessment and incident investigation	86-88				
	403-3 Occupational health services	88				
	403-4 Worker participation, consultation and communication on occupational health and safety	89				
	403-5 Occupational health and safety training for workers	89, 90				
	403-6 Workers' health promotion	86, 91				

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked through business relationships	86, 91				SDG 3, SDG 8, SDG 16 PP 1, PP 4, PP 5, PP 6
	403-8 Coverage of occupational health and safety management system	86				
	403-9 Work-related injuries	91				
	403-10 Occupational diseases and illnesses	92				
GRI 404: Training and education 2016	**Training and education**					
	3-3 Management of material issues	31-33				SDG 4, SDG 8
	404-1 Average hours of training per year per employee	56, 89, 114-115				
	Contents 404-2 Programs to develop employee competencies and transition assistance programs	56, 68, 89, 97, 114-115				
	Content 404-3 Percentage of employees receiving regular performance and career development evaluations	75				
GRI 405: Diversity and equal opportunity 2016	**Diversity and equal opportunity**					
	3-3 Management of material issues	31-33				SDG 5, SDG 8, SDG 10, SDG 16 PP 1, PP 2, PP 4, PP 6
	405-1 Diversity in governing bodies and employees	61-62, 74-76, 80, 106, 109				
	405-2 Ratio of basic salary to remuneration for women and men	80				
GRI 406: Non-discrimination 2016	**Non-discrimination**					
	3-3 Management of material issues	31-33				SDG 5, SDG 8, SDG 16 PP 1, PP 2, PP 6
	406-1 Cases of discrimination and corrective actions taken	74-78				
GRI 410: Security practices 2016	**Security practices**					
	3-3 Management of material issues	31-33				SDG 16, SDG 17 PP 1, PP 2, PP 3, PP 4, PP 5, PP 6
	410-1 Security personnel trained in human rights policies or procedures	99				
GRI 413: Local communities 2016	**Local communities**					
	3-3 Management of material issues	31-33				SDG 9, SDG 11, SDG 16, SDG 17, PP 1, PP 2, PP 3, PP 4, PP 5, PP 6
	413-1 Operations with local community involvement programs, impact evaluations and development	69-71				

GRI standard / other source	GRI content / subject matter	Page	Omisión			Sustainable development goals (SDGS) and principles of the global compact (PP)
			Omission requirements	Motive	Explanation	
GRI 414: Suppliers Social Assessment 2016	**Suppliers Social Assessment**					
	3-3 Management of material issues	31-33				SDG 9, SDG 11, SDG 16, SDG 17 PP 1, PP 2, PP 3, PP 4, PP 5, PP 6
	414-2 New suppliers that have passed selection filters according to social criteria	128-129				
GRI 417: Marketing and labeling 2016	**Marketing**					
	3-3 Management of material issues	31-33				SDG 12, SDG 16
	Content 417-3 Cases of non-compliance related to marketing communications	139				
GRI 418: Customer privacy and digital security 2016	**Customer privacy and digital security**					
	3-3 Management of material issues	31-33				SDG 12, SDG 16
	418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data	122-124, 138				
	Third parties/partners trained in information security	124				
Other Material Topics	**Responsible use of technology**					
	3-3 Management of material issues	31-33				SDG 9, SDG 16 PP 1, PP 2
	Ethics and Artificial Intelligence	124				
	Protecting children in digital environments	125				
	Crecimiento digital e innovación					
	3-3 Management of material issues	31-33				SDG 9, SDG 10 PP 9, PP 10
	Digital growth: inclusive connectivity, digitalization of society and innovation	62-71, 122				
	Companies digitalization	60-66				
	Marketing responsable					
	3-3 Management of material issues	31-33				SDG 9, SDG 10 PP 1
	Digital inclusion and attention to people with disabilities	70, 131				
	Derechos Humanos					
	3-3 Management of material issues	31-33				SDG 16, SDG 17 PP 1, PP 2, PP 3, PP 4, PP 5, PP 6
	Human rights management	90-100				
	Contribución Social y Voluntariado					
	3-3 Gestión de los temas materiales	31-33				SDG 4, SDG 5, SDG 8, SDG 10, SDG 11, SDG 16, SDG 17
	Social contribution	145-154				
	Volunteering	154				

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Financial Statements

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

Separate Financial Statements

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

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Statutory Auditor's Report on the Separate Financial Statements

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

Opinion

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

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

Basis for Opinion

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

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

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

Key Audit Matters

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

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

The key audit matter	How the key matter was addressed in the audit
Revenue recognition - Services pending invoicing The Company's sales and service revenues are derived primarily from the provision of various telecommunications services including traffic, recurring fees for network usage, mobile and digital services, internet, content and other products and services. Revenues from products and services that may be sold separately or together in commercial packages are allocated to each performance obligation based on the ratio of the stand-alone selling prices of each individual component to the total commercial price of the package, and are recognized as the obligation is satisfied. For those revenues whose billing cycle does not coincide with the accounting close, management is required to use accounting estimates to determine the amount to be recognized for services that are pending billing at year-end. During the year, updates were made to the assumptions and inputs used in these accounting estimates. I identified this area as a key issue in the audit of the separate financial statements because of the complexity of the process used by management to estimate the revenue recognized pending invoicing due to the multiple sources of data, types of revenue and the number of systems that support the information. This in turn involves a high degree of effort in designing and performing my audit procedures.	I have performed audit procedures involving information systems specialists on the revenue recognition process, including: • Understanding of the internal control environment, evaluation and testing of relevant controls in the process of estimating revenue receivable to be billed. • Evaluation of the reasonableness of the criteria used by management in estimating revenue receivable and the accuracy of the data supporting the estimate. • Substantive tests of detail on significant transactions and billings made subsequent to year-end to verify their consistency with the accounting estimates. Based on the procedures performed, I consider that the estimates made by management are reasonable with respect to the recognition of revenue for services rendered pending invoicing at the end of the fiscal year.

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

The key audit matter	How the key matter was addressed in the audit
Evaluation of goodwill impairment As described in note 17 to the separate financial statements. The goodwill recognized at December 31, 2024 of $ 1.2 trillion, arising as a result of the various business acquisitions made over time, is a relevant asset of the Company. The recoverable amount is determined by calculating the value in use of the cash-generating unit that has the goodwill associated with it, based on the strategic plans approved by management. The Company's cash flow projections require a high degree of judgment in estimating key assumptions, such as long-term EBITDA margin, long-term investment ratio, discount rate and perpetual growth rate, which are changeable from year to year and would be significantly affected by future trends in the economy. This is a key matter of my audit because of the significant judgments made by the Company in estimating the key assumptions underlying the recoverable values of the cash-generating unit, which in turn required a high degree of auditor judgment and effort in assessing those assumptions.	I have performed audit procedures with the participation of valuation experts, on the process carried out by management to determine the recoverable value of the cash-generating unit to which goodwill is associated, including: • Understanding of the internal control environment, evaluation and testing of relevant controls in the goodwill impairment review process. • Evaluation of the key assumptions, model and inputs that served as the basis for the calculation of the value in use of the cash-generating unit. • Verification of the reasonableness of the sensitivity analysis defined by management. • Review of the disclosures included in the financial statements in relation to the goodwill impairment test performed by the Company's management. Based on the procedures performed, I consider that the impairment assessment performed by management is reasonable, the estimation of the key assumptions are within a reasonable range, and its conclusions on the valuation of goodwill are consistent with the information contained in the separate financial statements.

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

The key audit matter	How the key matter was addressed in the audit
Definition of accounting policies and disclosure of the transaction of the single network project "Unstoppable Project". As described in note 1 to the separate financial statements. During the year, the closing of a framework agreement was carried out with another telecommunications operator operating in the country (hereinafter "Allied Operator"), which allowed the implementation of a joint agreement for the operation of a single mobile access network, through the company Unired Colombia S.A.S., as well as the sharing of permits for the use of radio spectrum through a Temporary Union (hereinafter "Unstoppable Project"). The Company's participation in each of these vehicles is 50 %. Based on the structuring of the "Unstoppable Project" transaction, management had to analyze in depth the accounting framework and apply significant judgments to define the accounting policies that determined that the type of joint arrangement corresponded to a joint operation based on the provisions of IFRS 11 (Joint Arrangement) and on the analysis to conclude whether the transaction met the requirements to be treated as the acquisition of a business in accordance with IFRS 3 (Business Combinations). As a result of the definition of the accounting policies, the Company recorded, by virtue of its participation in the operation, the assets and liabilities of Unired Colombia S.A.S. and the Temporary Union constituted by the Company and the allied operator; the value recorded for the integration of assets and liabilities was 2.6 trillion and 1.9 trillion, respectively.	I have performed audit procedures with the participation of experts in International Financial Reporting Standards - IFRS, on the process carried out by management for the implementation of accounting policies and the disclosure of the joint operation in the separate financial statements, among which are included: • Understanding of the internal control environment, evaluation and testing of relevant controls in the process of reviewing the definition of accounting policies and financial statement disclosures related to the "Unstoppable Project". • Evaluation and verification of the reasonableness of the criteria and judgments made by management on the implementation of the accounting policies of the type of joint arrangement - IFRS 11 (Joint Arrangements) and the definition of whether the transaction corresponded to the acquisition of a business in accordance with IFRS 3 (Business Combinations). • Substantive tests of detail on the accounting recognition of the "Unstoppable Project" transaction to verify its consistency with the established accounting policies. • Review of the disclosures included in the financial statements in relation to the recognition of the joint operation IFRS 11 (Joint Arrangements) and acquisition of a business IFRS 3 (Business Combinations), carried out by the Company's management.

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to express a modified opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Entity to cease to be a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

In accordance with the foregoing, I conclude that:

a) The Company's accounting during the year ended December 31, 2024 has been kept in accordance with legal regulations and accounting technique and the operations recorded are in accordance with the bylaws and the decisions of the Shareholders' Meeting and the Board of Directors.

b) Correspondence, account vouchers, minute books and share registry books are properly kept and maintained.

c) There is concordance between the accompanying separate financial statements and the management report prepared by the directors. The directors stated in the management report that they did not hinder the free circulation of invoices issued by vendors or suppliers.

d) The information contained in the declarations of self-assessment of contributions to the Integral Social Security System, in particular that relating to members and their contribution base income, has been taken from the accounting records and supports. As of December 31, 2024, the Company is not in arrears for contributions to the Integral Social Security System.

e) The Company has implemented the Integral System for the Prevention and Control of the Risk of Money Laundering and Financing of Terrorism in accordance with the provisions of Part III of Title I of Chapter VII of the Basic Legal Circular issued by the Superintendency of Finance.

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

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

Certification of the Legal Representative and Accountant of the Company

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

February 17, 2025

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

1. All assets and liabilities, included in the Company's financial statements as of December 31, 2024, exist and all transactions included in such separate financial statements have occurred during the year then ended.

2. All economic events realized by the Company, during the year ended December 31, 2024, have been recognized in the 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 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 have been correctly classified, described and disclosed in the financial statements.

Fabián Andrés Hernández Ramírez
Legal Representative

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

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

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

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

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

Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)

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

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

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

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

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

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

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

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

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

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

Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)

Nancy Navarro Bueno
Certified Public Accountant
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Julián Andrés Montaño Gaviria
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(See my report dated February 17, 2025)

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
SEPARATE STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2024 AND 2023
(figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Notes	Year ended December 31 2024	2023
Net cash flows provided by operating activities			
Cash received from customers		7,601,074,745	7,840,095,549
Cash paid to suppliers and other accounts payable		(5,556,125,264)	(5,798,616,196)
Net interest paid and other financial expense		(426,092,445)	(415,508,586)
Self-withholdings of income tax		(334,048,941)	(301,933,838)
Taxes paid		(260,563,199)	(281,993,503)
Interest paid on financial leases	19	(134,358,905)	(121,030,762)
Spectrum license payment		(114,665,495)	(55,513,680)
Net cash provided from operating activities		**775,220,496**	**865,498,984**
Net cash flows used in investing activities			
Proceeds from sale of real estate and personal property		22,670,255	106,934,326
Proceeds from sale of fiber optic assets		35,130,626	23,626,157
Payments for investments in plant and equipment and intangible		(487,760,403)	(814,946,809)
Net cash used in investing activities		**(429,959,522)**	**(684,386,326)**
Net cash flows used in financing activities			
New financial debt		1,125,378,878	500,040,959
Payment of financial debt		(926,953,367)	(468,350,451)
Financial lease payment	19	(385,933,874)	(312,697,940)
Proceeds (payments) from exchange rate hedges and interest, net		2,105,108	(19,138,037)
Net cash used in financing activities		**(185,403,255)**	**(300,145,469)**
Net increase (decrease) in cash and cash equivalents		**159,857,719**	**(119,032,811)**
Cash and cash equivalents as of January 1		360,627,174	479,659,985
Cash and cash equivalents as of December 31	5	**520,484,893**	**360,627,174**
Cash and cash equivalents as of January 1		**360,627,174**	**479,659,985**
Cash and banks		237,379,112	402,647,105
Temporary investments		123,248,062	77,012,880
Cash and cash equivalents as of December 31		**520,484,893**	**360,627,174**
Cash and banks		268,799,174	237,379,112
Temporary investments		251,685,719	123,248,062

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

Fabián Andrés Hernández Ramírez
Legal Representative
(See attached certification)

Nancy Navarro Bueno
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(See my report dated February 17, 2025)

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. BIC
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(figures expressed in thousands of Colombian pesos, unless otherwise stated)

1. GENERAL INFORMATION

a) Economic Entity

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

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

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

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

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

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

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

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

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

The company Operaciones Tecnológicas y Comerciales S.A.S. – "Optecom" was incorporated under Colombian law on October 22, 2013 as a simplified joint stock company (S.A.S.). The main corporate purpose includes general consulting, design, supervision and execution of works, electromagnetic assemblies, maintenance and commercial operation of telecommunications networks, carrying out energy transmission and maintenance projects, integral maintenance of networks associated with external plant and client's loop, design and construction of all kinds of works, assemblies, construction and maintenance of internal and external telecommunications plants with wireless access or built in multipair copper, fiber optic or coaxial cable, or any other technology. The term of duration of the company is indefinite, the address registered as domicile and main office is Calle 74 N.º 57 - 35, 2nd floor (Barranquilla, Colombia).

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

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

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

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

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

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

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

c) Single Mobile Access Network Operation

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

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

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

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

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

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

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

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

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

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

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

Consideration of the Unired Joint Operation below:

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

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

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

Details of the transaction closing are shown below:

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

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

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

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

(2) Corresponds to the goodwill write-down associated with the Company's mobile infrastructure business.

(3) Corresponds to the energy equipment that Tigo will contribute to Unired and the spectrum right to be received in May and August 2025.

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

(5) Corresponds to sublease of sites by the Company to Unired.

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

(7) Corresponds mainly to the costs of structuring the Unired Joint Venture (Note 20 (Item 1c)).

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

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

2. OPERATIONS

2.1. Ongoing Business

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

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

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

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

2.2. International Conflict Impacts

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

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

2.3. Main Regulatory Aspects

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

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

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

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

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

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

The Superintendence of Industry and Commerce – SIC authorized the operation through Resolution 61548 of October 6, 2023, for the companies to share their network infrastructure and spectrum usage rights. It acknowledged that there will be no impact on the retail and wholesale telecommunications markets, since Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. E.S.P. will continue to participate independently, and will not share the network cores (Core) or transmission routes (backbone and backhaul). The decision highlights that the new network company presented a plan for the assignment and return of spectrum portions in order not to exceed the current ceilings. The Temporary Union will use 140 MHz (40 in low bands and 100 in mid bands). Today, Colombia Móvil S.A. E.S.P. has 120 MHz of spectrum compared to 85 MHz of Colombia Telecomunicaciones S. A. E.S.P. BIC.

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

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

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

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

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

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

d) Approved laws

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

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

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

- Bill 269 of 2024; Senate of the Republic: Measures to prevent cell phone lines and financial products from being used as a means for the commission of crimes; creates the registration and identification of end users of sim and e-sim cards or technology that replaces them.

- Bill 412 of 2024; House of Representatives: Regulates digital nomads and establishes strategies to strengthen local economies, and develop actions for urban and rural connectivity.

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f) Main MINTIC initiatives

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- The rate of consideration to the ICT Fund was maintained. Resolution 05635 of December 31, 2024, left unchanged the percentage corresponding to the single periodic fee for the provision of telecommunications networks and services at 1.9 % of the gross income for these concepts.

- The Integral Plan for the Expansion of Digital Connectivity 2022-2033 was published. The 21 projects have a value of $ 17.6 trillion, $ 15.2 trillion to improve connectivity and $ 2.4 trillion to impact demand. The initiative designed seeks to close the digital divide and ensure significant and universal connectivity throughout the territory.

- In conjunction with the CRC, the Ministry opened a public consultation on OTT digital services. The entities seek to receive information on the operation and functioning of OTT digital services that use the Internet networks of the PRSTs, and thus deepen the knowledge of the products and services offered.

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

- Regulatory proposal to review the remuneration of fixed networks is published for comments. The objectives are to update fixed telephony termination charges and simplify current regulations.
- CRC publishes for comments the formulation of the draft competition analysis of fixed bundled services. The document seeks to provide an overview and to review the definition of this relevant market.
- Proposal for a new regulation to strengthen organized connectivity communities. It contemplates a User Protection Regime with simplified obligations; simple formats to report access and revenues; and standardize the contract for the relationship with other internet providers.
- CRC proposes less regulatory burdens in its regulatory simplification exercise. It includes, among other measures, eliminating the blocking of mobile terminals for non-homologation; creating a unified reporting format for small ISPs; creating a single convergent contract for fixed and postpaid mobile services, to facilitate contracting for users; and eliminating quality indicators for 3G mobile voice from 2026.
- CRC publishes draft resolution for comments, with measures for the mobile services market. It covers different fronts, such as promoting the registration and updating of identification data of prepaid users; expanding the availability of digital means to modify and cancel plans through the mobile application; and prohibiting network operators from recovering ported customers during porting and for three more months.
- A proposal to promote connectivity and competition in the carrier market was published for comments. It seeks to solve the problems related to the market failure identified in the 170 municipal markets declared susceptible to ex ante regulation, and the asymmetry of information identified between wholesale and retail fixed Internet providers.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

3.1. Professional Accounting Standards Applied

3.1.1. Basis of Presentation

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

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

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

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

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

3.1.2. Separate Financial Statements

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

3.1.3 Investment in Subsidiaries

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

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

3.1.4. Investments in associates

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

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

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

- When the entity sells or contributes assets that constitute a business, to a joint venture or associate, or loses control of a subsidiary that contains a business, but retains control or significant influence, the gain or loss from that transaction is recognized in full.

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

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

3.1.5. Joint operations and agreements

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

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

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

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

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

3.1.6. Accounting estimates and judgments

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

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

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

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

3.2. Accounting Policies

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

3.2.1. Foreign Currency Translation

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

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

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

3.2.2. Property, Plant and Equipment

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

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

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

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

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

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

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

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

3.2.2.1. Decommissioning Costs

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

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

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

3.2.2.2. Revaluation of Real Estate

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

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

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

3.2.2.3. Construction in Progress

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

3.2.3. Assets and Liabilities Held for Sale

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

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

3.2.4. Investment Properties

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

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

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

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

3.2.5. Intangible Assets

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

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

3.2.5.1. Entitlements

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

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

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

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

3.2.5.2. Office Equipment Software

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

3.2.5.3. Irrevocable Rights of Use (IRUs)

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

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

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

3.2.5.4. Ongoing Projects - Computer Applications

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

3.2.5.5. Estimated Useful Lives

The Company amortizes its intangible assets as follows:

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

2.1.6. Leases

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

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

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

3.2.6.1. Lessee's Accounting

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

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

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

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

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

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

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

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

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

3.2.6.2. Lessor's Accounting

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

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

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

• Leasing Activities

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

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

• Variable Lease Payments

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

• Extension and Termination Options

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

• Lease Terms

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

3.2.7. Right-of-Use Assets

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

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

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

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

3.2.8. Goodwill

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

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

3.2.9. Impairment of Non-Current Assets

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

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

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

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

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

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

3.2.10. Financial Instruments

3.2.10.1. Financial Assets

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

a) Financial Assets at Amortized Cost

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

b) Financial Assets at Fair Value Through Other Comprehensive Income

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

c) Financial Assets at Fair Value Through Profit or Loss

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

d) Equity Instruments

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

e) Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

3.2.10.2. Financial Liabilities

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

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

a) Financial Liabilities at Amortized Cost

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

b) Financial Liabilities at Fair Value

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

3.2.10.3. Other Equity Instruments

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

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

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

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

3.2.10.4. Recognition and Measurement

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

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

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

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

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

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

3.2.10.5. Offsetting of Financial Instruments

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

3.2.10.6. Determination of Fair Values

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

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

3.2.10.7. Derivative Financial Instruments and Hedging Activities

a) Initial Recognition and Subsequent Measurement

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

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

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

The Company designates its hedges as follows:

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

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

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

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

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

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

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

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

b) Option Hedges

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

c) Classification of Current and Non-Current Items

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

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

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

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

3.2.11. Inventories

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

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

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

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

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

3.2.12. Cash and Cash Equivalents

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

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

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

3.2.13. Prepaid Expenses

Prepaid expenses include:

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

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

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

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

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

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

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

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

3.2.14. Capital Stock

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

3.2.15. Current and Deferred Taxes

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

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

3.2.15.1. Current Income Taxes

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

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

3.2.15.2. Deferred Income Taxes

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

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

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

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

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

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

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

Uncertain Tax Positions IFRIC 23

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

As of December 31, 2023 and 2022, the Company has no uncertain tax positions in the determination of income taxes disclosed in the separate financial statements, considering that both ordinary and extraordinary operations have been treated in accordance with current tax regulations.

3.2.16. Employee Benefits

a. Applicable Regime

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

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

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

b. Salaries and Short-Term Benefits

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

c. Performance Bonuses

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

d. Vacation

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

e Stock-Based Payment Plans

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

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

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

f. Post-Employment Benefits

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

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

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

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

3.2.17. Earnings per Share

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

3.2.18. Dividends

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

3.2.19. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

3.2.20. Segment Reporting

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

3.2.21. Revenue Recognition

3.2.21.1. Contractual Asset

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

3.2.21.2. Contract Liabilities

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

3.2.22. Revenue from Contracts with Customers

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

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

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

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

(a) The Company's performance does not create an asset with an alternative use for the Company, and the Company has an enforceable right to payment for performance completed to date.

(b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer both receives and consumes the benefits that result from the Company's performance as it works.

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

a. Other Operating Income

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

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

b. Government Grants

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

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

3.2.23. Recognition of Costs and Expenses

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

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

4. REGULATORY CHANGES

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

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

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

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

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

IFRS 17 Insurance Contracts

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

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

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

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

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

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

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

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

IAS 12 - International Tax Reform - Pillar 2 Model Rules

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

IAS 7 and IFRS 7 Vendor Financing Arrangements

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

IFRS 16 - Lease Liabilities on a Sale and Leaseback

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

Amendments to IAS 21 - Lack of Interchangeability

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 19 Non-Publicly Accountable Subsidiaries

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

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

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

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

IFRS S2 - Climate-Related Disclosures

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

5. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is as follows:

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

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

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

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

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

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

6. FINANCIAL ASSETS

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

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

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

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

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

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

7. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES, NET

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Maturity	Residential	Business/ SMEs	Companies	Whole-salers	Other third parties	Customers pending invoicing	As of December 31, 2023
To expire	10,073,115	48,042,740	51,636,684	801,446	43,252 0	231,834,575	342,431,812
1 - 30	7,065,519	9,999,338	11,985,478	4,018,069	155,472 0	-	33,223,876
31 - 60	12,861,417	2,646,335	4,684,757	1,294,350	274,675 0	-	21,761,534
61 - 90	9,504,464	2,040,664	4,213,262	543,290	63,103 0	-	16,364,783
91 - 120	7,895,395	1,364,747	1,880,307	464,739	17,867 0	-	11,623,055
121 - 180	6,761,831	2,027,726	2,002,586	629,922	114,507 0	-	11,536,572
181 - 360	37,846,695	7,162,165	2,397,223	1,166,657	559,939 0	-	49,132,679
> 360	284,692,420	50,252,410	36,159,323	3,376,205	1,557,382 0	-	376,037,740
	376,700,856	**123,536,125**	**114,959,620**	**12,294,678**	**2,786,197**	**231,834,575**	**862,112,051**

8. PREPAID EXPENSES

The balance of prepaid expenses is as follows:

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

(1) As of December 31, 2024, the increase corresponds mainly to higher commercial activity, leveraged by the expansion of the fiber optic network, which generated higher sales commissions. Amortization for the years ended December 31, 2024 and 2023 was $ 208,038,070 and $ 145,516,658, respectively (Note 25).

(2) Amortization for the years ended December 31, 2024 and 2023 for costs of customer premises equipment amounted to $ 192,295,662 and $ 143,401,804, respectively (Note 25). The current portion presents an increase mainly due to the acceleration in commercial activity, leveraged by the preference for fiber optic network services (FTTH) and Internet Protocol Television (IPTV), and by the transfer from the non-current portion of the crops to be amortized in the next twelve months. On the other hand, the non-current portion shows a net decrease due to transfers to the current portion and new equipment installations in customers' homes.

(3) Amortization for the years ended December 31, 2024 and 2023 amounted to $ 144,618,593 and $ 104,762,602, respectively (Note 25). The current and non-current portion presents an increase for equipment installation services in customers' homes due to increased commercial activity in 2024.

(4) Includes licenses, support and maintenance of equipment for the network. As of December 31, 2024, the decrease in the current portion corresponds mainly to the amortization of licenses associated with technological platforms, as well as their respective technical and functional support for corporate clients and business projects. The decrease in the non-current portion corresponds to transfers to the short term in accordance with the term of the service.

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

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

9. CONTRACTUAL ASSETS AND LIABILITIES

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

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

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

(2) At the end of December 2024, this includes anticipated charges with customers for $ 73.09 billion and with operators and commercial agents for $ 13.84 billion. Additional includes the exclusivity generated by the fiber optic business for $ 66.05 billion. The balance in the non-current portion corresponds to the exclusivity commitment for $ 141.18 billion.

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

10. INVENTORIES

The balance of inventories is as follows:

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

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

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

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

(3) Includes equipment for computer workstation projects. The increase as of December 31, 2024 corresponds mainly to the provisioning of this equipment to meet the demand of new customers.

(4) During the year ended December 31, 2024, a recovery of the provision for impairment of $ 4,946,604 was recognized (Note 25), generated mainly by an improvement in the turnover of inventories exceeding 360 days.

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

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

11. TAXES AND PUBLIC ADMINISTRATIONS

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

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

(1) As of December 31, 2024, there is a balance in favor of income. The decrease compared to the year 2023 corresponds to the reduction of the base income for the calculation of self-withholdings, in accordance with the behavior of the business.

(2) The net increase as of December 31, 2024 corresponds to the payment of self-withholdings declared and presented during the year 2024. Additionally, the value of the self-withholdings corresponding to the integration of the Joint Operation (Unired) is recorded for $ 52 million (Note 1 (c)).

(3) The tax discount corresponds to VAT on the acquisition of real productive fixed assets. The decrease as of December 31, 2024 corresponds to the derecognition of VAT associated with the assets assigned to the single mobile network project for $ 81.16 billion (Note 1 (c)).

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

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

(1) Includes withholdings and self-withholdings for income and industry and commerce. The increase with respect to the end of 2023 corresponds to the acquisition of services and purchase of goods from both nationals and foreigners, subject to income and industry and commerce withholdings.

(2) As of December 31, 2024, includes the balance of the VAT return for the sixth bimonthly period of 2024. The decrease compared to the end of 2023 corresponds mainly to the reduction in revenues and the increase in purchases for the year 2024. Additionally, there is the recognition for the integration of the Joint Operation (Unired) for $ 553 million (Note 1 (c)).

(3) Corresponds mainly to the telephone and public lighting tax payable to the municipalities.

(4) As of December 31, 2024, it includes the balance of the excise tax declaration corresponding to the sixth bimester of 2024. Compared to 2023, the decrease is due to the lower value of revenues generated in data and mobile telephony operations.

Provision for Income Tax and Complementary Taxes

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

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

(1) Income tax and supplementary taxes correspond mainly to the occasional gain generated by the sale of real estate and personal property. Additionally, the current tax is recorded for the integration of the Joint Operation (Unired).

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

(3) As of December 31, 2024 and 2023, the variation corresponds mainly to the restatement of the deferred tax asset (DTA). The net impact of the transfer of assets and the acquisition of new assets during the 2024 period amounts to $ 54.57 billion. Additionally, in 2024, the effect of the exclusivity of the Álamo project is recognized for $ 23.09 billion.

(4) As of December 31, 2024 and 2023, the decrease corresponds mainly to the tax recognition of the Earn Out as income. Additionally, the value of the deferred tax liability (DTL) generated by the integration of the Joint Venture is recorded in the amount of $ 8.35 billion (Note 1 (c)).

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

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

The current tax provisions applicable to the Company stipulate that:

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

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

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

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

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

Tax on occasional profits

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

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

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

Deferred Tax Assets and Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

Tax Losses

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

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

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

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

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

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

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

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

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

Transfer Pricing

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

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

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

12. INVESTMENTS IN COMPANIES

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

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

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

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

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

Equity method

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

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

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

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

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

		Other Comprehensive Income		Equity Method	
		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 companies on which the equity method was applied during the year ended December 31, 2024 and 2023 were as follows:

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

13. RIGHT-OF-USE ASSETS

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

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

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

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

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

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

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

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

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

14. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

(2) The net increase as of December 31, 2024 corresponds mainly to: i) restatement of the revalued cost for $ 135.56 billion, ii) initial contribution and integration of the Joint Operation (Unired) for $ 66.00 billion (Note 1 (c)), iii) civil works associated with the 4G mobile network and the fiber optic network for $ 5.88 billion.

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

(3) The variation corresponds mainly to: i) the participation for the acquisitions made during 2024 by the Joint Venture (Unired) for $ 62.56 billion and ii) the net of new acquisitions of goods and services and the settlement to final assets for the construction of assets related mainly to the deployment of 4G mobile network, optical fiber, data processing center, infrastructure adequacy CoE Data and Analityc, infrastructure for the provision of IP television service, infrastructure for corporate customer projects, replacement and repowering of network equipment, replacement of copper cable, infrastructure prepaid services charging platform for ($ 77.70) billion.

(4) The net increase corresponds to: i) initial contribution to the Joint Venture (Unired) ($ 45.40) billion (Note 1 (c)), ii) purchase of servers, computer and storage equipment, measurement equipment mainly associated with 4G-LTE network deployment projects, optical fiber - FTTH, platform for Internet Protocol Television - IPTV, prepaid charging platform, data processing center, networks for corporate customers for $ 185.46 billion. Depreciation expense for the period was $ 96.62 billion.

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

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

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

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

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

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

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

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

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

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

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

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

	As of December 31, 2022	Increases	Decreases	As of December 31, 2023
Cost:				
Land	291,121,925	-	(18,239,146)	272,882,779
Constructions	268,141,859	-	(12,939,975)	255,201,884
	559,263,784	**-**	**(31,179,121)**	**528,084,663**
Accumulated depreciation:				
Construction	(59,676,020)	(13,124,897)	3,286,513	(69,514,404)
	(59,676,020)	**(13,124,897)**	**3,286,513**	**(69,514,404)**
	499,587,764	**(13,124,897)**	**(27,892,608)**	**458,570,259**
Deferred income tax	(102,073,577)	(13,783,988)	0	(115,857,565)
Net revaluation of Deferred income 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
Construction	250,937,659	243,787,256
Switching, access and transmission	3,724,453,390	3,383,273,940
Computer equipment and furniture	360,564,967	428,058,734
	4,335,956,016	**4,055,119,930**

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

15. INVESTMENT PROPERTIES

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

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

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

16. INTANGIBLES

The cost and accumulated amortization of intangibles are presented below:

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

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

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

The net movement during 2024 corresponds to:

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

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

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

(4) Includes mainly Irrevocable Right of Use - IRU's of Fiber Optics. The decrease as of December 31, 2024 corresponds to the amortization for the period of $ 3.28 billion.

Movements in intangible assets during 2024 are presented below:

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

Movements during the year 2023 are presented below:

	As of December 31 2022	Additions / Expense from amortization	Transfers	As of December 31, 2023
Cost:				
Qualifying titles	2,762,446,278	-	-	2,762,446,278
Network and office equipment software	1,185,585,701	103,749,539	160,704,643	1,450,039,883
Intangible assets under construction	82,380,904	59,714,833	(79,226,289)	62,869,448
Fees	63,225,312	-		63,225,312,00
	4,093,638,195	**163,464,372**	**81,478,354**	**4,338,580,921**
Accumulated depreciation:				
Qualifying titles	(1,847,612,566)	(332,888,710)	-	(2,180,501,276)
Network and office equipment software	(901,075,570)	(214,463,095)	-	(1,115,538,665)
Entitlements	(27,279,557)	(3,283,023)	-	(30,562,580)
	(2,775,967,693)	(550,634,828)	-	(3,326,602,521)
	1,317,670,502	**(387,170,456)**	**81,478,354**	**1,011,978,400**

17. GOODWILL

The balance of Goodwill is as follows:

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

Colombia Telecomunicaciones S. A. E.S.P. BIC, recognized in its Opening Statement of Financial Position under IFRS 1 the remeasurement of goodwill, from the moment of the acquisition of Celular de Colombia S. A. - 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, the goodwill originated in the business combination in which the Company acquired control of Empresa Metropolitana de Telecomunicaciones S. A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S. A. E.S.P. for $ 433,138,188 is incorporated.

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

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

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

Cash Generating Units - CGUs

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

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

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

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

Main Assumptions Used in the Value-in-Use Calculations

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

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

Discount Rate

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

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

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

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

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

Sensitivity to Changes in Assumptions

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

18. FINANCIAL LIABILITIES

The balance of financial liabilities is presented below:

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

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

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

(2) Local bond: At December 31, 2024 and 2023, the face value of the local bond is $ 152.41 billion and $ 500 billion, respectively, and the associated transaction costs are $ 194 million and $ 319 million, respectively, measured at amortized cost.

The characteristics of the local bond issue are summarized below:

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

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

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

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

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

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

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

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

(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 and associated transaction costs of $ 8.05 billion and $ 9.51 billion, respectively, measured at amortized cost.

The features of the senior bond issue are summarized below:

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

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

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

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

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

Presentation of comparative information

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

19. FINANCIAL LEASES

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

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

(a) Corresponds to capital lease payments during the year 2024 for $ 385,933,874 and interest for $ 134,358,905.

(b) Includes mainly transfers from long to short term in accordance with the maturity schedule and transfers made to the Unired Joint Venture for financial leasing of $ 8.50 billion (Note 1 (c)).

(c) Corresponds to the payment made by crossing accounts between liabilities and financial assets and impact for taxes.

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

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

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

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

20. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of suppliers and accounts payable is as follows:

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

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

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

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

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

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

c. Corresponds mainly to services related to insurance, technical assistance, utilities, security, legal and tax advice, billing, collection and collection services. The increase at the end of 2024 corresponds mainly to the obligation with Colombia Móvil S. A. E.S.P. for the equalization derived from the contribution of the mobile infrastructure in the Unired Joint Venture for USD 19.6 million. It includes costs of the Joint Venture for $ 23.13 billion and expenses paid for $7.06 billion (Note 1 (c)).

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

e. Includes amounts received for third parties in accordance with the definitions in the mandate contracts.

f. Includes outside plant maintenance services, platform support, technical assistance and network breakdowns.

g. Includes mainly commitments acquired for submarine cable capacity, media rental and last mile rental for fixed services. At the end of 2024, there is an increase due to higher network capacity services for fixed customers.

h. Includes domestic interconnection and roaming traffic services. The increase as of December 31, 2024 is mainly generated by the closing of reconciliations and the legalization of items with operators.

i. Corresponds to media advertising services for TV, press and audiovisual media campaigns, sponsorships, events and promotion. At the end of 2024, there is an increase for media campaigns for the promotion of year-end offers.

(2) Corresponds mainly to obligations for the purchase of equipment, licenses and platform developments associated with the deployment of the mobile network. The increase as of December 31, 2024 is mainly due to the integration of the joint operation (Unired) for $ 84.10 billion (Note 1 (c)). It includes the share of the acquisitions made during 2024 by the Joint Venture (Unired) for $ 84.17 billion.

(3) Includes mainly obligations generated by connectivity services through the fiber optic network, the use of the brand fee, action plans (a), capacity rental in international media and usage rights, platforms for Internet Protocol Television - IPTV, costs for licensing services and developments for corporate projects. The net decrease corresponds mainly to Brand Fee services, connectivity services, links and capacity and corporate services.

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

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

Performance Share Plan (PSP)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Corresponds to the commitment of the Government grant with the Company to perform the obligations to do. The variation is presented by the financial restatement during the year 2024.

(7) Corresponds to obligations for social benefits. As of December 31, 2024, it includes the following items: i) severance payments and interest on severance payments for $ 25.65 billion; ii) vacations for $ 10.25 billion, and iii) other remunerations for $ 99 million.

(8) Includes the balances of the inter-administrative contract with the Metropolitan Area of Barranquilla, with validity until 2028, as well as the guarantees provided by commercial allies. The decrease in the non-current portion corresponds to the transfer to the short term in accordance with the terms of the contract.

21. PROVISIONS AND PENSION LIABILITIES

The balance of provisions and pension liabilities is as follows:

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

(1) Includes the provision for industry and commerce tax (ICA), the considerations to the Ministry of Information and Communications Technologies and the uncollected VAT on the portfolio of clients for mobile telephony services. The decrease corresponds mainly to the lower ICA tax generated and the lower obligation with the Ministry of Information Technologies and Communications according to the behavior of revenues during the year 2024.

(2) As of December 31, 2024, the Company included a provision for a voluntary retirement efficiency plan which corresponds to a formal plan, in which functions, number of employees, disbursements to be made and dates of the plan are identified. The balance as of December 31, 2023 was 100 % executed during the year 2024.

(3) It includes the incentive to employees for compliance and performance, which is expected to be paid in the first half of 2025. The estimate was made based on the current headcount and the estimated percentages of compliance with established objectives.

(4) The Company recognizes post-employment benefits corresponding to retirement pensions. The post-employment benefit plan in effect at the date does not have any type of asset linked to it.

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

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

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

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

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

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

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

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

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

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

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

Future Cash Flows

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

Sensitivity Analysis

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

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

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

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

(5) It includes processes related to requests, complaints and claims (PQR) from clients. Additionally, civil, fiscal and administrative processes, which are under discussion with the regulator. The net increase as of December 31, 2024 corresponds mainly to the resolution in favor of the third party Radio Televisión Nacional de Colombia, partially offset by the closing of processes with the Superintendence of Industry and Commerce (SIC).

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

(7) Includes costs associated with the dismantling or removal of elements of property, plant and equipment and rights of use, when this has been contractually agreed. In this regard, there is no expected schedule for the disposal of resources since the Company does not estimate the disposal of such sites at this date (Note 14). The increase during 2024 corresponds mainly to the integration of the Joint Venture in Unired for $ 4.40 billion (Note 1 (c)), and the updating of the provision for dismantling of property, plant and equipment for $6.44 billion (Note 27 (7)).

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

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

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

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

22. SHAREHOLDERS' EQUITY, NET

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

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

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

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

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

Additional Paid-In Capital

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

Reserves

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

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

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

a) Occasional reserve: The Shareholders' Meeting by means of Act N.º 068 of March 16, 2020, constituted a reserve for $ 34,925,054, corresponding to the profits obtained during 2019 and by means of Act N.º 074 of March 16, 2022 constituted a new reserve for $ 101,588,959, corresponding to profits obtained during 2021. On July 21, 2022, the Shareholders' Meeting decreed to pay dividends, as follows: direct payment to shareholders for $ 95,769,390 in December 2022, and $ 5,819,569 for withholding tax on the payment of dividends to shareholders, amount that was transferred to the National Tax and Customs Directorate – DIAN, for a total of $ 101,588,959.

b) Reserve for future widening: Reserve established by the Company for future widening, which is not distributable. The balance of this reserve at December 31, 2024 and 2023 was $ 3,730,162.

c) Reserve for share repurchase: Reserve established by the Company for share repurchase, non-distributable and whose balance as of December 31, 2024 and 2023 was $ 31,321.

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

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

Earnings per Share

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

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

Other Comprehensive Income

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

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

Revaluation Surplus Net of Taxes

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

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

Actuarial Result

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

23. OPERATING INCOME

Revenues from contracts with customers are presented below:

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

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

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

(1) During 2024, service revenues maintain a good performance, reflecting the positive performance of connectivity through the fiber optic network, digital services, integrated solutions in corporate business and prepaid services.

(2) During 2024, the Company continued to promote technological solutions in the corporate market that enable process improvement and guarantee security, storage and digitalization operations. In comparison with the previous year, revenues were obtained from corporate projects that culminated in the last quarter of the year.

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

(4) The variation compared to the prior year period corresponds mainly to the decrease in mobile interconnection rates by the Communications Regulation Commission and the agreements in National Automatic Roaming service contracts.

(5) During the year 2024, the Company includes in the installation of fixed services and advanced technology equipment that allows a better coverage experience and reducing the sale of WiFi amplifier equipment.

24. OTHER OPERATING INCOME

Other operating income is presented below:

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

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

(1) During the year 2024, it includes: i) billing, collection management, collections and administration services for $ 109.78 billion; ii) the exclusivity in accordance with the commitment subscribed with Onnet Fibra Colombia S.A.S., with respect to homes connected to fiber optic for $ 91,341 (amortization for $ 65.96 billion and restatement for the period for $ 2.39 billion); iii) Income from leasing of own sites for $ 6.71 billion and for breach of contracts for $ 6.79 billion; iv) State subsidies for $ 417 million. The decrease compared to the previous year is mainly due to: a lower exclusivity for $ (158.01) billion (amortization $ 144.47 billion and guarantee $ 13.53 billion), which is offset by $ 28.46 billion for collection management, collections and administration.

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

(3) Includes the sale of copper material as a result of the technological transition to the fiber optic network for $125.03 billion, and sale of assets such as duct channels and real estate for $ 14.88 billion. The variation compared to 2023 is due to the sale of copper material for $ (73.62) billion and sale of assets and real estate for $ (17.94) billion.

25. OPERATING COSTS AND EXPENSES

Operating costs and expenses are presented below:

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

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

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

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

(1) During the years ended December 31, 2024 and 2023, the Company recognized the consumption of inventories which were carried at cost of sales for $688,954,241 and $1,067,522,609 (Note 10) and the amortization of the cost of customer premises equipment for $192,295,662 and $143,401,804 (Note 8), respectively. The net decrease during the year ended December 31, 2024, corresponds to lower sales of mobile terminal equipment offset in part by the increase in the sale of customer premises equipment and materials for the execution of fiber optic deployment projects, compared to the year 2023.

(2) The increase during 2024 corresponds mainly to fiber optic connectivity services for the residential and corporate segments.

(3) The increase during the year 2024 corresponds mainly to the recognition of the efficiency plan for voluntary retirement of employees.

(4) The decrease in 2024 corresponds mainly to lower demand for projects with corporate customers, when compared to the same period of 2023.

(5) Includes mainly digital services and products, portfolio collection management, royalties, temporary employment agency personnel expenses, surveillance and security, travel expenses, consulting and advisory fees, insurance, utilities and other service expenses. The increase in the year ended December 31, 2024 corresponds mainly to costs associated with the provision of digital services and support, consulting and support services.

(6) For the years ended December 31, 2024 and 2023, amortization of contract acquisition costs of $ 208,038,070 and $ 145,516,658, respectively, is included (Note 8). The increase corresponds to the higher commercial activity generated mainly in connectivity services, which are leveraged on the coverage of the fiber optic network.

(7) It includes the use of the brand (Brand Fee), advertising in the media and events and sponsorships (Colombian Soccer Federation and Movistar Arena). The decrease in the year 2024 corresponds mainly to a decrease in the Brand Fee for the use of the brand and associated to lower sales revenues.

(8) Corresponds mainly to the renewal and acquisition of licenses for information technology (IT) platforms and software applications, including technical and functional support for customer projects. The decrease in 2024 is mainly due to the optimization of digitalization services.

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

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

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

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

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

26. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are presented below:

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

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

27. FINANCIAL EXPENSE, NET

Financial expenses, net, are presented below:

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

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

(1) The variation during the year ended December 31, 2024, compared to the previous year, corresponds mainly to the decrease in the Consumer Price Index (CPI) which impacts the interest on the long-term loan with the associated company Álamo Holdco, S.L., in accordance with the provisions of the framework contract for the sale of fiber optic assets made in 2022 (Note 29).

(2) During the year ended December 31, 2024 there is an increase when compared to the same period of the previous year, mainly in the interest generated by the portfolio recovery management with customers.

(3) During the year 2024, there is an increase generated by yields on temporary investments.

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

(5) During the year 2024, the financial restatement of the payment agreements entered into with corporate clients for $ 54,872,352, the long-term contract of the exclusivity commitment related to fiber optics for $ 38,031,995, the cost related to the sales of commercial portfolio for $ 15,084,946 and bank commissions for $ 12,163,067 were recognized.

(6) During the year ended December 31, 2024, it includes the financial restatement for the increase in the reference rates on the obligation acquired in the renewal of the 1900 MHz spectrum. Additionally, the higher settlement basis for the payments made on this obligation, compared to the year 2023.

(7) During the years ended December 31, 2024 and 2023, the expense for the restatement of the pension liability for $ 27,152,682 and $ 26,323,230, the restatement of the provision for decommissioning of property, plant and equipment for $ 6,440,137 and $ 6,799,583, respectively, are included, plus restatement of the provision for legal contingency at the end of 2024, for $ 8,029,924.

28. RISK MANAGEMENT

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

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

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

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

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

28.1. Risks Related to the Business

The Company requires licenses and permits for the provision of most of its services, as well as for the use of spectrum, which is a scarce and costly resource.

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

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

Access to new spectrum licenses.

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

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

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

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

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

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

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

The competitive position could be affected by competitive developments.

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

The Company depends on a network of suppliers.

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

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

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

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

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

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

Markets Subject to Continuous Technological Evolution

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

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

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

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

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

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

28.2 Operational Risks

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

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

Risks Associated with Unplanned Network or System Outages

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

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

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

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

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

28.3 Financial Risks

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

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

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

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

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

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

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

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

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

Additionally, given the interrelationship between economic growth and financial stability, the materialization of any of the aforementioned economic, political and exchange rate risk factors could adversely affect the Company's ability and cost to obtain financing and/or liquidity. This, in turn, could therefore have a material adverse effect on the Company's business, financial condition, operating results and/or cash flows. Finally, any downgrade in credit ratings could lead to an increase in its borrowing costs and could also limit its ability to access credit markets.

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

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

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

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

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

Risk Management Policy

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

Interest Rate Risk

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

Liquidity Risks

The Company is exposed to liquidity risk mainly due to imbalances between cash requirements and sources of funds. As a mitigation strategy, the Company has high liquidity assets and unused lines of credit available, in addition to the alternative of performing rollover in financial obligations.

Credit Risk

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

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

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

Figures in millions	NDF		SORF	IRS IBR	IRS IPC	(margin) CCIRS	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	-	
Trade accounts	104	22	-	-	-	-	-
Future cash flows	36	-	-	-	-	-	-
	140	**22**	**500**	**2,098,700**	**152,410**	**500**	**1,070**

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

Exchange rate risk

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

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

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

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

Figures in thousands of dollars:

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

Figures in thousand pesos:

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

Interest rate risk

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

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

Figures in millions of pesos:

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

(1) Interest rate exposure after hedging.

Sensitivity of debt to interest rate changes

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

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

Derivative Financial Instruments and Risk Management Policy

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

		Notional value (2) - Maturities (Amounts in millions of pesos)			
Derivatives	**Fair value (1)**	**2025**	**2026**	**Subsequent**	**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 interest rate hedging Change					
Cash flows	352,139	4,303,275	308,641	2,356,985	6,968,901
	352,139	**4,303,275**	**308,641**	**2,356,985**	**6,968,901**
	16,738	**5,079,949**	**250,850**	**6,766,135**	**12,096,934**

(1) Net of Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) is presented.

(2) For interest rate hedging, the positive amount is in terms of fixed payment, for exchange rate hedging, a positive amount means payment in functional currency versus foreign currency.

Country Risk

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

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

28.4 Legal and Compliance Risks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29. RELATED PARTIES

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

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

29.1. Accounts Receivable

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

Current

a) Shareholders

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

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

b) Subsidiaries

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

c) Related Economic

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

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

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

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

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

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

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

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

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

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

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

d) Associated Companies

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

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

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

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

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

29.2. Accounts Payable

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

Current

a) Shareholders

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

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

b) Subsidiaries

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

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

c) Economic ties

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

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

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

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

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

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

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

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

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

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

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

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

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

Associated Companies

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

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

Non-current

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

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

Non-current

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

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

29.3. Revenues, Costs and Expenses with Related Parties

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

a) Shareholders

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

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

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

b) Subsidiaries

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

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

c) Related Economic

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

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

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

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

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

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

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

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

(4) The decrease in revenues and costs in 2024 corresponds mainly to lower traffic in roaming services.

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

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

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

d) Associated Companies

Operations:	Revenues Year ended December 31, 2024	Revenues Year ended December 31, 2023	Costs and expenses Year ended December 31, 2024	Costs and expenses Year ended December 31, 2023
National				
Onnet Fibra Colombia S.A.S. (1)	431,069,793	652,004,052	355,411,895	277,716,800
Telefónica Factoring Colombia S.A.	410,695	470,026	-	-
	431,480,488	**652,474,078**	**355,411,895**	**277,716,800**
			-	
From outside				
Telefónica UK Limited	2,147,561	2,071,590	273,562	321,398
	2,147,561	**2,071,590**	**273,562**	**321,398**
	501,349,272	**720,823,837**	**801,593,569**	**776,423,415**

1) During 2024, there was a decrease in revenues mainly due to: i) the amortization of the exclusivity generated in the sale of the fiber optic assets for $ 183.39 billion, ii) lower fiber optic network deployment services associated with lower delivery of connected homes for $ 60.90 billion; and iii) an increase in overcompliance with mass customers due to the Earn Out for $ 25.38 billion.

   The net increase in costs and expenses is mainly due to higher connectivity by customers leveraged by the preference in the fiber optic network nationwide.

The following is a summary of revenue, cost and expense transactions that occurred for the years 2024 and 2023 with parties

	Year ended December 31 2024	Year ended December 31 2023
Fixed services (1)	349,137,665	416,935,715
Roaming income	10,082,924	10,709,543
Fixed interconnection	9,392,533	12,207,633
Digital services	4,204,118	4,756,065
Mobile services	910,807	1,159,374
Terminal equipment window	119,691	90,877
	373,847,738	**445,859,207**
Subtotal – Operating income with related parties		
Other operating income (2)	127,501,534	274,964,630
Total operating income with related parties	**501,349,272**	**720,823,837**
Financial income (3)	75,898,904	111,581,123
Total income with related parties	**577,248,176**	**832,404,960**

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

2) The variation is mainly due to a lower income with Onnet Fibra Colombia due to the amortization of the deferred exclusivity on the sale of fiber optic assets for ($ 16.86) billion and income recognized in the year 2023 associated to the wholesale agreement of the business with KKR for ($13.53) billion, which is offset by the income recognized in 2024 due to the effect of the overcompliance with massive clients for the Earn Out for $ 25.38 billion. Additionally, it includes the income generated in 2024 from the sale of dark fiber, ducts and real estate with Operadora Telxius Cable Colombia S. A. for $ 12.13 billion and administrative services with Telefónica Hispanoamérica S. A.

3) There is a decrease of $ 22.37 billion in the income generated with Onnet Fibra Colombia S.A.S. due to the financial update on the Earn Out right and the reclassification of overcompliance with massive clients. Additionally, in 2024, financial income associated with the loan granted to Álamo Holdco S.L., which is linked to the sale of fiber optic assets, decreased by $ 13.33 billion, mainly due to a lower reference rate.

Operating Costs and Expenses:

	Year ended December 31 2024	Year ended December 31 2023
Media rental (1)	412,333,383	354,858,643
Renting and third party activities to customers (2)	127,811,795	174,231,955
Other operating costs and expenses (3)	123,939,658	103,334,667
Advertising	50,056,746	56,392,145
Interconnection and roaming (4)	29,444,268	39,777,059
Cost of terminals	20,603,234	15,188,725
Maintenance	19,542,227	17,951,889
Content providers	17,820,334	14,400,823
Labor and personnel expenses	41,924	287,509
	801,593,569	**776,423,415**
Total related party transactions	**801,593,569**	**776,423,415**
Financial expenses (5)	38,031,995	31,559,055
Depreciation and amortization	7,670	-
Total costs and expenses with related parties	**839,633,234**	**807,982,470**

(1) During 2024 there is a net increase mainly due to FTTH connectivity services with Onnet Fibra Colombia SAS which are partially offset by the updates of the lease agreements which are now recognized as rights of use with Telxius Cable Colombia S.A. Additionally, due to lower international VPN costs associated with corporate projects with Telefónica Global Solutions S.L.U.

(2) Decrease during 2024 mainly with the operators Operaciones Tecnológicas y Comerciales S. A.S., Telefónica Tech Colombia S.A.S. S. and Telefónica Global Solutions Colombia, S.A.S. S. in labor services in fixed customer installations, cybersecurity services, licenses and lower demand for corporate projects.

(3) The increase during 2024 corresponds mainly to the corporate services of the regional model with Hispam, the provision of digital services related to licenses and platforms for IPTV with Telefónica Innovación Digital S.L., and fee for the use of Adquira platforms with Telefónica Compras Electrónicas, S.L. and Smart M2M with Telefónica IoT & Big Data Tech, S.A.S.

(4) The decrease during 2024 is mainly due to lower charges for international traffic and roaming services with the operators Telefónica Global Solutions S.L.U., Telefónica Móviles España S.A. and Telefónica Global Roaming Gmbh.

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

29.4. Information on remuneration of key management personnel.

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

	Year ended December 31 2024	Year ended December 31 2023
Wages, salaries and other benefits	16,971,594	17,111,496
Management compensation plan (shares and bonus)	7,360,377	4,943,628
Institutional plans	2,915,989	2,936,739
Other benefits	607,133	497,006
Voluntary retirement bonus	-	214,572
	27,855,093	**25,703,441**

30. CONTINGENCIES

The Company is subject to claims for regulatory, labor, tax assessments and other claims arising in the ordinary course of business. The Company evaluates these situations based on the probable, possible and remote nature of their occurrence and the amounts involved, in order to decide on the amounts recognized and/or disclosed in separate financial statements. This analysis, which may require considerable judgment, includes reviewing legal proceedings instituted against and claims not yet initiated, all supported by reports and evaluation of the Company's legal advisors. A provision is recognized when the Company has a present obligation due to a past event, it is probable that resources will be required to settle the obligation and the amount can be reliably estimated.

As of December 31, 2024, 1,921 lawsuits are in progress, 102 correspond to probable contingencies, 1,044 are classified as possible and 775 as remote.

1. Probable Proceedings

The following is a detail of the processes classified as high probability (Note 21).

	As of December 31,			
	2024		2023	
	Quantity	Value	Quantity	Value
Current:				
Legal proceedings (1)	3	16,363,930	-	-
Administrative user investigations (2)	25	3,982,882	38	5,042,371
	28	**20,346,812**	**38**	**5,042,371**
Non current:				
Labor proceedings (3)	42	2,299,910	32	2,142,757
Other research (4)	3	1,247,804	-	-
Administrative and regulatory investigations (5)	4	1,050,317	9	2,558,260
Judicial Proceedings (1)	25	839,362	29	3,614,498
	74	**5,437,393**	**70**	**8,315,515**
	102	**25,784,205**	**108**	**13,357,886**

1. Includes mainly civil and administrative petitions. As of December 31, 2024, the resolution in favor of the third party Radio Televisión Nacional de Colombia was recognized.

2. Includes processes related to customer petitions, complaints and claims (PQR), which are in the process of review with the regulator.

3. Includes judicial processes that originate in an employment relationship, whether direct or indirect, with the Company, which are being processed before the labor jurisdiction.

4. Includes processes related to the protection of users and the proper handling of information in accordance with habeas data regulations.

5. Mainly, this includes petitions for administrative and regulatory processes before the Superintendence of Industry and Commerce and the Ministry of Information Technology and Communications of Colombia.

2. Possible Contingencies

The Company is a party in litigation qualified with low probability, which are currently being processed before judicial, administrative and arbitration bodies.

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

a. Legal Proceedings

Proceedings aimed at obtaining a decision by the jurisdictional authority called upon to resolve the disputed matter. They include civil, contentious-administrative, criminal and constitutional proceedings, among others. There are 639 open proceedings classified as possible for $ 26,648,371.

b. Labor Proceedings

Labor lawsuits seeking payment of labor rights arising from the relationships that the plaintiffs have or have had directly with the Company or with a third party, in the latter case, seeking the solidarity of Colombia Telecomunicaciones S. A. E.S.P. BIC presents 339 open processes classified as possible for $42,871,830.

c. Administrative Investigations

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

Contingencies for administrative investigations are classified as follows:

ii. Taxes: Proceedings under discussion for taxes with different municipalities in the country, corresponding to claims, such as: industry and commerce tax (ICA) and public lighting tax, among others. There are 14 administrative and judicial processes in progress with possible qualification, valued at $ 5,926,855.

iii. 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 proceedings for alleged failures to comply with telecommunications regulatory standards. There are 15 possible proceedings for $6 7,226,180.

iv. Administrative: Administrative proceedings initiated by investigative oversight authorities of the Superintendence of Industry and Commerce and other administrative entities. There are 10 possible processes for $ 7,470,156.

31 COMMITMENTS

Infrastructure Sharing with Colombia Móvil S. A.

Resolution 449 of 2013, including its amendments and additions, as well as the resolutions of frequency assignment to each of the telecommunications service operators in Colombia, established that for the sake of an efficient use of the infrastructure, the assignees of the radio electric spectrum must share elements of active and/or passive infrastructure, including that related to the communications network equipment (Core Network and Access Network), towers, poles, channeling and any other required, own or third parties, as long as it does not constitute a spectrum assignment.

In line with the provisions of such resolutions, Colombia Telecomunicaciones S. A. ESP BIC and Colombia Móvil S. A. ESP entered into an alliance on December 2, 2013, to jointly execute the deployment of the Telecommunications Network, under 4G LTE technology. On October 18, 2022, an Addendum N.º 5 to the Alliance was signed to extend its term until December 2, 2028. This alliance allows Colombia Telecomunicaciones S. A. E.S.P. BIC and Colombia Móvil S. A. to share the 4G access network to support the provision of their telecommunications services, under free and competitive conditions without sharing or ceding the spectrum.

Significant Contracts

Below are the contracts signed with suppliers in force as of December 31, 2024, that are considered significant:

Contractor		Subject of the contract	Termination date	Contract value (COP000)
1	ATP FIBER COLOMBIA S. A. S.	The purpose of this agreement is to establish the terms and conditions that shall be applicable between the parties in connection with the provision of services by ATP Fiber to Colombia Telecomunicaciones S.A. E.S.P., connectivity services through a passive optical network.	21/05/2030	724,909,748
2	COBRA INSTALACIONES Y SERVICIOS SUCURSAL S. A.	Service called customer loop consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones S.A. E.S.P.'s facilities.	31/05/2025	709,750,694
3	COMFICA COLOMBIA S. A.S.	Customer loop services consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones' facilities in the area called Bogotá.	30/06/2025	664,081,926
4	ATC Fibra de Colombia S. A. S.	The purpose of this agreement is to establish the terms and conditions that will be applicable between the parties in relation to the provision of connectivity service by ATC over a passive optical network to Colombia Telecomunicaciones.	18/12/2029	571,846,203
5	PHOENIX TOWER INTERNATIONAL COLOMBIA LTDA.	Lease of space in tower.	29/05/2029	552,330,098
6	EMERMEDICA S.A. SERVICIOS DE AMBULANCIA PREPAGADOS	To provide the service of attention, virtual and on-site guidance and/or transfer of patients in a fast, agile and timely manner for any type of medical emergencies occurring at the nationwide facilities of Colombia Telecomunicaciones' offices.	31/08/2026	516,534,019
7	CISCO SYSTEMS INC	Cisco Colombia equipment agreement for Cisco customers, goods and services.	30/04/2025	456,005,398
8	ENERGIA INTEGRAL ANDINA S. A.	Provision of carrier services by Energía Integral Andina S. A. to the subscriber, through its network of the submarine fiber optic cable system called San Andrés Islas - 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 performance by the contractor company of the service known as the customer's loop, consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	402,863,796
10	ERICSSON DE COLOMBIA S.A.S.	The contractor shall supply goods and services for the operation of the RAN network in high (1900 MHz, AWS 1700-2100 MHz) and low (700 and 850 MHz) frequencies authorized for the contractor in western Colombia.	31/12/2024	394,551,159
11	HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	The contractor shall supply, as indicated by the contractor, eNodeBs and services for their implementation, de-installation, network management, training and other activities necessary for the operation of the RAN access network in the frequency bands authorized for Colombia Telecomunicaciones S.A. E.S.P. (phase 7 LTE).	31/03/2025	379,455,329
12	SEGURIDAD ATLAS LTDA.	To provide private security services for the goods, infrastructure and facilities used by the contractor.	30/06/2026	373,131,009
13	YEAPDATA S.A.S.	The contractor shall supply goods, licenses and design, configuration, implementation, maintenance and support services for telecommunications solutions required by the contractor's end customers under the Avaya brand, including managed services and complementary products of said brand.	30/07/2026	368,388,101
14	INMEL INGENIERIA S.A.S.	Customer loop service consisting of the integrated installation and maintenance of infrastructure equipment and telecommunications networks in Colombia Telecomunicaciones' facilities.	31/05/2025	316,782,188
15	ENERGIA INTEGRAL ANDINA S.A.	The purpose of this framework agreement is to regulate the terms and conditions of the legal business (i) the supply by EIASA of transport capacities in San Andrés submarine cable and (ii) the subscription of a lease contract.	31/03/2032	288,321,918
16	ASKEY COMPUTER CORP.	Supply of VDSL, IAD, VDSL Plus modems in DAP and FOB modality.	31/12/2025	284,078,096
17	EMCOMUNITEL S.A.S	Customer loop service consisting of integrated installation and maintenance of telecommunications equipment, infrastructure and networks at Colombia Telecomunicaciones' facilities.	31/05/2025	271,736,987
18	MITRASTAR TECHNOLOGY CORPORATIONS	Supply of VDSL modems, IAD - Light, IAD-Plus, ONT HGU and Baseport in DAP FOB modality.	31/12/2024	270,785,886
19	LITEYCA DE COLOMBIA S.A.S.	Loop service consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks.	31/05/2025	254,106,811
20	ATC SITIOS DE COLOMBIA S.A.S.	Lease of space in sites.	30/08/2025	214,851,603
21	OPERACIONES TECNOLÓGICAS Y COMERCIALES OPTECOM S.A.S.	Design, supervision and auditing services of network projects for the deployment of the FTTH network.	31/03/2025	196,436,960
22	INFINERA COLOMBIA S.A.S.	The contractor shall supply, as indicated by the contractor, technology equipment (BS) and integration, operation and maintenance services for DWDM equipment, including 100/10/1EG/ FC/SDH demands and capacities, in the periodicity, place and quantity established by the contractor.	31/12/2026	194,699,070
23	CARIBEMAR DE LA COSTA S. A. S. E.S.P.	Supply of electricity through the non-regulated market for Colombia Telecomunicaciones' facilities.	31/12/2024	193,934,687
24	HAVAS + S.A.S.	Fee media agency 2021.	31/03/2025	191,048,238
25	OPERACION Y GESTION INTEGRAL S.A.S.	Service called customer loop consisting of (i) the integrated installation and maintenance of telecommunications equipment, infrastructure and networks.	31/05/2025	187,647,955

	Contractor	Subject of the contract	Termination date	Contract value (COP000)
26	TD SYNNEX COLOMBIA LTDA.	The contractor will supply, as indicated by the contracting party, UTM Firewall, web content filter, anti-malware system and proxy. It will also grant software licenses applicable to the Check Point and Blue Coat brands, and will provide the necessary support services, complying with the periodicity, place and quantity established.	30/04/2025	170,582,629
27	HP COLOMBIA S.A.S.	The contractor must supply, according to the contracting party's instructions, computer equipment with associated software, printers, accessories and POS (Point of Sales) solutions for clients of computer workstations (PDTI) and computer sales and purchases, complying with the established periodicity, place and quantity.	31/03/2025	159,007,404
28	PROSEGUR VIGILANCIA Y SEGURIDAD PRIVADA LTDA.	The contractor must provide physical security services for technical and administrative offices and experience centers in the departments of Antioquia, Arauca, Atlántico, Bolívar, Boyacá, Caldas, Casanare, Cesar, Chocó, Córdoba, Guajira, Magdalena, Norte de Santander, Risaralda, San Andrés, Santander and Sucre, according to the periodicity, place and quantity requested by the contractor.	30/06/2026	156,251,294
29	FIBERHOME TELE-COMMUNICATION TECHOLOGIES CO LTD SUCURSAL COLOMBIA	The Contractor is obliged to supply, with the periodicity, at the place and in the quantity indicated by the contracting party, fiber optic cable.	31/03/2025	150,799,424
30	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA.	The contractor undertakes with the contracting party to supply the goods and services of integration, commissioning, operation and maintenance of the equipment of the HL2, HL3, HL4 and HL5 layers of the CT IP network.	31/12/2026	140,181,924
31	INVERSIONES COPSERVIMOS S. A.	Customer loop service consisting of (i) the integrated installation and maintenance of telecommunications equipment, infrastructure and networks at the facilities of Colombia Telecomunicaciones (hereinafter CT) of the customer or of third parties with whom Colombia Telecomunicaciones enters into contracts.	31/05/2025	135,070,378
32	TELEFONICA TECH COLOMBIA S.A.S.	Services for the development of new cybersecurity and vulnerability management products that facilitate the detection and effective response to multiple types of cyber threats that may arise and have a strong impact on the business model of Telefónica's customers.	31/12/2028	134,221,788
33	ANDEAN TOWER PARTNERS COLOMBIA S.A.S.	ATP rents the leased area to Colombia Telecomunicaciones, which receives it for its use and enjoyment, to house Colombia Telecomunicaciones' equipment and computer networks; and (ii) to provide related services.	30/12/2033	126,773,497
34	UFINET COLOMBIA S. A.	The contractor grants the contracting party the irrevocable right of use (IRU) of eight optical fiber strands for telecommunications, as well as the supply of operation and preventive and corrective maintenance services for the optical fiber.	14/11/2032	126,401,628
35	INFOMEDIA SERVICE S. A.	Supply of goods, licenses and direct support services from the manufacturer for telecommunications technology such as: routing, switches, access point, including everything for the operation of the equipment.	30/03/2026	125,346,830
36	TELEFONICA TECH COLOMBIA S.A.S.	Supply of equipment, goods, licenses and HW, SW and direct support services from the manufacturer for technology such as: routers, switches and AP's, for the attention of end customers.	30/03/2026	125,346,826
37	ZTE COLOMBIA SAS	The contractor undertakes with the contracting party, with the periodicity, in the place and in the quantity indicated by the contracting party, to supply cards, modules, rack equipment and other goods with the installation, implementation and integration services of CT's NBI management systems SDN solution.	31/12/2026	123,991,673
38	HUAWEI TECHNOLOGIES COLOMBIA S.A.S.	Supply of fiber passives, preconnectorized fiber cable and optical splitter.	31/03/2025	122,579,350
39	SERVICIOS POSTALES National S.A.	The Contractor undertakes with the contracting party to provide nationwide, with the periodicity, in the place and in the amount indicated by the Contractor, the distribution, delivery and reverse logistics services of goods, as well as the documentary legalizations and formalities inherent to the operation.	31/12/2024	121,029,951
40	NOKIA SOLUTIONS AND NETWORKS COLOMBIA LTDA.	The contractor undertakes with the contracting party the supply of goods and services necessary to carry out the development, design, installation, implementation, configuration, testing, commissioning, integration with the SIGRES platform, training, technical support, which allow the expansion of the ADSL 2 ports.	30/04/2025	119,576,842
41	WM WIRELESS & MOBILE S.A.S.	The contractor must provide, as directed by the contracting party, services of the National Community Surveillance Model for 2292 quadrants, including mobile application, installation, updates, geographic traceability, geographic viewer, line transfer, MDM software, call recording, level 3 support, training and development of applications related to the MNVCC.	31/01/2025	109,113,389
42	FSCR INGENIERIA S.A.S.	Customer loop service consisting of the integrated installation and maintenance of telecommunications equipment, infrastructure and networks in Colombia Telecomunicaciones' facilities.	31/05/2025	108,114,116
43	BLU-CASTLE IBERIA SL	Supply of IPTV equipment.	31/12/2024	104,561,469

32. FINANCIAL INDICATORS - NOT DEFINED IN THE ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACCEPTED IN COLOMBIA

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

1) EBITDA

	Year ended December 31,	
	2024	2024
Net income (loss) for the year	(466,957,341)	(680,807,983)
Depreciation, depreciation and amortization (Note 26)	1,052,490,086	1,393,278,306
Interest expense, net (27)	699,823,237	557,922,045
Equity method (Note 12)	76,361,660	41,511,464
Income tax and supplementary taxes (Note 11)	185,979,388	245,826,306
EBITDA	**1,547,697,030**	**1,557,730,138**

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

2) Financial Indicators

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

2.1. Indebtedness Ratios

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

	Year ended December 31,	
	2024	2023
a) Level of total indebtedness (1)	75.682%	70.326%
b) Short-term debt level (2)	38.042%	42.438%

(1) The level of indebtedness shows an increase as of December 31, 2024, mainly due to the acquisition of new debt with financial institutions to refinance maturities during 2024 at current market rates.

(2) The level of short-term indebtedness presents a decrease as of December 31, 2024, mainly due to payment of the local bond for $ 347 billion in the first half of 2024, in accordance with the maturity schedule.

2.2. Solvency Ratio:

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

	Year ended December 31,	
	2024	2023
Solvency ratio (1)	1.321 v	1.422 v

(1) The solvency ratio measures a company's ability to pay its debts. As of December 31, 2024, there is a variation mainly due to the acquisition of new loans as debt reprofiling and working capital at current market rates.

2.3. Profitability ratios:

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

	Year ended December 31,	
	2024	2023
a) Operator's margin(1)	7.422%	2.310%
b) EBITDA margin	23.196%	21.883%

(1) The variation at the end of 2024 is mainly due to a better performance of terminal sales costs and higher margins in fiber optic deployment projects and costs associated with fiber optic access connectivity.

2.4. Liquidity Ratios

These indicate the short-term availability to meet short-term commitments.

	Year ended December 31,	
	2024	2023
a) Net working capital (COP)	(932,650,890)	(1,445,485,840)
b) Current ratio	0.776 times	0.64 times
c) Acid test	0.746 times	0.595 times

These indicators are static measures of the resources available at a given time to meet short-term obligations. In this sense, the analysis of liquidity and short-term solvency is enriched by incorporating future cash flows, thus ensuring the continuity of an ongoing business.

This indicator is influenced by the Company's strategies such as the investment execution cycle, changes in the business strategy such as the deployment of fiber optics where important resources are executed in the transformation of the fixed business for the capture and loyalty of customers.

2.5. Organizational Capacity

	Year ended December 31,	
	2024	2023
a) Return on equity - ROE (1)	(13.255)%	(17.073)%
b) Return on assets	3.418%	1.224%
c) Profitability, net	(6.999)%	(9.564)%

(1) The variation at the end of 2024, compared to the same period of 2023, is due to the decrease in net income, mainly due to the decrease in the deferred tax asset recognized for the useful lives of the assets associated with those subject to the available-for-sale in the single network project. Also, due to the increase in financial expenses on account of the effects of interest generated by the new loans acquired during the year.

(2) The variation at year-end 2024 compared to 2023 corresponds mainly to the net effect between revenues and the associated costs, mainly due to a better margin in terminal sales costs and higher margins in fiber optic deployment projects and costs associated with fiber optic access connectivity.

2.6. Interest coverage

It allows measuring the Company's capacity to meet its obligations associated with financial interests.
Access

	Year ended December 31	
	2024	2023
Interest coverage (1)	1.151 v	0.419 v

(1) The variation of this indicator at the end of 2024 compared to 2023 corresponds to the net effect of: i) a better performance of terminal sales costs and higher margin in fiber optic deployment projects, as well as the costs associated with connectivity for fiber optic accesses, and ii) the increase in financial expenses due to the acquisition of new financial obligations during the year.

3. Operating Information

3.1 Access

	2024				2023
	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31
			(Units 000)		
End customers	**24,373**	**24,421**	**24,644**	**24,394**	**25,112**
Fixed services:	**3,601**	**3,625**	**3,659**	**3,686**	**3,680**
Baseline(1)	1,203	1,243	1,297	1,343	1,381
Data	1,549	1,531	1,516	1,502	1,471
Television	849	851	846	841	828
Mobile services:	**20,772**	**20,796**	**20,985**	**20,708**	**21,432**
Prepaid	15,638	15,622	15,747	15,389	16,001
Postpaid	5,134	5,174	5,238	5,319	5,431

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

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

	2024				2023
	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31
			(COP$)		
Basic line, broadband and television (1)	39,531	36,174	36,946	34,522	35,030
Total Mobile (2)	10,224	9,960	10,008	10,636	9,983
Prepaid	2,714	2,429	2,330	2,446	2,428
Postpaid	32,959	32,656	33,000	34,202	32,320

(1) Includes monthly fixed tariffs for traditional products and connectivity.
(2) Excludes revenues from Mobile Virtual Network Operators - MVNOs.

33. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Between January 01, 2025 and the date of issuance of the separate financial statements, no significant events have occurred that could affect the Company's financial position.

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Report of the statutory auditor on the compliance by the directors with the statutory provisions and the orders and instructions of the Assembly, on the existence of adequate internal control, conservation and custody measures for the Company's assets or those of third parties in the Company's possession, and on the effectiveness of the financial reporting process controls.

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

Description of the Main Issue

In the performance of my duties as statutory auditor of Colombia Telecomunicaciones S.A. E.S.P. BIC, and in accordance with the provisions of sections 1 and 3 of article 209 of the Commercial Code and Annex 1 of Chapter I of Title V of Part III of the Basic Legal Circular issued by the Financial Superintendence of Colombia, I am required to inform the Assembly whether during the year ended December 31, 2024, the Company had and maintained adequate measures for internal control, conservation and custody of its assets and those of third parties in its possession. I am also required to report on the proper compliance by the Company's administrators with certain regulatory aspects established in various legal and statutory norms.

The criteria considered for evaluating the aforementioned matters include: a) the Company's bylaws, the minutes of the Assembly, and the legal and regulatory provisions under the jurisdiction of my duties as statutory auditor, and b) the components of the internal control system that Management and those charged with governance of the Entity deem necessary for the adequate and timely preparation of its financial information.

Management's Responsibility

The Entity's Management is responsible for establishing and maintaining an adequate internal control system to safeguard its assets and those of third parties in its possession, and to ensure proper compliance with the bylaws and the decisions of the Assembly.
To fulfill these responsibilities, Management must apply judgment to evaluate the expected benefits and related costs of control procedures. These procedures are intended to provide Management with reasonable, but not absolute, assurance that assets are safeguarded against loss through unauthorized use or disposition, that the Entity's operations are executed and recorded appropriately, and to enable the preparation of financial statements free from material misstatement due to fraud or error and in accordance with Colombian Accounting and Financial Reporting Standards.

PwC Accountants and Auditors S.A.S., Calle 100 N.º 11A-35, Bogotá, Colombia Tel: (60-1) 7431111, www.pwc.com/co
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To the shareholders of
Colombia Telecomunicaciones S.A. E.S.P. BIC

Statutory Auditor's Responsibility

My responsibility as statutory auditor is to perform an assurance engagement to express a conclusion, based on the procedures executed and the evidence obtained, on whether the acts of the Entity's administrators conform to the bylaws and the orders or instructions of the Assembly, on whether the internal control measures established by the Entity's Management to safeguard its assets or those of third parties in its possession are in place and are adequate, and on the effectiveness of the financial reporting process controls.

I carried out my duties in accordance with information assurance standards accepted in Colombia. These standards demand my compliance with the ethical and independence requirements established in Decree 2420 of 2015, which are based on the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional conduct, and to plan and carry out the procedures I deem necessary to obtain assurance regarding compliance by the Entity's directors with the bylaws and the orders or instructions of the Assembly, on whether the measures for internal control, and the **conservation and custody** of the Entity's or **third parties'** assets held by the Entity as of December 31, 2024, and for the year ending on that date, are in place and are adequate in all material aspects of evaluation, and in accordance with the description of the criteria for the main matter.

The accounting firm to which I belong and of which I am designated as the Entity's statutory auditor applies the International Standard on Quality Control N.º 1 and, consequently, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, professional standards, and legal and regulatory requirements applicable.

Assurance Procedures Carried Out

The aforementioned auditing provisions require that I plan and perform assurance procedures to obtain reasonable assurance about whether the internal controls implemented by the Entity are properly designed and operate effectively. The assurance procedures selected depend on the statutory auditor's judgment, including the assessment of the risk of material misstatement in the financial statements due to fraud or error, and that an adequate efficiency and effectiveness of the Entity's operations are not achieved. The procedures performed included selective tests of the design and effective operation of the controls that I considered necessary under the circumstances to provide reasonable assurance that the control objectives determined by the Entity's Management are adequate.

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

The assurance procedures carried out were as follows:

- Review of the Entity's bylaws, minutes of the Shareholders' Assembly, and other supervisory bodies, in order to verify proper compliance by the Entity's directors with said bylaws and the decisions made by the Shareholders' Assembly.
- Inquiries with Management regarding changes or proposed reforms to the Entity's bylaws during the period covered, and validation of their implementation.
- Understanding and evaluating the internal control components of the Entity's financial reporting, such as: control environment, risk assessment, information and communication, monitoring of controls, and control activities.
- Understanding how the Entity has responded to emerging risks from information systems.
- Understanding and evaluating the design of relevant control activities in the financial reporting process and their validation to establish that they were implemented by the Entity and are operating effectively.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for the conclusion I express below.

Inherent Limitations

Due to its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements due to fraud or error. Furthermore, it is possible that the results of my procedures may differ or change during the period under review because my report is based on selective tests performed during the period. Additionally, projections of any evaluation of the effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Conclusion

Based on the evidence obtained from the work carried out and described above, and subject to the inherent limitations set forth, I conclude that, during the year ended December 31, 2024, the acts of the Entity's directors conform to the bylaws and the orders or instructions of the Assembly, adequate measures for internal control, and the **conservation and custody** of the Entity's assets or those of third parties in its possession are in place, and the controls over the reporting of financial information operated effectively.

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

This report is issued to the shareholders of Colombia Telecomunicaciones S.A. E.S.P. BIC, **solely to comply** with the requirements established in sections 1 and 3 of article 209 of the Commercial Code, and should not be used for any other purpose.



Julián Andrés Montaño Gaviria
Statutory auditor
Professional card n.º 121760-T
Appointed by PwC Accountants and Auditors S.A.S.
February 18, 2025

