



TELEFÓNICA MÓVILES CHILE S.A. AND SUBSIDIARIES

REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023 (not audited), December 31, 2022 and March 31, 2022 (not audited)

INDEX

	Page No.
➤ Interim consolidated Statements of Financial Position.....	3
➤ Interim consolidated Statements of Comprehensive Income	5
➤ Interim consolidated Statements of Changes in Shareholders' Equity.....	7
➤ Interim Consolidated Statements of Cash Flows	8

Notes to the Interim Consolidated Financial Statements

1. Corporate information	9
2. Significant accounting principles	9
3. Changes in accounting policy and disclosures.....	30
4. Financial information by segment	31
5. Cash and cash equivalents.....	35
6. Other current and non-current financial assets	36
7. Other current and non-current non-financial assets.....	37
8. Current trade and other accounts receivable	37
9. Receivables from and payable to related companies.....	43
10. Inventory	48
11. Income taxes	49
12. Non-current trade and other accounts receivable	56
13. Intangible assets other than goodwill	57
14. Goodwill.....	58
15. Property, plant and equipment	59
16. Investment properties	62
17. Right of use assets	63
18. Investments accounted for using the equity method	64
19. Other current and other non-current financial liabilities	64
20. Current and non-current lease liabilities	75
21. Trade and other payables.....	75
22. Financial instruments	78
23. Other currents provisions.....	86
24. Employee benefits accrual	87
25. Other current and non-current non-financial liabilities	89
26. Equity.....	91
27. Earnings per share	95
28. Income.....	95
29. Expenses	96
30. Financial income and costs.....	97
31. Leases	98
32. Local and foreign currency	99
33. Contingencies and restrictions	101
34. Environment.....	103
35. Risk management	105
36. Subsequent events	112

ThCh\$: Thousands of Chilean Pesos

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2023 (not audited) and December 31, 2022



	Notes	<u>03.31.2023</u>	<u>12.31.2022</u>
		ThCh\$	ThCh\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	(5)	235,840,396	466,972,364
Other current financial assets	(6)	75,477,423	89,268,915
Other current non-financial assets	(7)	155,569,343	145,104,073
Current trade and other accounts receivable	(8a)	249,332,410	220,541,185
Current receivables from related companies	(9a)	43,619,174	44,894,759
Inventory	(10a)	122,601,586	91,442,933
Current tax assets	(11b)	40,636,805	40,408,582
TOTAL CURRENT ASSETS		923,077,137	1,098,632,811
NON-CURRENT ASSETS			
Other non-current financial assets	(6)	6,963,762	11,600,641
Other non-current non-financial assets	(7)	214,229,225	209,336,847
Non-current trade and other accounts receivable	(12a)	40,229,887	39,787,680
Non-current receivables from related companies	(9b)	69,485,169	68,508,794
Investments in associates and joint ventures	(19)	73,954,117	72,372,094
Intangible assets other than goodwill, net	(13a)	237,468,835	244,212,072
Goodwill	(14)	504,774,872	504,774,872
Property, plant and equipment, net	(15a)	1,008,555,138	1,029,275,838
Investment properties	(16)	4,376,031	4,440,742
Right of-use assets	(17)	320,167,303	304,785,725
Deferred tax assets	(11c)	144,529,268	126,578,556
TOTAL NON-CURRENT ASSETS		2,624,733,607	2,615,673,861
TOTAL ASSETS		3,547,810,744	3,714,306,672

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2023 (not audited) and December 31, 2022



	Notes	03.31.2023	12.31.2022
		ThCh\$	ThCh\$
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	(19)	415,509,886	346,453,273
Current leases liabilities	(20)	84,885,197	98,526,851
Trade and other payables	(21a)	386,748,709	507,070,998
Current payables to related companies	(9c)	99,646,123	121,121,862
Other current provisions	(23a)	2,181,444	2,802,796
Current tax liabilities	(11f)	783,399	756,228
Current employee benefits accrual	(24a)	5,711,938	5,216,457
Other current non-financial liabilities	(25)	30,489,741	38,541,054
TOTAL CURRENT LIABILITIES		1,025,956,437	1,120,489,519
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	(19)	705,493,344	759,778,763
Non current leases liabilities	(20)	258,529,109	245,120,945
Trade and other payables non-current	(21a)	1,224,586	28,814
Current payables to related companies non-current	(9d)	6,328,030	5,548,164
Other non-current provisions	(23b)	18,277,965	18,078,266
Deferred tax liabilities	(11c)	119,058,367	115,637,138
Non-current employee benefits accrual	(24a)	29,878,240	31,235,592
Other non-current non-financial liabilities	(25)	75,686,293	77,478,576
TOTAL NON-CURRENT LIABILITIES		1,214,475,934	1,252,906,258
TOTAL LIABILITIES		2,240,432,371	2,373,395,777
NET SHAREHOLDERS' EQUITY			
Issued capital	(27a)	1,364,872,285	1,364,872,285
Retained earnings		409,313,025	424,008,652
Other reserves	(27d)	(475,883,417)	(457,048,524)
Shareholders' equity attributable to owners of the parent		1,298,301,893	1,331,832,413
Non-controlling interest	(27e)	9,076,479	9,078,482
TOTAL NET SHAREHOLDERS' EQUITY		1,307,378,373	1,340,910,895
TOTAL NET LIABILITIES & SHAREHOLDERS' EQUITY		3,547,810,744	3,714,306,672

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of March 31, 2023 and 2022 (not audited)

For periods ended March 31,

	Notes	2023	2022
		ThCh\$	ThCh\$
STATEMENTS OF COMPREHENSIVE INCOME			
Income from ordinary operations	(28a)	427,657,328	403,194,881
Other income	(28b)	7,054,467	14,298,502
Employee benefits expenses	(24d)	(36,716,233)	(34,641,900)
Depreciation and amortization expense	(13b)(15b)(16)(17)	(82,743,485)	(68,014,216)
Impairment losses (reversal of impairment losses)	(29a)	(16,602,810)	(13,231,608)
Other expenses, by nature	(29b)	(297,097,344)	(272,098,099)
Profit from operating activities		1,551,923	29,507,560
Finance income	(30a)	8,097,463	11,850,524
Finance costs	(30a)	(31,348,593)	(22,687,402)
Share in earnings (losses) of associates and joint ventures		1,815,826	27,197
Foreign exchange differences	(30b)	(2,072,518)	(398,448)
Income from indexation units	(30b)	334,350	200,470
Profits before tax from continuing operations		(21,621,549)	18,499,901
Income tax expense	(11e)	7,785,558	(2,739,438)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(13,835,991)	15,760,463
Profit attributable to holders of equity instruments of the controller and minority interest:			
Profit attributable to parent owners	(27)	(14,695,626)	15,697,708
Profit attributable to non-controlling interest	(26e)	859,635	62,755
PROFIT (LOSS)		(13,835,991)	15,760,463
EARNINGS PER SHARE			
Earnings per basic share			
Earnings per basic share for continuing operations	(27)	(0.015)	(0.016)
Earnings per basic share for discontinuing operations		-	-
Earnings per basic share		(0.015)	(0.016)
Diluted earnings per share			
Diluted earnings per share from continuing operations		(0.015)	(0.016)
Diluted earnings per share from discontinuing operations		-	-
Diluted earnings per share		(0.015)	(0.016)

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of March 31, 2023 and 2022 (not audited)

For periods ended March 31,

	<u>2023</u>	<u>2022</u>
	ThCh\$	ThCh\$
STATEMENTS OF OTHER COMPREHENSIVE INCOME		
PROFIT (LOSS)	(13,835,991)	15,760,463
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	1,322,051	6,584
Other comprehensive income, before taxes, profits (losses) from investment in equity instruments	(232,256)	1,790,933
Other comprehensive income, before taxes, profits (losses) on investments in equity instruments	(175,715)	1,511,807
Total other comprehensive income that will not be reclassified to income for the period	914,080	3,309,324
Components of other comprehensive income that will be reclassified to income for the period		
Profit (loss) on cash flow hedges	(26,451,562)	(19,511,376)
Total Components of other comprehensive income that will be reclassified to income for the period	(26,451,562)	(19,511,376)
Total other components of other comprehensive income, before taxes	(25,537,482)	(16,202,052)
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	(356,075)	(1,772)
Total income taxes associated to components of other comprehensive income which will not be reclassified to income for the period	(356,075)	(1,772)
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	6,378,264	5,325,069
Total income taxes associated to components of other comprehensive income	6,022,189	5,323,297
TOTAL OTHER COMPREHENSIVE INCOME	(33,351,284)	4,881,708
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Comprehensive income attributable to parent owners	(33,530,520)	4,761,929
Comprehensive income attributable to non-controlling interest	179,236	119,779
TOTAL COMPREHENSIVE INCOME	(33,351,284)	4,881,708

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

As of March 31, 2023 and 2022 (not audited)



	Changes in capital (Note 26 a)	Changes in the other reserves (Note 26 d)				Retained earnings	Equity attributable to parent owners	Non controlling interests (Note 26 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				
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Balance at the beginning of the period	1,364,872,285	3,630,329	(10,318,344)	148,204	(450,508,713)	(457,048,524)	424,008,652	1,331,832,413	9,078,482	1,340,910,895
Changes in equity										
Comprehensive income										
Profit	-	-	-	-	-	-	(14,695,626)	(14,695,626)	859,635	(13,835,991)
Other comprehensive income	-	(19,623,060)	962,720	(174,554)	-	(18,834,894)	-	(18,834,894)	(861,637)	(19,696,531)
Comprehensive income	-	(19,623,060)	962,720	(174,554)	-	(18,834,894)	(14,695,626)	(33,530,520)	(2,002)	(33,532,522)
Reversal of interim dividends	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Total changes in shareholders' equity	-	(19,623,060)	962,720	(174,554)	-	(18,834,894)	(14,695,626)	(33,530,520)	(2,002)	(33,532,522)
Ending balance as of 03.31.2023	1,364,872,285	(15,992,730)	(9,355,624)	(26,350)	(450,508,713)	(475,883,417)	409,313,026	1,298,301,894	9,076,480	1,307,378,373
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	-	-	-	-	-	-	15,697,707	15,697,707	62,756	15,760,463
Other comprehensive income	-	(12,439,386)	4,790	1,498,818	-	(10,935,778)	-	(10,935,778)	57,023	(10,878,755)
Comprehensive income	-	(12,439,386)	4,790	1,498,818	-	(10,935,778)	15,697,707	4,761,929	119,779	4,881,708
Dividends	-	-	-	-	-	-	-	-	-	-
Total changes in shareholders' equity	-	(12,439,386)	4,790	1,498,818	-	(10,935,778)	15,697,707	4,761,929	119,779	4,881,708
Ending balance as of 03.31.2022	1,364,872,285	22,582,603	(7,512,301)	2,644,919	(450,508,713)	(432,793,492)	307,266,354	1,239,345,147	8,563,599	1,247,908,746

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

As of March 31, 2023 and 2022 (not audited)



For periods ended March 31,

Notes	2023	2022
	ThCh\$	ThCh\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Types of operating activity charges		
Proceeds from sale of assets and services rendered	468,927,333	481,241,531
Proceeds from sales and services	440,721,819	452,289,823
Proceeds from related entities	28,205,514	28,951,708
Types of payments	(552,087,631)	(552,671,085)
Payments to suppliers for supplying goods and services	(388,433,816)	(339,483,963)
Payments to and on account of employees	(71,571,547)	(47,982,371)
Payments from related entities	(52,756,385)	(51,574,287)
Other operating activities payments (1)	(39,325,883)	(113,630,464)
Net cash flows provided by (used in) operating activities	(83,160,298)	(71,429,554)
Income taxes paid	(701,480)	(3,770,325)
Cash flows provided by (used in) operating activities	(83,861,778)	(75,199,879)
CASH FLOWS PROVIDED BY (USED IN) INVESTMENT ACTIVITIES		
Amounts from sales of property, plant and equipment (2)	-	25,178,998
Additions to property, plant and equipment	(95,131,110)	(82,449,350)
Interest received	5,325,531	3,119,960
Importes procedentes de subvenciones del gobierno	6,785,100	-
Otras entradas (salidas) de efectivo (3)	5,153,152	-
Net cash flows provided by (used in) investment activities	(77,867,327)	(54,150,392)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
(Payments) collections loans to related entities	-	506,660
Pagos de entidades relacionadas	(300,000)	(250,000)
Reimbursement of loans, classified as financing activities	(9,600,000)	-
Lease obligation payments in accordance with IFRS 16	(43,776,139)	(19,668,888)
Interest paid	(7,842,387)	(4,969,416)
Other cash inputs (outputs)	(7,884,337)	(2,009,564)
Net cash flows provided by (used in) financing activities	(69,402,863)	(26,391,208)
Increase (decrease) in cash and cash equivalents, before the effects of changes in he exchange rate	(231,131,968)	(155,741,479)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(231,131,968)	(155,741,479)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(note 5) 466,972,364	412,783,121
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(note 5) 235,840,396	257,041,642

- (1) Mainly includes factoring and portfolio sales transactions. The Company has become collection agent for mass services transactions.
- (2) In 2022 correspond mainly to sale of rooftop telecommunications infrastructure.
- (3) Corresponds to collection of loan granted on the sale of the Data Center business (see Note 6a).

The accompanying notes 1 to 36 are 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 tangible 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)	
			03.31.2023 %	12.31.2022 %
Telefónica Chile S.A.	90.635.000-9	009	99.3388793	99.3388793

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 March 31, 2023 and December 31, 2022; Interim Consolidated Comprehensive Income Statements for the three and three-month periods ended as of March 31, 2023 and 2022 and the corresponding Interim Statement of Changes in Equity, and interim Statements of Cash Flows for the three-month periods ended as of March 31, 2023 and 2022.

b) Basis of presentation

The interim consolidated financial statements for March 31, 2023 and December 31, 2022 and their corresponding notes are shown in a comparative manner in accordance with Note 2a). Additionally, for comparison purposes, a minor reclassification has been made between trade and other current accounts receivable and trade and other current accounts payable.

c) Basis of preparation

The consolidated financial statements as of March 31, 2023, and the Interim Consolidated Comprehensive Income Statements, Interim Statement of Changes in Equity, and interim Statements of Cash Flows for the three-month periods ended as of March 31, 2023 and 2022 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 26e).

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			12.31.2022 Total
				03.31.2023			
				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	99.3388793	-	99.3388793	99.3388793
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.



3. Significant accounting principles, continued

e) Basis of consolidation, continued

The summarized financial information at March 31, 2023 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	229,049,590	141,744,446	370,794,036	279,705,562	13,480,493	293,186,055	77,607,981	89,568,674	(7,237,844)
90.635.000-9	Telefónica Chile S.A.	99.3388793	544,358,995	1,145,372,088	1,689,731,083	437,094,097	243,007,969	680,102,066	1,009,629,017	155,963,318	(9,570,669)
76.086.148-0	Telefónica Chile Servicios Corporativos Ltda.	100.000000	171,057,722	35,339,413	206,397,135	90,606,282	34,184,946	124,791,228	81,605,907	46,684,657	241,960

(*) Direct and indirect participation.

The summarized financial information at December 31, 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	199,136,455	144,675,294	343,811,749	245,287,788	12,261,090	257,548,878	86,262,871	350,964,094	(13,740,945)
90.635.000-9	Telefónica Chile S.A.	99.3388793	543,497,631	1,145,372,088	1,688,869,719	436,232,733	243,007,969	679,240,702	1,022,571,425	579,666,916	50,239,024
76.086.148-0	Telefónica Chile Servicios Corporativos Ltda.	100.000000	143,880,653	34,706,681	178,587,334	63,988,083	34,201,281	98,189,364	80,397,970	186,093,282	8,168,706

(*) 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 period. 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
03.31.2023	790.41	858.02	155.84	35,575.48
12.12.2022	855.86	915.95	161.96	35,110.98

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 22,2).

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 22.2) 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 March 31, 2023 and December 31, 2022, 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 2023 and 2022, 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 10.76% and 8.05% at March 31, 2023 and 2022, 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 18).

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 5.914% and 5.163% at March 31, 2023 and December 31, 2022 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 March 31, 2023 and December 31, 2022, 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 (Note 25a).

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 24a).

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.

u) New IFRS and Interpretations of the IFRS Interpretations Committee

i) The new Standards, interpretations and amendments issued, whose application is not yet mandatory, which the Company has not adopted in advance are detailed as follows:

	New Standards. Interpretations and amendments	Mandatory application date
IAS 1	Non-current liabilities with covenants	January 1, 2024
IFRS 16	Leases	January 1, 2024

2. Significant accounting principles, continued

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

Amendment to IAS 1 “Non-current Liabilities with Covenants”

The purpose of the amendment is to improve the information that an entity provides when the payment terms of its liabilities can be deferred subject to compliance with covenants within 12 months after the date of issuance of the financial statements.

Amendments to IFRS 16 “Leases”

Regarding sales with leaseback, which explains how an entity must recognize the right of use of the asset and how profits or losses due to the sale and subsequent leaseback must be recognized in the financial statements

Based on the analysis performed to date, the Company believes that the application of these standards, interpretations and amendments will have no significant impact on the financial statements for the period of their initial application.

ii) Standards, interpretations and amendments that are mandatory for the first time for financial periods beginning on January 1, 2023:

	New Standards, interpretations and amendments	Mandatory application date
IFRS 17	Insurance contracts	January 1, 2023
IAS 1	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2023
IAS 12	Deferred taxes	January1, 2023

IFRS 17 “Insurance Contracts”

Published in May 2017, replaces the current IFRS 4. IFRS 17 will mainly change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The Standard is applicable to annual periods beginning as of January 1, 2023, and early application is allowed as long as IFRS 9 “Financial Instruments” is applied.

Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”

Published in February 2021. The purpose of the amendments is to improve disclosure of accounting policies and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies. This Standard must be applied to annual periods beginning as of January 1, 2023.

2. Significant accounting principles, continued

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

ii) Standards, interpretations and amendments that are mandatory for the first time for financial periods beginning on January 1, 2023:

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction..

These amendments require that companies recognize deferred taxes on transactions which, upon initial recognition result in equal amounts of taxable and deductible temporary differences. This Standard must be applied to annual periods beginning as of January 1, 2023.

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.

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 these 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 March 31, 2023, December 31, 2022 and March 31, 2022 is detailed as follows:

For the exercise ended as of March 31, 2023	Mobile Telecommunications	Fixed Telecommunications	Corporate Communication and Data	Television Services	Other	Eliminations	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Income from external customers	223,309,519	116,892,139	47,490,231	38,061,851	1,903,588	-	427,657,328
Income from ordinary activities arising from transactions with other operating segments of the same entity	1,736,884	35,862,809	4,016,592	-	46,700,768	(88,317,053)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	225,046,403	152,754,948	51,506,823	38,061,851	48,604,356	(88,317,053)	427,657,328
Cost of sales	86,696,869	62,823,727	51,322,692	22,979,894	-	(48,857,847)	174,965,335
Impairment losses (reversal of impairment losses)	12,710,461	3,775,789	123,480	(6,920)	-	-	16,602,810
Administrative expenses	73,130,839	58,998,272	8,605,835	9,829,186	5,672,387	(34,104,510)	122,132,009
Employee benefits expenses	-	-	-	-	40,182,563	(3,466,330)	36,716,233
Cost of interest	23,139,356	5,100,753	3,826,860	1,190,215	1,387,389	(3,295,980)	31,348,593
Interest income	6,303,596	4,770,618	319,183	-	46	(3,295,980)	8,097,463
Depreciation and amortization	43,703,687	37,738,515	1,911,942	649,003	637,158	(1,896,820)	82,743,485
Share in earnings (losses) of associates and joint ventures	(9,388,838)	(5,301,764)	3,145	-	-	16,503,283	1,815,826
Income tax expense	(1,551,805)	(2,162,368)	9,396,368	(13,467,373)	(380)	-	(7,785,558)
Other significant non-cash items	2,087,094	1,271,847	383,744	-	2,725,045	(1,151,431)	5,316,299
Profits(loss) before tax	(15,332,957)	(14,941,407)	(13,577,914)	3,420,473	3,449,950	15,360,306	(21,621,549)
Profit (loss) for the period from continuing operations	(13,781,152)	(12,779,039)	(22,974,282)	16,887,846	3,450,330	15,360,306	(13,835,991)
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-
Profit (loss) for the period	(13,781,152)	(12,779,039)	(22,974,282)	16,887,846	3,450,330	15,360,306	(13,835,991)
Assets	3,115,162,218	1,689,731,083	218,768,481	152,025,555	206,397,135	(1,834,273,728)	3,547,810,744
Investments in associates accounted for using the equity method	1,042,941,255	192,120,235	1,060,877	-	-	(1,162,168,250)	73,954,117
Increases in non-current assets	11,236,809	14,273,049	2,082,999	-	-	-	27,592,857
Liabilities	1,810,264,752	680,102,066	172,979,772	120,206,283	124,791,228	(667,911,730)	2,240,432,371
Shareholders' equity	1,304,897,466	1,009,629,017	45,788,709	31,819,272	81,605,907	(1,166,361,998)	1,307,378,373
Liabilities & Shareholders' equity	3,115,162,218	1,689,731,083	218,768,481	152,025,555	206,397,135	(1,834,273,728)	3,547,810,744
Cash flows provided by (used in) operating activities	19,390,930	(50,083,667)	(11,914,853)	(8,804,686)	(64,535,271)	32,085,770	(83,861,777)
Cash flows provided by (used in) investment activities	(43,103,475)	(40,602,534)	3,901,516	2,883,093	-	(945,927)	(77,867,327)
Cash flows provided by (used in) financing activities	(225,882,131)	47,932,329	7,791,982	5,758,018	64,240,172	30,756,767	(69,402,863)

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



4. Financial information by segment, continued

For the exercise ended as of December 31, 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	883,465,974	443,373,952	188,996,845	149,028,217	10,255,875	-	1,675,120,863
Income from ordinary activities arising from transactions with other operating segments of the same entity	7,039,177	136,292,964	12,939,032	-	186,077,171	(342,348,344)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	890,505,151	579,666,916	201,935,877	149,028,217	196,333,046	(342,348,344)	1,675,120,863
Cost of sales	340,064,562	224,869,313	185,334,746	87,570,836	1,632	(185,097,072)	652,744,017
Impairment losses (reversal of impairment losses)	42,991,453	13,082,039	2,504,515	112,567	-	-	58,690,574
Administrative expenses	297,125,639	225,507,945	37,660,843	41,146,461	26,818,674	(138,796,017)	489,463,545
Employee benefits expenses	30,099	214,206	-	-	158,487,547	(14,534,503)	144,197,349
Cost of interest	92,284,864	35,972,325	5,782,615	1,065,111	2,608,127	(6,054,978)	131,658,064
Interest income	33,873,614	39,719,233	705,650	-	23,287	(6,054,978)	68,266,806
Depreciation and amortization	169,419,632	98,157,822	8,472,763	2,594,982	2,367,699	(3,930,207)	277,082,691
Share in earnings (losses) of associates and joint ventures	53,909,559	(10,068,196)	106,193	-	-	(44,334,654)	(387,098)
Income tax expense	(5,617,314)	7,992,631	(3,767,146)	(2,454,880)	(1,739,483)	-	(5,586,192)
Other significant non-cash items	20,533,257	46,717,352	257,390	249,140	356,569	-	68,113,708
Profits(loss) before tax	56,905,332	58,231,655	(36,750,372)	16,787,400	6,429,223	(44,325,199)	57,278,039
Profit (loss) for the period from continuing operations	62,522,646	50,239,024	(32,983,226)	19,242,280	8,168,706	(44,325,199)	62,864,231
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-
Profit (loss) for the period	62,522,646	50,239,024	(32,983,226)	19,242,280	8,168,706	(44,325,199)	62,864,231
Assets	3,125,784,595	1,661,197,105	203,950,889	141,728,584	180,203,351	(1,593,714,992)	3,719,149,532
Investments in associates accounted for using the equity method	1,055,206,212	198,592,757	1,045,174	-	-	(1,182,472,049)	72,372,094
Increases in non-current assets	104,263,227	70,809,271	8,089,162	-	-	-	183,161,660
Liabilities	1,803,243,150	638,625,680	153,055,795	106,360,807	99,805,381	(422,852,176)	2,378,238,637
Shareholders' equity	1,322,541,445	1,022,571,425	50,895,094	35,367,777	80,397,970	(1,170,862,816)	1,340,910,895
Liabilities & Shareholders' equity	3,125,784,595	1,661,197,105	203,950,889	141,728,584	180,203,351	(1,593,714,992)	3,719,149,532
Cash flows provided by (used in) operating activities	191,514,004	(159,742,711)	4,531,965	3,344,580	(42,952,486)	183,478,353	180,173,705
Cash flows provided by (used in) investment activities	(64,951,375)	(7,073,085)	(3,047,482)	(2,249,035)	-	409,549,776	332,228,799
Cash flows provided by (used in) financing activities	(56,876,464)	(47,462,159)	(1,155,118)	(852,474)	42,942,858	(394,809,904)	(458,213,261)

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



4. Financial information by segment, continued

For the exercise ended as of March 31, 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	217,910,545	110,575,608	38,349,791	36,358,937	-	-	403,194,881
Income from ordinary activities arising from transactions with other operating segments of the same entity	1,790,776	33,249,592	3,425,838	-	51,365,509	(89,831,715)	-
Total income from operating activities from external customers and transactions with other operating segments of the same entity	219,701,321	143,825,200	41,775,629	36,358,937	51,365,509	(89,831,715)	403,194,881
Cost of sales	86,733,281	52,334,010	37,211,469	21,278,170	1,549	(47,025,930)	150,532,549
Impairment losses (reversal of impairment losses)	11,099,650	1,784,482	244,863	102,613	-	-	13,231,608
Administrative expenses	74,675,474	54,766,889	8,751,597	11,388,556	9,959,759	(37,976,725)	121,565,550
Employee benefits expenses	69,330	-	-	-	38,410,990	(3,838,420)	34,641,900
Cost of interest	15,651,338	6,879,246	690,528	15,286	427,896	(976,892)	22,687,402
Interest income	7,794,471	4,856,051	160,312	-	16,582	(976,892)	11,850,524
Depreciation and amortization	41,194,655	24,750,342	2,298,927	633,120	98,053	(960,881)	68,014,216
Participation in profit of associated companies accounted for using the equity method	8,642,583	(2,037,027)	33,955	-	-	(6,612,314)	27,197
Income tax expense	952,960	1,976,430	2,615,326	(2,743,773)	(61,505)	-	2,739,438
Other significant non-cash items	9,964,894	3,273,705	700,172	95,331	66,565	(143)	14,100,524
Profits(loss) before tax	16,679,541	9,402,960	(6,527,316)	3,036,523	2,550,409	(6,642,216)	18,499,901
Profit (loss) for the period from continuing operations	15,726,581	7,426,530	(9,142,642)	5,780,296	2,611,914	(6,642,216)	15,760,463
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-
Profit (loss) for the period	15,726,581	7,426,530	(9,142,642)	5,780,296	2,611,914	(6,642,216)	15,760,463
Assets	2,976,101,162	1,801,890,508	184,051,209	127,899,993	159,788,770	(1,288,868,909)	3,960,862,733
Investments in associates accounted for using the equity method	796,164,292	210,588,643	1,008,456	-	-	(933,499,679)	74,261,712
Increases in non-current assets	19,081,899	11,542,591	1,702,176	-	-	-	32,326,666
Liabilities	1,731,062,446	1,037,164,904	126,365,183	87,813,094	82,215,289	(351,666,929)	2,712,953,987
Shareholders' equity	1,245,038,716	764,725,604	57,686,026	40,086,899	77,573,481	(937,201,980)	1,247,908,746
Liabilities & Shareholders' equity	2,976,101,162	1,801,890,508	184,051,209	127,899,993	159,788,770	(1,288,868,909)	3,960,862,733
Cash flows provided by (used in) operating activities	(58,345,064)	(3,034,097)	(10,617,919)	(9,241,184)	(31,824,993)	37,863,378	(75,199,879)
Cash flows provided by (used in) investment activities	(21,712,659)	(32,248,633)	-	-	-	(189,100)	(54,150,392)
Cash flows provided by (used in) financing activities	(55,940,330)	(55,679,052)	10,706,351	9,318,149	31,590,000	33,613,674	(26,391,208)

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	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Cash (a)		144,810	129,152
	CLP	132,798	128,421
	EUR	686	731
Banks (b)		195,694,912	76,404,812
	CLP	192,239,975	72,468,969
	USD	1,206,292	1,410,926
	EUR	2,199,190	2,472,466
	Others currencies	49,455	52,451
Time deposits (c)		40,012,000	390,438,400
	CLP	40,012,000	390,438,400
Total cash and cash equivalents		235,840,396	466,972,364
Sub-total by currency	CLP	232,384,773	463,035,790
	USD	1,206,292	1,410,926
	EUR	2,199,876	2,473,197
	Other currencies	49,455	52,451

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 March 31, 2023 and December 31, 2022, 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\$	03.31.2023 ThCh\$
Time deposit	CLP	40,000,000	10.80%	3	40,000,000	12,000	40,012,000
Total					40,000,000	12,000	40,012,000

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\$	12.31.2022 ThCh\$
Time deposits	CLP	390,000,000	11.46%	5	390,000,000	438,400	390,438,400
Total					390,000,000	438,400	390,438,400

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		03.31.2023		12.31.2022	
		Current ThCh\$	Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Hedging instruments	(See Note 22,2)	55,148,797	1,311,903	61,814,270	53,949,739
Other non-trade accounts receivable	(a)	20,255,502	-	21,883,468	21,401,681
Other investments	(b)	-	5,651,859	-	6,832,112
Otros créditos	(c)	-	-	5,498,053	-
Guarantees established	(d)	73,124	-	73,124	-
Total		75,477,423	6,963,762	89,268,915	82,183,532

a) Corresponds to recognition of the earn-out agreed in the sale of the optic fiber business. The balance as of March 31, 2023 includes interest in the amount of ThCh\$46,506 and foreign currency translation in the amount of ThCh\$1,674,474 generated between January 1 and March 31, 2023.

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

Participation	Country	Investment currency	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Telefónica Brasil (1)	Brazil	REAL	5,651,741	5,827,456
Other participation (2)	Chile	CLP	118	118
Total			5,651,859	5,827,574

(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 March 31, 2023 and December 31, 2022 dividends have accrued in the amount of ThCh\$7,671 and ThCh\$456,978 respectively, which were recorded as finance income.

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

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

- c) On January 19, 2023, Digital Holdings Chile SpA paid the loan granted derived from the sale of the Data Center business. That loan included principal in the amount of ThCh\$5,153,152 and interest in the amount of ThCh\$381,626.
- d) 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	03.31.2023		12.31.2022	
	Current ThCh\$	Current ThCh\$	Current ThCh\$	Non-current ThCh\$
Contract compliance costs (1)	82,581,363	131,450,288	76,963,152	94,433,572
Costs of obtaining contracts (2)	54,788,643	82,293,368	45,769,506	45,092,018
Support and repair services (3)	6,484,752	1,950	4,668,359	4,948
Deferred cost of handsets	1,015,021	-	1,214,071	-
Insurance	1,624,170	11,483	1,528,190	-
Advance leases (4)	434,405	147,632	453,755	274,284
Amortizable expenses (5)	4,035,752	324,504	4,564,360	50,563
Other Taxes (6)	4,605,237	-	9,942,680	-
Total	155,569,343	214,229,225	145,104,073	139,855,385

- (1) As of March 31, 2023 this item includes capitalization of compliance costs associated to television equipment, broadband equipment and project management in the sum of ThCh\$30,767,430, ThCh\$51,105,885 and ThCh\$708,048 in current and ThCh\$51,250,388, ThCh\$79,641,241 and ThCh\$558,659 in non-current. As of December 31, 2022 this item includes the same concepts in the amounts of ThCh\$29,605,430, ThCh\$46,625,826 and ThCh\$731,896 in current and ThCh\$49,099,283, ThCh\$77,659,018 and ThCh\$561,871 in non-current. The Company reviews the behavior of average customer life in a quarterly manner to calculate the amortizable expense.
- (2) As of March 31, 2023 and, December 31, 2022 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.
- (3) Includes amortizable expenses for services, maintenance and software licenses.
- (4) This item includes operating leases outside the IFRS 16 standard.
- (5) As of March 31, 2023 and, December 31, 2022 this item includes amortizable finance costs for hedging derivatives in the amount of ThCh\$3,131,434 and ThCh\$4,157,670 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	03.31.2023			12.31.2022		
	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	428,758,603	(189,171,204)	239,587,399	396,707,962	(184,534,132)	212,173,830
Invoiced services (1)	246,492,915	(187,677,207)	58,815,708	253,476,786	(182,882,827)	70,593,959
Services provided and not invoiced	168,311,310	(1,242,497)	167,068,813	128,702,602	(1,412,548)	127,290,054
Contractual asset (2)	13,954,378	(251,501)	13,702,877	14,528,574	(238,757)	14,289,817
Miscellaneous receivables (3)	9,745,011	-	9,745,011	8,367,355	-	8,367,355
Total	438,503,614	(189,171,204)	249,332,410	405,075,317	(184,534,132)	220,541,185

- (1) As of the March 31, 2023 and December 31, 2022 closing dates, there were sales transactions involving the large companies and mass services portfolios and mobile handset installments for a total amount of ThCh\$163,972,350 and ThCh\$249,349,409, 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 March 31 2023 and December 31, 2022, this item mainly includes loans and advances to employees in the amount of ThCh\$4,859,578 and ThCh\$4,264,227, and miscellaneous receivables from transactions outside the main line of business in the amount of ThCh\$4,885,433 and ThCh\$4,103,128, respectively.

8. Current trade and other accounts receivable, continued

- 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	03.31.2023					12.31.2022				
	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	20,493,447	7,544,427	11,367,713	2,581,113	41,986,700	17,337,264	8,205,015	10,515,557	1,693,828	37,751,664
Total	20,493,447	7,544,427	11,367,713	2,581,113	41,986,700	17,337,264	8,205,015	10,515,557	1,693,828	37,751,664

- 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	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Beginning balance	187,937,025	192,239,498
Increases	16,279,790	59,173,788
Eliminations/ Additions	(10,292,205)	(63,476,261)
Movements, subtotal	5,987,585	(4,302,473)
Ending balance	193,924,609	187,937,025

- d) Provision for impairment movements according to the composition of the portfolio as of March 31, 2023 and December 31, 2022 are detailed as follows:

Provisions and write-offs	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Provision for non renegotiated portfolio	16,268,436	56,625,869
Provision for renegotiated portfolio	11,354	33,093
Write-offs for the period	(10,292,205)	(60,961,435)
Total	5,987,585	(4,302,473)

- e) As of March 31, 2023 and December 31, 2022 the portfolio of returned documents and those in judicial collection is detailed as follows:

Portfolio of returned documents and judicial collection as of 03.31.2023	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	165	-	-	-
Portfolio of returned documents or those in judicial collection (ThCh\$)	5,728,698	-	-	-

Portfolio of returned documents and judicial collection as of 12.31.2022	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	167	-	-	-
Portfolio of returned documents or those in judicial collection (ThCh\$)	5,765,309	-	-	-

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of March 31, 2023 is detailed as follows:

Stratification of portfolio by segment As of March 31, 2023	Up to date	From 1 to 30 days	From 31 to 60 days	From 61 to 90 day	From 91 to 120 days	From 121 to 150 days	From 151 to 180 days	From 181 to 210 days	From 211 to 250 days	More than 250 days	Total portfolio w/o guarantee ThCh\$
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Fixed Telecommunications											
Number of clients w/o renegotiation (1)	765,109	156,446	87,099	70,204	71,588	51,389	54,600	52,881	59,714	3,133,910	4,502,940
Net portfolio w/o renegotiation	4,824,989	1,724,985	2,189,568	672,503	276,291	415,792	252,751	163,668	168,893	1,497,457	12,186,897
Debt	5,003,684	2,433,820	4,861,115	1,762,601	908,116	1,669,755	1,571,794	1,410,640	1,367,577	84,568,245	105,557,347
Accrual	(178,695)	(708,835)	(2,671,547)	(1,090,098)	(631,825)	(1,253,963)	(1,319,043)	(1,246,972)	(1,198,684)	(83,070,788)	(93,370,450)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	90,708	90,708
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	381	381
Debt	-	-	-	-	-	-	-	-	-	838,115	838,115
Accrual	-	-	-	-	-	-	-	-	-	(837,734)	(837,734)
Total number of clients	765,109	156,446	87,099	70,204	71,588	51,389	54,600	52,881	59,714	3,224,618	4,593,648
Total Fixed Telephone Portfolio	4,824,989	1,724,985	2,189,568	672,503	276,291	415,792	252,751	163,668	168,893	1,497,838	12,187,278
Debt	5,003,684	2,433,820	4,861,115	1,762,601	908,116	1,669,755	1,571,794	1,410,640	1,367,577	85,406,360	106,395,462
Accrual	(178,695)	(708,835)	(2,671,547)	(1,090,098)	(631,825)	(1,253,963)	(1,319,043)	(1,246,972)	(1,198,684)	(83,908,522)	(94,208,184)
Corporate Communication and Data											
Number of clients w/o renegotiation (1)	2,958	1,833	41	1,163	996	897	729	636	634	4,544	14,431
Net portfolio w/o renegotiation	41,524,946	2,951,231	424,248	1,387,642	1,396,228	777,478	492,754	412,580	391,893	2,205,307	51,964,307
Debt	41,739,017	3,217,336	503,041	1,645,544	1,850,759	1,109,753	785,868	709,579	737,505	15,072,090	67,370,492
Accrual	(214,071)	(266,105)	(78,793)	(257,902)	(454,531)	(332,275)	(293,114)	(296,999)	(345,612)	(12,866,783)	(15,406,185)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	2,958	1,833	41	1,163	996	897	729	636	634	4,544	14,431
Total Corporate Communication and Data Portfolio	41,524,946	2,951,231	424,248	1,387,642	1,396,228	777,478	492,754	412,580	391,893	2,205,307	51,964,307
Debt	41,739,017	3,217,336	503,041	1,645,544	1,850,759	1,109,753	785,868	709,579	737,505	15,072,090	67,370,492
Accrual	(214,071)	(266,105)	(78,793)	(257,902)	(454,531)	(332,275)	(293,114)	(296,999)	(345,612)	(12,866,783)	(15,406,185)
Television											
Number of clients w/o renegotiation (1)	178,713	73,041	22,369	21,114	20,710	21,774	20,654	18,816	20,039	223,579	620,809
Net portfolio w/o renegotiation	20,744,494	381,181	161,068	101,701	40,130	12,406	9,562	6,675	5,637	170,866	21,633,720
Debt	21,086,070	708,802	547,792	597,051	418,527	315,759	314,621	292,685	296,138	5,849,631	30,427,076
Accrual	(341,576)	(327,621)	(386,724)	(495,350)	(378,397)	(303,353)	(305,059)	(286,010)	(290,501)	(5,678,765)	(8,793,356)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	178,713	73,041	22,369	21,114	20,710	21,774	20,654	18,816	20,039	223,579	620,809
Total Television Portfolio	20,744,494	381,181	161,068	101,701	40,130	12,406	9,562	6,675	5,637	170,866	21,633,720
Debt	21,086,070	708,802	547,792	597,051	418,527	315,759	314,621	292,685	296,138	5,849,631	30,427,076
Accrual	(341,576)	(327,621)	(386,724)	(495,350)	(378,397)	(303,353)	(305,059)	(286,010)	(290,501)	(5,678,765)	(8,793,356)

(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 March 31, 2023 (not audited) and December 31, 2022



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of March 31, 2023 is detailed as follows, continued

Stratification of portfolio by segment As of March 31, 2023	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)	934,793	290,930	61,754	51,692	53,263	47,786	52,558	38,332	63,665	1,777,870	3,372,643
Net portfolio w/o renegotiation	108,503,393	8,372,259	4,487,306	4,139,755	2,140,227	2,108,943	1,821,865	1,400,874	899,317	6,225,278	140,099,217
Debt	128,599,546	9,473,991	6,097,056	5,874,783	3,755,808	4,156,140	4,706,886	4,540,236	4,167,875	38,471,684	209,844,005
Accrual	(20,096,153)	(1,101,732)	(1,609,750)	(1,735,028)	(1,615,581)	(2,047,197)	(2,885,021)	(3,139,362)	(3,268,558)	(32,246,406)	(69,744,788)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	10,556	10,556
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	767,190	767,190
Accrual	-	-	-	-	-	-	-	-	-	(767,190)	(767,190)
Total number of clients	934,793	290,930	61,754	51,692	53,263	47,786	52,558	38,332	63,665	1,788,426	3,383,199
Total Other Portfolio	108,503,393	8,372,259	4,487,306	4,139,755	2,140,227	2,108,943	1,821,865	1,400,874	899,317	6,225,278	140,099,217
Debt	128,599,546	9,473,991	6,097,056	5,874,783	3,755,808	4,156,140	4,706,886	4,540,236	4,167,875	39,238,874	210,611,195
Accrual	(20,096,153)	(1,101,732)	(1,609,750)	(1,735,028)	(1,615,581)	(2,047,197)	(2,885,021)	(3,139,362)	(3,268,558)	(33,013,596)	(70,511,978)
Contractual Asset and Others											
Number of clients w/o renegotiation (1)	-	-	-	-	-	-	-	-	-	-	-
Net portfolio w/o renegotiation	23,447,888	-	-	-	-	-	-	-	-	-	23,447,888
Debt	23,699,389	-	-	-	-	-	-	-	-	-	23,699,389
Accrual	(251,501)	-	-	-	-	-	-	-	-	-	(251,501)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	-	-	-	-	-	-	-	-	-	-	-
Total Other Portfolio	23,447,888	-	-	-	-	-	-	-	-	-	23,447,888
Debt	23,699,389	-	-	-	-	-	-	-	-	-	23,699,389
Accrual	(251,501)	-	-	-	-	-	-	-	-	-	(251,501)
Consolidated Portfolio											
Number of clients w/o renegotiation (1)	1,881,573	522,250	171,263	144,173	146,557	121,846	128,541	110,665	144,052	5,139,903	8,510,823
Net portfolio w/o renegotiation	199,045,710	13,429,656	7,262,190	6,301,601	3,852,876	3,314,619	2,576,932	1,983,797	1,465,740	10,098,908	249,332,029
Debt	220,127,706	15,833,949	12,009,004	9,879,979	6,933,210	7,251,407	7,379,169	6,953,140	6,569,095	143,961,650	436,898,309
Accrual	(21,081,996)	(2,404,293)	(4,746,814)	(3,578,378)	(3,080,334)	(3,936,788)	(4,802,237)	(4,969,343)	(5,103,355)	(133,862,742)	(187,566,280)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	101,264	101,264
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	381	381
Debt	-	-	-	-	-	-	-	-	-	1,605,305	1,605,305
Accrual	-	-	-	-	-	-	-	-	-	(1,604,924)	(1,604,924)
Total number of clients	1,881,573	522,250	171,263	144,173	146,557	121,846	128,541	110,665	144,052	5,241,167	8,612,087
Total Consolidated Portfolio	199,045,710	13,429,656	7,262,190	6,301,601	3,852,876	3,314,619	2,576,932	1,983,797	1,465,740	10,099,289	249,332,410
Debt	220,127,706	15,833,949	12,009,004	9,879,979	6,933,210	7,251,407	7,379,169	6,953,140	6,569,095	145,566,955	438,503,614
Accrual	(21,081,996)	(2,404,293)	(4,746,814)	(3,578,378)	(3,080,334)	(3,936,788)	(4,802,237)	(4,969,343)	(5,103,355)	(135,467,666)	(189,171,204)

(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 March 31, 2023 (not audited) and December 31, 2022



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of December 31, 2022 is as follows, continued

Stratification of portfolio by segment As of December 31, 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)	586,004	224,072	76,887	69,481	61,374	57,594	56,913	56,040	60,769	3,110,686	4,359,820
Net portfolio w/o renegotiation	3,025,935	784,368	1,039,736	777,333	730,667	423,844	141,314	194,787	183,567	1,924,092	9,225,643
Debt	3,052,429	1,155,713	2,201,273	1,907,798	1,854,823	1,568,312	956,762	1,262,683	1,343,655	88,543,394	103,846,842
Accrual	(26,494)	(371,345)	(1,161,537)	(1,130,465)	(1,124,156)	(1,144,468)	(815,448)	(1,067,896)	(1,160,088)	(86,619,302)	(94,621,199)
Number of clients w/renegotiation	-	218	57	50	60	18	45	48	42	90,307	90,845
Net renegotiated portfolio	-	4,020	132	19	31	32	-	-	-	5,191	9,425
Debt	-	4,760	457	117	408	550	339	542	113	828,204	835,490
Accrual	-	(740)	(325)	(98)	(377)	(518)	(339)	(542)	(113)	(823,013)	(826,065)
Total number of clients	586,004	224,290	76,944	69,531	61,434	57,612	56,958	56,088	60,811	3,200,993	4,450,665
Total Fixed Telephone Portfolio	3,025,935	788,388	1,039,868	777,352	730,698	423,876	141,314	194,787	183,567	1,929,283	9,235,068
Debt	3,052,429	1,160,473	2,201,730	1,907,915	1,855,231	1,568,862	957,101	1,263,225	1,343,768	89,371,598	104,682,332
Accrual	(26,494)	(372,085)	(1,161,862)	(1,130,563)	(1,124,533)	(1,144,986)	(815,787)	(1,068,438)	(1,160,201)	(87,442,315)	(95,447,264)
Corporate Communication and Data											
Number of clients w/o renegotiation (1)	2,988	1,852	41	1,175	1,006	906	736	642	640	4,590	14,576
Net portfolio w/o renegotiation	38,622,396	2,848,144	301,781	1,743,788	1,713,020	972,550	645,193	506,371	483,599	2,386,783	50,223,625
Debt	38,809,558	3,052,624	349,876	2,133,086	2,310,735	1,438,519	1,016,692	912,088	884,790	15,992,844	66,900,812
Accrual	(187,162)	(204,480)	(48,095)	(389,298)	(597,715)	(465,969)	(371,499)	(405,717)	(401,191)	(13,606,061)	(16,677,187)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	2,988	1,852	41	1,175	1,006	906	736	642	640	4,590	14,576
Total Corporate Communication and Data Portfolio	38,622,396	2,848,144	301,781	1,743,788	1,713,020	972,550	645,193	506,371	483,599	2,386,783	50,223,625
Debt	38,809,558	3,052,624	349,876	2,133,086	2,310,735	1,438,519	1,016,692	912,088	884,790	15,992,844	66,900,812
Accrual	(187,162)	(204,480)	(48,095)	(389,298)	(597,715)	(465,969)	(371,499)	(405,717)	(401,191)	(13,606,061)	(16,677,187)
Television											
Number of clients w/o renegotiation (1)	182,360	74,532	22,825	21,545	21,133	22,218	21,075	19,200	20,448	228,142	633,478
Net portfolio w/o renegotiation	18,587,477	289,670	139,022	78,247	37,884	9,327	7,119	5,223	4,405	269,225	19,427,599
Debt	19,049,156	336,248	427,500	395,567	377,357	401,595	199,716	296,198	349,431	5,050,039	26,882,807
Accrual	(461,679)	(46,578)	(288,478)	(317,320)	(339,473)	(392,268)	(192,597)	(290,975)	(345,026)	(4,780,814)	(7,455,208)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	182,360	74,532	22,825	21,545	21,133	22,218	21,075	19,200	20,448	228,142	633,478
Total Television Portfolio	18,587,477	289,670	139,022	78,247	37,884	9,327	7,119	5,223	4,405	269,225	19,427,599
Debt	19,049,156	336,248	427,500	395,567	377,357	401,595	199,716	296,198	349,431	5,050,039	26,882,807
Accrual	(461,679)	(46,578)	(288,478)	(317,320)	(339,473)	(392,268)	(192,597)	(290,975)	(345,026)	(4,780,814)	(7,455,208)

(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 March 31, 2023 (not audited) and December 31, 2022



8. Current trade and other accounts receivable, continued

f) The composition of the portfolio stratified by segment as of December 31, 2022 is as follows, continued

Stratification of portfolio by segment As of December 31, 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)	976,218	300,926	68,523	56,322	54,958	47,432	50,436	44,348	40,393	1,626,980	3,266,536
Net portfolio w/o renegotiation	99,896,540	4,363,602	2,701,076	2,266,326	1,042,011	1,703,172	778,851	711,877	459,450	5,074,815	118,997,720
Debt	110,256,578	7,563,423	5,064,848	4,706,572	2,944,278	5,344,878	2,837,674	3,867,057	2,898,095	37,462,528	182,945,931
Accrual	(10,360,038)	(3,199,821)	(2,363,772)	(2,440,246)	(1,902,267)	(3,641,706)	(2,058,823)	(3,155,180)	(2,438,645)	(32,387,713)	(63,948,211)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	10,556	10,556
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	767,505	767,505
Accrual	-	-	-	-	-	-	-	-	-	(767,505)	(767,505)
Total number of clients	976,218	300,926	68,523	56,322	54,958	47,432	50,436	44,348	40,393	1,637,536	3,277,092
Total Other Portfolio	99,896,540	4,363,602	2,701,076	2,266,326	1,042,011	1,703,172	778,851	711,877	459,450	5,074,815	118,997,720
Debt	110,256,578	7,563,423	5,064,848	4,706,572	2,944,278	5,344,878	2,837,674	3,867,057	2,898,095	38,230,033	183,713,436
Accrual	(10,360,038)	(3,199,821)	(2,363,772)	(2,440,246)	(1,902,267)	(3,641,706)	(2,058,823)	(3,155,180)	(2,438,645)	(33,155,218)	(64,715,716)
Contractual Asset and Others											
Number of clients w/o renegotiation (1)	-	-	-	-	-	-	-	-	-	-	-
Net portfolio w/o renegotiation	27,500,033	-	-	-	-	-	-	-	-	-	27,500,033
Debt	27,738,790	-	-	-	-	-	-	-	-	-	27,738,790
Accrual	(238,757)	-	-	-	-	-	-	-	-	-	(238,757)
Number of clients w/renegotiation	-	-	-	-	-	-	-	-	-	-	-
Net renegotiated portfolio	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Accrual	-	-	-	-	-	-	-	-	-	-	-
Total number of clients	-	-	-	-	-	-	-	-	-	-	-
Total Other Portfolio	27,500,033	-	-	-	-	-	-	-	-	-	27,500,033
Debt	27,738,790	-	-	-	-	-	-	-	-	-	27,738,790
Accrual	(238,757)	-	-	-	-	-	-	-	-	-	(238,757)
Consolidated Portfolio											
Number of clients w/o renegotiation (1)	1,747,570	601,382	168,276	148,523	138,471	128,150	129,160	120,230	122,250	4,970,398	8,274,410
Net portfolio w/o renegotiation	187,632,381	8,285,784	4,181,615	4,865,694	3,523,582	3,108,893	1,572,477	1,418,258	1,131,021	9,654,915	225,374,620
Debt	198,906,511	12,108,008	8,043,497	9,143,023	7,487,193	8,753,304	5,010,844	6,338,026	5,475,971	147,048,805	408,315,182
Accrual	(11,274,130)	(3,822,224)	(3,861,882)	(4,277,329)	(3,963,611)	(5,644,411)	(3,438,367)	(4,919,768)	(4,344,950)	(137,393,890)	(182,940,562)
Number of clients w/renegotiation	-	218	57	50	60	18	45	48	42	100,863	101,401
Net renegotiated portfolio	-	4,020	132	19	31	32	-	-	-	5,191	9,425
Debt	-	4,760	457	117	408	550	339	542	113	1,595,709	1,602,995
Accrual	-	-740	(325)	(98)	(377)	(518)	(339)	(542)	(113)	(1,590,518)	(1,593,570)
Total number of clients	1,747,570	601,600	168,333	148,573	138,531	128,168	129,205	120,278	122,292	5,071,261	8,375,811
Total Consolidated Portfolio	187,632,381	8,289,804	4,181,747	4,865,713	3,523,613	3,108,925	1,572,477	1,418,258	1,131,021	9,660,106	225,384,045
Debt	198,906,511	12,112,768	8,043,954	9,143,140	7,487,601	8,753,854	5,011,183	6,338,568	5,476,084	148,644,514	409,918,177
Accrual	(11,274,130)	(3,822,964)	(3,862,207)	(4,277,427)	(3,963,988)	(5,644,929)	(3,438,706)	(4,920,310)	(4,345,063)	(138,984,408)	(184,534,132)

(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 March 31, 2023 (not audited) and December 31, 2022



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	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Infraco SpA	77,122,635-3	Chile	Common end controller	Subtotal			21,685,561	25,348,824
				Deployment services	CLP	60 días	11,834,154	17,962,778
				Wholesale and other services	CLP	60 días	8,945,340	6,479,979
				Other credits	CLP	60 días	906,067	906,067
Telefónica Hispanoamérica	Foreign	Spain	Common end controller	Subtotal			5,199,283	4,443,170
				Professional services	EUR	60 días	5,073,846	4,317,733
				Serv. provided	EUR	60 días	125,437	125,437
Telefónica Móviles Argentina S,A,	Foreign	Argentina	Common end controller	Subtotal			2,562,847	1,362,092
				Professional services	EUR	60 días	1,345,011	1,076,009
				Serv. provided	USD	60 días	1,217,836	286,083
Telefónica del Perú S,A,	Foreign	Perú	Common end controller	Subtotal			2,142,864	2,008,468
				Professional services	EUR	60 días	2,142,864	1,938,795
				Serv. provided	USD	60 días	-	69,673
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Serv. provided	CLP	60 días	1,871,072	1,014,926
				Subtotal			1,667,577	1,712,834
Telefónica de Argentina S,A,	Foreign	Argentina	Common end controller	Professional services	EUR	60 días	974,692	776,849
				Serv. provided	USD	60 días	692,885	935,985
Telefónica Global Solutions	Foreign	Spain	Common end controller	Serv. provided	EUR	60 días	1,624,210	1,290,808
				Serv. provided	CLP	60 días	1,238,822	2,978,259
Telefónica Cybersecurity & Cloud Tech Chile SpA (1)	77,145,256-6	Chile	Common end controller	Subtotal			893,055	806,991
				Professional services	EUR	60 días	887,617	804,165
Otecel S,A,	Foreign	Ecuador	Common end controller	Serv. provided	USD	60 días	5,438	2,826
				Serv. provided	CLP	60 días	746,554	563,928
Telefónica Global Solutions Chile, S,p,A,	76,540,944-6	Chile	Common end controller	Serv. provided	EUR	60 días	658,402	767,902
				Subtotal			545,132	485,235
Telefónica S,A,	Foreign	Spain	End controller	Professional services	EUR	60 días	545,132	468,710
				Serv. provided	USD	60 días	-	16,525
Pegaso PCS, S,A, de C,V,	Foreign	México	Common end controller	Subtotal			545,132	485,235
				Professional services	EUR	60 días	545,132	468,710
				Serv. provided	USD	60 días	-	16,525

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



9. Receivables from and payable to related companies, continued

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Telefónica Móviles del Uruguay	Foreign	Uruguay	Common end controller	Professional services	EUR	60 days	505,421	459,739
Telefónica Brasil	Foreign	Brazil	Common end controller	Serv. provided	USD	90 days	445,521	461,347
Colombia Telecomunicaciones S.A.E.S.P	Foreign	Colombia	Common end controller	Subtotal			442,857	34,518
				Professional services	EUR	60 days	401,573	-
				Serv. provided	USD	90 days	41,284	34,518
Telxius Cable Chile	96,910,730-9	Chile	Common end controller	Subtotal			361,208	308,602
				Serv. provided	CLP	60 days	248,894	157,628
				Professional services	USD	60 days	112,314	150,974
Telefónica Venezolana C.A.	Foreign	Venezuela	Common end controller	Subtotal			285,496	263,558
				Professional services	EUR	60 days	233,458	211,255
				Serv. provided	USD	60 days	52,038	52,303
Telefónica Global Technology	Foreign	Spain	Common end controller	Serv. provided	USD	60 days	234,135	-
Telefónica Digital España	Foreign	Spain	Common end controller	Serv. provided	EUR	60 days	178,000	277,000
Telefónica Global Roaming Gmbh	Foreign	Germany	Common end controller	Serv. provided	EUR	60 days	82,166	58,751
Telefónica Móviles España	Foreign	Spain	Common end controller	Serv. provided	EUR	90 days	74,099	62,157
		United Kingdom						
Telefónica UK	Foreign	Kingdom	Common end controller	Serv. provided	EUR	60 days	53,260	44,923
TIS Hispam	59,083,900-0	Chile	Common end controller	Serv. provided	CLP	60 days	51,180	76,276
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Serv. provided	CLP	60 days	46,372	46,372
Terra Networks Chile S.A.	96,834,230-4	Chile	Common end controller	Serv. provided	CLP	60 days	24,080	18,079
TOTAL							43.619.174	44.894.759

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.

b) Non-current receivables from related companies

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	03.31.2023 ThCh\$	12.31.2022 ThCh\$
HoldCo Infraco SpA (1)	77,374,961-2	Chile	Associate	Sale of Fiber Optic business.	CLP	-	69,485,169	68,508,794
Total							69,485,169	68,508,794

(1) Corresponds to the subordinated debt generated by the sale of 40% of the optic fiber business carried out in July 2021. Includes accrued interest and adjustments in the amount of ThCh\$6,865,207 y ThCh\$12,612,739 as of March 31, 2023 and December 31, 2022 respectively.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



9. Receivables from and payable to related companies, continued

c) Current payables to related companies:

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	Term	03.31.2023 M\$	12.31.2022 M\$
Infraco SpA	77,122,635-3	Chile	Common end controller	Serv. Provided	CLP	60 days	33,119,601	46.264.286
Telefónica Cybersecurity & Cloud Tech Chile SpA	77,145,256-6	Chile	Common end controller	Serv. Provided	CLP	60 days	15,952,195	17.463.563
Telefónica Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	60 days	8,829,183	11.235.475
Telxius Cable Chile	96,910,730-9	Chile	Common end controller	Subtotal			5,589,481	7.295.917
				Ip voice traffic	CLP	60 days	3,528,485	5.323.538
				Data and links	CLP	60 days	1,960,875	1.874.949
				Mandate	CLP	60 days	100,121	97.430
Telefónica Hispanoamérica, S.L.	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	6,784,751	5.771.749
Telefónica Global Solutions	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	5,176,891	6.559.356
Telefónica IoT & Big Data Tech Chile SpA	76,338,291-5	Chile	Common end controller	Serv. Provided	CLP	60 days	4,922,098	4.326.512
Telefónica S.A.	Foreign	Spain	End Controller	Subtotal			4,790,762	6.809.674
				Brand Fee	EUR	60 days	4,776,792	6.251.544
				Other	EUR	60 days	13,970	558.130
Telefónica Digital España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	4,702,561	4.686.002
Telefónica Global Solutions Chile, S.p.A.	76,540,944-6	Chile	Common end controller	Serv. Provided	CLP	60 days	2,063,597	4.258.743
Telefónica Móviles Argentina S.A.	Foreign	Argentina	Common end controller	Serv. Provided	USD	60 days	1,557,165	1.122.684
Telefónica Global Technology S.A.U.	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,284,189	37.580
Telefónica Compras Electrónicas	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,223,899	1.591.360
Telefónica IoT & Big Data Tech	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	1,151,159	1.076.207
Telefónica del Perú S.A.	Foreign	Perú	Common end controller	Serv. Provided	USD	60 days	826,637	892.009
TIS Hispam	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	403,112	399.347
Telefónica Brasil	Foreign	Brazil	Common end controller	Serv. Provided	USD	60 days	300,322	200.165
Telefónica O2 Germany Gmbh & Co Ohg	Foreign	Germany	Common end controller	Serv. Provided	EUR	60 days	166,675	163.513
Telefónica Venezolana C.A.	Foreign	Venezuela	Common end controller	Serv. Provided	USD	60 days	135,941	124.897
Pegaso PCS, S.A.	Foreign	México	Common end controller	Serv. Provided	USD	60 days	125,980	90.850
Colombia Telecomunicaciones	Foreign	Colombia	Common end controller	Serv. Provided	USD	60 days	116,257	72.621
Telefónica Móviles España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	95,493	41.431
Terra México	Foreign	México	Common end controller	Serv. Provided	USD	60 days	91,471	109.177
Telefónica Móviles del Uruguay S.A.	Foreign	Uruguay	Common end controller	Serv. Provided	USD	60 days	68,924	18.033
Telefónica Servicios Audiovisuales	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	54,063	58.912
Telefónica UK	Foreign	United Kingdom	Common end controller	Serv. Provided	EUR	60 days	44,807	30.528
Otecel S.A.	Foreign	Ecuador	Common end controller	Serv. Provided	USD	60 days	26,962	22.710
Telefónica Global Services GmbH	Foreign	United Kingdom	Common end controller	Serv. Provided	EUR	60 days	17,891	21.743
Telefónica Global Technology Chile	59,165,120-k	Chile	Common end controller	Computer services	CLP	60 days	16,105	-
T. Germany GMBH & CO OHG	Foreign	Germany	Common end controller	Serv. Provided	EUR	60 days	7,951	16.105
Telefónica Cybersecurity & Cloud Tech España	Foreign	Spain	Common end controller	Serv. Provided	EUR	60 days	-	351.463
Inversiones Telefónica Internacional Holding SpA	77,363,730-K	Chile	Common end controller	Interim dividends	CLP	60 days	-	9.250
Total							99.646.123	121.121.862

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



9. Receivables from and payable to related companies, continued

c) Current payables to related companies

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.

d) Non-current payables to related companies:

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	03.31.2023 ThCh\$	12.31.2022 ThCh\$
InfraCo SpA	Foreign	Chile	Associate	lease	CLP	5,090,204	4,555,112
Telefónica S.A.	Foreign	Spain	End controller	HR obligation	CLP	1,237,515	992,743
Total						6,328,030	5,548,164

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

Company	Taxpayer No,	Country of origin	Nature of the relationship	Transaction origin	Currency	ThCh\$	03.31.2023 Effect on income (charge)/credit	ThCh\$	12.31.2022 Effect on income (charge)/credit
InfraCo SpA (1)	77.122.635-3	Chile	Associate	Deployment services	CLP	17,844,182	17,844,182	19,728,287	19,728,287
				fiber optic connectivity.	CLP	32,297,810	(32,297,810)	25,118,496	(25,118,496)
HoldCo InfraCo SpA	77.374.961-2	Chile	Associate	Interest and readjustment, subordinated debt	CLP	2,792,201	2,792,201	2,334,692	2,334,692
Telefónica Móviles Argentina	Extranjera	Argentina	Common end controller	Serv. Provided	USD	1,184,223	1,184,223	-	-
Telefónica Hispanoamérica	Extranjera	Spain	Common end controller	Management Fee	EUR	1,335,009	1,335,009	-	-
				Management Fee (costs)	EUR	1,369,896	(1,369,896)	-	-
Telefónica Global Technology S.A.U	Extranjera	Spain	Common end controller	Costs	EUR	1,141,368	(1,141,368)	1,180,901	(1,180,901)
Telefónica Global Solutions	Extranjera	Spain	Common end controller	Costs	EUR	1,263,711	(1,263,711)	-	-
Telefónica Digital España	Extranjera	Spain	Common end controller	Costs	EUR	2,320,526	(2,320,526)	2,315,539	(2,315,539)
Telefónica IoT & Big Data Tech Chile SpA	76.338.291-5	Chile	Common end controller	Sale IOT Big Data	CLP	2,603,755	(2,603,755)	-	-
Telxius Cable Chile S.A.	96.910.730-9	Chile	Common end controller	Costs	CLP	3,182,830	(3,182,830)	3,140,543	(3,140,543)
Telefónica S.A.	Extranjera	Spain	End controller	Brand Fee	EUR	5,250,538	(5,250,538)	6,072,764	(6,072,764)
Telefónica Cybersecurity & Cloud Tech Chile SpA	77.145.256-6	Chile	Common end controller	Costs	CLP	10,452,951	(10,452,951)	6,090,258	(6,090,258)

9. Receivables from and payable to related companies, continued

e) 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 March 31, 2023 and December 31, 2022 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.

f) 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 76 and 68 for March 31, 2023 and December 31, 2022 respectively.

Concepts	03.31.2023	03.31.2022
	ThCh\$	ThCh\$
Salaries	5,825,724	5,177,971
Post employment benefits	-	426,215
Total	5,825,724	5,604,186

10. Inventory

a) The detail of inventory is as follows:

Concepts	03.31.2023			12.31.2022		
	Gross value	Allowance for obsolescence	Net value	Gross value	Allowance for obsolescence	Net value
	ThCh\$	ThCh\$		ThCh\$	ThCh\$	ThCh\$
Mobile equipment (1)	47,264,936	(259,124)	47,005,812	17,420,735	(98,683)	17,322,052
Optic fiber (2)	31,696,067	(139,099)	31,556,968	25,234,548	(282,093)	24,952,455
Modems and Router	21,346,146	(634,296)	20,711,850	26,136,093	(479,115)	25,656,978
Basic telephony, public telephony and switchboard ("centralitas")	11,509,375	(101,512)	11,407,863	7,721,625	(115,499)	7,606,126
Mobile accessory	5,064,684	(132,680)	4,932,004	5,182,542	(139,192)	5,043,349
IP Solutions Projects	4,579,901	-	4,579,901	4,839,151	-	4,839,151
Decoders and TV equipment (3)	2,683,520	(288,529)	2,394,991	5,693,936	(124,266)	5,569,671
Other	23,671	(11,474)	12,197	457,997	(4,846)	453,151
Total	124,168,300	(1,566,714)	122,601,586	92,686,627	(1,243,694)	91,442,933

(1) In 2023, contains handsets distributed in the following manner (net): Apple ThCh\$26,417,891, Samsung ThCh\$9,849,071, Motorola ThCh\$3,918,933, Xiaomi ThCh\$2,201,175, Vivo ThCh\$1,027,096 and other brands in the amount of ThCh\$1,992,750.

(2) In 2023, contains materials associated to external plant development and network deployment.

(3) In 2023, contains equipment for IP television technology and implementation.

As of March 31, 2023 and December 31, 2022 there have been no inventory write-offs, there is no inventory in guarantee.

b) The movement of inventory is as follows:

Movements	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Beginning balance	91,442,933	99,897,490
Purchases	129,512,872	416,179,658
Sales	(97,835,129)	(429,391,997)
Allowance for obsolescence	(323,020)	483,214
Transfer (1)	(196,070)	4,274,568
Movement, subtotal	31,158,653	(8,454,557)
Ending balance	122,601,586	91,442,933

(1) Corresponds to transfers between property, plant and equipment and inventory (See note 15).

11. Income Taxes

a) Income Taxes:

As of March 31, 2023 and 2022, the parent company, Telefónica Móviles Chile S.A. and subsidiaries Telefónica Chile S.A., Telefónica Servicios Corporativos Ltda. And Telefónica Empresa Chile S.A. are in a tax loss situation, therefore they have not established a first category income tax provision.

The first category tax losses as of March 31, 2023 and 2022 are detailed as follows:

- Telefónica Móviles Chile S.A. in the amount of ThCh\$114,305,961 and ThCh\$10,061,140 as of March 31, 2023 and 2022 respectively.
- Telefónica Chile S.A. in the amount of ThCh\$19,389,390 and ThCh\$8,950,448 as of March 31, 2023 and 2022., respectively
- Telefónica Empresas Chile S.A. in the amount of ThCh\$141,896,382 and ThCh\$81,082,216 as of March 31, 2023 and 2022., respectively.
- Telefónica Servicios Corporativos Ltda. in the amount of ThCh\$30,166,866 and ThCh\$11,778,329 as of March 31, 2023 and 2022., 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.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



11. Income Taxes, continued

a) Income Taxes, continued

As of March 31, 2023, 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.	-	-	-	-	(431,987)	-	-	-	-	
Telefónica Chile S.A.	-	-	-	-	5,897,513	-	-	210,940,764	930,905,952	
Telefónica Empresas Chile S.A.	3,599,587	-	-	3,599,587	(481,146)	-	-	-	-	
Telefónica Chile Servicios Corporativos Ltda.	79,830,355	79,830,355	-	-	19,758,936	-	-	21,687,374	80,770,585	
Total	83,429,942	79,830,355	-	3,599,587	24,743,316	-	-	232,628,138	1,011,676,537	

b) Current tax assets

As of March 31, 2023 and December 31, 2022, current income tax assets are detailed as follows:

Concepts	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Monthly prepaid tax installments (1)	31,283,295	31,274,572
Provisional payment on absorbed profits (2)	8,390,377	8,390,377
Sence and others	963,133	743,633
Total	40,636,805	40,408,582

(1) Corresponds to the net amount of monthly provisional payments and income tax provision in the amount of ThCh\$18,145,523 and prior year recoverable taxes of Telefónica Chile S.A. in the amount of ThCh\$2,405,397, Telefónica Chile Servicios Corporativos Ltda. in the amount of ThCh\$1,032,041 and Telefónica Móviles Chile S.A. in the amount of ThCh\$9,700,334.

(2) Tax refunds for Inversiones Telefónica Móviles Holding S.A. in the amount of ThCh\$2,718,729 for FY 2015 and FY 2016 and Telefónica Móviles Chile S.A. in the amount of ThCh\$5,671,648 (Income Tax Return FY 2022).

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



11. Income Taxes, continued

c) Deferred tax assets and liabilities

As of March 31, 2023, December 31, 2023 and March 31, 2022 accumulated balances of temporary differences originated net deferred tax assets in the amount of ThCh\$25,470,901, ThCh\$10,941,418 y ThCh\$6,421,425 respectively and which are detailed as follows:

Disclosure of temporary differences, losses and unused tax credits March 31, 2023	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	25,410,060	-	23,967,259	65,940,720	5,317,557	-	11,657,492	17,358,553	82,554,821	17,127,282	(2,657,346)	(102,147,130)	144,529,268	144,529,268
Deferred tax liabilities	-	1,772,953	4,462,365	-	-	38,135,034	12,124,169	141,939,480	-	17,245,271	5,526,225	(102,147,130)	119,058,367	119,058,367
Deferred tax liabilities (assets)	(25,410,060)	1,772,953	(19,504,894)	(65,940,720)	(5,317,557)	38,135,034	466,677	124,580,927	(82,554,821)	117,989	8,183,571	-	(25,470,901)	(25,470,901)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(25,410,060)	-	(19,504,894)	(65,940,720)	(5,317,557)	-	-	-	(82,554,821)	-	-	-	(198,728,052)	(198,728,052)
Deferred tax liabilities, net	-	1,772,953	-	-	-	38,135,034	466,677	124,580,927	-	117,989	8,183,571	-	173,257,151	173,257,151
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	(1,368,596)	(12,735,992)	496,675	104,039	(53,919)	20,074,189	867,667	(358,750)	(4,896,964)	326,599	(9,212,201)	-	(6,757,253)	(6,757,253)
Deferred tax expense (benefit) recognized in income	(1,368,596)	(12,735,992)	496,675	104,039	(53,919)	20,074,189	867,667	(358,750)	(4,896,964)	326,599	(9,212,201)	-	(6,757,253)	(6,757,253)
Changes in deferred tax liabilities (assets)														
Deferred tax liabilities (assets) – Beginning balance Dec, 2022	(24,041,464)	14,508,945	(20,001,569)	(66,044,759)	(5,263,638)	18,060,845	(758,269)	124,939,677	(69,528,348)	(208,610)	17,395,772	-	(10,941,418)	(10,941,418)
Changes in deferred tax liabilities (assets)														
Deferred tax expense (benefit) recognized in income	(1,368,596)	(12,735,992)	496,675	104,039	(53,919)	20,074,189	867,667	(358,750)	(4,896,964)	326,599	(9,212,201)	-	(6,757,253)	(6,757,253)
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	(8,129,509)	-	-	-	(8,129,509)	(8,129,509)
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	357,279	-	-	-	-	-	357,279	357,279
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	(1,368,596)	(12,735,992)	496,675	104,039	(53,919)	20,074,189	1,224,946	(358,750)	(13,026,473)	326,599	(9,212,201)	-	(14,529,483)	(14,529,483)
Deferred tax liabilities (assets)	(25,410,060)	1,772,953	(19,504,894)	(65,940,720)	(5,317,557)	38,135,034	466,677	124,580,927	(82,554,821)	117,989	8,183,571	-	(25,470,901)	(25,470,901)

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

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



11. Income Taxes, continued

c) Assets and Liability by Deferred taxes, continued

Disclosure of temporary differences, losses and unused tax credits December 31, 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	24,041,464	-	24,641,588	66,044,759	5,263,638	-	12,776,823	16,769,434	69,528,348	16,142,676	(6,884,916)	(101,745,258)	126,578,556	126,578,556
Deferred tax liabilities	-	14,508,945	4,640,019	-	-	18,060,845	12,018,554	141,709,111	-	15,934,066	10,510,856	(101,745,258)	115,637,138	115,637,138
Deferred tax liabilities (assets)	(24,041,464)	14,508,945	(20,001,569)	(66,044,759)	(5,263,638)	18,060,845	(758,269)	124,939,677	(69,528,348)	(208,610)	17,395,772	-	(10,941,418)	(10,941,418)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(24,041,464)	-	(20,001,569)	(66,044,759)	(5,263,638)	-	(758,269)	-	(69,528,348)	(208,610)	-	-	(185,846,657)	(185,846,657)
Deferred tax liabilities, net	-	14,508,945	-	-	-	18,060,845	-	124,939,677	-	-	17,395,772	-	174,905,239	174,905,239
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	2,584,570	12,699,253	3,420,765	1,016,008	(112,211)	6,453,970	6,206,775	5,612,077	(41,942,198)	2,404,059	4,337,596	-	2,680,664	2,680,664
Deferred tax expense (benefit) recognized in income	2,584,570	12,699,253	3,420,765	1,016,008	(112,211)	6,453,970	6,206,775	5,612,077	(41,942,198)	2,404,059	4,337,596	-	2,680,664	2,680,664
Changes in deferred tax liabilities (assets)														
Deferred tax liabilities (assets) – Beginning balance Dec, 2021	(26,626,034)	1,809,692	(23,422,334)	(67,060,767)	(5,151,427)	11,606,875	(5,956,120)	119,327,600	(18,712,443)	(2,612,669)	13,058,176	-	(3,739,451)	(3,739,451)
Changes in deferred tax liabilities (assets)														
Deferred tax expense (benefit) recognized in income	2,584,570	12,699,253	3,420,765	1,016,008	(112,211)	6,453,970	6,206,775	5,612,077	(41,942,198)	2,404,059	4,337,596	-	2,680,664	2,680,664
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	(8,873,707)	-	-	-	(8,873,707)	(8,873,707)
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	(1,008,924)	-	-	-	-	-	(1,008,924)	(1,008,924)
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	2,584,570	12,699,253	3,420,765	1,016,008	(112,211)	6,453,970	5,197,851	5,612,077	(50,815,905)	2,404,059	4,337,596	-	(7,201,967)	(7,201,967)
Deferred tax liabilities (assets)	(24,041,464)	14,508,945	(20,001,569)	(66,044,759)	(5,263,638)	18,060,845	(758,269)	124,939,677	(69,528,348)	(208,610)	17,395,772	-	(10,941,418)	(10,941,418)

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

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



11. Income Taxes, continued

c) Assets and Liability by Deferred taxes, continued

Disclosure of temporary differences, losses and unused tax credits March 31, 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	26,129,702	468,583	25,653,198	63,281,099	5,160,887	-	12,910,074	14,225,896	30,404,392	13,190,976	(2,496,266)	(79,270,197)	109,658,344	109,658,344
Deferred tax liabilities	-	-	3,827,012	-	-	11,568,994	11,258,495	132,840,309	-	9,969,069	13,043,237	(79,270,197)	103,236,919	103,236,919
Deferred tax liabilities (assets)	(26,129,702)	(468,583)	(21,826,186)	(63,281,099)	(5,160,887)	11,568,994	(1,651,579)	118,614,413	(30,404,392)	(3,221,907)	15,539,503	-	(6,421,425)	(6,421,425)
Deferred tax assets and liabilities, net														
Deferred tax assets, net	(26,129,702)	(468,583)	(21,826,186)	(63,281,099)	(5,160,887)	-	(1,651,579)	-	(30,404,392)	(3,221,907)	-	-	(152,144,335)	(152,144,335)
Deferred tax liabilities, net	-	-	-	-	-	11,568,994	-	118,614,413	-	-	15,539,503	-	145,722,910	145,722,910
Deferred tax expense (benefit)														
Deferred tax expense (benefit)	496,332	(79,724)	1,596,148	3,779,668	(9,460)	(37,881)	4,302,762	(713,187)	(8,025,203)	(609,238)	282,776	-	982,993	982,993
Deferred tax expense (benefit) recognized in income	496,332	(79,724)	1,596,148	3,779,668	(9,460)	(37,881)	4,302,762	(713,187)	(8,025,203)	(609,238)	282,776	-	982,993	982,993
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	496,332	(79,724)	1,596,148	3,779,668	(9,460)	(37,881)	4,302,762	(713,187)	(8,025,203)	(609,238)	282,776	-	982,993	982,993
Deferred taxes related to items credited (charged) directly to equity	-	-	-	-	-	-	-	-	(3,666,746)	-	-	-	(3,666,746)	(3,666,746)
Income taxes related to components of other comprehensive income	-	-	-	-	-	-	1,779	-	-	-	-	-	1,779	1,779
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	496,332	(79,724)	1,596,148	3,779,668	(9,460)	(37,881)	4,304,541	(713,187)	(11,691,949)	(609,238)	282,776	-	(2,681,974)	(2,681,974)
Deferred tax liabilities (assets)	(26,129,702)	(468,583)	(21,826,186)	(63,281,099)	(5,160,887)	11,568,994	(1,651,579)	118,614,413	(30,404,392)	(3,221,907)	15,539,503	-	(6,421,425)	(6,421,425)

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 March 31, 2023 and December 31, 2022, the balance of this deferred tax asset amounts to ThCh\$65,940,720 and ThCh\$66,044,759, respectively.

d) Taxable Income

As of March 31, 2023 and 2022, the parent company, Telefónica Móviles Chile S.A. and subsidiaries are in a tax loss situation, detailed as follows:

Concepts	Taxable Net Income	
	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Finance income	(13,835,991)	15,760,463
Recorded tax expense	(7,785,558)	2,739,438
Additions	195,697,817	289,248,743
Deductions	(174,076,263)	(307,748,645)
Taxable net income	-	-
First category tax rate 27%	-	-
Art, 21 rejected expenses tax base	168,784	354,684
First category tax rate 40%	67,514	141,874
Total tax provision	67,514	141,874
Provision contingencies (1)	1,275,073	5,730
Settlement of derivatives of previous years (2)	(749,460)	1,608,841
(Excess) Déficit previous period	(1,621,432)	-
Total first category taxes	(1,028,305)	1,756,445

(1) Corresponds to interest and readjustments of the contingencies provision of the parent company and the contingency provision for tax year 2021 of the subsidiary Telefónica Chile S.A. (see Note 34 a).

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

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022

11. Income Taxes, continued

e) Income tax reconciliation

The income tax expense reconciliation for March 31, 2023 and 2022 is detailed as follows:

Conceptos	03.31.2023		03.31.2022	
	Taxable Base ThCh\$	27% Tax Rate ThCh\$	Taxable Base ThCh\$	27% Tax Rate ThCh\$
Based on accounting income before taxes:				
Finance income	(13,835,991)		15,760,463	
Recorded tax expense	(7,785,558)		2,739,438	
Income before taxes	(21,621,549)	(5,837,818)	18,499,901	4,994,973
Permanent differences	(7,213,848)	(1,947,739)	(8,353,836)	(2,255,535)
Monetary correction effect of the year	(10,572,491)	(2,854,573)	(21,967,534)	(5,931,234)
Result from investment in related parties	(1,831,930)	(494,621)	2,706	731
Contingency provision	4,722,493	1,275,073	21,222	5,730
Adjustment of initial deferred tax balances	3,699,561	998,882	1,534,786	414,392
Art. 21 non-deductible expenses	250,052	67,514	525,459	141,874
IFRS16 adjustment	80,281	21,676	(1,015,319)	(274,136)
Adjustment for BAF and DECOS components	(2,609,204)	(704,485)	14,310,936	3,863,953
Others (1)	(952,610)	(257,205)	(1,766,092)	(476,845)
Total corporate tax expense	(28,835,397)	(7,785,557)	10,146,065	2,739,438
Based on taxable net income and deferred taxes calculated on the basis of temporary differences				
40% income tax		67,514		141,874
Contingency provision		1,275,073		5,730
Settlement of derivatives of previous years		(749,460)		1,608,841
(Excess) Déficit previous period		(1,621,432)		-
Income tax expense		(1,028,305)		-
Total deferred tax expense (income)		(6,757,253)		982,993
Total corporate tax expense (income)		(7,785,558)		2,739,438
Effective income tax rate (2)		36.01%		14.81%

(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 (36.01%).

11. Income Taxes, continued

f) Current income tax liabilities

As of March 31, 2023 and December 31, 2022, current income tax liabilities are detailed as follows:

Concepts	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Unic income tax	783,399	756,228
Total	783,399	756,228

12. Non-current trade and other accounts receivable

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

Concepts	03.31.2023			12.31.2022		
	Gross value	Provision for impairment	Net value	Gross value	Provision for impairment	Net value
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Receivables on non-current loan transactions	35,387,071	(4,753,405)	30,633,666	33,641,543	(3,402,893)	30,238,650
Trade receivables	32,814,173	(4,690,120)	28,124,053	30,984,861	(3,354,574)	27,630,287
Contractual asset (1)	2,572,898	(63,285)	2,509,613	2,656,682	(48,319)	2,608,363
Miscellaneous receivables (2)	9,596,221	-	9,596,221	9,549,030	-	9,549,030
Total	44,983,292	(4,753,405)	40,229,887	43,190,573	(3,402,893)	39,787,680

(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 March 31, 2023 and as of December 31, 2022, are detailed as follows:

Concepts	As of March 31, 2023								Net Total
	Gross Portfolio value in ThCh\$				Provision for impairment ThCh\$				
	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	35,188,607	198,464	-	35,387,071	(4,751,138)	(2,267)	-	(4,753,405)	30,633,666
Miscellaneous receivables	217,806	958,139	8,420,276	9,596,221	-	-	-	-	9,596,221
Total	35,406,413	1,156,603	8,420,276	44,983,292	(4,751,138)	(2,267)	-	(4,753,405)	40,229,887

Concepts	As of December 31, 2022								Net Total
	Gross Portfolio value in ThCh\$				Provision for impairment ThCh\$				
	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	33,507,602	133,939	-	33,641,541	(3,401,361)	(1,530)	-	(3,402,891)	30,238,650
Miscellaneous receivables	216,735	953,427	8,378,868	9,549,030	-	-	-	-	9,549,030
Total	33,724,337	1,087,366	8,378,868	43,190,571	(3,401,361)	(1,530)	-	(3,402,891)	39,787,680

13. Intangible Assets other than goodwill

a) Intangible assets other than goodwill as of March 31, 2023 and as of December 31, 2022 are detailed as follows:

Concepts	03.31.2023			12.31.2022		
	Intangible, gross ThCh\$	Accumulated amortization ThCh\$	Intangible, net ThCh\$	Intangible, gross ThCh\$	Accumulated amortization ThCh\$	Intangible, net ThCh\$
Administrative granting's (1)	213,631,770	(86,656,358)	126,975,412	213,716,653	(85,334,333)	128,382,320
Licenses and franchises (2)	670,684,804	(604,552,594)	66,132,210	667,430,377	(591,823,321)	75,607,056
Intangible assets in development (3)	44,361,214	-	44,361,214	40,222,696	-	40,222,696
Other intangible assets (4)	21,689,823	(21,689,823)	-	21,689,823	(21,689,823)	-
Total	950,367,611	(712,898,775)	237,468,836	943,059,549	(698,847,477)	244,212,072

(1) Contains 5G spectrum tender.

(2) As of March 2023, the net value mainly includes data transmission and switching software in the amount of ThCh\$34,375,859, corporate systems and office automation software in the amount of ThCh\$28,972,689 and other network softwares in the amount of ThCh\$2,783,658.

(3) As of March 2023, the net value corresponds to Platforms and Services in the amount of ThCh\$28,582,612, operating continuity in the amount of ThCh\$13,776,870 and other information software in the amount of ThCh\$2,001,732.

(4) Corresponds to submarine cable usage rights.

b) As of March 31, 2023 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 01.01.2023	128,382,320	75,607,056	40,222,696	244,212,072
Additions (1)	-	-	4,868,347	4,868,347
Transfer from costs of developing to service	(84,883)	3,254,427	(3,169,544)	-
Amortization	(1,322,025)	(12,729,273)	-	(14,051,298)
Transfer from work in progress (2)	-	-	2,439,715	2,439,715
Movement, subtotal	(1,406,908)	(9,474,846)	4,138,518	(6,743,236)
Ending balance as of 03.31.2023	126,975,412	66,132,210	44,361,214	237,468,836
Remaining average useful life	24 años	1,3 años	1,9 años	

(1) Mainly includes operating continuity in the amount of ThCh\$648,360, platforms and services (developments, licenses and other in the amount of ThCh\$4,219,990).

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

As of December 31, 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)	-	-	49.059.510	49.059.510
Transfer from costs of developing to service	72.710	54.312.342	(54.385.052)	-
Derecognitions	-	(3.970.070)	-	(3.970.070)
Amortization of derecognitions	-	3.868.679	-	3.868.679
Amortization	(5.287.906)	(61.375.411)	-	(66.663.317)
Transfer from work in progress (2)	-	34.000	8.527.210	8.561.210
Movement, subtotal	(5.215.196)	(7.130.460)	3.201.668	(9.143.988)
Ending balance as of 12.31.2022	128.382.320	75.607.056	40.222.696	244.212.072
Remaining average useful life	24,3 años	1,23 años		

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 a sign of a potential loss in value, and in any case at each year-end.

As of March 31, 2023, impairment testing did not result in loss of value of intangible assets.

The main additions to intangible assets, other than goodwill, as of March 31, 2023 and December 31, 2022, 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\$539,935,759 and ThCh\$522,785,314, as of March 31, 2023 and December 31, 2022 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 March 31, 2023, the value recorded as of that date remains the same.

Goodwill movement as of March 31, 2023 and December 31, 2022, is as follows:

Taxpayer No.	Company	01.01.2023 ThCh\$	Additions ThCh\$	Eliminations ThCh\$	03.31.2023 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	01.01.2023 ThCh\$	Additions ThCh\$	Eliminations ThCh\$	12.31.2022 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 March 31, 2023, 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 years as of March 31, 2023 and December 31, 2022 and their corresponding accumulated depreciation, is as follows:

Concepts	03.31.2023		12.31.2022		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	21,694,128	-	21,694,128	21,694,128	-	21,694,128
building and constructions	912,080,373	(643,696,309)	268,384,064	906,855,246	(636,630,530)	270,224,716
Supplies and accessories	37,984,603	(36,127,796)	1,856,807	37,984,603	(36,050,569)	1,934,034
Office equipment	889,084	(857,393)	31,691	889,550	(811,248)	78,302
Construction in progress	174,634,939	-	174,634,939	172,130,254	-	172,130,254
Information equipment	59,686,392	(51,265,328)	8,421,064	59,697,288	(50,813,942)	8,883,346
Network and communication Equipment	3,186,331,703	(2,664,796,896)	521,534,807	3,180,047,206	(2,638,349,863)	541,697,343
Other property, plant & equipment (1)	222,090,601	(210,092,963)	11,997,638	223,098,937	(210,465,223)	12,633,714
Total	4,615,391,823	(3,606,836,685)	1,008,555,138	4,602,397,212	(3,573,121,375)	1,029,275,837

(1) Corresponds mainly to broadband devices and data and voice devices for customers.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



15. Property, plant and equipment, continued

b) As of March 31, 2023 the movements in Property, plant and equipment items are as follows:

Movements	Land	building and constructions, 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 01.01.2023	21,694,128	270,224,716	1,934,034	78,302	172,130,254	8,883,346	541,697,343	12,633,714	1,029,275,837
Additions (1)	-	-	-	-	27,381,500	-	-	-	27,381,500
Withdrawals	-	(6,425)	-	-	-	(10,850)	(9,056,834)	(2,004,479)	(11,078,588)
Withdrawals depreciation	-	6,425	-	-	-	10,850	9,056,834	2,004,479	11,078,588
Depreciation expense	-	(7,072,204)	(77,227)	(46,145)	-	(462,236)	(35,503,867)	(1,632,219)	(44,793,898)
Transfer to intangible assets (2)	-	-	-	-	(2,439,715)	-	-	-	(2,439,715)
Transfers to inventory (3)	-	-	-	-	-	-	196,070	-	196,070
Other Increase (decrease)	-	5,231,552	-	(466)	(22,437,100)	(46)	15,145,261	996,143	(1,064,656)
Movements, subtotal	-	(1,840,652)	(77,227)	(46,611)	2,504,685	(462,282)	(20,162,536)	(636,076)	(20,720,699)
Ending balance as of 03.31.2023	21,694,128	268,384,064	1,856,807	31,691	174,634,939	8,421,064	521,534,807	11,997,638	1,008,555,138

(1) Additions for the period correspond mainly to core, transportation and optimization in the amount of ThCh\$6,895,710, network and other in the amount of ThCh\$12,907,993, platforms and services in the amount of ThCh\$1,728,191, new investments in the areas of operating continuity in the amount of ThCh\$4,175,428, equipment in customer homes in the amount of ThCh\$1,453,035 and civil works in the amount of ThCh\$211,144.

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

(3) Includes movement of transfers to inventory in the amount of ThCh\$196,070 (Note 10).

As of March 31, 2023, the Property, plant and equipment items, which are fully depreciated and still in use, are detailed as follows:

	Land	building and constructions, 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	-	28,2628,924	87,386	31,169,046	-	56,475,603	2,186,023,468	-	220,412,443	2,776,796,870

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.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



15. Property, plant and equipment, continued

c) As of December 31, 2022 the movements of Property, plant and equipment items are as follows:

Movements	Land	building and constructions, 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)	-	-	-	-	183,161,660	-	-	-	183,161,660
Withdrawals	(172,897)	(38,851,904)	(81,839)	(3,630,916)	-	(6,840,694)	(217,696,352)	(130,747,522)	(398,022,124)
Withdrawals depreciation	-	36,985,103	77,131	3,630,916	-	6,838,183	216,050,179	130,472,722	394,054,234
Depreciation expense	-	(23,355,780)	(366,781)	(191,071)	-	(2,177,770)	(94,138,997)	(8,753,884)	(128,984,283)
Transfer to intangible assets (2)	-	-	-	-	(8,527,210)	-	-	(34,000)	(8,561,210)
Transfers to inventory (3)	-	-	-	-	-	-	(4,274,568)	-	(4,274,568)
Other Increase (decrease)	22,512	33,709,417	41,457	11,410	(163,926,854)	3,150,661	122,935,094	8,076,824	4,020,708
Movements, subtotal	(150,385)	8,486,836	(330,032)	(179,661)	10,707,596	970,380	22,875,356	(985,673)	41,394,417
Ending balance as of 12.31.2022	21,694,128	270,224,716	1,934,034	78,302	172,130,254	8,883,346	541,697,343	12,633,714	1,029,275,837

(1) Additions for the period correspond mainly to core, transportation and optimization in the amount of ThCh\$32,423,514, network and other in the amount of ThCh\$104,666,028, platforms and services in the amount of ThCh\$20,282,513, new investments in the areas of operating continuity in the amount of ThCh\$16,585,006, equipment in customer homes in the amount of ThCh\$7,526,916 and civil works in the amount of ThCh\$1,677,683.

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

(3) Includes movement of transfers to inventory in the amount of ThCh\$4,274,568 (Note 10). (Link 3 MCh\$2,185 and UP Deployment MCh\$2,090)

As of December 31, 2022, the Property, plant and equipment items that are fully depreciated and still in use are detailed as follows:

	Land	building and constructions, 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	-	278,065,800	497,235	31,149,726	-	56,485,708	2,179,966,389	-	220,434,437	2,766,599,296

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.

15. Property, plant and equipment, continued

In the normal course of its operations, the Company monitors both new and existing assets, and their depreciation rates, standardizing them to the technological evolution and development of the markets in which it competes. The company has no assets provided as guarantees.

Regarding real estate lease contracts, the Company has considered it necessary to establish a provision for dismantling costs that is presented under Other non-current provisions.

16. Investment properties

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

Concepts	03.31.2023			12.31.2022		
	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$	Gross value ThCh\$	Accumulated amortization ThCh\$	Net value ThCh\$
Buildings	10,767,393	(6,404,711)	4,362,682	10,767,393	(6,341,122)	4,426,271
Network and communications equipment	1,936,845	(1,926,367)	10,478	1,936,845	(1,925,710)	11,135
Office equipment	18,632	(15,761)	2,871	18,632	(15,296)	3,336
Plant and equipment	3,526	(3,526)	-	3,526	(3,526)	-
Total	12,726,396	(8,350,365)	4,376,031	12,726,396	(8,285,654)	4,440,742

The Company has recognized rentals from investment properties in operating income. As of March 31, 2023 and December 31, 2022 this concept amounts to ThCh\$478,158 and ThCh\$1,826,304.

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

- b) The movements as of March 31, 2023 and December 31, 2022 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 01.01.2023	4,426,271	11,135	3,336	-	4,440,742
Depreciation expense	(63,589)	(657)	(465)	-	(64,711)
Movements, subtotal	(63,589)	(657)	(465)	-	(64,711)
Ending balance as of 03.31.2023	4,362,682	10,478	2,871	-	4,376,031

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	(255,725)	(2,830)	(1,864)	-	(260,419)
Movements, subtotal	(255,725)	(2,830)	(1,864)	-	(260,419)
Ending balance as of 12.31.2022	4,426,271	11,135	3,336	-	4,440,742

17. Right of use assets

a) As of March 31, 2023 and December 31, 2022 the items that compose this account and their corresponding accumulated depreciation are detailed as follows:

Concepts	03.31.2023			12.31.2022		
	Property, plant & equipment, Gross ThCh	Accumulated depreciation ThCh	Property, plant & equipment, Net ThCh\$	Property, plant & equipment, Gross ThCh\$	Accumulated depreciation ThCh	Property, plant & equipment, Net ThCh\$
Land	180,876,546	(115,739,992)	65,136,554	176,525,456	(103,990,831)	72,534,625
Leasing support network infrastructure and branches	413,140,170	(176,709,714)	236,430,456	380,524,705	(166,315,396)	214,209,309
Plant and machinery	25,358,296	(10,684,564)	14,673,732	24,885,821	(9,608,314)	15,277,507
Vehicle leasing	12,220,366	(8,293,805)	3,926,561	10,444,240	(7,679,956)	2,764,284
Total	631,595,378	(311,428,075)	320,167,303	592,380,222	(287,594,497)	304,785,725

b) As of March 31, 2023 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 01.01.2023	72,534,625	214,209,309	15,277,507	2,764,284	304,785,725
Additions (1)	40,224	122,284	179,147	38,943	380,598
Amortization expense	(11,749,161)	(10,394,318)	(1,076,250)	(613,849)	(23,833,578)
Other increases (decreases) (2)	4,310,866	32,493,181	293,328	1,737,183	38,834,558
Movements, subtotal	(7,398,071)	22,221,147	(603,775)	1,162,277	15,381,578
Ending balance as of 03.31.2023	65,136,554	236,430,456	14,673,732	3,926,561	320,167,303

- (1) Additions for the period in the fixed group in the amount of ThCh\$192,614 mainly type-3 link contracts and ThCh\$149,041 for mobile from link contracts and tower rental.
- (2) Modifications for the period in the amount of ThCh\$ 37,171,483 mainly from CPI adjustment of tower rentals in January, changes in rent and term, including post capitalization in the amount of ThCh\$2,603,528.

b) As of December 31, 2022 the movements of right of use assets items are as follows:

Movements	Rights of use on Leasing				Rights of use, net ThCh\$
	Rights of use on land and natural properties, net ThCh\$	support network infrastructure and branches, net ThCh\$	Rights of use on plant and machinery, net ThCh\$	Rights of use on Vehicle leasing, net ThCh\$	
Beginning balance as of 01.01.2022	43,130,889	151,276,789	12,224,996	2,664,536	209,297,210
Additions (1)	9,598,414	23,817,908	4,874,929	87,171	38,378,422
Amortization expense	(30,111,845)	(44,510,571)	(3,543,652)	(2,274,463)	(80,440,531)
Other increases (decreases) (2)	49,917,167	83,625,183	1,721,234	2,287,040	137,550,624
Movements, subtotal	29,403,736	62,932,520	3,052,511	99,748	95,488,515
Ending balance as of 12.31.2022	72,534,625	214,209,309	15,277,507	2,764,284	304,785,725

- (1) Additions in the amount of ThCh\$38,378,422 were recorded during the year for new land and infrastructure contracts due to the implementation of 5G, including the sale of 349 rooftops in March 2022, new contracts with tower keeper ATC and ATP and contracts for FO links and Type 3 link.
- (2) Changes for the year amounted to ThCh\$ 137,559,624 due to changes in income, period extensions, the most relevant being the 4-year extension of TTUU on sale made in 2012. In addition, the amount of ThCh\$18,546,724 was recorded for accumulated post-capitalization.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



18. Investments in associates and joint ventures

a) As of March 31, 2023, and December 31, 2022 The detail of the movement of investment in associates is as follows:

Company	Ownership %	Investments 12.31.2022 ThCh\$	Additions o drops ThCh\$	Share in income for the period ThCh\$	other movements (1) ThCh\$	Investments 03.31.2023 ThCh\$
HoldCo InfraCo SpA	40%	72,372,095	-	2,376,312	(794,289)	73,954,118

(1) Corresponds to calculation of the share in equity and amortization of the PPA (Purchase Price Allocation) in the amount of ThCh\$560,486.

Company	Ownership %	Investments 12.31.2021 ThCh\$	Additions o drops ThCh\$	Share in income for the period ThCh\$	other movements (1) ThCh\$	Investments 12.31.2022 ThCh\$
HoldCo InfraCo SpA	40%	72,428,056	-	1,854,846	(1,910,807)	72,372,095

(1) Corresponds to calculation of the share in equity and amortization of the PPA (Purchase Price Allocation) in the amount of ThCh\$2,241,944.

b) As of March 31, 2023, investments in associates, as well as a summary of their information are detailed as follows:

Tax No. Company name	Ownership %	Current assets ThCh\$	Non-current assets ThCh\$	Total assets ThCh\$	Current liabilities ThCh\$	Non-Current liabilities ThCh\$	Total liabilities ThCh\$	Equity ThCh\$	Net profit ThCh\$	Tax No. Company name ThCh\$
77,374,961-2 HoldCo InfraCo SpA	40%	137	221,008,535	221,008,672	2,058	170,730,101	170,732,159	50,276,513	5,940,780	

RUT	Nombre Sociedad	Cash flows provided used in operating activities ThCh\$	cash flows provided used in investment activitie ThCh\$	cash flows provided by financing activities ThCh\$	Increase in cash and cash equivalents ThCh\$	Cash and cash equivalents at beginning of year 03.31.2022 ThCh\$	Cash and cash equivalents at end of year 03.31.2023 ThCh\$
77,374,961-2	HoldCo InfraCo SpA	(10,908)	(68,401,236)	68,412,259	115	23	138

19. 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	03.31.2023		12.31.2022		
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	
Bank loans	(a)	215,366,109	127,469,345	181,285,768	177,462,868
Unguaranteed obligations (Bonds) (1)	(b)	122,885,228	494,943,392	126,045,430	496,573,445
Hedge instruments	(see Note 22,2)	75,731,265	83,080,607	35,789,094	85,742,450
Other financial debts		1,527,284	-	3,332,981	-
Total		415,509,886	705,493,344	346,453,273	759,778,763

(1) Current includes fair value hedging derivatives associated to these obligations in the amount of ThCh\$1,230,586 and ThCh\$2,493,980 and non-current includes ThCh\$55,796,607 and ThCh\$86,846,997 as of March 31, 2023 and December 31, 2022, respectively.

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



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

a) As of March 31, 2023, 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	6,33%	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	6,14%	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
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
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					-	216,103,554	110,000,000	17,911,000		127,911,000	-	-	-	-	344,014,554

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



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

a) As of March 31, 2023, the detail of bank loans is as follows

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current						Total Non-current as of 03.31.2023 ThCh\$		
					To Maturity			To Maturity								
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	Total current as of 03.31.2023 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	-	54,554,242	54,554,242	-	-	-	-	-	-	-	-	-
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	-	110,685,889	110,685,889	-	-	-	-	-	-	-	-	-
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	218,650	-	218,650	29,968,478	-	-	29,968,478	-	-	-	-	29,968,478
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	-	16,667	16,667	-	17,831,603	17,831,603	-	-	-	-	-	17,831,603
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	18,088	-	18,088	49,791,660	-	-	49,791,660	-	-	-	-	49,791,660
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	-	49,870,163	49,870,163	-	-	-	-	-	-	-	-	-
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	-	2,410	2,410	29,877,604	-	-	29,877,604	-	-	-	-	29,877,604
Total					236,738	215,129,371	215,366,109	109,637,742	17,831,603	127,469,345						127,469,345

- 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 interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



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

a) As of December 31, 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	6,49%	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	6,09%	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)										
					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\$		
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

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



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

b) As of December 31, 2022, the detail of unguaranteed obligations (Bonds) is as follows:

Types	Debtor taxpayer No.	Debtor	Debtor country	Creditor	Current		Non-current								Total Non-current as of 12.31.2022 ThCh\$	
					To Maturity		To Maturity									
					Up to 90 days ThCh\$	90 days to 1 years ThCh\$	Total current as of 12.31.2022 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	-	59,019,210	59,019,210	-	-	-	-	-	-	-	-	-
Bilateral Loan (2)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Bank of Nova Scotia	-	121,490,246	121,490,246	-	-	-	-	-	-	-	-	-
Bilateral Loan (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	75,713	75,713	29,953,456	-	-	29,953,456	-	-	-	-	29,953,456
Bilateral Loan (4)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Itaú	136,957	-	136,957	-	17,856,640	-	17,856,640	-	-	-	-	17,856,640
Bilateral Loan (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	22,610	-	22,610	-	49,765,605	-	49,765,605	-	-	-	-	49,765,605
Bilateral Loan (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Estado	372,907	-	372,907	49,969,047	-	-	49,969,047	-	-	-	-	49,969,047
Bilateral Loan (7)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco BCI	168,125	-	168,125	-	29,918,120	-	29,918,120	-	-	-	-	29,918,120
Total					700,599	180,585,169	181,285,768	79,922,503	97,540,365	177,462,868	-	-	-	-	-	177,462,868

- 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 interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



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

b) As of March 31, 2023 the detail of unguaranteed obligations (Bonds) is as follows, continued:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bond series F (1)	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 (2)	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 (3)	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 (4)	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 (5)	90,635,000-9	Telefónica Chile S,A,	Chile	Foreign	The Bank of New York Mellon	EE,UU,	USD	At maturity	3,74%	3,54%	US\$ 500 mm	11-18-2031

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\$		
Bono Serie F (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	69,392,760	-	-	-	-	-	-	-	-	69,392,760
Bono Serie T (2)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco de Chile	-	9,600,000	-	-	-	-	-	-	-	-	9,600,000
Bono Serie O (3)	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 (4)	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 (5)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	-	-	-	-	-	-	-	-	409,780,000	409,780,000	409,780,000
Total					-	78,992,760	-	160,000,000	160,000,000	-	-	-	409,780,000	648,772,760	

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



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

b) As of March 31, 2023 the detail of unguaranteed obligations (Bonds) is as follows:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor	Current			Non-current					Total Non-current as of 03.31.2023 ThCh\$		
					To Maturity		Total current as of 03.31.2023 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 Serie F (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	107,247,876	107,247,876	-	-	-	-	-	-	-	-
Bono Serie T (2)(4)(5)(7)(9)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco Chile	-	9,709,696	9,709,696	-	-	-	-	-	-	-	-
Bono Serie O (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	890,628	-	890,628	-	70,156,634	70,156,634	-	-	-	-	70,156,634
Bono Serie Q (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	-	456,320	456,320	-	90,391,553	90,391,553	-	-	-	-	90,391,553
Bond Serie 144A II (8)	90,635,000-9	Telefónica Chile S,A,	Chile	The Bank of New York Mellon	4,580,708	-	4,580,708	-	-	-	-	-	-	334,395,205	334,395,205
Total					5,471,336	117,413,892	122,885,228	-	160,548,187	160,548,187	-	-	-	334,395,205	494,943,392

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) On January 4, 2023, the fourth installment of the capital of the T bond for ThCh\$9,600,000 and ThCh\$464,774 of interest.

On October 12, 2022, Telefónica Chile S.A. paid the 144A bond for a total of USD 500,000,000 of principal and USD 9,687,500 of interest equivalent to ThCh\$466,940,000 and ThCh\$9,046,963 respectively.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



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

b) As of December 31, 2022, the detail of unguaranteed obligations (Bonds) is as follows, continued:

Types	Debtor taxpayer No,	Debtor	Debtor country	Creditor taxpayer No,	Creditor	Creditor country	Currency	Amortization type	Effective rate	Nominal rate	Nominal value	Term
Bond series F (1)	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 (2)	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 (3)	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 (4)	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 (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	0-E	The Bank of New York Mellon	EE,UU,	USD	At maturity	3,74%	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 Serie F (1)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco Santander	-	66,392,760	-	-	-	-	-	-	-	-	69,392,760
Bono Serie T (2)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco de Chile	9,600,000	9,600,000	-	-	-	-	-	-	-	-	19,200,000
Bono Serie O (3)	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 (4)	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 (5)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	The Bank of New York Mellon	-	-	-	-	-	-	-	-	409,780,000	409,780,000	409,780,000
Total					9,600,000	78,992,760	-	70,000,000	70,000,000	90,000,000	-	90,000,000	409,780,000	658,372,760	

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



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

c) As of December 31, 2022, 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 12.31.2022 ThCh\$	To Maturity					Total Non-current as of 12.31.2022 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 Serie F (1)	76,124,890-1	Telefónica Móviles Chil S,A,	Chile	Banco Santander	-	103,673,707	103,673,707	-	-	-	-	-	-	-	-
Bono Serie T (2)(4)(5)(7)	90,635,000-9	Telefónica Chile S,A,	Chile	Banco Chile	10,010,440	9,558,296	19,568,736	-	-	-	-	-	-	-	-
Bono Serie O (3)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Chile	-	289,229	289,229	-	70,179,277	70,179,277	-	-	-	-	70,179,277
Bono Serie Q (6)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	Banco de Santander	1,265,999	-	1,265,999	-	-	-	90,440,543	-	90,440,543	-	90,440,543
Bond Serie 144A II (8)	76,124,890-1	Telefónica Móviles Chile S,A,	Chile	The Bank of New York Mellon	-	1,247,759	1,247,759	-	-	-	-	-	-	335,953,625	335,953,625
Total					11,276,439	114,768,991	126,045,430	-	70,179,277	70,179,277	90,440,543	-	90,440,543	335,953,625	496,573,445

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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 October 12, 2022, Telefónica Chile S.A. paid the 144A bond for a total of USD 500,000,000 of principal and USD 9,687,500 of interest equivalent to ThCh\$466,940,000 and ThCh\$9,046,963 respectively.



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

c) As of March 31, 2023 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			03.31.2023
	12.31.2022	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	441,647,142	2,168,352	(61,785,946)	28,070,226	21,046,309	77,387,563	(9,665,845)	498,867,803
Banks loans (1)	181,285,768	-	(6,111,201)	(13,711,035)	3,270,023	50,110,516	522,038	215,366,109
Unguaranteed obligations (Bonds) (2)	126,045,430	-	(11,670,464)	1,390,610	5,807,789	(142,356)	1,454,219	122,885,228
Hedge instruments (3)	35,789,094	2,168,352	(228,144)	38,271,588	9,506,703	-	(9,776,329)	75,731,265
Leases (4)	98,526,851	-	(43,776,137)	2,119,063	2,461,794	27,419,403	(1,865,773)	84,885,201
Related companies commercial mandate (5)	97,430	-	(300,000)	-	2,236	-	300,455	100,121
Others	3,332,981	-	(9,485,269)	-	-	-	7,679,572	1,527,284
Total	445,077,554	2,168,352	(71,571,215)	28,070,226	21,048,545	77,387,563	(1,685,818)	500,495,208

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Includes fair value for loans subject to coverage for ThCh\$(9,776,329)
- (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 movements of related-party transactions with Telxius Cable.

Conciliation of financing activities, Non-current	Cash flows				Items other than cash flows			03.31.2023
	12.31.2022	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	1,004,899,708	-	-	(9,355,392)	-	(77,387,563)	45,865,700	964,022,453
Banks loans (1)	177,462,868	-	-	-	-	(50,110,516)	116,993	127,469,345
Unguaranteed obligations (Bonds) (2)	496,573,445	-	-	(32,725,000)	-	142,356	30,952,591	494,943,392
Hedge instruments (3)	85,742,450	-	-	23,369,608	-	-	(26,031,451)	83,080,607
Leases (4)	245,120,945	-	-	-	-	(27,419,403)	40,827,567	258,529,109
Total	1,004,899,708	-	-	(9,355,392)	-	(77,387,563)	45,865,700	964,022,453

(*) 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\$31,050,391 and amortized cost in the amount of ThCh\$97,800.
- (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.



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

c) As of March 31, 2022, 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			03.31.2022
	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	74,624	(26,722,492)	(8,561,535)	20,241,528	77,334,004	7,206,621	554,425,307
Banks loans (1)	1,088,844	-	(3,899,072)	18,812	1,634,946	-	1,512,966	356,496
Unguaranteed obligations (Bonds) (2)	436,772,648	-	(2,070,463)	(28,318,806)	9,363,134	9,600,000	(7,298,177)	418,048,336
Hedge instruments (3)	5,149,880	74,624	(842,169)	31,353,591	3,840,702	-	(1,296,822)	38,279,806
Leases (4)	41,841,185	-	(19,668,887)	(11,615,132)	5,402,746	67,734,004	14,046,752	97,740,669
Other financial debts (5)	-	-	(241,902)	-	-	-	241,902	-
Related companies commercial mandate (6)	88,215	506,660	(250,000)	-	-	-	(255,535)	89,340
Total	484,940,772	581,284	(26,972,492)	(8,561,535)	20,241,528	77,334,004	6,951,086	554,514,647

(*) Others

- (1) Corresponds to recognition of amortized cost, 4% tax and stamp tax.
- (2) Includes fair value adjustment for those loans subject to fair value coverage for ThCh\$(6,971,084) and amortized cost for ThCh\$(327,093).
- (3) Corresponds to recognition of the fair value of interest 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 the movement of transactions with entities related to Telxius Cable.

Conciliation of financing activities, Non-current	Cash flows				Items other than cash flows			03.31.2022
	12.31.2021	Charges	Payments	Exchange rate	Accrued interest	Reclassification current / non-current	Others (*) movements	
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
Financial liabilities	1,197,268,172	-	-	(27,397,399)	-	(77,334,004)	80,344,481	1,172,881,250
Banks loans (1)	352,932,060	-	-	(11,821,435)	-	-	(287,909)	340,822,716
Unguaranteed obligations (Bonds) (2)	691,104,877	-	-	(26,004,705)	-	(9,600,000)	2,134,537	657,634,709
Hedge instruments (3)	1,044,730	-	-	10,428,741	-	-	(9,284,301)	2,189,170
Leases (4)	152,186,505	-	-	-	-	(67,734,004)	87,782,154	172,234,655
Total	1,197,268,172	-	-	(27,397,399)	-	(77,334,004)	80,344,481	1,172,881,250

(*) 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\$(1,462,732) and amortized cost in the amount of ThCh\$671,805.
- (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. 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	03.31.2023		12.31.2022	
	Current M\$	Non-current M\$	Current M\$	Non-current M\$
Lease obligations (1)	84,885,197	258,529,109	98,526,851	245,120,945
Total	84,885,197	258,529,109	98,526,851	245,120,945

(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 March 31, 2023 and December 31, 2022 is as follows:

Due date		Total current 03.31.2023 ThCh\$	1 to 3 years ThCh\$	Due dates		Total non-current as of 03.31.2023 ThCh\$
Up to 90 days ThCh\$	91 days to 1 year ThCh\$			3 to 5 years ThCh\$	Over 5 years ThCh\$	
10,385,599	74,499,598	84,885,197	169,649,721	55,566,614	33,312,775	258,529,109

Due date		Total current 12.31.2022 ThCh\$	1 to 3 years ThCh\$	Due dates		Total non-current as of 12.31.2022 ThCh\$
Up to 90 days ThCh\$	91 days to 1 year ThCh\$			3 to 5 years ThCh\$	Over 5 years ThCh\$	
38,140,122	60,386,729	98,526,851	163,137,476	49,998,913	31,984,556	245,120,945

21. Trade and other payables

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

Description	03.31.2023		12.31.2022	
	Current ThCh\$	No-current ThCh\$	Current ThCh\$	No-current ThCh\$
Debts due to purchases or services provided, invoiced (1)	163,750,355	-	203,378,058	-
Debts due to purchases or services provided, provisioned (1) (2)	146,102,982	28,814	130,118,128	28,814
Real property providers, invoiced	55,046,408	-	122,836,392	-
Real property providers, provisioned	5,951,224	-	16,652,347	-
Payables to employees	15,291,764	1,195,772	33,480,096	-
Dividends pending of payment	605,976	-	605,977	-
Total	386,748,709	1,224,586	507,070,998	28,814

(1) "Debts from purchases or services rendered" corresponding to foreign and domestic suppliers, for the periods ended as of March 31, 2023 and December 31, 2022 are detailed as follows:

Debts due to purchases or services provided	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Domestic	277,899,188	305,047,292
Foreign	31,954,149	28,448,894
Total	309,853,337	333,496,186

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

21. 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 March 31, 2023, The main suppliers, considering a minimum margin of 4% of total accounts payable correspond to: Samsung Electronics Chile Ltda. with 11.1%, Apple Chile Comercial Ltda. with 6.6% and Nokia Solutions and Networks Chile with 6.3%. As of December 31, 2022, the main suppliers, considering a minimum margin of 4% of total accounts payable correspond to: Huawei Chile S.A. with 10.2%, Samsung Electronics Chile Ltda. with 8.6%, Zener Austral Ltda. with 7.1%, Nokia Solutions and Networks Chile with 6.6%, Lari Obras y Servicios Spa with 6.2%, Atento Chile S.A with 5.9% and Cobra Chile Servicios S.A. with 4.1%.

The terms of accounts payable to suppliers with up to date payments as of March 31, 2023 and December 31, 2022 are detailed as follows:

Suppliers with up to date payments As of 03.31.2023	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Trade accounts to date			
Up to 30 days	20,668,367	65,644,746	86,313,113
From 31 to 60 days	16,004,845	42,872,259	58,877,104
From 61 to 90 days	875,016	4,887,959	5,762,975
From 91 to 120 days	1,809,638	279,438	2,089,076
From 121 to 180 days	-	66,939	66,939
More than 180 days	-	221,410	221,410
Total	39,357,866	113,972,751	153,330,617
Average period of payment of up to date accounts	64	55	

Suppliers with up to date payments As of 12.31.2022	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Trade accounts to date			
Up to 30 days	39,589,464	57,011,388	96,600,852
From 31 to 60 days	45,000,080	42,035,025	87,035,105
From 61 to 90 days	1,544,312	5,808,762	7,353,074
From 91 to 120 days	4,336,517	335,925	4,672,442
Total	90,470,373	105,191,100	195,661,473
Average period of payment of up to date accounts	66	56	

21. Trade and other payables, continued

b) Payment terms of accounts payable, continued

The terms of accounts payable to suppliers with overdue payments as of March 31, 2023 and December 31, 2022 are detailed as follows:

Overdue suppliers by term As of 03.31.2023	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Overdue trade accounts payable by term			
Up to 30 days	7,528,759	35,045,140	42,573,899
From 31 to 60 days	7,894,365	8,181,273	16,075,638
From 61 to 90 days	136,408	1,641,804	1,778,212
From 91 to 120 days	1,308	20,574	21,882
From 121 to 180 days	75,865	672,951	748,816
More than 180 days	51,838	4,215,862	4,267,700
Total	15,688,543	49,777,604	65,466,147
Average payment period of overdue accounts	92	50	

Overdue suppliers by term As of 12.31.2022	Goods (Immobilized) ThCh\$	Services and Purchases ThCh\$	Total ThCh\$
Overdue trade accounts payable by term			
Up to 30 days	16,866,881	51,972,320	68,839,201
From 31 to 60 days	12,380,242	21,762,437	34,142,679
From 61 to 90 days	2,788,941	19,928,352	22,717,293
From 91 to 120 days	103,000	524,422	627,422
From 121 to 180 days	168,426	473,882	642,308
More than 180 days	58,529	3,525,545	3,584,074
Total	32,366,019	98,186,958	130,552,977
Average payment period of overdue accounts	61	51	

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



22. 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 March 31, 2023 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	-	-	-	-	-	5,651,859	-	5,651,859	5,651,741	118	-	5,651,859	5,651,859	
Other participations		-	-	-	-	-	5,651,859	-	5,651,859	5,651,741	118	-	5,651,859	5,651,859	
Derivative instrument assets		-	-	-	-	-	-	1,311,903	1,311,903	-	1,311,903	-	1,311,903	1,311,903	
Derivative instrument assets	22-2	-	-	-	-	-	-	1,311,903	1,311,903	-	1,311,903	-	1,311,903	1,311,903	
Non-current trade and other accounts receivable		109,715,056	109,715,056	-	-	-	-	-	-	-	-	-	109,715,056	109,715,056	
Non-current trade and other accounts receivable	12	40,229,887	40,229,887	-	-	-	-	-	-	-	-	-	40,229,887	40,229,887	
Account receivable from relate entities	9-b	69,485,169	69,485,169	-	-	-	-	-	-	-	-	-	69,485,169	69,485,169	
Non-current financial assets		109,715,056	109,715,056	-	-	-	5,651,859	1,311,903	6,963,762	5,651,741	1,312,021	-	116,678,818	116,678,818	
Current trade accounts receivable		292,951,584	292,951,584	-	-	-	-	-	-	-	-	-	292,951,584	292,951,584	
Current trade and other accounts receivable	8-a	249,332,410	249,332,410	-	-	-	-	-	-	-	-	-	249,332,410	249,332,410	
Account receivable from relate entities	9-a	43,619,174	43,619,174	-	-	-	-	-	-	-	-	-	43,619,174	43,619,174	
Other non-trade accounts receivable	6-a	20,255,502	20,255,502	-	-	-	-	-	-	-	-	-	20,255,502	20,255,502	
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		-	-	-	-	-	-	55,148,797	55,148,797	-	55,148,797	-	55,148,797	55,148,797	
Derivative instrument of assets	22-2	-	-	-	-	-	-	55,148,797	55,148,797	-	55,148,797	-	55,148,797	55,148,797	
Cash and cash equivalents		235,840,396	235,840,396	-	-	-	-	-	-	-	-	-	235,840,396	235,840,396	
Cash and cash equivalents	5	235,840,396	235,840,396	-	-	-	-	-	-	-	-	-	235,840,396	235,840,396	
Current financial assets		549,120,606	549,120,606	-	-	-	-	55,148,797	55,148,797	-	55,148,797	-	604,269,403	604,269,403	
Total financial assets		658,835,662	658,835,662	-	-	-	5,651,859	56,460,700	62,112,559	5,651,741	56,460,818	-	720,948,221	720,948,221	

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



22. Financial instruments, continued

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

a) Details of financial instruments of assets classified by nature and category as of December 31, 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	-	-	-	-	-	5,827,574	-	5,827,574	5,827,456	118	-	5,827,574	5,827,574	
Other participations		-	-	-	-	-	5,827,574	-	5,827,574	5,827,456	118	-	5,827,574	5,827,574	
Derivative instrument assets		-	-	-	-	-	-	5,773,067	5,773,067	-	5,773,067	-	5,773,067	5,773,067	
Derivative instrument assets	22-2	-	-	-	-	-	-	5,773,067	5,773,067	-	5,773,067	-	5,773,067	5,773,067	
Non-current trade and other accounts receivable		108,296,474	108,296,474	-	-	-	-	-	-	-	-	-	108,296,474	108,296,474	
Non-current trade and other accounts receivable	12	39,787,680	39,787,680	-	-	-	-	-	-	-	-	-	39,787,680	39,787,680	
Account receivable from relate entities	9-b	68,508,794	68,508,794	-	-	-	-	-	-	-	-	-	68,508,794	68,508,794	
Non-current financial assets		139,862,698	139,862,698	-	-	-	5,827,574	5,773,067	11,600,641	5,827,456	5,773,185	-	119,897,115	119,897,115	
Current trade accounts receivable		263,905,325	263,905,325	-	-	-	-	-	-	-	-	-	263,905,325	263,905,325	
Current trade and other accounts receivable	8-a	220,541,185	220,541,185	-	-	-	-	-	-	-	-	-	220,541,185	220,541,185	
Account receivable from relate entities	9-a	44,894,759	44,894,759	-	-	-	-	-	-	-	-	-	44,894,759	44,894,759	
Other non-trade accounts receivable	6-a	27,381,521	27,381,521	-	-	-	-	-	-	-	-	-	27,381,521	27,381,521	
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		-	-	-	-	-	-	61,814,270	61,814,270	-	61,814,270	-	61,814,270	61,814,270	
Derivative instrument of assets	22-2	-	-	-	-	-	-	61,814,270	61,814,270	-	61,814,270	-	61,814,270	61,814,270	
Cash and cash equivalents		466,972,364	466,972,364	-	-	-	-	-	-	-	-	-	466,972,364	466,972,364	
Cash and cash equivalents	5	466,972,364	466,972,364	-	-	-	-	-	-	-	-	-	466,972,364	466,972,364	
Current financial assets		758,332,334	758,332,334	-	-	-	-	61,814,270	61,814,270	-	61,814,270	-	820,146,604	820,146,604	
Total financial assets		866,628,808	866,628,808	-	-	-	5,827,574	67,587,337	73,414,911	5,827,456	67,587,455	-	940,043,719	940,043,719	

22. 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.

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



22. 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 March 31, 2023 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	19-b	494,943,392	413,939,045	-	-	-	-	-	-	-	494,943,392	413,939,045
Non-current debts with loan entities	19-a	127,469,345	127,665,061	-	-	-	-	-	-	-	127,469,345	127,665,061
Long-term hedge derivative instrument of liabilities	22-a	-	-	-	-	83,080,607	83,080,607	-	83,080,607	-	83,080,607	83,080,607
Trade and other accounts payable	21-a	1,224,586	1,224,586	-	-	-	-	-	-	-	1,224,586	1,224,586
Accounts payable to related entities	9-d	6,328,030	6,328,030	-	-	-	-	-	-	-	6,328,030	6,328,030
Other non-current financial debts	20	258,529,109	258,529,109	-	-	-	-	-	-	-	258,529,109	258,529,109
Non-current financial liabilities		888,494,462	807,685,831	-	-	83,080,607	83,080,607	-	83,080,607	-	971,575,069	890,766,438
Issuance of short-term obligations and other marketable securities	19-b	122,885,228	120,514,303	-	-	-	-	-	-	-	122,885,228	120,514,303
Short-term debts with credit entities	19-a	215,366,109	215,170,393	-	-	-	-	-	-	-	215,366,109	215,170,393
Short-term derivative instrument of liabilities	22-2	-	-	-	-	75,731,265	75,731,265	-	75,731,265	-	75,731,265	75,731,265
Trade and other accounts payable	21-a	386,748,709	386,748,709	-	-	-	-	-	-	-	386,748,709	386,748,709
Accounts payable to related entities	9-c	99,646,123	99,646,123	-	-	-	-	-	-	-	99,646,123	99,646,123
Other non-current financial debts (1)	20	86,412,481	86,412,481	-	-	-	-	-	-	-	86,412,481	86,412,481
Current financial liabilities		911,058,650	908,492,009	-	-	75,731,265	75,731,265	-	75,731,265	-	986,789,915	984,223,274
Total financial liabilities		1,799,553,112	1,716,177,840	-	-	158,811,872	158,811,872	-	158,811,872	-	1,958,364,984	1,874,989,712

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

Notes to the interim consolidated financial statements, continued
As of March 31, 2023 (not audited) and December 31, 2022



22. 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, 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	19-b	496,573,445	421,496,496	-	-	-	-	-	-	-	496,573,445	421,496,496
Non-current debts with loan entities	19-a	177,462,868	177,462,868	-	-	-	-	-	-	-	177,462,868	177,462,868
Long-term hedge derivative instrument of liabilities	22-2	-	-	-	-	85,742,450	85,742,450	-	85,742,450	-	85,742,450	85,742,450
Trade and other accounts payable	21-a	28,814	28,814	-	-	-	-	-	-	-	28,814	28,814
Accounts payable to related entities	9-d	5,548,164	5,548,164	-	-	-	-	-	-	-	5,548,164	5,548,164
Other non-current financial debts	21	245,120,945	245,120,945	-	-	-	-	-	-	-	245,120,945	245,120,945
Non-current financial liabilities		924,734,236	849,657,287	-	-	85,742,450	85,742,450	-	85,742,450	-	1,010,476,686	935,399,737
Issuance of short-term obligations and other marketable securities	19-b	126,045,430	121,684,665	-	-	-	-	-	-	-	126,045,430	121,684,665
Short-term debts with credit entities	19-a	181,285,768	181,285,768	-	-	-	-	-	-	-	181,285,768	181,285,768
Short-term derivative instrument of liabilities	22-2	-	-	-	-	35,789,094	35,789,094	-	35,789,094	-	35,789,094	35,789,094
Trade and other accounts payable	21-a	507,070,998	507,070,998	-	-	-	-	-	-	-	507,070,998	507,070,998
Accounts payable to related entities	9-c	121,121,862	121,121,862	-	-	-	-	-	-	-	121,121,862	121,121,862
Other non-current financial debts (1)	20	101,859,832	101,859,832	-	-	-	-	-	-	-	101,859,832	101,859,832
Current financial liabilities		1,037,383,890	1,033,123,125	-	-	35,789,094	35,789,094	-	35,789,094	-	1,073,172,984	1,068,812,219
Total financial liabilities		1,962,118,126	1,882,680,412	-	-	121,531,544	121,531,544	-	121,531,544	-	2,083,649,670	2,004,211,956

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

22. 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 19).

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



22. Financial instruments, continued

2. Hedging instruments

As of March 31, 2023, 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	2,717	10,118	(39,882,085)	(9,535,435)	3,117	-	(1,234,049)	(14,440,136)
Exchange rate hedge – fair value (2)	Debt to suppliers and customers	1,546,538	6,939,579	(8,249,256)	-	-	-	-	-
Interest rate hedge – cash flow (3)	Financial Debt	13,104,023	-	(597,325)	(92,596)	1,308,783	-	-	(67,406,422)
Exchange rate and interest rate hedge – fair value (4)	Financial Debt	-	33,545,822	(17,374,568)	-	-	-	-	-
Total		14,653,278	40,495,519	(66,103,234)	(9,628,031)	1,311,900	-	(1,234,049)	(81,846,558)

As of March 31, 2023, the hedging instruments have generated a net effect on the result of the period of loss for ThCh\$58,025,111 and the accumulated effect on equity net of taxes is ThCh\$15,992,730 (see note 26d).

As of December 31, 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	238,024	28,548	(16,746,856)	(6,832,632)	5,773,064	-	(1,112,142)	(247)
Exchange rate hedge – fair value (2)	Debt to suppliers and customers	-	18,092,578	(5,695,011)	-	-	-	-	(4,509,830)
Interest rate hedge – cash flow (3)	Financial Debt	11,145,211	-	(1,749,380)	(267,845)	-	-	-	(80,120,231)
Exchange rate and interest rate hedge – fair value (4)	Financial Debt	-	32,309,909	(4,497,370)	-	-	-	-	-
Total		11,383,235	50,431,035	(28,688,617)	(7,100,477)	5,773,064	-	(1,112,142)	(84,630,308)

As of December 31, 2022, the hedging instruments have generated a net effect on the profit period result of ThCh\$20,147,370 and the accumulated effect on equity net of taxes is ThCh\$3,630,329 (see note 26d)

Description of hedge instruments:

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

22. 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 22,1):

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.

23. Other currents provisions

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

Concepts	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Local police courts	1,328,823	1,169,520
Administrative litigation	487,155	532,330
Labor	299,168	470,200
Civil	65,806	69,019
Others	492	561,727
Total	2,181,444	2,802,796

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 33a, 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 March 31, 2023 and December 31, 2022, the movements in provisions are as follows:

Movements	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Beginning balance	2,802,796	8,013,274
Increase in existing provisions	359,021	3,353,700
Provision application	(980,373)	(8,564,178)
Movements subtotal	(621,351)	(5,210,478)
Ending balance	2,181,444	2,802,796

b) Other non-currents provisions:

As of March 31, 2023 and December 31, 2022 the balance of other non-current provisions are detailed as follows:

Concepts	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Dismantling provision (1)	18,277,965	18,078,266
Total	18,277,965	18,078,266

(1) Movements of the dismantling provision as of March 31, 2023 and December 31, 2022 are detailed as follows:

Movements	03.31.2023 ThCh\$	12.31.2022 ThCh\$
Beginning balance	18,078,266	17,662,669
Financial update	42,499	156,929
Upward	157,200	258,668
Reverse of dismantling provision	-	-
Movement subtotal	199,699	415,597
Ending balance	18,277,965	18,078,266

24. 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 March 31, 2023 and December 31, 2022 current and non-current employee benefits accrual are as follows:

Concepts	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Current amount of liability recognized for termination benefits	5,711,938	5,216,457
Non-current amount of liability recognized for termination benefits	29,878,240	31,235,592
Total	35,590,178	36,452,049

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

As of March 31, 2023 and December 31, 2022 the movements for current employee benefits provisions are detailed as follows:

Movements	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Beginning balance	36,452,049	32,283,636
Service costs	59,541	247,476
Interest costs (see note 30 a)	470,505	1,912,430
Actuarial profits, net due to experience	(1,323,255)	3,736,290
Benefits paid	(68,702)	(1,812,178)
Others	-	84,395
Movement subtotal	(861,871)	4,168,413
Ending balance	35,590,178	36,452,049

24. 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 March 31, 2023 and December 31, 2022:

- **Discount rate:** An annual nominal rate of 5.914% and 5.163% is used as of March 31, 2023 and December 31, 2022, 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 ended March 31, 2023 and December 31, 2022 was 3%.
- **Mortality:** The RV-2014 mortality tables established by the Financial Market Commission (CMF) are used to calculate social life insurance reserves in Chile.
- **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	0.05%	1.39%
Post-frozen Compensation	3.82%	7.39%
Quotas 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 March 31, 2023, 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	5.914%	(1,567,104)	1,717,959

24. 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	9,085,618

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	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Wages and salaries	36,656,652	34,583,867
Post employment benefit obligations expense	59,581	58,033
Total	36,716,233	34,641,900

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

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

Concepts	03.31.2023		12.31.2022	
	Current ThCh\$	Non-current ThCh\$	Current ThCh\$	Non-current ThCh\$
Contractual liabilities	14,811,319	72,772,320	15,170,520	74,683,401
Optical fiber business sale exclusivity (1)	6,896,764	70,427,299	6,760,646	72,203,382
Handsets sold and not activated	1,054,122	-	1,278,944	-
Services charged and not rendered	6,330,180	-	6,609,169	-
IRUS rights of use	530,253	2,345,021	521,761	2,480,019
Deferred income	3,023,915	1,368,378	3,586,819	1,174,287
Corporate projects to be undertaken (2)	1,953,318	905,874	2,331,168	682,956
Sale of telecommunications infrastructure	448,925	215,471	466,209	231,099
Other Deferred income (3)	621,672	247,033	789,442	260,232
Subsidies	359,756	1,545,595	359,756	1,620,888
Extreme zones	118,942	107,517	118,942	126,889
Subsidy for Tierra del Fuego base stations	70,355	545,254	70,355	562,843
Puerto Natales and Cerro Castillo Fiber Optics Network	52,623	232,419	52,623	245,575
Connectivity for service networks and telecentre	90,380	51,980	90,380	70,292
Juan Fernandez Island Satellite links	27,456	608,424	27,456	615,289
Taxes	12,294,751	-	19,423,959	-
VAT (4)	9,660,826	-	17,716,029	-
Other taxes (5)	2,633,925	-	1,707,930	-
Others non-financial liabilities	30,489,741	75,686,293	38,541,054	77,478,576

(1) Deferred revenue recorded under current "Other non-financial liabilities" in the amount of ThCh\$8,969,110 (historical) and under non-current in the amount of ThCh\$80,721,991 (historical) which correspond to the price of the transaction that is being paid to Telefónica Chile S.A. for the purchase of the optic fiber business. It is based on two concepts: the purchase of a business and the exclusivity commitment of Telefónica Chile S.A. with InfraCo SpA through the Optic Fiber Connectivity Services Supply Contract. That exclusivity lasts for the term of the 10-year contract; therefore its deferral period is the same term using the straight-line method. As of March 31 2022, and December 31, 2022 the amortized amount for this concept is ThCh\$3,208,370 and ThCh\$12,833,481, respectively and is recognized in revenue, plus a finance cost of ThCh\$8,685,799 (see Note 28b).

(2) Corresponds to billing of company projects that are recorded in revenue based on their level of progress.

(3) Corresponds mainly to collection management commissions, generated by the sale of the portfolio to the BID.

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

(5) Includes withholding tax and other taxes.

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

Movements of contractual liabilities, deferred income and subsidies as of March 31, 2023 and December 31, 2022 are as follows:

Movements	03.31.2023					
	Contractual liabilities		Deferred Income		Subsidies	
	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$	Current ThCh\$	Non-Current ThCh\$
Beginning balance	15,170,520	74,683,401	3,586,819	1,174,287	359,756	1,620,888
Endowments	41,996,259	-	1,066,662	364,481	-	-
Reduction/applications	(44,266,541)	-	(1,773,863)	(26,093)	(75,293)	-
Transfers	1,911,081	(1,911,081)	144,297	(144,297)	75,293	(75,293)
Movement subtotal	(359,201)	(1,911,081)	(562,904)	194,091	-	(75,293)
Ending balance	14,811,319	72,772,320	3,023,915	1,368,378	359,756	1,545,595

Movements	12.31.2022					
	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	201,046,765	1,178,209	2,658,519	1,246,430	-	-
Reduction/applications	(213,748,655)	-	(3,219,482)	-	(352,846)	-
Transfers	4,532,259	(4,532,259)	753,026	(753,026)	352,846	(352,846)
Movement subtotal	(8,169,631)	(3,354,050)	192,063	493,404	-	(352,846)
Ending balance	15,170,520	74,683,401	3,586,819	1,174,287	359,756	1,620,888

b) The detail of the expirations of the current non-financial liabilities as of March 31, 2023 and December 31, 2022 are as follows:

Expirations		Total Current to 03.31.2023 ThCh\$	Expirations				Total non-current to 03.31.2023 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\$		
26,008,601	4,481,140	30,489,741	17,989,774	19,800,236	37,896,283	75,686,293	

Expirations		Total Current to 12.31.2022 ThCh\$	Expirations				Total non-current to 12.31.2022 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\$		
34,155,141	4,385,913	38,541,054	17,648,002	19,416,775	40,413,799	77,478,576	

26. 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 March 31, 2023 and December 31, 2022.

a) Equity

As of March 31, 2023 and December 31, 2022 the Company's paid-in capital is composed as follows:

Number of shares

Series	03.31.2023			12.31.2022		
	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

Equity

Series	03.31.2023		12.31.2022	
	Subscribed capital ThCh\$	Paid-in capital ThCh\$	Subscribed capital ThCh\$	Paid-in capital 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.

26. Equity, continued

Based on the above, as of March 31, 2023, 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 March 31, 2023, 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
Total	100.0000	2
Parent Company	98.9588%	1

c) Dividends:**i) Dividends 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.

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

As of December 31, 2022, there was a dividend distribution charged to the profits for the year 2022 that exceeded 30% of the distributable net profit generated during the year.

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
12.28.2022	Provisional	28,887,000	0.0301	Exercise	12.28.2022

26. Equity, continued

d) Other reserves:

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

Concepts	Balance as of	Net movement	Balance as of
	12.31.2022		03.31.2023
	ThCh\$	ThCh\$	ThCh\$
Capital revaluation reserve (i)	(233,685,327)	-	(233,685,327)
Other miscellaneous reserves (ii)	(121,588,522)	-	(121,588,522)
Business combination reserve (iii)	(95,176,556)	-	(95,176,556)
Employee benefits reserve (iv)	(10,318,342)	962,720	(9,355,622)
Foreign currency translation difference reserve (v)	(58,310)	-	(58,310)
Cash flow hedges reserve (vi)	3,630,329	(19,623,059)	(15,992,730)
Reserve for financial assets (vii)	148,204	(174,554)	(26,350)
Total	(457,048,524)	(18,834,893)	(475,883,417)

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, and other negative concepts for ThCh\$70,619.

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

26. 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 March 31, 2023 and December 31, 2022 recognition of the portion of Equity belonging to third parties is detailed as follows:

Subsidiaries	Percentage Non-controlling interest		Non-controlling interest Shareholders' Equity	
	2023	2022	03.31.2023	12.31.2022
	%	%	ThCh\$	ThCh\$
Telefonica Chile S.A.	0.6611207	0.6611207	9,076,479	9,078,482
Total			9,076,479	9,078,482

As of March 31, 2023 and 2022 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)	
	2023	2022	03.31.2023	03.31.2022
	%	%	ThCh\$	ThCh\$
Telefonica Chile S.A.	0.6611207	0.8594402	859,635	62,755
Total			859,635	62,755

27. Earnings per Share

The detail of Earnings per share is as follows:

Basic earnings per share	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Earnings attributable to parent owners	(14,695,626)	15,697,708
Resultado disponible para accionistas	(14,695,626)	15,697,708
Weighted average number of shares	960,392,966,349	960,392,966,349
Basic earnings per share in Ch\$	0.015	0.01635

Earnings per share have been calculated dividing income 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.

28. Incomes

a) The detail of incomes from ordinary operations, as of March 31, 2023 and 2022, is as follows:

Ordinary incomes	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Mobile Telecommunications	223,309,519	217,910,545
Fixed Telecommunications	116,892,139	110,575,608
Data services and technology solutions companies	47,490,231	38,349,791
Television services and equipment	38,061,851	36,358,937
Personnel services (1)	1,903,588	-
Total	427,657,328	403,194,881

(1) Corresponds to services provided to Telefónica Hispanoamérica S.L. and operators Hispam.

b) The detail of Other operating incomes, as of March 31, 2023 and 2022, is as follows:

Other incomes	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Profits from sale of fixed assets (1)	-	9,651,384
Exclusivity for sale of the fiber optic business (2)	3,208,370	2,242,277
Surcharges due to default	1,702,994	1,267,748
Subsidies	75,293	89,939
Incomes from indemnities, complaints and others	220,392	276,457
Other current management income	1,847,418	770,697
Total	7,054,467	14,298,502

(1) In 2022 includes sale of roofs for ThCh\$9,629,459.

(2) Corresponds to the deferral for exclusivity in the sale of the fiber optic business (see note 25a (3)).

29. Expenses

a) Impairment loss, net:

Provision for impairment	03.31.2023 M\$	03.31.2022 M\$
Trade accounts receivable (see note 8c)	16,279,790	12,936,332
Inventories (see note 10)	323,020	295,276
Total	16,602,810	13,231,608

b) The detail of Other expenses, by nature, as of March 31, 2023 and 2022, is as follows:

Other expenses	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Sale cost of inventory and commissions (1)	123,239,201	108,433,516
Media rental and other exterior services (2)	110,780,485	103,808,927
Fiber optic network connectivity (3)	31,660,101	24,997,623
Customer service	11,811,761	11,794,241
Interconnections and roaming (4)	8,880,319	9,387,476
Advertising	5,950,778	5,497,262
Expenses for compensation, lawsuits and others (5)	4,774,699	8,179,054
Total	297,097,344	272,098,099

(1) The variance mainly corresponds to an increase in the amortized amount of compliance costs for fixed broadband equipment and television in the amount of ThCh\$4,721,100, an increase in cost of sales associated to private services equipment in the amount of ThCh\$5,044,157 due to increased commercial activity, an increase in the amortized amount of commission costs in relation to the previous year in the amount of ThCh\$3,404,212 and a decrease in the cost of sales of mobile handsets in the amount of ThCh\$1,636,216.

(2) This line includes media rental, exterior services, plant maintenance, information services, energy supply, TV content and real estate expenses. The variance is mainly explained by higher TV content expenses in the amount of ThCh\$742,168 associated to an increase in the commercial activity of the IPTV business, higher amortized amount of BAF services and TV labor compliance costs in the amount of ThCh\$2,933,513, higher data equipment and storage costs in the amount of ThCh\$2,880,078, higher mobile value added service content in the amount of ThCh\$496,373, an increase in the Brand and Management fee expense in the amount of ThCh\$91,952, increase associated to optic fiber in the amount of ThCh\$453,736, increase in plant maintenance expenses in the amount of ThCh\$1,176,245 due to more maintenance work, increase in expenses associated to real estate in the amount of ThCh\$982,899, and porting capacity services in the amount of ThCh\$61,663, more energy consumption in the amount of ThCh\$20,463, offset by other service expenses in the amount of ThCh\$2,884,552, insurance in the amount of ThCh\$201,353, lower digital services expense in the amount of ThCh\$9,572 and information application services in the amount of ThCh\$145,363.

(3) The increase corresponds mainly to more commercial activity associated with optic fiber connectivity service provided by InfraCo SpA in the amount of ThCh\$6,662,478.

(4) The lower cost of roaming out and domestic roaming in the amount of ThCh\$226,996 associated to the commercial activity of this business.

(5) This account includes transportation, insurance, consulting, security and surveillance, taxes and employee expenses, among other things. The variance is mainly explained by lower fine expenses and indemnities in the amount of ThCh\$232,653, other expenses, contingencies and staffing expenses in the amount of ThCh\$4,977,284 and other supplies in the amount of ThCh\$1,023,385.

Notes to the interim consolidated financial statements, continued

As of March 31, 2023 (not audited) and December 31, 2022



30. Financial incomes and expenses

a) The detail of net financial incomes and expenses, as of March 31, 2023 and 2022, is as follows:

Financial expenses, net	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Financial incomes		
Interest earned on deposits and others	6,045,927	9,240,998
Interest earned on subordinate promissory	976,375	2,333,608
Interest earned on projects	355,909	160,312
Interest earned on earn out	46,507	73,422
Others financial incomes (1)	672,745	42,184
Total financial incomes	8,097,463	11,850,524
Financial expenses		
Interest on obligations (bonds) (2)	17,293,986	16,287,299
Interest on loans from bank institutions (2)	2,335,546	2,345,157
Financial expenses Portfolio sale / Factoring	6,507,722	307,995
Leasing costs	2,368,615	2,222,995
Financial expenses exclusivity	1,568,405	-
Interest on update of employee termination benefits	470,505	478,120
Cost of remittances abroad	530,886	290,875
Other financial expenses	272,928	754,961
Total financial expenses	31,348,593	22,687,402
Total financial incomes and expenses, net	(23,251,130)	(12,678,232)

(1) Includes forward points for ThCh\$665,031 and ThCh\$42,126 as of March 2023 and 2022, respectively.

(2) This item is presented net of interest rate hedge and forward points for ThCh\$8,94,777.

b) The detail of the differences and units of currency exchange readjustments as of March 31, 2023 and 2022 is as follows:

Differences exchange	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Cash and cash equivalents	(420,268)	(522,502)
Current accounts receivable from related entities	(2,431,534)	(2,670,263)
Current trade and other accounts receivable	75,979	180,451
Trade and other accounts payable	2,717,059	1,324,720
Current accounts payable to related entities	1,559,558	2,244,204
Hedge instruments	(49,927,751)	(69,042,332)
Financial debt	46,354,439	68,087,274
Total	(2,072,518)	(398,448)

Units readjustments	03.31.2023 ThCh\$	03.31.2022 ThCh\$
Trade and other payables	27,881	(57,274)
Current trade and other accounts receivable	135,321	155,949
Current tax assets	157,939	69,944
Current accounts receivable from related entities	10,761	18,134
Current accounts payable to related entities	(442)	4,728
Financial debt	(1,390,610)	(2,199,011)
Hedge instruments	1,393,500	2,208,000
Total	334,350	200,470

31. 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 March 31, 2023, lease expenses amount to ThCh\$39,939.

Future lease obligations, as of March 31, 2023 and 2022 are detailed as follows:

Concept	03.31.2023			Total ThCh\$
	Up to 1 year ThCh\$	From 1 to 5 years ThCh\$	More than 5 years ThCh\$	
Minimum operating lease payments payable	664,475	308,227	21,822	994,524

Concept	03.31.2022			Total ThCh\$
	Up to 1 year ThCh\$	From 1 to 5 years ThCh\$	More than 5 years ThCh\$	
Minimum operating lease payments payable	2,611,388	7,952,679	8,675,704	19,239,771

32. Local and Foreign Currency

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

Currents assets	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Cash and cash equivalents	235,840,396	466,972,364
Chilean Pesos	232,384,773	463,035,790
Euros	2,199,876	2,473,197
US Dollars	1,206,292	1,410,926
Other currencies	49,455	52,451
Other current financial assets	75,477,423	89,268,915
Chilean Pesos	34,742,820	38,599,856
U.F.	33,545,823	32,309,908
Euros	18,202	-
US Dollars	7,170,578	18,359,151
Current trade and other accounts receivable	249,332,410	220,541,185
Chilean Pesos	248,863,175	219,919,829
U.F.	348,173	549,231
Euros	121,062	72,125
Current receivables from related companies	43,619,174	44,894,759
Chilean Pesos	27,139,018	31,538,099
U.F.	824,148	813,388
Euros	11,796,313	10,037,501
US Dollars	3,610,378	2,247,938
Other currencies	249,317	257,833
Other current assets (1)	318,807,734	276,955,588
Chilean Pesos	318,807,734	276,955,588
Total current assets	923,077,137	1,098,632,811
Chilean Pesos	861,937,520	1,024,551,109
U.F.	34,718,144	33,672,527
Euros	14,135,453	12,582,823
US Dollars	11,987,248	22,018,015
Other currencies	298,772	5,808,337

- (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	03.31.2023	12.31.2022
	ThCh\$	ThCh\$
Other non-current financial assets	6,963,762	11,600,641
Chilean Pesos	6,960,645	5,827,577
US Dollars	3,117	5,773,064
Right of use	320,167,303	304,785,725
Chilean Pesos	319,621,638	304,177,655
U.F.	545,665	608,070
Other non-current assets (2)	2,297,602,542	2,299,287,495
Chilean Pesos	2,297,602,542	2,299,287,495
Total non-current assets	2,624,733,607	2,615,673,861
Chilean Pesos	2,624,184,825	2,609,292,727
US Dollars	3,117	608,070
U.F.	545,665	5,773,064

- (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.

32. 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	
	03.31.2023	12.31.2022	03.31.2023	12.31.2022
	ThCh\$		ThCh\$	
Other current financial liabilities	73,338,591	43,998,635	342,171,295	302,454,638
Chilean Pesos	46,492,135	22,262,689	174,775,567	10,191,084
US Dollars	20,626,542	19,215,435	60,147,852	188,589,847
U.F.	-	-	107,247,876	103,673,707
Euros	6,219,914	2,520,511	-	-
Finance leases	10,385,599	38,140,123	74,499,598	60,386,728
Chilean Pesos	2,645,340	10,106,092	23,025,515	29,045,849
US Dollars	33,256	162,828	294,591	481,612
U.F.	7,707,003	27,871,203	51,179,492	30,859,267
Trade and other payables	386,748,709	507,070,998	-	-
Chilean Pesos	338,446,734	456,484,092	-	-
US Dollars	31,375,604	32,386,889	-	-
U.F.	13,019,731	10,621,533	-	-
Euros	3,889,045	7,558,420	-	-
Other currencies	17,595	20,064	-	-
Current payables to related companies	99,646,123	121,121,862	-	-
Chilean Pesos	58,147,587	81,385,365	-	-
US Dollars	27,121,633	30,917,198	-	-
U.F.	4,314,653	631,898	-	-
Euros	10,062,250	8,187,401	-	-
Other current liabilities (1)	34,685,382	42,930,622	4,481,140	4,385,913
Chilean Pesos	34,685,382	42,930,622	4,481,140	4,385,913
Total current liabilities	604,804,404	753,262,240	421,152,033	367,227,279
Chilean Pesos	454,551,585	613,168,860	87,654,507	43,622,846
US Dollars	105,022,628	82,682,350	175,070,158	189,071,459
U.F.	25,041,387	39,124,634	158,427,368	134,532,974
Euros	20,171,209	18,266,332	-	-
Other currencies	17,595	20,064	-	-

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

32. 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	
	03.31.2023	12.31.2022	03.31.2023	12.31.2022	03.31.2023	12.31.2022
	ThCh\$		ThCh\$		ThCh\$	
Other non-current financial liabilities	289,251,581	248,754,287	-	90,440,543	416,241,763	420,583,933
Chilean Pesos	288,017,532	247,642,145	-	90,440,543	67,406,422	80,120,231
US Dollars	1,234,049	1,112,142	-	-	348,835,341	340,463,702
Finance leases	169,649,721	163,137,476	55,566,614	49,998,913	33,312,775	31,984,556
Chilean Pesos	58,442,370	51,920,334	20,098,973	16,919,731	8,863,564	9,361,814
U.F.	110,308,360	110,296,705	35,184,498	32,805,914	24,436,240	22,610,223
US Dollars	898,991	920,437	283,143	273,268	12,971	12,519
Other non-current liabilities (1)	142,284,297	130,748,847	30,952,236	28,331,429	77,216,947	88,926,274
Chilean Pesos	142,284,297	130,748,847	30,952,236	28,331,429	77,216,947	88,926,274
Total Non-current liabilities	601,185,599	542,640,610	86,518,850	168,770,885	526,771,485	541,494,763
Chilean Pesos	488,744,199	430,311,326	51,051,209	135,691,703	153,486,933	178,408,319
U.F.	110,308,360	110,296,705	35,184,498	32,805,914	24,436,240	22,610,223
US Dollars	2,133,040	2,032,579	283,143	273,268	348,848,312	340,476,221

(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.

33. 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 March 31, 2023, which altogether amounts to ThCh\$2,181,444, of which ThCh\$1,177,653 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\$786,323 on its part, during the second quarter of 2023 and the rest before the end the fourth quarter of 2023.

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\$4,881,699 in the Parent company and the amount of ThCh\$2,615,937 in the subsidiaries.

33. Contingencies and restrictions, continued

b) Financial restrictions:

As of March 31, 2023, 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		2023	2024	2025 and more
					ThCh\$	ThCh\$	ThCh\$
Public and Private Organisms				1,397,495	949,853	437,599	10,043
Public Organisms - Others	TCH	Subsidiary	Deposit	557,035	156,888	400,147	-
Public Organisms - Undersecretaries and Ministries	TCH	Subsidiary	Deposit	390,393	375,775	7,275	7,343
Public Organisms - Municipalities	TCH	Subsidiary	Deposit	286,359	283,659	-	2,700
Private Organisms - Others	TCH	Subsidiary	Deposit	163,708	133,531	30,177	-
Public and Private Organisms				41,024,165	17,408,550	18,915,233	4,700,382
Public Organisms - Undersecretaries and Ministries	TEM	Subsidiary	Deposit	23,360,168	7,164,353	16,117,587	78,228
Public Organisms - Others	TEM	Subsidiary	Deposit	9,427,480	6,104,857	1,588,827	1,733,796
Private Organisms - Others	TEM	Subsidiary	Deposit	5,976,994	3,650,075	525,763	1,801,156
Public Organisms - Municipalities	TEM	Subsidiary	Deposit	1,339,519	290,345	388,864	660,310
Banks	TEM	Subsidiary	Deposit	617,227	165,196	279,673	172,358
Universities	TEM	Subsidiary	Deposit	302,777	33,724	14,519	254,534
Public and Private Organisms				20,527,195	1,925,330	17,482,061	1,119,804
Public Organisms - Undersecretaries and Ministries	TMCH	Parent	Deposit	16,947,094	867,450	16,034,832	44,812
Private Organisms - Others	TMCH	Parent	Deposit	2,538,265	740,849	999,150	798,267
Public Organisms - Others	TMCH	Parent	Deposit	492,888	94,781	295,009	103,098
Public Organisms - Municipalities	TMCH	Parent	Deposit	450,012	212,949	91,836	145,227
Banks	TMCH	Parent	Deposit	85,765	-	57,365	28,400
Universities	TMCH	Parent	Deposit	13,171	9,301	3,869	-
Total				62,948,855	20,283,733	36,834,893	5,830,229

TMCH: Telefónica Móviles Chile S.A.

TCH: Telefónica Chile S.A.

TEM: Telefónica Empresas Chile S.A.

34. 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 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. In September of this year, the first valuation goal that affects the Company will begin to be in force, the one for containers and packaging, where the paper, cardboard and plastic of imports made in 2022, must be recycled.

34. 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 2022, 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.

With certification of the Energy Management System under the ISO 50001:2018 standard in two of the most relevant technical buildings of the Network, we will continue to work on expanding this scope in 2023. 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. With this Energy Efficiency Plan, in 2022 we became a 100% renewable energy Company.

After launching the Movistar Environmental Plan in July of this year, this gave way to different activities carried out during the year such as 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. During 2023, 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. We continue to make progress in terms of communicational issues, sending our customers a powerful message that "Choosing digitalization to take care of the planet, is advantageous" through the "Movistar Circle" (<https://ww2.movistar.cl/circulomovistar/>) and the communication of the commercial on this web site.

Lastly, one of the large projects which the Company is intensely working on, is that of shutting down power plants, with planning of environmentally responsible removal, recycling a large amount of materials due to the technology change that this implies.

35. 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. The new rate review process for the 2024-2029 five-year period began during the first quarter of 2023.

In the case of fixed telephone service, the current Decree applies from May 9, 2019, for a 5-year term. The new rate review process for the 2024-2029 five-year period began during the first quarter of 2023.

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.

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, notwithstanding which, Subtel filed charges for eventual non-compliance with the deadline for starting up services in some of the 5G sites which is at the stage of final resolution by the Ministry of Transportation and Telecommunications.

35. Risk management, continued

c) Radio electric spectrum assignation, continued

Stages 2 and 3 of the 5G Project have a maximum deployment deadline of October 2, 2023 and October 2, 2024, respectively.

Subtel consultation to the Antitrust Commission on 3.5GHz band spectrum

On November 24, 2022, Subtel filed a petition for clarification with Antitrust Commission on Resolution No. 62/2020 issued by that Tribunal, in order for them to clarify whether the current concessionaries of fixed wireless telephone services in the 3.4 – 3.6 GHz band may incorporate mobile service to their concessions using an administrative concession modification mechanism, that is, without a tender.

On December 7, 2022, the Antitrust Commission rejected the petition for clarification. On December 14, 2022, Subtel filed an appeal against this resolution which was partially accepted through resolutions issued on January 6, 2023. However, this does not change in any way what we have argued, i.e., that in order for SUBTEL to be able to modify the current fixed-wireless service concessions (to mobile) a prior Public Tender is required. The regulator cannot modify the type of service in an administrative manner, since if that were the case, it would be a violation of the telecommunications regulations and free competition.

Notwithstanding the above, on April 6, 2023, Subtel issued a public announcement informing that they will temporarily and with no public tender, authorize Claro Chile to use the 3.5 GHz band spectrum for 5G services. TMCh has formally asked Subtel to provide information regarding the administrative act through which such authorization has been granted to analyze and decide on the appropriate strategy to contest it. On April 14, 2023, the Supreme Court granted the order to not innovate (ONI) requested by WOM S.A., thus suspending the effects of the temporary authorization mentioned above.

On the other hand, on April 12, 2023, the Official Gazette published exempt resolution No. 770-2023 which gives local wireless public telephone service concessionaires in the 3.400 – 3.600 band frequencies to provide mobile services in that block of frequencies, for which they must request the respective concessional authorization. Telefónica filed an administrative appeal for reversal, requesting annulment since it violates the General Telecommunications Law and resolution No. 62/2020 issued by the Antitrust Commission.

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.

35. Risk management, continued**d) New Law: Internet access minimum guaranteed speed, continued**

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.

A new tender was called for the Independent Technical Organization, which concluded in November 2022 when the Representative Committee awarded the 5-year tender to Medux, a Spanish company that bid in consortium with Microsystem. The deadline for the implementation stage is last quarter of 2023.

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. Subtel issued observations in March 2023, 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.

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

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.

On January 25, the Undersecretary of International Economic Relations published a notice in the Official Gazette informing a 6-month suspension of the coming into effect of the clause referring to International Roaming with Brazil as of January 25, 2023.

35. Risk management, continued**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 and 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.

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.

35. 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.

35. 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 March 31, 2023 the Company had 58% of its short and long-term financial debt bearing a fixed interest rate and 42% 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 March 31, 2023, 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\$87,988; whereas a drop in the TCPN would mean a reduction of ThCh\$87,988 in the accrual monthly financial cost for 2023.

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 March 31, 2023, 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.

35. 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.

The Company has a systematic hedging program that uses balancing hedges to cover 100% of the exchange risk of items in foreign currency for Opex and Capex, which are controlled and managed monthly for exchange rate exposure risks.

As of March 31, 2023 the financial debt in foreign currency amounted to US\$ 708.8 million, which is all directly exposed to variations in the dollar exchange rate. Simultaneously, the Company has cross currency swaps, USD/CLP exchange insurance and assets denominated in US dollars, which as of March 2023 closing date, resulted in an average exposure of 0% to financial debt in foreign currency.

Likewise, the Company assesses hedging the exchange risk using hedges on expected cash flow for the next year, based on budgeting guidelines. The counterparties with which the company negotiates hedging instruments have a high credit rating.

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.

35. Risk management, continued

I) Financial risk management objectives and policies, continued

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 March 31, 2023, is -1.10%, 2.40 p.p. of decrease in comparison to March 2022, when it reached 1.30%. This is mainly due to a lower result in 2022 compared to 2021.

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 March 31, 2023 and 2022.

36. Subsequent events

The consolidated financial statements of Telefónica Móviles Chile S.A. and subsidiaries, for the period ended as of March 31, 2023, were approved and authorized for issuance at the Board of Directors Meeting held on April 27, 2023.

In the period from April 1, 2023 and April 27, 2023, 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