



TELEFÓNICA MÓVILES CHILE S.A. AND SUBSIDIARIES

REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 (not audited), December 31, 2021 and September 30, 2021 (not audited)

(A free translation of the original interim consolidated financial statements issued in Spanish – See Note 2c)

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ThCh\$: Thousands of Chilean Pesos

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2022 (not audited) and December 31, 2021



	Notes	09.30.2022	12.31.2021
		ThCh\$	ThCh\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	(5)	469,797,081	412,783,123
Other current financial assets	(6)	334,639,012	654,692,865
Other current non-financial assets	(7)	131,487,027	103,376,808
Current trade and other accounts receivable	(8a)	367,905,691	243,735,280
Current receivables from related companies	(9a)	42,332,282	38,754,659
Inventory	(10a)	129,888,069	99,897,490
Current tax assets	(11b)	37,896,240	11,064,336
Current assets or disposal groups classified as held for sale	(18)	-	5,393,616
TOTAL CURRENT ASSETS		1,513,945,402	1,569,698,177
NON-CURRENT ASSETS			
Other non-current financial assets	(6)	132,302,040	82,183,532
Other non-current non-financial assets	(7)	189,833,952	139,855,385
Non-current trade and other accounts receivable	(12a)	46,432,670	25,107,034
Non-current receivables from related companies	(9b)	93,430,028	83,260,671
Investments in associates and joint ventures	(19)	76,742,720	72,428,057
Intangible assets other than goodwill, net	(13a)	244,969,840	253,356,060
Goodwill	(14)	504,774,872	504,774,872
Property, plant and equipment, net	(15a)	1,001,164,435	987,881,420
Investment properties	(16)	4,505,509	4,701,161
Right of-use assets	(17)	257,954,533	209,297,210
Deferred tax assets	(11c)	108,630,982	100,742,697
TOTAL NON-CURRENT ASSETS		2,660,741,581	2,463,588,099
TOTAL ASSETS		4,174,686,983	4,033,286,276

The accompanying notes 1 to 37 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2022 (not audited) and December 31, 2021



	Notes	09.30.2022	12.31.2022
		ThCh\$	ThCh\$
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	(20)	693,810,434	443,011,372
Current leases liabilities	(21)	74,112,652	41,841,185
Trade and other payables	(22a)	428,448,676	493,947,029
Current payables to related companies	(9c)	99,989,653	190,308,580
Other current provisions	(24a)	3,359,836	8,013,274
Current tax liabilities	(11f)	1,351,604	96,946,527
Current employee benefits accrual	(25a)	4,710,123	3,764,665
Other current non-financial liabilities	(26)	37,191,391	48,364,405
TOTAL CURRENT LIABILITIES		1,342,974,369	1,326,197,037
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	(20)	982,350,237	1,045,081,667
Non current leases liabilities	(21)	212,326,422	193,160,081
Trade and other payables non-current	(22a)	52,539	280,037
Current payables to related companies non-current	(9d)	799,567	1,529,371
Other non-current provisions	(24b)	18,022,619	17,796,759
Deferred tax liabilities	(11c)	105,398,250	97,003,247
Non-current employee benefits accrual	(25a)	29,413,020	28,518,971
Other non-current non-financial liabilities	(26)	79,109,517	80,692,068
TOTAL NON-CURRENT LIABILITIES		1,427,472,171	1,464,062,201
TOTAL LIABILITIES		2,770,446,540	2,790,259,238
NET SHAREHOLDERS' EQUITY			
Issued capital	(27a)	1,364,872,285	1,364,872,285
Retained earnings		453,236,915	291,568,647
Other reserves	(27d)	(422,951,074)	(421,857,714)
Shareholders' equity attributable to owners of the parent		1,395,158,126	1,234,583,218
Non-controlling interest	(27e)	9,082,317	8,443,820
TOTAL NET SHAREHOLDERS' EQUITY		1,404,240,443	1,243,027,038
TOTAL NET LIABILITIES & SHAREHOLDERS' EQUITY		4,174,686,983	4,033,286,276

The accompanying notes 1 to 37 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of September 30, 2022 and 2021 (not audited)



	Notes	For the period from July 1 to September 30,	For the nine- month period ended September 30,	For the period from July 1 to September 30,	For the nine-month period ended September 30,
		2022	2022	2021	2021
		ThCh\$	ThCh\$	ThCh\$	ThCh\$
STATEMENTS OF COMPREHENSIVE INCOME					
Income from ordinary operations	(29a)	417,752,710	1,227,853,416	403,675,567	1,154,726,335
Other income	(29b)	7,831,177	54,290,481	36,181,084	378,730,822
Employee benefits expenses	(25d)	(36,099,098)	(107,138,088)	(31,538,552)	(100,007,869)
Depreciation and amortization expense	(13b) (15b) (16)(17)	(69,003,145)	(206,318,644)	(71,877,534)	(218,669,452)
Impairment losses (reversal of impairment losses)	(30a)	(14,409,727)	(42,047,759)	(11,790,797)	(36,608,758)
Other expenses, by nature	(30b)	(282,862,595)	(831,469,818)	(262,438,356)	(717,067,136)
Profit from operating activities		23,209,322	95,169,588	388,211,412	461,103,942
Interest income	(31a)	13,435,884	49,637,225	1,566,350	2,814,380
Interest expense	(31a)	(36,218,951)	(92,205,733)	(11,555,864)	(32,504,001)
Share in earnings (losses) of associates and joint ventures accounted for using the equity method	(19a)	(267,259)	(1,210,423)	(95,695)	(95,695)
Foreign exchange differences	(31b)	970,611	(3,173,472)	(476,293)	(1,906,243)
Income from indexation units	(31b)	3,268,602	8,954,738	89,618	852,089
Profits before tax from continuing operations		4,398,209	57,171,923	377,739,528	430,264,472
Income tax expense	(11e)	6,097,030	6,066,535	(99,883,006)	(110,037,875)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		10,495,239	63,238,458	277,856,522	320,226,597
Profit attributable to holders of equity instruments of the controller and minority interest:					
Profit attributable to owners of the parent	(28)	10,456,604	62,847,507	275,429,587	317,631,624
Profit attributable to non-controlling interest	(27e)	38,635	390,951	2,426,935	2,594,973
PROFIT (LOSS)		10,495,239	63,238,458	277,856,522	320,226,597
EARNINGS PER SHARE					
Earnings per basic share					
Earnings per basic share for continuing operations	(28)	0.011	0.065	0.287	0.331
Earnings per basic share for discontinuing operations					
Earnings per basic share		0.011	0.065	0.287	0.331
Diluted earnings per share					
Diluted earnings per share from continuing operations		0.011	0.065	0.287	0.331
Diluted earnings per share from discontinuing operations					
Diluted earnings per share		0.011	0.065	0.287	0.331

The accompanying notes 1 to 37 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of September 30, 2022 and 2021 (not audited)



	For the period from July 1 to September 30,	For the nine-month period ended September 30,	For the period from July 1 to September 30,	For the nine-month period ended September 30,
	2022	2022	2021	2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
STATEMENTS OF OTHER COMPREHENSIVE INCOME				
PROFIT (LOSS)	10,495,239	63,238,458	277,856,522	320,226,597
OTHER COMPREHENSIVE INCOME				
Components of other comprehensive income that will not be reclassified to income for the period				
Other comprehensive income, before taxes. profits (losses) on new measurements of defined benefits plans	(274,516)	(1,552,283)	764,047	2,890,335
Share in earnings (losses) of associates and joint ventures accounted for using the equity method that are not reclassified to revenue for the period, before taxes	2,474,051	5,477,615	-	-
Other comprehensive income, before taxes. profits (losses) from investment in equity instruments	(1,085,314)	(32,226)	229,739	178
Total other comprehensive income that will not be reclassified to income for the period	1,114,221	3,893,106	993,786	2,890,513
Components of other comprehensive income that will be reclassified to income for the period				
Profit (loss) on cash flow hedges	6,547,578	(7,378,279)	20,797,343	47,116,762
Total Components of other comprehensive income that will be reclassified to income for the period	6,547,578	(7,378,279)	20,797,343	47,116,762
Total other components of other comprehensive income, before taxes	7,661,799	(3,485,173)	21,791,129	50,007,275
Income taxes associated to components of other comprehensive income which will not be reclassified to income for the period				
Income taxes associated to new measurements of defined benefits plans of other comprehensive income	73,881	417,770	(206,269)	(777,867)
Total income taxes associated to components of other comprehensive income which will not be reclassified to income for the period	73,881	417,770	(206,269)	(777,867)
Income taxes associated to components of other comprehensive income which will be reclassified to income for the period				
Income tax related to hedging cash flows from other comprehensive income	(1,758,844)	2,000,768	(5,615,283)	(12,693,616)
Total income taxes associated to components of other comprehensive income	(1,684,963)	2,418,538	(5,821,552)	(13,471,483)
TOTAL OTHER COMPREHENSIVE INCOME	5,976,836	(1,066,635)	15,969,577	36,535,792
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,472,075	62,171,823	293,826,099	356,762,389
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Comprehensive income attributable to owners of the parent	16,389,551	61,754,153	291,338,417	354,054,786
Comprehensive income attributable to non-controlling interest	82,522	417,670	2,487,682	2,707,603
TOTAL COMPREHENSIVE INCOME	16,472,073	62,171,823	293,826,099	356,762,389

The accompanying notes 1 to 37 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

As of September 30, 2022 and 2021 (not audited)



	Changes in capital (Note 27 a)	Changes in the other reserves (Note 27 d)				Retained earnings	Equity attributable to parent owners	Non controlling interests (Note 27 e)	Total Equity	
	Issued capital	Cash flow hedge reserves	Reserves of actuarial gains or losses on defined benefit plans	Accrual of profits or losses on remeasurement of financial assets available for sale	Other miscellaneous reserves					Total other reserves
Balance at the beginning of the period	1,364,872,285	35,021,989	(7,517,091)	1,146,101	(450,508,713)	(421,857,714)	291,568,647	1,234,583,218	8,443,820	1,243,027,038
Changes in equity										
Comprehensive income										
Profit	-	-	-	-	-	-	62,847,507	62,847,507	390,951	63,238,458
Other comprehensive income	-	68,128	(1,129,539)	(31,949)	-	(1,093,360)	-	(1,093,360)	26,725	(1,066,635)
Comprehensive income	-	68,128	(1,129,539)	(31,949)	-	(1,093,360)	62,847,507	61,754,147	417,676	62,171,823
Reversal of interim dividends (see note 27c(i))	-	-	-	-	-	-	98,820,761	98,820,761	220.821	99,041,582
Total changes in shareholders' equity	-	68,128	(1,129,539)	(31,949)	-	(1,093,360)	161,668,268	160,574,908	638,497	161,213,405
Ending balance as of 09.30.2022	1,364,872,285	35,090,117	(8,646,630)	1,114,152	(450,508,713)	(422,951,074)	453,236,915	1,395,158,126	9,082,317	1,404,240,443
Balance at the beginning of the period	1,364,872,285	(14,505,535)	(10,127,702)	293,416	(451,134,197)	(475,474,018)	494,586,414	1,383,984,681	5,659,883	1,389,644,564
Changes in equity										
Comprehensive income										
Profit	-	-	-	-	-	-	317,631,624	317,631,624	2,594,973	320,226,597
Other comprehensive income	-	34,319,774	2,103,211	177	-	36,423,162	-	36,423,162	112,630	36,535,792
Comprehensive income	-	34,319,774	2,103,211	177	-	36,423,162	317,631,624	354,054,786	2,707,603	356,762,389
Reversal of interim dividends	-	-	-	-	-	-	9,971,466	9,971,466	-	9,971,466
Dividends	-	-	-	-	-	-	(447,044,597)	(447,044,597)	-	(447,044,597)
Total changes in shareholders' equity	-	34,319,774	2,103,211	177	-	36,423,162	(119,441,507)	(83,018,345)	684,499	(82,333,846)
Ending balance as of 09.30.2021	1,364,872,285	19,814,239	(8,024,491)	293,593	(451,134,197)	(439,050,856)	375,144,907	1,300,966,336	6,344,382	1,307,310,718

The accompanying notes 1 to 37 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

As of September 30, 2022 and 2021 (not audited)



For periods ended September 30,

	Notes	2022	2021
		ThCh\$	ThCh\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Types of operating activity charges			
Proceeds from sale of assets and services rendered		1,381,400,613	1,326,043,773
Proceeds from sales and services		1,302,246,389	1,318,116,346
Proceeds from related entities		79,154,224	7,927,427
Types of payments		(1,433,699,988)	(1,246,899,310)
Payments to suppliers for supplying goods and services		(954,416,305)	(827,756,015)
Payments to and on account of employees		(164,244,232)	(56,650,643)
Payments from related entities		(120,017,148)	(115,077,603)
Other operating activities payments (1)		(195,022,303)	(247,415,049)
Net cash flows provided by (used in) operating activities		(52,299,375)	79,144,463
Income taxes paid		(110,382,744)	(13,626,778)
Cash flows provided by (used in) operating activities		(162,682,119)	65,517,685
CASH FLOWS PROVIDED BY (USED IN) INVESTMENT ACTIVITIES			
Amounts from sales of property, plant and equipment (2)		60,811,835	38,581,402
Loss of control of subsidiaries or other businesses		-	493,229,554
Additions to property, plant and equipment		(201,253,117)	(301,935,929)
(Payments) charges to related parties		-	(10,048,990)
Interest received		30,811,262	1,347,185
Dividends received		221,076	171,037
Other cash inputs (outputs) (3)		445,542,510	(7,197,825)
Net cash flows provided by (used in) investment activities		336,133,566	214,146,434
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Collections loans to related entities		956.660	707.608
Payments loans to related entities		(550.000)	(1.354.289)
Proceeds from loans		-	239.687.064
Reimbursement of loans, classified as financing activities		-	(219.697.500)
(Payments) dividends, classified as financing activities		-	(448.670.663)
Lease obligation payments in accordance with IFRS 16		(72.207.823)	(65.414.419)
Interest paid (4)		(29.914.114)	(22.038.894)
Other cash inputs (outputs) (5)		(14.722.210)	(767.897)
Net cash flows provided by (used in) financing activities		(116.437.487)	(517.548.990)
Increase (decrease) in cash and cash equivalents, before the effects of changes in the exchange rate			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		57,013,960	(237,884,871)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(5)	412,783,121	465,809,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(5)	469,797,081	227,924,458

- (1) Corresponds to the net amount of factoring transactions, portfolio sales.
- (2) Corresponds to the sale of the Data Center business.
- (3) Corresponds to redemption of time deposit (see Note 6b).
- (4) Corresponds to bond and loan payments (see Note 20).
- (5) Corresponds mainly to hedging payments.

The accompanying notes 1 to 37 form an integral part of these interim consolidated financial statements.

1. Corporate information:

Telefónica Móviles Chile S.A. (formerly Inversiones Telefónica Móviles Holding S.A., (hereinafter “the Company”), was established as a limited liability company on July 12, 2004. On December 30, 2011 the partners agreed to change it to a closely held company. The Company’s capital is divided into 10 billion common, single series registered shares, without par value, which have been fully subscribed and paid. The Company’s line of business is: i) operating the public telephone service concessions which it may become the owner by virtue of Supreme Decrees issued by the Ministry of Transportation and Telecommunications; ii) performing all types of activities in the field of telecommunications services (fixed and mobile), comprising the installation, operation, exploitation and management, in general, of all types of networks, systems and services; iii) purchasing and selling all types of articles and products in the communications area; iv) offering data processing services to third parties; v) performing research and development activities in the telecommunications and telematics fields; vi) investing in tangible and intangible personal property, in shares of public companies, rights in other companies, bonds, commercial papers and other transferable securities, as well as their administration and operation. The Company is located at Avenida Providencia No, 111, Santiago, Chile.

Telefónica Móviles Chile S.A. is part of the Telefónica Group, where its majority shareholder Inversiones Telefónica Internacional Holding SpA is an indirect subsidiary of Telefónica S.A., which has its headquarters in Spain.

The subsidiary registered in the Securities Registry is:

Subsidiary	Taxpayer No.	Registration No.	Participation percentage (direct and indirect)	
			09.30.2022 %	12.31.2021 %
Telefónica Chile S.A.	90.635.000-9	009	99.1405597	99.1405597

2. Significant accounting principles:

a) Accounting period

The interim consolidated financial statements (hereinafter, the “financial statements”) cover the following periods: Interim Consolidated Statements of Financial Position, ended as of September 30, 2022 and December 31, 2021; Interim Consolidated Comprehensive Income Statements for the nine-month periods ended as of September 30, 2022 and 2021 and the corresponding Interim Statement of Changes in Equity, and interim Statements of Cash Flows for the nine-month periods ended as of September 30, 2022 and 2021.

b) Basis of presentation

The interim consolidated financial statements for September 30, 2022 and December 31, 2021 and their corresponding notes are shown in a comparative manner in accordance with Note 2a). In addition, for comparative purposes, a reclassification has been made between current and non-current of the provision for employee benefits (see note 24a) in the 2021 financial statements, for a better comparison with the financial statements as of September 30, 2022.

c) Basis of preparation

The consolidated financial statements as of September 30, 2022, and the Interim Consolidated Comprehensive Income Statements, Interim Statement of Changes in Equity, and interim Statements of Cash Flows for the nine-month periods ended as of September 30, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34 (IAS 34) “Interim Financial Reporting”, incorporated in International Financial Reporting Standards.

2. Significant accounting principles, continued

c) Basis of preparation, continued

The figures included in these consolidated financial statements are expressed in thousands of Chilean pesos, since the Chilean peso is the Company's functional and reporting currency. All values are rounded to the nearest thousands, except where otherwise indicated.

The Company's Board of Directors is responsible for the information contained in these consolidated financial statements, and it expressly manifests its responsibility for the consistent and reliable nature of the application of IFRS.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries (hereinafter, "the Company"), including assets, liabilities, income, expenses and cash flows after making adjustments and eliminations related to transactions between the companies that are part of the consolidation. For its part, minority investments have been recognized under "Non-controlling Interests" (note 27e).

Control is achieved when the Company is exposed to or has rights to variable returns from its interest in the investee and has the capacity to influence these returns through its power over it. In order to comply with the definition of control, the following points must be fulfilled:

- Power over the investee (existing rights that give it the capacity to direct the relevant activities of the investee),
- Exposure, or right to variable returns from its interest in the investee; and
- Capacity to use its power over the investee to influence the amount of the returns of the investor

The financial statements of the consolidated companies cover the years ended on the same dates as the individual financial statements of the parent Company, Telefónica Móviles Chile S.A. and have been prepared using the same accounting policies.

Non-controlling interest represents the portion of net income or loss and net assets of certain subsidiaries that are not owned by the parent company and are presented in the consolidated statements of income and equity, separately from shareholders' equity.

The following subsidiaries are included in consolidation:

Taxpayer No.	Company Name	Origin Country	Currency	% of participation			12.31.2021 Total
				09.30.2022			
				Direct	Indirect	Total	
76.378.279-4	Telefónica Investigación y Desarrollo Chile SpA (1)	Chile	CLP	-	-	-	100.0000000
90.635.000-9	Telefónica Chile S.A.	Chile	CLP	99.1405597	-	99.1405597	99.1405597
76.703.410-1	Telefónica Empresas Chile S.A.	Chile	CLP	-	99.9999973	99.9999973	99.9999973
76.086.148-0	Telefónica Chile Servicios Corporativos Ltda.	Chile	CLP	49.0000000	51.0000000	100.0000000	100.0000000

(1) On June 29, 2022, Telefónica Investigación y Desarrollo Chile S.A. was completely absorbed by its parent company, Telefónica Móviles Chile S.A.



2. Significant accounting principles, continued

d) Basis of consolidation, continued

The summarized financial information at September 30, 2022 of the companies included in the consolidation is as follows:

Taxpayer No.	Company Name	% Participation (*)	Currents assets	Non-currents assets	Total Assets	Currents liabilities	Non-currents liabilities	Total liabilities	Equity	Revenues from ordinary operations	Profit (loss) Net
			ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
78,703,410-1	Telefónica Empresas Chile S.A.	99.9999973	227,963,478	127,757,194	355,720,672	250,294,722	6,552,518	256,847,240	98,873,432	248,599,278	(5,912,970)
90,635,000-9	Telefónica Chile S.A.	99.1405597	683,938,637	1,180,668,248	1,864,606,885	821,597,030	236,302,553	1,057,899,583	806,707,302	432,643,249	45,743,025
76,086,148-0	Telefónica Chile Servicios Corporativos Ltda.	100.0000000	139,142,046	34,484,979	173,627,025	60,879,131	32,114,771	92,993,902	80,633,123	139,729,888	6,810,876

(*) Direct and indirect participation.

The summarized financial information at December 31, 2021 of the companies included in the consolidation is as follows:

Taxpayer No.	Company Name	% Participation (*)	Currents assets	Non-currents assets	Total Assets	Currents liabilities	Non-currents liabilities	Total liabilities	Equity	Revenues from ordinary operations	Profit (loss), Net
			ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
76.378.279-4	Telefónica Investigación y Desarrollo Chile SpA	100,0000000	4,575,268	411,850	4,987,118	3,289,049	1,770	3,290,819	1,696,299	928,773	77,482
78.703.410-1	Telefónica Empresas Chile S.A.	99,9999973	197,827,854	106,381,900	304,209,754	194,525,163	6,570,196	201,095,359	103,114,395	327,090,306	4,061,787
90.635.000-9	Telefónica Chile S.A.	99,1405597	650,524,091	1,177,505,912	1,828,030,003	804,421,828	265,753,338	1,070,175,166	757,854,837	496,676,544	312,964,020
76.086.148-0	Telefónica Chile Servicios Corporativos Ltda.	100,0000000	118,977,062	47,487,887	166,464,949	60,604,958	30,902,894	91,507,852	74,957,097	184,944,658	7,133,115

(*) Direct and indirect participation.

2. Significant accounting principles, continued:

e) Exchange Method

Balances of monetary assets and liabilities denominated in foreign currency are presented valued at the closing exchange rate for each year. Foreign currency translation differences arising from the application of this standard are recognized in income for the period through the “Foreign currency translation differences account and differences resulting from valuation of the UF are recognize in income for the period in the “income from indexation units” account.

Non-monetary items in foreign currency, which are measured in terms of historical cost, are converted using the exchange rate on the transaction date and non-monetary items that are measured at fair value in a foreign currency, are converted using the exchange rates for the date on which this fair value is measured.

When a loss or profit derived from a non-monetary item is recognized in other comprehensive income, any foreign currency translation difference included in that loss or profit, is also recognized in other comprehensive income. On the other hand, when the loss or profit, derived from a non-monetary item, is recognized in income for the period, any foreign currency translation difference, included in this loss or profit, will also be recognized in income for the period.

Assets and liabilities in US\$ (United States dollars), Euros, Brazilian Real and UF (“Unidades de Fomento”), have been converted to Chilean pesos at the observed exchange rates as of the closing date of each period, detailed as follows:

FECHA	USD	EURO	REAL	UF
09.30.2022	960.24	939.85	179.17	34,258.23
12.12.2021	844.69	955.64	151.68	30,991.74
09.30.2021	811.90	939.48	148.77	30,088.37

f) Financial assets and liabilities

1. Financial assets other than derivatives

Classification and presentation

The Company classifies its financial assets into the following categories: loans and accounts receivable, financial assets at fair value through profit and loss, financial assets held to maturity and assets-held-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Company determines the classification of its financial assets at the time of initial recognition.

2. Significant accounting principles, continued

f) Financial assets and liabilities, continued

1. Financial assets other than derivatives, continued

i) Amortized cost

Financial assets that comply with the following two conditions will be measured at amortized cost: the objective of the business model supporting them is to hold the financial assets to obtain contractual cash flows and in turn, the contractual conditions of the financial assets lead to cash flows composed of principal and interest payments only on specific dates.

The Company's financial assets that comply with the conditions established in IFRS 9, for valuation at amortized cost are: accounts receivable, loans and cash and cash equivalents.

Trade receivables are recognized for the amount of the invoice, and an adjustment is recorded if there is objective evidence of customer payment risk.

The estimated impairment of accounts receivable, is determined on the basis of the expected loss throughout the lives of the assets, determined by assessing the historical payment behavior and current information demonstrating the present and future condition of customers from the various segments that compose the portfolio. Recoverability matrices are prepared for this assessment, composed of aging periods, which provide the percentages of uncollectible based on past behavior, in addition to gathering timely customer information and monitoring changes in macroeconomic factors, thus recognizing impairment which are from inception.

Loans and accounts receivable are included in "Trade and other accounts receivable" in the consolidated statement of financial position, except for those with due dates in excess of 12 months from the closing date, which are classified as Non-current trade and other accounts receivable. They are recorded at amortized cost using the effective interest rate method, which is its initial fair value.

The effective interest rate method is a method for calculating the amortized cost of a financial asset or liability and imputing finance income or expenses throughout the relevant period, The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable throughout the expected life of the financial instrument (or, when adequate in a shorter period) with the net carrying amount of the financial asset or liability.

Short-term trade receivables are not discounted. The Company has determined no difference between the amount invoiced and the amortized cost, as the transaction has no significant associated costs.

Cash and cash equivalents recognized in the financial statements includes cash balances, checking accounts, time deposits and investments in instruments with original maturity of ninety days or less. These items are recorded at their historical cost, which does not significantly differ from their realization value. There are no restrictions on the use of cash and cash equivalents contained in this heading.

2. Significant accounting principles, continued

f) Financial assets and liabilities, continued

1. Financial assets other than derivatives, continued

Classification and presentation, continued

ii. Financial assets at fair value through other comprehensive income

Financial assets that comply with the following two conditions are measured at fair value through other comprehensive income: they are classified within a business model whose objective is to hold financial assets both to collect contractual cash flows and to sell them and in turn, contractual conditions lead to payment of principal and interest on the amount of the outstanding principal.

The Company will apply this valuation to factoring transactions, as long as the following conditions are met by sales subject to this transaction: significant, frequent sales, not motivated by credit risk and far from their due date.

iii) Financial assets at fair value through profit or loss

Financial assets will be considered in this category when they are not classified in the two previous categories or are irrevocably designated at their initial recognition at fair value through profit or loss.

They are recorded in the statement of financial position at fair value, and changes in their value are recorded directly in income when they occur, as are the costs of the initial transaction.

2. Financial liabilities

The Company irrevocably determines the classification of its financial liabilities at the time of their initial recognition.

Financial liabilities are initially recognized at fair value and, in the case of loans, include costs directly attributable to the transaction. Subsequent measurement of financial liabilities depends on their classification: amortized cost and fair value through profit or loss.

Financial liabilities are derecognized when the obligation is cancelled, liquidated or expires, When an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, that exchange or modification is treated as an accounting derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

i) Financial liabilities at amortized cost

The Company classifies all its financial liabilities at amortized cost, except for liabilities held for trading or that decrease an accounting asymmetry, which are valued at fair value through profit or loss.

2. Significant accounting principles, continued

f) Financial assets and liabilities, continued

2. Financial liabilities, continued

ii) Financial liabilities at fair value through profit or loss

Financial liabilities are classified to the category of financial liabilities at fair value through profit or loss when they are initially recognized at fair value through profit or loss, in order to reduce accounting asymmetries.

This classification includes derivatives designated as effective hedging instruments (see note 23,2).

The underlying items associated to these derivatives, which are measured at amortized cost, consider the amount determined by rate risk at fair value.

3. Derivative financial instruments

The Company holds hedge derivatives to manage its exposure to interest and/or exchange rate risks (see Note 23.2) to manage its risks associated to changes in interest rate and exchange rate. The Company's objective in respect to derivatives is to minimize these risks using the most effective method to eliminate or reduce the impact on underlying hedged transactions.

Derivative instruments are recognized at fair value on the date of the statement of financial position under "Other financial assets" or "Other financial liabilities" depending on whether their fair value is positive or negative respectively. They are classified as current or non-current depending on whether they mature in less than or more than twelve months. Derivative instruments that meet all the requirements for being treated as hedge instruments for long-term items are presented as non-current assets or liabilities, based on their balance separately from the hedged items, as indicated in IFRS 9.

Hedging the risk associated with the variation of exchange rates in a firmly committed transaction, may be treated as a fair value hedge or cash flow hedge, indistinctly.

Variations in the fair value of derivatives that have been designated and meet the requirements for being treated as fair value hedge instruments, are recorded in the comprehensive income statement offsetting the effects of the part of the underlying for which the risk is being hedged.

In the case of cash flow hedges, changes in the fair value of derivatives are recorded, for the effective part of those hedges, in an equity reserve called "Cash flow hedge reserve". The accumulated deficit or profit in that heading is transferred to the comprehensive income statement to the extent that the underlying has an impact on the comprehensive income statement for the hedged risk, offsetting that effect. The part of the hedge considered to be ineffective is recorded directly in the comprehensive income statement.

2. Significant accounting principles, continued

f) Financial assets and liabilities, continued

3. Derivative financial instruments, continued

The Company formally documents, at the initial moment, the hedging relationship between the derivative and the hedged item, as well as the objectives and risk management strategies pursued when establishing the hedge. This documentation includes identifying the hedge instrument, hedged item or transaction as well as the nature of the hedged risk. It also specifies the method for assessing the degree of effectiveness when offsetting the exposure to changes in the hedged item, either in its fair value or in the cash flows attributable to the hedged risk. The effectiveness assessment is performed prospectively and retroactively, both at inception of the hedge relationship and systematically throughout the period for which it were designated.

The fair value of the derivatives portfolio reflects estimates based on calculations made from observable market data, using specific assesment and risk management tools widely used among diverse financial entities.

g) Inventory

Materials for consumption and replacement are valued at their weighted average cost or at net realizable value, whichever is lower.

The net realizable value is the estimated sales value during the normal course of business, less costs related to the sale and costs related to finishing the product.

When cash flows related to inventory purchases are covered by an effective hedge, the corresponding gains and losses accumulated in equity become part of the cost of acquired inventory.

Obsolescence is determined on the basis of the age and commercial rotation of equipment and accessories. According to the Company's policies, a provision has been made for inventories whose age since the purchase is greater than 360 days and whose rotation is greater than 12 months. Likewise, stored scrapped products or accessories are considered to be a total loss.

h) Non- Current assets or disposal groups classified as held for sale

Non-current assets held for sale are measured at their carrying amount or fair value less cost of sales, whichever is lower. Assets are classified in this account when their carrying amount can be recovered through a very probable sales transaction, and they are immediately available in their present condition. Management must be committed to a plan to sell the asset and have actively begun a program to find a purchaser and complete the plan, and it must be expected that the sale will qualify for full recognition.

Property, plant and equipment assets classified as held for sale are not depreciated.

2. Significant accounting principles, continued

i) Impairment of non-current assets

At each year-end, non-current assets are evaluated for signs of possible impairment. If such signs exist, the Company estimates the asset's recoverable amount, which is its value in use or its fair value, less cost to sell, whichever is greater. Value in use is determined by discounting estimated future cash flows. When an asset recoverable amount is less than its net book value, impairment is recorded.

To calculate impairment, the Company estimates the return on assets assigned to the different cash generating units based on expected cash flows.

j) Leases

Leases are recognized in accordance with IFRS 16, as a right of use asset and a corresponding liability as of the date on which the leased asset is available for use by the Company. The financial cost is charged to income over the term of the lease. The right of use asset is depreciated using the straight-line method over the useful life of the asset or the term of the lease, whichever is shorter.

1) Right of use assets are measured at cost including the following:

- The initial measurement amount of the lease liability
- Any lease payment made on or before the commencement date less any lease incentive received.
- Any direct initial cost and
- Restoration or decommissioning costs.

Lease liabilities include the present value, as of the commencement date of the lease, net of the following payments:

- Fixed payments (including those that are so in substance), less lease incentives receivable.
- Variable lease payments based on an index or rate.
- The amounts that are expected to be payable by the lessee as guarantee for the residual value;
- Payment of fines for lease contract termination, if the lease termination reflects the lessee that exercises that option.

2) Subsequent measurement

The right of use asset must be measured using the cost model, that is, cost less accumulated depreciation and any accumulated impairment loss, adjusted for any new measurement of the lease liability, including restatement of indexation units (UF).

The lease liability will be measured increasing the carrying amount to reflect the interest on the lease liability and reducing the carrying amount to reflect lease payments made. In addition, it must include new evaluations or modifications.

2. Significant accounting principles, continued

j) Leases, continued

2) Subsequent measurement, continued

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

Payments associated to short-term leases and low value asset leases are recognized in income as an expense, based on accrual of the service. Short-term leases are those that are equal to or less than 12 months (that do not contain a purchase option). Low value assets comprise equipment for information processes, office furniture and equipment.

k) Income taxes

The income tax expense for each period comprises current and deferred income taxes.

Tax assets and liabilities for the current and prior periods are measured at the amount the Company estimates it will recover or pay to tax authorities. Tax rates and government regulations used to calculate these amounts are those in force as of each period, being 27% as of September 30, 2022 and December 31, 2021, respectively.

The deferred tax amount is obtained from analyzing temporary differences that arise due to differences between the tax and book values of assets and liabilities, mainly allowance for doubtful accounts, depreciation of Property, plant and equipment and staff severance indemnities.

Under Chilean tax regulations, the tax loss from previous periods can be used in the future as a tax benefit with no expiration period.

Temporary differences generally become taxable or deductible when the related liability is settled or the related asset is recovered. A deferred tax liability or asset represents the amount of tax payable or refundable in future periods under the currently enacted tax laws and rates as a result of temporary differences determined as of the date of issuance of the financial statements. Deferred tax assets and liabilities are not discounted at their current value and are classified as non-current.

l) Goodwill

Represents the difference between the acquisition cost and the fair values of the assets acquired, liabilities assumed and identifiable contingent liabilities acquired from an associate. After initial recognition, goodwill is recorded at cost, less any accumulated impairment loss.

2. Significant accounting principles, continued

l) Goodwill, continued

The Company tests goodwill impairment annually and when there are indicators that the net carrying amount might not be fully recoverable. The impairment test, which is based on fair value, is performed for each cash generating unit, for which the goodwill has been allocated. If that fair value is less than the carrying amount, an irreversible impairment loss is recognized in the income statement.

Impairment testing was determined considering the following estimated variables:

- i) Forecasted operating revenue and costs are based on the Strategic Plan for 2022, 2023 and 2024, forecasting a fourth and fifth year as terminal value. These projections have been made considering the Company's best estimates, using sectorial projections, historical behavior of the business and future expectations.
- ii) Cash flow projections are made at a terminal value, covering a 5-year period, with the last period being the terminal value.
- iii) The rate used to discount future cash flows considers the time value of money and the individual risks of the assets under analysis.
- iv) The valuation is determined using the value in use (VU) mechanism, which requires that the VU be determined using the net present value of the cash flows that the Company expects to receive from the Cash Generating Unit (CGU). Telefónica Chile S.A. and its subsidiary Telefónica Empresas Chile S.A. have been considered to be a CGU and provide fixed broadband, television, fixed telephone and technology services for companies.

m) Investment properties

Investment properties correspond to buildings held for the purpose of obtaining income instead of using them in the production process, or in the supply of goods or services, or for administrative purposes, or to sell them in the course of the Company's ordinary activities.

If the elements can be disaggregated for rental, they receive a separate accounting treatment.

They are recognized as an asset when it is probable that they will generate future benefits that will flow to the Company and their cost can be reliably measured.

Investment properties are initially recognized at cost, and the standard subsequently establishes two valuation alternatives, at fair value or cost. The latter includes the original cost, plus accumulated amortization, less accumulated impairment losses.

The criterion chosen by the Telefónica Group is to value them at cost.

2. Significant accounting principles, continued

n) Intangibles

i) Administrative concessions

Concession licenses correspond to the cost incurred to obtain mobile cellular telephone public services concessions. They are registered at their acquisition cost less accumulated amortization and less any impairment loss, should there be any. The Company amortizes these licenses over the concession period 30 years from the date of publication of the Decree that accredits the respective license in the Official Gazette.

ii) Licenses and software

This item includes software licenses and the right to use underwater cable, which are recorded at acquisition or production cost, less accumulated amortization and less any accumulated impairment loss. Also includes intangible assets under development which correspond to commercial systems applications, mainly billing, collecting and collections, to be used by the Company in the normal course of its operations in relation to its customers. These intangible assets under development are recorded at acquisition cost plus all costs associated to their implementation and are amortized over the period in which their use is expected to generate income.

Software licenses and rights to use underwater cable have finite useful lives and are amortized over their estimated useful lives. As of the close of each period date there is an analysis underway to determine whether there are events or changes that indicate that the net book value might not be recoverable, in which case impairment tests will be carried out.

The methods and periods of amortization applied are reviewed as of each period and, if applicable, adjusted in a prospective manner.

The Company amortizes software licenses and the right to use underwater cable using the straight-line method over their estimated useful lives, which is 3 years for software licenses and a maximum of 20 years for rights to use underwater cable.

There are no restrictions on ownership of software licenses or the right of use of underwater cable, and they have not been pledged as guarantee of compliance with obligations.

ñ) Property, plant and equipment

Property, plant and equipment items are valued at acquisition cost, less accumulated depreciation and less applicable impairment losses. Land is not depreciated.

Acquisition cost includes external costs plus internal costs necessary to carry out the investment, comprised of direct costs, direct labor costs used in the installation and any other cost necessary to carry out the investment. In addition, the Company recognizes an obligation for assets that will be dismantled, corresponding to future disbursements that the Company must make for removal of certain installations.

2. Significant accounting principles, continued

ñ) Property, plant and equipment, continued

These future disbursements are incorporated in the restated value of the asset, recognizing the corresponding dismantling provision.

Changes in the valuation of the existing dismantling liabilities, derived from changes in the amount or in the temporary structure of the outflow of resources that incorporate economic benefits required to cancel the obligation, or a change in the discount rate, shall be added to or deducted from the cost of the corresponding asset in the current period. The amount deducted from the cost of the asset must not exceed its book value. If the decrease in the liability should exceed the book value of the asset, the excess is immediately recognized in income for the period.

An asset's dismantling provisioned cost is recognized in the income statement through depreciation over its useful life, under the item depreciation and amortization expense. The provision discount process is recognized in income for the period as finance cost.

Interest and other financial expenses incurred and directly attributable to the acquisition or construction of qualifying assets, may be capitalized. Qualifying assets, under the criteria of the Telefónica Group, are assets that require at least 18 months of preparation for their use or sale.

At the end of the 2022 and 2021, periods there are no capitalized interests.

Costs for improvements that result in increased productivity, efficiency, or extension of the useful lives of assets are capitalized as higher cost of such assets when they comply with the requirements to be recognized as an asset.

Repair and maintenance expenses are charged to the income statement account for the period in which they are incurred.

Property, plant and equipment assets do not have ownership restrictions and are not used as guarantees of compliance with obligations.

o) Depreciation of property, plant and equipment

The Company depreciates Property, plant and equipment from the moment when the assets are in condition to be used, distributing the cost of the assets on a straight-line basis over the respective estimated useful life. Projects classified under building in progress, for which their estimated termination date as of each closing period has expired but are in usable condition, are also included.

The average annual financial depreciation rate of the Company is approximately 8.08% and 9.02% at September 30, 2022 and 2021, respectively.

2. Significant accounting principles, continued

o) Depreciation of property, plant and equipment, continued

Estimated useful lives are summarized as follows:

Assets	Useful lives in years	
	Minimum	Maximum
Buildings	5	40
Transportation equipment	7	10
Supplies and accessories	7	10
Office equipment	10	10
Information equipment	4	4
Network and communications equipment	5	25
Other property, plant and equipment	2	7

Estimated residual values, as well as the methods and applied amortization periods are reviewed as of each closing period and, if appropriate, adjusted prospectively.

p) Investments in associates

Investments in entities in which the Company has significant influence, but not control and which are accounted for using the equity method, net of any accumulated impairment loss, are recorded in this account, in accordance with IAS 28 "Investments in Associates and Joint Ventures".

The investment in the associate is recorded in the statement of financial position at fair value plus the Company's share in the increase or decrease in equity of the associate net of the Purchase Price Allocation (PPA).

The income statement reflects the Company's share in the results of the associate. The Company recognizes its share in that change and discloses it in the statement of changes in equity. The accounting policies of associates are consistent with those used by the Company (see note 19).

q) Provisions

i) Post-employment benefits

The Company is obligated to pay staff severance indemnities in respect of collective negotiation agreements. This obligation is provisioned using the actuarial value of the accrued benefit cost method, using a nominal annual discount rate of 6.400% and 5.924% at September 30, 2022 and December 31, 2021 respectively, considering estimations such as future permanence, employee mortality rate and future salary increases determined on the basis of actuarial calculations. Discount rates are determined by reference to market interest curves.

Other remunerations

The Company has defined a Variable Remuneration System for its collaborators, based on annual compliance with the established objectives.

These short-term obligations are measured on the basis of undiscounted securities and a liability is recognized for the amount that is expected to be paid.

2. Significant accounting principles, continued

q) Provisions, continued

ii) Provision for dismantling expenses

Corresponds to the cost that will be incurred in the future for dismantling microwave antennas from the telecommunications infrastructure once the third-party site rental contract ends. This cost is calculated at current value and recorded as a property, plant and equipment item in assets and as a non-current accrual for future obligation. That property, plant and equipment item is amortized over the duration of the asset associated to that accrual.

iii) Other provisions

Provisions are recognized when the Company has a present legal or implicit obligation, as a result of a past event, whose settlement requires an outflow of resources that is considered likely and can be reliably estimated. This obligation can be legal or tacit, derived from, among other factors, regulations, contracts, customary practices or public commitments that create a valid expectation before third parties that the Company will assume certain responsibilities.

r) Income and expenses

Income and expenses are recognized in the income statement based on the accrual criteria, regardless of the moment at which the cash flows or financing derived from it is produced.

The Company's income comes mainly from the provision of the following services:

i) Telecommunications

It is composed of voice and data packages, international business (carrier payments), multiservice network and capacities, pay TV, interconnection, network and equipment rental, sale of equipment and other services such as value added services or maintenance. Products and services can be sold separately or jointly, in commercial packages.

In the case of commercial offers where the customer pays a flat rate, which can include minutes, broadband and pay TV plans, revenue is recognized in a straight-line over the period covered by the rate paid by the customer.

In the case of revenues generated only by traffic, they are recorded as they are consumed.

In equipment sales, revenues are recognized at the time of delivery of the equipment to the customer; in case of sale includes installation, configuration, startup or other complementary activities, revenue is recognized upon the satisfactory reception by the customer.

Revenues from capacity and multi-service networks, are accrued as the service is rendered.

2. Significant accounting principles, continued

r) Income and expenses, continued

i) Telecommunications, continued

Interconnection income derived from fixed-mobile and mobile-fixed calls, as well as from other services used by customers, are recognized in the period in which they make said calls.

The Company has current agreements with foreign correspondents, with which the conditions governing international traffic are set, and the same is charged or paid in accordance with the net traffic exchanges and at the rates set in each agreement. Accounting for this exchange is carried out on an accrual basis, recognizing costs and income in the period in which they are produced, recording the balances receivable or payable for each correspondent in the headings of "Accounts trade receivables and other accounts receivable" and "Accounts receivable from related entities, current" or "Trade creditors and Other accounts payable" and "Accounts payable to entities related, current", as applicable.

In the case of prepayment, the amount corresponding to the paid traffic pending generates a deferred income which is recorded within liabilities. Electronic top-ups usually have an expiry period of up to 180 days, and any unused prepaid traffic is recognized directly in income when traffic is consumed or when the top-up expires, since from that moment the Company has no remaining obligations to provide the service.

Monthly fees are recognized as income using the straight-line method in the corresponding period. Rentals and other services are recognized as income as the service is provided.

In accordance with IFRS 15, income from commercial package offers that combine different goods and services for fixed telephone service, data, Internet and television, the Company determines whether it is necessary to separate the different elements identified, applying the appropriate revenue recognition criterion for each case. Total revenue for the package is allocated to its identified elements on the basis of their respective fair values (i.e. the fair value of each individual component, in relation to the total fair value of the package). To the extent that packages are commercialized with an equipment discount, the application of the new criteria will involve an increase in the recognition of income from sale of equipment, which will generally be recognized coinciding with the time of delivery to the customer, at the expense of periodic income from providing services in subsequent periods.

Likewise, due to IFRS 15 the Company will recognize an asset for the cost of obtaining contracts as long as these are incremental, it is estimated that they will be recovered, they can be allocated to a contract and it is estimated that they will be amortized over more than one year. In addition, the Company will recognize an asset for contract compliance costs as long as these are directly identified with a specific contract, generate or improve the Company's resources that will be used to satisfy or continue to satisfy compliance obligations in the future and the Company expects to recover those costs over time. For both cases, the amortization period is determined based on the transfer to the customer of the goods or services related to those assets (see note 7).

2. Significant accounting principles, continued

r) Income and expenses, continued

i) Telecommunications, continued

All costs directly associated to obtaining revenue are recognized in profit and loss to the extent that the revenue is generated. The rest of the expenses are recognized in profit and loss when they are accrued.

ii) Customer loyalty program

The Company has a customer loyalty program called "Club Movistar" which provides multiple benefits to its customers which can be provided by third parties or by the Company. These benefits will be reflected as a discount in revenue when points from the program are exchanged for products. As of September 30, 2022 and December 31, 2021, the valuation of this loyalty program is immaterial in relation to the contracts for which it was generated.

iii) Government subsidies

Parent Company and the subsidiary Telefónica Chile S.A. participate in tenders for Government projects associated to the Telecommunications Development Fund, for the purpose of receiving resources to install operating assets for the operation and exploitation of public services. These resources, called "Government subsidies", , in the case to be obtained from January 1, 2018, must be presented in the statement of financial position recognizing them as deductions from the book value of the associated assets.

The subsidies obtained prior to January 1, 2018 were initially recorded as a deferred income, in the item "Other non-financial liabilities", and are allocated to results in the period of useful life of the assets associated with these subsidies (see note 26a).

s) Use estimates

The following section shows the main future hypotheses assumed and other relevant sources of uncertainty in estimates as of the reported periods that could have a significant effect on the financial statements in the future.

i) Impairment of trade accounts receivable

The calculation of impairment of long and short-term financial assets measured at amortized cost, related to trade accounts receivable (generated by the sale of goods and services and telecommunications transactions with other operators) and contractual assets, is based on the expected loss per group of customers, for which the Company applies a simplified model. The simplified model is based on an estimated rate of uncollectability to determine the expected credit loss over the entire life of the asset in particular. For this, the Company uses matrices that have been developed based on the historical uncollectability experience and on a portfolio classified by customer category and type of product and services contracted, according to the pattern of credit behavior. The matrix for each category has a defined temporal horizon divided in intervals based on the collection management policy and is fed with historical data encompassing at least 24 collection cycles. Data is periodically updated.

2. Significant accounting principles, continued

s) Use estimates, continued

Based on the observable information at each closing date, the Company analyzes the need to adjust the rates resulting from those matrices based on current market conditions, regulatory changes, credit improvements, and so on, as well as the prevailing and projected macroeconomic forecasts. This means, any event that could reasonably affect the statistically proven impairment behavior of the portfolio.

Due to the above, hedging for the probability of non-payment of the portfolio is established from the time at which revenue is provisioned, thus faithfully reflecting its intrinsic credit risk.

ii) Property, plant and equipment and intangibles

The accounting treatment for Property, plant and equipment and intangible assets uses estimates to determine useful life for the purpose of calculating depreciation and amortization.

Determination of useful lives requires estimates regarding expected technological progress and alternative use of assets. Hypotheses regarding technological framework and its future development imply a significant degree of judgment, as the timing and nature of future technological change is difficult to predict.

Decommissioning estimates for assets classified in property, plant and equipment, are calculated on the basis of the price agreed with the supplier, taking it to its future value using the future inflation rate, to then bring it to its present value using a risk-free discount rate.

iii) Right of use:

Regarding the reasonable period of time of contracts considered non-cancellable under IFRS 16, it is important to consider that contracts with a duration of less than one year, including their active extensions with that duration are considered to be within the short-term exceptions of the standard. In addition, contracts for information processing equipment and office furniture and equipment with a comparable new individual purchase cost of US\$ 5,000 (reference value) are considered to be of low value.

iv) Deferred taxes

The Company evaluates probability of recovery of deferred tax assets based on estimates of future earnings. This probability of recovery ultimately depends on the Company's capacity to generate taxable income throughout the period in which the deferred tax assets are deductible.

This analysis takes into consideration the forecasted reversal calendar for deferred tax liabilities as well as estimates of taxable income, based on internal projections that are updated to reflect recent trends.

2. Significant accounting principles, continued

s) Use estimates, continued

iv) Deferred taxes, continued

Determining the proper classification of tax items depends on various factors, including timing estimates, realization of deferred tax assets and the expected timing of tax payment. The real flows of income tax payments and recoveries may differ from estimates made by the Company as a consequence of changes in tax legislation or of unforeseen future transactions that may affect tax balances.

v) Provisions

Given the uncertainty inherent to estimates used to determine provisions, real disbursements may differ from the amounts originally recognized using these estimates.

Determination of the amount of provisions is based on the best estimate of the disbursements that must be made for the corresponding obligations, taking into consideration all information available as of the end of period, including the opinion of independent experts, such as legal advisors and consultants.

vi) Post-employment benefits

The present value of the obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. All assumptions are reviewed once a year. In determining the appropriate discount rate, it is considered the interest rates of instruments issued by the Central Bank of Chile. The mortality rate is based on publicly available mortality tables for the country.

Future salary increases and pension increases are based on expected future inflation rates for the country. (See details of the actuarial hypotheses used in note 25a).

2. Significant accounting principles, continued

s) Use estimates, continued

vii) Financial assets and liabilities

When the fair value of financial assets and financial liabilities recorded in the balance sheet and disclosed in the notes can not be derived from active markets, they are determined using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets when possible, but when not, a degree of judgment is required in establishing fair values. The variables include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument.

t) Methods of consolidation

Consolidation has been carried out using the “Global Integration method” for companies where there is control, whether through effective control or the existence of agreements with the rest of the shareholders.

All balances and transactions among consolidated companies have been eliminated in the consolidation process. Likewise, the margins included in the operations carried out by subsidiaries to other companies of the Company for capitalizable goods or services, have been eliminated in the consolidation process.

The accounts in the statement of comprehensive income and consolidated cash flows include, respectively, the income and expenses and cash flows of the companies that cease to be part of the Company up to the date on which the participation has been sold or the company has been liquidated. Likewise, in the case of new acquisitions, income and expenses and cash flows of the new companies are gathered from the date of purchase of those companies.

The value of the participation of minority shareholders in the equity and results of companies subsidiaries consolidated by the global integration method is presented in the items “non-controlling interests” and “profit attributable to non-controlling interests”, respectively.

2. Significant accounting principles, continued

u) New IFRS and Interpretations of the IFRS Interpretations Committee

i) Publication of new standards

IFRS improvements and amendments, as well as interpretations that have been published during the period, are detailed below. As of the closing date, these standards are still not in forced and the Company has not opted for early application of any of them:

	New Standard	Mandatory application date
IFRS 17	Insurance Contracts	January 1, 2023

IFRS 17 "Insurance Contracts"

Published in May 2017, it replaces current IFRS 4, IFRS 17 will mainly change accounting for all entities that issue insurance contracts and investment contracts with discretionary participation characteristics. The standard is applicable to annual periods commencing as of January 1, 2023. Early application is allowed only when IFRS 15, "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" are applied.

Based on the analysis performed to date, the Company believes that the application of many of these standards, will not have a significant impact on the financial statements in the period of initial application.

ii) Standards, interpretations and amendments issued, the application of which is not yet mandatory, for which there has been no early adoption.

	Improvements and amendments	Mandatory application date
NIC 1	Presentation of financial statements	January 1, 2024
NIC 1	Presentation of financial statements and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	January 1, 2023
NIC 12	Income Taxes	January 1, 2023

Amendment to IAS 1 "Presentation of Financial Statements"

The classification is not affected by the entity's expectation of events after the reporting date (for example, reception of a resignation or breach of covenant). The amendment also clarifies the meaning of IAS 1 when it refers to the "settlement" of a liability. The amendment must be applied retrospectively in accordance with IAS 8. The effective date of initial application is January 1, 2022, however, that date was deferred to January 1, 2024.

2. Significant accounting principles, continued

u) New IFRS and Interpretations of the IFRS Interpretations Committee, continued

ii) Standards, interpretations and amendments issued, the application of which is not yet mandatory, for which there has been no early adoption, continued

Amendment to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies”

Practice Statement 2 and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, published in February 2021. The purpose of the amendments is to improve accounting policy disclosures and help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction.

These amendments require that companies recognize deferred taxes on transactions that, upon initial recognition, lead to equal amounts of taxable and deductible temporary differences.

Based on the analysis carried out to date, the Company believes that the adoption of the mentioned standards, amendments and interpretations will not have a significant impact on the Company’s financial statements.

iii) Standards, interpretations and amendments mandatory for the first time for periods beginning on January 1, 2022.

Improvements and amendments		Mandatory application date
IFRS 3	Business Combinations	January 1, 2022
IAS 16	Property, Plant and Equipment	January 1, 2022
IAS 37	Provisions, contingent liabilities and contingent assets	January 1, 2022

Amendment to IFRS 3, “Business Combinations”

Minor amendments were made to IFRS 3 to update the references to the conceptual framework for financial reporting, without changing business combination requirements.

Amendment to IAS 16, “Property, Plant and Equipment”

Prohibits companies from deducting the cost of property, plant and equipment and income received for the sale of articles produced while the company is preparing the asset for its intended use. The company must recognize such income from sales and related costs in profit or loss for the period.

Amendment to IAS 37, “Provisions, contingent liabilities and contingent assets”

For onerous contracts it clarifies which inevitable costs must be included by a company to assess whether a contract will generate losses.

Based on the analysis performed, the Company determined that the application of these standards had no significant impact on the financial statements for this period.

2. Significant accounting principles, continued

v) Statement of cash flows

The statement of cash flows includes movements of cash performed during the period, determined using the direct method. Cash flows are understood to be cash inflows and outflows or inflows and outflows of other equivalent means, such as highly liquid time deposits maturing in less than three months with low risk of change in value. The following expressions are used in the following sense:

- i. Operating activities: are activities that constitute the main source of the Company's ordinary income, as well as other activities that can not be qualified as investing or financing.
- ii. Investing activities: are activities such as acquisition, alienation or disposal of non-current assets by other means and other investments not included in cash and cash equivalents.
- iii. Financing activities: are activities that produce changes in the size and composition of total shareholders' equity and financial liabilities.

3. Changes in Accounting Policy and Disclosures

International Financial Reporting Standards have been consistently applied in the period covered by these financial statements.

4. Financial information by segment

Telefónica Móviles Chile S.A. and subsidiaries disclose segment information in accordance with IFRS 8, “Operating Segments” which establishes the standards for reporting operating segments and related disclosures for products and services and geographical areas. Operating segments are defined as components of an entity for which there is separate financial information that is regularly used by the main decision maker to decide how to assign resources and to evaluate performance. The Company presents segment information that is used by Management for internal decision making purposes.

The Company manages and measures the performance of its operations by business segment. Since the Company’s corporate organization coincides basically with that of the businesses, and therefore of the segments, the distributions established in the information presented below, are based on the financial information of the companies of each business segment. Assets and liabilities correspond to those directly attributable to the segment.

The operating segments reported internally are as follows:

a) Mobile Telecommunications

Mobile Telecommunications services mainly include revenues from the provision of mobile telecommunications services, sale of electronic prepaid top-ups and the sale of handsets. Revenues are recognized as the services are provided.

b) Fixed Telecommunications

Landline telephone services include basic telephone services, connections and line installations, value added services, broadband, dedicated lines, international long-distance services, marketing of handsets, and circuit media rental and others. According to the financial statements, incomes are recognized as the services are provided or the equipment is sold.

c) Corporate Communications and Data

Corporate communications services include revenues from the sale and rental of telecommunications equipment and the sale of networks to corporate customers, rental of networks associated to public or private projects and data transmission services. Revenues are recognized as the services are provided.

d) Television Services

Multimedia services include direct and indirect development, installation, maintenance, marketing and operations of television services via cable, satellite, broadband or any other physical means using any physical or technical means, including individual paid services or multiple basic channels, special or paid, videos on demand and interactive or multimedia television services. Consistent with the financial statements, incomes are recognized as the services are delivered.

e) Others

“Other” includes logistics, personnel and management services.

4. Financial information by segment, continued

Relevant information regarding Telefónica Móviles Chile S.A. and its subsidiaries, which represent different segments, together with information regarding other subsidiaries, corresponding to September 30, 2022, December 31, 2021 and September 30, 2021 is detailed as follows:

For the exercise ended as of September 30, 2022	Mobile Telecommunications	Fixed Telecommunications	Corporate Communication and Data	Television Services	Other	Eliminations	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Income from external customers	649,856,261	331,220,667	127,872,602	111,337,721	7,566,165	-	1,227,853,416
Income from ordinary activities arising from transactions with other operating segments of the same entity	5,230,708	101,422,582	9,388,955	-	139,729,888	(255,772,133)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	655,086,969	432,643,249	137,261,557	111,337,721	147,296,053	(255,772,133)	1,227,853,416
Cost of sales	251,573,100	163,444,233	123,801,095	64,320,458	1,632	(135,845,651)	467,294,867
Impairment losses (reversal of impairment losses)	30,792,734	8,666,293	2,475,901	112,831	-	-	42,047,759
Administrative expenses	216,073,594	173,733,767	28,389,241	31,315,974	20,530,398	(105,868,023)	364,174,951
Employee benefits expenses	-	205,334	-	-	118,022,115	(11,089,361)	107,138,088
Cost of interest	61,344,382	29,449,048	3,453,847	148,491	1,857,691	(4,047,726)	92,205,733
Interest income	27,728,362	25,443,787	489,565	-	23,237	(4,047,726)	49,637,225
Depreciation and amortization	125,575,782	73,438,121	6,568,653	1,951,445	1,737,172	(2,952,529)	206,318,644
Share in earnings (losses) of associates and joint ventures	48,687,220	(3,738,388)	88,541	-	-	(46,247,796)	(1,210,423)
Income tax expense	(2,599,838)	5,632,623	(4,537,294)	(3,150,611)	(1,411,415)	-	(6,066,535)
Other significant non-cash items	14,119,095	45,963,796	(710,229)	469,906	229,179	-	60,071,747
Profits(loss) before tax	60,262,054	51,375,648	(27,559,303)	13,958,428	5,399,461	(46,264,365)	57,171,923
Profit (loss) for the period from continuing operations	62,861,892	45,743,025	(23,022,009)	17,109,039	6,810,876	(46,264,365)	63,238,458
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-
Profit (loss) for the period	62,861,892	45,743,025	(23,022,009)	17,109,039	6,810,876	(46,264,365)	63,238,458
Assets	3,179,240,492	1,864,606,885	209,875,196	145,845,476	173,627,025	(1,398,508,091)	4,174,686,983
Investments in associates accounted for using the equity method	839,284,368	215,690,811	1,048,231	-	-	(979,280,690)	76,742,720
Increases in non-current assets	78,509,438	57,098,560	4,805,137	-	-	-	140,413,135
Liabilities	1,778,403,282	1,057,899,583	151,539,872	105,307,368	92,993,902	(415,697,467)	2,770,446,540
Shareholders' equity	1,400,837,210	806,707,302	58,335,324	40,538,108	80,633,123	(982,810,624)	1,404,240,443
Liabilities & Shareholders' equity	3,179,240,492	1,864,606,885	209,875,196	145,845,476	173,627,025	(1,398,508,091)	4,174,686,983
Cash flows provided by (used in) operating activities	(25,676,215)	(183,389,983)	(23,980,267)	(19,451,246)	(35,882,033)	125,697,625	(162,682,119)
Cash flows provided by (used in) investment activities	(65,378,288)	(8,120,116)	-	-	-	409,631,970	336,133,566
Cash flows provided by (used in) financing activities	275,721,484	(122,866,253)	24,705,220	20,039,280	35,620,000	(349,657,218)	(116,437,487)

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



4. Financial information by segment, continued

For the exercise ended as of December 31, 2021	Mobile Telecommunications	Fixed Telecommunications	Corporate Communication and Data	Television Services	Other	Eliminations	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Income from external customers	893,155,130	376,972,622	179,464,446	136,264,087	-	-	1,585,856,285
Income from ordinary activities arising from transactions with other operating segments of the same entity	6,843,143	119,703,922	11,361,773	-	184,944,658	(322,853,496)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	899,998,273	496,676,544	190,826,219	136,264,087	184,944,658	(322,853,496)	1,585,856,285
Cost of sales	340,517,874	129,136,504	162,656,287	79,031,255	-	(164,656,779)	546,685,141
Impairment losses (reversal of impairment losses)	41,035,058	6,834,717	685,641	267,281	-	-	48,822,697
Administrative expenses	292,279,885	201,493,890	39,567,767	32,328,225	24,122,438	(136,521,241)	453,270,964
Employee benefits expenses	881,008	-	-	-	150,151,822	(16,560,427)	134,472,403
Cost of interest	37,434,957	23,170,385	1,111,987	816,895	1,452,880	(13,318,312)	50,668,792
Interest income	7,130,250	13,329,417	842,961	-	372,516	(13,318,312)	8,356,832
Depreciation and amortization	171,365,225	119,706,704	9,502,816	3,003,292	2,084,751	(7,084,862)	298,577,926
Share in earnings (losses) of associates and joint ventures	313,769,508	6,760,011	92,730	-	-	(321,469,183)	(846,934)
Income tax expense	16,573,963	96,346,293	(611,285)	218,833	385,810	-	112,913,614
Other significant non-cash items	8,592,473	372,886,541	5,490,159	(875,375)	13,642	1,497,756	387,605,196
Profits(loss) before tax	345,976,497	409,310,313	(16,272,429)	19,941,764	7,518,925	(318,001,614)	448,473,456
Profit (loss) for the period from continuing operations	329,402,534	312,964,020	(15,661,144)	19,722,931	7,133,115	(318,001,614)	335,559,842
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-
Profit (loss) for the period	329,402,534	312,964,020	(15,661,144)	19,722,931	7,133,115	(318,001,614)	335,559,842
Assets	1,828,030,003	179,483,755	179,483,755	124,725,999	166,464,949	1,555,097,815	4,033,286,276
Investments in associates accounted for using the equity method	212,796,114	974,443	974,443	-	-	(142,316,943)	72,428,057
Increases in non-current assets	70,101,462	6,637,233	6,637,233	-	-	77,249,134	160,625,062
Liabilities	1,164,064,373	118,646,262	118,646,262	82,449,097	91,507,852	1,214,945,392	2,790,259,238
Shareholders' equity	663,965,630	60,837,493	60,837,493	42,276,902	74,957,097	340,152,423	1,243,027,038
Liabilities & Shareholders' equity	1,828,030,003	179,483,755	179,483,755	124,725,999	166,464,949	1,555,097,815	4,033,286,276
Cash flows provided by (used in) operating activities	9,715,049	(41,677,226)	(41,677,226)	(29,760,634)	27,303,765	404,147,070	328,050,798
Cash flows provided by (used in) investment activities	350,817,702	6,066,142	6,066,142	4,331,676	-	(605,688,127)	(238,406,465)
Cash flows provided by (used in) financing activities	(453,506,016)	34,904,415	34,904,415	24,924,343	(27,755,000)	243,857,304	(142,670,539)

4. Financial information by segment, continued

For the exercise ended as of September 30, 2021	Mobile Telecommunications	Fixed Telecommunications	Corporate Communication and Data	Television Services	Other	Eliminations	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Income from external customers	660,694,297	270,586,408	127,958,397	95,487,233	-		1,154,726,335
Income from ordinary activities arising from transactions with other operating segments of the same entity	5,066,531	84,155,495	8,401,166	-	138,893,315	(236,516,507)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	665,760,828	354,741,903	136,359,563	95,487,233	138,893,315	(236,516,507)	1,154,726,335
Cost of sales	255,995,882	75,954,430	118,116,245	58,740,080	-	(120,440,131)	388,366,506
Impairment losses (reversal of impairment losses)	31,194,933	4,499,660	684,560	229,605	-	-	36,608,758
Administrative expenses	215,321,803	147,231,672	25,727,082	23,633,021	18,723,615	(101,936,563)	328,700,630
Employee benefits expenses	784,555	-	-	-	112,156,350	(12,933,036)	100,007,869
Cost of interest	23,360,790	17,055,522	506,586	493,394	1,085,980	(9,998,271)	32,504,001
Interest income	3,271,062	8,740,574	648,781	-	152,235	(9,998,272)	2,814,380
Depreciation and amortization	118,032,219	90,143,612	7,032,029	2,306,071	1,522,159	(366,638)	218,669,452
Participation in profit of associated companies accounted for using the equity method	302,337,140	1,693,553	63,639	-	-	(304,190,027)	(95,695)
Income tax expense	17,366,891	91,506,655	342,053	172,190	650,086	-	110,037,875
Other significant non-cash items	9,155,151	363,754,086	5,489,361	(709,393)	(12,027)	(510)	377,676,668
Profits(loss) before tax	335,833,999	394,045,220	(9,505,158)	9,375,669	5,545,419	(305,030,677)	430,264,472
Profit (loss) for the period from continuing operations	318,467,108	302,538,565	(9,847,211)	9,203,479	4,895,333	(305,030,677)	320,226,597
Profit (loss) for the period from discontinuing operations							
Profit (loss) for the period	318,467,108	302,538,565	(9,847,211)	9,203,479	4,895,333	(305,030,677)	320,226,597
Assets	2,421,116,523	1,781,215,351	192,378,844	133,686,993	158,721,018	(1,292,474,336)	3,394,644,393
Investments in associates accounted for using the equity method	771,590,044	203,493,897	938,725	-	-	(908,324,738)	67,697,928
Increases in non-current assets	41,009,631	53,423,979	5,140,121	-	-	-	99,573,731
Liabilities	1,110,176,428	1,038,625,876	133,433,231	92,724,787	86,511,458	(374,138,105)	2,087,333,675
Shareholders' equity	1,310,940,095	742,589,475	58,945,613	40,962,206	72,209,560	(918,336,231)	1,307,310,718
Liabilities & Shareholders' equity	2,421,116,523	1,781,215,351	192,378,844	133,686,993	158,721,018	(1,292,474,336)	3,394,644,393
Cash flows provided by (used in) operating activities	13,728,676	53,203,138	(50,176,929)	(35,136,928)	(524,841)	84,424,569	65,517,685
Cash flows provided by (used in) investment activities	82,978,335	367,836,287	3,928,518	2,750,986	-	(243,347,692)	214,146,434
Cash flows provided by (used in) financing activities	(386,280,457)	(501,909,665)	47,125,912	33,000,421	160,000	290,354,799	(517,548,990)

There are no differences in the criteria used, in respect to the previous period, in relation to measurement and valuation of segment results and valuation of their assets and liabilities, as well as transactions among segments.

Accounting criteria regarding transactions among subsidiaries of Telefónica Móviles Chile S.A., which are carried out at market prices, independently and in a manner similar to transactions with third parties, consider that, the balances, transactions and profits or losses, remain in the segment of origin and are only eliminated in the consolidated financial statements of the entity.

5. Cash and cash equivalents

Cash and cash equivalents composition is detailed as follows:

Concepts	Currency	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Cash (a)		124,336	159,275
	CLP	123,587	158,510
	EUR	749	765
Banks (b)		89,563,445	192,574,781
	CLP	82,039,587	189,358,692
	USD	4,694,900	3,006,635
	EUR	2,774,711	151,655
	Others currencies	54,247	57,799
Time deposits (c)		380,109,300	220,049,067
	CLP	380,109,300	220,049,067
Total cash and cash equivalents		469,797,081	412,783,123
Sub-total by currency	CLP	462,272,474	409,566,269
	USD	4,694,900	3,006,635
	EUR	2,775,460	152,420
	Other currencies	54,247	57,799

Each item within cash and cash equivalents is detailed as follows:

a) Cash

The cash balance is made up of funds to be rendered destined to minor expenses and its book value is the same as the fair value.

b) Banks

The balance in banks is made up of money held in checking accounts and its book value is the same as the fair value.

5. Cash and cash equivalents, continued

c) Time deposits

Time deposits, maturing in less than 90 days, are recorded at fair value and, of September 30, 2022 and December 31, 2021, are detailed as follows:

Type of investment	Currency	Principal in original currency (thousands)	Average annual rate	Average days to maturity	Principal in local currency ThCh\$	Accrued interest in local currency ThCh\$	09.30.2022 ThCh\$
Time deposits	CLP	380,000,000	10.93%	7	380,000,000	109,300	380,109,300
Total					380,000,000	109,300	380,109,300

Type of investment	Currency	Principal in original currency (thousands)	Average annual rate	Average days to maturity	Principal in local currency ThCh\$	Accrued interest in local currency ThCh\$	12.31.2021 ThCh\$
Time deposits	CLP	220,000,000	2.86%	8	220,000,000	49,067	220,049,067
Total					220,000,000	49,067	220,049,067

In accordance with working capital management policies, all investments in time deposits are only with well-known domestic banks that are ranked in Chile with the highest credit quality.

6. Other current and non-current financial assets

Other current and non-current financial assets are detailed as follows:

Concepts		09.30.2022		12.31.2021	
		Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Hedging instruments	(See Note 23,2)	304,715,590	125,502,154	220,841,822	53,949,739
Other non-trade accounts receivable	(a)	24,495,954	-	19,752,048	21,401,681
Other investments	(b)(c)	-	6,799,886	413,857,571	6,832,112
Otros créditos	(d)	5,354,344	-	-	-
Guarantees established	(e)	73,124	-	241,424	-
Total		334,639,012	132,302,040	654,692,865	82,183,532

- a) Corresponds to recognition of the earn-out agreed in the sale of the optic fiber business (see Note 19 iii)). On June 30, KKR Alameda Aggregator L.P. reported the final payment of 40 million US dollars for associate business compliance as of 2021. This generated an additional entry in finance income (see Note 31a) in the amount of ThCh\$15,444,008. The balance as of September 30, 2022 includes interest in the amount of ThCh\$187,582 and foreign currency translation in the amount of ThCh \$4,993,834 generated between January 1 and September 30, 2022 and reclassification of the non-current portion to current.

6. Other current and non-current financial assets, continued

- b) Matured investments during the period amounted to ThCh\$411,243,750 in capital and ThCh\$11,545,670 in interest, which were recorded as of December 31, 2021 as current financial assets in time deposits in excess of 90 days.

Type of Investments	Currency	Capital in original currency (thousands)	Effective rate anual	Average days to maturity	Capital in local currency ThCh\$	Accrued interest ThCh\$	12.31.2021 ThCh\$
Time deposits (1)	CLP	411,243,750	5.5%	142	411,243,750	2,613,821	413,857,571
Total		411,243,750			411,243,750	2,613,821	413,857,571

- c) Other current and non-current investments are detailed as follows:

Participation	Country	Investment currency	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Telefónica Brasil (1)	Brazil	REAL	6,799,768	6,831,994
Other participation (2)	Chile	CLP	118	118
Total			6,799,886	6,832,112

(1) This investment is valued at market value through the trading of its shares, information obtained in the Sao Paulo Stock Exchange (Bovespa), and variations in their value are recorded when they occur, directly in equity under Other reserves.

As of September 30, 2022 and December 31, 2021 dividends have accrued in the amount of ThCh\$312,156 and ThCh\$421,303 respectively, which were recorded as finance income.

(2) Corresponds to the participation in the companies Pegaso México and Telefónica Argentina acquired in April 2019.

- d) The other loans amount corresponds to a loan granted to Digital Holdings Chile SpA derived from the sale of the Data Center business carried out in May 2022. This value includes ThCh \$201,192 in accrued interest. The assets related to this sale were registered in Assets available for sale as of December 31, 2021 (see Note 18).

- e) Securities established correspond to guarantees with customers, official organizations and other institutions.

7. Other current and non-current non-financial assets

Other non-financial assets correspond to prepayments detailed as follows:

Concepts	09.30.2022		12.31.2021	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Contract compliance costs (1)	69,143,369	120,120,254	49,847,177	94,433,572
Costs of obtaining contracts (2)	38,526,775	69,064,971	27,399,483	45,092,018
Support and repair services (3)	7,205,924	48,346	4,751,800	4,948
Deferred cost of handsets	1,800,011	-	5,694,029	-
Insurance	3,319,073	-	1,505,023	-
Advance leases (4)	615,258	241,822	1,704,906	274,284
Amortizable expenses (5)	4,574,724	358,559	8,022,921	50,563
Other Taxes (6)	6,301,893	-	4,451,469	-
Total	131,487,027	189,833,952	103,376,808	139,855,385

(1) As of September 30, 2022 this item includes capitalization of compliance costs associated to television equipment, broadband equipment and project management in the sum of ThCh\$26,871,568, ThCh\$41,511,771 and ThCh\$760,030 in current and ThCh\$46,167,517, ThCh\$73,419,438 and ThCh\$533,299 in non-current. As of December 31, 2021 this item includes the same concepts in the amounts of ThCh\$20,536,640, ThCh\$28,379,746 and ThCh\$930,791 in current and ThCh\$33,615,710, ThCh\$60,219,227 and ThCh\$598,635 in non-current. The Company reviews the behavior of average customer life in a quarterly manner to calculate the amortizable expense. As of September 30, 2022 there have been no modifications.

(2) As of September 30, 2022 and December 31, 2021 this item includes capitalization of the costs associated to commissions for capturing new customers for the mobile telephone, basic telephone, broadband and television services. The Company reviews the behavior of average customer life in a quarterly manner to calculate the amortizable expense. As of September 30, 2022, there have been no modifications.

(3) Includes amortizable expenses for services, maintenance and software licenses.

(4) This item includes operating leases outside the IFRS 16 standard.

(5) As of September 30, 2022 and December 31, 2021 this item includes amortizable finance costs for hedging derivatives in the amount of ThCh\$2,798,121 and ThCh\$8,009,745 respectively.

(6) This item includes remaining VAT credit and recoverable taxes.

8. Current trade and other accounts receivable

a) The composition of current trade and other accounts receivables is as follows:

Concepts	09.30.2022			12.31.2021		
	Gross value ThCh\$	Provision for impairment ThCh\$	Net value ThCh\$	Gross value ThCh\$	Provision for impairment ThCh\$	Net value ThCh\$
Receivables on current loan transactions	543,286,398	(190,028,988)	353,257,410	416,349,391	(190,304,456)	226,044,935
Invoiced services (1)	318,253,332	(188,085,686)	130,167,646	266,896,462	(187,933,159)	78,963,303
Services provided and not invoiced	211,433,507	(1,712,578)	209,720,929	135,038,172	(2,098,853)	132,939,319
Contractual asset (2)	13,599,559	(230,724)	13,368,835	14,414,757	(272,444)	14,142,313
Miscellaneous receivables (3)	14,648,281	-	14,648,281	17,690,345	-	17,690,345
Total	557,934,679	(190,028,988)	367,905,691	434,039,736	(190,304,456)	243,735,280

(1) As of the September 30, 2022 and December 31, 2021 closing dates, there were sales transactions involving the large companies and mass services portfolios and mobile handset installments for a total amount of ThCh\$8,375,939 and ThCh\$106,857,311, respectively. The Company continues to be the collection agent for mass services transactions.

(2) Under IFRS 15, the contractual asset corresponds to the difference between income from sale of postpaid handsets and the amount received from the customer at the beginning of the contract.

(3) As of the September 30 2022 closing date and December 31, 2021, this item mainly includes loans and advances to employees in the amount of ThCh\$ 7,201,639 and ThCh\$6,142,605, advances to suppliers in the amount of ThCh\$ 3,965,810 and ThCh\$1,208,634 and miscellaneous receivables from transactions outside the main line of business in the amount of ThCh\$ 3,480,832 and ThCh\$5,092,195 (includes Voissnet contingency), respectively. In December 2021, it is included Voissnet contingency (see Note 33a) i)

b) The composition of current trade and other accounts receivable with overdue net balances that have not been collected and have not been provisioned as a whole is detailed as follows:

Concepts	09.30.2022					12.31.2021				
	Less than 3 months	3 to 6 months	6 to 12 months	Older than 12 months	Total	Less than 3 months	3 to 6 months	6 to 12 months	Older than 12 months	Total
Miscellaneous receivables	30,401,797	8,680,595	11,580,749	-	50,663,141	31,558,909	6,302,612	938,252	-	38,799,773
Total	30,401,797	8,680,595	11,580,749	-	50,663,141	31,558,909	6,302,612	938,252	-	38,799,773

c) The movement of Provision for impairment, which includes “Current trade and other accounts receivable” and “Non-current trade and other accounts receivable” found in Note 12, is detailed as follows:

Movements	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Beginning balance	192,239,498	218,699,345
Increases	41,619,789	48,980,803
Eliminations/ Additions	(39,020,801)	(75,440,650)
Movements, subtotal	2,598,988	(26,459,847)
Ending balance	194,838,486	192,239,498

8. Current trade and other accounts receivable, continued

- d) Provision for impairment movements according to the composition of the portfolio as of September 30, 2022 and December 31, 2021 are detailed as follows:

Provisions and write-offs	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Provision for non renegotiated portfolio	41,585,382	49,809,686
Provision for renegotiated portfolio	34,408	(828,883)
Write-offs for the period	(39,020,802)	(75,440,650)
Total	2,598,988	(26,459,847)

- e) As of September 30, 2022 and December 31, 2021 the portfolio of returned documents and those in judicial collection is detailed as follows:

Portfolio of returned documents and judicial collection as of 09.30.2022	Returned notes receivable portfolio w/o guarantee	Returned notes receivable, portfolio w/guarantee	Notes receivable in judicial collection, portfolio w/o guarantee	Notes receivable in judicial collection, portfolio w/guarantee
Number of customers in portfolio of returned documents or those in judicial collection	169	-	-	-
Portfolio of returned documents or those in judicial collection (ThCh\$)	5,995,463	-	-	-

Portfolio of returned documents and judicial collection as of 12.31.2021	Returned notes receivable portfolio w/o guarantee	Returned notes receivable, portfolio w/guarantee	Notes receivable in judicial collection, portfolio w/o guarantee	Notes receivable in judicial collection, portfolio w/guarantee
Number of customers in portfolio of returned documents or those in judicial collection	178	-	-	-
Portfolio of returned documents or those in judicial collection (ThCh\$)	5,859,743	-	-	-

Notes to the interim consolidated financial statements, continued

As of September 30, 2022 (not audited) and December 31, 2021



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of September 30, 2022 is detailed as follows:

Stratification of portfolio by segment As of September 30, 2022	Up to date ThCh\$	From 1 to 30 days ThCh\$	From 31 to 60 days ThCh\$	From 61 to 90 day ThCh\$	From 91 to 120 days ThCh\$	From 121 to 150 days ThCh\$	From 151 to 180 days ThCh\$	From 181 to 210 days ThCh\$	From 211 to 250 days ThCh\$	More than 250 days ThCh\$	Total portfolio w/o guarantee ThCh\$
Fixed Telecommunications											
Number of clients w/o renegotiation (1)	526,932	214,192	71,994	59,107	51,822	48,183	45,835	40,738	35,256	3,080,404	4,174,463
Net portfolio w/o renegotiation	43,155,627	1,416,010	1,966,904	927,459	691,988	500,839	109,965	300,166	191,854	2,541,603	51,802,415
Debt	43,747,458	2,108,341	2,909,780	1,665,563	1,699,313	1,667,675	916,865	1,221,045	1,179,552	86,146,342	143,261,934
Accrual	(591,831)	(692,331)	(942,876)	(738,104)	(1,007,325)	(1,166,836)	(806,900)	(920,879)	(987,698)	(83,604,739)	(91,459,519)
Number of clients w/renegotiation	-	218	57	50	60	18	45	48	42	90,307	90,845
Net renegotiated portfolio	-	2,457	249	105	81	-	-	-	-	6,994	9,886
Debt	-	2,867	665	493	658	165	321	489	376	831,004	837,038
Accrual	-	(410)	(416)	(388)	(577)	(165)	(321)	(489)	(376)	(824,010)	(827,152)
Total number of clients	526,932	214,410	72,051	59,157	51,882	48,201	45,880	40,786	35,298	3,170,711	4,265,308
Total Fixed Telephone Portfolio	43,155,627	1,418,467	1,967,153	927,564	692,069	500,839	109,965	300,166	191,854	2,548,597	51,812,301
Debt	43,747,458	2,111,208	2,910,445	1,666,056	1,699,971	1,667,840	917,186	1,221,534	1,179,928	86,977,346	144,098,972
Accrual	(591,831)	(692,741)	(943,292)	(738,492)	(1,007,902)	(1,167,001)	(807,221)	(921,368)	(988,074)	(84,428,749)	(92,286,671)
Corporate Communication and Data											
Number of clients w/o renegotiation (1)	3,013	51	1,288	991	809	634	562	553	663	4,540	13,104
Net portfolio w/o renegotiation	54,260,768	4,969,320	594,521	2,200,384	1,543,100	885,031	675,922	550,210	533,163	2,781,917	68,994,336
Debt	54,667,017	5,400,793	692,410	2,632,616	1,855,362	1,293,016	1,048,638	954,189	996,734	16,023,092	85,563,867
Accrual	(406,249)	(431,473)	(97,889)	(432,232)	(312,262)	(407,985)	(372,716)	(403,979)	(463,571)	(13,241,175)	(16,569,531)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	3,013	51	1,288	991	809	634	562	553	663	4,540	13,104
Total Corporate Communication and Data Portfolio	54,260,768	4,969,320	594,521	2,200,384	1,543,100	885,031	675,922	550,210	533,163	2,781,917	68,994,336
Debt	54,667,017	5,400,793	692,410	2,632,616	1,855,362	1,293,016	1,048,638	954,189	996,734	16,023,092	85,563,867
Accrual	(406,249)	(431,473)	(97,889)	(432,232)	(312,262)	(407,985)	(372,716)	(403,979)	(463,571)	(13,241,175)	(16,569,531)
Television											
Number of clients w/o renegotiation (1)	255,900	98,008	27,197	23,749	21,112	19,698	18,532	16,678	14,933	232,133	727,940
Net portfolio w/o renegotiation	23,765,856	1,391,596	185,658	63,797	41,206	8,810	7,434	5,287	3,901	259,448	25,732,993
Debt	24,341,071	1,621,241	501,967	263,717	357,076	418,632	197,444	281,795	327,006	5,426,760	33,736,709
Accrual	(575,215)	(229,645)	(316,309)	(199,920)	(315,870)	(409,822)	(190,010)	(276,508)	(323,105)	(5,167,312)	(8,003,716)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	255,900	98,008	27,197	23,749	21,112	19,698	18,532	16,678	14,933	232,133	727,940
Total Television Portfolio	23,765,856	1,391,596	185,658	63,797	41,206	8,810	7,434	5,287	3,901	259,448	25,732,993
Debt	24,341,071	1,621,241	501,967	263,717	357,076	418,632	197,444	281,795	327,006	5,426,760	33,736,709
Accrual	(575,215)	(229,645)	(316,309)	(199,920)	(315,870)	(409,822)	(190,010)	(276,508)	(323,105)	(5,167,312)	(8,003,716)

(1) The information mentioned in this line represents the number of current customers and to those that have been commercially eliminated and which are still in collections management.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of September 30, 2022 is detailed as follows, continued

Stratification of portfolio by segment As of September 30, 2022	Up to date ThCh\$	From 1 to 30 days ThCh\$	From 31 to 60 days ThCh\$	From 61 to 90 day ThCh\$	From 91 to 120 days ThCh\$	From 121 to 150 days ThCh\$	From 151 to 180 days ThCh\$	From 181 to 210 days ThCh\$	From 211 to 250 days ThCh\$	More than 250 days ThCh\$	Total portfolio w/o guarantee ThCh\$
Mobile Business											
Number of clients w/o renegotiation (1)	1,015,225	271,732	50,779	50,280	64,872	45,265	62,546	54,700	37,083	1,749,609	3,402,091
Net portfolio w/o renegotiation	168,043,183	12,709,135	2,115,252	1,858,950	2,223,445	1,297,249	695,525	277,108	325,372	3,803,726	193,348,945
Debt	183,006,760	14,796,777	4,523,333	4,162,318	5,404,951	4,062,174	3,412,728	3,098,636	3,192,944	39,858,937	265,519,558
Accrual	(14,963,577)	(2,087,642)	(2,408,081)	(2,303,368)	(3,181,506)	(2,764,925)	(2,717,203)	(2,821,528)	(2,867,572)	(36,055,211)	(72,170,613)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	10,556	10,556
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	767,733	767,733
Accrual	-	-	-	-	-	-	-	-	-	(767,733)	(767,733)
Total number of clients	1,015,225	271,732	50,779	50,280	64,872	45,265	62,546	54,700	37,083	1,760,165	3,412,647
Total Other Portfolio	168,043,183	12,709,135	2,115,252	1,858,950	2,223,445	1,297,249	695,525	277,108	325,372	3,803,726	193,348,945
Debt	183,006,760	14,796,777	4,523,333	4,162,318	5,404,951	4,062,174	3,412,728	3,098,636	3,192,944	40,626,670	266,287,291
Accrual	(14,963,577)	(2,087,642)	(2,408,081)	(2,303,368)	(3,181,506)	(2,764,925)	(2,717,203)	(2,821,528)	(2,867,572)	(36,822,944)	(72,938,346)
Contractual Asset and Others											
Number of clients w/o renegotiation (1)	-	-	-	-	-	-	-	-	-	-	-
Net portfolio w/o renegotiation	28,017,116	-	-	-	-	-	-	-	-	-	28,017,116
Debt	28,247,840	-	-	-	-	-	-	-	-	-	28,247,840
Accrual	(230,724)	-	-	-	-	-	-	-	-	-	(230,724)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	-	-	-	-	-	-	-	-	-	-	-
Total Other Portfolio	28,017,116	-	-	-	-	-	-	-	-	-	28,017,116
Debt	28,247,840	-	-	-	-	-	-	-	-	-	28,247,840
Accrual	(230,724)	-	-	-	-	-	-	-	-	-	(230,724)
Consolidated Portfolio											
Number of clients w/o renegotiation (1)	1,801,070	583,983	151,258	134,127	138,615	113,780	127,475	112,669	87,935	5,066,686	8,317,598
Net portfolio w/o renegotiation	317,242,550	20,486,061	4,862,335	5,050,590	4,499,739	2,691,929	1,488,846	1,132,771	1,054,290	9,386,694	367,895,805
Debt	334,010,146	23,927,152	8,627,490	8,724,214	9,316,702	7,441,497	5,575,675	5,555,665	5,696,236	147,455,131	556,329,908
Accrual	(16,767,596)	(3,441,091)	(3,765,155)	(3,673,624)	(4,816,963)	(4,749,568)	(4,086,829)	(4,422,894)	(4,641,946)	(138,068,437)	(188,434,103)
Number of clients w/renegotiation	-	218	57	50	60	18	45	48	42	100,863	101,401
Net renegotiated portfolio	-	2,457	249	105	81	-	-	-	-	6,994	9,886
Debt	-	2,867	665	493	658	165	321	489	376	1,598,737	1,604,771
Accrual	-	(410)	(416)	(388)	(577)	(165)	(321)	(489)	(376)	(1,591,743)	(1,594,885)
Total number of clients	1,801,070	584,201	151,315	134,177	138,675	113,798	127,520	112,717	87,977	5,167,549	8,418,999
Total Consolidated Portfolio	317,242,550	20,488,518	4,862,584	5,050,695	4,499,820	2,691,929	1,488,846	1,132,771	1,054,290	9,393,688	367,905,691
Debt	334,010,146	23,930,019	8,628,155	8,724,707	9,317,360	7,441,662	5,575,996	5,556,154	5,696,612	149,053,868	557,934,679
Accrual	(16,767,596)	(3,441,501)	(3,765,571)	(3,674,012)	(4,817,540)	(4,749,733)	(4,087,150)	(4,423,383)	(4,642,322)	(139,660,180)	(190,028,988)

(1) The information mentioned in this line represents the number of current customers and to those that have been commercially eliminated and which are still in collections management.

Notes to the interim consolidated financial statements, continued

As of September 30, 2022 (not audited) and December 31, 2021



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of December 31, 2021 is as follows, continued

Stratification of portfolio by segment As of December 31, 2021	Up to date ThCh\$	From 1 to 30 days ThCh\$	From 31 to 60 days ThCh\$	From 61 to 90 day ThCh\$	From 91 to 120 days ThCh\$	From 121 to 150 days ThCh\$	From 151 to 180 days ThCh\$	From 181 to 210 days ThCh\$	From 211 to 250 days ThCh\$	More than 250 days ThCh\$	Total portfolio w/o guarantee ThCh\$
Fixed Telecommunications											
Number of clients w/o renegotiation (1)	566,181	222,670	50,065	41,874	37,858	32,489	32,557	31,524	32,001	3,014,076	4,061,295
Net portfolio w/o renegotiation	28,513,159	4,864,055	111,568	137,399	392,931	189,701	31,366	-	-	-	34,240,179
Debt	30,217,035	7,159,333	1,406,989	3,112,776	2,282,735	1,954,680	1,421,302	1,522,674	2,137,207	73,713,858	124,928,589
Accrual	(1,703,876)	(2,295,278)	(1,295,421)	(2,975,377)	(1,889,804)	(1,764,979)	(1,389,936)	(1,522,674)	(2,137,207)	(73,713,858)	(90,688,410)
Number of clients w/renegotiation	215	618	318	210	96	53	44	36	25	90,581	92,196
Net renegotiated portfolio	38	34	-	-	-	-	-	-	-	-	72
Debt	2,901	9,053	6,060	4,034	1,935	1,048	676	705	360	832,702	859,474
Accrual	(2,863)	(9,019)	(6,060)	(4,034)	(1,935)	(1,048)	(676)	(705)	(360)	(832,702)	(859,402)
Total number of clients	566,396	223,288	50,383	42,084	37,954	32,542	32,601	31,560	32,026	3,104,657	4,153,491
Total Fixed Telephone Portfolio	28,513,197	4,864,089	111,568	137,399	392,931	189,701	31,366	-	-	-	34,240,251
Debt	30,219,936	7,168,386	1,413,049	3,116,810	2,284,670	1,955,728	1,421,978	1,523,379	2,137,567	74,546,560	125,788,063
	(1,706,739)	(2,304,297)	(1,301,481)	(2,979,411)	(1,891,739)	(1,766,027)	(1,390,612)	(1,523,379)	(2,137,567)	(74,546,560)	(91,547,812)
Accrual											
Corporate Communication and Data											
Number of clients w/o renegotiation (1)	2,489	1,357	28	736	589	560	483	456	517	4,884	12,099
Net portfolio w/o renegotiation	58,221,175	6,956,660	280,847	1,879,818	1,018,709	623,131	456,956	333,249	271,927	333,076	70,375,548
Debt	58,714,070	7,596,264	327,175	2,387,979	1,446,208	1,002,140	848,413	757,212	703,562	11,100,797	84,883,820
Accrual	(492,895)	(639,604)	(46,328)	(508,161)	(427,499)	(379,009)	(391,457)	(423,963)	(431,635)	(10,767,721)	(14,508,272)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	2,489	1,357	28	736	589	560	483	456	517	4,884	12,099
Total Corporate Communication and Data Portfolio	58,221,175	6,956,660	280,847	1,879,818	1,018,709	623,131	456,956	333,249	271,927	333,076	70,375,548
Debt	58,714,070	7,596,264	327,175	2,387,979	1,446,208	1,002,140	848,413	757,212	703,562	11,100,797	84,883,820
Accrual	(492,895)	(639,604)	(46,328)	(508,161)	(427,499)	(379,009)	(391,457)	(423,963)	(431,635)	(10,767,721)	(14,508,272)
Television											
Number of clients w/o renegotiation (1)	262,889	93,378	16,785	13,982	12,336	10,746	10,241	9,187	10,550	197,271	637,365
Net portfolio w/o renegotiation	16,904,857	425,953	55,313	12,206	4,466	2,165	1,722	-	-	-	17,406,682
Debt	16,915,029	514,488	327,396	152,316	237,091	217,006	112,204	181,959	200,309	5,432,878	24,290,676
Accrual	(10,172)	(88,535)	(272,083)	(140,110)	(232,625)	(214,841)	(110,482)	(181,959)	(200,309)	(5,432,878)	(6,883,994)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	262,889	93,378	16,785	13,982	12,336	10,746	10,241	9,187	10,550	197,271	637,365
Total Television Portfolio	16,904,857	425,953	55,313	12,206	4,466	2,165	1,722	-	-	-	17,406,682
Debt	16,915,029	514,488	327,396	152,316	237,091	217,006	112,204	181,959	200,309	5,432,878	24,290,676
Accrual	(10,172)	(88,535)	(272,083)	(140,110)	(232,625)	(214,841)	(110,482)	(181,959)	(200,309)	(5,432,878)	(6,883,994)

(1) The information mentioned in this line represents the number of current customers and to those that have been commercially eliminated and which are still in collections management.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of December 31, 2021 is as follows, continued

Stratification of portfolio by segment As of December 31, 2021	Up to date ThCh\$	From 1 to 30 days ThCh\$	From 31 to 60 days ThCh\$	From 61 to 90 day ThCh\$	From 91 to 120 days ThCh\$	From 121 to 150 days ThCh\$	From 151 to 180 days ThCh\$	From 181 to 210 days ThCh\$	From 211 to 250 days ThCh\$	More than 250 days ThCh\$	Total portfolio w/o guarantee ThCh\$
Mobile Business											
Number of clients w/o renegotiation (1)	903,949	314,104	50,036	45,684	32,963	38,696	36,027	33,195	36,848	1,637,490	3,128,992
Net portfolio w/o renegotiation	69,463,620	13,309,597	1,434,980	2,090,479	1,938,797	835,023	807,645	-	-	-	89,880,141
Debt	69,798,876	15,419,354	4,058,908	4,776,432	5,265,785	3,806,756	3,611,843	2,336,259	2,680,155	54,516,632	166,271,000
Accrual	(335,256)	(2,109,757)	(2,623,928)	(2,685,953)	(3,326,988)	(2,971,733)	(2,804,198)	(2,336,259)	(2,680,155)	(54,516,632)	(76,390,859)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	8,764	8,764
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	9	701,066	701,075
Accrual	-	-	-	-	-	-	-	-	(9)	(701,066)	(701,075)
Total number of clients	903,949	314,104	50,036	45,684	32,963	38,696	36,027	33,195	36,848	1,646,254	3,137,756
Total Other Portfolio	69,463,620	13,309,597	1,434,980	2,090,479	1,938,797	835,023	807,645	-	-	-	89,880,141
Debt	69,798,876	15,419,354	4,058,908	4,776,432	5,265,785	3,806,756	3,611,843	2,336,259	2,680,164	55,217,698	166,972,075
Accrual	(335,256)	(2,109,757)	(2,623,928)	(2,685,953)	(3,326,988)	(2,971,733)	(2,804,198)	(2,336,259)	(2,680,164)	(55,217,698)	(77,091,934)
Contractual Asset and Others											
Number of clients w/o renegotiation (1)	-	-	-	-	-	-	-	-	-	-	-
Net portfolio w/o renegotiation	31,832,658	-	-	-	-	-	-	-	-	-	31,832,658
Debt	32,105,102	-	-	-	-	-	-	-	-	-	32,105,102
Accrual	(272,444)	-	-	-	-	-	-	-	-	-	(272,444)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	-	-	-	-	-	-	-	-	-	-	-
Total Other Portfolio	31,832,658	-	-	-	-	-	-	-	-	-	31,832,658
Debt	32,105,102	-	-	-	-	-	-	-	-	-	32,105,102
Accrual	(272,444)	-	-	-	-	-	-	-	-	-	(272,444)
Consolidated Portfolio											
Number of clients w/o renegotiation (1)	1,735,508	631,509	116,914	102,276	83,746	82,491	79,308	74,362	79,916	4,853,721	7,839,751
Net portfolio w/o renegotiation	204,935,469	25,556,265	1,882,708	4,119,902	3,354,903	1,650,020	1,297,689	333,249	271,927	333,076	243,735,208
Debt	207,750,112	30,689,439	6,120,468	10,429,503	9,231,819	6,980,582	5,993,762	4,798,104	5,721,233	144,764,165	432,479,187
Accrual	(2,814,643)	(5,133,174)	(4,237,760)	(6,309,601)	(5,876,916)	(5,330,562)	(4,696,073)	(4,464,855)	(5,449,306)	(144,431,089)	(188,743,979)
Number of clients w/renegotiation	215	618	318	210	96	53	44	36	25	99,345	100,960
Net renegotiated portfolio	38	34	-	-	-	-	-	-	-	-	72
Debt	2,901	9,053	6,060	4,034	1,935	1,048	676	705	369	1,533,768	1,560,549
Accrual	(2,863)	(9,019)	(6,060)	(4,034)	(1,935)	(1,048)	(676)	(705)	(369)	(1,533,768)	(1,560,477)
Total number of clients	1,735,723	632,127	117,232	102,486	83,842	82,544	79,352	74,398	79,941	4,953,066	7,940,711
Total Consolidated Portfolio	204,935,507	25,556,299	1,882,708	4,119,902	3,354,903	1,650,020	1,297,689	333,249	271,927	333,076	243,735,280
Debt	207,753,013	30,698,492	6,126,528	10,433,537	9,233,754	6,981,630	5,994,438	4,798,809	5,721,602	146,297,933	434,039,736
Accrual	(2,817,506)	(5,142,193)	(4,243,820)	(6,313,635)	(5,878,851)	(5,331,610)	(4,696,749)	(4,465,560)	(5,449,675)	(145,964,857)	(190,304,456)

(1) The information mentioned in this line represents the number of current customers and those that have been commercially removed and are still in collection management.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



9. Receivables from and payable to related companies

a) Currents receivables from related companies:

Company	Taxpayer No.	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	09.30.2022 ThCh\$	12.31.2021 ThCh\$
InfraCo SpA	77,122,635-3	Chile	Common end controller	Total	CLP		24,662,224	27,231,071
				Deployment services	CLP	60 days	15,876,411	20,489,250
				Wholesale and other services	CLP	60 days	7,879,747	5,835,755
				Other credits.	CLP	60 days	906,066	906,066
Telefónica Cybersecurity & Cloud Tech Chile SpA	77,145,256-6	Chile	Common end controller	Serv. Provided	CLP	60 days	3,265,228	2,585,644
Telefónica Hispanoamérica	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	3,316,714	-
Telefónica de Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	90 days	2,289,356	261,429
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Serv. Provided	CLP	60 days	1,734,883	122,347
Telxius Cable Chile	96,910,730-9	Chile	Common end controller	Serv. Provided	CLP	60 days	1,582,341	5,244,859
Telefónica Global Solutions	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,427,042	578,297
Telefónica Global Solutions Chile, S.p.A.	76,540,944-6	Chile	Common end controller	Serv. Provided	CLP	60 days	946,409	1,213,370
Telefónica Brasil	Foreign	Brazil	Common end controller	Serv. Provided	USD	90 days	659,696	343,192
Otecel S.A.	Foreign	Ecuador	Common end controller	Serv. Provided	USD	60 days	647,446	-
Pegaso PCS, S.A. de C.V.	Foreign	México	Common end controller	Serv. Provided	USD	90 days	390,819	9,042
Telefónica S.A.	Foreign	Spain	End controller	Serv. Provided	EUR	90 days	280,613	419,233
Telefónica Digital España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	238,000	199,634
Telefónica Global Technology S.A.U.	Foreign	Spain	Common end controller	Serv. Provided	CLP	90 days	228,874	-
Telefónica Venezolana C.A.	Foreign	Venezuela	Common end controller	Serv. Provided	USD	90 days	221,006	52,298
Telefónica Móviles Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	90 days	163,285	212,558
Telefónica Móviles España	Foreign	Spain	Common end controller	Serv. Provided	EUR	90 days	104,588	65,806
Telefónica Ingeniería de Seguridad S.A.	59,083,900-0	Chile	Common end controller	Serv. Provided	CLP	60 days	81,393	74,807
Colombia Telecomunicaciones S.A.E.S.P	Foreign	Colombia	Common end controller	Serv. Provided	USD	60 days	44,117	46,526
Telefonica lot & Big Data Tech	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	39,000	-
Terra Networks Brasil	Foreign	Brazil	Common end controller	Serv. Provided	USD	90 days	5,145	5,148
Terra Networks Chile S.A.	96,834,230-4	Chile	Common end controller	Serv. Provided	CLP	60 days	4,103	34,327
Wayra Chile Tecnología e Innovación Ltda.	96,672,150-2	Chile	Common end controller	Serv. Provided	CLP	60 days	-	31,642
Telefónica Móviles del Uruguay	Foreign	Uruguay	Common end controller	Serv. Provided	USD	90 days	-	17,754
Inversiones Telefónica Internacional Holding SpA	77,363,730-K	Chile	Common end controller	Serv. Provided	CLP	60 days	-	5,262
Telefónica Móviles El Salvador	Foreign	El Salvador	Common end controller	Serv. Provided	USD	90 days	-	413
Total							42,332,282	38,754,659

There are no allowances for doubtful accounts or guarantees related to amounts included in outstanding balances.
For amounts in excess of 5% of their total heading, the origin of the service rendered is specified.

9. Receivables from and payable to related companies, continued

a) Non-current receivables from related companies

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	09.30.2022 ThCh\$	12.31.2021 ThCh\$
HoldCo Infraco SpA (1)	77,374,961-2	Chile	Associate	Sale of Fiber Optic business.	CLP	-	93,430,028	83,260,671
Total							93,430,028	83,260,671

(1) Corresponds to the subordinated debt generated by the sale of 40% of the optic fiber business. Includes accrued interest and adjustments in the amount of ThCh6,457,104 and ThCh\$4,397,607 as of September 30, 2022 and December 31, 2021, respectively (See Note 19 b(ii)).

c) Current payables to related companies:

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	09.30.2022 ThCh\$	12.31.2021 ThCh\$
InfraCo SpA (1)	77,122,635-3	Chile	Common end controller	Serv. Provided	CLP	60 days	33,422,061	27,063,783
Telefónica Cybersecurity & Cloud Tech Chile SpA (1)	77,145,256-6	Chile	Common end controller	Serv. Provided	CLP	60 days	14,218,988	18,770,492
Telefónica Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	60 days	11,331,260	10,809,568
Telefónica S.A.	Foreign	Spain	End Controller	Subtotal		60 days	7,461,119	11,952,652
				Brand Fee	EUR	60 days	7,448,619	11,493,901
				Other	EUR	60 days	12,500	458,751
Telxius Cable Chile	96,910,730-9	Chile	Common end controller	Subtotal		60 days	5,898,586	3,764,212
				Ip voice traffic	CLP	60 days	4,382,102	2,023,354
				Data and links	CLP	60 days	1,492,599	1,651,518
				Mandate	CLP	60 days	23,885	89,340
Telefónica Digital España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	5,523,662	5,855,486
Telefónica Global Solutions Chile, S.p.A.	76,540,944-6	Chile	Common end controller	Serv. Provided	CLP	60 days	5,157,323	2,704,861
Telefónica Hispanoamérica, S.L (antes LACH)	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	4,441,019	2,937,250
Telefónica Global Solutions	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	3,599,833	3,005,502
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Serv. Provided	CLP	60 days	2,200,576	615,056
Telefónica Compras Electrónicas	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,270,384	1,332,800
Telefónica IoT & Big Data Tech	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,059,872	849,680
Telefónica del Perú S.A.	Foreign	Perú	Common end controller	Serv. Provided	USD	60 days	718,673	268,083
Telefónica Móviles Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	60 days	653,164	-
Telefónica Global Technology S.A.U.	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	447,868	387,436
Telefónica Ingeniería de Seguridad	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	438,559	704,424

Notes to the interim consolidated financial statements, continued

As of September 30, 2022 (not audited) and December 31, 2021



9. Receivables from and payable to related companies, continued

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Telefónica Cybersecurity & Cloud Tech España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	394,327	346,876
Telefónica Global Roaming GmbH	Foreign	Germany	Common end controller	Serv. Provided	EUR	60 days	230,769	343,540
Terra México	Foreign	México	Common end controller	Serv. Provided	USD	60 days	189,898	124,099
Telefónica Móviles España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	183,147	59,928
Colombia Telecomunicaciones	Foreign	Colombia	Common end controller	Serv. Provided	USD	60 days	177,705	54,431
Telefónica Brasil	Foreign	Brazil	Common end controller	Serv. Provided	USD	60 days	301,079	-
Media Networks Perú	Foreign	Perú	Common end controller	Satellite Space	USD	60 days	129,952	250,687
Telefónica O2 Germany GmbH & Co Ohg	Foreign	Germany	Common end controller	Serv. Provided	EUR	60 days	126,170	101,013
Telefonica Venezolana C.A.	Foreign	Venezuela	Common end controller	Serv. Provided	USD	60 days	119,543	69,168
Telefónica Servicios Audiovisuales	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	113,603	50,032
Pegaso PCS, S.A.	Foreign	México	Common end controller	Serv. Provided	USD	60 days	110,691	-
Otecel S.A.	Foreign	Ecuador	Common end controller	Serv. Provided	USD	60 days	30,535	10,335
Telefónica Móviles del Uruguay S.A.	Foreign	Uruguay	Common end controller	Serv. Provided	USD	60 days	23,184	46,904
Telefónica Global Technology Chile	Foreign	Chile	Common end controller	Computer services	CLP	60 days	16,103	16,105
Telefónica Learning Services	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	-	22,378
Inversiones Telefónica Internacional Holding SpA	Foreign	Chile	Common end controller	Interim dividends	CLP	60 days	-	97,791,799
Total							99,989,653	190,308,580

There are no guarantees related to amounts included in outstanding balances.

For amounts in excess of 5% of their total heading, the origin of the service rendered is specified.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



9. Receivables from and payable to related companies, continued

d) Non-current payables to related companies:

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Telefónica S.A.	Foreign	Spain	End controller	HR obligation	CLP	799,567	1,529,371
Total						799,567	1,529,371

e) The most significant transactions and their effects on Results:

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	ThCh\$	09.30.2022 Effect on income (charge)/credit	ThCh\$	09.30.2021 Effect on income (charge)/credit
InfraCo SpA	77,122,635-3	Chile	Associate	Deployment service	CLP	60,215,373	60,215,373	22,786,001	22,786,001
				Sale of business O.F.	CLP	-	-	358,254,175	358,254,175
				Optic Fiber Connectivity.	CLP	80,573,489	(80,573,489)	21,598,159	(21,598,159)
HoldCo InfraCo SpA	77,374,961-2	Chile	Associate	interest and adjustments subordinated debt	CLP	8,958,932	8,958,932	1,516,764	1,516,764
				Telefónica Hispanoamérica	Foreign	Spain	Common end controller	Services provided	EUR
Telxius Cable Chile S.A.	96,910,730-9	Chile	Common end controller	Management Fee	EUR	4,337,415	(4,337,415)	1,942,760	(1,942,760)
				Access to International Internet – IP Traffic	CLP	1,886,875	1,886,875	-	-
Telefónica Argentina S.A.	Foreign	Argentina	Common end controller	Costs	CLP	10,333,403	(10,333,403)	11,580,147	(11,580,147)
				Services provided	USD	2,625,615	2,625,615	-	-
Telefónica Perú S.A.	Foreign	Perú	Common end controller	Costs	USD	4,143,444	(4,143,444)	4,111,989	(4,111,989)
				Services provided	USD	2,007,997	2,007,997	-	-
Telefónica Global Solutions Chile, SpA.	76,540,944-6	Chile	Common end controller	Access and interconnection services	CLP	1,270,800	1,270,800	1,690,400	1,690,400
				Access and interconnection charges	CLP	5,418,472	(5,418,472)	4,039,772	(4,039,772)
Telefónica Global Solutions	Foreign	Spain	Common end controller	Access and interconnection services	EUR	1,223,383	1,223,383	1,888,064	1,888,064
				Costs	EUR	3,167,044	(3,167,044)	2,668,469	(2,668,469)
Telefónica S.A.	Foreign	Spain	End controller	Brand Fee	EUR	21,146,279	(21,146,279)	23,464,486	(23,464,486)
				Other	EUR	762,520	(762,520)	-	-
Telefónica Móviles Argentina	Foreign	Argentina	Common end controller	Costs	USD	1,152,894	(1,152,894)	-	-
Telefónica Ingeniería de Seguridad S.A.	59,083,900-0	Chile	Common end controller	Costs	CLP	1,340,174	(1,340,174)	4,119,072	(4,119,072)
Telefónica Compras Electrónica S.L.	Foreign	Spain	Common end controller	Costs	EUR	1,675,190	(1,675,190)	2,206,066	(2,206,066)
Telefonica lot & Big Data Tech	Foreign ra	Spain	Common end controller	Costs	EUR	2,061,963	(2,061,963)	2,290,245	(2,290,245)
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Sale IOT Big Data	CLP	3,085,999	(3,085,999)	3,986,763	3,986,763
				Costs	CLP	-	-	1,202,968	(1,202,968)
Telefónica Global Technology S.A.U	Foreign	Spain	Common end controller	Costs	EUR	3,383,980	(3,383,980)	5,039,855	(5,039,855)
Telefónica Digital España	Foreign	Spain	Common end controller	Costs	EUR	8,722,054	(8,722,054)	9,224,513	(9,224,513)
Telefónica Cybersecurity & Cloud Tech Chile SpA	77,145,256-6	Chile	Common end controller	Costs	CLP	18,609,324	(18,609,324)	31,679,007	(31,679,007)
Media Network Perú S.A.C.	Foreign	Perú	Common end controller	Media rental	USD	-	-	2,206,173	(2,206,173)

(1) Fiber optic deployment operations began as of July 1, 2021

As of September 30, 2022, only transactions between related parties in excess of ThCh\$1,000,000 are disclosed.

9. Receivables from and payable to related companies, continued

d) The most significant transactions and their effects on results, continued

Title XVI of the Corporations Law, and other relevant regulations, requires that a publicly traded corporation's transactions with related companies are carried out under terms similar to those commonly prevailing in the market. As of September 30, 2022 and December 31, 2021, the Company has no significant transactions with related parties other than those already reported in these financial statements.

There have been charges and credits to current accounts in the receivables of companies due to billing for sale of materials, equipment and services. The conditions of the Mercantile Current Account and Mandate are currents, accruing interest at a variable interest rate that adjusts to market conditions.

Sales and service rendering expire in the short-term (less than one year) and the expiry conditions for each case vary by virtue of the transaction that generates them.

e) Remuneration and benefits received by the Company's key employees:

The Company is managed by a Board of Directors composed of 3 members and its key employees are 74 and 65 for September 30, 2022 and 2021, respectively.

Concepts	07.01.2022 al	09.30.2022	07.01.2021 al	09.30.2021
	09.30.2022		09.30.2021	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Salaries	2,576,805	10,490,396	2,194,141	9,618,355
Post employment benefits	641,320	1,072,340	441,866	1,043,932
Total	3,218,125	11,562,736	2,636,007	10,662,287

10. Inventory

a) The detail of inventory is as follows:

Concepts	09.30.2022			12.31.2021		
	Gross value ThCh\$	Allowance for obsolescence ThCh\$	Net value	Gross value ThCh\$	Allowance for obsolescence ThCh\$	Net value ThCh\$
Mobile equipment (1)	59,477,064	(700,085)	58,776,979	35,085,700	(241,310)	34,844,390
Optic fiber (2)	37,211,652	(27,449)	37,184,203	29,407,601	(66,073)	29,341,528
Modems and Router (3)	13,169,920	(628,950)	12,540,970	22,423,379	(905,886)	21,517,493
Basic telephony, public telephony and switchboard ("centralitas")	6,170,869	(75,177)	6,095,692	5,318,687	(181,151)	5,137,536
IP Solutions Projects	-	-	-	4,374,333	-	4,374,333
Decoders and TV equipment	8,450,719	(527,501)	7,923,218	2,723,062	(230,628)	2,492,434
Mobile accessory	4,695,291	(171,861)	4,523,430	2,181,339	(81,712)	2,099,627
Other	2,867,430	(23,853)	2,843,577	110,296	(20,147)	90,149
Total	132,042,945	(2,154,876)	129,888,069	101,624,397	(1,726,907)	99,897,490

- (1) The increase contains handsets distributed in the following manner (gross): Apple ThCh\$21,634,995, Samsung ThCh\$14,269,048, Xiaomi ThCh\$7,940,221, Motorola ThCh\$5,436,527, Vivo ThCh\$1,753,958, TCL ThCh\$1,126,543, Huawei ThCh\$873,005, Nokia ThCh\$682,071, Oppo ThCh\$503,586, and other brands in the amount of ThCh\$438,709, in addition to mobile routers and MIFI in the amount of Ch\$4,818,402.
- (2) Includes materials associated to IP solutions projects, external plant developments and network deployment.
- (3) Includes equipment for technology and implementation of IP television.

As of September 30, 2022 and December 31, 2021 there have been no inventory write-offs, there is no inventory in guarantee.

b) The movement of inventory is as follows:

Movements	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Beginning balance	99,897,490	67,436,585
Purchases	340,533,247	455,503,245
Sales	(310,114,699)	(431,909,186)
Allowance for obsolescence	(427,969)	270,255
Transfer (1)	-	8,596,591
Movement, subtotal	29,990,579	32,460,905
Ending balance	129,888,069	99,897,490

- (1) Corresponds to transfers between property, plant and equipment and inventory. As of December 31, 2012 transfer to property, plant and equipment in the amount of ThCh\$8,596,591 (see Note 15c) of materials destined for investment which were transferred due to the sale of the optic fiber network, composed of optic fiber cables in the amount of thCh\$3,719,112, optic terminal boxes in the amount of ThCh2,864,863, steel cable, crossheads, service mast heads and others in the amount of ThCh\$2,012,616.

11. Income Taxes

a) Income Taxes:

As of September 30, 2022, the parent company, Telefónica Móviles Chile S.A. and subsidiaries Telefónica Servicios Corporativos Ltda. and Telefónica Empresas, are in a tax loss situation, therefore they have not established a first category income tax provision. Subsidiary Telefónica Chile S.A. has established an income tax provision since it has a taxable income base of ThCh\$11,511,878.

The first category tax losses as of September 30, 2022 and 2021 are detailed as follows:

- Telefónica Móviles Chile S.A. in the amount of ThCh\$83,602,911 as of September 30, 2022.
- Telefónica Empresas Chile S.A. in the amount of ThCh\$96,502,192 and ThCh\$64,062,112 as of September 30, 2022 and 2021., respectively.
- Telefónica Servicios Corporativos Ltda. in the amount of ThCh\$9,700,013 and ThCh\$2,291,196 as of September 30, 2022 and 2021, respectively.

Regarding the current tax results of the Parent company and its subsidiaries, it should be noted that, in the normal development of their operations, they are subject to regulation and supervision by the Internal Revenue Service, as a result of which differences may arise in the application of criteria for determining taxes.



11. Income Taxes, continued

a) Income Taxes, continued

As of September 30, 2022, corporate income is detailed as follows:

Subsidiaries	Accumulated credit balances (SAC)									
	Control	Income subject to Global Complementary or Additional Tax (RAI)	Difference between Accelerated Devaluation And normal (DDAN)	Exempt income (REX) Non-taxable income	Accumulated as of 01.01.2017		Current loan rate (factor of 27%)		Accumulated up to 12.31.2016 Effective rate 22,77% Entitled to return	Total Balance of Taxable Net Income (STUT)
					Subject to restitution entitled to return	No Subject to restitution entitled to return	Total available credit against final taxes (art 41 A & 41 C of ITL)			
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Telefónica Móviles Chile S.A.	-	-	-	-	-	-	-	-	-	-
Telefónica Chile S.A.	-	-	-	-	(32,798,969)	-	-	204,276,459	901,495,607	
Telefónica Empresas Chile S.A.	3,482,162	-	-	3,482,162	(343,610)	-	-	-	-	
Telefónica Chile Servicios Corporativos Ltda.	98,460,607	98,460,607	-	-	17,068,603	-	-	19,662,506	73,229,345	
Total	101,942,769	98,460,607	-	3,482,162	(16,073,976)	-	-	223,938,965	974,724,952	

b) Current tax assets

As of September 30, 2022 and December 31, 2021, current income tax assets are detailed as follows:

Concepts	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Monthly prepaid tax installments (1)	17,638,884	4,605,082
Taxes for recovering previous years (2)	11,353,545	2,969,754
Provisional payment on absorbed profits (3)	8,390,377	2,718,729
Penalties and others	513,435	770,771
Total	37,896,240	11,064,336

(1) Corresponds to Telefónica Chile S.A. in the amount of ThCh\$12,657,621,486 (Income Tax Return FY2022), in the amount of ThCh\$2,360,911 (Income Tax Return FY2021), Telefónica Chile Servicios Corporativos Ltda. in the amount of ThCh\$2,199,685 (Income Tax Return FY2020 and prior years) and Telefónica Móviles Chile S.A. in the amount of ThCh\$44,486 (Income Tax Return FY2019).

(2) Recoverable tax is presented net of the income tax provision.

(3) The provisional payment on absorbed profits corresponds to T-Móvil, for Settlement No. 19.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



11. Income Taxes, continued

c) Deferred tax assets and liabilities

As of September 30, 2022, December 31, 2021 and September 30, 2021, accumulated balances of temporary differences originated net deferred tax assets in the amount of ThCh\$3,232,732, ThCh\$3,739,451 and ThCh\$5,935,253 respectively and which are detailed as follows:

Disclosure of temporary differences, losses and unused tax credits September 30, 2022	Provision for impairment	Obsolescence provision	Deferred income	Effect or taxable goodwill on merger of subsidiary	Dismantling provision	Deferred cost of sales & deferred sales commissions	Personnel provisions	Amortization and depreciation of assets	Tax loss	Right of use and leasing obligations	Other temporary differences	Reclassification (1)	Temporary differences	Temporary differences, losses and unused tax credits
Deferred tax assets and liabilities														
Deferred tax assets	25,407,543	504,411	24,968,075	65,263,663	5,189,633	-	13,565,140	18,178,538	51,247,382	14,464,832	(12,491,153)	(97,667,082)	108,630,982	108,630,982
Deferred tax liabilities	-	-	4,389,972	-	-	16,423,208	12,056,187	131,093,161	-	16,000,659	23,102,145	(97,667,082)	105,398,250	105,398,250
Deferred tax liabilities (assets)	(25,407,543)	(504,411)	(20,578,103)	(65,263,663)	(5,189,633)	16,423,208	(1,508,953)	112,914,623	(51,247,382)	1,535,827	35,593,298	-	(3,232,732)	(3,232,732)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(25,407,543)	(504,411)	(20,578,103)	(65,263,663)	(5,189,633)	-	(1,508,953)	-	(51,247,382)	-	-	-	(169,699,688)	(169,699,688)
Deferred tax liabilities, net	-	-	-	-	-	16,423,208	-	112,914,623	-	1,535,827	35,593,298	-	166,466,956	166,466,956
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	1,218,491	(115,552)	2,844,231	1,797,104	(38,206)	4,816,333	4,866,906	(6,412,977)	(32,744,531)	4,148,496	20,336,571	-	716,866	716,866
Deferred tax expense (benefit) recognized in income	1,218,491	(115,552)	2,844,231	1,797,104	(38,206)	4,816,333	4,866,906	(6,412,977)	(32,744,531)	4,148,496	20,336,571	-	716,866	716,866
Changes in deferred tax liabilities (assets)														
Deferred tax liabilities (assets) – Beginning balance Dec, 2020	(26.626.034)	(388.859)	(23.422.334)	(67.060.767)	(5.151.427)	11.606.875	(5.956.120)	119.327.600	(18.712.443)	(2.612.669)	15.256.727	-	(3.739.451)	(3.739.451)
Changes in deferred tax liabilities (assets)														
Deferred tax expense (benefit) recognized in income	1,218,491	(115,552)	2,844,231	1,797,104	(38,206)	4,816,333	4,866,906	(6,412,977)	(32,744,531)	4,148,496	20,336,571	-	716,866	716,866
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	209,592	-	-	-	209,592	209,592
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	(419,739)	-	-	-	-	-	(419,739)	(419,739)
Increase (decrease) from business combinations, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to loss of control of subsidiary, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to net foreign currency translation, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in deferred tax (assets) liabilities	1,218,491	(115,552)	2,844,231	1,797,104	(38,206)	4,816,333	4,447,167	(6,412,977)	(32,534,939)	4,148,496	20,336,571	-	506,719	506,719
Deferred tax liabilities (assets)	(25,407,543)	(504,411)	(20,578,103)	(65,263,663)	(5,189,633)	16,423,208	(1,508,953)	112,914,623	(51,247,382)	1,535,827	35,593,298	-	(3,232,732)	(3,232,732)

(1) Corresponds to netting of deferred tax assets and liabilities.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



11. Income Taxes, continued

c) Assets and Liability by Deferred taxes, continued

Disclosure of temporary differences, losses and unused tax credits December 31, 2021	Provision for impairment	Obsolescence provision	Deferred income	Effect or taxable goodwill on merger of subsidiary	Dismantling provision	Deferred cost of sales & deferred sales commissions	Personnel provisions	Amortization and depreciation of assets	Tax loss	Right of use and leasing obligations	Other temporary differences	Reclassification (1)	Temporary differences	Temporary differences, losses and unused tax credits
Deferred tax assets and liabilities														
Deferred tax assets	26,626,034	388,859	27,731,560	67,060,767	5,151,427	-	17,064,265	15,418,084	18,712,443	13,178,444	(3,550,972)	(87,038,213)	100,742,698	100,742,698
Deferred tax liabilities	-	-	4,309,226	-	-	11,606,875	11,108,145	134,745,684	-	10,565,775	11,705,755	(87,038,213)	97,003,247	97,003,247
Deferred tax liabilities (assets)	(26,626,034)	(388,859)	(23,422,334)	(67,060,767)	(5,151,427)	11,606,875	(5,956,120)	119,327,600	(18,712,443)	(2,612,669)	15,256,727	-	(3,739,451)	(3,739,451)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(26,626,034)	(388,859)	(23,422,334)	(67,060,767)	(5,151,427)	-	(5,956,120)	-	(18,712,443)	(2,612,669)	-	-	(149,930,653)	(149,930,653)
Deferred tax liabilities, net	-	-	-	-	-	11,606,875	-	119,327,600	-	-	15,256,727	-	146,191,202	146,191,202
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	9,310,582	42,690	(26,399,462)	21,265,864	(131,576)	4,175,153	(293,871)	(16,514,543)	4,684,960	(2,297,241)	22,609,488	-	16,452,044	16,452,044
Deferred tax expense (benefit) recognized in income	9,310,582	42,690	(26,399,462)	21,265,864	(131,576)	4,175,153	(293,871)	(16,514,543)	4,684,960	(2,297,241)	22,609,488	-	16,452,044	16,452,044
Changes in deferred tax liabilities (assets)														
Deferred tax liabilities (assets) – Beginning balance Dec, 2020	(35,936,616)	(431,549)	2,977,128	(88,326,631)	(5,019,851)	7,431,722	(6,632,068)	135,842,143	(24,080,648)	(315,428)	(7,352,761)	-	(21,844,559)	(21,844,559)
Changes in deferred tax liabilities (assets)														
Deferred tax expense (benefit) recognized in income	9,310,582	42,690	(26,399,462)	21,265,864	(131,576)	4,175,153	(293,871)	(16,514,543)	4,684,960	(2,297,241)	22,609,488	-	16,452,044	16,452,044
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	683,245	-	-	-	683,245	683,245
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	969,819	-	-	-	-	-	969,819	969,819
Increase (decrease) from business combinations, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to loss of control of subsidiary, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to net foreign currency translation, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in deferred tax (assets) liabilities	9,310,582	42,690	(26,399,462)	21,265,864	(131,576)	4,175,153	675,948	(16,514,543)	5,368,205	(2,297,241)	22,609,488	-	18,105,108	18,105,108
Deferred tax liabilities (assets)	(26,626,034)	(388,859)	(23,422,334)	(67,060,767)	(5,151,427)	11,606,875	(5,956,120)	119,327,600	(18,712,443)	(2,612,669)	15,256,727	-	(3,739,451)	(3,739,451)

(2) Corresponds to netting of deferred tax assets and liabilities.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



11. Income Taxes, continued

c) Assets and Liability by Deferred taxes, continued

Disclosure of temporary differences, losses and unused tax credits September 30, 2021	Provision for impairment	Obsolescence provision	Deferred income	Effect or taxable goodwill on merger of subsidiary	Dismantling provision	Deferred cost of sales & deferred sales commissions	Personnel provisions	Amortization and depreciation of assets	Tax loss	Right of use and leasing obligations	Other temporary differences	Reclassification (1)	Temporary differences	Temporary differences, losses and unused tax credits
Deferred tax assets and liabilities														
Deferred tax assets	28,695,900	319,792	28,060,932	70,175,519	5,142,005	-	15,741,927	12,475,584	18,210,400	10,345,872	(4,096,830)	(84,582,503)	100,488,598	100,488,598
Deferred tax liabilities	-	-	5,626,850	-	-	11,001,947	10,979,149	133,930,648	-	7,065,060	10,532,194	(84,582,503)	94,553,345	94,553,345
Deferred tax liabilities (assets)	(28,695,900)	(319,792)	(22,434,082)	(70,175,519)	(5,142,005)	11,001,947	(4,762,778)	121,455,064	(18,210,400)	(3,280,812)	14,629,024	-	(5,935,253)	(5,935,253)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(28,695,900)	(319,792)	(22,434,082)	(70,175,519)	(5,142,005)	-	(4,762,778)	-	(18,210,400)	(3,280,812)	-	-	(153,021,288)	(153,021,288)
Deferred tax liabilities, net	-	-	-	-	-	11,001,947	-	121,455,064	-	-	14,629,024	-	147,086,035	147,086,035
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	7,240,716	111,757	(25,411,210)	18,151,112	(122,154)	3,570,225	1,087,967	(14,387,079)	4,674,719	(2,965,384)	21,981,785	-	13,932,454	13,932,454
Deferred tax expense (benefit) recognized in income	7,240,716	111,757	(25,411,210)	18,151,112	(122,154)	3,570,225	1,087,967	(14,387,079)	4,674,719	(2,965,384)	21,981,785	-	13,932,454	13,932,454
Changes in deferred tax liabilities (assets)														
Deferred tax liabilities (assets) – Beginning balance Dec, 2020	(35,936,616)	(431,549)	2,977,128	(88,326,631)	(5,019,851)	7,431,722	(6,632,068)	135,842,143	(24,080,648)	(315,428)	(7,352,761)	-	(21,844,559)	(21,844,559)
Changes in deferred tax liabilities (assets)														
Deferred tax expense (benefit) recognized in income	7,240,716	111,757	(25,411,210)	18,151,112	(122,154)	3,570,225	1,087,967	(14,387,079)	4,674,719	(2,965,384)	21,981,785	-	13,932,454	13,932,454
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	1,195,529	-	-	-	1,195,529	1,195,529
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	781,323	-	-	-	-	-	781,323	1,195,529
Increase (decrease) from business combinations, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to loss of control of subsidiary, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to net foreign currency translation, deferred tax liabilities (assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in deferred tax (assets) liabilities	7,240,716	111,757	(25,411,210)	18,151,112	(122,154)	3,570,225	1,869,290	(14,387,079)	5,870,248	(2,965,384)	21,981,785	-	15,909,306	15,909,306
Deferred tax liabilities (assets)	(28,695,900)	(319,792)	(22,434,082)	(70,175,519)	(5,142,005)	11,001,947	(4,762,778)	121,455,064	(18,210,400)	(3,280,812)	14,629,024	-	(5,935,253)	(5,935,253)

11. Income Taxes, continued

c) Assets and Liability by Deferred taxes, continued

i. Ef Effect of taxable goodwill due to merger of Telefónica Móviles Chile S.A. with Inversiones Telefónica Móviles Holding Ltda.

On May 2, 2017 the Company (formerly Inversiones Telefónica Móviles Holding Ltda.) merged by absorption with its subsidiary Telefónica Móviles Chile S.A., generating an impact on income of ThCh\$140,423,552. That amount arose from the allocation of taxable goodwill, generated in the merger, on the non-monetary assets of the absorbed entity, which was ultimately reflected in recording of a deferred tax asset under IFRS. This allocation required that Management use their best estimate to determine the fair value of those assets. As of March 31, 2018, the Company concluded the process of estimating the fair values of the non-monetary assets involved in the merger and determined a deferred tax which was reviewed by the Chilean Internal Revenue Service in FY2018. On September 23, 2021 the review was completed determining a final deferred tax of ThCh\$139,353,817. The difference generated based on recognition of beginning deferred taxes in 2017 was recorded with a credit to income, under income tax expenses.

As of September 30, 2022 and December 31, 2021, the balance of this deferred tax asset amounts to ThCh\$65,263,663 and ThCh\$67,060,767, respectively.

d) Taxable Income

As of September 30, 2022 and 2021 a first category income tax provision has been established, therefore a taxable positive base was determined in the amount of ThCh\$20,817,588 and ThCh\$35,101,355, respectively for period, detailed as follows:

Concepts	Taxable Net Income			
	07.01.2022 al	07.01.21 al		
	09.30.2022	09.30.2022	09.30.21	09.30.2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Finance income	10,495,246	63,238,464	277,856,522	320,226,597
Recorded tax expense	(6,097,030)	(6,066,535)	99,883,006	110,037,875
Additions	201,124,665	670,300,682	650,229,642	1,000,234,147
Deductions	(214,828,592)	(715,960,735)	(672,432,023)	(1,039,860,118)
Taxable net income	(9,305,711)	11,511,876	355,537,147	390,638,501
First category tax rate 27%	(2,512,542)	3,108,206	95,995,029	105,472,395
Art. 21 rejected expenses tax base	1,209,525	1,813,568	(7,545)	655,235
First category tax rate 40%	483,809	725,428	(3,019)	262,094
Total tax provision	(2,028,733)	3,833,634	95,992,010	105,734,489
Provision contingencies (1)	9,524	9,684,438	5,864,145	(644,205)
Provision for hedging instruments to equity (2)	105,973	325,615	(3,911,684)	(7,825,778)
Provisional payment on absorbed profits	-	-	1,974,329	5,860,221
Settlement of derivatives of previous years (3)	32,345	1,890,355	(776,147)	(3,710,543)
(Excess) Déficit previous period	-	(22,517,443)	(143)	(3,308,763)
Total first category taxes	(1,880,891)	(6,783,401)	99,142,510	96,105,421

(1) Corresponds to interest and readjustments of the contingencies provision of the parent company (see Note 34 a).

(2) Taxable net income considers adjustment for derivative instruments recorded in equity.

(3) Corresponds to the tax expense (benefit) calculated on 2021 hedging instruments, which is carried out in the settlement of the derivative, which occurs in the following period to its provision. This tax provision is presented as a higher or lower expense for the period.

Notes to the interim consolidated financial statements, continued
As of September 30, 2022 (not audited) and December 31, 2021



11. Income Taxes, continued

e) Income tax reconciliation

The income tax expense reconciliation for September 30, 2022 and 2021 is detailed as follows:

Conceptos	07.01.22 al 09.30.22		09.30.2022		07.01.21 al 09.30.21		09.30.2021	
	Taxable Base ThCh\$	27% Tax Rate ThCh\$	Taxable Base ThCh\$	27% Tax Rate ThCh\$	Taxable Base ThCh\$	27% Tax Rate ThCh\$	Taxable Base ThCh\$	27% Tax Rate ThCh\$
Based on accounting income before taxes:								
Finance income	10,495,246		63,238,464		277,856,522		320,226,597	
Recorded tax expense	(6,097,030)		(6,066,535)		99,883,006		110,037,875	
Income before taxes	4,398,216	1,187,518	57,171,929	15,436,421	377,739,528	101,989,673	430,264,472	116,171,407
Permanent differences	(26,979,807)	(7,284,547)	(79,640,577)	(21,502,956)	(14,270,086)	(2,106,667)	(22,716,787)	(6,133,532)
Price-level restatement of taxable equity	(77,339,605)	(20,881,693)	(222,193,105)	(59,992,138)	(18,975,390)	(5,123,355)	(68,450,562)	(18,481,652)
Price-level restatement of taxable value of investments in related companies	47,095,250	12,715,718	133,278,613	35,985,226	15,338,304	4,141,342	41,843,427	11,297,725
Income from investment in related parties	191,586	51,728	914,834	247,005	(53,211,728)	(14,367,167)	(52,637,079)	(14,212,011)
Contingency provision	35,274	9,524	35,868,289	9,684,438	21,719,056	5,864,145	19,318,578	5,216,016
Adjustment of initial deferred tax balances	6,200,447	1,674,121	45,279,564	12,225,482	21,343,007	5,762,612	39,608,150	10,694,201
(Excess) Déficit previous period	-	-	(83,397,937)	(22,517,443)	-	-	(12,254,163)	(3,308,624)
Art. 21 non-deductible expenses	1,791,886	483,809	2,686,767	725,427	(11,181)	(3,019)	970,719	262,094
IFRS16 adjustment	39,803	10,747	1,045,259	282,220	(3,780,346)	(1,020,693)	(3,042,823)	(821,562)
Adjustment for BAF and DECOS components	(299,973)	(80,993)	(581,713)	(157,063)	1,994,798	538,595	9,978,999	2,694,330
Price-level restatement of non-monetary assets associated to merger intangibles	4,452,311	1,202,124	12,536,768	3,384,927	1,313,394	354,616	3,843,310	1,037,694
Others (1)	(9,146,786)	(2,469,632)	(5,077,916)	(1,371,037)	6,467,617	1,746,257	(1,895,343)	(511,743)
Total corporate tax expense	(22,581,591)	(6,097,030)	(22,468,648)	(6,066,535)	363,469,442	99,883,006	407,547,685	110,037,875
Based on taxable net income and deferred taxes calculated on the basis of temporary differences								
27% income tax		(2,406,569)		3,433,822		92,083,345		97,646,617
40% income tax		483,809		725,427		(3,019)		262,094
Contingency provision		9,524		9,684,438		5,864,145		5,216,016
Provisional payment on absorbed profits		-		-		1,974,329		-
Settlement of derivatives of previous periods		32,345		1,890,355		(776,147)		(3,710,543)
(Excess) Déficit previous period		-		(22,517,443)		(143)		(3,308,763)
Income tax expense		(1,880,891)		(6,783,401)		99,142,510		96,105,421
Total deferred tax expense (income)		(4,216,139)		716,866		740,496		13,932,454
Total corporate tax expense (income)		(6,097,030)		(6,066,535)		99,883,006		110,037,875
Effective income tax rate (2)		(138.63)%		(10.61)%		26.44%		25.57%

(1) This item includes tax fines, price-level of tax loss, price-level of non-monetary assets, goodwill, IPAS to result, among others.

(2) Effective rate determined considering the tax expense accounted for in result with respect to the financial result before tax amounts to 10.68%.

11. Income Taxes, continued

f) Current income tax liabilities

As of September 30, 2022 and December 31, 2021, current income tax liabilities are detailed as follows:

Concepts	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Income tax accrual (1)	286,587	95,893,746
Unic income tax	725,427	730,377
Contingency provision	212,662	195,475
Others	126,928	126,929
Total	1,351,604	96,946,527

(1) Annual income taxes as of September 30, 2022 and December 31, 2021 are presented net of monthly provisional payments in the amount of ThCh\$1,353,545 and ThCh\$2,969,754, respectively.

12. Non-current trade and other accounts receivable

a) Non-current trade and other accounts receivable are detailed as follows:

Concepts	09.30.2022			12.31.2021		
	Gross value ThCh\$	Provision for impairment ThCh\$	Net value ThCh\$	Gross value ThCh\$	Provision for impairment ThCh\$	Net value ThCh\$
Receivables on non-current loan transactions	41,688,350	(4,809,498)	36,878,852	17,135,102	(1,935,042)	15,200,060
Trade receivables	39,028,753	(4,762,065)	34,266,688	15,589,761	(1,907,973)	13,681,788
Contractual asset (1)	2,659,597	(47,433)	2,612,164	1,545,341	(27,069)	1,518,272
Miscellaneous receivables (2)	9,553,818	-	9,553,818	9,906,974	-	9,906,974
Total	51,242,168	(4,809,498)	46,432,670	27,042,076	(1,935,042)	25,107,034

(1) Under IFRS 15, the contractual asset is the difference between revenue from sale of handsets and the amount received from the customer at the beginning of the contract.

(2) Mainly includes loans related to employees.

b) Non-current trade and other accounts receivable by due date, as of September 30, 2022 and as of December 31, 2021, are detailed as follows:

Concepts	As of September 30, 2022								
	Gross Portfolio value in ThCh\$				Provision for impairment ThCh\$				Net Total
	1 to 3 years	3 to 5 years	Greater than 5 years	Gross Total ThCh\$	1 to 3 years	3 to 5 years	Greater than 5 years	Gross Total ThCh\$	
Trade receivables	41,605,068	83,282	-	41,688,350	(4,808,463)	(1,035)	-	(4,809,498)	36,878,852
Miscellaneous receivables	216,844	953,905	8,383,069	9,553,818	-	-	-	-	9,553,818
Total	41,821,912	1,037,187	8,383,069	51,242,168	(4,808,463)	(1,035)	-	(4,809,498)	46,432,670

Concepts	As of December 31, 2021								
	Gross Portfolio value in ThCh\$				Provision for impairment ThCh\$				Net Total
	1 to 3 years	3 to 5 years	Greater than 5 years	Gross Total ThCh\$	1 to 3 years	3 to 5 years	Greater than 5 years	Gross Total ThCh\$	
Trade receivables	16,966,537	168,565	-	17,135,102	(1,931,624)	(3,418)	-	(1,935,042)	15,200,060
Miscellaneous receivables	225,483	989,102	8,692,389	9,906,974	-	-	-	-	9,906,974
Total	17,192,020	1,157,667	8,692,389	27,042,076	(1,931,624)	(3,418)	-	(1,935,042)	25,107,034

13. Intangible Assets other than goodwill

- a) Intangible assets other than goodwill as of September 30, 2022 and as of December 31, 2021 are detailed as follows:

Concepts	09.30.2022			12.31.2021		
	Intangible, gross ThCh\$	Accumulated amortization ThCh\$	Intangible, net ThCh\$	Intangible, gross ThCh\$	Accumulated amortization ThCh\$	Intangible, net ThCh\$
Administratives grantings (1)	213,716,654	(84,012,053)	129,704,601	213,643,943	(80,046,427)	133,597,516
Licenses and franchises (2)	668,886,736	(580,974,143)	87,912,593	617,054,105	(534,316,589)	82,737,516
Intangible assets in development (3)	27,352,646	-	27,352,646	37,021,028	-	37,021,028
Other intangible assets (4)	21,689,823	(21,689,823)	-	21,689,823	(21,689,823)	-
Total	931,645,859	(686,676,019)	244,969,840	889,408,899	(636,052,839)	253,356,060

(1) Contains 5G spectrum.

(2) As of September 2022, the net value mainly includes data transmission and switching software in the amount of ThCh\$31,485,839, corporate systems and office automation software in the amount of ThCh\$28,917,696 and other network softwares in the amount of ThCh\$27,509,060.

(3) As of September 2022, the net value corresponds to Platforms and Services in the amount of ThCh\$17,633,457, operating continuity in the amount of ThCh\$2,066,051 and other information software in the amount of ThCh\$7,653,138.

(4) Corresponds to submarine cable usage rights.

- b) As of September 30, 2022 the movements of intangible assets other than goodwill are detailed as follows:

Movements	Administratives Grantings Net ThCh\$	Licenses and franchises, net ThCh\$	Intangible assets in development, Net ThCh\$	Intangible, net ThCh\$
Beginning balance as of 01.01.2022	133,597,516	82,737,516	37,021,028	253,356,060
Additions (1)	-	-	26,753,058	26,753,058
Transfer from costs of developing to service	72,711	51,832,631	(51,905,342)	-
Amortization	(3,965,626)	(46,657,554)	-	(50,623,180)
Transfer from work in progress (2)	-	-	15,483,902	15,483,902
Movement, subtotal	(3,892,915)	5,175,077	(9,668,382)	(8,386,220)
Ending balance as of 09.30.2022	129,704,601	87,912,593	27,352,646	244,969,840
Remaining average useful life	24,5 years	1,41 years	-	-

(1) Mainly includes operating continuity in the amount of ThCh\$9,346,765, platforms and services (developments, licenses and other) in the amount of ThCh\$17,406,291.

(2) Correspond to transfers from tangible to intangible (see Note 15b).

As of December 31, 2021 the movements of intangible assets other than goodwill are detailed as follows:

Movements	Intangible assets in development, net ThCh\$	Licenses and franchises, net ThCh\$	Administratives Grantings Net ThCh\$	Other intangible assets, Net ThCh\$	Intangible, net ThCh\$
Beginning balance as of 01.01.2021	30,728,545	93,074,466	18,467,585	142,677	142,413,273
Additions (1)	-	-	159,746,207	-	159,746,207
Transfer from costs of developing to service	117,479,634	53,812,939	(171,292,573)	-	-
Cancellations	-	(125,114,081)	(59,590)	-	(125,173,671)
Amortization of cancellations	-	125,114,082	-	-	125,114,082
Amortization	(2,349,703)	(61,212,855)	-	(142,677)	(63,705,235)
Transfer from work in progress (Note 15c)	-	-	17,898,439	-	17,898,439
Transfer of gross value to assets available for sale (Note 18)	-	(5,112,649)	-	-	(5,112,649)
Transfer of amortization to assets available for sale (Note 18)	-	2,175,654	-	-	2,175,654
Movement, subtotal	115,129,931	(10,336,910)	6,292,483	(142,677)	110,942,827
Ending balance as of 12.31.2021	133,597,516	82,737,516	37,021,028	-	253,356,060
Remaining average useful life	-	25.3 years	1,35 years	-	-

13. Intangible Assets other than goodwill, continued

Licenses correspond to software licenses, which are obtained through non-renewable contracts, therefore the Company has defined that they have definite useful lives of 3 years.

Intangible assets with defined useful lives are amortized on a straight-line basis over their estimated useful lives, Amortization for each year is recognized in the statement of comprehensive income within "Depreciation and Amortization".

Intangible assets are tested for impairment whenever there is an signs of a potential loss in value, and in any case at each year-end.

As of December 31, 2021, impairment testing did not result in loss of value of intangible assets.

The main additions to intangible assets, other than goodwill, as of September 30, 2022 and December 31, 2021, are investments in computer application and licenses.

Items in the intangibles heading that are fully depreciated and in use are licenses and franchises which amount to ThCh\$496,246,860 and ThCh\$445,965,660, as of September 30, 2022 and December 31, 2021 respectively.

14. Goodwill

Current goodwill as of this period was generated before the date of transition to and adoption of International Financial Reporting Standards and, as of September 30, 2022 and as of December 31, 2021, the value recorded as of that date remains the same.

Goodwill movement as of September 30, 2022 and as of December 31, 2021, is as follows:

Taxpayer No.	Company	01.01.2022 ThCh\$	Additions ThCh\$	Eliminations ThCh\$	09.30.2022 ThCh\$
76.124.890-1	Telefónica Móviles Chile S.A.	483,179,725	-	-	483,179,725
96.672.160-k	Telefónica Chile S.A. (Ex Telefónica Larga Distancia S.A.)	21,039,896	-	-	21,039,896
96.834.320-3	Telefónica Internet Empresas S.A.	555,251	-	-	555,251
Total		504.774.872	-	-	504,774,872

Taxpayer No.	Company	01.01.2021 ThCh\$	Additions ThCh\$	Eliminations ThCh\$	12.31.2021 ThCh\$
76.124.890-1	Telefónica Móviles Chile S.A. (1)	483,179,725	-	-	483,179,725
96.672.160-k	Telefónica Chile S.A. (Ex Telefónica Larga Distancia S.A.) (2)	21,039,896	-	-	21,039,896
96.834.320-3	Telefónica Internet Empresas S.A. (3)	555,251	-	-	555,251
Total		504.774.872	-	-	504,774,872

(1) On May 2, 2017, subsidiary Telefónica Móviles Chile S.A. was merged by absorption, and the Company's name was changed.

(2) On April 30, 2016 Telefónica Larga Distancia S.A. was merged by incorporation with Telefónica Chile S.A. with the latter absorbing the former and acquiring its assets and liabilities and succeeding it in all its rights and obligations.

Assets indicated in goodwill are tested for impairment once a year, at each year-end.

Impairment testing carried out as of December 31, 2021, was carried out considering the variables mentioned in criteria note (see Note 2I).

15. Property, plant and equipment

a) The detail of Property, plant and equipment items for the periods as of September 30, 2022 and as of December 31, 2021 and their corresponding accumulated depreciation, is as follows:

Concepts	09.30.2022		12.31.2020		Property, plant & equipment, Net ThCh\$	
	Property, plant & equipment, Gross ThCh\$	Accumulated depreciation ThCh\$	Property, plant & equipment, Net ThCh\$	Property, plant & equipment, Gross ThCh\$		Accumulated depreciation ThCh\$
Land	21,723,166	-	21,723,166	21,844,513	-	21,844,513
Buildings	866,897,590	(656,646,086)	210,251,504	911,997,733	(650,259,853)	261,737,880
Supplies and accessories	34,782,772	(33,541,177)	1,241,595	34,790,435	(33,256,474)	1,533,961
Office equipment	4,232,756	(3,382,753)	850,003	4,226,390	(3,238,322)	988,068
Construction in progress	191,182,990	-	191,182,990	161,422,658	-	161,422,658
Information equipment	65,602,358	(56,553,603)	9,048,755	63,387,321	(55,474,355)	7,912,966
Network and communication Equipment	3,277,403,826	(2,723,466,544)	553,937,282	3,280,997,276	(2,762,175,289)	518,821,987
Other property, plant & equipment (1)	339,911,789	(326,982,649)	12,929,140	345,345,100	(331,725,713)	13,619,387
Total	4,801,737,247	(3,800,572,812)	1,001,164,435	4,824,011,426	(3,836,130,006)	987,881,420

(1) Corresponds mainly to broadband devices and data and voice equipment at customer premises.

15. Property, plant and equipment, continued

b) As of September 30, 2022 the movements in Property, plant and equipment items are as follows:

Movements	Land	Buildings, net	Supplies and accessories, net	Office equipment, net	Construction in progress Net	Information equipment, net	Network and communications equipment, net	Other property, plant & equipment, net	Property, plant and equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2022	21,844,513	261,737,880	1,533,961	988,068	161,422,658	7,912,966	518,821,987	13,619,387	987,881,420
Additions (1)	-	-	-	-	126,967,687	-	-	-	126,967,687
Withdrawals	(122,657)	(13,922,863)	(7,232)	-	-	(122,701)	(110,320,805)	(11,664,741)	(136,160,999)
Withdrawals depreciation	-	12,192,115	3,788	-	-	121,457	108,775,760	11,664,743	132,757,863
Depreciation expense	-	(18,578,348)	(288,491)	(144,431)	-	(1,200,705)	(70,067,015)	(6,921,679)	(97,200,669)
Transfer to intangible assets (2)	-	-	-	-	(15,483,902)	-	-	-	(15,483,902)
Other Increase (decrease)	1,310	-	(431)	6,366	(81,723,453)	2,337,738	75,550,075	6,231,430	2,403,035
Movements, subtotal	(121,347)	(20,309,096)	(292,366)	(138,065)	29,760,332	1,135,789	3,938,015	(690,247)	13,283,015
Ending balance as of 09.30.2022	21,723,166	210,251,504	1,241,595	850,003	191,182,990	9,048,755	553,937,282	12,929,140	1,001,164,435

(1) Additions for the period correspond mainly to core, transportation and optimization in the amount of ThCh\$27,071,793, network and other in the amount of ThCh\$57,199,448, platforms and services in the amount of ThCh\$17,097,915, new investments in the areas of operating continuity in the amount of ThCh\$11,079,114, equipment in customer homes in the amount of ThCh\$5,779,687 and civil works in the amount of ThCh\$8,739,730.

(2) Includes net property, plant and equipment transfers to intangible assets (see Note 13b).

As of September 30, 2022, the Property, plant and equipment items, which are fully depreciated and still in use, are detailed as follows:

	Land	Buildings, gross	Supplies and accessories, gross	Office equipment, gross	Construction in progress gross	Information equipment, gross	Network and communications equipment, gross	Finance lease on property, plant and equipment, Gross	Other property, plant & equipment, gross	Property, plant and equipment, gross
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$		ThCh\$	ThCh\$
Fully depreciated assets still in use	-	300,054,454	87,515	34,811,069	-	61,773,191	2,184,569,676	-	336,097,899	2,917,393,804

To date, the Company has no Property, plant and equipment that is temporarily out of service and not actively in use. Should any of these situations occur, they will be destined for sale or will be derecognized.

Property, plant and equipment assets are subjected to impairment testing whenever there are indications of potential loss of value. The Company has assessed the indicators for potential loss of value that property, plant and equipment items may have suffered as of September 30, 2022.

15. Property, plant and equipment, continued

c) As of December 31, 2021 the movements of Property, plant and equipment items are as follows:

Movements	Land	Buildings, net	Supplies and accessories, net	Office equipment, net	Construction in progress Net	Information equipment, net	Network and communications equipment, net	Other property, plant & equipment, net	Property, plant and equipment, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2021	23,448,557	268,626,041	1,218,951	838,434	156,941,673	10,920,547	660,033,590	31,535,140	1,153,562,933
Additions (1)	-	-	-	-	160,625,062	-	-	-	160,625,062
Withdrawals	(457,085)	(7,915,626)	-	-	(6,817)	(7,686,912)	(2,472,207)	(9,257,288)	(27,795,935)
Withdrawals depreciation	-	7,486,383	-	-	-	6,329,951	2,256,149	8,983,129	25,055,612
Depreciation expense	-	(24,240,222)	(713,437)	(268,525)	-	(4,061,023)	(97,825,830)	(24,350,608)	(151,459,645)
Transfer of gross value to investment property (note 16b)	-	(1,777,951)	-	(3,076)	-	-	(319,819)	(582)	(2,101,428)
Transfer of depreciation to investment property (note 16b)	-	937,495	-	1,744	-	-	316,742	582	1,256,563
Transfer of gross value to assets available for sale (2)	(1,246,178)	(34,433,783)	-	-	-	-	(161,672,416)	-	(197,352,377)
Transfer of depreciation to assets available for sale (2)	-	13,246,491	-	-	-	-	36,866,226	-	50,112,717
Transfer to intangible assets (3)	-	-	-	-	(17,898,439)	-	-	-	(17,898,439)
Other Increase (decrease) (4)	99,219	39,809,052	1,028,447	419,491	(138,238,821)	2,410,403	81,639,552	6,709,014	(6,123,643)
Movements, subtotal	(1,604,044)	(6,888,161)	315,010	149,634	4,480,985	(3,007,581)	(141,211,603)	(17,915,753)	(165,681,513)
Ending balance as of 12.31.2021	21,844,513	261,737,880	1,533,961	988,068	161,422,658	7,912,966	518,821,987	13,619,387	987,881,420

(1) Additions in 2021 correspond mainly to new investments in Operating Continuity in the amount of ThCh\$16,675,904, Core, Transportation and Optimization in the amount of ThCh\$18,688,759, customer equipment in the amount of ThCh\$5,925,134, Civil works in the amount of ThCh\$1,181,856, Platforms and services in the amount of ThCh\$15,531,496, Network in the amount of ThCh\$74,317,487, and others in the amount of ThCh\$28,304,426.

(2) Corresponds to transfer of the net value from available-for-sale assets (see note 18b).

(3) Corresponds to transfer of the net value from Property, plant and equipment to intangible assets for ThCh\$17,898,439 (see note 13b).

(4) Mainly includes transfers to inventory in the amount of ThCh\$ (8,596,591) (see Note 10) corresponding to materials destined to investment which were transferred due to the sale of the Fiber network and are detailed as follows: Fiber cables in the amount of ThCh\$ (3,719,112), optic terminal boxes in the amount of ThCh\$ (2,864,863), steel cable "crucetas" and "mufas" in the amount of ThCh\$ (1,768,236), splitter, jumper and optical boxes in the amount of ThCh\$ (244,380).

As of December 31, 2021, the Property, plant and equipment items that are fully depreciated and still in use are detailed as follows:

	Land	Buildings, gross	Supplies and accessories, gross	Office equipment, gross	Construction in progress gross	Information equipment, gross	Network and communications equipment, gross	Finance lease on property, plant and equipment, Gross	Other property, plant & equipment, gross	Property, plant and equipment, gross
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$		ThCh\$	ThCh\$
Fully depreciated assets still in use	-	291,691,621	30,780,741	2,266,839	-	54,980,231	2,237,396,433	-	341,117,449	3,404,198,975

To date, the Company has no Property, plant and equipment that is temporarily out of service and not actively in use. Should any of these situations occur, they will be destined for sale or will be derecognized.

Property, plant and equipment assets are subjected to impairment testing whenever there are indications of potential loss of value. The Company has assessed the indicators for potential loss of value that property, plant and equipment items may have suffered as of December 31, 2021.

15. Property, plant and equipment, continued

In the normal course of its operations the Company monitors new and existing assets, and their depreciations rates, standardizing them with the technological evolution and developments of the markets in which it competes. The Company does not have assets provided as surety.

Regarding real estate lease contracts, the Company has deemed it necessary to establish a provision for decommissioning costs which are presented under Other non-current provisions.

16. Investment properties

The composition of this item corresponds to eleven rental floors in the Corporate Building and its related assets and the detail is as follows:

Concepts	09.30.2022			12.31.2021		
	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$
Buildings	10,767,393	(6,277,478)	4,489,915	10,767,393	(6,085,397)	4,681,996
Network and communications equipment	1,936,845	(1,925,053)	11,792	1,936,845	(1,922,880)	13,965
Office equipment	18,632	(14,830)	3,802	18,632	(13,432)	5,200
Plant and equipment	3,526	(3,526)	-	3,526	(3,526)	-
Total	12,726,396	(8,220,887)	4,505,509	12,726,396	(8,025,235)	4,701,161

The Company has recognized rentals from investment properties in operating income. As of September 30, 2022, and as of December 31, 2021 this concept amounts to ThCh\$1,329,816 and ThCh\$1,023,566.

The useful life of the assets included within Investment Property is standardized to those defined for Property, plant and equipment assets.

a) The movements as of September 30, 2022 and December 31, 2021 of the items that make up the Investment Property item are as follows:

Movements	Buildings, net	Network and communications equipment, net	Office equipment, net	Other investment properties, net	Investment properties, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2022	4,681,996	13,965	5,200	-	4,701,161
Depreciation expense	(192,081)	(2,173)	(1,398)	-	(195,652)
Movements, subtotal	(192,081)	(2,173)	(1,398)	-	(195,652)
Ending balance as of 09.30.2022	4,489,915	11,792	3,802	-	4,505,509

Movements	Buildings, net	Network and communications equipment, net	Office equipment, net	Other investment properties, net	Investment properties, net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2021	4,079,209	13,627	5,576	-	4,098,412
Depreciation expense	(237,669)	(2,739)	(1,708)	-	(242,116)
Transfer of gross value to investment property	1,777,951	319,819	3,076	582	2,101,428
Transfer of depreciation to investment property	(937,495)	(316,742)	(1,744)	(582)	(1,256,563)
Movements, subtotal	602,787	338	(376)	-	602,749
Ending balance as of 12.31.2021	4,681,996	13,965	5,200	-	4,701,161

(1) Corresponds to transfer of the net value of leased assets Floor 13 to 15 from property, plant and equipment to investment properties (see Note 15c).

17. Right of use assets

a) As of September 30, 2022 and December 31, 2021, the items that compose this account and their corresponding accumulated depreciation are detailed as follows:

Concepts	09.30.2022		12.31.2021		Property, plant & equipment, Net ThCh\$	
	Property, plant & equipment, Gross ThCh	Accumulated depreciation ThCh	Property, plant & equipment, Net ThCh\$	Property, plant & equipment, Gross ThCh\$		Accumulated depreciation ThCh
Land	170,905,093	(96,287,069)	74,618,024	117,009,875	(73,878,986)	43,130,889
Constructions	270,455,013	(147,021,741)	123,433,272	218,850,496	(110,561,572)	108,288,924
Plant and machinery	19,840,524	(8,223,642)	11,616,882	18,289,658	(6,064,662)	12,224,996
Other Rights of use	62,207,012	(13,920,657)	48,286,355	62,301,147	(16,648,746)	45,652,401
Total	523,407,642	(265,453,109)	257,954,533	416,451,176	(207,153,966)	209,297,210

b) As of September 30, 2022 the movements of right of use assets items are as follows:

Movements	Rights of use on land and natural properties, net ThCh\$	Rights of use on buildings, net ThCh\$	Rights of use on plant and machinery, net ThCh\$	Other rights of use, net ThCh\$	Rights of use, net ThCh\$
Beginning balance as of 01.01.2022	43,130,889	108,288,924	12,224,996	45,652,401	209,297,210
Additions (1)	8,656,388	15,321,409	1,550,866	-	25,528,663
Amortization expense	(22,408,083)	(36,460,169)	(2,158,980)	2,728,089	(58,299,143)
Other increases (decreases) (2)	45,238,830	36,283,108	-	(94,135)	81,427,803
Movements, subtotal	31,487,135	15,144,348	(608,114)	2,633,954	48,657,323
Ending balance as of 09.30.2022	74,618,024	123,433,272	11,616,882	48,286,355	257,954,533

(1) Contract additions in the amount of ThCh\$ 25,528,663 due to new land and infrastructure contracts for 5G implementation including the sale of 349 rooftops in March 2022, new contracts with ATC, and optic fiber links rental.

(2) Contract modifications in the amount of ThCh\$ 79,898,832 due to change in rents, extension of the term of initial agreements (sale of towers) and readjustment of CPI. The modifications include the post-capitalization process in the amount of ThCh\$ 15,002,333.

b) As of December 31, 2021, the movements of right of use assets items are as follows:

Movements	Rights of use on land and natural properties, net ThCh\$	Rights of use on buildings, net ThCh\$	Rights of use on plant and machinery, net ThCh\$	Other rights of use, net ThCh\$	Rights of use, net ThCh\$
Beginning balance as of 01.01.2021	33,567,480	123,565,617	6,420,306	23,764,440	187,317,843
Additions (1)	43,952,726	19,523,604	8,138,488	31,646,579	103,261,397
Withdrawals	(329,843)	-	-	-	(329,843)
Amortization withdrawals	264,278	-	-	-	264,278
Amortization expense	(34,829,561)	(35,347,543)	(2,363,151)	(10,630,675)	(83,170,930)
Other increases (decreases)	505,809	547,246	29,353	872,057	1,954,465
Movements, subtotal	9,563,409	(15,276,693)	5,804,690	21,887,961	21,979,367
Ending balance as of 12.31.2021	43,130,889	108,288,924	12,224,996	45,652,401	209,297,210

(1) Considers additions of ThCh\$25,846,842, provision for variable income under IFRS 16 in the amount of ThCh\$15,650,931, provision for Claro contracts in the amount of ThCh\$9,215,286, a UF contract post capitalization provision of ThCh\$8,756,429, modification of contract valuation and termination clause by both parties in the amount of ThCh\$10,270,783, variable income contract modification under IFRS 16 in the amount of ThCh\$5,696,391, and other contract modifications due to rate changes, income, and periodicity.

18. Current assets or groups of assets for disposal classified as held for sale

- a) Current assets or disposal groups classified as held for sale correspond to assets that the Company expects to sell in the short-term. During the period assets were sold as planned with an effect on income of ThCh\$26,473,661 (see Note 29b).

Conceptos	09.30.2022			12.31.2021		
	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$
Land	-	-	-	1,246,178	-	1,246,178
Buildings	-	-	-	8,321,416	(6,564,174)	1,757,242
Network and communication Equipment	-	-	-	14,895,697	(12,505,501)	2,390,196
Total	-	-	-	24,463,291	(19,069,675)	5,393,616

- b) As of September 30, 2022 and December 31, 2021, movements of items that comprise disposal assets classified as held for sale are detailed as follows:

Movements	Land	Buildings, Net	Network and communication Equipment, Net	Administrative granting's, Net	Information equipment, Net	Licenses and franchises, Net	Other assets for sale, Net	Assets held for sale, Net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2022	1.246.178	1.757.242	2.390.196	-	-	-	-	1.256.594
Withdrawals	(1.246.178)	(8.321.416)	(14.895.697)	-	-	-	-	(24.463.291)
Amortization withdrawals	-	6.564.174	12.505.501	-	-	-	-	19.069.675
Movements, subtotal	(1.246.178)	(1.757.242)	(2.390.196)	-	-	-	-	(5.393.616)
Ending balance as of 09.30.2022	-	-	-	-	-	-	-	-

Movements	Land	Buildings, Net	Network and communication Equipment, Net	Administrative granting's, Net	Information equipment, Net	Licenses and franchises, Net	Other assets for sale, Net	Assets held for sale, Net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Beginning balance as of 01.01.2021	-	-	-	2,686,233	1,295,388	30,644	2,810,990	6,823,255
Transfer from Intangible (note 13b)	-	-	-	-	-	2,936,995	-	2,936,995
Transfer from property, plant and equipment (note 15b)	1,246,178	21,187,292	124,806,190	-	-	-	-	147,239,660
Additions	-	-	21,825,008	-	-	-	6,340,109	28,165,117
Withdrawals	-	(26,112,367)	(168,601,725)	(34,004,890)	(5,608,521)	(5,293,470)	(9,788,301)	(249,409,274)
Amortization withdrawals	-	6,682,316	24,360,724	31,318,657	4,313,133	2,325,831	637,202	69,637,863
Movements, subtotal	1,246,178	1,757,241	2,390,197	(2,686,233)	(1,295,388)	(30,644)	(2,810,990)	(1,429,639)
Ending balance as of 12.31.2021	1,246,178	1,757,241	2,390,197	-	-	-	-	5,393,616

The assets that were recorded as of December 31, 2020, associated with the Cloud business, were sold in February 2021 according to plan. On July 1, 2021, the assets related to the optic fiber network were sold in the amount of ThCh \$173,361,294 (see Note 19b (i)), composed of: transfer from property, plant and equipment in the amount of ThCh\$164,084,190, transfer from intangibles in the amount of ThCh\$2,936,995, and other assets for sale in the amount of ThCh\$6,340,109.

19. Investments in associates and joint ventures

a) As of September 30, 2022, The detail of the movement of investment in associates is as follows:

Company	Ownership %	Investments 12.31.2021 ThCh\$	Additions o drops ThCh\$	Share in income for the period ThCh\$	other movements (1) ThCh\$	Investments 09.30.2022 ThCh\$
HoldCo InfraCo SpA	40%	72,428,056	-	471,034	3,843,630	76,742,720

(1) Corresponds to calculation of the share in equity and amortization of the PPA (Purchase Price Allocation) in the amount of ThCh\$1,681,457.

Company	Ownership %	Investments 07.31.2021 ThCh\$	Additions o drops ThCh\$	Share in income for the period ThCh\$	other movements (1) ThCh\$	Investments 12.31.2021 ThCh\$
HoldCo InfraCo SpA	40%	67,793,623	-	274,038	4,360,395	72,428,056

(1) Corresponds to calculation of the share in equity and amortization of the PPA (Purchase Price Allocation) in the amount of ThCh\$1,120,972.

b) As of September 30, 2022, investments in associates, as well as a summary of their information are detailed as follows:

Tax No.	Ownership %	Current assets	Non-current assets	Total assets	Current liabilities	Non-Current liabilities	Total liabilities	Equity	Net profit	Tax No. Company name
Company name		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
77,374,961-2	HoldCo InfraCo SpA	40%	70	250,260,394	250,260,464	736	195,814,146	195,814,882	54,445,582	1,177,586

RUT	Nombre Sociedad	Cash flows provided used in operating activities	cash flows provided used in investment activitie	cash flows provided by financing activities	Increase in cash and cash equivalents	Cash and cash equivalents at beginning of year 12.31.2021	Cash and cash equivalents at end of year 09.30.2022
		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
77,374,961-2	HoldCo InfraCo SpA	(10,796)	(35,509,595)	35,520,418	27	23	50

On February 22, 2021 at Board of Directors meeting of Telefónica Chile S.A. the Directors agreed to sign a share purchase agreement with KKR Alameda Aggregator L.P. (vehicle controlled by funds managed or advised by subsidiaries of KKR), for the sale of 60% of the shares of its subsidiary Infraco SpA.

HoldCo InfraCo SpA, was created on April 13, 2021, whereby Telefónica Chile S.A. as the only concurrent company, obtained 100% of its equity. Subsequently, on June 23, 2021, Telefónica Chile S.A. sold to HoldCo InfraCo SpA, 100% of its ownership in subsidiary InfraCo SpA (created in January 2020) whereby the latter becoming the main asset of HoldCo Infraco SpA.

On July 1, 2021, having complied with all the suspensive conditions established in the respective contracts and with the corresponding approvals granted by the competition authorities, both Chilean (National Economic Prosecutor's Office or "Fiscalía Nacional Económica") and foreign (Commission to Promote Competition in Costa Rica and European Commission in the European Union), Telefónica Chile S.A. and KKR Alameda Aggregator L.P. performed the actions and signed the contracts necessary to materialize the agreement indicated in the previous paragraph, through the sale of 60% of the shares of HoldCo Infraco SpA.

19. Investments in associates and joint ventures, continued

As a result of the transaction, Telefónica Chile S.A. received net operating cash flows of ThCh\$457,946,989, generating an operating income of ThCh\$358,254,176 (see Note 29b) and a final income net of taxes in the amount of ThCh\$260,523,157. The following transactions and records form an integral part of this transaction:

- i) Telefónica Chile S.A. sold to InfraCo SpA certain assets related to the fiber optic network, which imply 2.4 million real estate units passed with fiber optic. The assets transferred in this operation have been recorded under "Current assets or disposal groups of assets classified as held for sale" since February 2021. The total amount of this account associated to this transaction is ThCh\$173,361,294. (See note 18b).
- ii) Subordinate promissory note receivable from HoldCo Infraco SpA por ThCh\$78,863,065, documented in the Share Purchase Agreement signed with KKR Alameda Aggregator L.P. and which is recorded as "Non- current accounts receivable from related parties" (see Note 9b).
- iii) Account receivable from KKR Alameda Aggregator L.P. for the concept of additional contingent payment by the purchaser, according to clause established in the Share Purchase Contract. The determined value with high probability of occurrence, is recorded under "Other financial assets", with ThCh\$18,956,206 in current, and ThCh\$ 20,523,632 in non-current (see note 6a).
- iv) Deferred income recorded under "Other non-financial liabilities", with ThCh\$8,969,110 in current and ThCh\$80,821,991 in non-current (see Note 26a). The price of the transaction that is being retributed to Telefónica Chile S.A. for the purchase of the fiber optics business, is based on two concepts: the purchase of a business, and the commitment to exclusivity of Telefónica Chile S.A. with InfraCo SpA through the Connectivity Services Supply Contract through the fiber optics network. That exclusivity has the same 10- year term as the contract, therefore its period of deferral is for the same term in a linear way.
- v) Capital contributions to HolCo Infraco SpA and adjustments to the fair value of the investment in the amount of ThCh\$67,793,623 (See note 19a).

20. Other current and other non-current financial liabilities

The composition of other current and other non-current financial liabilities that accrue interest is as follows:

Concepts		09.30.2022		12.31.2021	
		Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Bank loans	(a)	134,862,523	243,127,646	1,088,844	352,932,060
Unguaranteed obligations (Bonds) (1)	(b)	522,838,707	653,486,109	436,772,648	691,104,877
Hedge instruments	(See Note 23,2)	36,109,204	85,736,482	5,149,880	1,044,730
Total		693,810,434	982,350,237	443,011,372	1,045,081,667

(1) Current includes fair value hedging derivatives associated to these obligations in the amount of ThCh\$5,953,101 and ThCh\$6,891,249 and non-current includes ThCh\$85,403,604 and ThCh\$1,392,395 as of September 30, 2022 and December 31, 2021, respectively

In november 2021, The Company entered into financial obligations through the issuance and placement of a bond in the international market that will be destined to pay liabilities of Telefónica Chile S.A., a subsidiary of the Company, and to other corporate purposes.

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



20. Other current and other non-current financial liabilities, continued

a) As of September 30, 2022, the detail of bank loans is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,018,000-1	Bank Scotiabank	Chile	USD	At maturity	2.76%	3.62%	US\$ 68,6 mm	11-13-2023
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	<i>Foreign</i>	Bank of Nova Scotia	Chile	USD	At maturity	3.36%	3.05%	US\$ 140,19 mm	09-29-2023
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	2.15%	1.90%	CLP 30,000 mm	10-06-2024
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,023,000-9	Banco Itaú	Chile	CLP	At maturity	3.62%	3.35%	CLP 17,911 mm	09-19-2025
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,036,000-k	Banco Santander	Chile	CLP	At maturity	3.53%	3.22%	CLP 50,000 mm	03-26-2025
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,030,000-7	Banco Estado	Chile	CLP	At maturity	1.59%	1.30%	CLP 50,000 mm	03-29-2024
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,006,000-6	Banco BCI	Chile	CLP	At maturity	3.22%	2.94%	CLP 30,000 mm	03-30-2025

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Nominal amounts (capital in thousands)								Total nominal amounts in local currency ThCh\$	
					To Maturity									
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	Total 1 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Total 3 to 5 years ThCh\$		5 years and over ThCh\$
Bilateral Loan (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank Scotiabank	-	-	47,022,556	-	47,022,556	-	-	-	-	47,022,556
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	-	119,080,998	-	-	-	-	-	-	-	119,080,998
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	-	-	30,000,000	30,000,000	-	-	-	-	30,000,000
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	-	-	-	17,911,000	17,911,000	-	-	-	-	17,911,000
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	-	-	50,000,000	50,000,000	-	-	-	-	50,000,000
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	-	-	50,000,000	-	50,000,000	-	-	-	-	50,000,000
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	-	-	-	30,000,000	30,000,000	-	-	-	-	30,000,000
Total					-	119,080,998	97,022,556	127,911,000	224,933,556	-	-	-	-	344,014,554

20. Other current and other non-current financial liabilities, continued

a) As of September 30, 2022, the detail of bank loans is as follows

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current								
					To Maturity		Total current as of 09.30.2022 ThCh\$	To Maturity								
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$		1 to 2 years ThCh\$	2 to 3 years ThCh\$	Total 1 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Total 3 to 5 years ThCh\$	5 years and over ThCh\$	Total Non-current as of 09.30.2022 ThCh\$	
Bilateral Loan (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank Scotiabank	160,553	-	160,553	65,856,197	-	65,856,197	-	-	-	-	-	65,856,197
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	-	134,243,282	134,243,282	-	-	-	-	-	-	-	-	-
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	219,360	-	219,360	-	29,938,280	29,938,280	-	-	-	-	-	29,938,280
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	-	16,667	16,667	-	17,815,418	17,815,418	-	-	-	-	-	17,815,418
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	18,088	-	18,088	-	49,739,298	49,739,298	-	-	-	-	-	49,739,298
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	-	204,573	204,573	49,934,738	-	49,934,738	-	-	-	-	-	49,934,738
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	-	-	-	-	29,843,715	29,843,715	-	-	-	-	-	29,843,715
Total					398,001	134,464,523	134,862,523	115,790,935	127,336,711	243,127,646	-	-	-	-	-	243,127,646

- 1) On November 13, 2018, a loan was obtained from Scotiabank in the amount of US\$68,6 million (Ch\$47,023 million) with an interest rate of Libor (3M) + 1% annual for a 5-year bullet, maturing on November 13, 2023.
- 2) On April 17, 2020, a loan was obtained from Bank of Nova Scotia in the amount of US\$140,19 million (Ch\$119,080 million) with an interest rate of Libor (6M) + 1.9%, maturing on April 20, 2021. On September 30, 2020, the due date was extended to September 29, 2023 with an interest rate of Libor (6M) + 1.53%.
- 3) On October 6, 2020, a local loan was taken with the Banco de Chile for ThCh \$ 30,000,000 with an annual interest rate of 1.9%, maturing on October 6, 2024.
- 4) On March 23, 2021, a local loan was taken with the Banco Itaú for ThCh \$ 17,911,000 with an annual interest rate of 3.35%, maturing on September 19, 2025.
- 5) On March 26, 2021, a local loan was taken with the Banco Santander for ThCh \$ 50,000,000 with an annual interest rate of 3.22%, maturing on March 26, 2025.
- 6) On March 29, 2021, a local loan was taken with the Banco Estado for ThCh \$ 50,000,000 with an annual interest rate of 1.30%, maturing on March 29, 2025.
- 7) On March 30, 2021, a local loan was taken with the Banco BCI for ThCh \$ 30,000,000 with an annual interest rate of 2.94%, maturing on March 30, 2025.

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



20. Other current and other non-current financial liabilities, continued

a) As of December 31, 2021 the detail of bank loans is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,018,000-1	Bank Scotiabank	Chile	USD	At maturity	1,43%	3,62%	US\$ 68,6 mm	11-13-2023
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Foreign	Bank of Nova Scotia	Chile	USD	At maturity	2,08%	3,05%	US\$ 140,19 mm	09-29-2023
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	2,15%	1,90%	CLP 30,000 mm	10-06-2024
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,023,000-9	Banco Itaú	Chile	CLP	At maturity	3,62%	3,35%	CLP 17,911 mm	09-19-2025
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,036,000-k	Banco Santander	Chile	CLP	At maturity	3,53%	3,22%	CLP 50,000 mm	03-26-2025
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,030,000-7	Banco Estado	Chile	CLP	At maturity	1,59%	1,30%	CLP 50,000 mm	03-29-2024
Bilateral Loan	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,006,000-6	Banco BCI	Chile	CLP	At maturity	3,22%	2,94%	CLP 30,000 mm	03-30-2025

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Nominal amounts (capital in thousands)								Total nominal amounts in local currency ThCh\$	
					To Maturity									
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	1 to 2 years ThCh\$	2 to 3 years ThCh\$	Total 1 to 3 years ThCh\$	3 to 4 years ThCh\$	4 to 5 years ThCh\$	Total 3 to 5 years ThCh\$		5 years and over ThCh\$
Bilateral Loan (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank Scotiabank	-	-	47,022,556	-	47,022,556	-	-	-	-	47,022,556
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	-	-	119,080,998	-	119,080,998	-	-	-	-	119,080,998
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	-	-	30,000,000	30,000,000	-	-	-	-	30,000,000
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	-	-	-	-	-	17,911,000	-	17,911,000	-	17,911,000
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	-	-	-	-	50,000,000	-	50,000,000	-	50,000,000
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	-	-	-	50,000,000	50,000,000	-	-	-	-	50,000,000
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	-	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
Total					-	-	166,103,554	80,000,000	246,103,554	97,911,000	-	97,911,000	-	344,014,554

20. Other current and other non-current financial liabilities, continued

a) As of December 31, 2021 the detail of bank loans is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current							
					To Maturity		Total current as of 12.31.2021 ThCh\$	To Maturity			Total 3 to 5 years ThCh\$	5 years and over ThCh\$	Total Non-current as of 12.31.2021 ThCh\$		
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$		1 to 2 years ThCh\$	2 to 3 years ThCh\$	Total 1 to 3 years ThCh\$				3 to 4 years ThCh\$	4 to 5 years ThCh\$
Bilateral Loan (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank Scotiabank	85,731	-	85,731	57,681,500	-	57,681,500	-	-	-	-	57,681,500
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	228,997	-	228,997	118,179,396	-	118,179,396	-	-	-	-	118,179,396
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	76,177	76,177	-	29,892,945	29,892,945	-	-	-	-	29,892,945
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	136,447	-	136,447	-	-	-	17,823,591	-	17,8123,591	-	17,823,591
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	17,889	-	17,889	-	-	-	49,662,650	-	49,662,650	-	49,662,650
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	373,646	-	373,646	-	49,834,869	49,834,869	-	-	-	-	49,834,869
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	169,957	-	169,957	-	-	-	29,857,109	-	29,857,109	-	29,857,109
Total					1,012,667	76,177	1,088,844	175,860,896	79,727,814	255,588,710	97,343,350	-	97,343,350	-	352,932,060

- 1) On November 13, 2018, a loan was obtained from Scotiabank in the amount of US\$68,6 million (Ch\$47,023 million) with an interest rate of Libor (3M) + 1% annual for a 5-year bullet, maturing on November 13, 2023.
- 2) On April 17, 2020, a loan was obtained from Bank of Nova Scotia in the amount of US\$140,19 million (Ch\$119,080 million) with an interest rate of Libor (6M) + 1,9%, maturing on April 20, 2021. On September 30, 2020, the due date was extended to September 29, 2023 with an interest rate of Libor (6M) + 1,53%.
- 3) On October 6, 2020, a local loan was taken with the Banco de Chile for ThCh \$ 30,000,000 with an annual interest rate of 1,9%, maturing on October 6, 2024.
- 4) On March 23, 2021, a local loan was taken with the Banco Itaú for ThCh \$ 17,911,000 with an annual interest rate of 3,35%, maturing on September 19, 2025.
- 5) On March 26, 2021, a local loan was taken with the Banco Santander for ThCh \$ 50,000,000 with an annual interest rate of 3,22%, maturing on March 26, 2025.
- 6) On March 29, 2021, a local loan was taken with the Banco Estado for ThCh \$ 50,000,000 with an annual interest rate of 1,30%, maturing on March 29, 2025.
- 7) On March 30, 2021, a local loan was taken with the Banco BCI for ThCh \$ 30,000,000 with an annual interest rate of 2,94%, maturing on March 30, 2025.

On April 15, 2021, Telefónica Móviles Chile S.A. paid the Tokyo loan from MUFG BANK, LTD. for a total of USD 150,000,000 of capital and USD 113,266.25 of interest equivalent to ThCh\$106,087,500 and ThCh\$80,108 respectively.

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



20. Other current and other non-current financial liabilities, continued

b) As of September 30, 2022, the detail of unguaranteed obligations (Bonds) is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bond 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	Foreign	The Bank of New York Mellon	EE,UU,	USD	At maturity	4,06%	3,88%	US\$ 500 mm	10-12-2022
Bond series F (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,036,000-K	Banco Santander	Chile	U,F,	At maturity	3,82%	3,60%	UF 3 mm	10-04-2023
Bond series T (3)	90,635,000-9	Telefónica Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	4,72%	4,90%	MM\$ 48,000	07-05-2023
Bono Serie O (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	3,36%	3,50%	MM\$ 70,000	12-01-2025
Bono Serie Q (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Santander	Chile	CLP	At maturity	3,36%	3,60%	MM\$ 70,000	03-01-2026
Bond Serie 144A II (6)	90,635,000-9	Telefónica Chile S,A,	Chile	Foreign	The Bank of New York Mellon	EE,UU,	USD	At maturity	3,73%	3,54%	US\$ 500 mm	11-18-2031

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Nominal amounts (capital in thousands) To Maturity										
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	1 to 2 Years ThCh\$	2 to 3 Years ThCh\$	Total 1 to 3 Years ThCh\$	3 to 4 Years ThCh\$	4 to 5 Years ThCh\$	Total 3 to 5 Years ThCh\$	5 years and Over ThCh\$	Total nominal amounts in local currency ThCh\$	
Bono 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	236,400,000	-	-	-	-	-	-	-	-	-	236,400,000
Bono Serie F (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	-	69,392,760	-	69,392,760	-	-	-	-	-	69,392,760
Bono Serie T (3)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco de Chile	-	19,200,000	-	-	-	-	-	-	-	-	19,200,000
Bono Serie O (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	-	-	-	-	70,000,000	-	70,000,000	-	-	70,000,000
Bono Serie Q (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	-	-	-	-	-	90,000,000	-	90,000,000	-	-	90,000,000
Bond Serie 144A II (6)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	-	-	-	-	-	-	-	409.780.000	-	409,780,000
Total					236,400,000	19,200,000	69,392,760	-	69,392,760	160,000,000	-	160,000,000	409,780,000	-	894,772,760

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



20. Other current and other non-current financial liabilities, continued

b) As of September 30, 2022 the detail of unguaranteed obligations (Bonds) is as follows, continued:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current						Total Non-current as of 09.30.2022 ThCh\$	
					To Maturity		Total current as of 09.30.2022 ThCh\$	To Maturity							
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$		1 to 2 Years ThCh\$	2 to 3 Years ThCh\$	Total 1 to 3 years ThCh\$	3 to 4 Years ThCh\$	4 to 5 Years ThCh\$	Total 3 to 5 years ThCh\$		5 years and Over ThCh\$
Bono 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	494,742,407	-	494,742,407	-	-	-	-	-	-	-	-
Bono Serie F (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	1,580,483	1,580,483	99,950,740	-	99,950,740	-	-	-	-	99,950,740
Bono Serie T (3) (5) (6)(8)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco de Chile	219,758	19,217,078	19,436,836	-	-	-	-	-	-	-	-
Bono Serie O(4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	891,336	891,336	-	-	-	70,201,916	-	70,201,916	-	70,201,916
Bono Serie Q (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	448,505	-	448,505	-	-	-	90,489,979	-	90,489,979	-	90,489,979
Bond Serie 144A II (9)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	5,739,140	5,739,140	-	-	-	-	-	-	392,843,474	392,843,474
Total					495,410,670	27,428,037	522,838,707	99,950,740	-	99,950,740	160,691,895	-	160,691,895	392,843,474	653,486,109

- (1) On October 12, 2012, Telefónica Chile S,A, issued a 10-year 144A Reg S bullet Bond in the American Capital Market for an amount of US\$ 500,000,000 (equivalent to ThCh\$ 236,400,000 historical), with an effective annual interest rate of 3.887% in US dollars and 10-year bullet, maturing on October 12, 2022, The placement banks were Banco Bilbao Vizcaya Argentaria, S,A,, Citigroup Global Markets Inc, and J,P, Morgan Securities LLC, The funds resulting from the issuance were used for refinancing liabilities and other corporate purposes.
- (2) On October 15, 2013, there was a 10-year bullet placement in the local market for an amount of UF 3,000,000, maturing on October 4, 2023.
- (3) On January 5, 2017, Telefónica Chile S,A, placed a 6,5-year bullet Bond Series T in the local market with a nominal annual interest rate of 4.9%, maturing on July 5, 2023, The amount collected on this transaction amounted to ThCh\$48,795,000
- (4) On December 21, 2020, there was a 5-year bullet placement in the local market for an amount of ThCh \$ 70,000,000, maturing December 1, 2025.
- (5) On July 3, 2020, Telefónica Chile S.A. paid the first principal instalment of the T Bond in the amount of ThCh\$9,600,000 and ThCh\$1,161,936 in interest.
- (6) On January 5, 2021, Telefónica Chile S.A. paid the second instalment of the T Bond in the amount of ThCh\$9,600,000 and ThCh\$929,549 in interest.
- (7) On April 13, 2021, a placement was made in the local market for an amount of ThCh \$90,000,000 for a term of 5 bullet years, maturing March 1, 2026
- (8) On July 2, 2021, Telefónica Chile S.A. paid the third installment of the capital of the T bond for ThCh\$9,600,000 and ThCh\$697,162 of interest.
- (9) On November 18, 2021, Telefónica Móviles Chile S.A. issued 144A Reg S Bonds in the American capitals market in the amount of US\$ 500,000,000 (equivalent to ThCh\$ 409,780,000 historical), at an effective annual interest rate of 3.537% in US dollars and 10-year bullet maturing on November 18, 2031. The placing banks were Banco Bilbao Vizcaya Argentaria, S.A. Scotiabank, Goldman Sachs and Bank of America. The proceeds from the issuance were destined to refinancing liabilities and other corporate purposes.

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



20. Other current and other non-current financial liabilities, continued

b) As of December 31, 2021 the detail of unguaranteed obligations (Bonds) is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bond 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	0-E	The Bank of New York Mellon	EE,UU,	USD	At maturity	4,06%	3,88%	US\$ 500 mm	10-12-2022
Bond series F (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,036,000-K	Banco Santander	Chile	U,F,	At maturity	3,82%	3,60%	UF 3 mm	10-04-2023
Bond series T (3)	90,635,000-9	Telefónica Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	4,72%	4,90%	MM\$ 48,000	07-05-2023
Bono Serie O (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Chile	Chile	CLP	At maturity	3,36%	3,50%	MM\$ 70,000	12-01-2025
Bono Serie Q (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	97,004,000-5	Banco de Santander	Chile	CLP	At maturity	3,36%	3,60%	MM\$ 70,000	03-01-2026
Bond Serie 144A II (6)	90,635,000-9	Telefónica Chile S,A,	Chile	0-E	The Bank of New York Mellon	EE,UU,	USD	At maturity	3,73%	3,54%	US\$ 500 mm	11-18-2031

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Nominal amounts (capital in thousands)										
					To Maturity										Total nominal amounts in local currency ThCh\$
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	1 to 2 Years ThCh\$	2 to 3 Years ThCh\$	Total 1 to 3 Years ThCh\$	3 to 4 Years ThCh\$	4 to 5 Years ThCh\$	Total 3 to 5 Years ThCh\$	5 years and Over ThCh\$		
Bono 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	236,400,000	-	-	-	-	-	-	-	-	236,400,000
Bono Serie F (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	-	66,392,760	-	66,392,760	-	-	-	-	-	69,392,760
Bono Serie T (4)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco de Chile	-	-	19,200,000	-	19,200,000	-	-	-	-	-	19,200,000
Bono Serie O (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	-	-	-	-	70,000,000	-	70,000,000	-	-	70,000,000
Bono Serie Q (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	-	-	-	-	-	-	90,000,000	90,000,000	-	-	90,000,000
Bond Serie 144A II (6)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	-	-	-	-	-	-	-	409,780,000	-	409,780,000
Total					-	236,400,000	88,592,760	-	88,592,760	70,000,000	90,000,000	160,000,000	409,780,000	-	894,772,760

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



21. Other current and other non-current financial liabilities, continued

b) As of December 31, 2021, the detail of unguaranteed obligations (Bonds) is as follows, continued:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current							
					To Maturity		Total current as of 12.31.2021 ThCh\$	To Maturity							Total Non-current as of 12.31.2021 ThCh\$
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$		1 to 2 Years ThCh\$	2 to 3 Years ThCh\$	Total 1 to 3 years ThCh\$	3 to 4 Years ThCh\$	4 to 5 Years ThCh\$	Total 3 to 5 years ThCh\$	5 years and Over ThCh\$	
Bono 144A (1)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	432,354,475	432,354,475	-	-	-	-	-	-	-	-
Bono Serie F (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	612,542	612,542	93,004,243	-	93,004,243	-	-	-	-	93,004,243
Bono Serie T (3) (5) (6)(8)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco Chile	484,725	-	484,725	19,208,901	-	19,208,901	-	-	-	-	19,208,901
Bono Serie O (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	286,375	286,375	-	-	-	70,268,325	-	70,268,325	-	70,268,325
Bono Serie Q (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	1,260,087	-	1,260,087	-	-	-	-	90,633,125	90,633,125	-	90,633,125
Bond Serie 144A II (9)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	1,774,444	1,774,444	-	-	-	-	-	-	417,990,283	417,990,283
Total					1,744,812	435,027,836	436,772,648	112,213,144	-	112,213,144	70,268,325	90,633,125	160,901,450	417,990,283	691,104,877

- (1) On October 12, 2012, Telefónica Chile S,A, issued a 10-year 144A Reg S bullet Bond in the American Capital Market for an amount of US\$ 500,000,000 (equivalent to ThCh\$ 236,400,000 historical), with an effective annual interest rate of 3,887% in US dollars and 10-year bullet, maturing on October 12, 2022, The placement banks were Banco Bilbao Vizcaya Argentaria, S,A,, Citigroup Global Markets Inc, and J,P, Morgan Securities LLC, The funds resulting from the issuance were used for refinancing liabilities and other corporate purposes.
- (2) On October 15, 2013, there was a 10-year bullet placement in the local market for an amount of UF 3,000,000, maturing on October 4, 2023.
- (3) On January 5, 2017, Telefónica Chile S,A, placed a 6,5-year bullet Bond Series T in the local market with a nominal annual interest rate of 4,9%, maturing on July 5, 2023, The amount collected on this transaction amounted to ThCh\$48,795,000.
- (4) On December 21, 2020, there was a 5-year bullet placement in the local market for an amount of ThCh\$ 70,000,000, maturing December 1, 2025.
- (5) On July 3, 2020, Telefónica Chile S.A. paid the first principal instalment of the T Bond in the amount of ThCh\$9,600,000 and ThCh\$1,161,936 in interest.
- (6) On January 5, 2021, Telefónica Chile S.A. paid the second instalment of the T Bond in the amount of ThCh\$9,600,000 and ThCh\$929,549 in interest.
- (7) On April 13, 2021, a placement was made in the local market for an amount of ThCh\$90,000,000 for a term of 5 bullet years, maturing March 1, 2026.
- (8) On July 2, 2021, Telefónica Chile S.A. paid the third installment of the capital of the T bond for ThCh\$9,600,000 and ThCh\$697,162 of interest.
- (9) On November 18, 2021, Telefónica Móviles Chile S.A. issued 144A Reg S Bonds in the American capitals market in the amount of US\$ 500,000,000 (equivalent to ThCh\$ 409,780,000 historical), at an effective annual interest rate of 3.537% in US dollars and 10-year bullet maturing on November 18, 2031. The placing banks were Banco Bilbao Vizcaya Argentaria, S.A. Scotiabank, Goldman Sachs and Bank of America. The proceeds from the issuance were destined to refinancing liabilities and other corporate purposes.

On September 10, 2021 Telefónica Móviles Chile S.A. paid the K Bond for a total of ThCh\$ 94,410,000 in principal and ThCh\$ 2,285,383.



20. Other current and other non-current financial liabilities, continued

c) As of September 30, 2022 the composition of movements in current and non-current financial assets and liabilities from financial activities are as follows:

Conciliation of financing activities, current	Cash flows				Items other than cash flows			09.30.2022
	12.31.2021	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	484,852,557	2,026,394	(118,870,541)	52,774,193	78,337,798	250,907,149	17,895,536	767,923,086
Banks loans (1)	1,088,844	-	(8,802,096)	15,535,407	6,747,469	119,080,998	1,211,901	134,862,523
Unguaranteed obligations (Bonds) (2)	436,772,648	-	(22,824,394)	57,752,268	32,562,035	19,200,000	(623,850)	522,838,707
Hedge instruments (3)	5,149,880	2,026,394	(11,977,994)	(115,937)	32,597,401	-	8,429,460	36,109,204
Leases (4)	41,841,185	-	(72,207,821)	(20,397,545)	6,430,893	112,626,151	5,819,789	74,112,652
Other financial debts (5)	-	-	(3,058,236)	-	-	-	3,058,236	-
Related companies commercial mandate (6)	88,215	956,660	(550,000)	-	-	-	(470,990)	23,885
Total	484,940,772	2,983,054	(119,420,541)	52,774,193	78,337,798	250,907,149	17,424,546	767,946,971

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Includes fair value adjustment for loans subject to fair value hedging ThCh\$(938,148) and amortized cost in the amount of ThCh\$(44,558).
- (3) Corresponds to recognition of the fair value of rate insurance.
- (4) Corresponds to recognition of the obligation for liabilities on lease contracts that qualify under IFRS 16.
- (5) Corresponds to portfolio sales settlement.
- (6) Corresponds to movements of related-party transactions with Telxius Cable.

Conciliation of financing activities, Non-current	Cash flows				Items other than cash flows			09.30.2022
	12.31.2021	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	1,238,241,748	-	-	75,355,703	-	(250,907,149)	131,986,357	1,194,676,659
Banks loans (1)	352,932,060	-	-	8,608,029	-	(119,080,998)	668,555	243,127,646
Unguaranteed obligations (Bonds) (2)	691,104,877	-	-	67,725,501	-	(19,200,000)	(86,144,269)	653,486,109
Hedge instruments (3)	1,044,730	-	-	(977,827)	-	-	85,669,579	85,736,482
Leases (4)	193,160,081	-	-	-	-	(112,626,151)	131,792,492	212,326,422
Total	1,238,241,748	-	-	75,355,703	-	(250,907,149)	131,986,357	1,194,676,659

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Includes fair value adjustment for loans subject to fair value hedging in the amount of ThCh\$(85,403,604) and amortized cost in the amount of ThCh\$(740,665)
- (3) Corresponds to recognition of the fair value of rate insurance.
- (4) Corresponds to recognition of the obligation for liabilities on lease contracts that qualify under IFRS 16.



20. Other current and other non-current financial liabilities, continued

c) As of September 30, 2021, the composition of movements in current and non-current financial liabilities from financial activities are as follows:

Conciliation of financing activities, current	Cash flows				Items other than cash flows			09.30.2021
	12.31.2020	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	323,826,778	5,222,977	(313,141,687)	(32,554,317)	23,681,608	40,830,744	16,016,662	63,882,765
Banks loans (1)	107,005,217	-	(105,948,161)	(7,621,092)	4,602,483	-	2,499,867	538,314
Unguaranteed obligations (Bonds) (1)	119,223,234	-	(131,347,272)	(117,857)	21,407,933	-	574,089	9,740,127
Hedge instruments (2)	28,697,814	5,222,977	(4,659,459)	(22,859,615)	(4,322,667)	-	(157,087)	1,921,963
Leases (3)	66,977,988	-	(65,414,419)	(1,955,753)	1,993,859	40,830,744	7,801,756	50,234,175
Other financial debts (4)	1,922,525	-	(5,772,376)	-	-	-	5,298,037	1,448,186
Related companies commercial mandate (5)	88,368	707,608	(1,354,289)	-	-	-	(32,502)	(590,814)
Related companies leases (3)	2,560,600	-	-	-	-	(2,560,600)	-	-
Dividends pending of payment (6)	9,971,466	-	(448,670,663)	-	-	-	438,699,197	-
Total	336,447,212	5,930,585	(763,166,639)	(32,554,317)	23,681,608	38,270,144	454,683,357	63,291,951

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Corresponds to recognition of the fair value of interest rate insurance and transfer from financial assets.
- (3) Corresponds to recognition of the obligation for liabilities on lease contracts that qualify under IFRS 16.
- (4) Corresponds to portfolio sales settlement.
- (5) Corresponds to movements of related-party transactions with Fundación Telefónica Chile.
- (6) Corresponds to dividends paid in February 2021.

Conciliation of financing activities, Non-current	Cash flows				Items other than cash flows			09.30.2021
	12.31.2020	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	854,041,423	239,687,064	-	52,760,137	-	1,176,894	31,090,970	1,178,756,488
Banks loans (1)	177,503,803	147,911,000	-	21,010,648	-	-	(911,376)	345,514,075
Unguaranteed obligations (Bonds) (2)	553,244,197	91,776,064	-	53,444,476	-	-	(10,926,421)	687,538,316
Hedge instruments (3)	24,855,039	-	-	(21,694,987)	-	-	(3,160,052)	-
Leases (4)	98,438,384	-	-	-	-	1,176,894	46,088,819	145,704,097
Related companies leases (4)	39,447,038	-	-	-	-	(39,447,038)	-	-
Total	893,488,461	239,687,064	-	52,760,137	-	(38,270,144)	31,090,970	1,178,756,488

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Includes fair value adjustment for loans subject to fair value hedging in the amount of ThCh\$(10,250,126) and amortized cost in the amount of ThCh\$676,295.
- (3) Corresponds to recognition of the fair value of rate insurance.
- (4) Corresponds to recognition of the obligation for liabilities on lease contracts that qualify under IFRS 16.

21. Current and non-current lease liabilities

a) The composition of the Liabilities for current and non-current leases that accrue interest is as follows:

Concepts	09.30.2022		12.31.2021	
	Current M\$	Non-current M\$	Current M\$	Non-current M\$
Lease obligations (1)	74,112,652	212,326,422	41,841,185	193,160,081
Total	74,112,652	212,326,422	41,841,185	193,160,081

(1) Corresponds to recognition of the liability for lease agreements that qualify under IFRS 16.

b) The detail of the expirations of the current and non-current financial liabilities for leases as of September 30, 2022 and as of December 31, 2021 is as follows:

Up to 90 days ThCh\$	Due date		Total current 09.30.2022 ThCh\$	1 to 3 years ThCh\$	Due dates		Total non-current as of 09.30.2022 ThCh\$
	91 days to 1 year ThCh\$				3 to 5 years ThCh\$	Over 5 years ThCh\$	
19,344,014	54,768,637		74,112,652	117,784,931	71,951,848	22,589,644	212,326,422

Up to 90 days ThCh\$	Due date		Total current 12.31.2021 ThCh\$	1 to 3 years ThCh\$	Due dates		Total non-current as of 12.31.2021 ThCh\$
	91 days to 1 year ThCh\$				3 to 5 years ThCh\$	Over 5 years ThCh\$	
22,275,189	19,565,996		41,841,185	140,440,778	36,572,713	16,146,590	193,160,081

22. Trade and other payables

a) The composition of Trade and other payables is as follows:

Description	09.30.2022		12.31.2021	
	Current ThCh\$	No-current ThCh\$	Current ThCh\$	No-current ThCh\$
Debts due to purchases or services provided, invoiced (1)	179,506,963	-	183,956,374	-
Debts due to purchases or services provided, provisioned (1) (2)	139,401,834	52,539	182,026,017	280,037
Real property providers, invoiced	64,168,755	-	63,663,843	-
Real property providers, provisioned	14,563,098	-	29,224,226	-
Payables to employees	30,301,689	-	34,521,366	-
Dividends pending of payment	506,337	-	555,203	-
Total	428,448,676	52,539	493,947,029	280,037

(1) "Debts from purchases or services rendered" corresponding to foreign and domestic suppliers, for the periods ended as of September 30, 2022 and as of December 31, 2021 are detailed as follows:

Debts due to purchases or services provided	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Domestic	279,638,480	314,078,101
Foreign	39,270,317	51,904,290
Total	318,908,797	365,982,391

(2) Non-current balances correspond to equipment purchase obligations.

22. Trade and other payables, continued

b) Accounts payable payment terms

The Company has a policy of paying its suppliers in an average period of 60 days as of the date of reception of the respective invoice, There are cases in which, due to specific circumstances, other than general policy, the established period is not complied with, For example, contracts that have specific agreed-upon deadlines, or delay on the part of the supplier in the issuance of invoices, or the closing of agreements with suppliers for delivery of goods or providing of the service, among others,

The Company does not present interest associated to debts in this heading,

As of September 30, 2022, the main suppliers, considering the minimum margin to be 4% of total accounts payable are: Samsung Electronics Chile Ltda. with 8.5%, Nokia Solutions and Networks Chile with 6.2%, Zener Austral Ltda. with 4.2%, Huawei Chile S.A. with 4.1%. For December 31, 2021, the main suppliers, considering a minimum margin of 4% of total accounts payable correspond to: Samsung Electronics Chile Ltda. with 11.0%, Nokia Solutions and Networks Chile with 8.4%, Comercial Multiwireless Ltda. with 4.8%, Apple Chile Comercial Ltda. with 4.8%, and Huawei Chile S.A. with 4.1%.

The terms of accounts payable to suppliers with up to date payments as of September 30, 2022 and as of December 31, 2021 are detailed as follows:

Suppliers with up to date payments As of 09.30.2022	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Trade accounts to date			
Up to 30 days	33,760,531	100,926,525	134,687,056
From 31 to 60 days	19,548,151	39,088,552	58,636,703
From 61 to 90 days	925,557	5,720,169	6,645,726
From 91 to 120 days	374,807	788,453	1,163,260
From 121 to 180 days	109,739	21,505	131,244
More than 180 days	-	3,366	3,366
Total	54,718,785	146,548,571	201,267,356
Average period of payment of up to date accounts	67	55	

Suppliers with up to date payments As of 12.31.2021	Goods (Immobilized) ThCh\$	Services and Shopping Purchases ThCh\$	Total ThCh\$
Trade accounts to date			
Up to 30 days	32,419,903	106,555,339	138,975,242
From 31 to 60 days	25,468,394	51,294,450	76,762,844
From 61 to 90 days	1,805,519	4,535,714	6,341,233
From 91 to 120 days	908,178	1,875,653	2,783,831
From 121 to 180 days	25,650	21,841	47,491
More than 180 days	164,464	30,442	194,906
Total	60,792,108	164,313,439	225,105,547
Average period of payment of up to date accounts	71	70	

22. Trade and other payables, continued

b) Payment terms of accounts payable, continued

The terms of accounts payable to suppliers with overdue payments as of September 30, 2022 and as of December 31, 2021 are detailed as follows:

Overdue suppliers by term As of 09.30.2022	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Overdue trade accounts payable by term			
Up to 30 days	8,029,359	24,712,846	32,742,205
From 31 to 60 days	1,030,466	3,799,891	4,830,358
From 61 to 90 days	77,572	490,328	567,900
From 91 to 120 days	-	342,042	342,042
From 121 to 180 days	259,272	432,619	691,891
More than 180 days	53,301	3,180,666	3,233,966
Total	9,449,970	32,958,392	42,408,362
Average payment period of overdue accounts	60	47	

Overdue suppliers by term As of 12.31.2021	Goods (In ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Overdue trade accounts payable by term			
Up to 30 days	2,090,915	13,044,726	15,135,641
From 31 to 60 days	499,259	3,045,222	3,544,481
From 61 to 90 days	229,595	671,776	901,371
From 91 to 120 days	6,336	354,957	361,293
From 121 to 180 days	3,381	299,948	303,329
More than 180 days	42,249	2,226,306	2,268,555
Total	2,871,735	19,642,935	22,514,670
Average payment period of overdue accounts	60	43	

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



23. Financial instruments

1. Classification of financial instruments by nature and category

a) Details of financial instruments of assets classified by nature and category as of September 30, 2022 is as follows:

Description of financial assets	Note	Assets recorded at amortized cost		Financial assets booked at fair value = book value							Total financial assets			
		Financial assets at amortized cost	Fair Value of financial assets at amortized cost	Through profit and loss		Through other comprehensive income (equity)		Hedges	Subtotal financial assets at fair value	Fair value measurement hierarchy			Total Book Value of Financial Assets	Total Fair Value of Financial Assets
				Financial Assets - held for trading	Financial assets - fair value to P&L option	Financial assets - Debt instruments	Financial assets - Equity instruments			Level 1 (market prices)	Level 2 (observable inputs other than market prices)	Level 3 (inputs not based on observable market data)		
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Other participations (net)	6-c	-	-	-	-	-	6,799,886	-	6,799,886	6,799,768	118	-	6,799,886	6,799,886
Other participations		-	-	-	-	-	6,799,886	-	6,799,886	6,799,768	118	-	6,799,886	6,799,886
Derivative instrument assets		-	-	-	-	-	-	125,502,154	125,502,154	-	125,502,154	-	125,502,154	125,502,154
Derivative instrument assets	23-2	-	-	-	-	-	-	125,502,154	125,502,154	-	125,502,154	-	125,502,154	125,502,154
Non-current trade and other accounts receivable		139,862,698	139,862,698	-	-	-	-	-	-	-	-	-	139,862,698	139,862,698
Current trade and other accounts receivable	12	46,432,670	46,432,670	-	-	-	-	-	-	-	-	-	46,432,670	46,432,670
Account receivable from relate entities	9-b	93,430,028	93,430,028	-	-	-	-	-	-	-	-	-	93,430,028	93,430,028
Non-current financial assets		139,862,698	139,862,698	-	-	-	6,799,886	125,502,154	132,302,040	6,799,768	125,502,272	-	272,164,738	272,164,738
Current trade accounts receivable		410,237,973	410,237,973	-	-	-	-	-	-	-	-	-	410,237,973	410,237,973
Current trade and other accounts receivable	8-a	367,905,691	367,905,691	-	-	-	-	-	-	-	-	-	367,905,691	367,905,691
Account receivable from relate entities	9-a	42,332,282	42,332,282	-	-	-	-	-	-	-	-	-	42,332,282	42,332,282
Other non-trade accounts receivable		29,850,298	29,850,298	-	-	-	-	-	-	-	-	-	29,850,298	29,850,298
Other non-trade accounts receivable	6-a	29,850,298	29,850,298	-	-	-	-	-	-	-	-	-	29,850,298	29,850,298
Current deposits and pledges		73,124	73,124	-	-	-	-	-	-	-	-	-	73,124	73,124
Current pledges and deposits	6-c	73,124	73,124	-	-	-	-	-	-	-	-	-	73,124	73,124
Derivative instrument of assets		-	-	-	-	-	-	304,715,590	304,715,590	-	304,715,590	-	304,715,590	304,715,590
Derivative instrument of assets	23-2	-	-	-	-	-	-	304,715,590	304,715,590	-	304,715,590	-	304,715,590	304,715,590
Cash and cash equivalents		469,797,081	469,797,081	-	-	-	-	-	-	-	-	-	469,797,081	469,797,081
Cash and cash equivalents	5	469,797,081	469,797,081	-	-	-	-	-	-	-	-	-	469,797,081	469,797,081
Current financial assets		909,958,476	909,958,476	-	-	-	-	304,715,590	304,715,590	-	304,715,590	-	1,214,674,066	1,214,674,066
Total financial assets		1,049,821,174	1,049,821,174	-	-	-	6,799,886	430,217,744	437,017,630	6,799,768	430,217,862	-	1,486,838,804	1,486,838,804

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



23. Financial instruments, continued

1. Classification of financial instruments by nature and category, continued

b) Details of financial instruments of assets classified by nature and category as of December 31, 2021 is as follows:

Description of financial assets	Note	Assets recorded at amortized cost		Financial assets booked at fair value = book value									Total financial assets		
		Financial assets at amortized cost	Fair Value of financial assets at amortized cost	Through profit and loss		Through other comprehensive income (equity)			Hedges	Subtotal financial assets at fair value	Fair value measurement hierarchy			Total Book Value of Financial Assets	Total Fair Value of Financial Assets
				Financial Assets - held for trading	Financial assets - fair value to P&L option	Financial assets - Debt instruments	Financial assets - Equity instruments	Level 1 (market prices)			Level 2 (observable inputs other than market prices)	Level 3 (inputs not based on observable market data)			
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Other participations (net)	6-c	-	-	-	-	-	6,832,112	-	6,832,112	6,831,994	118	-	6,832,112	6,832,112	
Other participations		-	-	-	-	-	6,832,112	-	6,832,112	6,831,994	118	-	6,832,112	6,832,112	
Derivative instrument assets		-	-	-	-	-	-	53,949,739	53,949,739	-	53,949,739	-	53,949,739	53,949,739	
Derivative instrument assets	23-2	-	-	-	-	-	-	53,949,739	53,949,739	-	53,949,739	-	53,949,739	53,949,739	
Non-current trade and other accounts receivable		108,367,705	108,367,705	-	-	-	-	-	-	-	-	-	108,367,705	108,367,705	
Non-current trade and other accounts receivable	12	25,107,034	25,107,034	-	-	-	-	-	-	-	-	-	25,107,034	25,107,034	
Account receivable from relate entities	9-b	83,260,671	83,260,671	-	-	-	-	-	-	-	-	-	83,260,671	83,260,671	
Other non-trade accounts receivable	6-a	21,401,681	21,401,681	-	-	-	-	-	-	-	-	-	21,401,681	21,401,681	
Non-current financial assets		129,769,386	129,769,386	-	-	-	6,832,112	53,949,739	60,781,733	6,831,994	53,949,857	-	190,551,237	190,551,237	
Current trade accounts receivable		282,489,939	282,489,939	-	-	-	-	-	-	-	-	-	282,489,939	282,489,939	
Current trade and other accounts receivable	8-a	243,735,280	243,735,280	-	-	-	-	-	-	-	-	-	243,735,280	243,735,280	
Account receivable from relate entities	9-a	38,754,659	38,754,659	-	-	-	-	-	-	-	-	-	38,754,659	38,754,659	
Other non-trade accounts receivable	6-a	19,752,048	19,752,048	-	-	-	-	-	-	-	-	-	19,752,048	19,752,048	
Current deposits and pledges		414,098,995	414,098,995	-	-	-	-	-	-	-	-	-	414,098,995	414,098,995	
Current pledges and deposits	6-b/6-c	414,098,995	414,098,995	-	-	-	-	-	-	-	-	-	414,098,995	414,098,995	
Derivative instrument of assets		-	-	-	-	-	-	220,841,822	220,841,822	-	220,841,822	-	220,841,822	220,841,822	
Derivative instrument of assets	23-2	-	-	-	-	-	-	220,841,822	220,841,822	-	220,841,822	-	220,841,822	220,841,822	
Cash and cash equivalents		412,783,123	412,783,123	-	-	-	-	-	-	-	-	-	412,783,123	412,783,123	
Cash and cash equivalents	5	412,783,123	412,783,123	-	-	-	-	-	-	-	-	-	412,783,123	412,783,123	
Current financial assets		1,129,124,105	1,129,124,105	-	-	-	-	220,841,822	220,841,822	-	220,841,822	-	1,349,965,927	1,349,965,927	
Total financial assets		1,258,893,491	1,258,893,491	-	-	-	6,832,112	274,791,561	281,623,555	6,831,994	274,791,679	-	1,540,517,164	1,540,517,164	

23. Financial instruments, continued

1. Classification of financial instruments by nature and category, continued

The book value of financial assets such as cash and cash equivalents and the current portion of accounts receivable from related entities approximates their fair values, due to the short-term nature of their maturities.

The book value of the current portion of trade and other accounts receivable approximates their fair values, due to the short-term nature of their maturities.

Instruments recorded under other current and non-current financial assets classified as financial assets at fair value through profit or loss and hedge derivatives are presented at their fair value in the Statement of Financial Position.

Financial instruments recorded under other non-current financial assets mainly, include the investment in Telefonica Brazil which is recorded at fair value (Note 6a).

Instruments recorded under other current financial assets classified as held to maturity, mainly include time deposits maturing in more than 90 days.



23. Financial instruments, continued

1. Classification of financial instruments by nature and category, continued

c) Details of financial instruments of liabilities classified by nature and category as of September 30, 2022 is as follows:

Description of financial liabilities	Note	Financial liabilities at amortized cost		Financial liabilities booked at fair value = booked value						Total financial liabilities		
		Financial liabilities at amortized cost	Fair value of liabilities at amortized cost	With changes in the income statement		Hedges	SUBTOTAL FINANCIAL LIABILITIES AT FAIR VALUE	Fair value measurement hierarchy			Total Book Value of Financial Liabilities	Total Fair Value of Financial Liabilities
				Financial liabilities - Held for trading	Financial liabilities - Fair value option to PL			Level 1 (market prices)	Level 2 (observable inputs other than market prices)	Level 3 (inputs not based on observable market data)		
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Issuance of obligations and other non-current marketable securities	20-b	653,486,109	545,394,643	-	-	-	-	-	-	-	653,486,109	545,394,643
Non-current debts with loan entities	20-a	243,127,646	243,127,648	-	-	-	-	-	-	-	243,127,646	243,127,648
Long-term hedge derivative instrument of liabilities	23-2	-	-	-	-	85,736,482	85,736,482	-	85,736,482	-	85,736,482	85,736,482
Trade and other accounts payable	22-a	52,539	52,539	-	-	-	-	-	-	-	52,539	52,539
Accounts payable to related entities	9-d	799,567	799,567	-	-	-	-	-	-	-	799,567	799,567
Other non-current financial debts	21	212,326,422	212,326,422	-	-	-	-	-	-	-	212,326,422	212,326,422
Non-current financial liabilities		1,109,792,283	1,001,700,819	-	-	85,736,482	85,736,482	-	85,736,482	-	1,195,528,765	1,087,437,301
Issuance of short-term obligations and other marketable securities	20-b	522,838,707	519,597,422	-	-	-	-	-	-	-	522,838,707	519,597,422
Short-term debts with credit entities	20-a	134,862,523	134,862,524	-	-	-	-	-	-	-	134,862,523	134,862,524
Short-term derivative instrument of liabilities	23-2	-	-	-	-	36,109,204	36,109,204	-	36,109,204	-	36,109,204	36,109,204
Trade and other accounts payable	22-a	428,448,676	428,448,676	-	-	-	-	-	-	-	428,448,676	428,448,676
Accounts payable to related entities	9-c	99,989,653	99,989,653	-	-	-	-	-	-	-	99,989,653	99,989,653
Other non-current financial debts (1)	21	74,112,652	74,112,652	-	-	-	-	-	-	-	74,112,652	74,112,652
Current financial liabilities		1,260,252,211	1,257,010,927	-	-	36,109,204	36,109,204	-	36,109,204	-	1,296,361,415	1,293,120,131
Total financial liabilities		2,370,044,494	2,258,711,746	-	-	121,845,686	121,845,686	-	121,845,686	-	2,491,890,180	2,380,557,432

(1) Includes sale of portfolio to Banco Santander (See Note 20 Other financial debts).

Notes to the consolidated financial statements, continued
As of September 30, 2021 (not audited) and December 31, 2020



23. Financial instruments, continued

1. Classification of financial instruments by nature and category, continued

b) Details of financial instruments of liabilities classified by nature and category as of December 31, 2021 is as follows:

Description of financial liabilities	Note	Financial liabilities at amortized cost		Financial liabilities booked at fair value = booked value							Total financial liabilities	
		Financial liabilities at amortized cost	Fair value of liabilities at amortized cost	With changes in the income statement		Hedges	SUBTOTAL FINANCIAL LIABILITIES AT FAIR VALUE	Fair value measurement hierarchy			Total Book Value of Financial Liabilities	Total Fair Value of Financial Liabilities
				Financial liabilities - Held for trading	Financial liabilities - Fair value option to PL			Level 1 (market prices)	Level 2 (observable inputs other than market prices)	Level 3 (inputs not based on observable market data)		
ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Issuance of obligations and other non-current marketable securities	20-b	691,104,877	670,149,934	-	-	-	-	-	-	-	691.104.877	670,149,934
Non-current debts with loan entities	20-a	352,932,060	352,932,061	-	-	-	-	-	-	-	352.932.060	352,932,061
Long-term hedge derivative instrument of liabilities	20-a	-	-	-	-	1,044,730	1,044,730	-	1,044,730	-	1.044.730	1,044,730
Trade and other accounts payable	22-a	280,037	280,037	-	-	-	-	-	-	-	280.037	280,037
Accounts payable to related entities	9-d	1,529,371	1,529,371	-	-	-	-	-	-	-	1.529.371	1,529,371
Other non-current financial debts	21	193,160,081	193,160,081	-	-	-	-	-	-	-	193.160.081	193,160,081
Non-current financial liabilities		1,239,006,426	1,218,051,484	-	-	1,044,730	1,044,730	-	1,044,730	-	1.240.051.156	1,219,096,214
Issuance of short-term obligations and other marketable securities	20-b	436,772,648	444,423,200	-	-	-	-	-	-	-	436.772.648	444,423,200
Short-term debts with credit entities	20-a	1,088,844	1,088,843	-	-	-	-	-	-	-	1.088.844	1,088,843
Short-term derivative instrument of liabilities	23-2	-	-	-	-	5,149,880	5,149,880	-	5,149,880	-	5.149.880	5,149,880
Trade and other accounts payable	22-a	498,511,295	498,511,295	-	-	-	-	-	-	-	498.511.295	498,511,295
Accounts payable to related entities	9-c	185,744,314	185,744,314	-	-	-	-	-	-	-	185.744.314	185,744,314
Other non-current financial debts (1)	21	41,841,185	41,841,185	-	-	-	-	-	-	-	41.841.185	41,841,185
Current financial liabilities		1,163,958,286	1,171,608,837	-	-	5,149,880	5,149,880	-	5,149,880	-	1.169.108.166	1,176,758,717
Total financial liabilities		2,402,964,712	2,389,660,321	-	-	6,194,610	6,194,610	-	6,194,610	-	2.409.159.322	2,395,854,931

(1) Includes sale of portfolio to Banco Santander (See Note 20 Other financial debts).

23. Financial instruments, continued

1. Classification of financial instruments by nature and category, continued

The book value of the current portion of accounts payable to related entities and trade accounts receivable approximates their fair values, due to the short-term nature of their due dates.

Instruments recorded under other current and non-current financial liabilities classified as financial liabilities at fair value through profit or loss and hedge derivatives are presented at their fair value in the statement of financial position.

Financial instruments recorded under other current and non-current financial liabilities which correspond to interest bearing loans, are generally recorded for the cash received, net of costs incurred in the transaction. These obligations are valued at amortized cost, using the effective interest rate method, and mainly include bank loans and unguaranteed obligations (bonds) (see note 20).



23. Financial instruments, continued

2. Hedging instruments

As of September 30, 2022, hedging instruments are detailed as follows:

Type of hedge	Underlying	To Maturity							
		Current Assets		Current Liabilities		Non-current Assets		Non-current Assets	
		Up to 90 days ThCh\$	90 days to 1 year ThCh\$	Up to 90 days ThCh\$	90 days to 1 year ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$
Exchange rate hedge – cash flow (1)	Suppliers Debt	13,977,329	5,506,841	(596,639)	-	247,831	-	-	-
Exchange rate hedge – fair value (2)	Suppliers Debt and customers	3,715,673	28,493,301	(12,804,922)	-	-	-	-	-
Interest rate hedge – cash flow (3)	Financial Debt	7,027,059	-	(210,051)	(7,374,528)	12,710,608	6,962,279	(194,272)	(85,542,210)
Exchange rate and interest rate hedge – fair value (4)	Financial Debt	-	245,995,387	(15,123,064)	-	49,403,509	56,177,927	-	-
Total		24,720,061	279,995,529	(28,734,676)	(7,374,528)	62,361,948	63,140,206	(194,272)	(85,542,210)

As of September 30, 2022 hedging instruments have generated an effect on period result of ThCh\$118,809,203, and an accumulated effect on equity, net of taxes, of ThCh\$35,090,118 (see note 27d).

As of December 31, 2021, hedging instruments are detailed as follows:

Type of hedge	Underlying	To Maturity							
		Current Assets		Current Liabilities		Non-current Assets		Non-current Assets	
		Up to 90 days ThCh\$	90 days to 1 year ThCh\$	Up to 90 days ThCh\$	90 days to 1 year ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$	1 to 3 years ThCh\$	3 to 5 years ThCh\$
Exchange rate hedge – cash flow (1)	Suppliers Debt	6,036,831	3,621,584	(1,109,468)	(133,523)	505,386	-	(341,271)	-
Exchange rate hedge – fair value (2)	Suppliers Debt	2,168,668	14,082,341	(72,350)	(3,337,438)	-	-	-	-
Interest rate hedge – cash flows (3)	Financial Debt	9,774,582	-	(288,514)	-	9,926,328	-	(703,458)	-
Exchange rate and interest rate hedge – fair value (4)	Financial Debt	394,511	184,763,305	(208,587)	-	43,518,022	-	-	-
Total		18,374,592	202,467,230	(1,678,919)	(3,470,961)	53,949,739	-	(1,044,730)	-

Hedge instruments have generated an effect on result of ThCh\$117,575,925, as of December 31, 2021 and the accumulated effect on equity, net of taxes, is ThCh\$35,021,989 (see note 27d).

Description of hedge instruments:

- Exchange rate hedge – cash flow: This category includes derivative instruments used to hedge highly probable future cash flows of trade debt.
- Exchange rate hedge – fair value: This category includes derivative instruments entered into in order to hedge existing commercial debt.
- Interest rate hedge – cash flows: This category includes, derivative instruments entered into in order to hedge debt instrument interest rate risk, whose interest cash flows payable are denominated at a variable interest rate.
- Exchange rate and interest rate hedge – fair value: This category includes derivative instruments entered into in order to hedge foreign currency risk on capital of debt instrument.

23. Financial instruments, continued

3. Valuation of hedging instruments

The Company has financial derivative valuation models that use local and international financial market interest rate curves, both to determine cash flows associated to each derivative and to discount those cash flows to present value. Once this valuation is obtained, it is compared to the valuation certificates provided to us by the banks. Should there be material differences, a review of the internal model is carried out and it is verified if the bank is making a correct valuation.

The main assumptions used in the valuation models of derivative instruments are as follows:

- a) Market assumptions, such as spot prices and other price projections, credit risk (own and counterparty) and rates, using observable market information and through techniques commonly used among its participants.
- b) Discount rates like risk free rates and counterparty rates based on risk profiles and information available in the market.
- c) In addition, variables such as: volatility, correlation, regression formulas and market spread, are incorporated to the model.

The methodologies and assumptions used to determine the fair value of financial derivative instruments apply consistently from one period to another. The Company considers that what has been previously described is used in a fair manner, since it is in line with those used by the market and result in a measurement of fair value that is appropriate for the purposes of measuring the financial statements and disclosures. It should be noted that these disclosures are complete and adequate.

4. Hierarchy of financial instruments fair value

Financial instruments recognized at fair value in the Statement of financial position are classified according to the following hierarchies (note 23.1):

Level 1: Corresponds to methodologies of fair value measurement using market rates (without adjustments) in an active market considering the same assets and liabilities valued.

Level 2: Corresponds to methodologies of fair value measurement using data on market rates, not included in Level 1, that are observable for assets and liabilities valued, whether directly (that is, as a price) or indirectly (that is, derived from a price).

Level 3: Corresponds to methodologies of fair value measurement using valuation techniques that include information on assets and liabilities valued, which are not based on observable market information.

24. Other currents provisions

a) The balance of currents provisions is detailed as follows:

Concepts	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Civil and regulatory provisions	3,359,836	8,013,274
Total	3,359,836	8,013,274

Based on the progress of the proceedings, the Company's Management considers that the provisions recorded in the Financial statements adequately cover the litigation risks described in Note 34a, therefore they do not foresee that they will result in liabilities other than those recorded.

Due to the characteristics of the risks that covered by these provisions, it is impossible to determine a reasonable payment date schedule.

As of September 30, 2022 and December 31, 2021, the movements in provisions are as follows:

Movements	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Beginning balance	8,013,274	5,494,711
Increase in existing provisions	2,241,248	8,070,007
Provision application	(6,894,687)	(5,551,444)
Movements subtotal	(4,653,439)	2,518,563
Ending balance	3,359,836	8,013,274

b) Other non-currents provisions:

As of September 30, 2022 and December 31, 2021, the balance of other non-current provisions are detailed as follows:

Concepts	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Dismantling provision (1)	17,804,175	17,662,669
Non-currents provisions others (2)	218,444	134,090
Total	18,022,619	17,796,759

(1) Movements of the dismantling provision as of September 30, 2022 and December 31, 2021 are detailed as follows:

Movements	09.30.2022 ThCh\$	12.31.2021 ThCh\$
Beginning balance	17,662,669	17,175,350
Financial update	113,563	140,145
Upward	27,943	434,844
Reverse of dismantling provision	-	(87,670)
Movement subtotal	141,506	487,319
Ending balance	17,804,175	17,662,669

(2) Includes provisions for municipal licenses and mutual support.

25. Employee benefits accrual

a) Post-employment benefits

The employee benefits provision corresponds to liabilities for future severance pay for years of service that are estimated to be accrued for employees, both in the general and private payroll, through collective or individual employee contracts, and are recorded at actuarial value determined using the projected credit unit method. Actuarial profits and losses on severance pay derived from changes in estimates in the turnover rates, mortality, salary increases or discount rate, are recorded in accordance with International Accounting Standard 19 R (IAS 19R), under Other comprehensive income, affecting Equity directly. This procedure has been applied by the Company since the beginning of the convergence to International Standard.

As of September 30, 2022 and December 31, 2021 current and non-current employee benefits accrual are as follows:

Concepts	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Current amount of liability recognized for termination benefits	4,710,123	3,764,665
Non-current amount of liability recognized for termination benefits	29,413,020	28,518,971
Total	34,123,143	32,283,636

The Company currently presents the benefits of employees who will reach the legal age to retire within the next twelve months.

As of September 30, 2022 and December 31, 2021 the movements for current employee benefits provisions are detailed as follows:

Movements	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Beginning balance	32,283,636	36,490,513
Service costs	166,102	236,353
Interest costs (see note 31a)	1,434,335	1,332,998
Actuarial gains (losses) from experience	1,554,122	(3,591,920)
Benefits paid	(1,325,688)	(2,283,603)
Others	10,636	99,295
Movement subtotal	1,839,507	(4,206,877)
Ending balance	34,123,143	32,283,636

25. Employee benefits accrual, continued

a) Post-employment benefits, continued

Actuarial hypotheses

The hypotheses used for the actuarial calculation of employee benefits obligations are reviewed once a year and correspond to the following detail, as of September 30, 2022 and December 31, 2021:

- **Discount rate:** An annual nominal rate of 6.400% and 5.924% is used as of September 30, 2022 and December 31, 2021, respectively. This rate must be representative of the time value of money, for which a risk-free rate, represented by BCP financial instruments (Central Bank of Chile Bonds issued in Chilean pesos), is used for a relevant term of around 20 years.
- **Incremental Salary Rate:** for calculation, an increase table is used according to the inflation projection established by the Central Bank of Chile. The rate used for the periods to September 30, 2022 and December 31, 2021 was 3%.
- **Mortality:** for calculation, an increase table is used according to the inflation projection established by the Central Bank of Chile. The rate used for the periods to September 30, 2022 and December 31, 2021 was 3%.
- **Turnover rate:** Based on the historical Company data, the rotation used for both periods are as follows:

Benefit group	Turnover rate for resignation	Turnover rate for dismissal
Frozen Compensation	0.06%	1.69%
Post-frozen Compensation	3.31%	8.32%
Quota system	2.73%	2.73%
Decease	2.73%	2.73%

- **Years of service:** The Company assumes that the employees will remain until their legal retirement age, (women, up to 60 years old, and men, up to 65 years old).

The model for calculating employee termination benefits has been prepared by a qualified external actuary. The model uses variables and market estimates in accordance with the methodology established by IAS 19 to determine this provision.

b) Sensitivity of assumptions

Based on the actuarial calculation as of September 30, 2022, the sensitivity of the main assumptions has been reviewed, determining the following possible effects on Equity:

Description	Base	Plus 1% ThCh\$	Less 1% ThCh\$
Discount rate	6.400%	(1,537,835)	1,686,377

25. Employee benefits accrual, continued

c) Expected cash flows

In accordance with the employee benefits obligation, future cash flows for the following periods are detailed as follows:

Description	1st year ThCh\$
Future payment cash flows	8,067,204

d) Employee benefits expenses

Expenses recognized in the Comprehensive income statement for this concept are composed of payroll for personnel hired by subsidiaries Telefónica Investigación y Desarrollo SpA and Telefónica Chile Servicios Corporativos Ltda., detailed as follows:

Concepts	07.01.2022 to 09.30.2022	09.30.2022	07.01.2021 to 09.30.2021	09.30.2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Wages and salaries	36,052,090	106,971,986	31,484,883	99,822,783
Post employment benefit obligations expense	47,008	166,102	53,669	185,086
Total	36,099,098	107,138,088	31,538,552	100,007,869

26. Other current and non-current non-financial liabilities

a) Other non-financial liabilities are detailed as follows:

Concepts	09.30.2022		12.31.2021	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Contractual liabilities	16,355,724	76,557,260	23,340,151	78,037,451
Optical fiber business sale exclusivity (1)	6,627,216	73,944,411	8,969,110	76,237,436
Handsets sold and not activated	1,753,160	-	5,819,342	-
Services charged and not rendered	4,757,702	-	5,468,223	-
IRUS rights of use	510,285	2,612,849	450,277	1,800,015
Others contractual liabilities (2)	2,707,361	-	2,633,199	-
Deferred income	2,210,091	848,340	3,394,756	680,883
Corporate projects to be undertaken (3)	1,146,977	553,392	1,183,969	203,175
Sale of telecommunications infrastructure	479,454	246,860	362,188	317,569
Other Deferred income (4)	583,660	48,088	1,848,599	160,139
Subsidies	359,756	1,703,917	359,756	1,973,734
Extreme zones	118,942	149,716	118,942	238,738
Subsidy for Tierra del Fuego base stations	70,355	580,432	70,355	633,198
Puerto Natales and Cerro Castillo Fiber Optics Network	52,623	258,730	52,623	298,198
Connectivity for service networks and telecentre	90,380	92,887	90,380	160,672
Juan Fernandez Island Satellite links	27,456	622,152	27,456	642,928
Taxes	18,265,820	-	21,269,742	-
VAT (5)	15,566,242	-	19,832,184	-
Other taxes (6)	2,699,578	-	1,437,558	-
Others non-financial liabilities	37,191,391	79,109,517	48,364,405	80,692,068

(1) Corresponds to the deferral due to exclusivity in the sale of the fiber optic business (see note 19 (iv)). The amount amortized for this concept as of December 31, 2021 amounts to ThCh\$4,484,555 and ThCh\$9,625,111 as of September 30, 2022 plus a financial expense of ThCh\$4,990,192 (see note 29b).

(2) Includes connection instalments, electronic prepay top-up and unaccrued interest on sales paid in instalments.

(3) Corresponds to billing of projects of companies that are recorded in revenue to the extent of their degree of progress.

(4) Corresponds mainly to commissions for collection management, generated on the sale of the portfolio to BID.

(5) Corresponds to the net effect between VAT debit and tax credit.

(6) Includes withholding tax and other taxes.

26. Other current and non-current non-financial liabilities, continued

Movements of contractual liabilities, deferred income and subsidies as of September 30, 2022 and December 31, 2021 are as follows:

Movements	09.30.2022					
	Contractual liabilities		Deferred Income		Subsidies	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Beginning balance	23,340,151	78,037,451	3,394,756	680,883	359,756	1,973,734
Endowments	152,710,509	1,178,208	1,226,588	-	-	-
Reduction/applications	(162,353,335)	-	(1,848,311)	(395,485)	(269,817)	-
Transfers	2,658,399	(2,658,399)	(562,942)	562,942	269,817	(269,817)
Movement subtotal	(6,984,427)	(1,480,191)	(1,184,665)	167,457	-	(269,817)
Ending balance	16,355,724	76,557,260	2,210,091	848,340	359,756	1,703,917

Movements	12.31.2021					
	Contractual liabilities		Deferred Income		Subsidies	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Beginning balance	18,599,190	2,250,291	4,357,500	1,069,070	359,756	2,333,490
Endowments	242,106,081	80,721,991	44,211	150,544	-	-
Write downs/applications	(242,299,951)	-	(1,545,686)	-	(359,756)	-
Transfers	4,934,831	(4,934,831)	538,731	(538,731)	359,756	(359,756)
Movements, subtotal	4,740,960	75,787,160	(962,744)	(388,187)	0	(359,756)
Ending balance	23,340,151	78,037,451	3,394,756	680,883	359,756	1,973,734

b) The detail of the expirations of the current non-financial liabilities as of September 30, 2022 and December 31, 2021 is as follows:

Expirations		Total Current to 09.30.2022 ThCh\$	Expirations				Total non-current to 09.30.2022 ThCh\$
until 90 days ThCh\$	91 days to 1 year ThCh\$		1 to 3 years ThCh\$	3 to 5 years ThCh\$	5 years and more ThCh\$		
33,912,235	3,279,156	37,191,391	17,172,144	18,256,236	43,681,138	79,109,518	

Expirations		Total Current to 12.31.2021 ThCh\$	Expirations				Total non-current to 12.31.2021 ThCh\$
until 90 days ThCh\$	91 days to 1 year ThCh\$		1 to 3 years ThCh\$	3 to 5 years ThCh\$	5 years and more ThCh\$		
44,138,919	4,225,486	48,364,405	20,298,678	18,609,031	41,784,359	80,692,068	

27. Equity

The Company manages its capital for the purpose of safeguarding its capacity to continue as a going concern for the purpose of generating returns to its shareholders. As well with the objective of maintaining a strong credit rating and favorable capital ratios in order to support its businesses and guarantee ongoing and expedite access to the financial markets, maximizing the shareholders' value. The Company manages its capital structure and adjusts it, in accordance with changes in existing economic conditions.

No changes were introduced in the objectives, policies or processes during the periods ended as of September 30, 2022 and December 31, 2021.

a) Capital

As of September 30, 2022 and December 31, 2021, the Company's paid-in capital is composed as follows:

Number of shares

Series	09.30.2022			12.31.2021		
	No. of shares subscribed	No. of shares paid	No. of shares with voting rights	No. of shares subscribed	No. of shares paid	No. of shares with voting rights
Unique	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349
Total	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349	960,392,966,349

Capital

Series	09.30.2022		12.31.2021	
	Subscribed capital	Paid-in capital	Subscribed capital	Paid-in capital
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Unique	1,364,872,285	1,364,872,285	1,364,872,285	1,364,872,285
Total	1,364,872,285	1,364,872,285	1,364,872,285	1,364,872,285

At the Extraordinary Shareholders' Meeting held on March 13, 2019, the shareholders approved a Capital increase from ThCh\$1,294,872,285, that was divided into 911,784,715,847 ordinary shares, to ThCh\$1,329,872,285, divided into 936,165,609,040 ordinary shares.

At the Extraordinary Shareholders' Meeting held on February 26, 2020, the shareholders approved a Capital increase from ThCh\$1,329,872,285, that was divided into 936,165,609,040 ordinary shares, to ThCh\$1,364,872,285, divided into 960,392,966,349 ordinary shares.

27. Equity, continued

Based on the above, as of September 30, 2022, the Company's shareholder structure is detailed as follows:

Company	Shares
Inversiones Telefónica International Holding S.A.	950,392,963,373
Telefónica S.A.	10,000,002,976
Total	960,392,966,349

On March 31, 2020, according to contract of purchase sale of shares, Telefónica S.A. transferred all its shareholding of 10,000,002,976 shares of Telefónica Móviles Chile S.A. to Latin América Cellular Holdings S.L. at a selling price of € 26,159,899.63.

b) Distribution of shareholders

As established in Circular No. 792 issued by the Financial Market Commission (CMF) (ex-Superintendency of Securities and Insurance) of Chile, the distribution of shareholders, based on their participation in the Company as of September 30, 2022, is as follows:

Type of Shareholder	Participation %	Number of shareholders
Participation of 10% or more	98.9588	1
Less than 10% participation:	1.0412	1
Investment equal to or exceeding UF 200	-	-
Investment under UF 200	-	-
Total	100.0000	2
Parent Company	98.9588%	1

c) Dividends:**i) Dividend policy:**

In accordance with Law No. 18,046, unless a different agreement is adopted unanimously at the Shareholders' Meeting, when the Company makes profits, at least 30% of them must be distributed as dividends.

In April 2022, the Ordinary Shareholders' Meeting decided not to distribute dividends with a charge to 2021 profit, therefore the interim dividend recorded as of December 31, 2021 in the amount of ThCh\$98,820,761, corresponding to 30% of 2021 profits, was reversed.

The Company has distributed the following dividends during the reported periods:

Date	Dividend	Distributed amount ThCh\$	Value per share ThCh\$	Charge to utilities	Payment date
01.28.21	Interim	105,124,000	0.1094	Previous exercises	02.02.21
07.26.21	Interim	243,447,842	0.25349	Previous exercises	07.27.21
08.11.21	Interim	98,472,747	0.10253	Previous exercises	08.12.21

27. Equity, continued

d) Other reserves:

The balances, nature and purpose of Other reserves are detailed as follows:

Concepts	Balance as of 12.31.2021 ThCh\$	Net movement ThCh\$	Balance as of 09.30.2022 ThCh\$
Capital revaluation reserve (i)	(233,685,327)	-	(233,685,327)
Business combination reserve (ii)	(121,588,522)	-	(121,588,522)
Other miscellaneous reserves (iii)	(95,176,556)	-	(95,176,556)
Employee benefits reserve (iv)	(7,517,089)	(1,129,539)	(8,646,628)
Foreign currency translation difference reserve (v)	(58,310)	-	(58,310)
Cash flow hedges reserve (vi)	35,021,989	68,129	35,090,118
Reserve for financial assets (vii)	1,146,101	(31,950)	1,114,151
Total	(421,857,714)	(1,093,360)	(422,951,074)

i) Capital revaluation

In accordance with Law No. 18,046, second paragraph of Article 10 and in accordance with Official Circular No. 456 issued by the Financial Market Commission (ex-Superintendency of Securities and Insurance), the revaluation of the Company's Capital as of December 31, 2008, date of application of international financial reporting standards, must be presented in this item.

ii) Other miscellaneous reserves

Contains the difference between the valuation of the investments that Telefónica Móviles S.A. has in the consolidated subsidiaries and the capital of each one of these as of December 31, 2016. This effect is in the amount of ThCh\$53,430,874.

In September 2017 and in reference to the withdrawal of 1,072,813 minority shareholders described in the treasury shares reserves, Telefónica Móviles Chile S.A. increased its interest in subsidiary Telefónica Chile S.A. from 97.92% to 99.0281653%, which generated an increase of ThCh\$1,083,569 in the aforementioned effect.

During 2014, the Company made a Capital increase paid by Inversiones Telefónica Internacional Holding S.A. with the contribution in dominion of a group of assets and liabilities. This transaction generated a difference between the book value of those assets and liabilities and the contribution value of ThCh\$61,567,621 that were recognized in this item, since it corresponds to a corporate reorganization.

In July 2010, the Company purchased, from the Dutch company Telefónica Chile Holding B.V., the investment in Telefónica Internacional S.A. This transaction generated a 20% withholding tax that was assessed by the Chilean Internal Revenue Service in 2013 and which had to be paid by the Company for being jointly responsible. This tax, in the amount of ThCh\$3,722,259, was recognized as "Other reserves".

In addition, it is composed of the accumulated revaluation reserve and of the adjustment for first-time adoption of International Financial Reporting Standards (IFRS) assumed by subsidiary Telefónica Móviles Soluciones y Aplicaciones S.A. in the amount of ThCh\$2,365,462 (company absorbed by Telefónica Móviles Chile S.A.) and other negative concepts for ThCh\$70,619.

In 2021 includes the effect of recognizing the interest in the equity of associate HoldCo InfraCo SpA., which incorporates the concept of reserve for surcharge on the sale of shares in its records in the amount of ThCh\$625,482.

27. Equity, continued**d) Other reserves, continued****iii) Business combination reserve**

Corresponds to corporate reorganizations performed in previous periods.

iv) Employee benefits reserve

Corresponds to the effect arising from changes in the actuarial hypotheses for the employee benefits provision, originated in subsidiaries Telefónica Chile Servicios Corporativos Ltda. and Telefónica Investigación y Desarrollo Chile SpA.

v) Foreign currency translation difference reserve

Corresponds to the differences generated by the conversion of the Company's financial statements.

vi) Cash Flow hedges reserves

Transactions designated as cash flow hedges for expected transactions are probable, and if the Company can carry out the transaction, the Company has the positive intention and ability to consummate the expected transaction. Expected transactions designated in our cash flow hedges remain probable of occurrence on the same date and amount as originally designated, otherwise, the ineffectiveness will be measured and recorded when appropriate. In addition, this includes fair value effects associated to interest rate insurance.

vii) Reserves for financial assets

Corresponds to the effect of market valuation of the investment of Telefónica Chile S.A. subsidiary in Telefónica Brazil.

e) Non-controlling interest

As of September 30, 2022 and December 31, 2021 recognition of the portion of Equity belonging to third parties is detailed as follows:

Subsidiaries	Percentage Non-controlling interest		Non-controlling interest Shareholders' Equity	
	2022	2021	09.30.2022	12.31.2021
	%	%	ThCh\$	ThCh\$
Telefonica Chile S.A.	0.8594402	0.8594402	9,082,317	8,443,820
Total			9,082,317	8,443,820

As of September 30, 2022 and 2021 recognition of the portion of Results belonging to third parties is detailed as follows:

Subsidiaries	Percentage Non-controlling interest		Non-controlling interest in result Profit (Loss)	
	2022	2021	09.30.2022	09.30.2021
	%	%	ThCh\$	ThCh\$
Telefonica Chile S.A.	0.8594402	0.8594402	390,951	2,594,973
Total			390,951	2,594,973

28. Earnings per Share

The detail of Earnings per share is as follows:

Basic earnings per share	09.30.2022 ThCh\$	09.30.2021 ThCh\$
Earnings attributable to parent owners	62,847,507	317,631,624
Resultado disponible para accionistas	62,847,507	317,631,624
Weighted average number of shares	960,392,966,349	960,392,966,349
Basic earnings per share in Ch\$	0.065	0.331

Earnings per share have been calculated dividing the Result for the period attributable to the Parent company, by the weighted average number of common shares outstanding during the period. The Company has not issued convertible debt or other equity securities. Consequently, there are no potentially diluting effects on earnings per share of the Company.

29. Incomes

a) The detail of incomes from ordinary operations, as of September 30, 2022 and 2021, is as follows:

Ordinary incomes	07.01.2022 to 09.30.2022 ThCh\$	09.30.2022 ThCh\$	07.01.2021 to 09.30.2021 ThCh\$	09.30.2021 ThCh\$
Mobile Telecommunications	215,019,586	649,856,261	219,875,568	660,694,297
Fixed Telecommunications	111,787,399	331,220,667	108,407,773	270,586,408
Data services and technology solutions companies	48,070,264	127,872,602	42,177,954	127,958,397
Television services and equipment	37,458,334	111,337,721	33,214,272	95,487,233
Personal services (1)	5,417,127	7,566,165	-	-
Total	417,752,710	1,227,853,416	403,675,567	1,154,726,335

(1) Corresponds to the services provided to Telefónica Hispanoamérica S.L.

b) The detail of Other operating incomes, as of September 30, 2022 and 2021, is as follows:

Other incomes	07.01.2022 to 09.30.2022 ThCh\$	09.30.2022 ThCh\$	07.01.2021 to 09.30.2021 ThCh\$	09.30.2021 ThCh\$
Profits from sale of fixed assets and other (1)	39,932	36,080,456	358,018,321	372,534,396
Surcharges due to default	1,488,183	4,061,214	671,513	2,314,089
Incomes from indemnities, complaints and others (2)	6,201,377	13,867,247	3,401,311	3,612,520
Subsidies	281,564	281,564	89,939	269,817
Total	7,831,177	54,290,481	362,181,084	378,730,822

(1) In 2022, it includes the sale of the Data Center business carried out in May for the amount of ThCh\$26,473,661 and sale of rooftops in the amount of ThCh \$9,629,459. In February 2021, Cloud business was sold to related company Telefónica Cybersecurity & Cloud Tech Chile SpA for ThCh\$4,831,874. In April 2021, the IOT business was sold to related company Telefónica IoT & Big Data Tech Chile, SpA for ThCh\$3,095,943, there was a sale of spectrum to Claro Chile S.A. for ThCh\$5,370,627 and, on July 1, 2021, the optic fiber business was sold to InfraCo SpA for ThCh\$358,254,176.

(2) Includes deferral for exclusivity in the sale of the optic fiber business in the amount of ThCh\$9,625,110 and ThCh\$2,242,425 for 2022 and 2021, respectively (see Note 26a (3)).

30. Expenses

a) Impairment loss, net:

Provision for impairment	07.01.2022 to 09.30.2022 ThCh\$	09.30.2022 ThCh\$	07.01.2021 to 09.30.2021 ThCh\$	09.30.2021 ThCh\$
Trade accounts receivable (see note 8b)	14,225,909	41,619,789	11,882,692	37,022,668
Inventories	183,818	427,970	(91,895)	(413,910)
Total	14,409,727	42,047,759	11,790,797	36,608,758

b) The detail of Other expenses, by nature, as of September 30, 2022 and 2021, is as follows:

Other expenses	07.01.2022 to 09.30.2022 ThCh\$	09.30.2022 ThCh\$	07.01.2021 to 09.30.2021 ThCh\$	09.30.2021 ThCh\$
Media rental and other exterior services (1)	109,724,160	326,232,980	103,161,729	294,245,602
Sale cost of inventory and commissions (2)	111,838,364	326,061,972	107,815,840	306,732,372
Fiber optic network connectivity (3)	29,138,677	80,452,616	21,598,159	21,598,159
Customer service	11,163,281	33,932,893	10,382,531	33,368,149
Interconnections and roaming (4)	9,375,927	26,992,155	7,705,079	22,478,572
Others (5)	11,622,186	37,797,202	11,775,018	38,644,282
Total	282,862,595	831,469,818	262,438,356	717,067,136

- (1) This heading includes media rental, external services, plant maintenance, information services, energy supply, TV content and real estate expenses. The variation is mainly explained by higher TV content expenses in the amount of ThCh\$ 3,580,357 associated to an increase in the commercial activity of the IPTV business, higher amount of labor compliance cost amortization in BAF and TV services in the amount of ThCh\$ 6,077,604, higher digital services expense in the amount of ThCh\$ 1,076,574, an increase in the Brand & Management fee expense in the amount of ThCh\$ 8,196,864 associated to the business of Telefónica Empresas S.A., an increase in the plant maintenance expense in the amount of ThCh\$ 12,116,797 due to more maintenance work and theft of cable, and an increase in expenses associated to real estate in the amount of ThCh\$ 3,684,137, information application services in the amount of ThCh\$ 3,354,412 and carrying capacity in the amount of ThCh\$ 2,013,996. The above was offset by storage services in the amount of ThCh\$ 2,241,259, antenna support rental in the amount of ThCh\$ 3,684,137 and lower energy consumption in the amount of ThCh\$ 1,010,649, power plant space rental in the amount of ThCh\$ 1,372,437 and other cost of sales in the amount of ThCh\$ 2,480,456.
- (2) The variance corresponds mainly to an increase in the amortized amount of fixed broadband equipment and television compliance costs in the amount of ThCh\$10,054,423, a decrease in cost of sales associated to private services equipment in the amount of ThCh\$ 946,000 and an increase in the cost of sales of InfraCo SpA's turnkey deployment project in the amount of ThCh\$13,602,957, an increase in commissions in comparison to the previous period in the amount of ThCh\$3,603,150, and a decrease in cost of sales of mobile handsets in the amount of ThCh\$5,150,412.
- (3) The increase corresponds mainly to the optic fiber connectivity service provided by InfraCo SpA as of July 1, 2021, in the amount of ThCh\$58,854,457.
- (4) Corresponds to higher cost of roaming out and domestic roaming in the amount of ThCh\$ 4,801,055 associated to the commercial activity of this business. This account includes indemnities and fines. The variation is mainly explained by lower judicial contingency expenses in the amount of ThCh\$1,611,856.

31. Financial incomes and expenses

a) The detail of net financial incomes and expenses, as of September 30, 2022 and 2021, is as follows:

Financial expenses, net	07.01.2022 to	09.30.2022	07.01.2021 to	09.30.2021
	09.30.2022	09.30.2022	09.30.2021	09.30.2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Financial incomes				
Interest earned on deposits and others	12,437,213	31,444,394	837,028	1,442,407
Incomes on compliance with indicators (See note 6a)	-	15,444,008	-	-
Interest earned on subordinate promissory	565,345	1,558,391	491,544	491,544
Interest earned on projects	309,629	690,694	195,498	641,348
Dividends received and accrued	69,739	312,156	42,280	239,081
Interest earned on earn out (See note 6a)	53,958	187,582	-	-
Total financial incomes	13,435,884	49,637,225	1,566,350	2,814,380
Financial expenses				
Interest on obligations (bonds) (1)	23,869,933	66,544,500	5,108,277	14,333,824
Interest on loans from bank institutions (1)	2,371,806	7,094,916	2,372,106	7,097,237
Leasing costs	2,359,115	5,952,472	995,809	2,315,191
Financial expenses exclusivity	4,990,192	4,990,192	-	-
Financial expenses Portfolio sale / Factoring	20,300	1,496,286	1,753,082	5,255,206
Interest on update of employee termination benefits	478,094	1,434,335	333,241	999,740
Cost of remittances abroad	720,691	1,124,912	190,624	531,525
Interest on projects	207,775	799,042	244,105	733,044
Other financial expenses	1,201,045	2,769,078	558,620	1,238,234
Total financial expenses	36,218,951	92,205,733	11,555,864	32,504,001
Total financial incomes and expenses, net	(22,783,067)	(42,568,508)	(9,989,514)	(29,689,621)

(1) This item is presented net of interest rate hedge and forward points for M\$32,902,008.

b) The detail of the differences and units of currency exchange readjustments as of September 30, 2022 and 2021 is as follows:

Differences exchange	07.01.2022 to	09.30.2022	07.01.2021 to	09.30.2021
	09.30.2022	09.30.2022	09.30.2021	09.30.2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Current accounts receivable from related entities	496,250	4,852,269	989,821	1,126,780
Current accounts payable to related entities	(370,645)	(3,207,174)	(2,124,842)	(3,730,192)
Current trade and other accounts receivable	94,542	28,834	(193,567)	(233,280)
Trade and other accounts payable	(1,644,964)	(8,612,489)	(4,950,954)	(4,481,882)
Cash and cash equivalents	302,663	1,102,048	304,623	318,264
Financial debt	(34,678,829)	(139,640,407)	(82,160,108)	(70,757,201)
Hedge instruments	36,771,594	142,303,447	87,658,734	75,851,268
Total	970,611	(3,173,472)	(476,293)	(1,906,243)

Units readjustments	07.01.2022 to	09.30.2022	07.01.2021 to	09.30.2021
	09.30.2022	09.30.2022	09.30.2021	09.30.2021
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Current accounts receivable from related entities	3,177,653	8,690,247	1,130,622	1,128,022
Current accounts payable to related entities	(4,901)	(63,376)	13,513	13,513
Current trade and other accounts receivable	(69,020)	334,715	40,527	40,999
Trade and other payables	180,592	(12,717)	284,116	1,038,042
Cash and cash equivalents	(7,305)	(7,305)	-	45
Financial debt	(3,522,617)	(9,786,296)	(4,967,530)	(3,038,402)
Hedge instruments	3,514,200	9,799,470	3,588,370	1,669,870
Total	3,268,602	8,954,738	89,618	852,089

32. Leases

The main low value, short-term (less than 12 months) and variable payments lease contracts, that were not considered under IFRS 16, are directly associated with the business line, such as leases for commercial offices and spaces for technical telecommunications facilities. These items are presented in the Income Statement as “Other expenses by nature”.

The Company has operating lease contracts that contain various clauses referred to dates and terms of renewal and readjustments. Should a decision be made for early termination of a contract, the payments stipulated in those clauses must be made.

As of September 30, 2022, lease expenses amount to ThCh\$642,160.

Future lease obligations, as of September 30, 2022 and 2021 are detailed as follows:

Concept	09.30.2022			Total ThCh\$
	Up to 1 year ThCh\$	From 1 to 5 years ThCh\$	More than 5 years ThCh\$	
Minimum operating lease payments payable	252,143	64,217	829	317,189

Concept	09.30.2021			Total ThCh\$
	Up to 1 year ThCh\$	From 1 to 5 years ThCh\$	More than 5 years ThCh\$	
Minimum operating lease payments payable	237,169	221,853	1,691	460,713

33. Local and Foreign Currency

Currency breakdown of current assets and non-currents assets is as follows:

Currents assets	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Cash and cash equivalents	469,797,081	412,783,123
Chilean Pesos	462,272,474	409,566,269
US Dollars	4,694,900	3,006,635
Euros	2,775,460	152,420
Other currencies	54,247	57,799
Other current financial assets	334,639,012	654,692,865
US Dollars	296,732,791	219,360,126
Chilean Pesos	36,950,481	435,042,437
Euros	955,740	290,302
Current trade and other accounts receivable	367,905,691	243,735,280
Chilean Pesos	367,281,139	243,261,377
U.F.	564,575	429,913
Euros	59,977	43,990
Current receivables from related companies	42,332,282	38,754,659
Chilean Pesos	31,651,631	37,103,209
Euros	7,441,689	-
US Dollars	1,258,817	199,730
Other currencies	1,186,512	733,759
U.F.	793,633	717,961
Other current assets (1)	299,271,336	219,732,250
Chilean Pesos	299,271,336	219,732,250
Total current assets	1,513,945,402	1,569,698,177
Chilean Pesos	1,197,427,061	1,344,705,542
US Dollars	302,686,508	222,566,491
Euros	11,232,866	486,712
U.F.	1,358,208	1,147,874
Other currencies	1,240,759	791,558

(1) Includes: Other current non-financial assets, current tax assets, current inventory and non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to the owners.

Non-currents assets	09.30.2022	12.31.2021
	ThCh\$	ThCh\$
Other non-current financial assets	132,302,040	82,183,532
US Dollars	82,231,215	20,267,380
U.F.	30,560,331	23,756,031
Chilean Pesos	19,510,494	38,160,121
Right of use	257,954,533	209,297,210
Chilean Pesos	256,677,881	209,065,446
U.F.	1,276,652	231,764
Other non-current assets (2)	2,270,485,008	2,172,107,357
Chilean Pesos	2,270,485,008	2,172,107,357
Total non-current assets	2,660,741,581	2,463,588,099
Chilean Pesos	2,546,673,383	2,419,332,924
US Dollars	82,231,215	20,267,380
U.F.	31,836,983	23,987,795

(2) Includes: Non-current trade and other accounts receivable, non-current receivables from related companies, other non-currents non-financial assets, intangible assets other than goodwill, goodwill, property, plant and equipment, deferred tax assets and Investment properties.

33. Local and Foreign Currency, continued

Currency breakdown of current liabilities is as follows:

Currents liabilities	Up to 90 days		From 91 days to 1 year	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021
	ThCh\$		ThCh\$	
Other current financial liabilities	524,543,347	4,436,398	169,267,087	438,574,974
US Dollars	495,601,712	1,496,546	139,982,422	434,322,375
Chilean Pesos	19,896,766	2,939,852	27,704,182	3,610,134
Euros	9,044,869	-	-	29,923
U.F.	-	-	1,580,483	612,542
Finance leases	19,344,014	22,275,189	54,768,638	19,565,996
U.F.	11,820,517	13,440,948	35,738,719	10,793,494
Chilean Pesos	7,495,158	8,726,932	19,029,919	8,665,789
US Dollars	28,339	107,309	-	106,713
Trade and other payables	428,448,676	493,947,029	-	-
Chilean Pesos	367,673,932	404,307,673	-	-
US Dollars	43,042,850	57,937,791	-	-
U.F.	9,742,115	9,309,364	-	-
Euros	7,971,383	22,373,408	-	-
Other currencies	18,396	18,793	-	-
Current payables to related companies	99,989,653	190,308,580	-	-
Chilean Pesos	58,303,135	152,909,738	-	-
US Dollars	33,210,737	32,105,880	-	-
Euros	6,726,843	4,294,789	-	-
U.F.	1,748,938	998,173	-	-
Other current liabilities (1)	43,333,798	152,863,385	3,279,156	4,225,486
Chilean Pesos	43,333,798	152,863,385	3,279,156	4,225,486
Total current liabilities	1,115,659,488	863,830,581	227,314,881	462,366,456
Chilean Pesos	571,883,638	91,647,526	139,982,422	434,429,088
US Dollars	496,702,789	721,747,580	50,013,257	16,501,409
U.F.	23,743,095	26,668,197	-	29,923
Euros	23,311,570	23,748,485	37,319,202	11,406,036
Other currencies	18,396	18,793	-	-

(1) Includes: Other current provisions, current income tax liabilities, current provisions employee benefits and other current non-financial liabilities.

33. Local and Foreign Currency, continued

Currency breakdown of non-current liabilities is as follows:

Non-current liabilities	1 to 3 years		3 to 5 years		5 years and over	
	09.30.2022	12.31.2021	09.30.2022	12.31.2021	09.30.2022	12.31.2021
	ThCh\$		ThCh\$		ThCh\$	
Other non-current financial liabilities	343,272,658	338,664,041	160,691,895	258,244,800	478,385,684	448,172,826
Chilean Pesos	177,271,449	69,457,630	160,691,895	258,244,800	85,542,210	30,182,543
US Dollars	66,050,469	176,202,168	-	-	392,843,474	417,990,283
U.F.	99,950,740	93,004,243	-	-	-	-
Finance leases	117,784,931	140,440,778	71,951,848	36,572,713	22,589,644	16,146,590
U.F.	78,211,488	77,204,961	43,876,741	17,005,845	17,504,281	9,222,286
Chilean Pesos	39,488,824	63,235,817	28,075,106	19,566,868	5,085,363	6,924,304
US Dollars	84,619	-	-	-	-	-
Other non-current liabilities (1)	126,282,729	114,456,834	25,118,850	19,236,552	81,393,933	92,127,067
Chilean Pesos	125,483,162	114,456,834	25,118,850	19,236,552	81,393,933	92,127,067
Euros	799,567	-	-	-	-	-
Total Non-current liabilities	587,340,318	593,561,653	257,762,593	314,054,065	582,369,261	556,446,483
Chilean Pesos	342,243,435	230,384,681	213,885,851	297,048,220	172,021,506	129,233,914
U.F.	66,135,088	176,202,168	-	-	392,843,474	417,990,283
US Dollars	178,162,228	186,974,804	43,876,741	17,005,845	17,504,281	9,222,286
Euros	799,567	-	-	-	-	-

(1) Includes: Other non-current provisions, Non-current liabilities, non-current income tax liabilities and other current non-financial liabilities and non-current payables to related companies.

34. Contingencies and restrictions

a) Legal proceedings

In the normal development of its line of business, the company and its subsidiaries are part of certain proceedings, involving civil, labor, special and penal matters, for different concepts and amounts. In general, Management and its legal counsel, both internal and external, periodically monitor the evolution of those lawsuits and contingencies affecting the company in the normal course of its operations, analyzing in each case the possible effect on the financial statements. Taking into consideration the legal and factual arguments exposed in those proceedings, especially those in which the Company is the defendant party, and historical results obtained by the company in proceedings with similar characteristics in the opinion of the legal advisors, the risk that it will be condemned to pay the amounts claimed in the mentioned lawsuits is remote.

Notwithstanding, there are certain processes in which, due to the aforementioned considerations, it has been considered that there is a probable risk of loss. This has led to the provisions at a parent company level, for the amount of the estimated loss as of September 30, 2022, which altogether amounts to ThCh\$3,359,836, of which ThCh\$1,959,966 correspond to subsidiaries. In respect to these figures, it is estimated that Telefónica Móviles Chile S.A. will have to pay the amount of ThCh\$1,845,413 on its part, during the fourth quarter of 2022 and the rest during the first quarter of 2023.

34. Contingencies and restrictions, continued**a) Legal proceedings, continued**

On the other hand, there are several proceedings for which the estimated risk of loss is qualified as possible, for a total amount of ThCh\$5,680,159 in the Parent company and the amount of ThCh\$3,625,731 in the subsidiaries.

b) Financial restrictions:

As of September 30, 2022, the Company has no financial restrictions.

c) Guarantee deposits:

The detail of guaranteed deposits is as follows:

Guarantee creditor	Debtor				Current guaranteed deposits ThCh\$	Liberated guarantees		
	Name	Relationship	Type of guarantee	2022		2023	2024 and more	
				ThCh\$		ThCh\$	ThCh\$	
Public and Private Organisms					1,218,854	683,702	503,434	31,718
Public Organisms - Others	TCH	Subsidiary	Deposit	514,963	257,108	253,080	4,775	
Public Organisms - Municipalities	TCH	Subsidiary	Deposit	270,215	270,215	-	-	
Public Organisms - Undersecretaries and Ministries	TCH	Subsidiary	Deposit	248,289	105,677	135,169	7,443	
Private Organisms - Others	TCH	Subsidiary	Deposit	185,387	50,702	115,185	19,500	
Public and Private Organisms					39,585,737	2,607,933	16,623,569	20,354,235
Public Organisms - Others	TEM	Subsidiary	Deposit	22,970,840	412,952	6,967,144	15,590,745	
Public Organisms - Undersecretaries and Ministries	TEM	Subsidiary	Deposit	8,797,221	833,705	6,091,908	1,871,608	
Private Organisms - Others	TEM	Subsidiary	Deposit	5,565,795	1,038,410	2,673,339	1,854,046	
Public Organisms - Municipalities	TEM	Subsidiary	Deposit	1,050,198	119,216	265,772	665,210	
Banks	TEM	Subsidiary	Deposit	940,727	188,626	588,124	163,977	
Universities	TEM	Subsidiary	Deposit	260,956	15,024	37,282	208,650	
Public and Private Organisms					19,654,780	748,068	1,791,624	17,115,089
Public Organisms - Undersecretaries and Ministries	TMCH	Parent	Deposit	16,329,740	7,758	849,198	15,472,784	
Private Organisms - Others	TMCH	Parent	Deposit	2,110,549	515,290	609,729	985,530	
Public Organisms - Municipalities	TMCH	Parent	Deposit	577,223	163,288	224,275	189,660	
Public Organisms - Others	TMCH	Parent	Deposit	540,667	61,481	101,437	377,748	
Banks	TMCH	Parent	Deposit	85,496	-	-	85,496	
Universities	TMCH	Parent	Deposit	11,105	251	6,985	3,871	
Total					60,459,371	4,039,703	18,918,627	37,501,042

TMCH: Telefónica Móviles Chile S.A.
TCH: Telefónica Chile S.A.
TEM: Telefónica Empresas Chile S.A.

35. Environment

Law No. 20,599 was published in 2012 regulating the installation of emitting and transmitting antennas of telecommunication services. The provisions adopted include: i) restrictions and new regulations for the installation of new sites based on the height of the tower, its location and its closeness to sensitive entities and to other previously installed towers; new and stricter approval conditions are imposed for these new sites; ii) there is retroactive regulation of the height of towers installed before the law was enacted, which are close to the sensitive places determined by the Telecommunications Undersecretary (schools, hospitals, playschools, preschool, old age homes and others); and iii) also in a retroactive manner, there is regulation of tower concentration in denominated "Saturated Zones", for which solutions are based on reducing the number of structures or, failing that, compensations related to tasks for improving the community, which must be agreed by the Neighborhood Groups and the Municipal Council, and that correspond to a 20% of the total cost of the tower in case that some type of camouflage be used in the structure and to 50% in case that no camouflage is used.

In compliance with this law, there are site dismantling activities or reduction of the height of existing structures, which implies responsible handling of the waste produced. For this purpose, we have a current contract with companies responsible for recycling and have the certificates of recycling and final disposal of the residues. The Company bases itself on what is required in the environmental assessment in reference to emission levels of electromagnetic waves and also in the urbanistic and environmental area. In this context, certain information requirements have been presented by the competent authorities (Municipalities, Superintendency of the Environment, among others), to measure noise and take mitigating measures if necessary.

The 2020-2024 environmental investment plan was activated nationwide, for comprehensive management of dangerous residues generated from production processes involving the implementation and operation of Telefónica's technical sites. This plan addresses from the generation of residues to their segregation, transitory storage, transportation and final disposal, with adequate infrastructure and with the corresponding environmental authorizations. Additionally, the regularization of fuel tanks at critical operating sites began in 2021.

The regime established by Law No. 20,920 framework for Waste Management, the Extended Responsibility of the Producer and Encouragement of Recycling, pays special attention to the wording of the Regulations that are in process of being dictated and which will implement its content, especially the regime of extended producer responsibility (which is applicable only to a group of priority products), as well as the control procedures for cross-border movements of dangerous and non-dangerous waste. In March 2021, the new regulation on containers and packaging came into effect, establishing 12 recollection and waste valuation goals as of 2023. In addition, the basis for the beginning of a work plan for electrical and electronic waste, which will allow us to work in advance on the new regulation. We are already working on the qualitative and quantitative impacts that this new regulation may have on the operations of Telefónica Chile and, in particular, on its waste management, which has been taken into account in various processes related to suppliers and incorporated in new corporate purchasing processes.

35. Environment, continued

In the context of Supreme Decree 1/2013 issued by the Ministry of the Environment, that approves the Regulation of Pollutant Emissions and Transfers, PRTR, and Res. Ex.144/2020 issued by the Ministry of the Environment, that approves the basic standard for the implementation of amendment to the regulation for the pollutant release and transfer registry, PRTR; Telefónica Chile has complied with its environmental declaration obligations for fiscal year 2021, which culminates with the Annual Sworn Declaration which is in the declaration process.

The Company currently is ISO 14001:2015 certified until 2024, in conformity with the implementation of the Environmental Management System at Telefónica Chile, which is followed-up annually, in accordance with the system's commitment for continuous improvement. This is a full-scope certification, which provides us with coverage from the design, deployment and maintenance of the mobile network, plus commercialization of telecommunications services to our end customers, we continue progressing in the deployment plan for the environmental management system nationwide, complemented with the environmental mitigation plan which allows Telefónica to evaluate and address environmental risks in all its technical facilities.

In addition, in December 2021 the Company obtained certification of the Energy Management System under ISO 50001:2018, where the scope of this certification will be greater in 2022. This energy management system ("SGE" its acronym in Spanish) certifies that we work with a policy of continuous improvement in safety and energy performance in all our production processes. Specifically, this standard will certify that we adequately manage all energy aspects derived from the Company's activities, i.e., from delivery of our services to the operation of our infrastructure. In addition, it challenges us to activate a plan with measures to minimize energy consumption at our facilities.

After launching the Movistar Environmental Plan in July of this year, one of the activities carried out at the end of August was the Corporate Building recycling and circular economy project, under the 3Rs rule: "Reduce, Reuse and Recycle". Communicating to our collaborators, with the support of Foundation volunteers, the correct way to recycle in the Company's internal containers. Through a workshop in which different areas of the company participate, we have continued with this great work to be able to comply with both the internal and external environmental objectives.

36. Risk management

a) Characterization of the market and competition

The Company faces strong competition in all its business areas and believes that this high level of competitiveness will be maintained. In order to confront this situation, the Company permanently adapts its business strategies and products, seeking to satisfy the demand of its current and potential customers, innovating and developing excellence in its customer service.

b) Tariff system for mobile telephones:

According to General Telecommunications Law No. 18.168, mobile service tariffs are free and established by the market. Interconnection tariffs between operators are established by the Ministry of Economy and the Ministry of Transportation and Telecommunications.

In the case of mobile telephone service, the current Decree applies from January 26, 2019, for a 5-year term.

In the case of fixed telephone service, the current Decree applies from May 9, 2019, for a 5-year term.

c) Radio electric spectrum assignation:

The Company owns telecommunications concessions that allow it to operate in the 850 MHz, 1.900 MHz, 2.600 and 700 MHz and 3500 MHz band frequencies granted by the Ministry of Transportation and Telecommunications.

5G Public tenders

On September 27, 2021, Subtel notified Telefónica Móviles Chile S.A. of the license granted by the concession, for a 30-year term as of its publication in the Official Gazette, which occurred on October 2, 2021. That date is the beginning of the maximum deadline of 12 months by which all the base stations committed in Phase 1 of the technical project must be deployed and operating. While Phase 2 has a term of 24 months from the same date.

On December 16, 2021, the Government, together with different operators in the industry carried out the official public ceremony to kick-off deployment of the new 5G technology in Chile.

After this joint communicational milestone was achieved, operators were able to begin the commercial launching of the new 5G technology, as soon as Subtel grants the respective project reception approvals for the base stations of each operator.

On September 30, 2022, Telefónica Móviles Chile S.A. complied with delivery of all the documentation and the technical deployment of all the 5G sites corresponding to the first phase of the project, leaving all the information in the hands of the authority in order to culminate with the normal process of reception of the project.

36. Risk management, continued

d) **New Law: Internet access minimum guaranteed speed**

Law No. 21.046 was published in the Official Gazette on November 25, 2017.

This Law No. 21.046 also establishes the dictation of a Regulation that regulates the implementation of those obligations.

On July 27, 2020, the Official Gazette published the regulation that “ESTABLISHES THE ORGANIZATION, OPERATION AND PUBLIC TENDER MECHANISM OF THE INDEPENDENT TECHNICAL ORGANIZATION” which is the entity in charge of implementing and managing an Internet speed measurement system in the country, by virtue of Law No. 21,046 dated in 2017.

Additionally, on Monday, August 3, 2020, Subtel published Exempt Resolution No. 1251 in the Official Gazette, which “SETS THE TECHNICAL STANDARD OF LAW No. 21.046, WHICH ESTABLISHES THE OBLIGATION OF A GUARANTEED MINIMUM SPEED OF INTERNET ACCESS”, by means of which establishes the characteristics of the Internet speed measurement systems and other parameters. The foregoing is notwithstanding the amendments that will subsequently be made to Resolution No. 3729 of 2011 in reference to network neutrality measurements.

We called a new tender process for the Independent Technical Organization, which is in progress. In October 2022, the technical review of the background information presented by the bidders must be completed and after that the economic offers will be opened.

e) **Bill on the use of facilities to provide Virtual Mobile Operation and Automatic National Roaming**

On December 2, 2021, the Official Gazette published the Regulation on Automatic Domestic Roaming (“RAN” its acronym in Spanish) and OMV’s.

Based on the deadlines established in the regulation itself, it is in force as of January 31, 2022 and the maximum deadline for network operators to present the RAN and OMV Facilities Offer to Subtel is March 14, 2022. Subtel has a deadline of 90 business days to approve the offers process. After that deadline, Subtel issued observations, which were all duly answered by Telefónica Móviles Chile S.A.. To date the Regulator has not completed the approval process for the mentioned Bids.

However, in the case of locations, routes or zones that are isolated, or with low density, benefitting from FDT or with the presence of a single operator, the agreement between the parties and the beginning of the service must not exceed a period of 60 days from the date of publication of the new Law, deadline that expires on October 9, 2020.

36. Risk management, continued

f) International Roaming at a local price between Chile-Brasil

Regarding the case of Brazil, the Congress of that country approved the new free trade agreement with Chile, which also establishes international roaming at local price between both nations. This new commercial treaty, which in Chile was approved by Congress in August 2020, was notified to ALADI, therefore it is in force as of January 2022. This means that the chapter on international roaming at local prices between both countries begins one year after, in January 2023.

g) Bill declaring Internet as a Public Service

The approval process of this Bill, presented on March 9, 2018, continues and is currently at the second stage of the legislative process in the Public Works, Transportation and Telecommunications Commission of the Chamber of Deputies.

On April 29, 2022, the Executive presented to the Chamber of Deputies a set of indications to the bill, which were subsequently complemented with other new indications incorporated to the project.

On June 17, 2022 the Transportation and Telecommunications Commission of the Chamber approved the analyzed project. The most relevant aspects included indications to define the definition of the mandatory service area in the urban radius, limiting it to the census zone defined by the INE (Institute of National Statistics) and, on the other hand, establish a deadline of 6 months to attend to a service requirement. In the case of zones where there is no infrastructure, this deadline is extended to 12 months from the date of the request.

The project continues in the second legislative process in the Chamber's Treasury Commission.

h) Bill to facilitate the Internet for education

The bill seeks to introduce amendments to the General Telecommunications Law (LGT) and additionally to the Public Education Law. The LGT seeks to force ISPs to provide Internet at discounted prices to all public educational establishments and to provide free service to more vulnerable families or students that cannot pay for it, based on specific socioeconomic conditions.

The Public Education Law seeks for the State to guarantee connectivity to educational establishments, and to family homes of vulnerable students that are not able to pay. It also seeks to guarantee connectivity to all students of public establishments when they cannot operate in person due to an exceptional circumstance. On September 13, 2022, the Chamber of Deputies finally approved the wording which was dispatched to the Senate for the second stage, eliminating the proposed changes to the LGT.

36. Risk management, continued

i) Bill to block signal in jails

On June 15, 2022, a group of deputies introduced a bill to establish the obligation of telecommunication companies to establish systems to inhibit the operation of cell phones and similar devices, in order to “put an end to the scams and criminal gangs that operate from these premises”.

The bill continue in first legislative process.

j) VTR/Claro concentration operation

On December 30, 2021, the National Economic Prosecutor’s Office (“FNE” its acronym in Spanish) formally began an investigation in reference to the notification of the concentration operation between VTR (controlled by Liberty) and Claro (controlled by América Móvil).

The FNE has up to February 10, 2022 to i) approve the operation pure and simple; ii) approve with conditions, or iii) extend the investigation for an additional 90 days.

Given the nature of the Operation (form an independent economic agent, that will carry out its duties in an ongoing manner), the conversations about mitigation measures, possible suspensions by common agreement with the FNE, contribution of information by third-parties, it is presumed that the FNE will extend the investigation by 90 days, and it is estimated that its pronouncement will be made during the last quarter of 2022.

Telefónica was summoned to declare in this investigation due to the effects of the transaction on the fixed and mobile markets as well asit has been required to provide information on five opportunities, information that has been provided on time.

On February 10, 2022, the “FNE” extended the investigation period by 90 days, giving the interested parties until March 31, 2022 to provide information, specifically, to make a pronouncement regarding possible mitigation measures (remedies) in respect to that transaction. Telefónica provided information within the deadline.

On October 5, 2022, the FNE approved, subject to compliance with structural mitigation measures, the concentration transaction between the controlling companies of VTR and Claro Chile in respect to their activities in the telecommunications business at a local level. The measures are to return to the State the 10MHz spectrum in the macro medium band (3.5 MHz band) and other 10MHz spectrum in the macro low band (AWS band), in addition to updating the plan for effective and efficient use of the spectrum that Claro currently owns. In addition, the FNE represented to VTR and Claro that the joint venture might infringe on a resolution pronounced by the Tribunal of Defense of Free Competition (Resolution 1/2004), in which it prohibited VTR and its controller from participating in the ownership of companies operating satellite television in Chile. Due to this, the parties committed to the FNE to comply with that resolution, transferring the assets of Claro’s satellite television business to a fiduciary agent, outside the management area of the joint venture, before it materialized, who will be in charge of disinvesting them to a third party independent of VTR and Claro, within a specified period of time.

36. Risk management, continued

k) Level of Chilean economic activity

Since the Company's operations are located in Chile, these are sensitive to and dependent on the country's level of economic activity. In periods of low economic growth, high unemployment rates and reduced internal demand, there has been a negative impact on the local and long distance telephone traffic, as well as on the level of customer default.

On January 30, 2020, the World Health Organization designated the outbreak of coronavirus 2019 ("COVID-19") as a public health emergency of international significance. In Chile, on March 16, 2020, the Ministry of Health declared COVID-19 at stage 4, which implied a series of measures to contain its spreading and, on March 18, 2020, a State of Constitutional Exception and Catastrophe was declared throughout the national territory. The health measures adopted to address this situation, both at local and international levels, include, among other things, restricting the circulation of persons and closing of borders, which is expected to significantly affect the economic activity and the markets in general. In addition, the Government has launched the so-called "Solidarity Connectivity Plan" ("Plan Solidario de Conectividad" in Spanish) which grants access to basic services for 60 days and the Company at the same time has offered its customers an "Unemployment Benefit", which consists of a reduction of 50% in their invoice for 3 months. To date we still have current clients with this plan.

l) Financial risk management objectives and policies

The Company's main financial liabilities, in addition to derivatives, comprise bank loans and bond obligations, payables and other payables. The main purpose of those financial liabilities is to obtain financing for the Company's operations. The Company has trade receivables, cash and short-term deposits, which arise directly from its operations.

The Company also has investments held for sale and derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's Management supervises that financial risks are identified, measured and managed in accordance with defined policies. All activities derived from risk management are carried out by specialist teams with adequate skills, experience and supervision. It is the Company's policy that there is no commercialization of derivatives for speculative purposes.

The policies for managing such risks, which are reviewed and ratified by the Board of Directors, are summarized below:

Market Risk

Market risk is the risk of fluctuation in the fair value of future cash flows of a financial instrument due to changes in market prices. Market prices comprise three types of risks: interest rate risk, exchange rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans, deposits, investments held for sale and derivative financial instruments.

36. Risk management, continued

I) Financial risk management objectives and policies, continued

Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value of future cash flows of a financial derivative due to changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is mainly related to the Company's long-term debt obligations with variable interest rates.

The Company manages its interest rate risk maintaining a balanced portfolio of loans and debts at variable and fixed interest rates. The Company has interest rate swaps in which it agrees to exchange, at certain intervals, the difference between the amounts of fixed and variable interest rates, calculated in reference to a notional agreed upon capital amount. These swaps are intended to hedge underlying debt obligations.

The Company periodically determines the efficient exposure to short and long-term debt due to changes in interest rates, considering its own expectations regarding future evolution of rates.

As of June 30, 2022 the Company had 48% of its short and long-term financial debt bearing a fixed interest rate and 52% with exposure to a variable rate.

The Company believes it is reasonable to measure the risk associated to the interest rate of the financial debt as the sensitivity of the monthly finance cost of accrual in case of a change in 25 basis points in the debt's benchmark interest rate, which, as of September 30, 2022, corresponds to the "Tasa Promedio de Cámara Nominal" (TCPN). In this manner, an increase of 25 basis points in the monthly TCPN would mean an increase in the accrual monthly financial cost, for 2022, of approximately ThCh\$135,410; whereas a drop in the TCPN would mean a reduction of ThCh\$135,410 in the accrual monthly financial cost for 2022.

When the time comes for a benchmark rate reform such as the LIBOR rate, where the Company maintains outstanding debt at the aforementioned rate, the changes would be as follows:

1. Provide the use of a replacement benchmark in relation to (or in addition to) the affected currency instead of this reformed benchmark rate.
2. Align all provisions of the contract affected by the use of the replacement benchmark.
3. Allow the replacement benchmark to be used to calculate the interest of the affected contract (including without limitation, any consequential changes required to allow that replacement benchmark to be used for the purpose of the agreement).
4. Implement the market conditions applicable to that replacement benchmark.
5. Adjust the price to reduce or eliminate, to the extent reasonably feasible, any transfer of economic value from one party to another as a result of the application of the replacement benchmark (or if any adjustment or method to calculate the adjustment recommended by the relevant organization has been formally designated, the adjustment shall be determined on the basis of that designation).

All the aforementioned under the mutual agreement of both parties.

As of September 30, 2022, the Company had loans and derivatives associated to the LIBOR benchmark rate. Changes will be made in loans and derivatives simultaneously, in order not to alter the hedging. To date, no substantial change in finance costs is expected due to the change in the variable rate in USD.

36. Risk management, continued

I) Financial risk management objectives and policies, continued

Foreign currency risk

Foreign currency risk is the risk that the future fair values or cash flows of a financial instrument may fluctuate due to exchange rate. The Company's exposure to exchange rate variation risks is mainly related to obtaining short and long-term financial debt in foreign currency and, to a lesser extent, to its operating activities. The Company's policy is to negotiate derivative financial instruments to help to minimize this risk.

Credit risk

Credit risk is the risk that a counterpart may not fulfill its obligations under a financial instrument or customer contract, which leads to a financial loss. The Company is exposed to credit risk from its operating activities (mainly due to receivables and credit notes) and from its financial activities, including bank deposits, transactions in foreign currency and other financial instruments.

Credit risks related to customer loans is managed in accordance with the policies, procedures and controls established by the Company to manage customer credit risk. Customer credit quality is evaluated in an ongoing manner. Outstanding customer charges are supervised. (see Note 8b).

The maximum exposure to credit risk as of the report presentation date is the value of each class of financial asset.

Credit risk related to balances with banks, financial instruments and negotiable values is managed by the Finance Management Department in conformity with the Company's policies. Surplus funds are only invested with an approved counterpart and within the credit limits assigned to each entity. Counterpart limits are reviewed annually, and can be updated during the year. The limits are established to reduce counterpart risk concentration.

Liquidity risk

The Company monitors its risk of lack of funds using a recurrent liquidity planning tool. The Company's objective is to anticipate the financing needs and to maintain an investment profile that allows it to cover its obligations.

Capital management

The Capital includes shares and equity attributable to the equity of the Parent company less unearned income reserves.

The Company's main objective in respect to capital management is to ensure that it has a strong credit rating and prosperous capital ratios to support its businesses and maximize shareholders' value. Equity return on investment (income/equity), as of September 30, 2022, is 4.50%, 20.00 p.p. of decrease in comparison to September 2021, when it reached 24.50%. This is mainly due higher result for the period 2021 for increase in other incomes.

36. Risk management, continued

I) Financial risk management objectives and policies, continued

The Company manages its Capital structure and adjusts it, according to changes in economic conditions.

No changes were introduced in the objectives, policies or processes during the periods ended as of September 30, 2022 and 2021.

37. Subsequent events

The consolidated financial statements of Telefónica Móviles Chile S.A. and subsidiaries, for the period ended as of September 30, 2022, were approved and authorized for issuance at the Board of Directors Meeting held on October 27, 2022.

On October 22, subsidiary Telefonica Chile S.A. became aware that its associate, Infraco SpA, in which it has a 40% interest through its parent company HoldCo InfraCo SpA, has signed an asset purchase/sale agreement with Empresa Nacional de Telecomunicaciones S.A. ("Entel") whereby, once certain conditions have been met, including approval from the free competition and regulatory authorities, it will acquire 100% of the fiber optic assets owned by Entel. Likewise, as part of the transaction, InfraCo SpA and Entel will sign a series of service contracts, including a contract for providing wholesale connectivity services over the fiber optic network.

In the period from October 1, 2022 and October 27, 2022, there have been no other significant subsequent events that affect these consolidated financial statements.

Francisco Cancino Vera
Accounting Manager

Rafael Zamora Sanhueza
Finance, Strategy and Management control Director

Roberto Muñoz Laporte
General Manager