



Corporate
Report **2021**

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The start of great change brings great speed.
At Entel **the possibilities are endless.**

Corporate Report **2021**

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FOR TRANSLATION PURPOSE



Company Details

GRI 102-1/ 102-3/ 102-5/ 102-53

Company Name:

Empresa Nacional de Telecomunicaciones S.A.

Common Name:

Entel-Chile SA

Mnemonic:

ENTEL

Registered address:

Av. Costanera Sur Río Mapocho 2760 Piso 22 Torre C

Address:

Av. Costanera Sur Río Mapocho 2760 Piso 22 Torre C

Tax ID:

92.580.000 - 7

Company Type:

Open Stock Company

Business Registration in the Securities Registry:

162

Telephone Number:

(56-2) 2360 0123

Fax:

(56-2) 2360 3424

Post Code:

Casilla 4254, Santiago.

Website:

www.entel.cl

Investor Relations

Director of Investor Relations

Carmen Luz De La Cerdá C.

Tel: (562) 2360-3176

cdelacerda@entel.cl

CSD Register Shareholder Support Service

Tel: (562) 2393 9003 / (562) 2393 9005

Fax: (562) 2393 9101 / (562) 2393 9215

Avenida Los Conquistadores 1730, piso 24, Providencia.

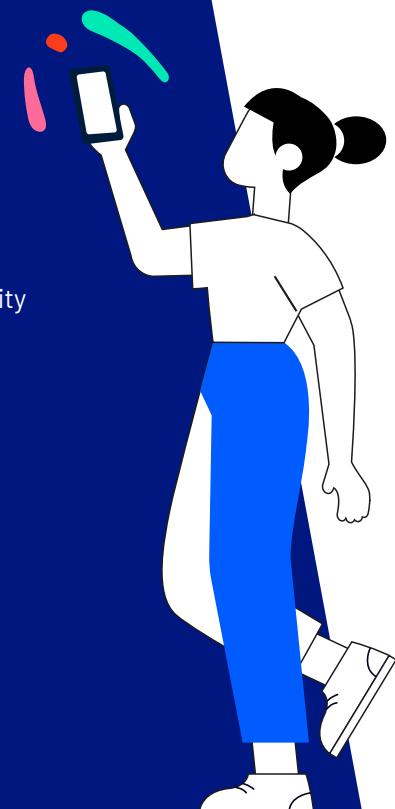
Monday to Friday from 9 a.m. to 5 p.m. uninterrupted

atencionaccionistas@dcv.cl

Sustainability

To contact the Sustainability team, write to

sostenibilidad@entel.cl



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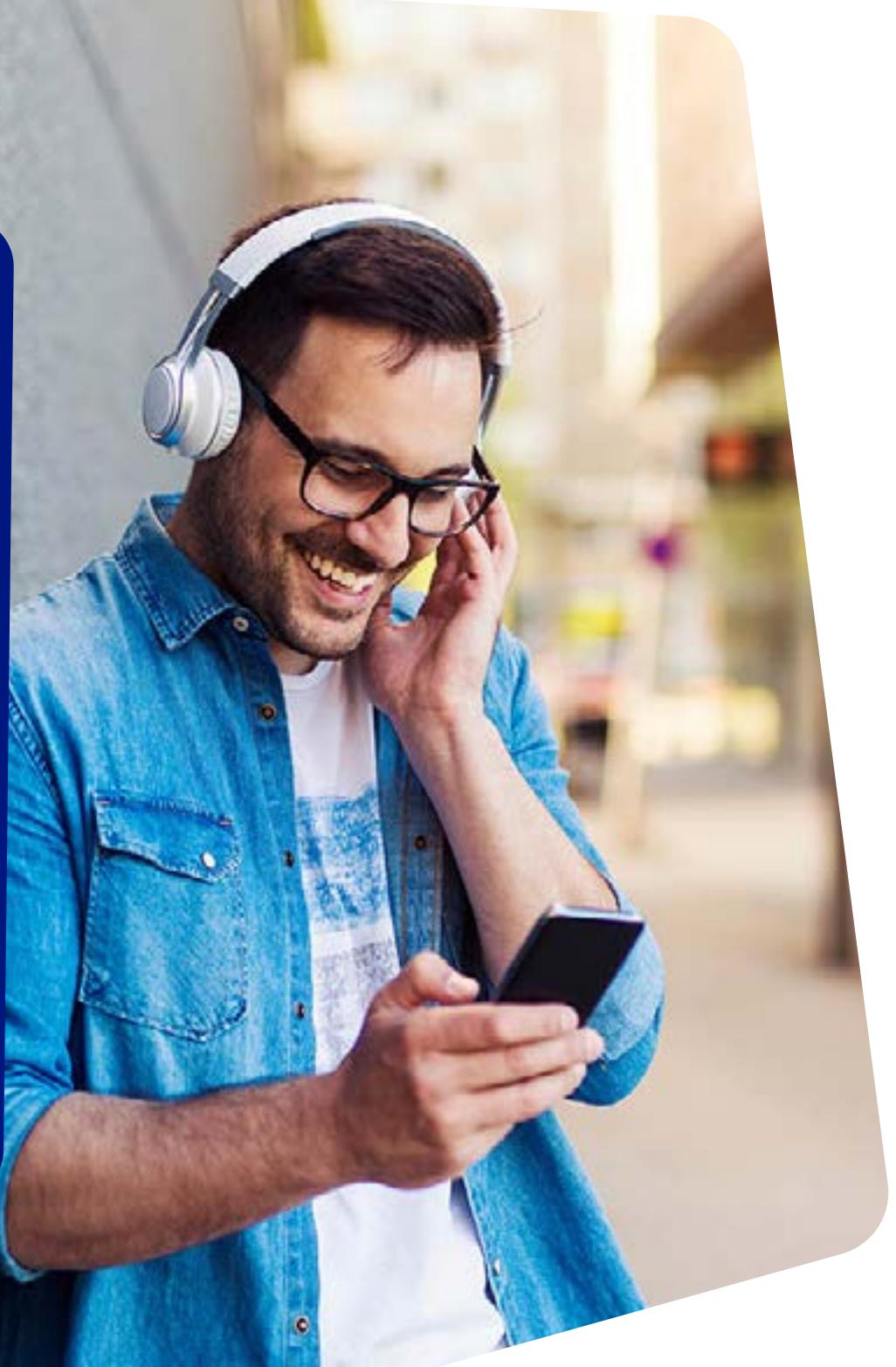
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› Letter from the Chairman

GRI 102-7/ 102-14

Dear Shareholders: On behalf of Entel's Board of Directors, I am pleased to present our second corporate report, which provides information on the company's financial and socio-environmental progress in a year that, like the one before, was characterised by the Covid-19 pandemic and economic uncertainty.

In 2021, circumstances forced us to redouble efforts to maintain continuity and quality of the services we offer, at a time when they were essential, while always ensuring the well-being of our employees.

In this challenging context, we again made very positive gains, which was not by chance. This global crisis found us on a good footing, thanks to years of hard work in areas such as renewing technology platforms, improving network infrastructure, incorporating advanced analytics and artificial intelligence, fostering multidisciplinary collaboration and focusing resources on the areas of greatest value. This allowed us to respond to needs, providing our customers with better, simpler and increasingly digital experiences, while maintaining operational margins and deepening our positioning as a highly valued and trusted brand.

Financial results

Consolidated revenue came to Ch\$2,460,119 million, an increase of 14.6% over FY2020. Meanwhile consolidated EBITDA reached Ch\$772,452 million, a year-on-year growth of 12.9%. Operating income came to Ch\$294,375 million, 38.5% higher than the previous year. Significantly, pre-tax profit came to Ch\$118,630 million, 26.3% higher than the previous year. Net income posted earnings of Ch\$74,975 million, down from 2020, due mainly to the tax impact of the tax revaluation of dollar investments and the accounting impact of the successful bond buyback.

Importantly, this momentum across all businesses came from both the Chilean and Peruvian operations. EBITDA, for example, increased by 10% year-on-year in Chile and by 50.4% in Peru. Similarly, operating income in Chile increased by 18.3% and in Peru it turned positive.



But these results are not accidental, they are the result of a strategy that has enabled the company to perform well in recent years. As such, growth of compound average organic EBITDA from 2019 to date, is 14.3%, and in the same period the consolidated EBITDA margin increased by 2 percentage points.

In 2021, Ch\$445,467 million was invested, Ch\$356,742 million in the Chilean business and Ch\$88,725 million for Peru. In terms of business line, 63% was allocated to the mobile business in both countries, 19% to fixed services and IT in the enterprises and corporations segment, and 17% to the residential business.

Boosting mobile business in Chile

The mobile business in Chile continued to show great vitality. There was continued migration from prepaid to subscription plans, with prepaid customers accounting for

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Letter from the Chairman

43.7% of the industry's total subscriber base at year-end 2021, 8.2 percentage points lower than at year-end 2020. It is worth noting that the total base grew 5.3% compared to the previous year-end.

Against this highly competitive backdrop, the company maintained its leadership in the mobile segment. Entel's total mobile customer base increased 9% year-on-year, to 10.2 million customers, with 12% growth in the postpaid segment and 4% in prepaid. A salient achievement is that the company once again led in net subscriber portability, with a net addition of 146,000 customers. This was achieved without eroding mobile service revenues, where Entel attained a 39.2% share of industry revenues in the last quarter of 2021, up 1.1 per cent from the same period last year.

During 2021, the company made significant progress regarding digital customer interaction as well as e-commerce 2.0. One example is the digital sales mix, which already represents 30% of the total for mobile services and more than 40% for fixed services. This digital transformation has enabled the company to innovate, with initiatives such as "Express Delivery", which involves delivering equipment, accessories and plans purchased remotely to the customer's home within a maximum of two hours.

Entel Peru keeps growing

The Peruvian market also showed great dynamism, with a 10.1% growth in the prepaid and postpaid user base. By December 2021, Entel Peru had 9.9 million customers, 11% more than at the end of 2020, and was one of the pioneers in Latin America to launch 5G services, with growth in digital sales and acknowledged for the seventh year running as providing the best customer experience, according to the BCX Index of the consultancy firm IZO. As at December 2021, the company had 4.4 million postpaid customers, up 19% from the end of the previous year, while prepaid customers totalled nearly 5.5 million, up 6% over the same period.

Significantly, in 2021 the company achieved organic revenue of USD 1.016 billion, 37.8% higher than in the previous year, and EBITDA of USD 172 million, an increase of 50.4% compared to 2020.

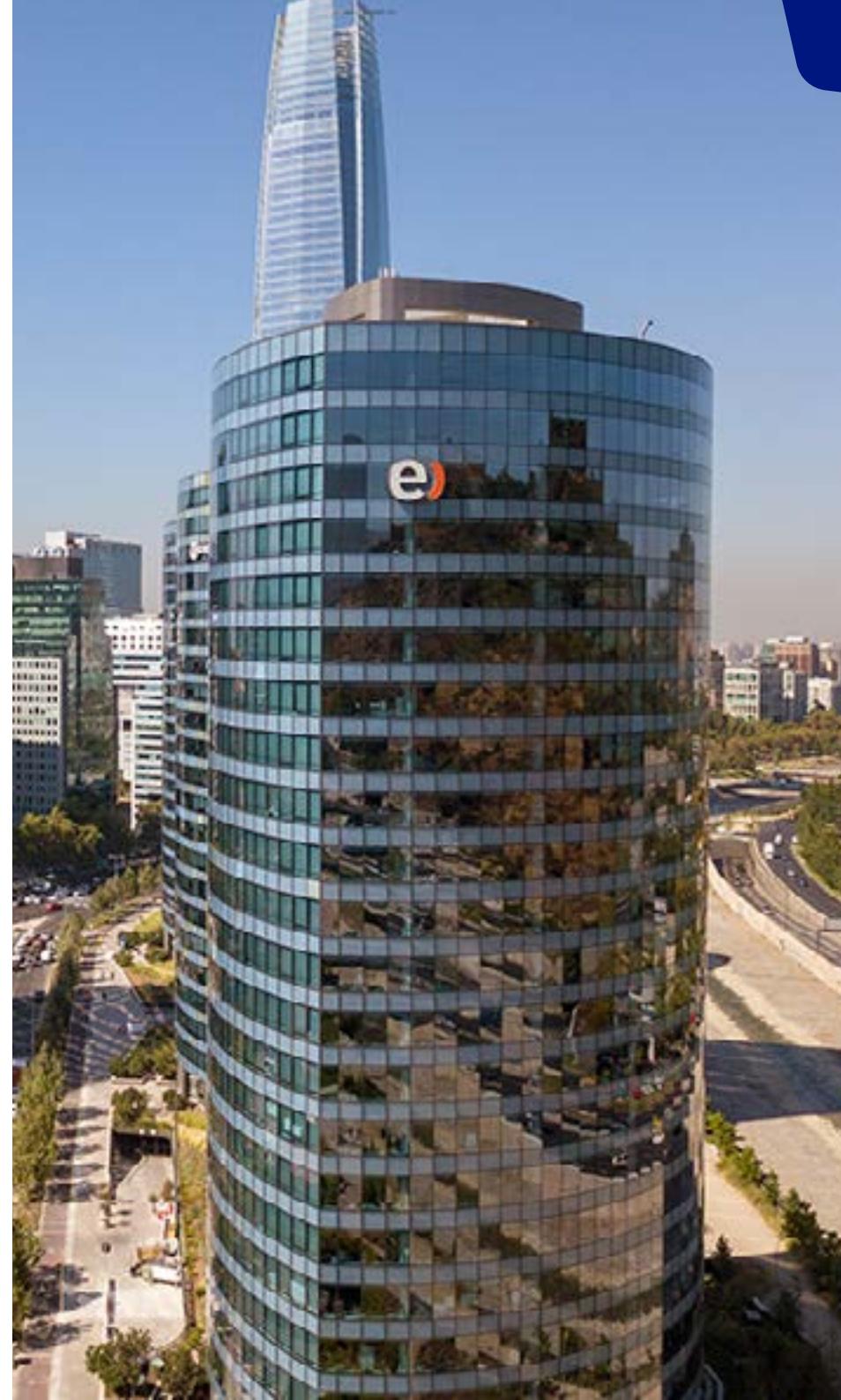
In this way the company has been achieving scale in its operation, positioning itself as a highly valued, important player in the Peruvian mobile market, achieving a 24.4% share of industry service revenue in the last quarter of 2021, up one per cent from the same period the previous year.

Residential business in Chile

In 2021, the home business saw intense competition, with several operators rolling out fibre optic networks. In this context, Entel attained coverage of 769,000 homes passed, enabling it to reach 234,000 RGUs (Revenue Generating Units) by December 2021, 66% more than at the end of the previous year. Going forward, the company will continue to effectively expand its fibre service to more homes, either through its own or third party networks.

5G Rollout and Network Strategy

In 2021 we accomplished a key milestone enabling us to continue offering better services and leading the technological change in which we are immersed. We were one of three operators to win the tender for the 3.5 GHz band, which is essential for the development of 5G technology in Chile. Thanks to the way the company had prepared itself in 2021 by investing in fiber optics and 4G, required to enable 5G, we were able to install more than 400 new antennas and start operating this new technology in 33 municipalities as part of the first stage of the project. As such, our prepaid and postpaid customers with 5G-enabled handsets have been able to access this technology since December 2021. The regulatory project will



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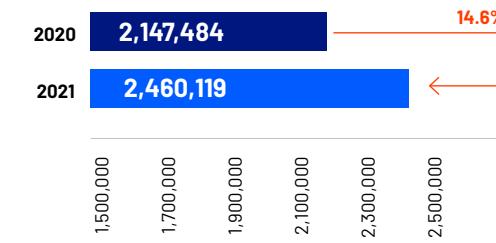
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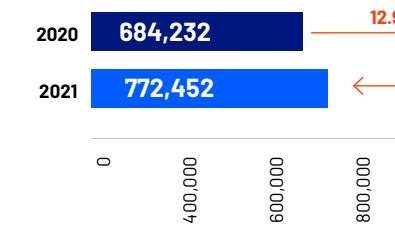
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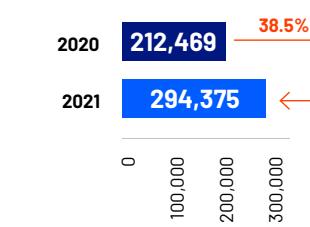
Consolidated income in Ch\$ million



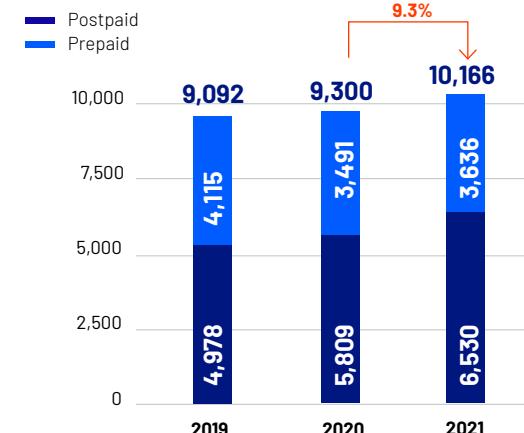
EBITDA in Ch\$ million



Operating results in Ch\$ million



Mobile customers - Chile (000)



12.4%

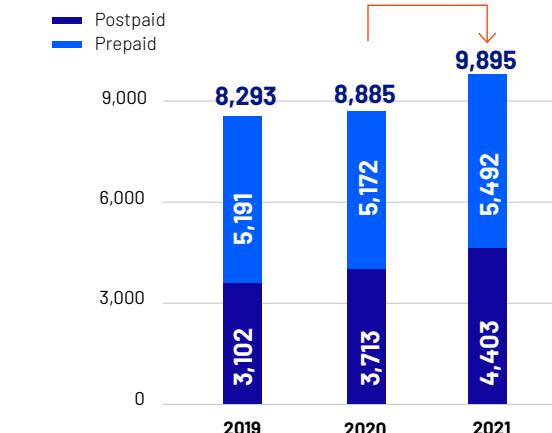
postpaid base grew
in Chile 2021.



18.6%

postpaid base grew
in Peru 2021.

Mobile customers - Peru (000)



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Letter from the Chairman

comprise 1,384 sites in the 3.5 GHz band by October 2023, with an estimated investment of USD 144 million.

And while 5G is the future, 4G will be around for a long time to come. This is why, in order to deliver on our commitment to deliver a superior network experience, Chile's 4G network will have a total budget of ThCh\$110 million approved in 2021, increasing rollout and capacity, especially in rural areas and small towns.

Successful first sustainable bond

In 2021 we went a step further in integrating Environmental, Social and Governance (ESG) factors by placing our first sustainable bond in the international market for USD 800 million. The low interest rate (3.05% p.a. in US dollars), the risk rating, the placement spreads and the high demand for Entel's products are evidence of the confidence Entel enjoys among investors, as well as the credibility of its sustainable practices.

By issuing this bond, the company restructured its maturity profile, significantly lengthening the maturities of its obligations, which together with the significant cash position creates a healthy, long-term financial position, suitable for financing the investments required by the business.

Plan to improve customer experience

A feature that has always distinguished Entel is providing a superior customer experience. To deepen this positioning in an increasingly demanding environment for our services, we have decided to go a step further and turn our customers into true "fans" of our brand as a strategic objective. This requires action on various fronts. It is a multifaceted undertaking, a challenge on which we have embarked with enthusiasm and conviction.

Preparing for future challenges

We know that our industry will be facing great challenges in the near future. In addition to the economic uncertainty in Chile and Peru, this period will see a sustained increase in costs and investments, due to higher inflation, the increase in the exchange rate and the business development cycle.

But such complexities will not change our strategic objectives. We want to continue leading the Chilean mobile market decisively, while growing steadily in the Peruvian mobile market, achieving the necessary scale of operation there. We also intend to continue expanding into the residential market with a quality fibre offering in both

Chile and Peru, and to deepen the development of digital services, particularly to capture the opportunity opened up by 5G, especially in the enterprise segment. We will do all this by consistently delivering a renewed and innovative value proposition, with a simple service that allows us to generate a great service experience.

Achieving these objectives will be based on attaining the necessary economies of scale in each business line, a deep and widespread use of digital tools, an ongoing commitment to focus resources efficiently on value areas, and an agile culture focused on our customers' experience. We know that this can only be achieved through attracting and nurturing human talent in the different areas of the business, a fundamental lever to be a successful and sustainable company in the long term.

In essence, while our goals are complex and challenging, we have the infrastructure, technology, financial resources and, above all, the human resources to achieve them.

In closing, I would like to thank the shareholders for the confidence placed in the company's Board of Directors, our customers' loyalty, the commitment of our franchisees and the constant work of our employees in this particularly challenging period.



Juan José Hurtado Vicuña
Chairman of Entel



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>About this corporate report

GRI 102-12/ 102-44/ 102-45/ 102-46/ 102-47/ 102-50/ 102-52/ 102-54/ 102-56

This report presents financial and socio-environmental information on Entel's operations in Chile and Peru for the period from 1 January to 31 December 2021. This document was prepared in accordance with the Financial Market Commission's General Regulation 30 and GRI Standards for the presentation of economic, social and environmental information under the core compliance option. It also incorporates the general guidelines of the International Integrated Reporting Council, particularly its approach to capital, and of the Sustainability Accounting Standards

Board, as regards telecommunications services. Furthermore, it represents our communication on progress towards the UN Global Compact. It is published annually and previous versions are available on the corporate website.

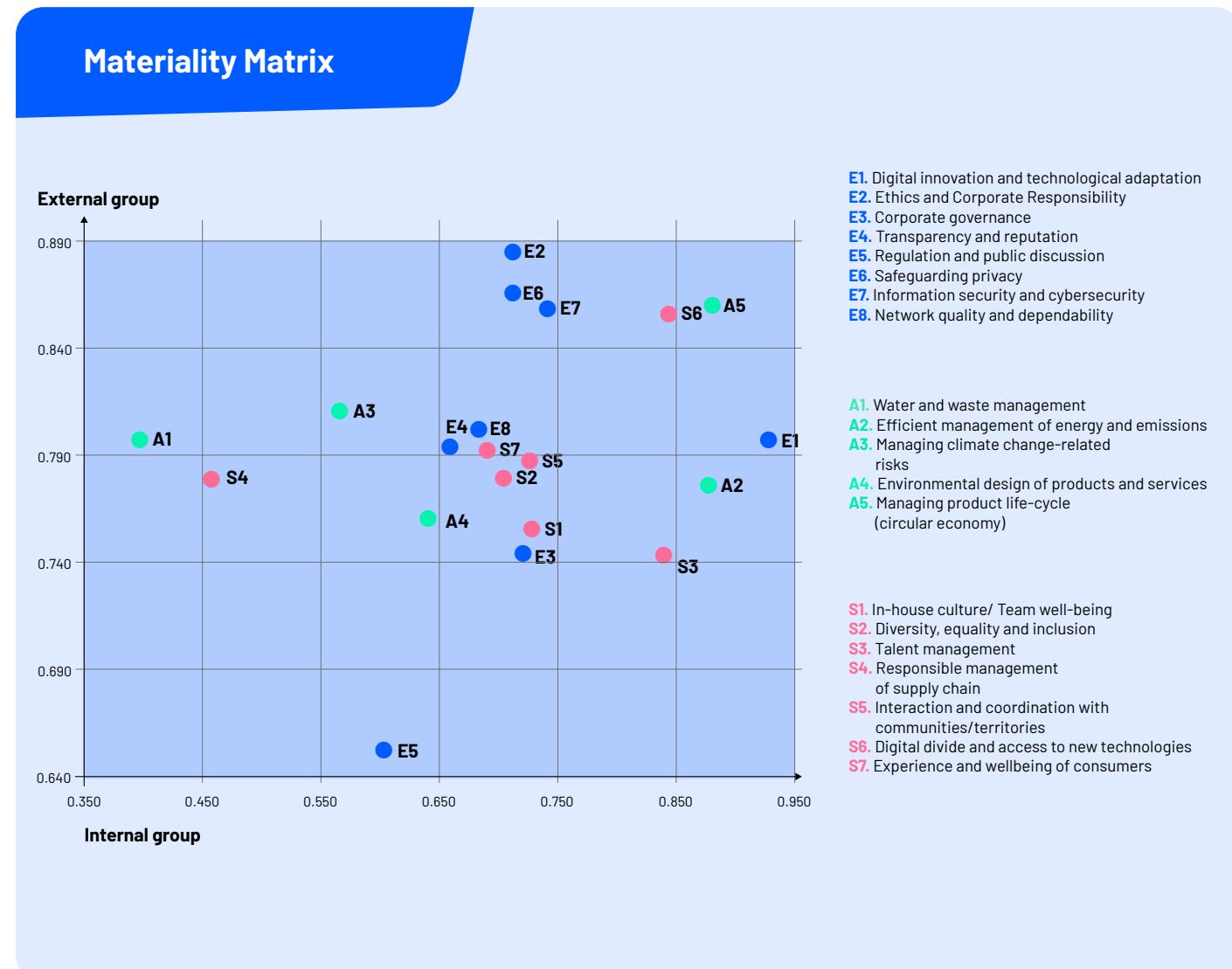
The content has been externally verified, as attested by the auditors' letter published on page 180. The GRI index identifies the verified sustainability indicators. In addition, in the headings and subheadings throughout the report we identify the different material topics addressed.



Materiality Analysis

The process for identifying the economic, social, environmental and governance issues that are most relevant to our stakeholders is carried out every two years. The last was in 2020, when we consulted internally with members of senior management and surveyed representatives from the company staff, customers, suppliers, contractors, regulators, the media, civil society organisations, academia, think

tanks, trade unions, associations and authorities. This allowed us to select 20 topics aligned with Entel's corporate culture, sustainability strategy and strategic pillars, which were prioritised according to their importance for stakeholders. The result is summarised in the following matrix, differentiating economic and governance issues (E), from environmental (A) and social (S) issues:



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About this corporate report

SSIndex Study 2021

In addition, for the first time, in 2021 the Sustainability and Risk Management areas coordinated the implementation of the Stakeholders Sustainability Index (SSIndex), a tool for assessing sustainability risks associated with stakeholder behaviours, using information from the stakeholders themselves. In this case, employees, suppliers, contractors and customers in the People, Enterprise and Corporate segments were surveyed online¹ about their perceptions of how our company manages a range of environmental, social and governance (ESG) issues. In addition to confirming the validity of the material issues, this exercise allowed us to draw up an ESG risk map to anticipate potential difficulties and to better focus our work on sustainability.

The opportunities for improvement that were identified - both cross-cutting and specific to certain areas - were translated into a road map for action, which to a large extent also set the tone for this integrated report.

¹ The tool used had three parts: SSIndex Likert questions: SSIndex Open Box questions and additional Entel questions. This is a representative survey, with 95% reliability.



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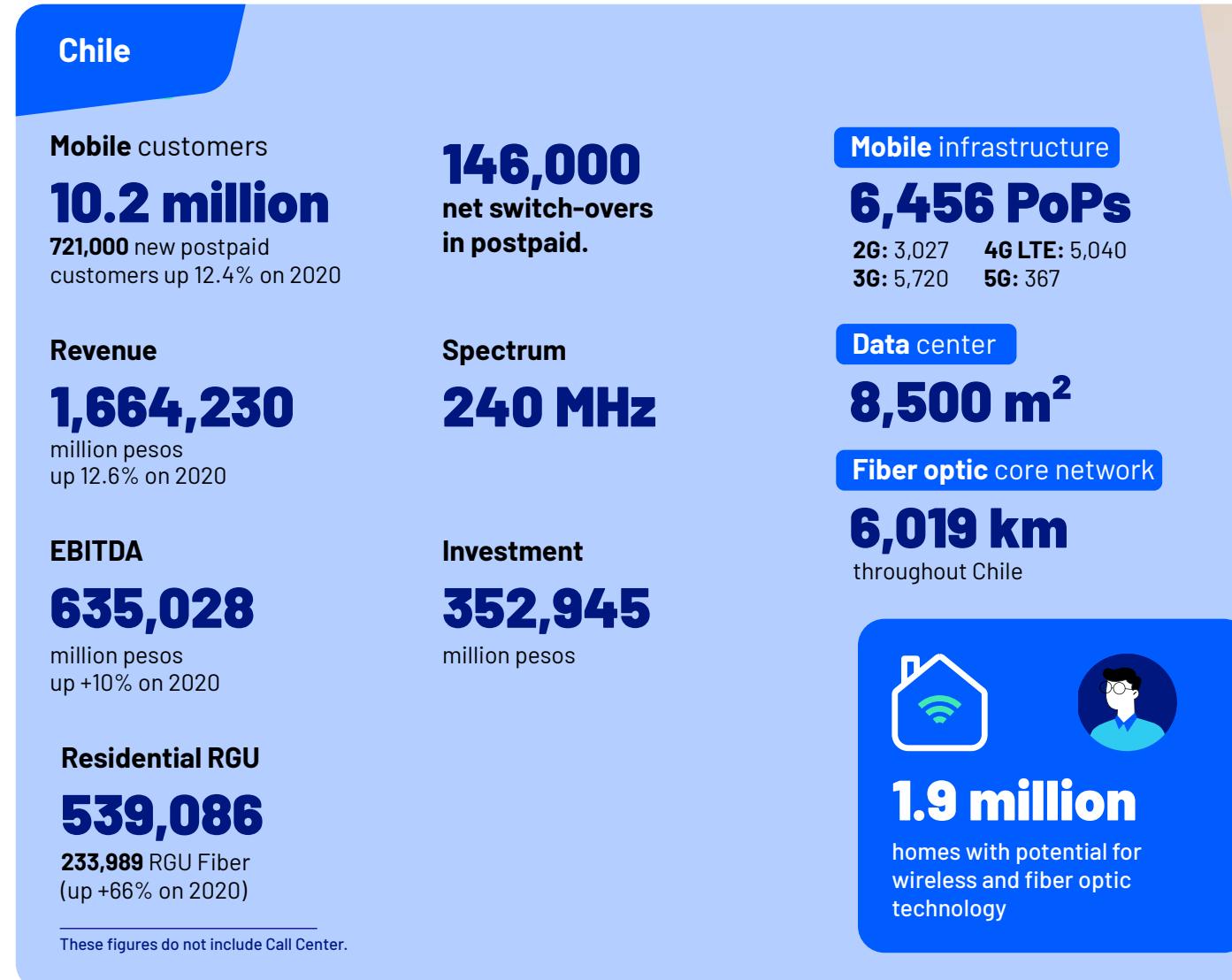
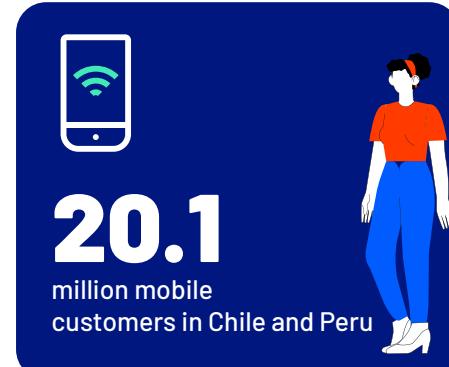
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Entel at a Glance

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Entel at a Glance

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Peru

Mobile customers

9.9 million

721,000 new postpaid customers up +18.6% on 2020

Revenue

793,884

million pesos up +35.6% on 2020 

EBITDA

134,019

million pesos up 50.4% on 2020 

140,000

net switch-overs in postpaid.

Residential RGU

133,340

Spectrum

297.4 MHz

Investment

88,354

million pesos

These figures do not include Call Center.

Mobile infrastructure

5,345 PoPs

2G: 3,693 4G: 5,345
3G: 4,689 5G: 219

Data center

752 m²

Fiber optic core network

4,507 km

in Lima and provinces



1.7 million

homes with potential for wireless and fiber optic technology



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› 2021 milestones

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5G awarding and commercial launch

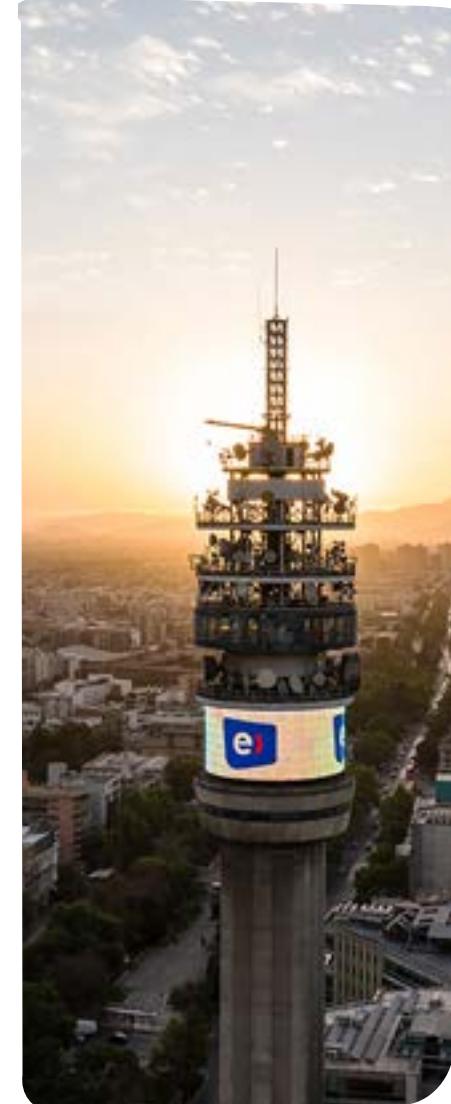
In Chile, following the awarding of spectrum in the 3.5GHz band we began the commercial operation of the first stage of the new 5G network in December.

In April, following authorisation by the authority, we started operating 5G in Peru – in Lima, Chiclayo, Trujillo and Arequipa.



Hybrid working model

The health contingency accelerated our move towards a new hybrid work system that integrates the benefits of face-to-face and remote experiences. In Chile, it gave rise to Entel Work, with two days a week of face-to-face work and three days a week remote. In Peru, Entel Flex Office was developed, which also includes two days of office work.



4G improvements

During 2021 we strengthened our 4G network in Chile, with network rollout and upgrades, especially in rural areas, in order to continue delivering the infinite possibilities of technology to everyone.

In Peru, we implemented the rural rollout of the 4G network, reaching areas with low population density in an effort to reduce the connectivity gap.



First sustainable bond issued

In 2021, we went further in integrating ESG into the company's strategy, by successfully placing our first sustainable bond in the international market for a total of USD 800 million.

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› Corporate Strategy

Since Entel's founding in 1964, to improve communications in the country, the company has followed a business strategy in line with its current purpose of bringing the infinite possibilities offered by technology closer, to responsibly transform society. For decades, this translated into an ongoing effort to extend access to connectivity throughout Chile and, more recently, across Peru. Later, with the advent of the digital era, Entel added a wide range of technological products and services to its value proposition.

Looking to the coming years, as we stand on the brink of the profound changes that will be brought about by the fifth generation of mobile phone services and the rollout of fibre optic networks across the country, we intend to take a quantum leap in the experience we offer our customers. Reaching this goal will involve continuing to strengthen our networks, being ever closer to our users and their needs, and continuously innovating our value propositions in order to be our customers' closest ally in their day-to-day lives.



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Corporate Strategy



Strategic development 2021

Management milestones for mobile and fixed services in Chile

- The mobile business showed great traction as a result of a good value proposition in all markets (postpaid base grew by 12%).
- Entel led in net portability, with 37% of post-paid market share, 0.3 percentage points lower than in 2020, but holding a broad lead over the second-place operator. Revenue share grew 1.1% to 39%.
- Organic results showed a positive trend, with revenue up 14% and EBITDA up 12%.
- Handsets played an important role. Sales were boosted by increased liquidity in the economy, resulting in a 42% increase in sales revenue.

- Residential fiber performed very well, with a 66% increase in RGUs and leading in satisfaction. This business still has limited network coverage which will continue to be rolled out in the years ahead.
- In Enterprises and Corporations, revenue from digital and IT businesses was up 9%.
- The network infrastructure coped well with the increased traffic demands of telework and teleducation.
- Entel was awarded the 5G licence and deployed the first stage of its 5G network in 33 municipalities.

Management milestones for mobile and fixed services in Peru

- The mobile business grew 19% (postpaid customer base), driven by a consistent value proposition - robust network, good brand positioning and high satisfaction, as in Chile.
- Subscription segment market share reached 26% - 0.7% higher than in 2020 - and revenue share grew by 1% to 24%.
- Service revenue was up, driven by strong industry performance, resulting in greater scale and higher operating margins.
- Entel increased its penetration of the population by 4.2% (from 75.2%), thanks to the use of third party networks (IPT and others).
- Good spectrum and infrastructure has enabled the network to withstand the higher demands.
- The handset business posted positive margins.
- We recorded positive operating profit (Ebit) of USD 6.9 million.



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› Sustainable business

Entel was born with a clear social role. It was created in 1964 in the aftermath of the devastating earthquake of 1960, which highlighted the need for a more modern and reliable communications system. Since then, we have worked to expand access to connectivity in Chile and, more recently, in Peru, in the belief that technological services are essential for the social and economic progress of nations. While performing this role, we comply with environmental regulations and respect the natural environments in which we operate.

In the first decade of this century, we decided to make this outlook even more concrete, making sustainability one of the pillars of our business, a decision that in 2018 translated into a new business purpose: to make technology more accessible and easier to use, creating opportunities for people, companies and society as a whole. Today we have a strategic sustainability plan that complements Entel's corporate strategy and sets out lines of work with medium- and long-term objectives. For each category of action, we have defined activities and initiatives that seek to achieve the goal of using technology to transform society in a responsible way.

Pillars of the strategic sustainability plan

Scope of impact	Responsible transformation	Inclusive transformation	Conscientious transformation
	Resilience and adaptation <ul style="list-style-type: none"> Regulatory changes Investment in new technologies High standards and robust systems (cybersecurity) 	Leading and exemplary talent <ul style="list-style-type: none"> Attraction and development Diversity and equity Conversion and flexibility 	Eco-efficiency <ul style="list-style-type: none"> Reduced consumption and cleaner energy (data centers) Waste management
Value chain	Fundamental rights <ul style="list-style-type: none"> Digital ethics Responsible marketing practices Supply chain 	Digital empowerment <ul style="list-style-type: none"> Suppliers Customers (with disabilities, women, SMEs) 	Climate enabler <ul style="list-style-type: none"> B2B solutions for reducing the environmental footprint of enterprises and corporate customers Consumption and electronic recycling
Society	Impact of technology <ul style="list-style-type: none"> Enabling 5G as an engine for development (big data, smart cities, telemedicine) Contribution to the public debate 	Bridging the digital divide <ul style="list-style-type: none"> Supporting connectivity Digital enablers (education, future talent) 	Circular education <ul style="list-style-type: none"> Encouraging good practices for consumption and waste management



► **This plan is coordinated by the Director of Sustainability and Environment**, leader of a team from the Regulatory and Corporate Affairs Department, the manager of which reports directly to the General Manager. At least once a year it submits a report to the Board concerning progress on related issues.

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Sustainable business



Social strategy

Reducing inequality remains a challenge for the countries in which we operate. Here, more inclusive access to telecommunications services is a powerful tool for building fairer societies and driving positive change in areas such as education, employability, entrepreneurship and cultural development. Multiple studies show a correlation between telecommunications and social welfare. Indeed, the pandemic has underscored more than ever the need for everyone to have stable, high-speed internet connections to meet their basic needs.

At Entel we have set out to reduce the digital divide by providing either fixed or wireless internet access in rural communities⁽¹⁾. It is estimated that 25% of Chile's population lives in highly rural areas, which in total cover 82% of the country's surface area⁽²⁾. How to provide connectivity in such a vast and complex territory with such a dispersed population represents a unique challenge⁽³⁾.



More than a third of Entel's 6,456 network points of presence are located in rural or isolated areas, some of which are not commercially viable. These investments were made by the company itself and through various mechanisms promoted by the Chilean state to extend internet coverage to underserved areas. These mechanisms include the Telecommunications Development Fund and regulatory obligations resulting

Entel is working with Internet for All in Peru to bridge the digital divide. Since 2019 it has delivered 4G high-speed mobile internet to more than seven thousand rural communities, benefiting one million people. This is taking place as part of the coverage fee scheme, which allows operators to use up to 40% of the spectrum fee to install 4G antennas in underserved areas.⁽⁴⁾

OBJETIVOS DE DESARROLLO SOSTENIBLE

SDG 9: Building resilient infrastructures, promoting sustainable industrialisation and fostering innovation

As a telecommunications and technology company, we believe we can make a significant contribution to SDG 9, one of the 17 UN Sustainable Development Goals, which aims to ensure that the benefits of development reach every human being by 2030. SDG 9 places information technologies and connectivity at the heart of building strong and inclusive economies, underscoring the importance of universal internet access and the investments needed to achieve this.



⁽¹⁾ In Chile, a rural commune is defined primarily as having a population density of less than 150 inhabitants per square kilometre, with a maximum of 50,000 inhabitants.

⁽²⁾ OECD (2020): *ienestar rural: Geografía de oportunidades: Chile*, in:  [See more](#)

⁽³⁾ More details on our initiatives to improve the connectivity of rural and isolated areas can be found in chapters 7 and 8 of this integrated report.

⁽⁴⁾ More information on Entel's activities in Chile and Peru to increase connectivity can be found in Chapter 8: Commitment to development, in this integrated report.



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Environmental strategy

While the expansion of telecommunications service coverage is necessary, it also brings environmental risks from the increased energy consumption, greenhouse gas emissions and generation of e-waste. Mindful of this, at Entel we have adopted a series of measures and best practices for the more efficient use of resources.

More than 98% of the electricity consumption in our operations is concentrated in the networks and data centres. Our goal is to assure that as data traffic grows, we can increase energy efficiency in these facilities. We use indicators to manage the networks, which correlate the volume of traffic to factors such as quality, available capacities and resource usage. In this way we make savings of up to 7% in electricity consumption. We also have contracts for the supply of renewable energies, which account for a growing share of our energy mix. Around two thirds of the energy consumed in data centres is generated from renewable sources. In 2022, this supply will extend to additional sites such as the CNT and the Longovilo data centre. We are also testing alternative production methods. To date, 140 antennas operate using solar energy, 19 use wind power and four, hydrogen cells.

Additionally, since 2016, we have measured direct and indirect greenhouse gas (GHG) emissions in all our operations using the methodology proposed in the GHG Protocol. To deal with increasing e-waste generated around the world, we apply a strategy that combines repair, reuse and recycling, along with promoting circular economy practices in society. We have more than 600 recycling points in Chile and Peru.⁽¹⁾

As more people join the ongoing digital revolution, there is a need for new practices that promote environmental stewardship and minimize the impact of technology, while bringing more stakeholders on board with environmental stewardship. Given the complexity of these tasks, Entel decided to unify and formalise the different initiatives. As such, the company has been working for the past two years to establish an environmental policy and implement a company-wide Environmental Management System (EMS) based on ISO 14001:2015. In 2020 we published our Environmental Policy, available online⁽²⁾, which defines our environmental governance and establishes guidelines for managing the environmental risks associated with our activities.

Sustainable financing

At Entel we know that the social need to increase connectivity and mitigate the associated environmental risks require further investment. On the other hand, one of the main objectives of our financial strategy is to ensure liquidity in the short-, medium- and long term in order to deliver on the corporate business plan.

One way of reconciling and even enhancing both objectives is through sustainable financing, a global trend that is becoming increasingly widespread – though still relatively uncommon in Chile and Peru – involving debt instruments that are applied exclusively to financing or refinancing green and social projects, i.e. those with positive impacts on the environment and society. As the market's valuation of companies with good performance in terms of sustainability has grown, demand for these instruments has been on the rise. There are even studies showing that sustainable loans and bonds yield an improvement of around 0.10% in interest rates.

To be deemed sustainable, loans and bonds must meet a number of formal requirements. Given Entel's track record, we were confident that the company was in a position to perform well with this new type of financing.

⁽¹⁾ More information on Entel's actions relating to energy consumption and waste management can be found in Chapter 8: Commitment to development, in this integrated report.

⁽²⁾ Available at:



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Sustainable business

Sustainable Financing Framework

In 2021, Entel developed a procedural framework for issuing sustainable bonds and loans, ensuring the use of the funds generated in projects that reduce emissions, promote waste management and improve access to basic telecommunications infrastructure and services, with the intention of causing positive social and environmental impact.

It was developed based on the highest international standards, the company's sustainability strategy and the UN SDGs, specifically goals 7, 9, 11 and 12.

The resulting Sustainable Financing Framework outlines the processes for selecting the projects to which funds will be allocated and how they should be used and managed. It also sets out commitments regarding the regular reporting of information on allocations and their impact, including objective and measurable indicators.

Sustainable Financing Framework

 [See more](#)

Review second opinion

 [See more](#)

⁽¹⁾ Rule 144A states that debt securities shall only be offered to US-based investors.

Entel's Sustainable Financing Framework is based on:

- The 2021 Sustainability Bond Guidelines (SBG), the 2021 Green Bond Principles (GBP) and the 2021 Social Bond Principles (SBP), administered by the International Capital Markets Association (ICMA).
- The 2021 Green Loan Principles (GLP) and the 2021 Social Loan Principles (SLP), administered by the Loan Syndications and Trading Association (LSTA), Loan Markets Association (LMA) and Asia Pacific Loan Market Association (APLMA).

These principles are voluntary procedural guidelines that advocate transparency, disclosure and the adoption of best practices when issuing sustainable instruments, as well as outlining the categories of eligible initiatives such as green and social projects.

Issuance of Entel's first green and social bond

Following a telematic road show with potential investors, in September 2021, Entel placed its first sustainable bond in the international market, for a total amount of USD 800 million. The 144A/RegS⁽¹⁾ bonds were issued in US dollars, maturing in two identical instalments in 2031 and 2032, at an interest rate of 3.05% per annum.

The issue, rated BBB by S&P and Fitch Ratings, was considered a success in the market, with demand exceeding US\$ 2.64 billion.

Proceeds from this US Bond issue will be used primarily to finance and refinance, in whole or in part: (i) Eligible Green Projects and Eligible Social Projects of the Company or any of our subsidiaries in accordance with the Green Bond Principles, 2021 and the Social Bond Principles, 2021, administered by the International Capital Markets Association; and (ii) a voluntary early redemption offer ("Tender Offer") of the bonds issued by the Company maturing in 2024 at an interest rate of 4.875% per annum (the "2024 Bonds") and/or the bonds issued by the Company maturing in 2026 at an interest rate of 4.75% (the "2026 Bonds"), for a combined aggregate principal value of USD 800,000,000 nominal value. The premium for voluntary early redemption would be USD 66,481,026.

The year thus resulted in a gain in interest costs and leaves the company with sufficient liquidity to address its business plan without additional refinancing in the medium term.

The low interest rate, the risk rating, the placement spreads and other associated indicators reflect the confidence that investors have in Entel, its strategy and its strong financial position. This was the bond with the lowest issuance cost placed by a Chilean private company abroad in 2021, with demand exceeding supply by more than three times, all the more remarkable given the high level of competition in global markets, as well as the high levels of political and economic uncertainty in Chile and Peru at present. Internally, receiving the bonus provided further evidence of what Entel has been since its inception - a company that conducts its business in a sustainable manner. Finally, through this issuance we are taking a step further in integrating our sustainability strategy into the heart of our business.

Eligible projects

Entel's Sustainable Finance framework, reviewed by Sustainalytics, sets out the projects where funds raised can be invested. These may be new or existing, and include expenditures made by Entel or its subsidiaries after the date of issuance of the sustainable bond or in the 24 months prior to its placement.

➤ Evaluation and project selection procedure

Staff from Finance, Accounting, Risk Management, Human Capital and Sustainability will review and select projects that are in line with our Sustainable Finance Framework, which will be assessed for their environmental and social risks in accordance with corporate policies and procedures. Final allocations will be reviewed and approved by the Finance Manager. The funds should be allocated within 36 months of the bond issue, in line with market practice.

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► Fund Management

The Finance, Accounting, Human Capital and Sustainability departments will monitor the use of the funds raised through the issuance of the sustainable bond.

Each year, until these funds are fully allocated, we will publish a Sustainable Finance Report on our investor website. The report will include:

- ✓ The amount allocated to each green and social project,
- ✓ Percentages of funds used for financing and refinancing,
- ✓ Project descriptions,
- ✓ Expected impact indicators,
- ✓ The amount remaining to be allocated at the end of the reporting period.

International indices

Consideration of environmental, social and corporate governance (ESG) factors is increasingly relevant for the financial market when deciding which companies to invest in. As such, metrics that identify companies with the best performance in these areas are particularly relevant. Entel participates in a number of international non-financial indices, which also helps us to identify opportunities for improvement and continue making progress on this path of continuous learning.



► Sustainability Index Dow Jones

In 2021, for the sixth year running Entel was included on the Dow Jones Sustainability Index in the DJSI Chile and DJSI MILA Pacific Alliance categories, which group the companies with the best sustainability ratings. The company improved on or maintained its score for 15 of the 24 criteria reviewed, and came top for four of them - network reliability, occupational health and safety, environmental reporting and social reporting. It also saw significant growth in transparency regarding participation in public discussion, the promotion of the digital agenda to manage innovation and the development of human capital. This translated into an aggregate increase of five points over 2020, placing us 28 points above the global telecoms industry average.

► Best Emerging Market Performers Ranking

In August 2021, this Moody's ESG Solutions-linked rating ranked Entel among the top 100 ESG performers out of a benchmark universe of 855 organisations in 31 countries. Entel was the only Chilean telecommunications company to qualify. In fact, only seven companies in the country qualified.

The list is updated twice a year. The topics measured, with more than 300 indicators, include respect for human rights, environmental protection, corporate governance, business ethics and contributions to social development.

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Relationship with stakeholders

GRI 102-40/ 102-42/ 102-43/ 201-1/ 207-1/ 407-1/ 409-1/ 412-1

Work and communication with our stakeholders is formally structured using a relationship model that establishes the objectives and frequency of interactions with each stakeholder. The Regulation and Corporate Affairs Department is in charge of these relationships, overseeing the application of the model through its different areas and in coordination with the rest of the company.



Stakeholders and commitments

The commitments Entel has made to its stakeholders are set out in our Code of Ethics, the behavioural benchmark for all those involved with the company.

Customers and Users

We owe it to our customers. We strive to offer them innovative products and services that exceed their expectations, with the highest standards of quality.

We are interested in providing accurate, clear and timely information about all our products and services, as well as every activity and action related to them.

Employees and unions

We foster the involvement of all our employees in the business project, guaranteeing them respectful and fair treatment, regardless of their role.

We provide an environment where development opportunities are based on merit. We protect their fundamental rights and value diversity.

Shareholders and Directors

The relationship with our shareholders and directors is based on loyalty and excellence in the performance of our activities, helping create value and sustainable development, justifying the investment they have made.

Our directors subscribe to the principles and values of the Code of Ethics and promote their observance.

Trading partners

We base our relationship with business partners on professionalism and trust, safeguarding their privacy and the confidentiality of their communications.

We offer equal opportunities to all qualified companies wishing to become our partners, through an objective screening process that always strives for the best interests of our customers.

Suppliers, contractors and distributors

We provide equal access to information to all potential suppliers so that they can prepare their proposals, and we analyse tenders using objective procedures. The choice of suppliers is always based on merit and capability, in accordance with the quality and cost of the product or service and the supplier's risk level.

Contractors and distributors must adhere to our standards of conduct.

Community and environment

We establish direct, transparent and respectful links with the community and the environment, for which we promote clean technologies and initiatives that favour the sustainable development of the communities where we operate, bringing technology closer to people.

We are careful to remain independent of the interests of political groups, religious creeds or any other ideological associations.

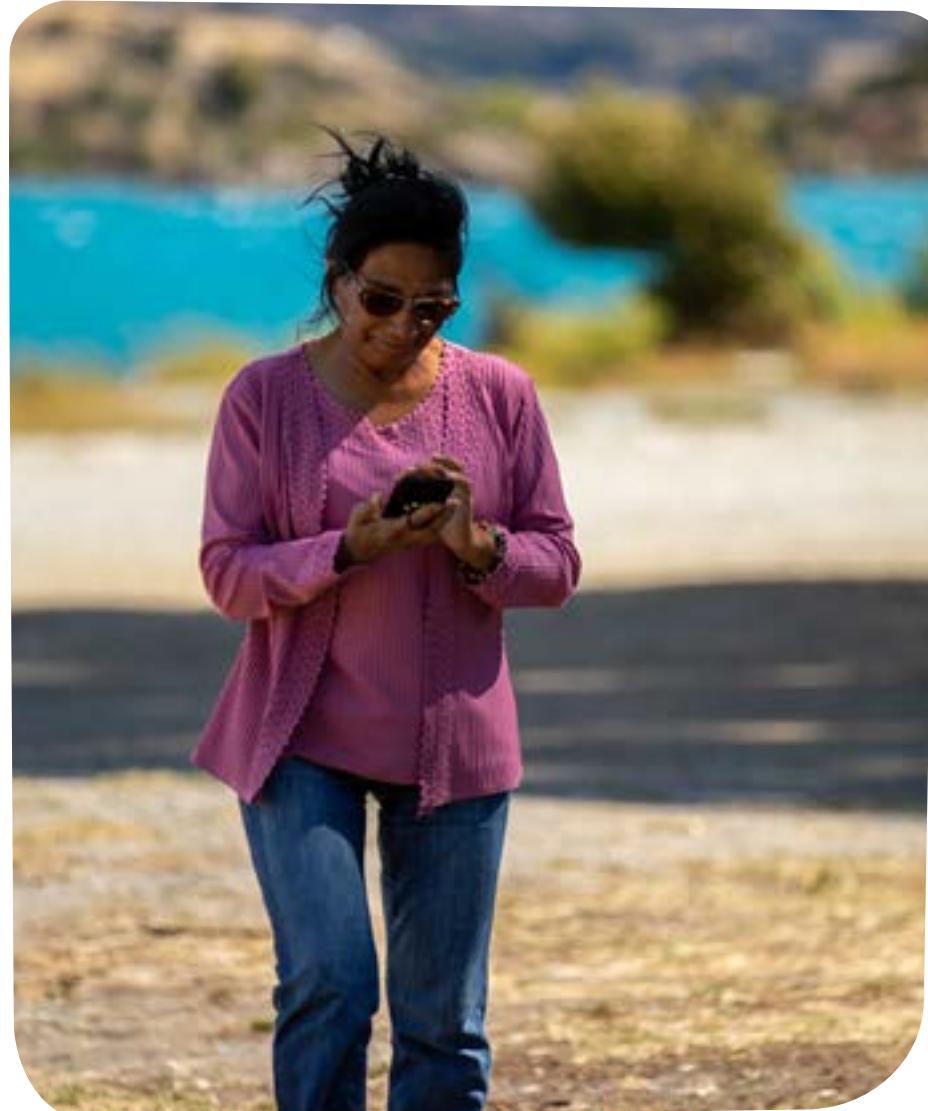
State Administration and other authorities

We foster an open, transparent and participatory relationship with authorities, based on mutual respect, collaboration and integrity. In our relationship with the authorities, we comply with Law No. 20,730, which regulates lobbying.

We use internal mechanisms to channel and manage meetings with authorities, promoting activities, giving gifts and invitations to events.

Competitors

We encourage conduct that is fair and respectful of competition in all the markets in which we participate. We have a specific model to prevent anti-competitive practices.



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Relationship with stakeholders



Distributed and retained economic value

We seek to ensure that all our stakeholders participate in and benefit from the economic value that Entel generates each year. We also contribute to the development of the

economy and society at large through our products and services, and through all the interactions and possibilities offered by technology.

Generated value	2021 (M Ch\$)	2020 (M Ch\$)	% Change
Revenue from ordinary activities	2,427,220,678	2,092,644,232	16%
Other revenue and earnings	32,898,723	54,840,196	-40%
Subtotal revenue	2,460,119,401	2,147,484,428	15%
Net indirect taxes	135,770,165	171,949,897	-21%
Total Generated	2,595,889,566	2,319,434,325	12%

Distributed Value	2021 (M Ch\$)	2020 (M Ch\$)	% Change
Direct costs (goods and services)	1,389,552,856	1,174,351,489	18%
Employees	257,361,942	256,632,902	0%
State	143,119,609	388,969,833	-63%
Community and environment	797,857	776,451	3%
Shareholders	253,392,358	46,510,635	445%
Financial	146,563,475	93,954,395	56%
Total Distributed	2,190,788,097	1,961,195,705	12%
Amount retained	405,101,469	358,238,620	13%



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Relationship with stakeholders

Responsible tax conduct

We strive for full tax compliance, declaring and paying taxes as required by the laws of each of the countries in which we operate and in accordance with the following guidelines:



Mutual respect

We seek to develop collaborative and mutually respectful relationships with the tax authorities, based on transparency and trust, by providing all the information necessary for their review processes and responding in a timely manner to their requests.

At market value

All transactions with parties associated with the group, whether domestic or foreign, are in line with transfer pricing regulations and OECD guidelines, applying market value to both domestic and cross-border transactions.

No tax havens

The Group has no investments in, or relationship with, entities domiciled in countries or territories that are considered tax havens under current tax legislation.

Good practices

We embrace all best practices that help prevent and reduce tax risks, ensuring that the entire group complies with the applicable tax laws and regulations in order to be a viable and sustainable company over time, aligned with its corporate principles.

⁽¹⁾ The analysis was based on the UN Guiding Principles on Business and Human Rights.

Tax consolidation

Consolidated financial information for fiscal years 2020 and 2021 (M Ch\$)

Category	2020	2021
Operating Income	2,147,484,428	2,460,119,401
Pre-Tax Profit (Loss)	93,954,056	118,630,360
Income Taxes Paid (PPM)	92,042,070	44,177,427
Income taxes	(38,934,419)	(32,759,621)
Effective tax rate	10.1%	36.8%
Income tax reconciliation to effective tax rate	14,061,755	(12,568,777)

Financial information by country (M Ch\$)

Category	2020		2021	
	Chile*	Peru*	Chile*	Peru*
Operating Revenue	2,307,391,352	702,089,005	2,526,732,492	823,614,714
Profit (Loss) for Operational Activities	245,643,263	(33,174,227)	288,359,830	6,014,855
Income Taxes Paid (PPM)	85,445,594	6,596,476	40,756,460	3,420,967

* For Chile and Peru, all subsidiaries are included, including Call Center

Human Rights

In both Chile and Peru, Entel is part of the United Nations Global Compact and adheres to its ten principles, including those relating to the protection of human rights.

We identified 18 rights relevant to our operations through a due diligence analysis we conducted in 2018⁽¹⁾, and we incorporated the feedback gathered from stakeholders into our value chain, from procurement and sourcing practices to the use of our products and services, seeking to reduce the risks inherent in our activities that could compromise the rights of individuals.

Accordingly, over the past three years we have taken action to guarantee the labour rights of our contractors and suppliers, developed a data management policy and governance to protect our customers' right to privacy, and updated our stakeholder engagement model to protect their right to self-determination. In 2020 and 2021, in the context of the pandemic, we focused on helping different groups, such as students and older people, to access basic services digitally or remotely through technology.

Beyond specific action, the primary approach here is coordination between the various company departments involved in the processes most sensitive to human rights, so as to always be able to provide swift and timely responses to safeguard them.

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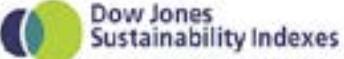
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Dow Jones Sustainability Index

We continue to feature on this index assessing companies in terms of sustainability, in the categories "DJSI Chile" and "DJSI MILA Pacific Alliance".



FTSE4Good

FTSE4Good: In 2021 we continued to be amongst the London Stock Exchange's FTSE4Good companies, which groups enterprises with sustainable practices worldwide.



V.E Best Emerging Market Performers Ranking

The company is among the 100 best performing companies in terms of social responsibility, according to a ranking by Moody's ESG Solutions, based on a total of 800 companies from 31 emerging countries.



Values and Business Ethics Barometer

Fundación Generación Empresarial (FGE), an organisation that promotes a culture of integrity and good business practices, placed Entel in the "First Measurement" category.



Chile 3D

We are the most highly valued telecommunications company for Chileans, according to the CHILE3D 2021 study, which also places us among the top 100 most valued brands in the country.



We received the ESG Seal

that certifies our inclusion in the S&P IPSA ESG Tilted Index of the Santiago Stock Exchange, which demonstrates the company's commitment to sustainability and the integration of environmental, social and good corporate governance factors.



Equidad CL

For the second year in a row we were awarded Equidad CL certification, which recognises the best places to work for LGBTI+ people, awarded by Fundación Iguales and the Human Rights Campaign.



Pride Connection

According to the results of internal monitoring carried out annually by the Pride Connection network of companies, Entel was awarded an "A+", reflecting our strong commitment to sexual and gender diversity.



Merco Empresas and Merco Talento 2021

Entel came ninth on the list of companies with the best reputation in Chile, which is compiled after interviewing different stakeholders on various factors relating to their experience with the institutions. It also ranked ninth for companies with the greatest capacity to attract and retain talent in the country.



Mobile Network Experiencia Report

Entel came first in six out of seven categories in OpenSignal's mobile quality of service survey.

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ProCalidad

We came first in the "Fixed Telephony" category in the ProCalidad National Customer Satisfaction Award.



Peru



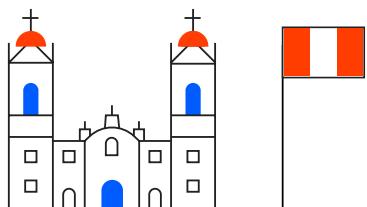
Socially Responsible Company Distinction (DESR 2020)

For the fifth consecutive year Entel achieved this distinction, awarded by Peru 2021 in alliance with the Mexican Philanthropy Centre, based on evidence of each company's practices.



Effie Peru Awards

Winners of 13 Effie awards, in different categories such as ecommerce, internet and telecommunications, and new services. In addition to being recognized as best advertiser of the year.



Merco Ranking

Entel Peru was ranked 20th in the Merco Social Responsibility and Corporate Governance ranking and ninth amongst companies that best dealt with the pandemic. It was also number one employer in the telecommunications industry and 20th amongst all companies, according to Merco Talento.



Best Customer Experience (BCX)

For the seventh year in a row, Entel held its position as the telecommunications company with the best customer experience in Peru, according to IZO's BCX 2020 index.



Equality and Inclusion Prize

Entel's "Signs that Connect" program took first place in the "Equality and Inclusion" category of the eighth "Customers First" award, organised by the National Institute for the Defence of Competition and Protection of Intellectual Property (INDECOPI), which seeks to recognise the good practices of public and private institutions and companies nationwide.



TUTELA Peru Mobile Experience Snapshot

In Tutela Technologies' study on connectivity and mobile networks, Entel was found to be the operator with the best download speed and lowest latency in Peru.



Good Work Practice Contest

Entel came second in the "Promotion of work-family balance" category of the competition, organised by the Peruvian Ministry of Labour and Employment Promotion.

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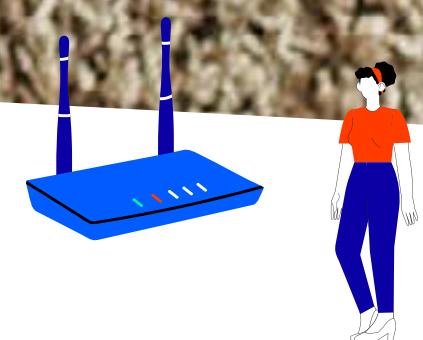
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› Entel Profile

GRI 102-16



We are a **leader in technology and telecommunications**, with operations in Chile and Peru, markets in which we have more than 20 million mobile customers and consolidated annual revenues of Ch\$2,460,119 million, as at December 2021.



The company offers mobile and fixed connectivity services, as well as a wide range of IT and digital services for individuals, businesses and large corporations.

In both countries we offer wholesale and call center services.

With each of our products and services, we strive to deliver simple and efficient experiences, supported by a solid, state-of-the-art infrastructure.



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Entel Profile



Ownership

At the end of 2021, ownership was distributed amongst 2,243 shareholders. The controlling shareholder is Inversiones ALTEL Ltd, a subsidiary of Almendral S.A.

Entel Chile S.A. is one of the biggest corporations in the country listed on the Santiago Stock Exchange.

Ownership structure



Pension fund	14.20%
Inversiones ALTEL	54.86%
Others	30.94%

USD 1,003

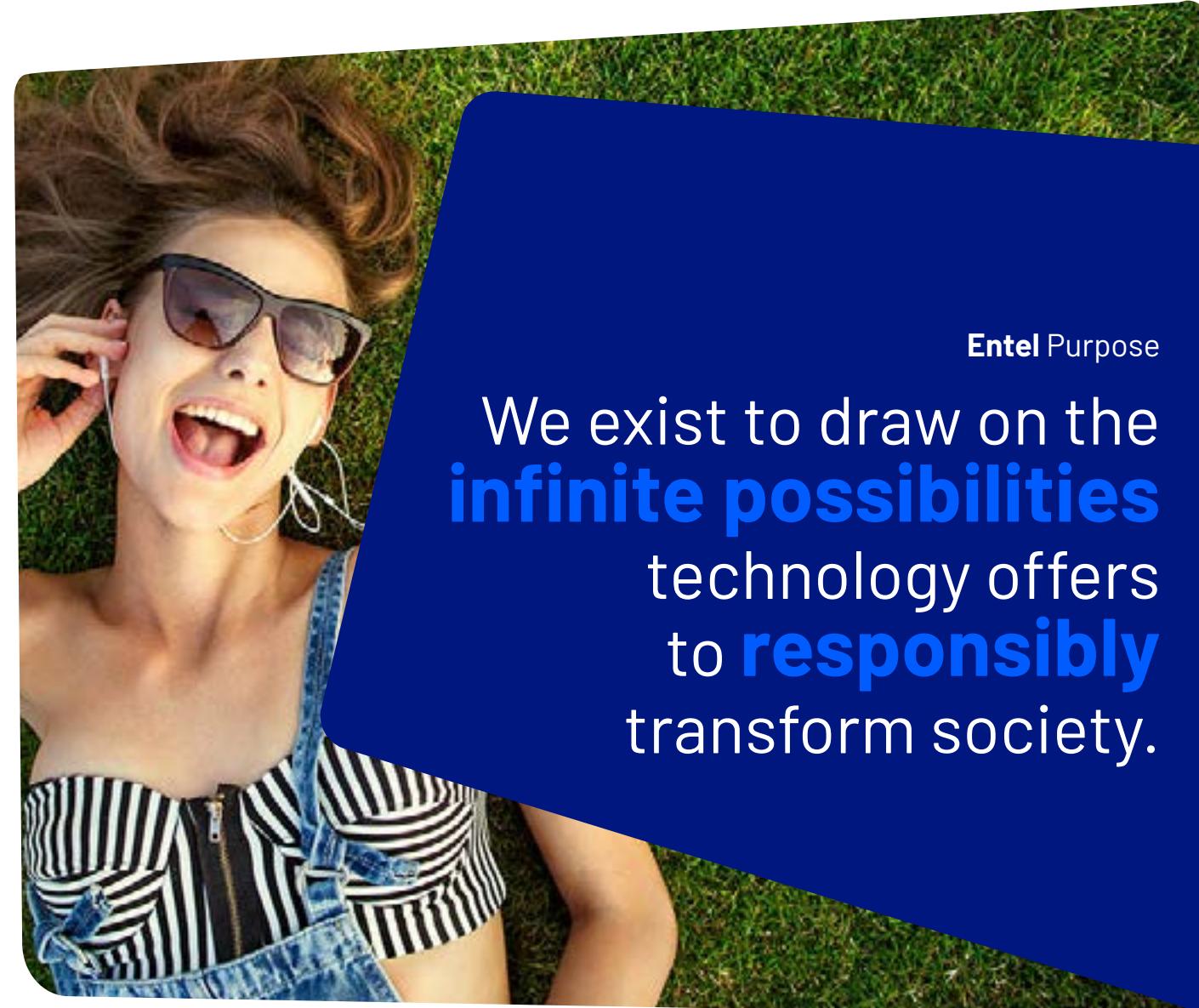


million in market capitalisation

302,017,113



single series shares



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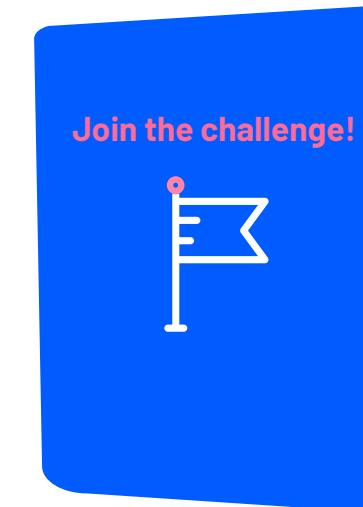
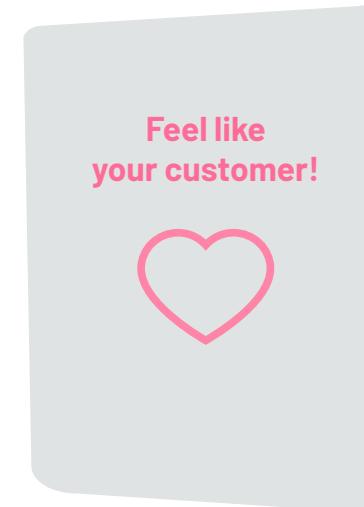
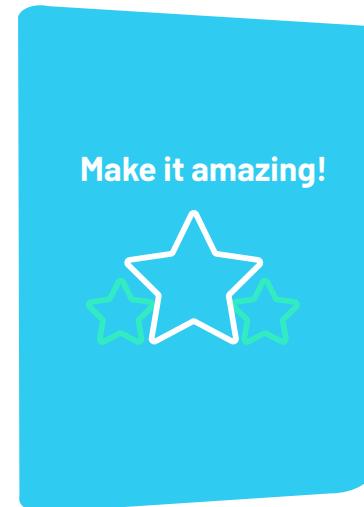
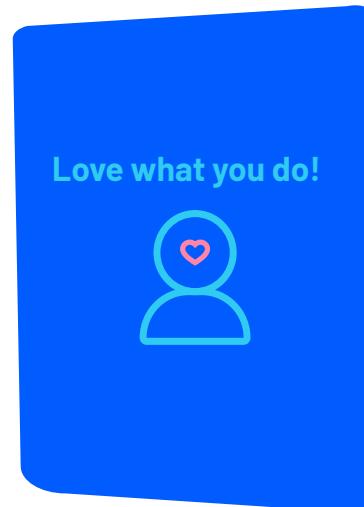


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› History



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1964

Empresa Nacional de Telecomunicaciones S.A. (Entel) was established by decree of the Ministry of Finance. to provide companies with national and international long distance phone services.

1968

We installed the first satellite station in Latin America in Longovilo (commune of San Pedro, province of Melipilla).

70

1974

We inaugurated the 127-meter-high Entel Tower, which houses the National Telecommunications Center, now an icon of the city of Santiago.

80

1987

We finished digitizing our national and international long-distance network.

90

1990

Rollout of our fiber optic network begins throughout Chile.

1992

We complete the transfer of ownership of our company to private companies, a process that began in 1986.

1993

We begin international expansion with the creation of Americatel Corp., to provide long-distance services in the United States. In 1994 we acquire Americatel Central America. Both companies are sold in 2006.

1994

We started competing in our core business with multicarrier system code 123.

1995

Internet connection is added to our range of services.

1996

We expand into the analog mobile telephony business, acquiring Telecom Celular, a company with presence in a number of regions.

1997

We are awarded two PCS (Personal Communication Service) licenses and start providing mobile telephone services throughout the country.

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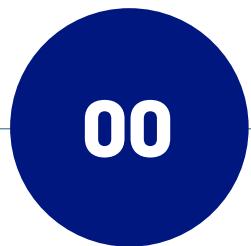
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2000

- ▶ We create the subsidiary Entel Call Center.
- ▶ We create Americatel Peru to provide long-distance and traffic termination services in that country.
- ▶ Under the brand name EntelPhone, we obtain two licenses on the 3,500 Mhz band to provide fixed wireless services and broadband for internet (Entel Will).

2005

We broaden our range, offering IT services.

2006

- ▶ We are the first operator in Latin America to commercially launch a 3G mobile telephone network.
- ▶ Under the brand name Entel PCS, we launch the first mobile broadband service in Latin America.

10

2010

Entel launches the first phase of its **Ciudad de los Valles data center**, with 8,000 m² of floor space. In 2020 it became the first data center in Latin America to obtain the highest international certification (TIER IV Gold for Sustainable Operation from the Uptime Institute).



2011

We integrate our fixed and mobile businesses. The company's activities are grouped into market segments.



2012

- ▶ In partnership with the government, we successfully completed the **Todo Chile Comunicado project**, which provides voice and Internet coverage to 1,474 rural areas, benefiting more than three million people.
- ▶ We are awarded the central 40 MHz block of the 2,600 MHz band, making it possible to provide services over LTE or 4G technology networks.
- ▶ We start providing network infrastructure services to mobile virtual network operators (MVNOs), a new mobile business segment.
- ▶ With **Entel Hogar**, we start providing fixed wireless telephone services, satellite TV and internet in the residential segment.

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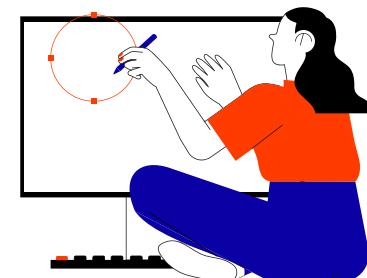
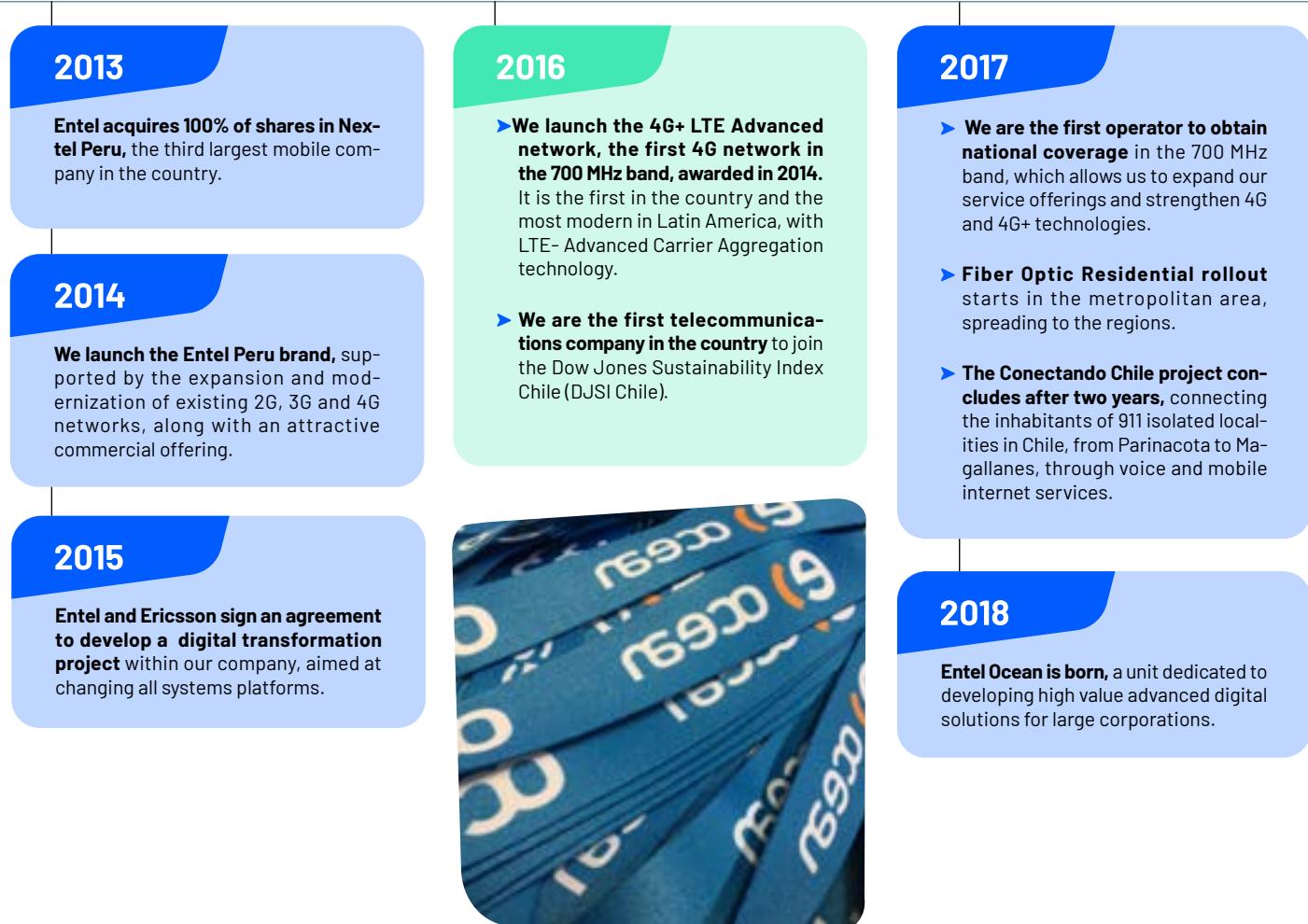
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20

2020

► Amid the uncertainty and challenges presented by the Covid-19 pandemic, Entel provided an agile response that allowed it to successfully absorb the increase in traffic and changes in the pattern of network use resulting from containment measures. It also provided facilities and benefits to its customers, while 95% of the company's staff adopted teleworking to maintain operational continuity without exposing themselves to the risk of contagion.

► In partnership with Ericsson and the University of Chile, we created the country's first 5G Campus, dedicated to research and development centered around the new network.

2021

► Together with the Ministry of Transport and Telecommunications, we inaugurate the first 5G Experimental Zone in Latin America, putting on the first gaming demonstration on this new network.

► Entel is one of the three companies to be awarded the 3.5 GHz band bid, necessary for the development of 5G technology in Chile. A few months later, operations began on the first stage of its fifth-generation network.

► We successfully place our first sustainable bond in the international market. The more than USD 800 million raised will be used mainly for investments that help bridge the digital divide, reduce emissions and promote circular waste management.



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› Segments and Markets

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Consumer Segment

In 2021 we had 4,490,297 mobile subscription customers (voice+data+internet) and 3,636,187 prepaid customers with voice and data services. For Residential we reached 539,086 income generating units (RGU), through which we provide telephony and internet services, complemented by satellite TV.

Mobile Telephone Services (with or without data)

- Postpaid
- Prepaid
- International roaming
- Mobile Internet (MBB)

Carrier Billing

- Netflix
- Spotify
- Google Play

Residential

- Fiber services: voice, internet and IPTV.
- Wireless Services: voice and internet.
- Entel TV

International long distance carrier service

- Fixed and Mobile

Handsets and accessories

- Smartphones
- Speakers, headphones smartwatches etc.

Financial Services and Insurance.

- Entel Visa Card
- Handsets/Travel/Car
- Insurance.



Enterprise Segment

We provide services to 130,000 companies of different sizes -micro, small, medium and large -, looking to become their technology partners and support them in their digital transformation.

Mobile Solutions

- Multimedia Plans
- Mobile Broadband Plans
- Roaming

Handsets

- Handset Sales
- Accessories
- Handset insurance

Fixed Solutions

- Dedicated Internet
- Fixed telephony + Broadband Internet
- Managed local network services
- Advanced Telephony for Larger Customers
- International long distance
- Private Data Networks
- Firewalls and Cyber-Security
- Fixed Wireless Broadband

Technological Solutions

- Cloud infrastructure
 - Entel Secure Cloud
 - Azure Services
- Applications
 - Office 365
 - G Suite
 - Digital Market (Marketing solutions, sales, messaging automation, business management and other)
- Internet of things (IoT)
 - Fleet Management (GPS)
 - M2M connectivity
- Video analytics
 - Server hosting

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Corporate Segment

We provide convergent solutions for mobile, fixed and digital services to 550 conglomerates and public entities requiring specific solutions. We take care of their specific and specialized needs, both technological and service, in support of their strategic business processes.

Wholesale Segment

We provide services and leasing of fixed and mobile network infrastructure to national and international telecommunications operators.

Mobile Solutions

- Unlimited mobile voice and data service, with collaboration, contactability and geo-referencing services.
- Mobile Broadband
- International roaming
- MDM (Mobile Device Management)
- E-commerce platform with exclusive digital attention for corporate partners with a choice of plans, equipment and accessories.

Easy billing

- platform to manage billing of mobile b2b account.

Fixed Solutions

- **Data Networks:** Private mobile networks connectivity, dedicated Internet, dedicated coverage, private networks MPLS, SD-WAN, connectivity to public clouds.
- Monitoring of infrastructure and business processes.

Unified communications

- Phone service, Voice and Collaboration, On Demand IP Phone Service, Videoconference, UCaaS.

Public phone service

- Local phone services, International long distance Technological solutions.

Digital Solutions

- **IT Solutions:** outsourcing, housing, sap services, end user services (eus), technological renewal, Entel Secure Cloud.

Entel Ocean

- Reef IoT Platform
- Kamal Analytics Platform
- Entel Secure Cloud platform

- Touch Contactability Platform
- MarketPlace Platform

Entel CyberSecure

- endpoint security management, cybersecurity assessment, smart security, cyber intelligence center, cloud protection shield

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Entel Call Center

Integrating technology, processes and people to transform the user experiences in Chile and Peru. Our customers include companies and government institutions.

Omnichannel services

- Implementation of multimedia services, social networks, chat, tailor-made platforms and platforms complementary to existing remote service.

Service desk

- Technical support help desks for companies

Back office services

- Implementation of services additional to customer service as part of a closed cycle

Sales campaigns

- Consultative sales services, telemarketing and billing, incorporating delivery services

Customer Service

- Inbound service models, implemented using technologies such as IVR, CRM and service flows depending on the business.

Cloud Contact Center

- Implementation of on-demand technology platforms

Consulting service

- Speech analytics on demand
- Quality audits and workforce management.

Installation and on-site technical support.

- Service for residential customers (internet, telephony and cable TV)
- Assistance to corporate customer employees

Entel Perú

We have a wide range of services for individuals, companies of all sizes and corporations. Our services can be divided into two main categories to cover different needs: Consumers and Enterprises.

Consumers

Mobile phone services (with or without data)

- Postpaid
- Prepaid
- International roaming
- Mobile Internet

Residential

- Fixed Wireless Broadband (FWBB)
- Wireless phone services
- Handsets and accessories
- Smartphones
- Speakers, headphones, etc.
- SMS Multioperator

Enterprises

Mobile Solutions

- Multimedia Plans
- Mobile Broadband Plans
- Roaming

Handsets

- Sale of Equipment

Fixed Solutions

- Fixed Phone Service
- Data network
- Dedicated Internet
- SD-WAN

Digital Solutions

- Cloud Computing
- Entel virtual Data center
- Housing / Hosting
- Cybersecurity Solutions
- Managed Security
- Cyber Intelligence Services
- Multicloud services
- Productivity Applications
- Office 365, Microsoft Teams, MDM, Yasta, Rollbox

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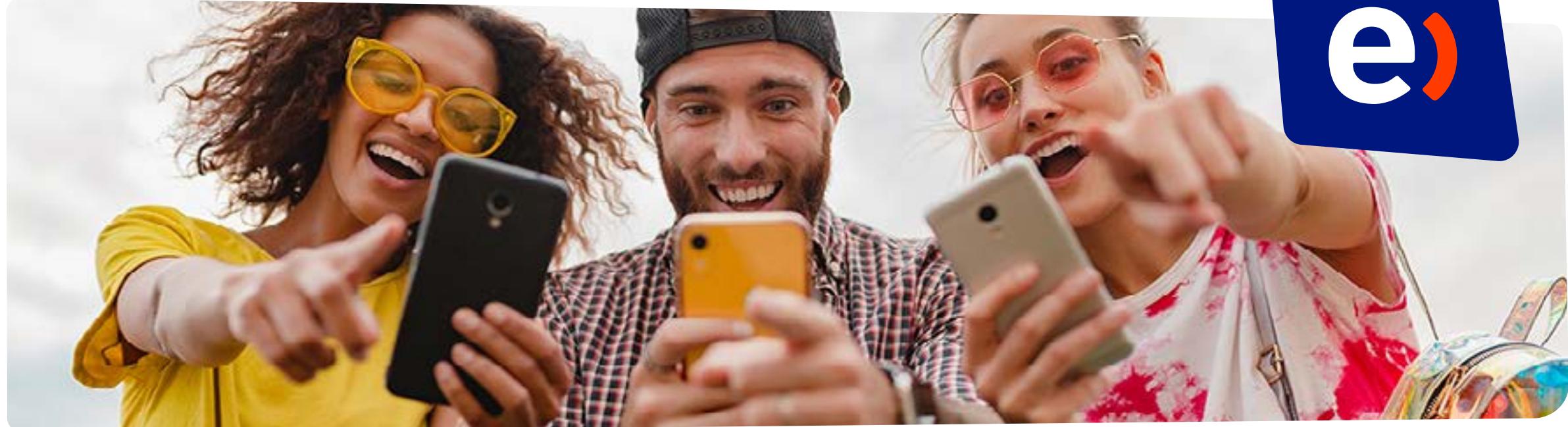
› Corporate image

For decades, the public has valued Entel's quality and leadership, as demonstrated by brand power⁽¹⁾ studies that are conducted on a regular basis. Until a few years ago, these same surveys showed that the company was perceived as a distant brand, a phenomenon associated with the history of mobile telephony, which was originally only accessible to the upper socioeconomic strata. This image has been changing thanks to long-term efforts by the marketing department and the different segments.

In 2018, the brand underwent a profound overhaul, both visually - with the use of new typefaces, more vibrant colors and designs designed to stand out on a cell phone screen - and in the tone and style of the audiovisual messages, with shorter, more direct and simple stories, using codes typical of the digital world. We also started implementing action to reach out to segments of society that had previously felt less connected to Entel. For example, to attract young people

we reinforced our commitment to topics of interest to them, such as gaming and e-recycling, which is also one of the pillars of our sustainability strategy. Also, with the launch of products such as the Plan Fácil - the first postpaid plan that does not require a taxpayer ID number or other conditions - we are making it easier to access our services so that more sectors of the population can benefit from them.

The main challenge in 2021 was to continue increasing proximity by connecting more closely with the public's emotions, while breaking down price and access perception barriers and continuing to capture the younger generations, all the while continuing to be recognized as a leading performance brand.



⁽¹⁾Correlation between the brand values associated with the company's product categories and those of its competitors, making it possible to quantify the critical emotions associated with the brand.

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Campaigns and marketing activities in 2021

Closer in the pandemic

2021 was another year marred by Covid-19, especially the first half of the year when a wave of infections forced the authorities to impose fresh quarantines. In that difficult moment, just as in 2020, we made social network access free for one month - from March 27 to April 30 -, together with a call

to make one last great effort to overcome the crisis together. In addition, in April the companies associated with Chile Telcos, including Entel, agreed to renew the Connectivity Solidarity Plan, providing free internet, telephony and messaging services until the end of 2021.



Innovation in delivery options

In September 2021, in the midst of the e-commerce explosion driven by the pandemic, we launched our Delivery Express service, delivering online purchases of handsets and accessories to consumers' doorsteps in less than two hours, with live shipping tracking⁽¹⁾. We also included a

one-hour in-store pickup service and free scheduled delivery. One of the year's communication focuses was to raise awareness of these delivery options, the implementation of which involved a major organizational effort. Being the first to do this strengthened our leadership as an innovative brand.

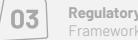
Customer feedback shows that the service is highly valued, especially because it solves one of the main problems of online shopping: the delay in receiving or collecting the product. Since then, growth of digital sales has accelerated.

Entel Gaming

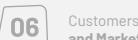
In 2021 the company became the main sponsor of the new e-sports league, Entel University E-sports Chile. This league, developed by GGTech Latam, promotes sport among university students. In addition, Entel once again sponsored the Entel Honor league, the first and only Chilean professional League of Legends tournament. Both events have been widely publicized on social networks. In this way, Entel is positioning itself as a partner to the gamer community and is gearing to capture the multiple opportunities that the 5G network opens for the video game market.



⁽¹⁾ The service is available only to the Consumer segment, in the Metropolitan, Valparaíso and Bío Bío regions. It was offered free of charge for the first month.

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Entel is fiber too

This was the slogan of the campaign launched in 2021, which marked a turning point in the communication strategy for the Fiber Residential segment, which looks to establish a more continuous presence in the digital and mass media in view of the upcoming expansion of the fiber optic net-

work. The campaign has been coupled with an updated commercial offering. Since October we have been offering symmetrical⁽¹⁾ speed in two of our fiber optic plans - 300 and 600 Megas -, while increasing the upload speed of the Giga plan. The results have been positive.



More human technology

One of our key communications objectives is to position Entel as a technology company, a reputation it already has among corporate customers, but which we have yet to extend to the general public. With this in mind, in May 2021 we launched a campaign for television and social networks, using simple and playful language, to pub-

licize different technological solutions that go beyond connectivity, highlighting their concrete benefits. The items included a remotely operated truck, a drone used for forest fire control, and a voice assistant helping an elderly woman. The campaign was very well received by the public.



Entel Hecho en Casa Festival

After two years off, the eighth free, inclusive exhibition, organized by Entel and Colectivo Bla!, kicked off on October 28, celebrating the meeting between art, public space and people, with five works by European and Chilean artists: the Rubber Duck, the Fried Eggs, the Colored Snails, the Ulla Wooden Troll and the Toy Robot, made from electronic waste. The installations were exhibited until November 4 at the Parque de la Familia in Santiago, and then toured Iquique, Valdivia and Concepción. After touring the regions, Ulla returned to the Parque de la Familia permanently, and the toy robot was installed in Batros park in San Pedro de la Paz, both gifts to the public. More than one million people attended the show, which was carbon neutral and included a waste management protocol.



⁽¹⁾The same speed for both downloading and uploading information.

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Prepaid dreamers

During the pandemic, the sharp downturn in the prepaid market was halted. In this context, Entel resumed its marketing activities for this segment, with a new value proposition based on studies on the characteristics shared by prepaid users. One of these is that they dream of bettering themselves, so we designed a campaign for television and digital media called "Soñadores" (Dreamers), focused on the multiple possibilities that connectivity offers. One of the commercials starred a girl from the north transmitting a live violin performance with a 500 pesos top-up which gives access to a full day of unlimited internet.

It's not just 5G, it's Entel's 5G

The fifth generation of mobile telephony represents a great opportunity to position Entel at the technological forefront and enhance its quality and coverage capabilities. In this regard the strategy is aimed directly at identifying Entel with 5G, to which end we launched a campaign that exemplifies, with concrete, everyday applications, how the new technology can empower people.

Signal and coverage

With more people studying and working remotely, keeping up the quality of our service became even more necessary during the pandemic. In this high-demand scenario, Entel reinforced its brand image with good performance in the home market, while in the mobile market it focused its messages on signal and coverage, two of its main

differentiating attributes, which continue to be key for customers when choosing an operator. In September, to support the roll-out of our 4G network in remote areas, we launched a campaign showing users connected from different parts of the country, such as hills and rural locations.

Holograms of Chileans

Technology has infinite possibilities, and with this initiative we wanted to put them at the service of art to create the first digital monument to honor Chilean men and women who drive important changes in the country, in areas such as education, health, sports, inclusion and the environment. This, along with helping people to reconnect with culture and their cities, and be inspired again in the streets. These 8-meter high holograms were displayed in Arica, Coquimbo, Talca, Puerto Varas and Santiago.



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Progress with brand image in 2021

In terms of brand authenticity - coherence with the values espoused - Entel obtained positive results in the Omnicom Public Relations Group's "The Power of Authenticity 2021" study. The company is once again a leader in several areas relating to consumer

benefits, while in matters of social interest, it has positioned itself as a brand committed to caring for the environment and a pioneer in the recycling of electronic products, attributes that are especially important for young people.



The best regarded telecommunications brand

Entel held its position as the telecommunications brand most highly regarded by Chileans in the latest CHILE3D, a study by the consulting firm GfK that analyzes the preferences of the public in different areas. The study was conducted on 4,800 people in 33 cities in Chile, between February and April 2021. A total of 312 brands from 75 consumer categories were evaluated.



Ibero-American award for advertising communication

In 2021 we obtained an important international accolade thanks to our "We-commerce" campaign, which promoted the SMEs neighboring our stores, through the screens of the cell phones on display, to help reactivate local economies. The initiative took the Gold Award at the Ibero-American advertising communication contest, El Sol.



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› Technology and Communications industry

GRI203-2

With 59.4 million active contracts in Chile, the telecommunications industry is one of the most massive in the country, a sign of its importance for citizens. The central role of the sector has become more evident since the spread of the Covid-19 pandemic, as reflected in data traffic statistics, the number of connections and service penetration. 2021 was another year of overall growth.



The industry in 2021

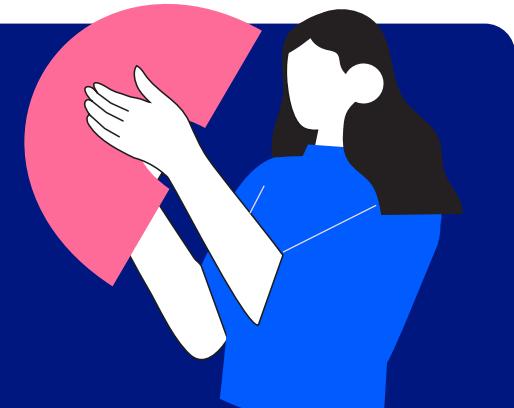
The latest data available from the Under-secretary of Telecommunications (Subtel)⁽¹⁾ show that Chilean users are demanding faster and higher capacity connections that allow them to stay connected at all times. The industry has worked hard to meet this need, performing well in 2021, especially in wireless services, though fixed services also showed progress.

In terms of revenue, the Telecommunications industry, together with the IT industry, will have accrued revenue of close to 7.9 billion dollars in the 12 months to September 2021, or 1.7% of GDP⁽²⁾.

Figure

30.7% 

growth in mobile data traffic.
(Source:Entel)



Figure

93% 

of all mobile internet visits were made through smartphones.
(Source: Subtel)



Consumer Mobile Services	28.9%
Handsets	16.2%
Pay TV	12.8%
Residential Internet	9.6%
Residential fixed telephony	2.3%
IT Services	9.4%
Fixed Services Enterprises	13.6%
Enterprises Mobile Service	7.2%

⁽¹⁾ Department of Telecommunications: Statistical series at year-end 2021.

⁽²⁾Entel's own industry files The purchasing power parity adjusted figure is used as a percentage of GDP.

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Fixed internet

In December 2021, there were 4.3 million fixed connections in Chile, 12.7% more than at the same time in 2020, with penetration of 21.3 per 100 inhabitants, up 11.9% in twelve months. Residential access accounted for 89.6% and commercial access, 10.4%. 67.9% of households in the country already have some fixed internet connection, compared to 48% in 2017. There was also a significant increase in high-speed networks, representing 92.9% of the total. Fiber optics became the preferred fixed technology, with 2,427,692 connections, equivalent to 56.7% of the fixed line customer base, an increase of 56.2% in twelve months. It is followed by coaxial cable, with a 36.3% share.

Regarding data consumption, 483.4 GB per fixed internet connection was recorded in December 2021, 10.5% higher than in December 2020. Meanwhile, the cumulative traffic between January 2021 and December 2021 was 22,393,516 TB, 35.2% up on the cumulative traffic between January 2020 and December 2020. Of this figure, 87% was downstream traffic, which grew by 33.8%, and 13%, upstream, up 44.8%.

Mobile internet

84.1% of internet hits were mobile in December 2021, reaching 22.6 million, 9.6% more than in 2020. This growth was driven by the development of the 4G network, which reached 21 million connections, 13.1% more than a year earlier. In contrast, 3G connections fell by 19.6% year-on-year to 1.5 million, while 2G connections were down by 38.6% to 102,823. Smartphone browsing accounted for 93.2% of mobile visits. All in all, total mobile Internet penetration was 114.4 per 100 inhabitants.

Average mobile data consumption was 16.2 GB per connection, 19.2% higher than in December 2020. Cumulative traffic between January 2021 and December 2021 came to 3,839,278 TB, a positive variation of 31.1% compared to cumulative traffic between January 2020 and December 2020. Of the traffic accumulated in 2021, 92.9% corresponds to downstream traffic (+31.8% compared to 2020) and 7.1% to upstream traffic (+23.1%).

Telephony

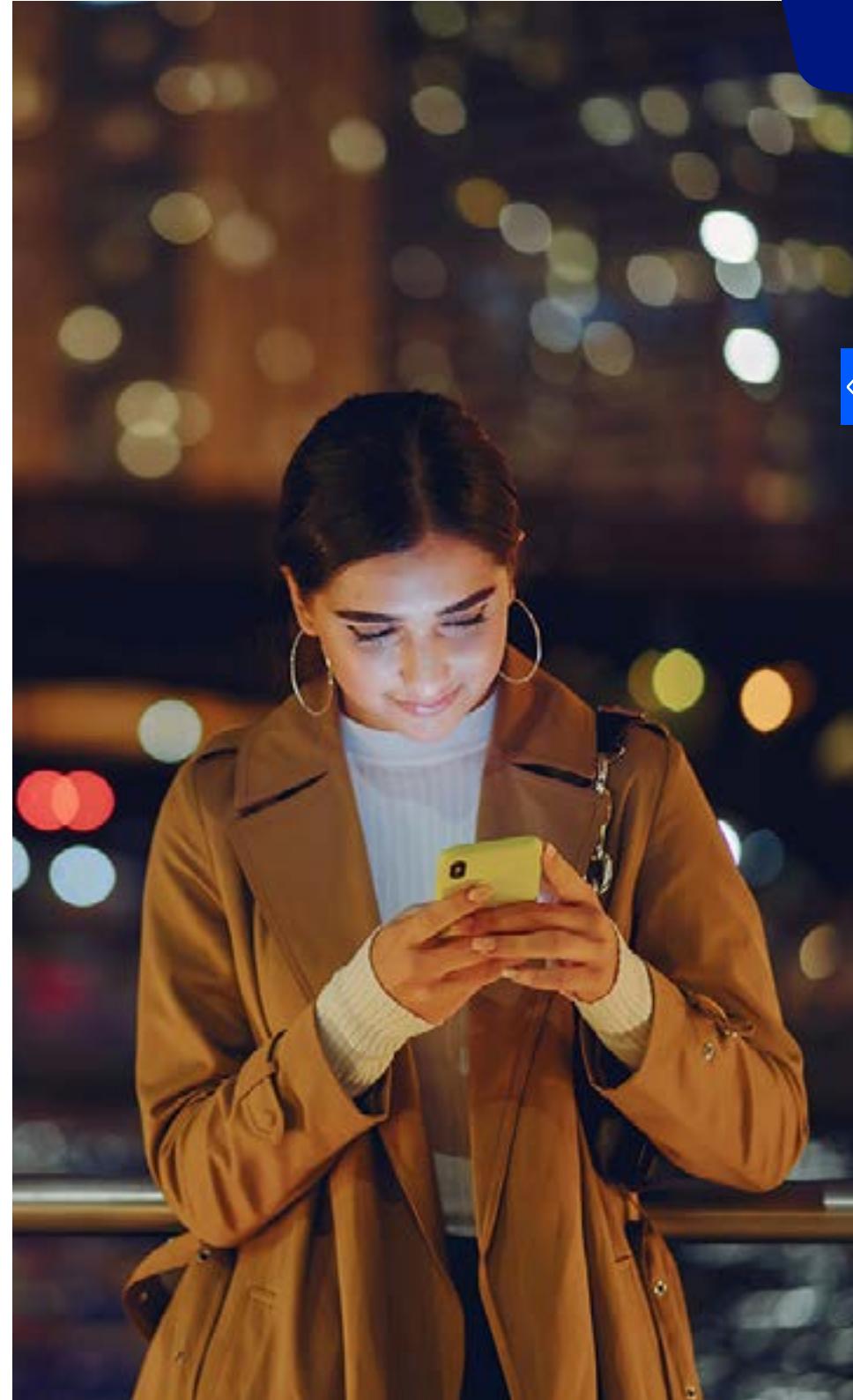
Mobile subscribers increased by 6% in the twelve months to December 2021, to 26,571,823. Of this figure, 65.7% (17.4 million) are postpaid users, up 16.8% in twelve months, while prepaid users fell 9.9% year-on-year to 9.1 million. Mobile telephony penetration rose to 132.2 per 100 inhabitants, 3.2% more than in 2020.

Computed in thousands of calls, the cumulative outbound traffic in 2021 was 15,826,923, growth of 4.1% over the 2020 cumulative. In thousands of minutes, traffic rose to 46,310,696, an annual increase of 1.2%.

Fixed telephony continued the downturn that has been characteristic of recent years, falling by 2.2% between December 2020 and December 2021, to 2.5 million subscribers. Penetration was 12.7 per 100 inhabitants, 3.1% down on December 2020.

Pay TV

Pay TV users were up 5.3% over twelve months and totaled 3.4 million in December 2021; 2.1 million had wired access, 14.3% more than in December 2020, and 1.3 million had satellite access, down 7.3% compared to the previous year.



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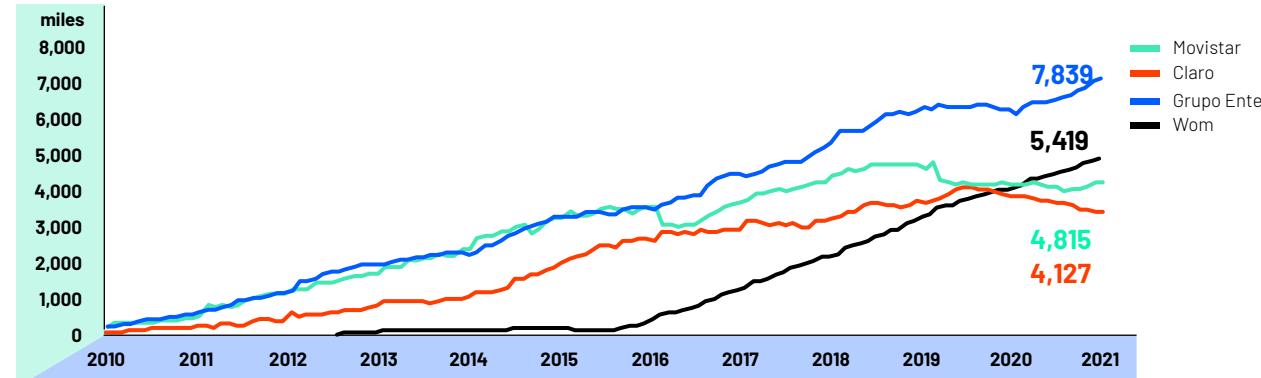
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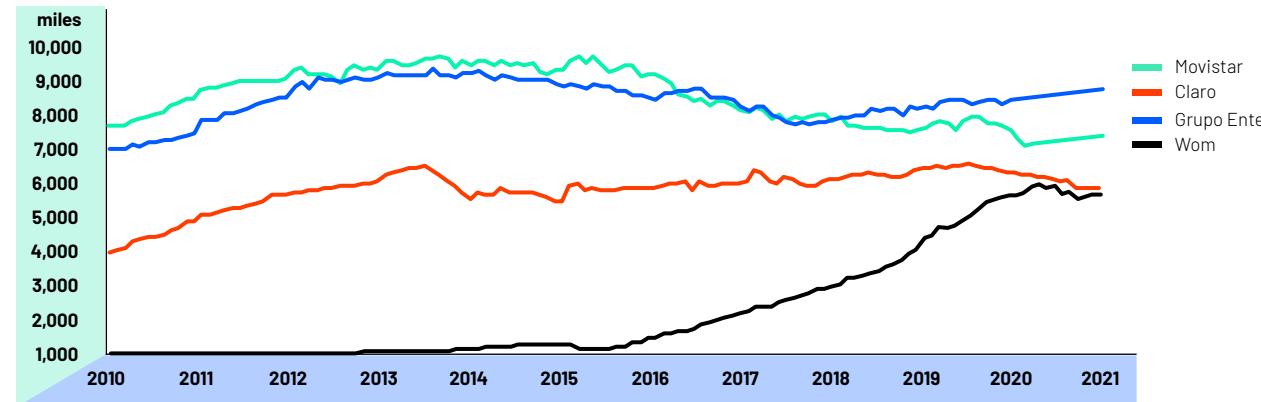
Mobile Internet market share (3G + 4G)

Company Connections and Market Share



Mobile Telephone Services

Customers by company and market share



% Share 3G+4G Connections

	Dec 20	Dec 21
Grupo Entel	34.7%	34.7%
Movistar	21.6%	21.7%
Claro	16.7%	18.3%
Wom	25.0%	24.0%
VTR Móvil	1.3%	1.0%
Virgin	0.7%	0.5%
Others	0.1%	0.2%

Market share

	Dec 20	Dec 21
Movistar	24.8%	24.9%
Grupo Entel	31.9%	32.2%
Claro	20.8%	21.3%
Virgin	0.6%	0.4%
WOM	20.8%	20%
VTR	1.1%	0.9%
Others	0.1%	0.3%



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Technology and Communications industry

Claims

In 2020, complaints for telecommunications services increased by 87% as a result of the increased demand caused by the sudden increase in teleworking and distance learning. Since then, the various operators in the sector have made efforts to adapt to the new context and have improved their standards. As such, complaints filed with the National Consumer Service (SERNAC) and Subtel fell 25.5% in the first half of 2021, from 110,033 in the first six months of 2020 to 81,967. The biggest drop was recorded in fixed Internet services, where complaints fell by 42.3%, from 21,074 to 12,166. In mobile internet, they fell 16.6%, from 3,382 to 2,821. Mobile telephony was the most complained about service, with 30,708 cases.

The most common reason for complaints in the fixed segment was the quality of service (44.9%), while in the mobile segment it was problems relating to customer service and information (43%). Of the total, 66% were resolved favorably, three percent higher than in 2020. However, telecommunications ranked second among the most complained-about sectors filed with SERNAC.



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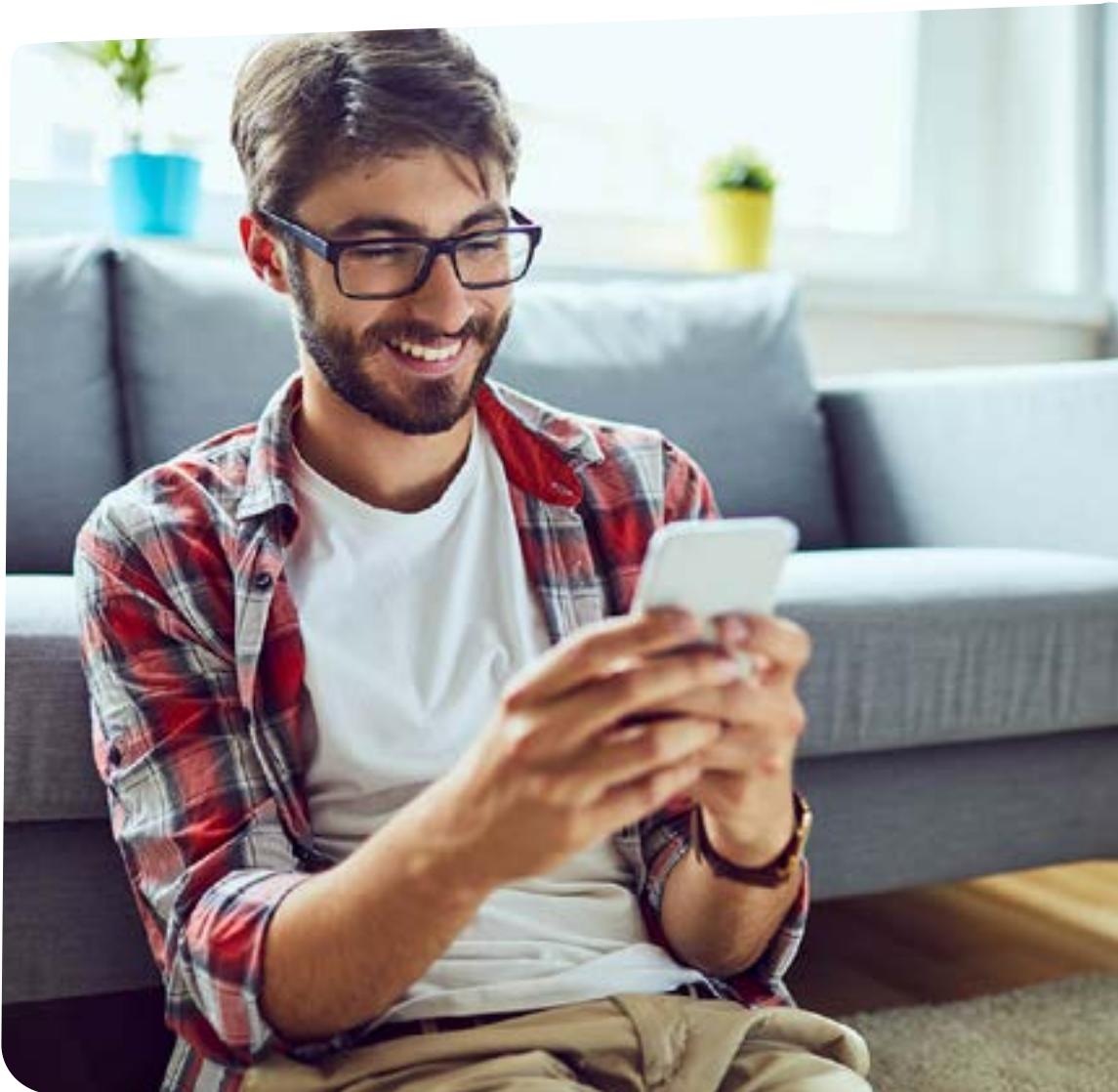
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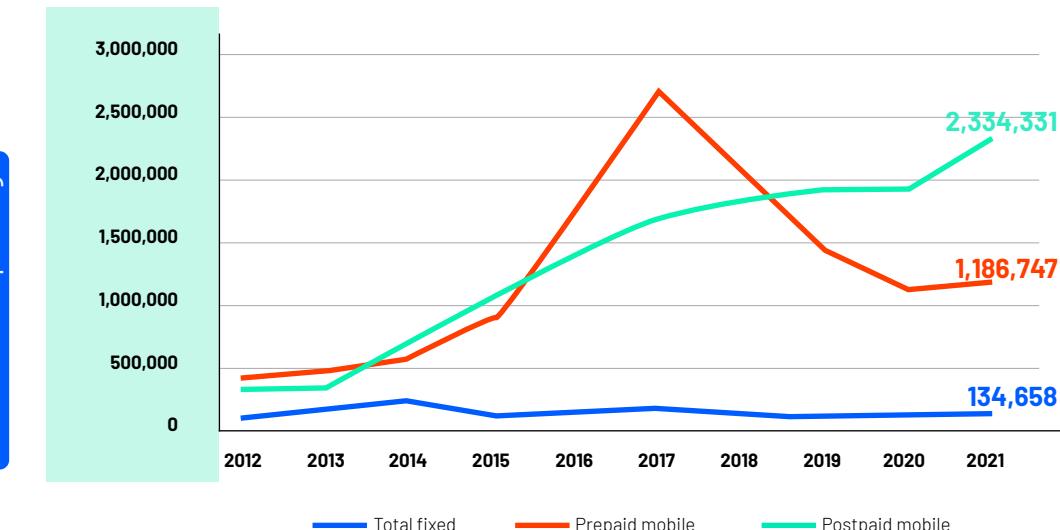


Evolution of porting

A decade of porting

December 2021 marked a decade since the beginning of number switch-overs in Chile, a measure taken by the authorities to inject dynamism and competition into the sector. Over this period there were 27,506,870 net transfers. The figures have varied over time depending on the type of connection. In the case of fixed numbers, switch-overs have always remained at low lev-

els, totaling 1,286,932 over ten years. Meanwhile, the number of mobiles increased to 26,219,938. There has also been a change in the number of switch-overs based on the type of plan. Initially, prepaid mobiles were more numerous, but this has changed in recent years, with the postpaid segment accounting for more ports: 13,536,994 vs 12,682,994 for prepaid switch-overs.



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Technology and Communications industry



The first steps for 5G

On December 16, 2021, the Chilean government authorized the companies that were awarded spectrum in the 3.5GHz band to activate their fifth generation mobile telephony networks in Chile. From that date up to the publication of this report, only Entel and Movistar had activated them. As a result, users can access the 5G service in areas with coverage, as long as they have mobile devices compatible with this new technology. The companies have a period of two years from the publication of their respective concession permits to deploy the agreed-upon networks. One of the conditions of the concession is that they offer coverage to 90% of the population, in addition to strategic locations for national development as determined by the Chilean government. According to government estimates, 9,000 new radio bases are needed for this project, 33% in the Metropolitan Region and the rest in other regions.

The process will be carried out in two phases. The first, known as 5G NSA (non-stand alone), will adapt the 4G network core to new 5G radio stations. The big difference users who change to the new standard will perceive, at this stage, will be the speed, mainly in downloading data.

The second phase, 5G SA (stand alone), requires a lot of new hardware, as both the radial part and the core will be next-generation, with denser antenna deployment than that used for 4G networks. When this happens, the full benefits of the fifth generation will be available and will be clearly reflected in data upload speeds, device interconnection and a huge decrease in latency. These features will support the development of applications that were not possible with the fourth generation.

Potential impact

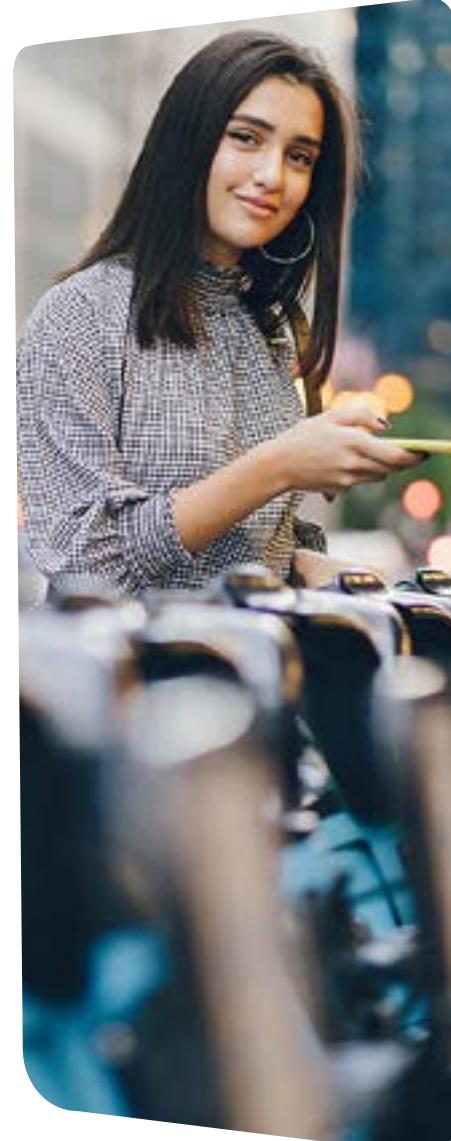
One of the most significant impacts expected from 5G is the growth of the Internet of Things (IoT). Any device with wireless connectivity will be able to be connected to the network and this will have a decisive impact in several areas. We will benefit from intelligence distributed across a myriad of devices that measure and participate in the different facets of increasingly interactive cities, communicating with each other and with regulators to improve the management of services such as transportation, lighting and public safety.

5G also opens up possibilities for innovating in production processes. It will enable, for example, automation at scale in environments such as mining, by allowing massive real-time data collection and use, as well as the coordination of hundreds of machines. As the most secure standard developed to date, it will also make it possible to massively expand the remote management of equipment. This, and automation, will help increase efficiency and safety at sites in all kinds of industries.

In the healthcare sector, telemedicine will be enhanced. Surgery assisted by remote-controlled robots will cease to be merely experimental and will become standard practice, as will the use of remote imaging devices to provide rapid diagnoses.

For individuals, apart from a better experience in telecommunications services, it is not yet so clear what the new applications will be. A quantum leap in the video game industry can also be expected. Given the bandwidth and low delay of this technology, online gaming services that incorporate real-time hologram projections of participants, among other innovations, are likely to become popular. The integration of virtual and augmented reality in social networks is also anticipated, with the use of glasses and helmets providing immersive experiences.

Along with the many opportunities presented by the fifth generation, there are risks that need to be addressed. For the time being, with the increased transmission of data at high speed and through a growing number of interconnected computers, there will be more openings for cybercriminals to gain access to information. As such, investing in cybersecurity will be key for companies, as will the training of their employees. It is not only necessary to train personnel to acquire the technical knowledge required by the new technologies, it is also essential to develop skills and intuition to make the most of the fresh possibilities, and to be able to envision new relationships between connected devices. Training for digital skills, currently in short supply, must be addressed through partnerships between higher education institutions, companies and the State.



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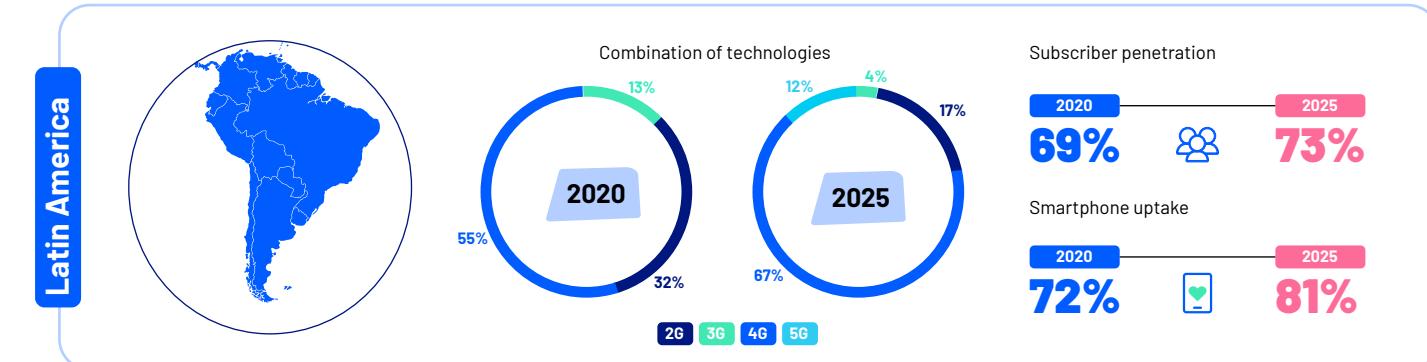
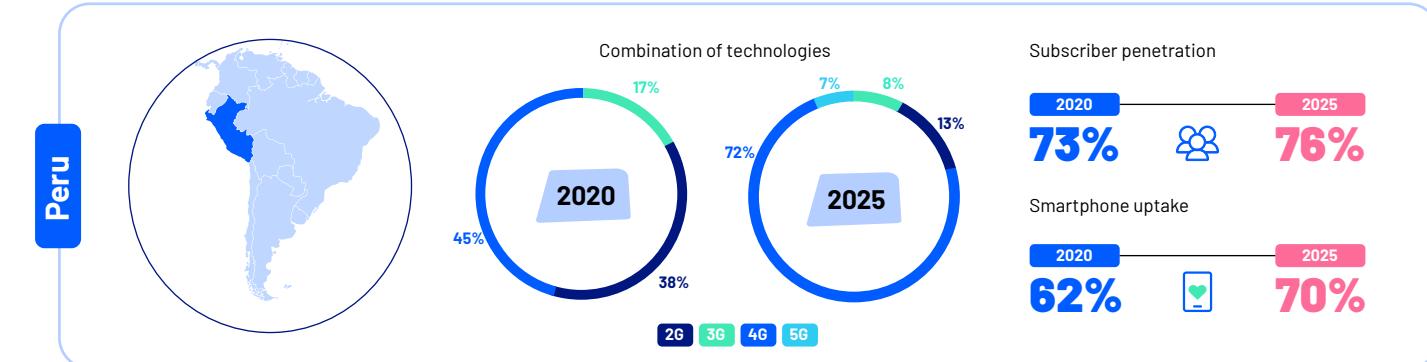
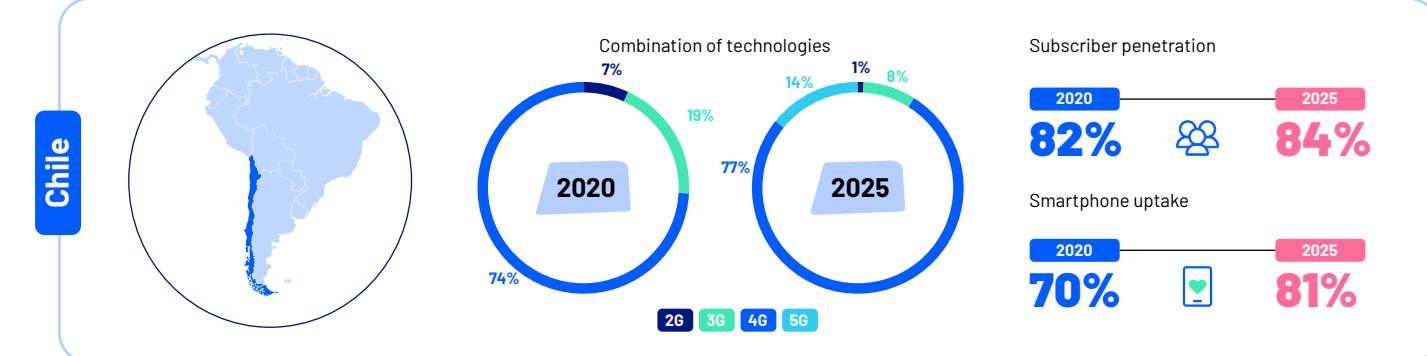
Business and economic projections

According to a study by Ericsson¹, consumers in Chile are well disposed towards 5G. Forty-two percent of respondents expressed their intention to use 5G and 28% said they were likely to do so. One million people could be using 5G, even in the first year of availability: 22% said they already own a 5G-ready smartphone. This type of user currently spends more time streaming high-definition videos and using augmented reality applications, behaviors that could become more prevalent. As a result of the growth in online activities, Ericsson expects 5G users to spend an average of ten additional hours a week online.

In terms of pricing, consumers are willing to pay 30% more for 5G plans combined with integrated digital services and an extra 10% for fifth generation connectivity alone. 5G hotspots, 5G TV and high-speed cloud storage are very attractive to consumers.

In a previous study, Ericsson predicted that the revenue generated by the 5G network in Chile in 2030 will be USD 4.9 billion, adding all the benefits associated with the digitalization processes it will promote.

The GSM Association³ anticipates that by 2025, 14% of all mobile connections in Chile will be 5G, while for Latin America as a whole, it forecasts 12%.



⁽¹⁾ Ericsson Consumer Lab, May 2021

⁽²⁾ Ericsson 5G Business Potential – Chile (2020)

⁽³⁾ GSM Association. (2021). The Mobile Industry.

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› Risk management

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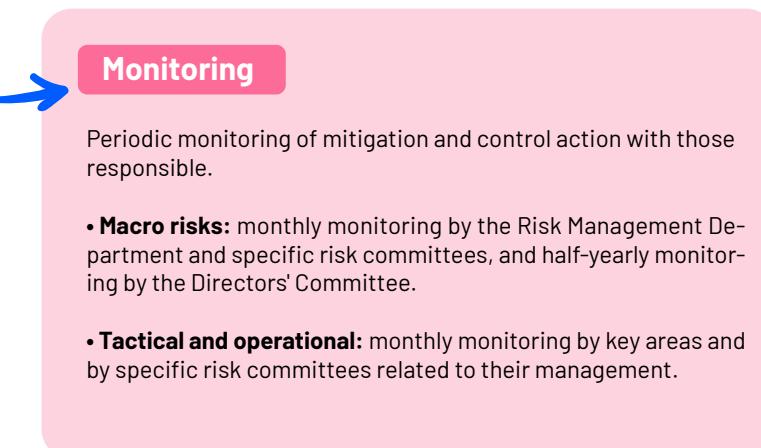
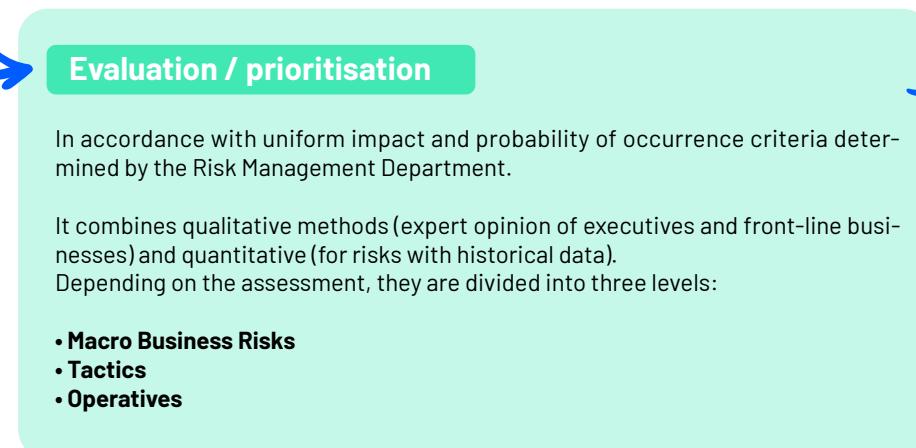


Risk management model

Entel's Internal Control and Risk Management Model is based on the COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) standard, on ISO 31,000, which sets out principles and guidelines for risk management and the process at all levels of the organization, and on the COBIT (Control Objectives for Information and Related Technology) model, a framework for the good governance and management of information technology.

The model includes a General Risk Control and Management Policy, approved by the board of directors, which defines risk categories and the principles and roles relating to their management. In addition, the Corporate Governance Manual expressly states, in articles 38 and 39, how often the performance of the internal control system and risk management must be reported to the board of directors and the directors' committee.

In this way, Entel has established a unique cross-cutting methodological framework so that the different departments can preventively identify risks, in order to establish effective mitigation action with the support of the Risk Management Department, which reports to the Internal Audit and Operational Risk Division. This work is organized around risk maps.



The company board and senior management play active roles in the identification, assessment, management and monitoring of macro business risks.

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Macro business risks in 2021

From a list of 20 macro risks identified in 2021, the ten that scored highest, after weighting their impact and likelihood, were:

- 1. Business adaptation to a fast-paced digital environment
- 2. Recruiting and Retaining Talent
- 3. Protection & treatment of personal data
- 4. Information Security (cybersecurity)
- 5. Barriers to financing and access to capital
- 6. Generation of new profitable products and services
- 7. Political environment and changing regulatory framework
- 8. Roll out 5G business model
- 9. Technology Update and digital growth
- 10. Economic recession

Risk committees

The company has formed various committees to monitor the specific risks that affect it. They are made up of divisional and departmental managers who are specially

trained to participate, and are advised by the Risk Management Department. The following committees continued to meet regularly in 2021:

Committee	Risk managed by	Maps of risks identified / updated in 2021	Sessions
Macro Business Risks	20 macro risks, reported to the board of directors and the directors' committee every six months		Half-yearly
ISOs Committee	Certifications and others (ISO 9001/ ISO 27000/ SSAE 18/ AT205)	Operative	
Cyber Security Business Committee	Information Security(macro risk)	Tactics	
Data Compliance	Data protection (macro risk)	Tactics	
Diversity and Inclusion	Diversity and inclusion (macro risk)		
Fraud	Fraud and customers	Tactics	
Ethics	Ethics and compliance (macro risk)	Tactics	
Physical and Personal Safety	Physical and personal safety (macro risk)	Tactical and operational	Monthly
South Macrozone	South macrozone (tactical risk derived from physical and personal safety)	Tactical and operational	
Business Continuity	Corporate business continuity(macro risk)	Tactical and operational	
Regulation	Political and social environment (macro risk)	Tactical (new tactical risk map "Political, social and economic environment of the country")	
Environment	Environment and climate change (macro risk)	Tactical	
Suppliers and third parties	Suppliers and third parties related to Entel		

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Risk management in 2021

Work with the Board and the Directors' Committee

The year was characterized by an increase in the requirements of the Board of Directors and the Directors' Committee regarding risk management. Among the requests made was the drafting of an operational map of the political, social and economic environment for Chile and Peru, in order to anticipate possible situations arising from the high levels of uncertainty that have prevailed in both countries in recent times. Risks were identified relating to potential regulatory pressures in the areas of data privacy, cybersecurity, consumer rights and private property, as well as the work of the Constitutional Convention and socioeconomic uncertainty. All were addressed through different measures, such as coordination with Chile Telcos and meetings with authorities, in accordance with the precepts of Law 20.730 (Lobby Law), in the case of Chile.

In addition, work with the Directors' Committee focused on fraud prevention for Consumer Segment clients, a risk that has increased since the pandemic accelerated the use of remote channels, thereby increasing exposure to cybercrime. In response, the decision was made to strengthen identity controls for our customers in interactions through the online channel.

Another issue addressed was compliance with our ethical principles by suppliers and third parties related to Entel. In October, the Supplier and Third-Party Risk Committee was formed, coordinated by the Purchasing, Sustainability, Compliance and Risk Management departments.

New risk management procedure

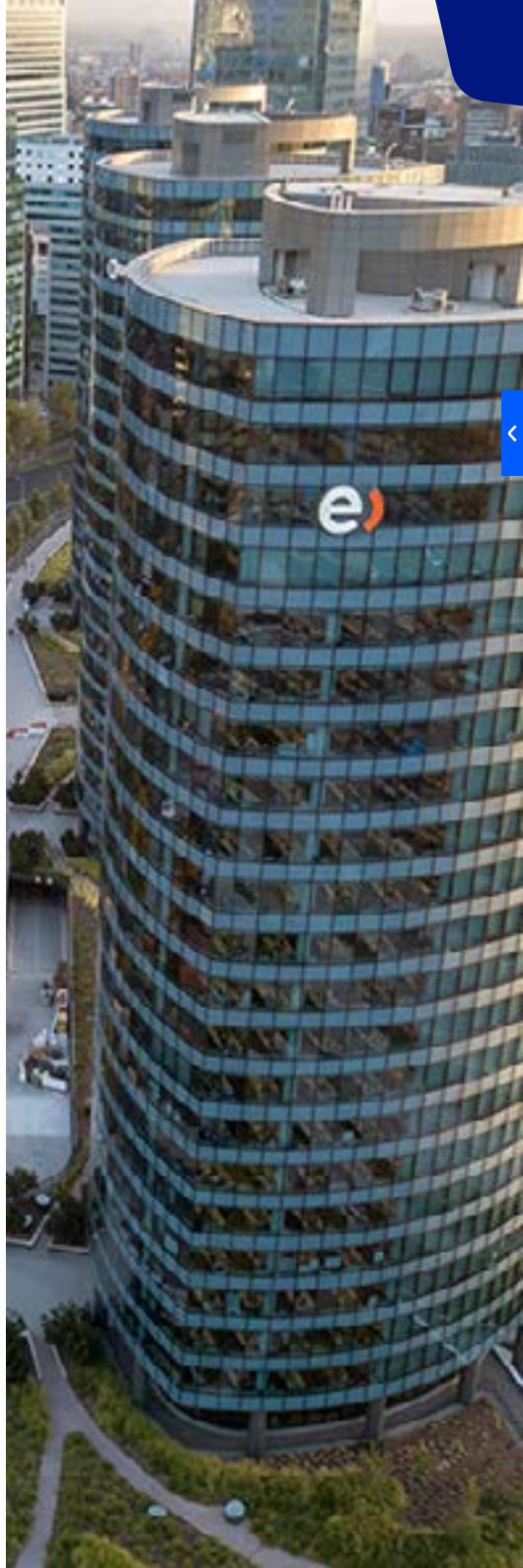
In 2021 we worked on updating our corporate risk management procedure. The new document, which will soon be presented to the Directors' Committee, introduces improvements to reporting, communication and coordination between the different departments and the Risk Management team, in addition to enhancing the model.

SSIndex: Assessment of risks relating to stakeholders

In order to broaden our understanding of the circumstances that may affect the company, the Sustainability and Risk Management departments joined forces to implement, for the first time at Entel, the Stakeholders' Sustainability Index (SSIndex Chile), which helps to anticipate risks by means of a cross analysis of environmental, social and corporate governance information from stakeholders. On this occasion, surveys were conducted among the company's own employees, customers (in the Consumer and Corporate segments) and suppliers, including contractors, with the assistance of ESG Compass, SSIndex's representative in Chile. As a result, strategic and operational risk areas were identified that teams are already addressing with mitigation measures. The cross-cutting issues that emerged from the analysis include regulatory compliance and communication of Entel's environmental management. Additional stakeholders are expected to be included in the study in 2022.

Reactivation of the Physical Safety committee

According to a survey by the National Chamber of Commerce, Services and Tourism (CNC)¹⁰, one out of every two stores in the country's main urban centers (Greater Santiago, Valparaíso-Viña del Mar, Concepción-Talcahuano) was the victim of a crime or misdemeanor during the second half of 2020. To reduce the probability of assaults, robberies and other criminal acts and their impact on our employees, in 2021 we reactivated the periodical sessions of the Physical and Personal Safety Committee, which is also responsible for studying measures to protect critical infrastructure. Their work resulted in the implementation of a series of controls that have strengthened security in our stores and facilities.



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¹⁰ National Chamber of Commerce. (February 5, 2021). New retail victimization survey records an increase in most of the cities surveyed during the second half of 2020.

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Creation of the South Macrozone Committee

In response to the growing number of violent incidents in the South Macrozone (Araucanía and Biobío), where Entel has around one hundred sites that require technical maintenance, in 2021 a committee was created especially focused on strengthening the security of our personnel working there. Headed by the Access Networks manager, it includes representatives from the Construction, Operations, Physical Security, People Safety, Legal, Risk Management, Regulatory and Public Affairs areas. An action plan has already been drawn up to classify the different zones that make up this extensive territory according to their risk level, establishing, for each one, measures to be adopted by those who visit them. This Committee meets once a month.

Automation of risk management

The company acquired the license of a world-class tool to automate its internal risk management: Archer. With this development, we will be able to apply a standard methodology throughout Entel and automatically report both the reports issued by the risk managers and the consolidated reports distributed by the Risk Management Department, in addition to automating processes to achieve efficiency and centralizing the management of risk information. Dissemination of the new system began in August across all departments and is expected it will be in use in the first quarter of 2022.

Recategorization of environmental and climate risks

As a result of the assessment carried out in 2021, environmental risks were again categorized as Macro Business Risks (or macro), meaning that the probability of their occurrence and the severity of their potential impacts increased. In this context, the main risks associated with climate change were also identified and assessed, with the goal of making better use of resources. This resulted in an investment plan to increase resource efficiency and adaptability to climate change.

The environmental and climatic risks with the highest probability of occurrence are:

Description of the risk	Impact / Implications	Mitigation actions
1. Lack of water to control fires , air-condition technical rooms and offices and to deal with major contingencies due to the exhaustion of groundwater.	Disabling of facilities to provide services. Potential financial impact due to changes in data center cooling technology.	<ul style="list-style-type: none"> Data centers and networks: identification of technological solutions to save water resources. New water well located inside the Entel campus in the Longovilo data center.
2. Non-compliance with environmental or climate change-related regulations and laws due to low adherence and lack of awareness.	Sanctions, reputational and brand damage.	<ul style="list-style-type: none"> Setting up the Environment committee and the Energy Efficiency operating committee. Energy efficiency management systems. Environmental management systems.
3. Restriction on the use of hydrocarbons in industry due to changes in regulations, with an impact on the operation of equipment used to provide services.	Obsolescence of generators and transport vehicles and financial costs of replacing equipment.	<ul style="list-style-type: none"> Operating Committee for Energy Efficiency. Energy efficiency management systems.
4. Damage to facilities due to natural disasters (hurricanes, floods, rainfall, etc.), with interruptions to, or loss of, service continuity.	Loss of operational or business continuity.	<ul style="list-style-type: none"> Business continuity plan. Environment Committee. Crisis Committee.
5. Lack of drinking water in facilities (offices, own stores and franchises).	Interruption in the operation of services delivered to customers due to disabled facilities.	
6. Depletion of industrial water for office air conditioning due to regulatory changes in the use of water for administrative buildings.	Disqualification of facilities for lack of basic hygiene resources.	
7. Lack of specialized labor force in sectors more exposed to natural phenomena caused by climate change.	Stoppage of processes that support the daily operation of providing services to customers.	

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Financial risk management

Economic instability increased in 2021 due to the effects of the pandemic and ongoing political and social developments. This caused significant variations in key factors of Entel's financial risk management, which the Finance Department closely monitored in order to take the appropriate measures at the right time. The main financial risks to the company are:

➤ Financing for Entel is mainly denominated in foreign currency and consists of bank loans, local bonds and bonds issued in the international market. A small number of Entel Group suppliers also generate permanent commercial obligations payable in foreign currency.

The level of exposure of these debts is fully hedged by using financial instruments denominated in local currency or in Unidades de Fomento (U.F.).

➤ **Interest rate risk:** A small amount of Entel's debt is variable rate debt. In such cases, the company will consider taking out rate-fixing insurance, such as FRA and Cross Currency Swaps, in order to reduce the impact of interest rate variability.

➤ **Credit risk:** This relates to accounts receivable. Action to minimize exposure to this risk depends on the characteristics of the debtors (individual customers, companies, corporations, telecommunications companies, distributors, etc.).

➤ **Liquidity risk:** Entel anticipates future maturities of its financial obligations by seeking market alternatives that provide timely funding, such as issuing a sustainable bond in 2021.



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Business continuity risk management

One of the macro risks that has become more prominent since the beginning of the pandemic is business continuity, which Entel manages according to the guidelines outlined in its Business Continuity Management and Information Security policies, which recognize the importance for the country that Entel provides its services without interruptions or data confidentiality breaches.

This risk is controlled by a management system called Fénix, based on the ISO 22301 standard, which aims to increase Entel's resistance or resilience to serious alerts that impact the continuity of its activities. The system involves all levels of the organization and its first priority is to protect the safety of personnel. It also seeks to ensure the continuity of information security controls in the event of any contingency and that the affected activities are resumed within the required deadlines.

The development of adequate continuity plans is essential for the operation of the system. The plans must be kept up to date and also meet the following requirements:

- **Identify Entel's critical processes** through business impact analysis: 530 processes identified in 2021. Of which 89 are critical and must be included in the Corporate Business Continuity Plan.
- **Define and formalize procedures for outage scenarios:** 437 contingency protocols formalized in 2021.
- **Periodic testing** through simulation exercises to verify the effectiveness of the defined protocols, in order to detect opportunities for improvement: 2,512 tests carried out in 2021.
- **Be an integral part of the other administrative and management processes:** 83 employees trained in 2021.

There is a Crisis Committee, made up of all the vice presidents and first-line managers, including the general manager and the deputy risk management manager, who chairs and convenes the committee in the event of highly critical events. Its main responsibility is to provide a timely response to situations that may affect the normal course of the operation. In 2021 it was not necessary to meet. The actions stipulated in 2020 continued to be implemented and were monitored by the Managers' Committee:

- **Hybrid work model (Entel Work project).**
- **Safety measures for employees and contractors in Macrozone South.**

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Deployment of Corporate Risk Management

One of our goals is to continuously improve knowledge of the concepts and application of the corporate risk management methodology at all levels of the organization. This means that all those who need to participate in any of the management stages must be trained to fluently use the methodology in their activities. Training should have a practical focus, depending on the level of risk (macro, tactical or operational) and the category of risk (strategic, financial, operational or compliance), and in this way ensure that users are independent in the management of their risks and are able to identify opportunities for improvement.

To this end, we have conducted multiple workshops that have allowed us to increase the methodological deployment from 23% to 44% of Entel's Management Departments, enabling them to take control:

- **20 Macro Business Risks**, linked to a business risk matrix.
- **250 tactical risks**, linked to 19 tactical risk matrices.
- **526 operational risks**, linked to 26 tactical risk matrices.

Tactical and Macro Business Risks have 56 mitigation plans in development, which will lower the level of High and Very High risks detected.

 Risk management training for members of the board (March 2021).

Board of Directors

 Training for the Managers Committee and workshops for key managers.

16 managers

 Training workshop for users who needed to know and apply the RM methodology.

40 employees

 Talk on ESG-focused risk management during Integrity Week

121 attendees.

 Dissemination of instructional infographics for reinforcement of standard terminology. On RM.

95 employees



In addition to the training activities, an e-learning program was developed, which will be available at Entel University in the first quarter of 2022, allowing the user to learn and reinforce the concepts and methodology of RM when needed.

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Emerging risks

Entel continuously analyzes long-term factors to detect emerging risks - the new external factors that, while not causing major problems at present, are growing in importance and have the potential to impact the company in three or more years' time. For Entel, the main emerging risks are:

Risk #1: Significant increase in energy expenditure for 5G network deployment in a changing political and legislative environment.

The fifth generation of cellular telephony offers a series of advantages over its predecessors, such as greater reliability and lower latency. However, the transition to the 5G network can bring unwanted environmental consequences. While the new networks are 90% more efficient than 4G, they require a higher density of antenna deployment, which significantly increases energy consumption. Research suggests this increase will be between 150% and 170% by 2026. The increased number of servers and

data centers needed to process the growing data traffic that 5G will bring is expected to have a similar effect. In the case of Entel, the higher expenditure represents a risk not only in terms of costs and the environment, but also due to the legislative context in these matters and the discussions in the areas of energy and climate change that are currently taking place in Chile, such as energy and climate change:

► **Energy Efficiency Law (21,305):** published in February 2021, it promotes the rational and efficient use of resources, covering practically all energy consumption in the country. This law is expected to reduce the country's energy consumption by 5.5% by 2030 and by 7% by 2035.

► **Climate Change Framework Law:** the legislative bill, which at the time of writing was still being processed in Congress, proposes that Chile achieve carbon neutrality by 2050 and establishes a legal framework that assigns specific responsibilities for the implementation of climate change mitigation and adaptation measures.

► **The Constitutional Assembly is also discussing norms related to the climate crisis, energy efficiency and environmental protection.**

Impact:

If projections of the energy impact of 5G materialize and the regulatory requirements in these matters are reinforced, Entel will have to include the search for alternatives to increase its energy efficiency in its business strategy. The optimal and efficient development of the 5G network is crucial for future growth and business projections.

Mitigating action:

- **Changing the energy matrix**
- **Energy efficiency initiatives, described in chapter 8.3 Environmental management.**



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Risk #2: Growth in the volume of personal data used for business expansion and threats of data breaches

The regulated use of personal data is continuously used to improve the value offering provided to customers and for the consolidation of a data-driven business. Personal data is used in a regulated fashion on an ongoing basis, to improve the value proposition provided to customers and to consolidate a data-driven business. This has become more important with the proliferation of threats and hacks in the virtual environment, which have been on the rise.

It should also be noted that the international regulation (GDPR) and the local regulation soon to be published include harsher pen-

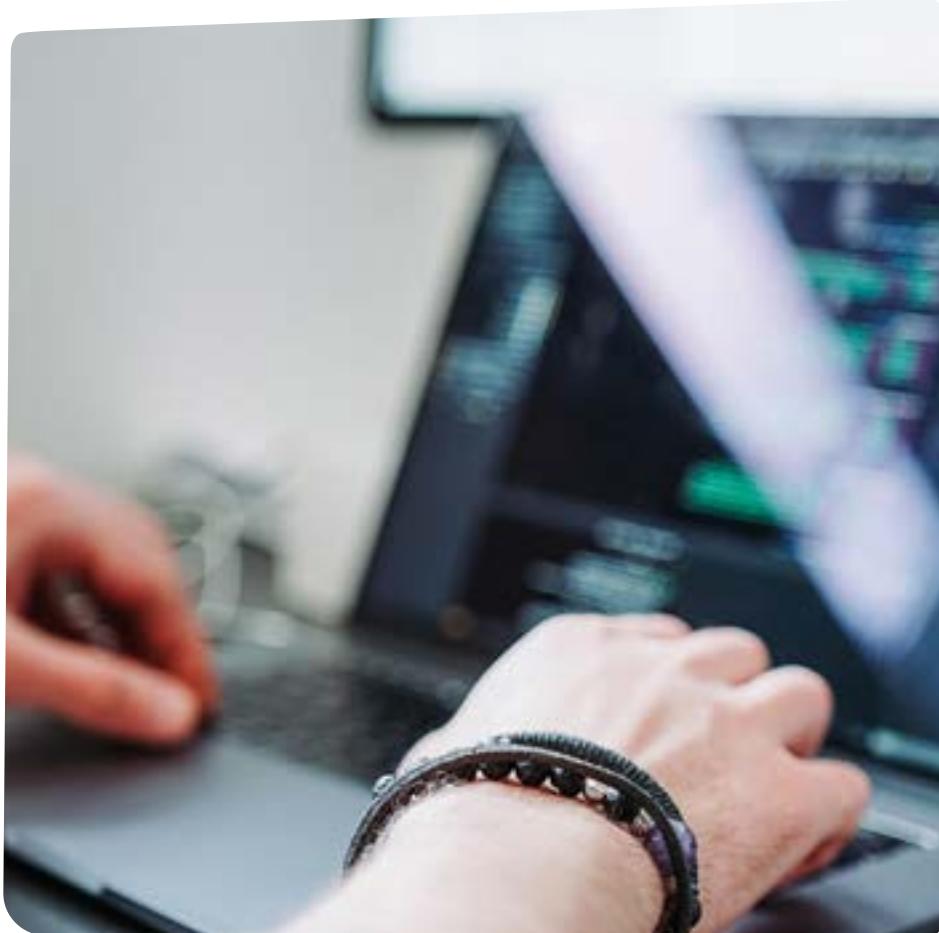
alties for leaks of private data of corporate clients. In addition, several draft regulations for the new Constitution of the Republic, deal with the protection of personal data. This may not only lead to higher fines and penalties for the company, but may also pose a threat to plans to grow and transform the business to a data-driven one.

Impact:

Failure to properly safeguard data and comply with legal requirements in this area could result in penalties, loss of suppliers, reputational damage and loss of customer confidence in Entel.

Mitigating action:

- ▶ **Policies and strategies for cyber security**
- ▶ **Customer data privacy policies**
- ▶ **Customer data management**
- ▶ **Reinforcement of internal digital ethics**
- ▶ **Implementation of a privacy-by-design-plan** for all our products and services
- ▶ **Deployment of a robust internal control system** for regulatory compliance



For both risks, **all of the aforementioned mitigating actions** are already being **taken proactively**, in anticipation of **regulatory and normative changes**.

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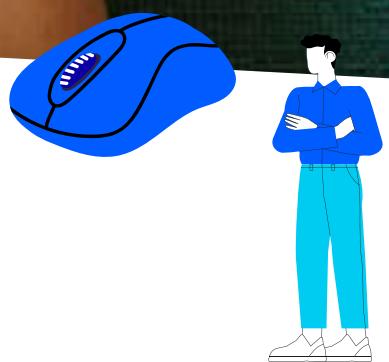
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3.1

› Corporate Governance

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Intel's corporate governance is structured in such a way as to ensure long-term value creation, safeguarding the application of governance principles and maintaining good relations with all stakeholders. Its policies, standards and procedures are based on three principles of governance:

1. Taking decisions and approving strategic guidelines for the proper management of the company's business.
2. Protecting the rights of shareholders, ensuring the fair treatment of all of them.
3. Timely and accurate disclosure of any relevant information about the company.

Shareholders Meeting

As required by law, an Ordinary Shareholders' Meeting is held once a year to report on the annual management of the company and to establish the primary guidelines and representatives for decision making for the upcoming years. At the meeting held on April 27, 2021, the following was agreed upon:

- ✓ **Approval of the 2020 Annual Report**, Balance Sheet and other Financial Statements as of December 31, 2020, and the External Audit Company's report for the same fiscal year.
- ✓ **Setting remuneration** for the Directors' Committee and its expense budget.
- ✓ **Profit distribution**.
- ✓ **Appointment of External Audit Company and Account Inspectors**.
- ✓ **Information** on the Dividend Policy.
- ✓ **Appointment** of risk rating agencies.
- ✓ **Approval of Investment and Financing Policy**.
- ✓ **Report on transactions** with related parties.
- ✓ **Determining** remuneration of the directors.
- ✓ **Determining the newspaper** in which the citation notices will be published.

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Corporate Governance

Investor Relations

Our investor relations model focuses on delivering transparent, relevant and timely information so that each investor can be kept duly updated on the status of the company and its development plans.

Entel's Investor Relations Department is exclusively dedicated to responding to requests for information on Chile and Peru, both from shareholders and industry analysts. It also organizes activities to strengthen this relationship, such as meetings, visits to our facilities and the company's

participation in conferences. For the quarterly publication of financial results, it prepares analysis reports and meets with the Finance and Management Control manager. Material is available on the Entel investor website.

Due to the extension of sanitary measures in 2021, all investor relations activities were conducted virtually. We were in contact with 600 stakeholders, including foreign and local funds, pension funds and market analysts.

Event	Month	Organizing institution
Latin America Conference	January	Santander
Conference for Emerging Markets	March	JPMorgan
Cycle of Webinars CFA Society Chile	March	CFA Society Chile
Conference for the Southern Cone	April	JPMorgan
Credicorp Webinar	May	Credicorp Capital
Conference for Emerging Markets	June	Bank of America
SMBC Nikko Securities America Webinar	August	SMBC Nikko Securities America
Fixed Income Roadshow for placement of Entel bond	September	BNP / JPMorgan / Scotiabank
Conference for Andean countries	September	Larraín Vial
Latin America Conference	September	Credicorp Capital
Latin America Conference	October	BTG Pactual



Board of Directors

The highest controlling body of corporate governance is the Board of Directors, which represents the shareholders. It is composed of nine members elected at the Shareholders' Meeting.

They may not hold executive positions in the company and remain in office for three years, they may be reelected indefinitely.

The Board meets in an ordinary manner once a month, and in an extraordinary manner when it is necessary to deal with any specific or contingent matter. The CEO is the only executive who reports exclusively to the Board of Directors.

In addition to the CEO, the Finance and Management Control Manager and the Legal Executive attend the Board meetings on a regular basis, the latter acting as secretary.

In 2021 there were no important changes in the Board of Directors or evaluations of its members.

Main functions of the board

- ▶ **Setting the general guidelines** for the management of the company, geared towards meeting the economic, social and environmental goals.
- ▶ **Establishing** suitable forms of governance.
- ▶ **Determining policies** to guide the organization in specific matters.
- ▶ **Appointing the CEO**, a position that cannot be held by the chairman of the Board of Directors.
- ▶ **Reviewing the management of the company** through monthly reports from the general manager, as well as assessing and proposing guidelines for meeting corporate goals.

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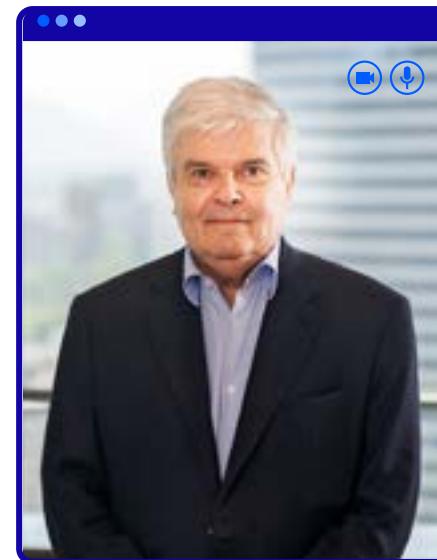
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› Board of Directors



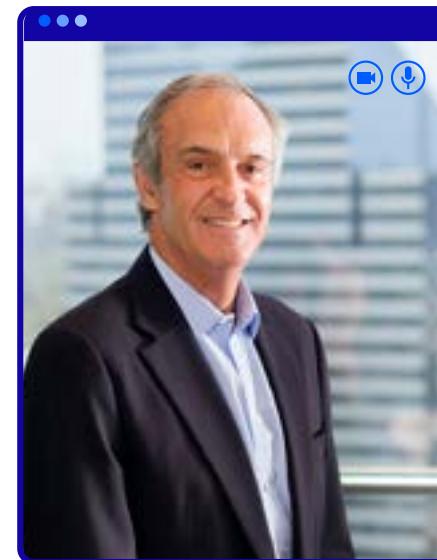
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Juan José Hurtado Vicuña
Chairman

Civil Engineering, Universidad de Chile.
/ ID 5.715.251-6

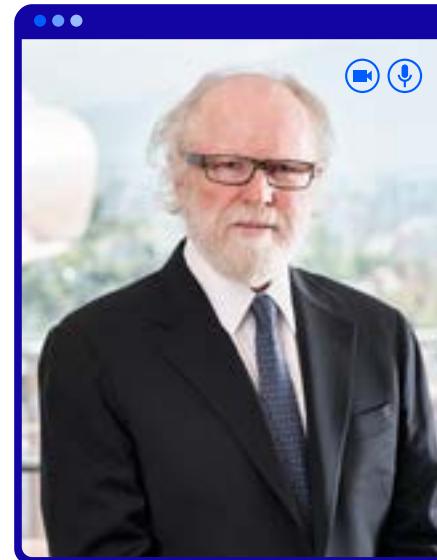
He is a member of the Board of Grupo Consorcio and Pucobre. He has been a director of Entel for 22 years.



Luis Felipe Gazitúa Achondo
Vice President

Business Administration, Universidad de Chile.
/ ID 6.069.087-1

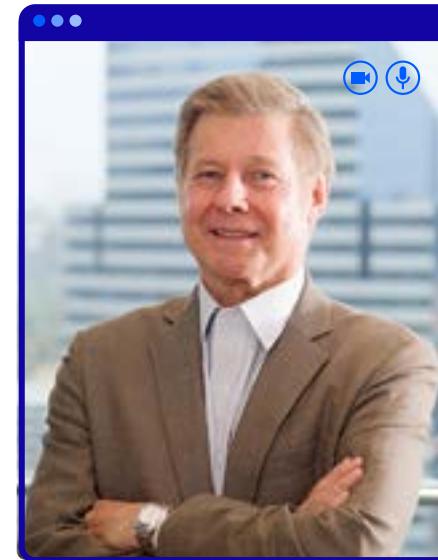
He is Chairman of the Board of Directors of CMPC and has also been a director of Colbún and Cruzados SADP. He has been on the Entel Board for 19 years.



Bernardo Matte Larraín
Director

Business Administration, Universidad de Chile.
/ ID 6.598.728-7

He is a member of the Board of CMPC and Banco Bice. He has been a director of Entel for 14 years.



Richard Büchi Buc
Director

Civil Engineer in Mining, Universidad de Chile and MBA Wharton School of Business, University of Pennsylvania. / ID 6.149.585-1

He has 29 years of experience in telecommunications and is past CEO of Entel. He has been a director of Entel for 11 years.

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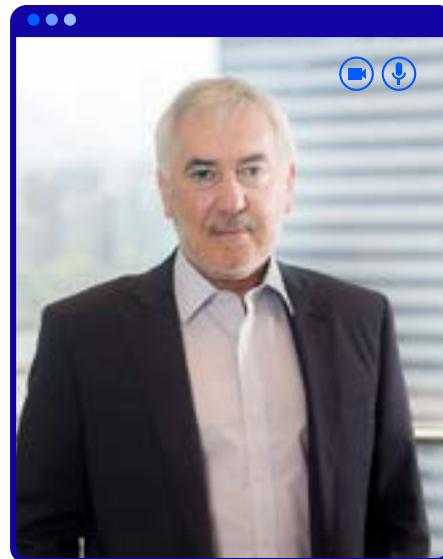
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The current members were elected at the Shareholders' Meeting held in **April 2020**.

Board of Directors

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Jorge Salvatierra Pacheco
Independent Director

Industrial Civil Engineer,
Civil Industrial Engineering, Pontificia Universidad Católica de Chile and MBA Saint Louis University / I.D. 6.557.615-5

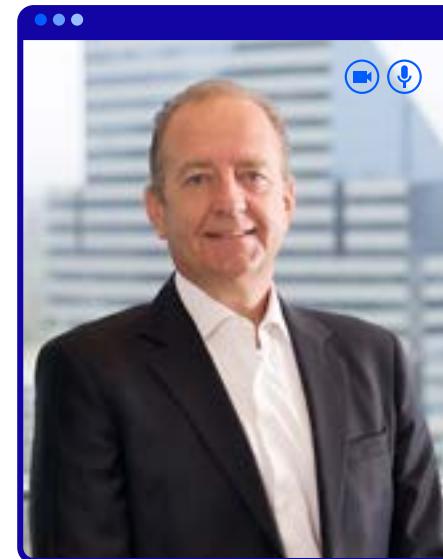
He is on the board of Canal 13 and was a director of LAN Airlines and Telefónica del Sur. He has 15 years of experience in telecommunications and has been a director of Entel for five years.



Patricio Parodi Gil
Director

Business Administration, Pontificia Universidad Católica de Chile and MBA, Harvard University. / ID 8.661.203-8

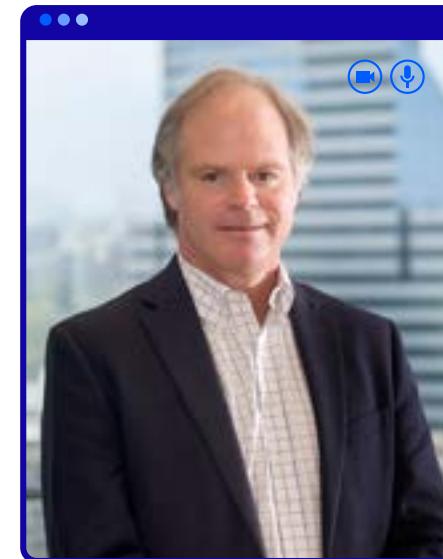
CEO of Financial Consortium. He is also Chairman of the Board of Banco Consorcio. He has eight years of experience in telecommunications, the same time he has served on Entel's Board of Directors



Enrique Gundermann Wylie
Independent Director

Industrial Civil Engineer,
Pontificia Universidad Católica de Chile and MBA PUC. / ID 9.900.567-K

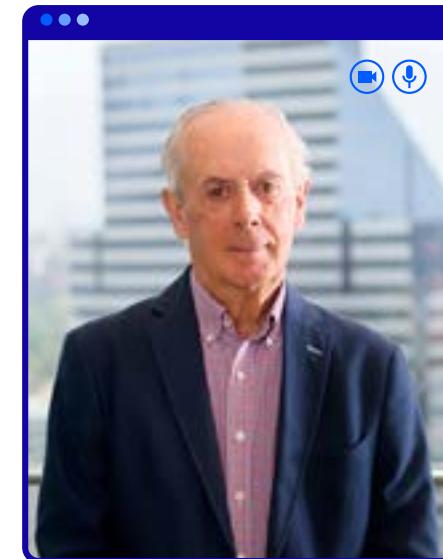
He is Chairman of the Board of Directors of Ikso, Ikea Chile, Peru and Colombia. He headed the Corporate General Management of Sodimac S.A., after holding various positions in the Falabella group. He joined the Entel Board in 2020.



Andrés Echeverría Salas
Director

Business Administration, Pontificia Universidad Católica de Chile and MBA University of California, Los Angeles (UCLA). / ID 9.669.081-9

Partner at Frontal Trust. He has ten years experience in telecommunications on the Entel Board.



Juan José Mac-Auliffe Granello
Director

Business Administration,
Pontificia Universidad Católica de Chile. / ID 5.543.624-K

He was director of Ebema SA, director of Fundación Banmédica and director of Vidaintegra SA. He has 27 years of experience in telecommunications and as a member of the Board of Entel.

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GRI 102-7

Director diversity indicators

Gender	2021	
Men	9	
Women	0	

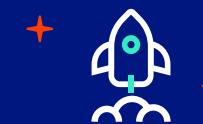
Nationality	2021	
Chilean	9	
Foreigners	0	

Age Range	2021	
Between 51 and 60	3	
Between 61 and 70	4	
Over 70	2	

Length of Service	2021	
Less than 3 years	1	
Between 3 and 6	1	
More than 6 years and less than 9	1	
Between 9 and 12 years	2	
More than 12 years	4	

Attendance	2021	2020	
Board sessions	13	13	
Average attendance of board meetings	98%	93%	

2 independent directors¹



9 with experience of the industry

7 participate in four or fewer boards of directors at other open corporations

¹In line with the definition of article 50a of the Law on Corporations.

Remuneration of Board Members

Proposed annually by the board at the General Shareholders Meeting. None of the members of the board of directors or the organization's executives are remunerated with stocks and shares in the company or for their work as directors of subsidiary companies.

The Board of Directors and the Directors Committee incurred no additional expenses nor hired consultants during the 2021 fiscal year.



Remuneration of Board Members

Name	Position	Board of Directors 2021 ThCh\$	Directors' Committee 2021 ThCh\$	Total 2021 ThCh\$	Board of Directors 2020 ThCh\$	Directors' Committee 2020 ThCh\$	Total 2020 ThCh\$
Juan Hurtado Vicuña	Chairman	85,949		85,949	90,506		90,506
Luis Felipe Gazitúa Achondo	Vice President	70,480	15,662	86,142	67,880	15,084	82,964
Richard Büchi Buc	Director	46,987		46,987	45,253		45,253
Andrés Echeverría Salas	Director	46,987		46,987	45,253		45,253
Carlos Fernández Calatayud	Independent Director			0	14,973	4,991	19,964
Enrique Gundermann Wylie	Independent Director	46,987	15,662	62,649	30,281	10,093	40,374
Juan-José Mac-Auliffe Granello	Director	46,987		46,987	45,253		45,253
Bernardo Matte Larraín	Director	41,773		41,773	42,734		42,734
Patricio Parodi Gil	Director	46,987		46,987	45,253		45,253
Jorge Salvatierra Pacheco	Independent Director	45,632	15,662	61,294	45,253	15,084	60,337
TOTAL		478,767	46,986	525,753	472,639	45,252	517,891

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Standout practices of the board

1. Induction of new directors

Entel has a formal induction policy for new directors, under the responsibility. The inductions include providing information on matters such as the functioning of the Board of Directors, the legal norms that govern its work and the main operational, financial, legal and institutional aspects of the company.

2. Access to remote information

Through the Directors' Portal, a permanent, secure and remote platform that operates with a double log-in system, each director can review the minutes of the meetings of the last three years and access information on the presentations made at these meetings. The members of the Directors' Committee also receive complaints made through the dedicated channel.

3. Ongoing training and advice.

The Board of Directors and the Directors' Committee have the right to hire the experts and professionals they deem necessary to support their role, in accordance with the Corporations Law.

Training and presentations for the Board of Directors

In addition to regular presentations and auditors' reports, the Board is kept up to date through training and presentations by an internal executive team and external specialists. In 2021, training was provided on the responsibilities of directors, the law on criminal liability of legal entities, and matters of interest to the industry, the latter by external auditors.

Internal communication mechanisms of the different departments with the board		
Department	Reporting frequency	Main issues addressed in 2021
CEO	Monthly	Reports to the board on business results and those matters that require its attention and approval.
Finance and Management Control Executive	Quarterly	It presents the financial statements to be approved and sent to the Commission for the Financial Market.
Vice Presidents of Segments	Annual	The vice presidents of the market segments submit their work and business management plan.
Internal Audit and Operational Risks Department	Biannual	Presents the risk policy and the criminal liability regime for legal entities. At least once a year, it reviews Entel's risk matrix and the annual audit plan with the board. It also meets every six months with the Directors' Committee, to whom it must report promptly any situation that may involve irregularities or wrongdoing that could have a material effect.
Vice Presidency for Technology and Operations	Annual	Presents the situation on networks and telecommunications.
CEO of Entel Peru	Quarterly	Presents the operational and financial results of this subsidiary.
Regulatory and Corporate Affairs Division	Annual	Presents on sustainability and communications performance.
Investor Relations Department	Annual	This department reports annually on its performance.
Ethics Committee	Annual	Reports on the main activities carried out by the committee over the year.
External auditors	Biannual	The company's external auditors meet with the Board of Directors at least once every six months and with the Directors' Committee once every quarter. Matters to be addressed include the audit plan and any differences or weaknesses detected in accounting practices, administrative systems and internal audits. They must also immediately inform the Directors' Committee of any situation that, in their opinion, may involve a breach of the rules.
Compliance Department	Biannual	The person in charge of Crime Prevention and Antitrust reports on the models for dealing with both matters.
Sustainability Department	Annual	Reports on the main department issues and developments.

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Corporate Governance



Guiding principles of Corporate Governance

Like all Entel employees, the directors are committed to complying with our Corporate Governance Manual and the Code of Ethics and its application manual. These documents set out the purpose, values and basic standards of behavior that must be shared by those who work at Entel, in addition to disclosing the various ethical and legal defini-

tions relevant to our business. The manuals include a chapter on conflicts of interest.

In addition, the board annually reviews the main cases of directors who have been sanctioned for breaches of their duties, as well as emerging cases that may have an impact on the management of the company.



Directors' Committee

This committee, set up under the Corporations Law, is composed mainly of independent directors, whose function is to review certain matters for approval by the Board of Directors. The topics covered include:

- The external auditors' reports, balance sheets and other financial statements.
- Proposing external auditors and risk ratings agencies to the board of directors that must be submitted for the approval of the Ordinary Shareholders' Meeting.
- The transactions between related parties and other matters included in the Corporate Governance Manual.

- Compensation systems and compensation plans for managers and senior executives.
- The work plan for external and internal audits and integrated contingency management.

In 2021, the Directors' Committee was composed by Jorge Salvatierra Pacheco (Chairman), Enrique Gndermann Wylie and Luis Felipe Gazitúa Achondo. Meetings were held remotely, on a digital platform.

Summary of Directors' Committee Activities 2021

27.01.21

- Annual FECU report.
- Annual report on running of Ethics Committee.
- Review of the compensation policy (article 25, paragraph 3, MGC).
- Review of important cases received through the complaints channel in December 2020.
- Review of related transactions carried out in November and December 2020.

23.02.21

- Review of important cases received through the complaints channel in December 2021.

01.03.21

- Fraud situation report.
- Review of related transactions carried out in November and December 2021.

05.04.21

- Board Committee remuneration recommendation and budget
- Proposal for the appointment of external auditors.

✓

- Proposal of risk rating agencies.
- Approval of annual work plan for the directors committee.
- Review of new cases received through the complaints.
- Review of related transactions carried out in February 2021.

03.05.21

- Review of significant new cases received through the whistleblower channel.
- Review of related transactions carried out in March 2021.

07.06.21

- Meeting with external auditors for the approval of the annual audit plan (article 37, MGC).
- Approval of the risk map and assessment of the progress of the risk policy audit plan.
- Review of significant new cases received through the whistleblower channel.
- Review of related transactions carried out in April 2021.

✓

05.07.21

- Half-yearly progress on the internal audit plan.
- Review of new significant cases received through the whistleblower channel and the 2021 dissemination and communication plan.
- Review of related transactions carried out in May 2021.

02.08.21

- Approval of second quarter 2021 consolidated financial statements (EY presentation)
- Review of new significant cases received through the whistleblower channel.
- Review of related transactions carried out in June 2021.

06.09.21

- Review of new significant cases received through the whistleblower channel.
- Review of the related transactions carried out in July 2021.

✓



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**04.10.21**

- ▶ Review of new cases received through the complaints channel.
- ▶ Review of related transactions carried out in August 2021.

08.11.21

- ▶ Review of cases received through the complaints channel in October 2021.
- ▶ Review of related transactions carried out in September 2021.

13.12.21

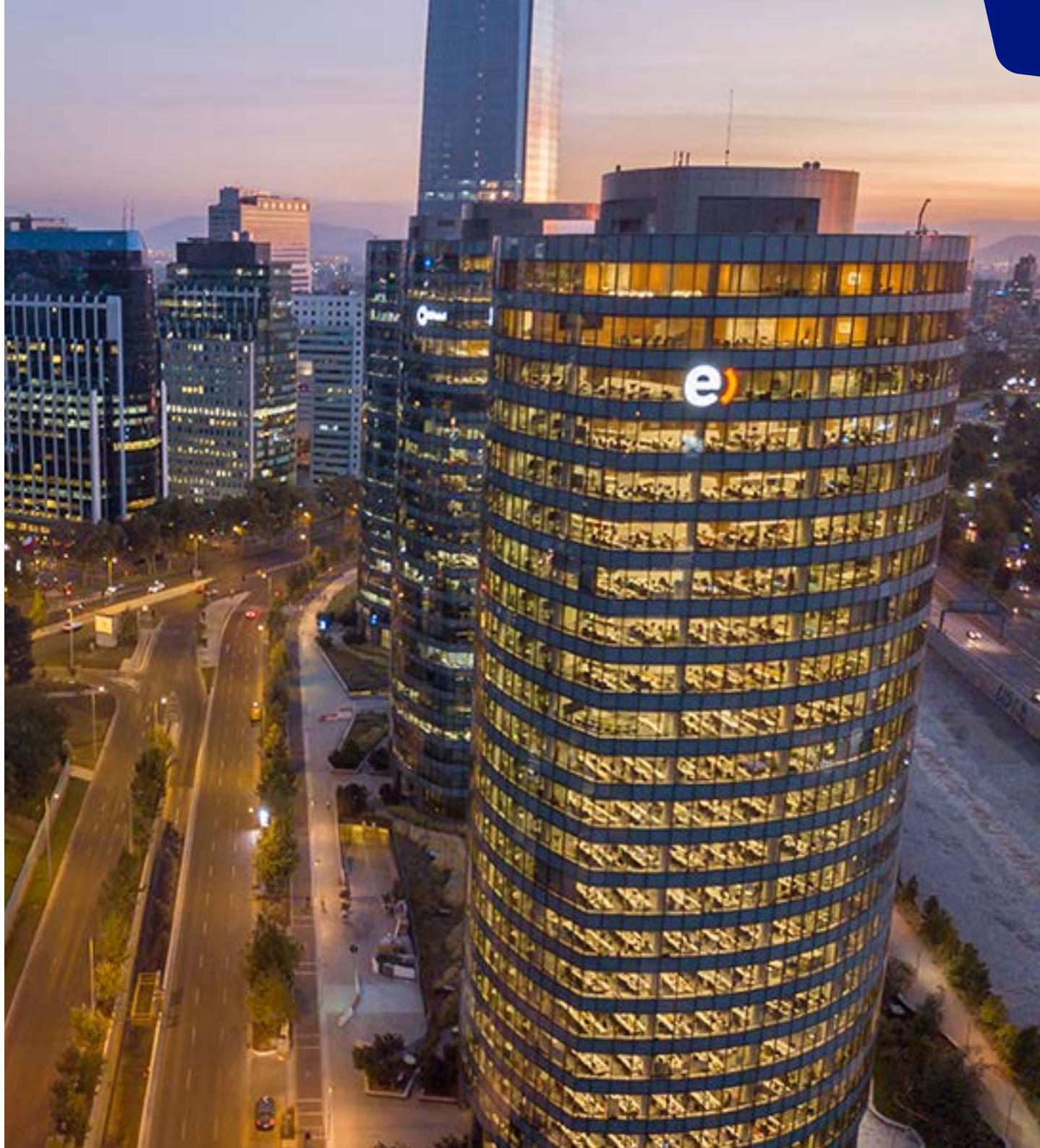
- ▶ Review of the letter of observations, results of the annual audit program and other matters (article 37, MGC).
- ▶ Review of significant cases received through the complaints channel in November 2021.
- ▶ Report on the implementation of General Regulation 385 of the Superintendence of Securities and Insurance.
- ▶ Review of related transactions carried out in October 2021.

Management

In order to manage the company with an overall vision of the opportunities and challenges of the business, Entel Chile's management is structured in market segments that meet the needs of our different customers: Consumer Segment, Enterprises Segment and Corporate Segment. Each division has its own teams for innovation and product development, pricing, marketing, sales, and customer service. They are supported by cross-cutting departments that work in a coordinated manner, including Finance and Management Control, Human Capital, Legal, Audit, and Regulatory and Corporate Affairs.

All these units operate under the leadership of General Management, which promotes a close interrelationship between them and their personnel, in line with the concept of an agile organization.

In Peru, Entel's management reports to a board and has an internal structure similar to that of the Chilean business. The company's other subsidiaries report to specific boards of directors and have functional managements in line with their strategies.

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Members of the Executive Team

Antonio Büchi Buc

Entel Group Chief Executive Officer

Civil Industrial Engineering, Pontificia Universidad Católica de Chile and Master of Arts in Economics, University of Chicago/ ID 9.989.661-2.

In office since March 2011. He has had various roles at Entel since 2000

José Luis Poch Piretta

Vice President Consumer Segment

Business Administration, Pontificia Universidad Católica de Chile. / ID 7.010.335-4

From March 2011. He has had various roles at Entel since February 1993

Mario Núñez Popper

Vice President
Enterprise Segment

Civil Industrial Engineering, Pontificia Universidad Católica de Chile. / ID 8.165.795-5

From March 2011. He has had various roles at Entel since 1993

Julián San Martín Arjona

Vice President
Corporate Segment

Civil Industrial Engineering, Universidad de las Américas and Computer Engineering, Universidad de Chile. ID 7.005.576-7

From December 2006.

Alfredo Parot Donoso

Vice President Of Technology and Operations

Civil Industrial Engineering, Pontificia Universidad Católica de Chile. / ID 7.003.573-1

From March 2011. He has had various roles at Entel since January 1996.

Sebastián Domínguez Philippi

Vice President of Restructuring and Business Support

Civil Industrial Engineering, Pontificia Universidad Católica de Chile and Master in Economics, Cambridge University. / ID 10.864.289-0

From March 2017. He has had various roles at Entel since June 2000

Felipe Ureta Prieto

Finance and Management Control Manager

Business Administration, Pontificia Universidad Católica de Chile. / ID 7.052.775-8

From August 1996. He has held different positions in the Entel Group since January 1994.

Felipe Straub Barros

Human Capital Executive

Psychology, Pontificia Universidad Católica de Chile and MBA, Alberto Hurtado University/Loyola College in Maryland. / ID 8.131.463-2

From January 2012.

Óscar Zarhi Villagra

Legal Manager

Lawyer, Universidad de Los Andes and LL.M, University of Chicago. / ID 10.788.082-8

From March 2020.

Manuel Araya Arroyo

Regulatory and Corporate Affairs Manager

Industrial Civil Engineer and MBA, Pontificia Universidad Católica de Chile. / ID 10.767.214-1

From March 2011. He has had various roles at Entel since May 1994

Magaly Guerrero Arce

Internal Audit and Operational Risks

Auditing/Accounting, Universidad Tecnológica Metropolitana and MBA, Universidad Adolfo Ibáñez/ ID 10.978.118-5.

From March 2017.

Ramiro Lafarga Brollo

CEO of Entel Peru

Public accountant, Universidad Católica Argentina, and master's degree in economics and business administration from ESEADE (Argentina) / ID 14.718.820-K.

From March 2017.

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GRI 102-7

Diversity indicators for key executives at Entel S.A., PCS and Entel Peru

Gender	Entel S.A./ PCS
Men	77
Women	14
Total	91

Gender	Entel Peru
Men	50
Women	12
Total	62

Nationality	Entel S.A./ PCS
Chilean	81
Foreign	10
Total	91

Nationality	Entel Peru
Peruvian	49
Foreign	13
Total	62

Age Range	Entel S.A./ PCS
Between 31 and 40	7
Between 41 and 50	48
Between 51 and 60	32
Between 61 and 70	4
Over 70	0
Total	91

Age Range	Entel Peru
Between 31 and 40	19
Between 41 and 50	36
Between 51 and 60	7
Between 61 and 70	0
Over 70	0
Total	62

Length of Service	Entel S.A./ PCS
Less than 3 years	7
Between 3 and 6	13
More than 6 and less than 9 years	13
Between 9 and 12 years	14
More than 12 years	44
Total	91

Length of Service	Entel S.A./ PCS
Less than 3 years	14
Between 3 and 6	9
More than 6 and less than 9 years	17
Between 9 and 12 years	2
More than 12 years	20
Total	62

Entel Group full workforce

Level	Entel S.A.	Entel PCS	Call Center S.A.	Other Subsidiaries (ESE)	Call Center Peru	Americatel Peru	Entel Peru*	Total
Management	51	40	8	0	6	0	62	167
Professional and technical	2,024	1,196	807	21	596	1	201	4,846
Clerical	465	428	1521	151	2,845	68	1,757	7,235
Total	2,540	1,664	2,336	172	3,447	69	2,020	12,248

+ Entel Peru figures also include Directnet workforce

Compensation of the executive team

Annual bonuses are calculated according to pre-established formulas, based on reaching corporate- and area-specific- goals, meeting goals relating to the financial results of the business and strategic projects of the company, regarding new technol-

ogies, employee engagement and customer experience. There is a long-term incentive plan, with a time horizon of up to six years, which includes fixed and variable payments, with a higher cap for the latter.

Salaries of managers and senior executives 2021

Personnel included 116 employees from Entel SA and its subsidiaries

Remuneration CLP 11,911,394,208

Bonuses CLP 6,632,388,267

Severance pay for 2021: \$69,506,375 paid in total to 14 executives

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3.2

› Ethics and regulatory compliance

GRI 205-1/ 205-2/ 205-3/ 206-1/ 406-1

We respect all our stakeholders and are committed to working with them to fulfill the obligations imposed by our role in society, based on our corporate purpose, general principles of ethics and adherence to the existing body of law. We do not tolerate conduct contrary to these principles by our directors, executives, employees or suppliers. For this reason, we have established an ethics and compliance system composed of models, policies, standards and organizational structures that safeguard corporate integrity and ensure behaviors in line with our beliefs.

The main responsibility of the Legal Compliance Division is to manage and monitor the system and all issues relating to ethical and regulatory compliance in the company, including internal regulations, Law 20,393, free competition and consumer protection, in both the company and its subsidiaries. To this end, it applies and refines control processes and promotes an ethical culture on a daily basis. The Legal Compliance manager also has the role of Crime Prevention, Anti-trust and Consumer Protection Officer and reports directly to the board on a semi-annual basis.

Figures

Compliance with Entel's ethics system

By year-end 2021, those who had signed up to our ethics system and all its elements came to:

100%

of our workers.

100%

of suppliers entered in 2021.

92%

of total suppliers.



Elements of Entel's ethics and compliance system

Code of Ethics and Application Manual

The Code of Ethics is one of the most important documents for the company and must be adhered to by everyone who works with us directly or indirectly. Together with the Ethical Conflicts Application Manual¹, it sets standards of conduct applicable to directors, executives, employees and third parties that carry out activities for Entel, aiming to establish a culture of continuous safeguarding of integrity.

Ethics Committee

To ensure that best practices are followed, Entel has an Ethics Committee, chaired by the general manager and made up of seven company executives. Its main functions are to manage complaints made through the channels created for this purpose, to propose actions to remedy any shortcomings found in the investigation of the complaints, and to resolve issues relating to company regulations.

The Committee meets monthly, and once a year the chairman reports to the Directors' Committee on the functioning of the ethics system.

With the goal of improving its corporate governance, in 2021 we approved new by-laws for the committee, to clearly establish its membership, the regularity of meetings and the issues it is responsible for.

Regulatory Compliance Model

This model includes resources, policies, procedures and protocols that aim to ensure corporate integrity.

One of its central components is the Crime Prevention Model, based on the Law on Criminal Liability of Legal Entities (No. 20,393). It is our main defense mechanism against corrupt practices. It includes policies, protocols and procedures for control and oversight, as well as a Crime Prevention Officer, appointed by the board and responsible for applying the model autonomously.

Main policies and guidelines

- Anticorruption and Crime Prevention Policies
- Conflict of Interest Policy
- Gifts, Invitations and Travel Policy
- Purchasing Policy
- Antitrust Policy (new)
- Donations Policy
- Sponsorship Policy
- Protocol for Relationships with Employees and Public Officials
- Lobby Policy
- Funding Policy
- Investment and Financing Policy
- Complaints Procedures
- Consumer Protection Policy (new)

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Ethics and regulatory compliance

In addition to the model, there is a risk matrix identifying the processes most exposed to crimes of corruption, which is closely monitored by the Compliance and Internal Audit departments. In 2021, BH Compliance certified our crime prevention model (CPM) for two years. In addition, the Board of Directors approved the update of the Anti-Corruption and Crime Prevention Policy (in part to reflect the latest crimes included in the law), along with the new Antitrust Policy, a document that reflects the company's commitment to respecting the rules of free competition in all the markets in which it operates. This policy became part of Entel's Antitrust Compliance Model.

Complaints and queries platform

Entel has a digital channel for all its employees, customers, shareholders, suppliers and stakeholders to report breaches of internal regulations or current legislation, so we can analyze the information provided and respond to them. The platform guarantees

(1)  See more

the anonymity and confidentiality of the complainant, as well as allowing him/her to follow up on the processing of his/her complaint. In 2021, an option to make inquiries, which can also be anonymous, was added, and the procedures for submitting complaints or inquiries and investigating them were updated.

All cases are reviewed by the Ethics Committee, whose secretary reports monthly on the management of complaints received, ongoing investigations and closed cases. Members of the board of directors have individual access to review the reports received through the channel. In addition, the Directors' Committee reviews how complaints are handled and their progress on a monthly basis.

In the year under review, the number of complaints increased 8.8% year-on-year. Commercial and other complaints were again the most prevalent, with 48 cases, followed by allegations of fraud. The average investigation time fell from 39 days in 2020 to 23 days in 2021, a decrease of 36%.

Complaints received in 2021			
Category	Number of complaints	Complaints substantiated or upheld	Cases that ended in sanctions
Discrimination	1	0	0
Corruption	0	0	0
Workplace harassment, inappropriate behavior or retaliation	20	13	7
Sexual harassment	2	0	0
Fraud	21	14	6
Damage to the environment; risk to health and a safe and a healthy work environment	5	4	0
Free competition	5 ²	0	0
Protection of privacy or misuse of company data; improper use of company assets, common spaces, goods or services	1	1	0
Conflict of interest	2	1	0
Robbery, theft, embezzlement, identity theft, impersonation, etc.	9	4	0
Total	66	37	13

⁽²⁾ These were test cases in the context of a simulation.

Verified cases of workplace harassment, inappropriate behavior or retaliation were sanctioned with a written reprimand, fine or dismissal, as per the Internal Regulations on Order, Hygiene and Safety. There were also

dismissals due to instances of fraud, one of which involved a supplier. This investigation led to the implementation of improvements in the processes.

In 2021 the company received no sanctions or warnings for antitrust violations and ended the year with no legal proceedings in progress in this area. On July 12, 2021, the Court for the Defense of Free Competition issued a resolution to close case C275-2014, titled "Complaint of Conadecus against Telefónica Móviles Chile S.A. and others", which involved Entel.

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Ethics and regulatory compliance



New Consumer Protection Compliance Program

In order to strengthen and promote our commitment to respecting consumer rights, in 2021 the board of directors approved the implementation of the new consumer protection compliance program. It comprises resources, policies, procedures, protocols and organizational structures de-

signed to prevent activities that may harm our customers. It has measures in place to detect risk and respond promptly and aims for continuous improvement. The board of directors appointed a Consumer Protection Compliance Officer.



Training and dissemination activities on ethics and compliance issues 2021

As part of their induction, each new Entel employee is trained in the Code of Ethics and is given a digital version.

In August, we held the second Integrity Week, involving more than 600 employees, with a series of talks on topics relating to compliance and ethics in business, in order to promote our purpose of transforming society in a responsible manner. Also, an ethics and compliance dissemination plan was implemented, which in 2021 included the following activities:

Number
90%

of our employees participated in courses or lectures on elements of the ethics system.



Level	Dissemination	Activities	% Who received information	% Trained
For board and management	Management: <ul style="list-style-type: none"> Conflict of interest policy and cases Ethics system Whistleblower platform Gifts, Invitations and Travel Policy 	Board of Directors: <ul style="list-style-type: none"> Bribery Amendments to the Securities Market and Corporations Law. Management: <ul style="list-style-type: none"> E-learning on Crime Prevention Model and free competition Talk on "Trade Associations and Free Competition". 	Board of Directors: 100% Management: 100%	Board of Directors: 100% Management: 64%
Employees	<ul style="list-style-type: none"> Anti-corruption Policy Conflict of interest policy and cases Ethics system Whistleblower platform Gifts, Invitations and Travel Policy Antitrust Policy (new) Bid participation guidelines 	<ul style="list-style-type: none"> "Ethics and Compliance", talk for managers and assistant managers Anti-corruption talk Integrity Week Talks: "Let's talk about integrity" and "Relations with public officials". Entel University courses: CPM and Compliance Talk on "Tenders and Free Competition". 	100%	90%
Suppliers and contractors	<ul style="list-style-type: none"> Gifts, Invitations and Travel Policy 	<ul style="list-style-type: none"> "Ethics and Compliance", talk for managers and assistant managers Anti-corruption talk Integrity Week Talks: "Let's talk about integrity" and "Relations with public officials". Entel University courses: CPM and Compliance Talk on "Tenders and Free Competition". 	100%	0%

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› Regulatory framework in Chile

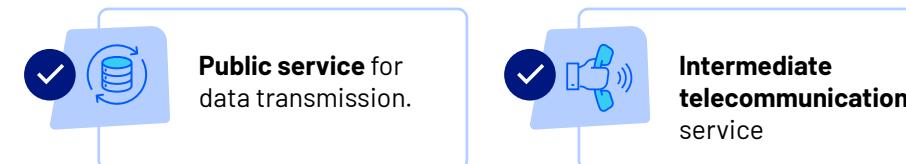
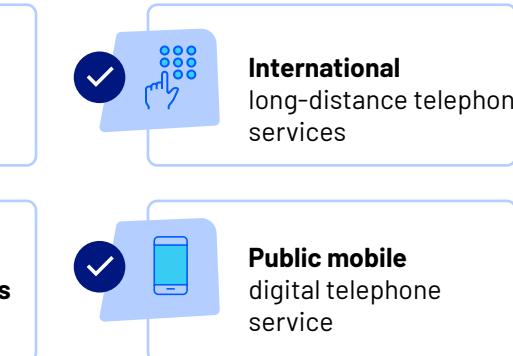
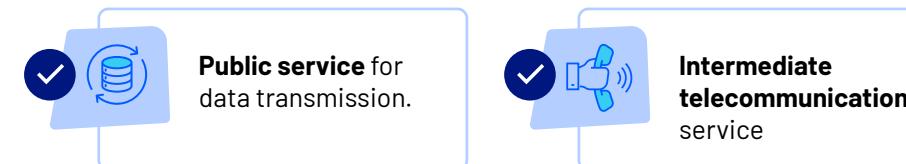
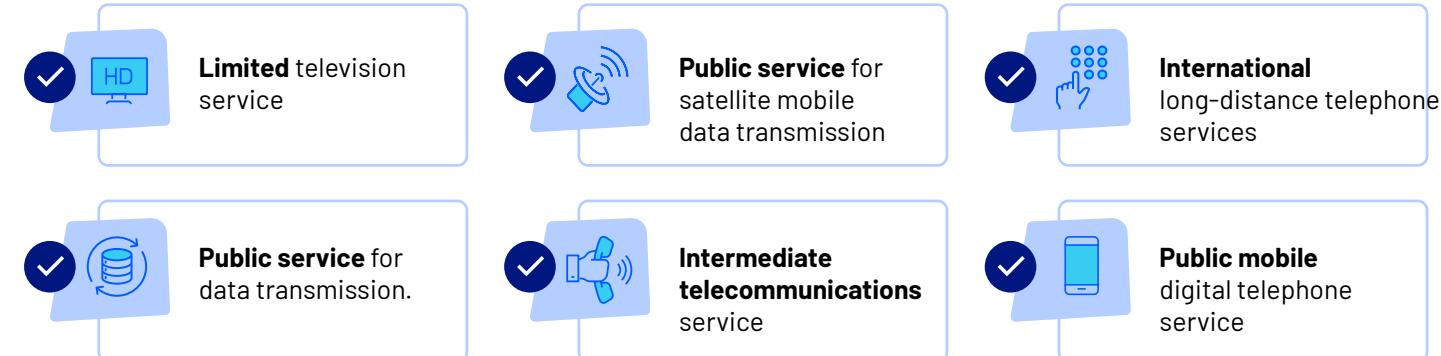
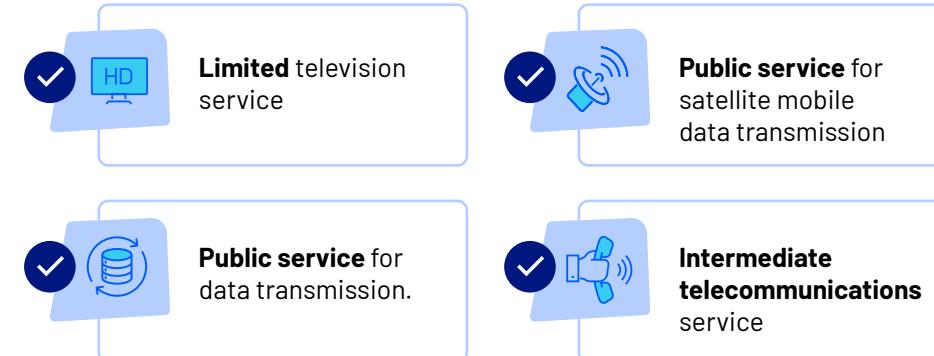
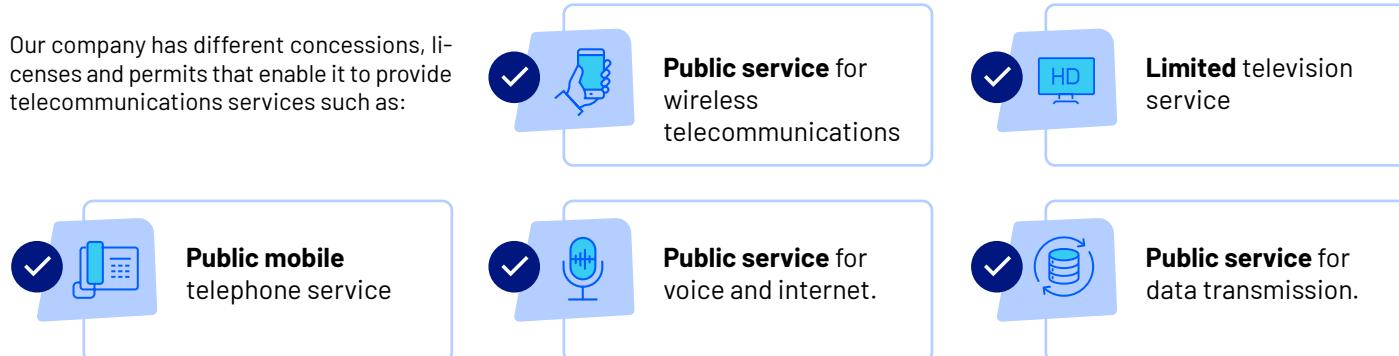
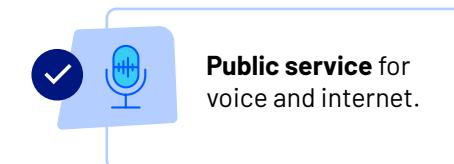
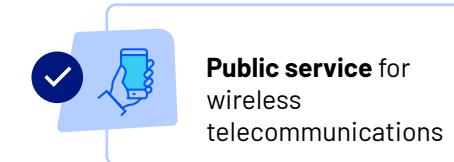
Chile has been a pioneer in regulatory matters relating to telecommunications and has achieved a broad technical consensus on the policies applied to the sector. This has made it possible both to have world leading legislation - such as Law 21,046, which establishes the obligation of a guaranteed minimum speed for Internet access - and to enjoy certain regulatory stability, which has been key to the progress of the industry.

The main regulatory instruments applicable to our business are the General Telecommunications Law (18,168) and its accompanying regulations. This law establishes free and equal access to telecommunications;

how public and intermediate services requiring radio electric spectrum should be put out to bid when, for technical reasons, the participation of only a limited number of companies is possible; mandates the interconnection between the services provided by the different companies; and allows the free setting of prices and rates to the public for these services.

The Department of Telecommunications (Subtel), under the Ministry of Transport and Telecommunications, is responsible for implementing Law 18,168, which includes the organization of public tenders to assign concessions for the use of the radio spectrum.

Our company has different concessions, licenses and permits that enable it to provide telecommunications services such as:



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Public bidding and band realignments

5G Tender

On January 15, 2021, the Ministry of Transport and Telecommunications, MTT, issued its resolutions regarding the four public tenders organized by Subtel in 2020 to award the concessions for the bands appropriate for 5G technology. Entel participated in two - for the 3.5 GHz and 26 GHz bands - , as it owned spectrum in the remaining bands and was limited by caps.¹ In both cases it was awarded blocks:

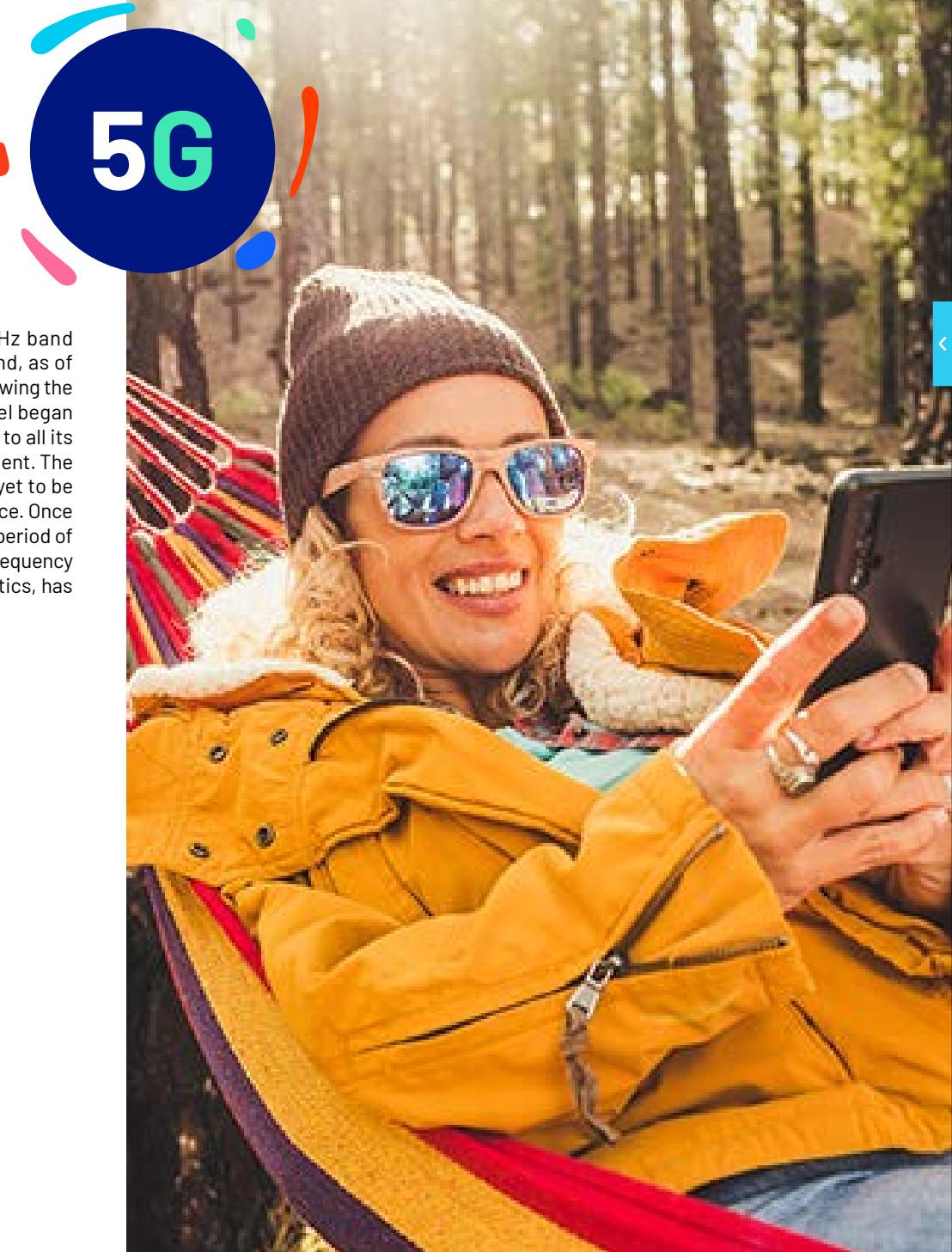
► In the 26 GHz band, of the four spectrum blocks included in the tender, Entel was assigned block 4 for 20 communal polygons where it submitted proposals². Claro was awarded block 3 in 34 municipalities, and WOM, block 1 in 15 municipalities. Each block consists of 400 MHz, with block 2 remaining unassigned to an operator.

► In the 3.5 GHz band, there was a tie between Entel, Borealnet, Claro, Movistar and WOM. On February 16, 2021, a tie-breaking bidding process was conducted through sealed bids. Entel was awarded five blocks (50 MHz) in the lower part of the spectrum between 3.3 and 3.35 GHz; Movistar obtained five blocks (50 MHz) in the upper part of the spectrum between 3.35 - 3.4 GHz and WOM, another five blocks (50 MHz) in the spectrum between 3.6 and 3.65 GHz.

Shortly after the allocations, Movistar withdrew the appeal it had previously filed with the Supreme Court for the use of the 3.5 GHz band, leaving in force the conditions established by the Competition Tribunal in this matter. It also withdrew the petition filed with the Competition Tribunal, questioning the terms and conditions of the 5G bidding process. They argued there was no point in insisting as the anticipated risks did not materialize.

¹ Radio spectrum limits.

² The authorities decided to award this tender in the municipalities in which the bidders submitted proposals.



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Adjustments to the Cap

In 2018, the Supreme Court ordered Entel, Claro and Movistar to divest the radio spectrum acquired in the public tender for the 700 Mhz band years earlier - 30 MHz in the case of Entel - after finding that the 60 MHz limit that each incumbent could own in the advanced mobile communications services market had been exceeded. In spite of the fact that in 2020 the court set new dynamic caps, percentages and taxes per macro-band, according to the terms established by the Supreme Court ruling it was still mandatory to comply with the refund process. Operators had until October 2021 to comply and were able to choose in which bands to divest spectrum. To comply in a timely manner with the court order, Entel opted to return 20 MHz in the 3,500 band and 10 MHz in the 900 band.

Furthermore, with the allocation of spectrum in the 3.5 GHz macro-band, Entel reached 150 MHz, a figure that exceeds the limit established in 2020 by the Supreme Court of 30% of the total spectrum of that band (105 MHz), which forced the company to make further adjustments. As it had already committed to return 20 MHz, it had to sell another 30 MHz. To this end, a con-

cession transfer (sale) to the operator Claro Chile was chosen. On August 2, 2021, Subtel authorized the transfer. In this way, Entel complied with all the mandatory adjustments within the deadline.

Request for realignment

At the beginning of October 2021, Entel, GTD, Claro and VTR petitioned the Undersecretary of Telecommunications on the need to proceed with a plan to realign the spectrum assigned between the 3.4 GHz and 3.6 GHz frequencies. This is because these companies have spectrum in that band, but in an interrupted form¹, which prevents them from achieving their full potential and delivering more efficient services in view of the arrival of the fifth generation, in addition to the fact that there are 40 MHz of dispersed spectrum that the State could organize and later put out to bid. Accordingly, on December 22, Subtel announced a public hearing to gather the views of different stakeholders on a possible reordering of the use of the aforementioned spectrum, which remained open until January 21, 2022.

Bill to make it easier for users to change fixed service provider

It is currently possible to port a landline phone number without having to renounce the old provider, but not when porting television or internet services, or both. In these cases, the user must contact the previous operator to terminate the contract. The bill under consideration (bulletin 12.698-15), proposes that users terminate fixed telecommunications service contracts at the time of entering into the contract with the new operator.

At the time this report went to press, the bill was at its preliminary legislative stage, being reviewed by the Senate Transportation and Telecommunications Committee, where it had attracted considerable support among legislators and from the regulator (Subtel).

Regulations on Automatic Roaming and Virtual Mobile Operation (VMO)

In December 2021, in accordance with Law 21,245, introducing Article 26a to the General Telecommunications Law, the MTT issued regulations governing the rules and terms covering technical, economic, operational and commercial conditions to be met when offering national automatic roaming facilities and mobile virtual operations, and their respective contracts. These offers will be subject to approval by Subtel.

With regards to national roaming service, the law and its regulations require that offers include isolated areas, areas with a single operator and localities and mandatory routes established in spectrum contests or benefited by the Telecommunications Development Fund, in addition to service for emergency situations and when there is a new incoming operator.

At the time of publication of this annual report, Entel was preparing its proposal for facilities, to be submitted to Subtel for approval, complying with regulations.

Notwithstanding, the automatic national roaming service has been available since October 2020 in isolated, single-operator and mandatory areas, even where there are no contracts between operators.

Management and Maintenance Plan for Overhead and Underground Telecommunications Lines

Law 21.172 of 2019, amending the General Telecommunications Law, set forth the general obligations regulating the laying and removal of overhead and subway lines for the provision of telecommunications services. The regulation draft detailing the conditions and requirements of the law regarding the installation, identification, modification, maintenance, arrangement, transfer and removal of lines, their supports, accessories and additional elements is currently under development.

Comments on the proposal have been submitted through Chile Telcos to clarify some aspects that are not specified in sufficient detail and to include aspects of the execution of network deployment projects.

¹⁾ This is due to the fact that prior to the 4G tender a data download format known as "frequency modulation" was used, which allows for two channels, one for downloading data and the other for uploading it. Subsequently, as users started downloading more data than they uploaded, the State implemented Time Division Duplex (TDD) transmission, which establishes a single channel for downloading and uploading.

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Tender of the independent technical body for measuring internet access speeds

Law 21,046 of 2017 set out the obligation to guarantee an average internet access speed, establishing that an independent technical body must be in charge of implementing and managing a measurement system in the country. Its regulations stipulated that the bidding process for this body would be carried out by a committee representing internet service providers with at least 1% of the users (among them, Entel), subject to approval of the bidding conditions by Subtel. This process was executed in 2021, but the assignment of the company that would act as the Technical Organization for such measurements was declared void by the committee, which at the time of this report was reviewing new bidding conditions with Subtel in order to launch a second call for bids. The purpose is to assign the technical body in 2022 and start performing network measurements of suppliers and provide a metering tool for users.

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Critical Infrastructure Regulation Update

In 2020 and 2021, Subtel proposed updating the current regulations on critical infrastructure, through a draft regulation that has been reviewed by the Comptroller's Office. Among other changes, the proposal includes internet service providers as subjects for regulation and increases the number of sites qualified as critical infrastructure Level 1 (IC1) and Level 2 (IC2), establishing measures for the entire chain of sites connected to them. For example, it raises the energy autonomy requirement for IC2, establishes network redundancy obligations for fiber optics, sets higher resilience and cybersecurity standards, and mandates the relocation of sites in at-risk areas.

In view of the significance of its effects, Entel and Chile Telcos have raised the need to review the proposal before its implementation becomes mandatory.

Internet access as a public service

After discussion in the Senate in 2020, in April 2021 a bill was submitted to the Chamber of Deputies and the Chamber of Deputies (bulletin 11,632), seeking to recognize internet access as a public telecommunications service. This initiative, introduced in 2018, is in its second constitutional stage, in the Public Works, Transportation and Telecommunications Committee of the lower house, to be discussed by the legislature in 2022. Broadly, its characteristics are as follows:

- ▶ It proposes to expressly recognize Internet access as an integral part of the public telecommunications service, thereby subjecting it to the respective regulations.
- ▶ The aim is to foster the development and deployment of telecommunication service networks and thus facilitate access to telecommunication services for the public.

Digital equity for students

This bill relates to two parliamentary initiatives, or motions, aimed at regulating internet access for the country's students, which were merged and are being processed under the same concept - "Digital equity among students" (bulletin 13,482-04 and bulletin 14,579-04). The main goal of this motion is to improve internet access for the country's students. To this end, this project amends the following rules:

- ▶ The General Education Law (20,370), to incorporate the concepts of digital equity and connectivity.
- ▶ The law creating the Public Education System (21,040), to add connectivity to its tenets.
- ▶ Article 24 H of the General Telecommunications Law (18,168), to establish that internet access providers must offer the service to all educational establishments that receive public funding, with a high-quality connection.

This bill is in the first constitutional stage and is pending voting in the Lower House in order to continue its legislative process in 2022.



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› Regulatory framework in Peru

The Peruvian telecommunications model is promotes private investment in the sector, with a general regulatory framework that has enabled the development of the sector and a high competitive intensity in the mobile market. The Ministry of Transport and Communications (MTC) is the sector's governing body and the Supervisory Body for Private Investment in Telecommunications (OSIPTEL) is the regulator.

The principal norms comprising the general framework that regulates the sector are: the Telecommunications Law (Texto Único Ordenado de la Ley de Telecomunicaciones) and its General Regulations, the Framework Law of Regulatory Bodies, the Law for the Development of the Functions and Powers of Osiptel, the Market Opening Policy Guidelines and the Guidelines for the Consolidation of Competition and Expansion of Infrastructure. These regulations establish the industry competencies and general policy, the concession policy (market access rules), the policy for allocating scarce resources (radio spectrum and numbering), the universal access policy, the interconnection policy between the services provided by the different companies, the policy of free and fair competition, the tariff policy that allows free tariff setting for users, the accounting rates and economic obligations of the operating companies, among others.

Entel Peru has several concessions and licenses that enable us to provide telecommunication services such as:



This general framework is supported by various national and technical plans issued by the MTC, relating to spectrum, numbering, signaling, among other complementary provisions of the general regulations. It is also supported by regulations issued by OSIPTEL regarding the conditions of use of public telecommunications services, tariffs, interconnection, user complaints, quality of service, coverage, among others.

In recent years, OSIPTEL has actively participated in the modification of regulations regarding users, contracting, portability and claims, including those relating to citizen security, such as the National Registry of

Handsets, technical regulations on quality of service, the sanctioning and supervisory regime, among others.

In 2021, two regulatory changes implemented by Osiptel stand out, relating to:

- ▶ i) Digitization of transactions and access to information via app and web, which allows 100% digital transactions such as registration, cancellation, plan changes, number changes, or service suspension requests.
- ▶ ii) Standard contracts for public telecommunications services, which meant hav-

ing shorter and simpler contracts, adapted to the format established by OSIPTEL and provided in Spanish, Quechua and Aymara, Ashaninka and Shipibo-Konibo.

Also, a series of provisions were issued that will be effective and implemented in 2021 and 2022, as part of its policy aimed at strengthening supervision processes and empowering users.

Tender AWS 3 -2300

On May 14, 2021, the Private Investment Promotion Agency (PROINVERSION) called

for the Special Public Bidding for the "sole concession for the provision of public telecommunications services and to allocate nationwide the frequency ranges 1750-1780MHz and 2150-2180Mhz; and 2300-2330Mhz". These bands are suitable for 4G and 5G technologies.

Entel Peru participated in the pre-qualification stage of the bidding process, obtaining the status of pre-qualified bidder in November 2021, together with Movistar and Claro. Pre-qualification consisted of a document review of legal and financial requirements, and was carried out prior to the publication of the final bidding conditions.

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Public tenders

A positive aspect of this tender was that a competitive factor was applied which differed from the traditional economic bids. However, the terms of the investment commitments and the various contractual provisions were observed by various industry specialists and industry players. PROIN-VERSION finally decided to halt the bidding process, a few days before the date set for the award. At the time of writing, there is no official position on how and when this process will continue or whether it will be cancelled and a new one initiated.

5G tender and 3500MHz band realignment

In December 2019, the MTC conducted a public inquiry into a working document intended to be the basis for the next tender for the 3500Mhz and 26Ghz frequency bands, including a spectrum reordering process for the 3500MHz band. The Ministry has yet to define when the bidding process will begin and who will conduct it.

Mobile Fees

At the end of January 2021, the regulations for the payment of mobile fees were modified, increasing the percentage of the infrastructure expansion payment from 10% to 40%, and updating the amounts considered for the infrastructure to be installed, according to the technology used. The standard thus promotes the effective use of resources to close the connectivity gap.

This regulatory change has allowed ENTEL to bring mobile services to 30 rural localities that did not have telecommunications services, having completed to date the installation of stations in the selected localities.

Renewal of Concessions

In February 2021, a new methodology for the renewal of concessions was approved, penalizing double non-compliance with obligations and with a 40% maximum threshold for non-compliance, but with a different weighting for non-compliance compared to the 2010 methodology.

As part of this new methodology, an assessment of the renovation processes in progress was made. Entel is in the process of renewing its concessions associated with the 800 and 3500Mhz bands, a process that has already been evaluated by OSIPTEL.

Enabling 5G

In August 2018, the 3500Mhz band was declared under realignment and restrictions were established for the use of the band. The realignment process began in October 2019, but was discontinued in February 2020. In other words, for almost a year and a half, the band could not be used in a more efficient way, due to regulatory restrictions and lack of realignment. The MTC lifted the restriction that prevented the provision of new services in the band in October 2020, enabling Entel to initiate the process to obtain mobile registration on that frequency. At the same time, Americatel and Entel began modifying the technical operating characteristics of their fixed concessions in order to support 5G technology.

In March 2021, Americatel and Entel obtained approval to modify the technical features to operate with 5G technology, and in April 2021, Entel obtained the mobile registration to operate in the 3500Mhz band and currently has a 5G service available to the general public.



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Roaming Andean Community

Decision No. 854 of February 19, 2020 establishes a free international roaming service for the member countries of the Andean Community (Colombia, Ecuador, Bolivia and Peru). The implementation of this decision was programmed in phases.

The first phase consisted of a progressive and gradual reduction of wholesale tariffs among service providers, over the period July 2020–December 2021. The second phase was implemented starting January 1, 2022, and involves eliminating national roaming charges for postpaid service users in Andean Community member countries, and allowing users traveling within the 4 member countries to make use of the same services (conditions and tariff plans) that they have access to in their country of origin, for voice, SMS and data.

Guaranteed Minimum Speed Law

In June 2021, Congress approved Law No. 31207, guaranteeing a minimum guaranteed speed for broadband internet access. This law increases the minimum speed that companies providing broadband internet services must offer from 40% to 70%. This increase in speed is applied in two phases, first, achieving a minimum guaranteed speed of 52% by

March 3, 2022. By December 3, 2022, the minimum guaranteed speed should be 70%, both for new and existing users.

Termination of the national fiber optic backbone network contract

Following a public hearing, the Peruvian State decided to terminate the contract for reasons of public interest, providing that Azteca would transfer the backbone network to the MTC's National Telecommunications Program - PRONATEL, and that they would manage it for a period of up to three years.

PRONATEL is expected to select a private operator with experience in operating and maintaining transmission networks. At the time of writing this report, PRONATEL is acting as network administrator, as no operator has been selected.

Increase and changes for the taxable base for regulatory contributions

In August 2021, the Presidency of the Council of Ministers, in response to a proposal by OSIPTEL, modified the percentage and the base for calculating contributions made by the operating companies for the regulatory tax. This change will result in an increase in

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the tax rate, from 0.5% of revenue to almost 0.8% from 2022 to 2024, for mobile public service companies. The amendment also includes all operating companies, with respect to the form of collection. As of 2022, the regulator will collect revenue based on the annual invoicing for the provision of telecommunications services, without taking into account whether or not there is an actual income, i.e., the criterion changed from what is received, to what is accrued.

Possible regulatory changes relevant to the industry

Bill extending the validity of Law 29022 and providing facilities for infrastructure rollout

It is currently possible, within the framework of Law 29022, to deploy telecommunications infrastructure under an automatic approval system, following a procedure with certain formal requirements and some prior authorizations in some exceptional cases (nature reserves, archeological heritage, among others). This rule expires in May 2022.

Congress initially presented a bill that proposed a return to a regime of prior appraisal for the deployment of infrastructure, which would imply going back to a scenario prior

to 2006, with a negative impact on infrastructure rollout necessary for bridging the country's connectivity gap. Although there is a proposal in Congress suggesting a return to the appraisal system (as in 2006), a bill was also presented that contains precisely those provisions set forth in Law 29022. The latter project was approved by the Transportation and Telecommunications Commission of the Congress, and is also supported by the MTC and OSIPTEL.

Implementation of RENTESEG phase 3

Regarding the National Registry of Mobile Terminal Equipment for Security, we are in the development stage of phase 3, the most complex phase in terms of operation and processes, since all activations must first go through online consultation with RENTESEG, that is, the multiple pre-validation lists, such as: the black list, the white list, the duplicate and cloned list and the invalid IMEI, which changes the model implemented by the operating companies.

OSIPTEL is currently in the process of selecting the provider that will develop phase 3 within the entity, which will enable online interconnection between the operating companies and RENTESEG. The deadline for this phase is formally set as July 2022.

At present, however, there is no interoperability manual, a key element for design and implementation, which has led to a request for an extension of the deadline.

Internet access as a fundamental right

During the 2016-2021 parliamentary term, as many as eight bills were filed proposing to declare or recognize internet access as a fundamental right. Four of these proposals for constitutional reform to recognize the right of access to the internet as a fundamental right, were debated and subsequently voted on in the Congress plenary. The proposals were approved on the first vote, however as they were not scheduled to be voted on in the next legislature, they were finally placed on file.

In the current 2021-2022 legislature, as agreed by the board of directors, bill 3607/2018-CR, Constitutional Reform Bill guaranteeing the right of access to a free and open internet, was updated under the number 557/2021-CR. Approval in two consecutive legislatures is required for incorporation as a fundamental right. It will therefore be reviewed and debated by the Congressional Committee on the Constitution and Regulations of the Congress of the Republic.



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› Transparent participation

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Aware that adequate legislation is one of the enabling factors for the continued modernization of telecommunications and the expansion of connectivity in the country, at Entel we actively participate in improving the legal environment. To this end, we work together with unions, authorities, companies, universities and research centers, contributing with our vision and experience when changes are proposed, always with openness and transparency.

Participation focuses especially on resolving spectrum and concession rights issues, and on boosting the deployment of 5G technology networks. In addition, we seek to promote regulations that foster principles and values that are fundamental to us:

- ▶ More transparency to users (internet speeds)
- ▶ Reduced impact on citizens (cable laying)
- ▶ More competition (portability)
- ▶ Fair treatment of collective management entities in promoting their interests

- ▶ Asociación Chilena de Empresas de Tecnología de Información A.G. (ACTI)
- ▶ Asociación Chilena de Telecomunicaciones A.G (Chile Telcos, ex (ATELMO)
- ▶ Acceso TV A.G.
- ▶ Asociación GSM
- ▶ Centro de Estudios del Desarrollo (CED)
- ▶ Fundación Libertad y Desarrollo
- ▶ Sociedad de Fomento Fabril (SOFOFA)
- ▶ Unión Social de Empresarios Cristianos (USEC)
- ▶ Pride Connection
- ▶ Prohumana Red
- ▶ Fundación Generación Empresarial
- ▶ Centro de Estudios Públicos
- ▶ Corporación Municipal de Isla de Pascua
- ▶ Fundación Paz Ciudadana
- ▶ Congreso del Futuro
- ▶ Universidad de Los Andes

Our main contributions and membership payments to related entities totaled Ch\$168 million in expenses for the reporting period. Meanwhile, cash donations made to charitable institutions came to Ch\$452 million in 2021. Entel does not make donations of any kind to political parties.

In 2021, we engaged with the following entities:



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› Entel's innovation model

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Innovation is part of our strategic pillars, as it allows us to adapt to a rapidly changing environment and continue providing an attractive, relevant and innovative value proposition, focused on the challenges of our society, people, companies and the government. To this end, we have developed an innovation model that combines strategy, processes, culture and human capital around the opportunities opened up by new technologies.

This model has two focuses:

► **Incremental innovation:** It is a systematic way to improve our products and services, exploring new opportunities for improvement for each one. We have been continually updating the postpaid mobile application, for example, in line with new digital trends, with an increasingly modern and user-friendly interface. The ultimate goal is to provide distinctive experiences.

► **Adjacency innovation:** Today's customers not only require us to improve our current products, but also to extend the possibilities offered by technology to create new experiences, for which it is essential to continuously explore and test possibilities. Entel Ocean, Entel's digital unit, plays a central role in this area.

The main enablers of this dual model are:

- Innovative and intrapreneurial culture
- Trend scanning
- Open innovation ecosystem



Innovative and intrapreneurial culture

We foster a fertile work environment for innovation with multidisciplinary teams, based on cooperation and knowledge transfer. We also implement wide-ranging initiatives and focused on specific areas in order to install innovation capabilities and promote the importance of innovation.

Entel +

2021 was the third year for this program, in which employees can present ideas for improving internal processes or creating new products and services. After being validated, the best ideas are implemented through a milestone-oriented plan. Each initiative is headed by a manager and an assistant manager, who perform weekly follow-ups.

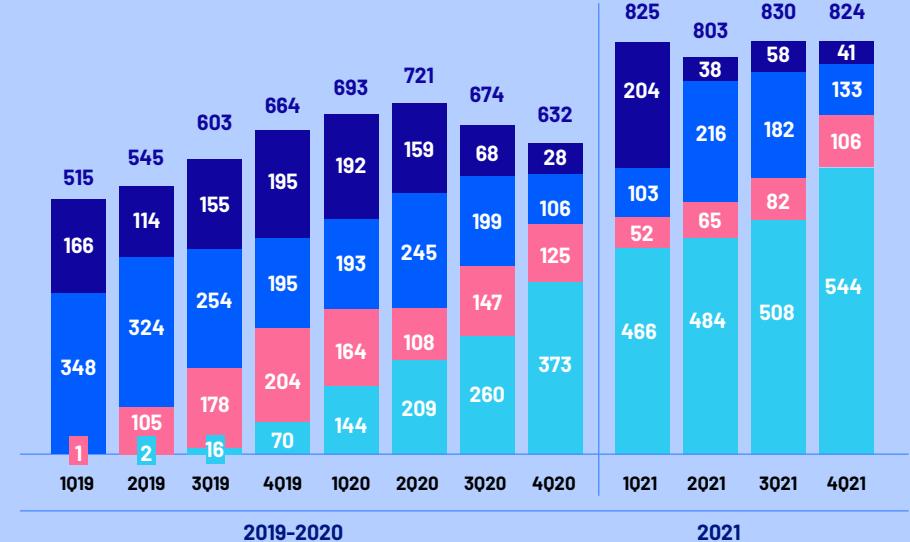
In these three years, 824 initiatives have been taken up, of which 544 have already been completed.

Through this program the company has established the practice of continuously seeking new areas for improvement, as a work philosophy, which has had a positive

impact on the company's results over the last two years.

Entel+ will continue in 2022, with a focus on ideas that enhance new business opportunities and products, and that seek to optimize the use of resources without compromising the customer experience.

No. of Entel+ initiatives



- Identification and validation:
- Planned
- Implemented
- Finalized

Identification and validation:

Initiatives in the process of identifying value and validation of business cases.

Planned

Initiatives planned in team workflow and ready to be implemented.

Implemented:

Initiatives in progress with first evidence of partial value captured.

Finalized:

Initiatives completed with sufficient evidence to ensure total value capture.

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Entel's innovation model

New Intrapreneur Mindset Program

This involved the development of eight modules with theoretical and practical content and success stories on topics relating to innovation and intrapreneurship. On its first outing there were 38 participants, 18 hours of training and 4 companies invited to participate. We also participated in Global Intrapreneur Week from the League of Intrapreneurs, a global community focused on creating change from within organizations.

e)makers challenge

We once again held the sustainability challenge, which in 2021 had three categories: education, health and wellness, and digital skill development for work and entrepreneurship. There were 30 submissions from more than 50 Entel employees. Of these, 15 initiatives were funded and implemented nationwide to support communities affected by the pandemic with technology and skills.



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Entel's innovation model



Trend scanning

We are constantly scanning and analyzing trends with high strategic potential for our business. Those that best meet the needs of the market and our customers are subjected to a process of experimentation, validation and improvement.

Trend Observatory

This internal body was created to explore technological, social and cultural trends in Chile and the world, with a view to detecting opportunities at an early stage, counteracting threats and generating competitive advantages. Among the trends under observation are artificial intelligence, AI applications and IoT Analytics; conversation platforms; cybersecurity; 5G; image analysis; blockchain; augmented analytics; digital privacy; quantum and edge computing; smart spaces; immersive experiences; and digital twins, among others.



Strategic foresight: Entel 2030

Based on medium-term trends and their impacts, we periodically assess possible future competitive environments. With this scenario roadmap, we organize workshops for reflection, the result of which is a strategic roadmap containing Entel's future value propositions. In 2021, a forecast for 2030⁽¹⁾ was undertaken.



Open innovation ecosystem

To expedite innovation, we proactively engage with key players in the national innovation ecosystem through a variety of initiatives.

Entel Explora

This program connects the internal challenges of the organization with the talent of digital and technological entrepreneurs seeking to provide creative solutions to new societal challenges. Through co-creation we generate disruptive innovations that have a high impact on people's lives, in addition to offering startups the support of a leader in innovation.

What are we looking for?

- ✓ Digital startups
- ✓ Products or services tested on users
- ✓ Innovative and scalable business model

What are we offering?

- ✓ Short, light contracts
- ✓ Closeness to the entrepreneur
- ✓ Agile responses
- ✓ Non-exclusivity

Unboxing Innovation

In 2021 we participated in the first "Unboxing Innovation", organized by Oracle, iF and Caja Los Andes, where Latin American startups solved challenges posed by different Chilean companies. We were in charge of defining the first two challenges: one aimed at finding a service model to operate buildings and warehouses through IoT technology, and the other was the design of an induction ("onboarding") for customers to intuitively understand the services and products contracted.

For the first challenge we are evaluating two solutions to integrate them into the product portfolio offered by Entel Empresas' IoT cell. One of them provides services to improve air quality, space use and germ detection, for which a pilot will be implemented in Entel's offices to optimize work environments and reduce the energy consumption of the devices used for this purpose.

For the second challenge we are also analyzing two solutions that offer interactive personalization technologies to accompany the user at all times.

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⁽¹⁾For more information, see Ch.6.

4.2

› Entel digital transformation



Innovating in an environment of such rapid change as we are experiencing at the beginning of the fourth industrial revolution, requires the ability to act with speed, agility and simplicity. A few years ago Entel embarked on a broad transformation process in pursuit of these attributes. Today we have a digital transformation agenda set by Entel's Executive Committee and coordinated by the innovation division, headed by different departments in order to promote the enablers that were considered key to achieving an optimal level of digital maturity: analytics and data governance, automation, digital talent, agile organization and technology platforms. The progress of this agenda is reviewed periodically by the Executive Committee and adjustments are made to the agenda.

This is a continuous process of deploying relevant skills to address the anticipated complex challenges and uncertainty. The benefits can already be seen in the excellent results obtained by Entel over the last two years.

In 2021, Entel assessed its maturity level in this area for the second time, focusing on six domains: strategy, culture, customers, technology, operations and data. This last domain was included for the first time, given the relevance of data protection and its use in decision making. This diagnosis allowed the company to measure the degree of progress of its digital agenda initiatives, to focus its efforts on the following areas of action:

- **Consolidate the concept of the digital citizen** as a central element of the company-wide process of change management and to promote the development of internal talent.
- **Continue developing our agile work model**, refining the method and introducing productivity indicators that allow us to measure progress.
- **Develop a data driven organization**, based on the responsible analysis of data at all levels, viewing it as an asset that maximizes the value of the company.
- **Automate and digitize processes**, aiming at digital acceleration for our customers and an optimal experience, with personalized and automated campaigns, based on behaviors and emotions and a mobile first experience⁽¹⁾, simple and low-touch.
- **Enhance sales and after-sales service for our B2C and B2B customers** on our digital channels, through a simple and decisive experience that responds to their needs.
- **Create a visual brand identity** with a digital experience.



⁽¹⁾ Web design optimized for mobile devices.

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Entel digital transformation



TD@E program

One of the main enablers of Entel's digital transformation is the implementation of systems platforms that allow us to provide a distinctive, end-to-end digital, low-touch experience to our customers. This is achieved through the incorporation of virtualized and cloud technology with the capacity to support the company's multiple service, sales and post-sales channels.

In 2021, we continued to advance in our Entel Digital Transformation (TDE) project, with the B2B areas in Chile and Peru, covering the soho, SME, large companies and wholesale segments in Chile and Peru.

This challenging project is led by Entel with the participation of two of our main suppliers (Oracle and Ericsson), involving more than 200 people, with professionals of more than 10 nationalities working together to achieve the proposed objectives.

It is divided into 2 stages. The first began in October 2020; work was carried out during 2021 and rollout began that same year and is still underway in Chile and Peru, with a completion date of March 2022. The focuses of this stage include the implementation of a new CRM for the B2B markets in both countries, simplifying and standardizing the B2B commercial offer in both countries, and supporting the pre-sales process with cloud and SaaS solutions.

The second stage focuses on the sales and post-sales process, closing the B2B customer lifecycle. This stage started in November 2021 and will run through 2022 and 2023.

Regional contact center

Entel's digital transformation has covered all points of contact with customers, including the Contact Center. This Chile-Peru project aims to consolidate the technological platforms of both countries, for all market segments, taking this new Contact Center



platform to the cloud, in a cognitive environment that enables taking control of different rules, analytics and planning, as well as applying greater intelligence to the virtual customer service voice assistants, making more efficient use of agents. This simplifies customer service and allows us to continue making progress in optimizing the customer experience.

In 2021, we implemented this system in Chile's Consumer Segment and we are making progress in Peru, which is currently in the implementation stage.



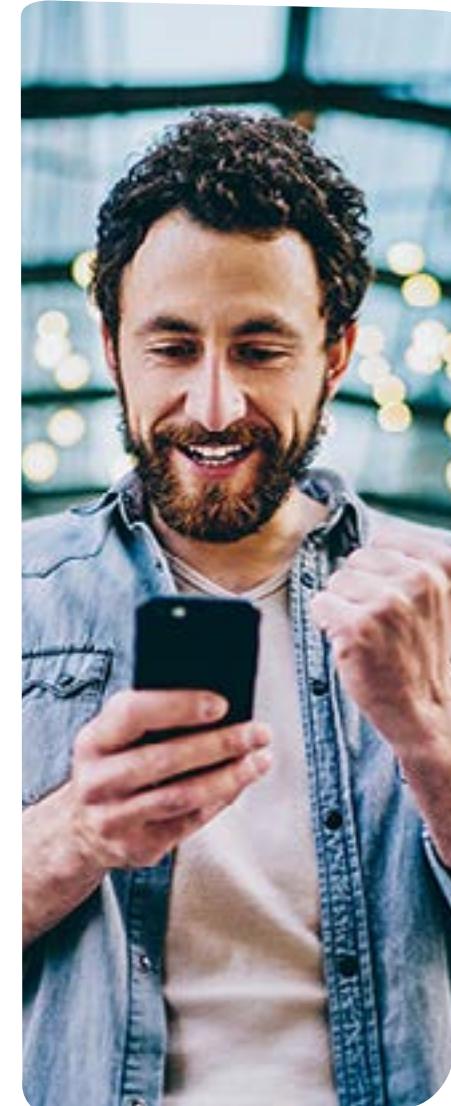
Estonia project in Entel Peru

In 2020, Entel Peru designed its own strategic digitization program, reflecting the need to digitize as many of its processes as possible during periods of confinement. The name Estonia alludes to the country considered to be the most digital, where nearly 100% of the procedures can be carried out remotely.

In the first year, 45 initiatives were handled, of which 70% were implemented. These were aimed at both the back and front offices, i.e., internal or administrative processes and those that have a direct impact on the customer.

Throughout 2021, 29 initiatives were handled, of which 78% were completed. This has also helped to improve the digital maturity index, which is measured in the same way as in Chile.

In 2022, the program will focus on closing the gaps found in the digital maturity diagnosis, continuing to make improvements.



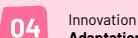
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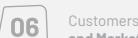
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› Digital transformation of society

Entel wants to continue being an important player in the transformation of our society, providing specific applications that use connectivity, new technologies and the principles of sustainability to solve the problems facing the country. As the company's technological development unit, Entel Ocean leads this transformational mission. In 2021 there were several standout developments in the various sectors on which this strategy is focused.



Health sector

Management of Covid-19 pandemic

At the beginning of the health crisis, the Instituto Sistemas Complejos de Ingeniería (ISCI), signed a collaboration agreement with Entel, together with Entel Ocean's Geointelligence team, to process grouped and anonymized mobility data. We collaborated with the Ministry of Health and the Ministry of Science and Technology in designing solutions to different problems associated with the health emergency. This partnership enabled the development of critical applications for pandemic management that have allowed authorities to make better decisions and use resources more efficiently. Two of the most important solutions are:

COVID Analytics mobility platform:

The result obtained by ISCI and our geointelligence team allowed us to transform the data obtained from our telecommunications network into information for the urban territorial analysis of the whole country, and to make available an open digital platform, capable of generating dynamic mobility indicators to understand people's behavior and compliance with quarantines. This was the basis for the subsequent creation of multiple initiatives with the Ministries of Science and Health, aimed at reducing sources of infection.



Active search for cases in critical areas:

In mid-2020, towards the end of the first wave of COVID infections in Chile, the health authority changed its PCR testing strategy, focusing on actively searching for asymptomatic patients in public places. Combining epidemiological data with the COVID Analytics mobility platform made it possible to prioritize testing in higher risk areas. The strategy was launched nationally in November 2020. Currently, the risk index is available to the 16 regional health authorities and 29 services that make up the public system, who use it to plan the search for asymptomatic cases.

These applications, along with two others that ISCI also developed for the pandemic - a Covid-19 vaccine response monitoring system and another to project ICU bed occupancy - were selected by the Institute for Operations Research and Management Sciences (Informs), as one of six finalists for the Franz Edelman Award 2022, which honors the best applied engineering solutions in the world.



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Digital transformation of society



Transportation and logistics

Analysis of mobility changes in quarantine: MTT Lab

Entel Ocean and the Ministry of Transport and Telecommunications (MTT) have carried out a series of joint projects aimed at improving public transportation decision-making processes with accurate, real-time data. The starting point for this partnership was the MTT Lab, a data laboratory that integrates grouped and anonymized information on the mobility of Entel's mobile network users⁽¹⁾ with information on vehicle flows provided by the Operational Traffic Control Unit (UOCT). The tool detected significant changes in people's mobility as a result of pandemic restrictions, which has made it possible, for example, to adjust public transportation operational plans.

⁽¹⁾There are five indicators: time of leaving home, proportion of people who do not leave home, variance in kilometers traveled per person, average travel distance, and variance in people entering and leaving an area.

Computer vision applied to traffic management

At the beginning of 2021, Entel Ocean and the MTT's Intelligent Transportation Systems Coordination developed a pilot project for automatic traffic monitoring that uses 5G wireless connection and artificial intelligence applied to the images captured by the UOCT cameras. The initiative, implemented in the first 5G experimental zone in Latin America and carried out by Entel in the Providencia-Apoquindo axis in Santiago, allows live monitoring of variables such as the formation of traffic queues at intersections, traffic incidents, lane blockages, congestion and the number of bicycles and pedestrians circulating. In this way, SIT can increase its efficiency in traffic planning and control.

In October 2021, the project won first place in the Digital Transformation category of the Latam Smart City Awards, which recognize innovative initiatives in urban development, mobility, equity and digital transformation.



Open innovation challenge "Characterization of freight transportation in cities".

The explosive growth of e-commerce has changed how people shop, which in turn impacts urban freight transportation. In order to make urban logistics more efficient and sustainable, the Ministry of Science and Corfo launched an open innovation challenge to develop a methodology to periodically characterize the movement of freight vehicles in Santiago. The aim is for proposals to incorporate the use of automatic data generation, collection and processing technologies to provide details of the schedules, routes, types of vehicles and frequencies with which they move. Four projects were selected from a total of 12 entries. One of them is being implemented by Entel Ocean, ISCI and Aristo Consultores, and uses an analysis of positioning data, toll pass records and information collected from mobile devices. Each project will be eligible for a subsidy of up to Ch\$305 million if it succeeds in advancing in the process and executing the three phases of the call for proposals.



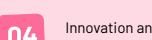
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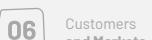
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Digital transformation of society

Fleet management: Onway

A new platform was launched in 2021, that uses advanced analytics and the internet of things to monitor 50 variables relating to the operation of freight vehicles, such as their location, fuel consumption and engine temperature, in order to improve their performance and carry out preventive maintenance. To develop it, we signed a partnership with Location World, the exclusive operator of Waze in Latin America. Connected vehicles totaled 2,662 in 2021.

Big data project to promote internal tourism

A digital platform developed by Entel Ocean for the National Tourism Service (Sernatur) in 2021 has been in operation since the end of January 2022, providing updated statistical information in real time on travel throughout Chile, which is vital for the development of the tourism sector. This geo-intelligence and advanced analytics project will facilitate data-driven decision making for the country's SMEs and tourism operators, as well as the authorities and the general public.

Smart meter connectivity

Entel's digital unit was selected to provide connectivity to more than one hundred electricity consumption smart meters in Talca, as part of a pilot project being carried out by Cerro Dominador, the first solar thermal plant in Latin America. Through this initiative, the generator intends to measure the impact of the reduction of electricity supply rates in households from the most vulnerable sectors, especially its influence on the replacement of polluting fuels for heating by clean energies. Smart meters allow remote reading of consumption through communications networks, providing information on an hourly, daily, weekly or monthly basis.



Agri-food industry

Deep Farm Platform

Chile is one of the most water-stressed countries. Since 2018, the General Water Directorate has required water rights owners to report their consumption. This scenario prompted Entel Ocean, in partnership with Hydroscada, to create a digital solution based on the Internet of Things for real-time monitoring and measurement of the flow rates extracted from deep wells: Deep Farm. Using sensors connected to a centralized information system, this digital platform en-

ables compliance with regulations and is also capable of detecting anomalies and generating forecasts and optimizations that help to make more efficient use of water and the energy used in its extraction. Since its introduction, the platform has added more functions, such as monitoring agricultural soil and greenhouse variables, crop inspection with drones and other applications to optimize the use of resources, developed with partners such as Dynamic Wings and WES.



Public sector

Computer vision applied to public safety

In 2021 we continue to extend the efficiency and cost advantages of the Sea the City platform. We started a project with the municipality of La Pintana to deploy this video analytics application, which has already had good results in Las Condes. It consists of incorporating a edge computing solution into the telesurveillance cameras which, by means of automated learning techniques, detects anomalous events and sends alerts to the municipality's control center.



Utilities and mining

Computer vision applied to truck maintenance stops

Entel Ocean is collaborating with the Collahuasi mining company to increase the safety and operational efficiency of truck maintenance stops through the use of computer vision. Here, automated image analysis is used to control compliance with risk mitigation measures and monitor a series of operational indicators that serve to measure the quality of maintenance and productivity of the machinery.



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Digital transformation of society

Participation in the Water Technology Consortium, CoTH20

Over the year under review, we continued to be part of this consortium created in 2020 with the support of Corfo, the goal of which is to encourage the development and transfer of technologies that contribute to addressing climate change through efficient water management in the Metropolitan, O'Higgins, Maule and Ñuble regions. As the only tele-

communications company involved, we are participating in five projects based on analytics and big data, one of which we are leading, namely the creation of a water resources information bank. We are also testing sensors that measure parameters relating to water biosafety, with a view to generating a multi-sectoral water quality platform.



Future impact

These are applications that are already benefiting different sectors of society. At the same time, Entel continues to explore the possibilities offered by new technologies:

5G

We developed a teleducation use case, in which 5G connectivity enables immersive and enhanced classes with virtual reality.

Artificial intelligence

In the case of machine learning, we have developed algorithms associated with natural language processing for sentiment analysis when interacting with customers through text. Progress is also being made in analyzing feelings and emotions through the voice (voice analytics), as well as in the automatic "clustering"⁽¹⁾ of insights that arise in these relationships. In another area, we started to apply deep learning to automate the classification of customer interaction texts.

IoT

In 2021, we promoted the evolution of the M2M product, to align it with the IoT value chain and expand the scope of solutions available at Entel. We also set up a collaborative working group with the Chilean and Peruvian B2B areas to prioritize areas of action and potential customers with which to explore new M2M solutions and business models.

NB-IoT (LPWA)

We incorporated use cases with Narrowband IoT in the 700 MHz band in the tenders and projects for customers in the natural resources, transportation and mining sectors. These applications have national scope, as they operate over the 4G network infrastructure already in place throughout Chile.

⁽¹⁾ Categorizing consumer information to generate relevant segments.



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Digital transformation of society

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Testing the many benefits of 5G technology

Entel started deployment of its fifth generation network in Chile at the end of 2021, just as it had previously led in 2G, 3G and 4G. The low latency and very high speed of 5G will facilitate the use of artificial intelligence, data analytics, automation, robotization and other advances that will benefit various areas of development, and will be an enabler of the digital ecosystem. To bring this technology closer to people and demonstrate its potential, the company has been conducting experimental tests for different industries since 2018:



June 2018	June 2019	July 2019
Together with authorities from the industry, Entel conducted the first 5G speed test in our country , at the University of Chile.	Entel performed the country's first telemedicine demonstration with 5G – a remote ultrasound. A doctor directed the examination using a joystick that allowed the movements of the ultrasound machine to be controlled by a sensorized glove held by a paramedic in another part of the room.	First 5G industrial demonstration in Chile: a control system was activated from the Vitacura district to operate a motor located in Ñuñoa and subsequently activate a robotic arm in Macul, with an imperceptible latency of 8 milliseconds.

December 2020	January 19, 2021.	July 5, 2021	August 13, 2021.
Entel and Ericsson inaugurated the 5G Campus at the Faculty for Physical and Mathematical Sciences, University of Chile. It was the first 5G laboratory installed at a Chilean university. The results of a pioneering test were presented, in the form of a 5G-connected drone fly-over that delivered advanced analytics in real time on the state of agricultural crops.	The Chilean government and Entel inaugurated the first 5G experimental zone in Latin America , in the Providencia-Apoquindo axis, covering seven square kilometers. Chilean cyclist Sebastián Vásquez marked the occasion riding a bike, without seeing the track, guided only by a streaming of the route transmitted over the 5G network.	The first live transcontinental HD video-conference and transmission over the 5G network , which achieved a speed of 450 Mbps, was held at the 5G Campus. Engineers from the Camnexus startup in Cambridge, UK, and the University of Chile, in Santiago, were able to follow a massive Internet of Things simulation in real time – the operation of 200 wireless water pressure sensors.	In the 5G Experimental Zone , Entel and the MTT organized the first 5G gaming demo in Latin America. Chilean gamer Swaggron captured pokemons in augmented reality and tested AWG's cloud gaming, activities, which he live-streamed for his Instagram and Twitch followers.



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Cybersecurity

2021 was a relatively stable year for most companies, finally succeeding in adapting to the new hybrid labor model after two years of adjustments. However, cybersecurity threats persisted as a result of the gaps opened up by the accelerated digitization that many organizations experienced to cope with the pandemic.

As the report "The State of Cybersecurity in 2021", prepared by Entel CyberSecure, highlights, the number of attacks over the year did not change much compared to recent years, but there is evidence of increasing skills from those who perpetrate them, as well as in their financing. Furthermore, it is no longer even necessary to have computer skills to commit crimes on the Internet, since there are sites that offer malware services to those who can afford them or in exchange for a percentage of the profits.

To a large extent, the effectiveness of attacks is due to the lack of timely mitigation by companies. Indeed, nationally we have found that less than 16% of vulnerabilities are patched within seven days of brand notification and less than 41% of companies have robust policies for updating their systems and digital platforms.

Against this backdrop, the risk of ransomware continued to grow during 2021⁽¹⁾. In many cases, cybercriminals manage to hijack data through phishing⁽²⁾ a method that

in 2021 set new records as a threat to both companies and individuals. According to figures from Entel CyberSecure, at least 75% of those working in organizations received a phishing email in the last year, and 35% of them fell for the scam, while 36% of cell phone users in Chile claim to have encountered some type of phishing on their devices. In total, our country is victim to 11.9% of the attacks of this type carried out in Latin America, ranking fourth in the region.⁽³⁾

Of particular concern is the situation of micro, small and medium-sized enterprises. Entel figures show that 43% of cyber-attacks are directed against this segment, which has fewer resources to protect itself and is usually the way to reach large institutions.

But it's not all bad news. The year 2021 saw the highest number of joint operations against cybercriminals and black market portals, making it likely that we will see a decline in malware campaigns, at least for a short period.

Looking ahead it is essential to continue to strengthen the security of IT systems and platforms, especially in view of the expansion of 5G technology, which by enabling a greater number of connected devices will require stepping up data protection measures.

95% of cyberattacks

are due to human error, according to Entel data. The leading causes are:

- Accidental disclosure of information
- Loss or theft of electronic equipment
- Exposure to hackers

Entel recommendations and educational content on cybersecurity are available to the public at:



[See more](#)



⁽¹⁾ Data hijacking.

⁽²⁾ Access to confidential information through deception.

⁽³⁾More information in the newsletter **Panorama Phishing 2021**, from Entel CyberSecure's Intelligence department, available at:

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Cybersecurity



Entel's cybersecurity management model

At Entel we know that IT threats can be countered by adopting and fostering a solid culture of cybersecurity, with an emphasis on preparedness and prevention. This is the goal of our Information Security Policy -available on the intranet -, updated annually and incorporating the controls and best practices recommended by the Center for Internet Security (CIS) and the National Institute of Standards and Technology (NIST).

This policy is implemented through incorporating technology and security processes, as well as through training and raising people's awareness, with the understanding that each member of the company is obliged

to safeguard information and notify on potential cybersecurity risks. In accordance with guidelines, all information assets and the risks to which they are exposed have an owner responsible for ensuring that they are properly inventoried and classified according to their sensitivity and criticality. Similarly, all projects involving information assets must include, from their inception, the security requirements as defined by the Security Engineering Division.

Policy guidelines are embodied in Entel's Cybersecurity Program, which is implemented by an organizational structure made up of several entities:



The infrastructure and systems that support the housing and Entel Secure Cloud services, the most critical IT services, are certified under the **ISO 27001** information security standard.

➤ **Board Risk Committee:** Oversees cybersecurity throughout the company.

➤ **Cybersecurity Division:** Manages information security at a general level, coordinates cybersecurity committees and brings risks to the attention of senior management. In 2021 it increased its staff by 32% compared to 2020, ending the year with 37 professionals. Thirty percent of this team and 66% of those leading the sub-divisions are women. Another new feature was the creation of the Threat Hunting team within the SIOC (Security and Intelligence Operations Center), whose mission is to constantly review the different security platforms and carry out investigations to detect signs of attempted attacks.

➤ **Technical Cybersecurity Committee:** Continuously monitors indicators relating to the security operations. In 2021 it met for 25 sessions, addressing the progress of projects to mitigate cybersecurity risks, holding talks on social engineering, reviewing hygienic controls (security patching, antivirus and secure configuration, among others) and the adherence of information security officers (BISOs) to corporate policies and awareness plans.

➤ **Business Security Committee:** Its function is to strengthen cybersecurity in the business areas and incorporate best practices. It met 12 times in 2021, reviewing BISO adherence, holding talks on social engineering, and addressing plans to improve security in business processes and promote a culture of continuous care among its leaders.

In 2021, four new management indicators were added to both committees: network segmentation controls, insecure management credentials, financial statement audit, and internet and internal network risk indicators.

➤ **Business information Security Officers (BISO):** They are responsible for cybersecurity in their respective departments or divisions, where they are in charge of disseminating the policy and alerting on possible risks, either to their superiors or to cybersecurity management. There were 22 BISOs in 2021. The cybersecurity manager submits corporate information security policies to the board of directors and monitors compliance throughout the organization.

In 2021, the actions of the members of this framework were decisive in the good results obtained by Entel in the Dow Jones Sustainability Index, where it increased five points in the "information security/cybersecurity and systems availability" category. In addition, cybersecurity was one of the aspects assessed by the international banks for the issuance of the sustainable bond.

Cybersecurity performance assessment

The assessment of the 22 information security officers includes compliance with the training plan and policies on the subject, attendance at cybersecurity committees and adherence to the culture plan. The company's 61 cybersecurity experts are assessed for their ability to detect, find and mitigate computer vulnerabilities and threats.

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Cybersecurity



Advances in 2021

We closed 2021 with 100 points on the public risk profile metric, the maximum score obtainable with the security scorecard tool, which reflects a low risk of data leakage. This is the result of our successful cybersecurity model and a number of advances we were able to implement over the year.

New regulations

We launched the new standard on Security in the Use of Messaging Tools (SGSI-19-00-N), which encourages the correct use of corporate mail, and we updated the standard on System Acquisition, Development and Maintenance, adding improvements to the security certification process which the systems we develop must undergo before going into production.

Incorporating technology

We added new technological toolsets to optimize the threat intelligence process and give more visibility to Entel's applications with access through the internet and to the risks inside its corporate network.

Organizational safeguarding culture

The cybersecurity division created the culture plan several years ago, which aims to raise awareness in the organization about IT risks, so that each member of the Entel team can recognize safe behaviors. Its implementation in 2021 included talks, workshops, courses, online conferences, password audits and four phishing drills for the entire company, in addition to a specific one on the subject of free competition for the Consumer, Enterprises and Corporate vice-presidencies, in coordination with the compliance division. One of the main events in this area took place in October. Cybersecurity Week, which this year focused on two currently high-risk threats: social engineering⁽¹⁾ and grooming⁽²⁾. Summaries of the issues reviewed in all these activities were disseminated in various formats through the company's different communication channels (Workplace, Entel University and mass mailings).

⁽¹⁾ Techniques cybercriminals use to get unsuspecting users to send them confidential information.

⁽²⁾ Conduct and action of an adult using the internet with the deliberate purpose of gaining the trust of a minor in order to sexually abuse him or her.


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Cybersecurity

Security programs

To mitigate risks associated with the supply chain, we initiated the Third Party Security Program, aimed at ensuring that all of our critical suppliers and contractors comply with Entel's security policies. Amongst other measures, it includes obtaining the public risk profile of suppliers, the CIS controls compliance assessment, evidence reviews by the cybersecurity division and ethical hacks to all third-party application integrations with Entel's systems.

We are also strengthening our bug bounty program, designed to increase the security of the applications and services that Entel publishes on the internet with the collaboration of external hackers who constantly audit them and inform us of the vulnerabilities detected in exchange for a monetary reward, once they have been validated. In 2021, we increased from 27 to 123 audited applications and services across all segments. This program has resulted in a great improvement in the life cycle of the software we develop, since it allows us to have an end-to-end view of its evolution.

Finally, we were able to fully embrace the secure development process, applied to both the company's traditional projects and product development cells, without impacting launch deadlines.

Digital hygiene

We implemented network segmentation projects for all third parties connecting to Entel's network and to our cloud services. We also eliminated all anonymous access to shared folders on workstations and legacy servers⁽¹⁾, both in the markets and in technical departments. Additionally, legacy equipment was decommissioned, mitigating the risk of leakage of sensitive company information.

⁽¹⁾ Technologies, software, programming languages and processes that were developed a long time ago and are no longer supported or maintained.

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Cybersecurity

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Cybersecurity training initiatives

The first step in preventing a cyber-attack is educating and preparing people. For this reason, every year we make great efforts to train as many people as possible in computer security.

In 2021

256

new employees
were trained online
on basic security fundamentals.

396

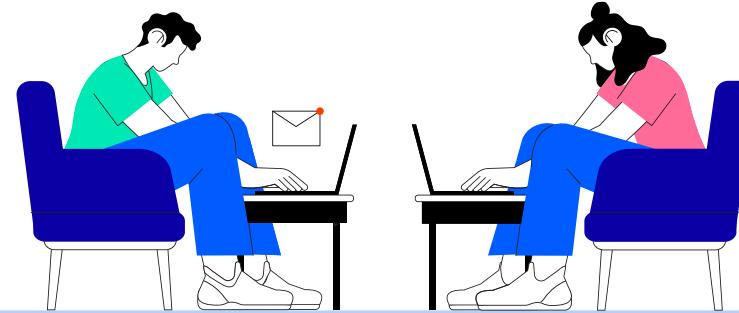
employees participated in a talk on grooming, to teach them how to protect children from online dangers.

492

employees participated in the "Social Experiment" activity, where they learned how vulnerable our personal information is on the internet.

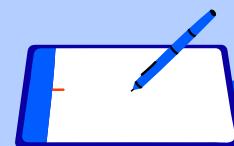
377

employees participated in the activity "Choose your own adventure", raising awareness of the dangers of unsafe internet connections.



3,305

employees completed a massive training program to strengthen knowledge on topics such as secure browsing, ransomware, phishing, secure remote work and mobile device security.



Development of specific skills and competencies

Additionally, specialized training programs were provided for focus groups:

► **24 employees** from the Cybersecurity, Networking, Operations and CIO departments - our group of cybersecurity specialists - were certified on matters such as ethical hacking, forensic analysis, cloud security and incident management.

► **61 employees** were trained in various cybersecurity areas, doubling the number of experts we had the previous year.

► **The system administrators team took part in a workshop to reinforce good practices** for platform administration, while the incident response team took a workshop on ethical hacking, where they learned about the techniques and tactics most commonly used by cybercriminals.



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4.5

› Entel data driven and privacy safeguarding

GRI 418-1



As a key driver of digital maturity, Entel has set out to be a data-driven company making strategic decisions based on data analysis and interpretation and creating value from this data. We are also committed to safeguarding the privacy of the personal information of our customers, employees and suppliers. To ensure both objectives, the Analytics & Data Governance department, reporting to the vice presidency of Business Transformation and Support, has the mission of overseeing responsible data management. It has three main focuses: data governance, analytics and data-driven culture. The strategies relating to these matters are established and controlled by two corporate committees:

► **Data Steering Committee:** This committee, comprising the CEO and managers of the different departments, determines the corporate strategy to turn Entel into a data-driven company. In 2021 it held two meetings in which progress of the Data Governance and Privacy Program was discussed.

► **Data Compliance Committee:** Monitors compliance with data protection laws and regulations, sets the strategy for the company's privacy program and tracks its execution. It also analyzes business cases from a data protection perspective. The commercial, legal, regulatory and audit departments all participate. It met seven times in Chile in 2021. The committee began operating in Peru to address the local situation with respect to data protection.

Data Governance

The Data Governance subdivision, part of the Analytics & Data Governance Division, has the mission to lead end-to-end data management and facilitate its use through the development of the Data Governance and Privacy Program, in order to create value in Entel in an ethical and responsible manner with our customers, suppliers and employees. This is done through guidelines and competencies that are provided at the corporate level and then implemented according to the local reality in Chile and Peru.

One of the focuses of data governance is protecting privacy. As such, we have embedded personal data protection throughout our value chain. We are continuously adapting our internal policies and processes to ensure compliance with the regulatory framework, and adopting international best practices while identifying privacy-related risks in order to take appropriate mitigation measures and assist those involved in the processing of data and information within the company.

The internal data protection policy is one of the most important documents here, and applies to all Entel group companies, their employees, suppliers and third parties that, in any form or circumstance, may be involved in personal data processing processes carried out by the company. It has been adapted for each country and is available on the intranet.

Entel Chile's privacy policy states that non-compliance with good practices on personal data protection by Entel employees constitutes a breach of the obligations established in the respective employment contract and in the internal regulations on order, hygiene and safety, and will be subject to the penalties established in those documents. In 2021 we strengthened the data protection obligations in the regulations (Articles 17 and 51). Employees have also signed a contract appendix specifying their obligations regarding the protection of personal data.

Governance and Data Privacy Program

This program, which has been operating in Chile and Peru since 2020, resulted from the findings of the enterprise risk matrix and is integrated into corporate risk management. It is made up of several initiatives, among them:

► **Privacy by design:** Assesses initiatives or technological developments relating to data, in which a set of guidelines that seek to mitigate privacy risks for users must be followed.

► **Data Protection Impact Assessment:** Continuous assessment process on the risks to privacy of processing personal data, based on the process required by the most recent general data protection regulation of the European Union (GDPR).

► **Implementation of privacy tools:** In 2021, the budget and assignment of a work team to implement technological tools to strengthen data privacy were approved.

In addition, initiatives have been carried out in Chile to reinforce the data protection and privacy ecosystem:

► **New Data Protection Compliance Model:** In the process of approval by the board of directors in March 2022, it is in line with our ethics and compliance system.

► **Supplier management:** We have been working with third parties to strengthen our personal data processing procedures.

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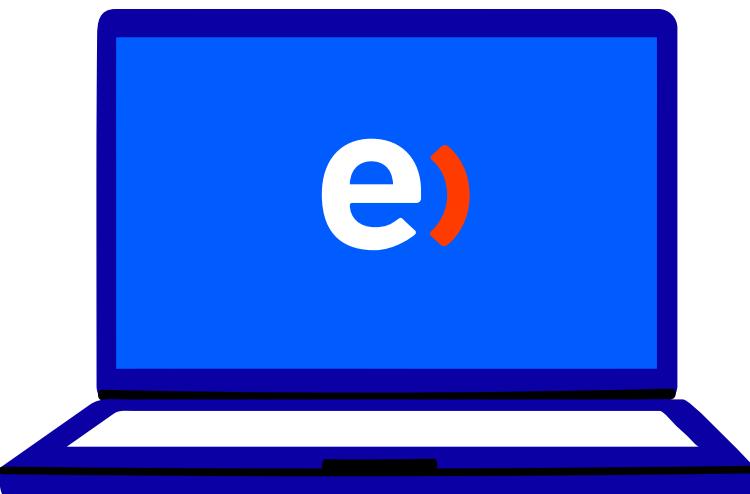
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Entel data driven and privacy safeguarding

Commitment to and safeguarding of suppliers

The obligation to protect the confidentiality of the data handled by Entel is transferred to its suppliers through the contracts we sign with them, which include specific data protection clauses, strengthened in 2021. In addition, we create mechanisms to ensure commitment through the supplier's Security and Privacy Policy.

New Privacy Policy for Chile Customers

We publicly state our commitment to safeguarding the information of the users of our products and services in Entel's customer privacy policy⁽¹⁾, which was updated in June 2021 as part of the data privacy program. Apart from complying with current regulations, the new version takes the European Union's general data protection regulation (GDPR) as a reference, along with the drafts of the personal data protection law being discussed in the Chilean Congress, and the recommendations of Entel's legal team. This document is under continuous review. In its latest version it provides greater transparency to users regarding the data processing we do, for example on the rules governing the legitimacy of the data used in accordance with current regulations and the use of cookies on our websites.

Privacy policy compliance audits

We have an audit plan approved by the board of directors in March 2021. In November 2021 we initiated a personal data protection audit of Entel employees, customers and suppliers, encompassing six areas: privacy management, data management and collection, data security, agreements with third parties, incident management and regulatory compliance. The process included consideration of local regulations, Information Systems Audit and Control Association (ISACA) best practices, and those of the GDPR.

Claims and complaints

Customers can complain about breaches of data protection via the complaints form available at Mi Entel, or by calling 105.⁽²⁾ They can also use Entel's complaints channel, which is open to anyone.⁽³⁾

In 2021 there were no data privacy complaints from external parties received by the company or from regulators.

Transparency Report on Personal Data Requests

We publicly report all personal data requests made monthly by jurisdictional bodies, regulatory authorities, the Public Prosecutor's Office and other agencies supporting the administration of justice. The following are the statistics for 2021:

Chile	
Number of requests for personal data by the authorities	82,479
Percentage of government requirements met	98%
Percentage of clients' personal data that was used for secondary purposes (internal or commercial)	100%

⁽¹⁾ Available at:

 [See more](#)

⁽²⁾ For more information, visit:

 [See more](#)

⁽³⁾ Available at:

 [See more](#)



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Entel data driven and privacy safeguarding

Data governance training activities

In 2021, a number of awareness-raising activities were carried out for employees, including online courses and specific communication on best practices:

- ▶ **Training** on the privacy by design process for 300 employees.
- ▶ **“Data driven and privacy”** course, with more than 1,000 employees receiving written material.
- ▶ Privacy and data protection course.
- ▶ **Talks and presentations** on digital ethics and privacy.



Generation of value through data

Big data concentrations, if well managed, can be very useful to optimize company management and people's quality of life. Entel has spent years developing new skills in advanced and exploratory analytics in its various business units, which has allowed us to have the platforms and tools to use information efficiently and in a crosscutting manner, always in compliance with privacy standards.

Analytics - for improved decision making

In an increasingly digital world, data is an essential enabler for decision making. It optimizes mature businesses and generates new business opportunities in areas such as commercial assessments, equipment operation and maintenance, network expansion and, above all, for user experience and offering customization. A major organizational effort is being made to distribute analytics capabilities throughout the company. Within the Analytics and Data Governance Division, the Analytics subdivision has become a center of excellence, guiding the development of analytical capabilities within the different business areas, both to improve decision-making processes and to solve specific use cases.

All this has enabled the development and production of dozens of use cases such as predictive, prescriptive and segmentation models, among others. Additionally, equipping managers, business data- and advanced data users, with analytical skills.



Data driven Culture

A data-driven company makes decisions based on information rather than on feelings, emotions and opinions. This way of working applies not only to advanced data users, but to all levels of the organization. For this to happen, it is not enough to encourage the use of data in decision making, rather, data managers must drive the development of the right competencies and redesign the work so that everyone generates value through information.

Starting in 2021, we have a data driven change management program that will provide all employees with the knowledge and skills to analyze and act with data, through the delivery of specific training and communications.

Training in data driven culture and competencies

In December 2021, we launched an introductory course explaining the main concepts of this topic, such as the characteristics of a data-driven company, data governance and privacy, and how to use data analytics for decision making.



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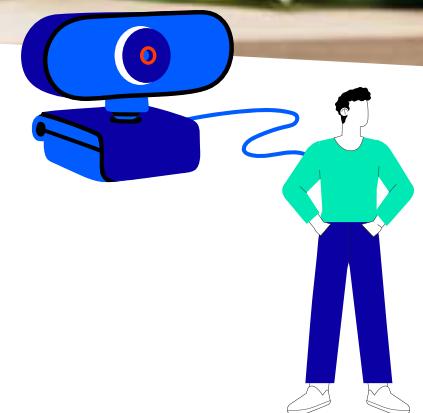
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Managing human capital is the foundation of our business, a strategic pillar of the company. Our code of ethics commits us to providing a healthy and stimulating work environment that promotes the fulfillment of each person who works at Entel and guarantees labor relations based on transparent communication, ethics, respect for diversity and the unrestricted protection of human rights.

The human capital division - together with department managers - is responsible for ensuring that the company has talented,

motivated and high-performing teams to take on the many challenges that lie ahead of us. In 2021 its main work focuses were:

1. **Mental health** and caring for people, from a holistic viewpoint.
2. **Implementing and strengthening the new Entel Work hybrid work model**, combining remote and on-site work.
3. **The search for synergies** in the joint operation of Entel Chile and Entel Peru.

4. **Promoting a "digital mindset" throughout the organization**, through continuous learning, the development of digital competencies and reviewing recruitment strategies, and other measures.

5. **Empowering women**, providing our employees with more leadership and personal development tools, and reinforcing a diverse, equitable and inclusive culture by raising awareness of our differences and the contribution they make to society.



Staff

At the end of 2021, our internal team was made up of 12,248 people, including our operations in Entel Chile, Entel Call Center (Chile and Peru) and Entel Peru. Women make up 44.5% of the workforce and men, 55.5%.

Seventy-one point five percent of the workforce has a permanent contract (61.2% of women and 79.6% of men), while 28.5% have a fixed-term contract (38.8% of women and 20.4% of men). Ninety-two point three percent of the total work full time (87.8% of women and 95.8% of men) and 7.7% work part time (12.2% of women and 4.2% of men).

Breakdown by subsidiary



Entel Peru	2,089
Entel Chile	4,204
Entel Call Center Chile	2,336
Entel Call Center Peru	3,447
ESE	172

⁽¹⁾ Entel Peru's figures include Direcnet and Americatel Peru.

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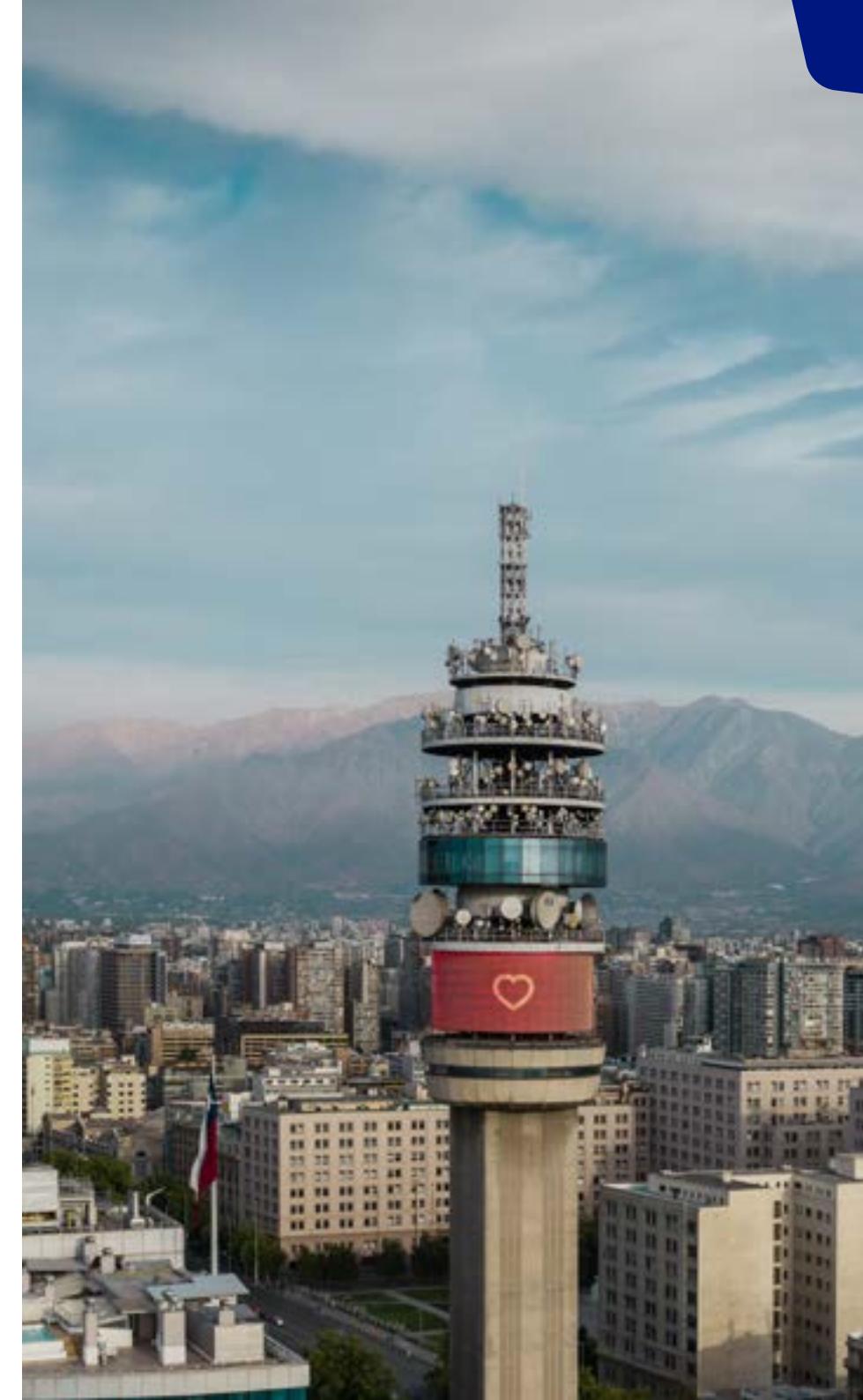
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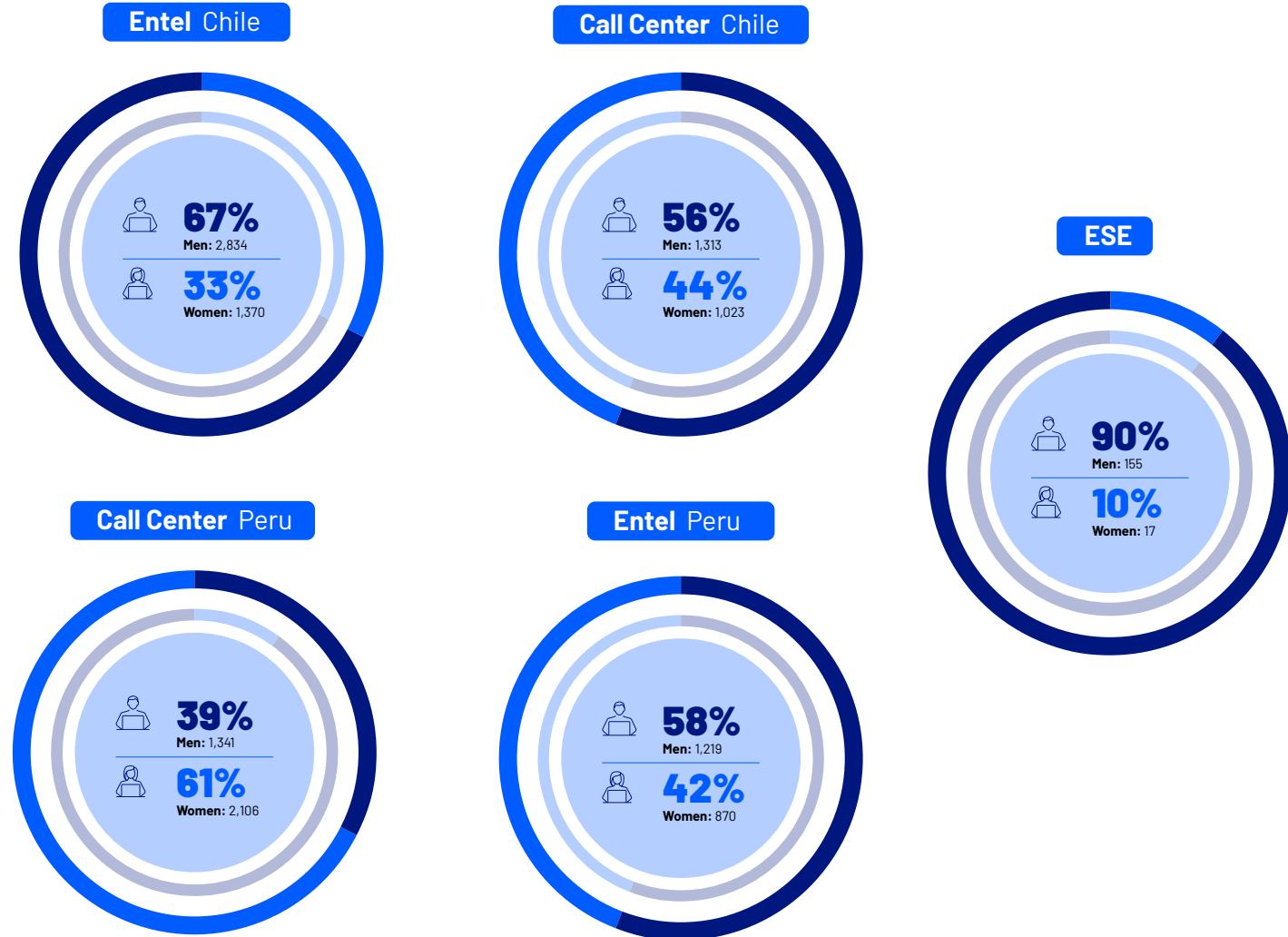


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Level	Entel Chile	CC Chile	CC Peru	Entel Peru	ESE
Senior Management	91	8	6	62	0
Executive/Professional	3,220	807	596	202	21
Clerical/Technical	893	1,521	2,845	1,825	151
Length of Service					
<3 years	1,045	1,464	2,956	606	23
3 - 6 years	738	520	343	506	84
> 6 y < 9 years	673	173	148	533	29
9 - 12 years	602	112	0	155	22
> 12 years	1,146	67	0	289	14
Age Range					
< 30	552	805	1,933	467	23
31-40	1,574	870	1,123	1,042	84
41-50	1,249	401	321	507	29
51-60	659	213	60	70	22
61-70	157	44	10	3	14
> 70	13	3	0	0	0
Nationality					
National	3,914	2,173	3,440	2,061	170
Foreigners ⁽¹⁾	290	163	7	28	2
Total	4,204	2,336	3,447	2,089	172

Diversity in subsidiaries



⁽¹⁾ Non-Chileans in the case of Entel Chile and Entel Call Center Chile. Non-Peruvians in the case of Entel Peru and Call Center Peru.

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Nationalities	Entel Chile	CC Chile	CC Peru	Entel Peru	ESE
Germany	2				
Argentina	21	1		4	
Australia	2				
Belgium				1	
Bolivia	1	1			
Brazil	6	2			
Chile	3,914	2,173		11	170
Colombia	15		1	3	
Costa Rica				1	
Cuba	4			1	1
Spain	10			1	
France	1				
Guatemala	1				
India	13				
Italy	2	1			
Mexico	1				
Nicaragua				1	
Paraguay	1				
Peru	14	10	3,440	2,061	
Poland	1				
Portugal	9				
Saint Pierre and Miquelon	1				
Venezuela	185	148	6	5	1
Total	4,204	2,336	3,447	2,089	172

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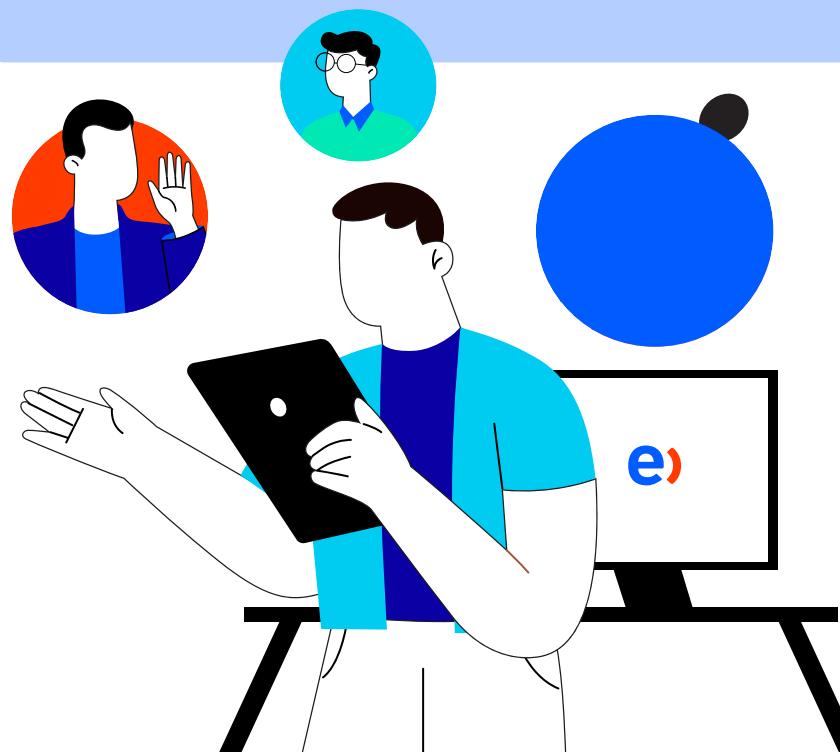
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Labor Relations

Entel's labor relations policy is based on respect and open dialogue with our workers and their unions. As at December 2021, 77% of Entel Chile's employees were unionized in one of the 4 unions existing in the organization, while 98.9% were covered by

a collective bargaining agreement. In the case of Call Center Chile, 58% were unionized or covered by a collective bargaining agreement. In the Peruvian subsidiaries there are no unions or collective bargaining agreements.



Entel Work: New hybrid work model

In 2020 we started a process of cross-cutting analysis in the company to define our future work model, thinking about the long-term continuity of the business, beyond the health contingency we were facing. This participatory exercise gave shape to Entel Work, Entel Chile's new hybrid model, combining the flexibility of teleworking with the necessary interpersonal contact, crucial to strengthen the sense of belonging and to succeed in processes such as feedback, departmental coordination and the co-creation of innovative solutions. Following the advice of the Boston Consulting Group, we began working on the design of the new model in the fourth quarter of 2020, setting out its principles and objectives. We conducted benchmarking studies and mapped the processes and activities carried out in the company, to define what could be done remotely and which functions required on-site presence. We finally determined that the optimal combination is two days a week on-site and three days a week teleworking where possible, depending on the individual's role.

In 2021 we fine-tuned the model for each of the vice presidencies and divisions, and created a monitoring unit to measure adherence and determine possible improvements. One hundred and fifty managers and assistant managers were involved at this stage, and the design logic and objectives were already well internalized by the time the new way of working was announced.

At the same time, Human Capital worked on three types of model enablers:

- **Leadership and Culture:** promoting new practices and routines for managers and employees.
- **Space:** redesigning offices and common spaces to facilitate hybrid meetings and team integration.
- **Technological:** incorporating new, digital collaborative tools.

The company had been making significant progress with all these enablers since before the pandemic, with its digital transformation programs, which gained momentum during 2021.

Implementation

Starting on September 1, 2021, the model started to be tested on small groups of Entel Chile employees, to then include its entire staff from the first week of October, with workers covered by Law 21.342 in 100% teleworking mode until March 30, 2022.

The return to on-site work was accompanied by the updating of the "Entel Seguro" operational and business continuity plan, which contains specific prevention guidelines, following the recommendations of the health authorities.

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Our staff

Entel Flex Office in Perú

Entel Peru also implemented the hybrid model based on BCG consulting, "Entel Flex Office", which aims to improve the quality of life of our employees, generating an excellent work experience, while at the same time improving team performance. Its implementation included:

- ▶ Stepped return
- ▶ Comprehensive plan to ensure everyone's health and care
- ▶ Employee journey
- ▶ An App to reserve work stations and parking spaces in advance.

Percentage of the total workforce teleworking in 2021			
Entel Chile	CC Chile	CC Peru	Entel Peru
86%	100%	81%	90%

Prior to the return to on-site activities, the offices were adapted to the new model, with a modernized layout and more spaces for co-creation. They were also adapted to the requirements of the health care and prevention plan. Additional measures were also taken, such as surveys to identify employees with potentially risky health conditions, diagnostic tests, the "Safe Return" webinar, and communicating a return guide. We also have a safety program, PrevenCOVID, based on an App through which workers can report behaviors and conditions relating to preventive protocols, so that action can be taken on the basis of this information.



Diversity and Inclusion

Entel's Diversity and Inclusion Policy seeks to ensure an organizational culture where each person can contribute to the company with equal conditions and opportunities, according to his or her own identity. To achieve this, the company has concentrated its efforts in three areas: gender balance, inclusion of people with disabilities and sexual diversity.

For policy management, there is a Diversity and Inclusion Council. It is made up of three working groups, one for each of the above-mentioned areas, made up of voluntary employees from different departments. They meet once a month to monitor and propose initiatives to the Diversity and Inclusion Committee, made up of one representative from each working group and four executives appointed by the Managers' Committee. Both Entel Chile and Entel Peru have their own committees, which meet monthly. In addition, each department has gender, disability and sexual diversity officers.

Entel continued to treat these issues as a priority during the pandemic. The working groups and committees have continued to meet remotely. In Chile, the indicators and targets relating to diversity and inclusion were updated, and incorporated into our internal metrics. Throughout the pandemic we have worked hard on inclusive leadership, mobilizing managers to consider the different realities and needs of the diversity of employees working at Entel when coordinating on-site and teleworking for the Entel Work model.

Gender Balance

In 2021, ten focus groups were organized at Entel Chile with 100 participants, women and men, who gave their views on the gender balance in the company. With this information, an action plan was drawn up to boost the number of women in leadership positions, in specific departments and among staff in general. In addition, the first Women's Leadership Network program was held, aimed at women with high performance and potential, identified through the performance management process. Eighty-six percent of participants successfully completed the program, which will continue in 2022.

The use of inclusive resumes was also strengthened, applied in all mass selection and internal mobility processes (those managed with the Aira tool). This type of curriculum, which we started to use in 2020, is characterized by the absence of personal data on applicants, in order to mitigate potential bias. In addition, the selection and internal mobility processes must have at least two women finalists for leadership roles.

Entel Peru achieved a number of milestones in this area, such as the publication of its Inclusive Language Manual, the implementation of similar programs such as "Mujeres Power" and "Womentoring", also aimed at promoting the careers of female managers through mentoring, the review of selection processes to eliminate bias, and participating in the gender equity study "Ranking Par", by Aequales.

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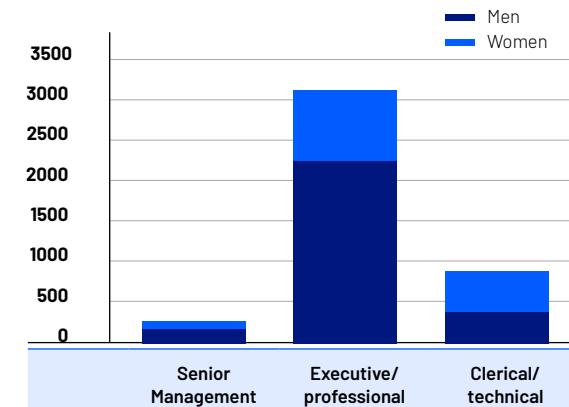
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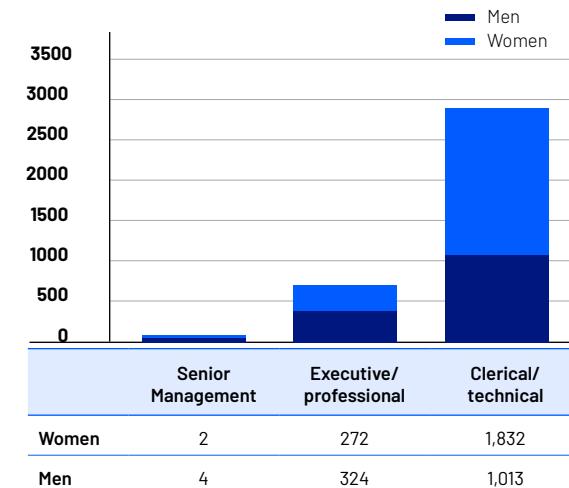
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Breakdown by gender and level

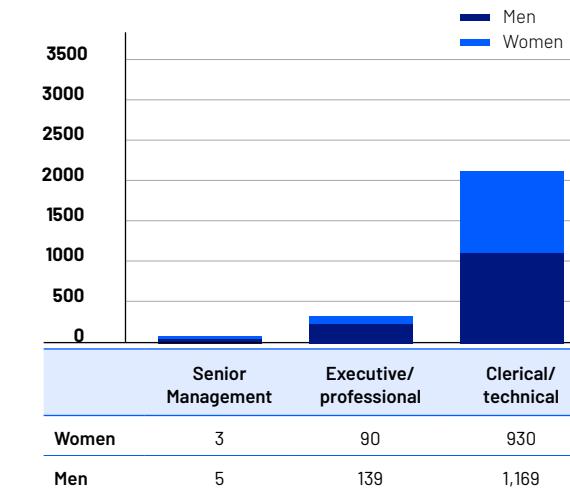
Entel Chile



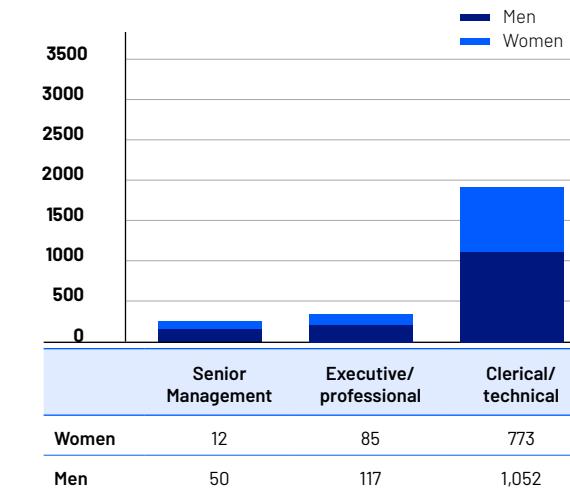
Call Center Peru



Call Center Chile



Entel Peru



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	Entel Chile	CC Chile	CC Peru	Entel Peru
Percentage* of women in management positions (from area managers upwards)	29.84%	51%	33.33%	35.94%
Percentage* of women in junior management positions (area heads)	32.31%	52%	26.09%	14.86%
Percentage* of women in senior management positions (managers, vice presidents, and directors)	15.38%	37.5%	33.33%	19.35%
Percentage* of women in management positions in revenue-generating sectors	37.12%	50%	30%	33.71%
Percentage* of women in STEM positions	23.05%	14.08%	26.32%	21.55%

(* Of the total number of people filling these positions.

Wage Gap

Job Type	Entel Chile		CC Chile		CC Peru		Entel Peru	
	2020	2021	2020	2021	2021	2020	2021	
Management	95.86%	97.70%	103.70%	99.00%	111.00%	92.13%	92.30%	
Professional and technical	93.77%	94.51%	109.71%	107.00%	83.10%	97.01%	95.90%	
Other Workers	93.42%	93.23%	93.89%	93.40%	98.40%	91.78%	92.80%	

Inclusion of people with disabilities

Entel Chile continued to comply with Law 21,015, which requires companies to have at least 1% of their staff made up of people with disabilities. At the end of 2021, we had 49 employees with disabilities on our team, 1.17% of the total. Entel Call Center Chile also exceeded the required percentage, with 39 employees representing 1.2% of the total.

To ensure that disabled people in the company can have an inclusive experience, a survey was made of eligible jobs for people with disabilities, training was provided to teams that included people with disabilities, and Entel Chile also prepared and published a guide for inclusive events to provide guidelines to be followed in those organized by Entel.

Sexual diversity

In May 2021, Entel Chile launched its Gender Transition Protocol, a document setting out guidelines should a person have the intention, have made or just have questions regarding their gender transition process in the company, always prioritizing the safeguarding of their privacy. It is one of the latest milestones in the work the company has been doing for more than five years to promote diversity.

Thanks to initiatives such as the above, for the second year in a row we obtained the Equidad CL certification, awarded by Fundación Igualas and Human Rights Campaign to recognize companies with the best working environments for LGBTI people.

To sustain this position, in 2022 we will initiate a pilot mentoring program in which volunteers from the LGBTI community will hold one-on-one conversations with volunteer company managers

Meanwhile, Entel Peru extended the insurance coverage of its Health Service Provider Entities to same-gender couples. As a result of such actions, it scored over 94% on the diversity dimension of the two engagement surveys it conducted during 2021.

Training in diversity and inclusion

In 2021, Entel University launched an online course, in storylearning format, to strengthen our employees' knowledge of our Diversity and Inclusion Policy, unconscious bias, inclusive language and respect. A total of 922 people completed it over the year.

In addition, since 2019 Entel Chile has been offering the Inclusive Leadership workshop, which 400 executives have already attended. In 2021 we included managers with more than five people under their charge.

In 2022, we plan to launch the "Trainers for Inclusion" program, through which we will train a group of employees to disseminate the inclusive culture throughout the organization.

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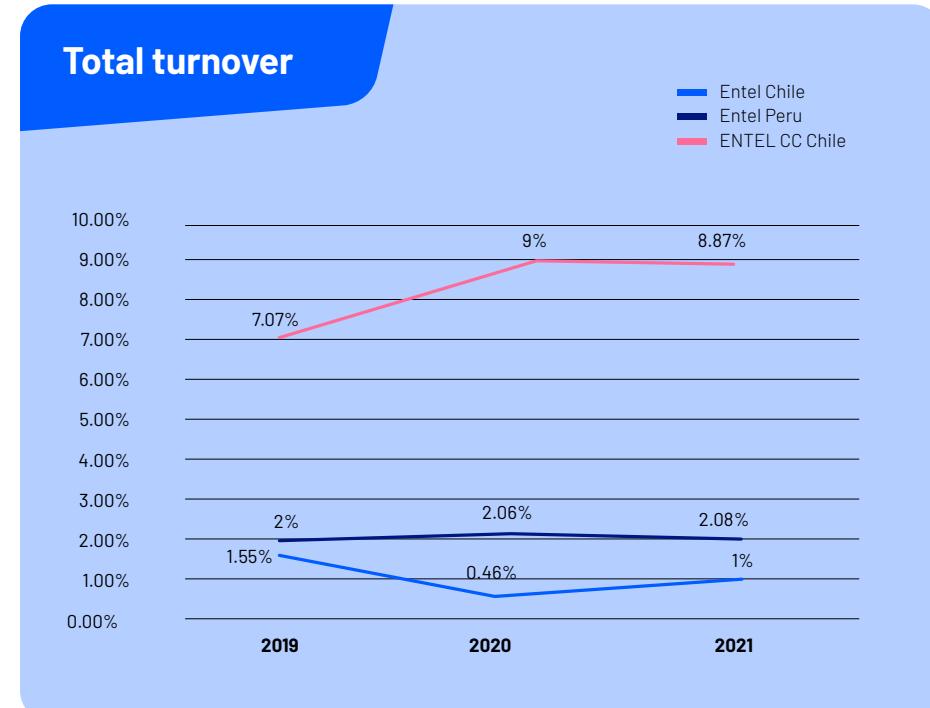
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Recruiting and development of talent

Talent management priorities are defined by the management and vice-presidencies themselves according to their specific needs. These guidelines are complemented by the cross-cutting directives established by the Human Capital Division. For Entel, it is important to bring in new talents who can contribute, from their own perspective, different knowledge and visions. Entel also promotes internal mobility as a way of recognizing good performance and providing development opportunities to its employees as part of its value proposition. In 2021, the Entel Got Talent program was launched, providing information on the requirements, benefits and scope of the internal mobility processes to continue promoting the skills and abilities of people within the company.

In 2021, turnover remained low at Entel Chile, as the company stuck to its policy of minimizing layoffs during the health crisis. In terms of voluntary turnover, this was 0.5% in Entel Chile, 5.8% in Entel Call Center Chile and 0.67% in Entel Peru.



In the case of Call Center Peru, data is only available for 2021, when turnover stood at 10.01%.

During the year there were 10,575 new hires throughout the group, which were mainly in Call Center Chile and Call Center Peru, since they have a higher turnover. Entel Chile filled

53% of its vacancies with internal candidates, while Entel Peru filled 44% of its vacancies with internal candidates.



New hires

Entel Chile	CC Chile	CC Peru	Entel Peru
Breakdown			
2021	2021	2021	2021
Men	276	1,490	2,354
Women	164	2,240	160
Less than 30 years	152	2,305	4,116
30-50 years	267	1,289	170
More than 50 years	21	136	49
			14

Promotions

Entel Chile	CC Chile	CC Peru	Entel Peru
369	40	85	185

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Digital Talent

► **Diversification of recruitment sources:** We have a LinkedIn tool that allows us to track the movements of digital talent through different roles, companies and industries, inside and outside Chile. We have a wide-ranging digital skills map that facilitates the search for the profiles required in companies and industries with lower levels of turnover. We have also partnered with universities and digital training organizations to tap into new sources of junior talent.

► **Differentiated value offerings:** We have improved the starting conditions for certain positions and shortened some career cycles in order to make more attractive value propositions for the profiles we need. Entel Work has contributed to generating greater flexibility and autonomy, a highly desirable asset for young professionals.

► **Proactive loyalty programs:** We monitor the relative positioning of each of our digital jobs in different industries, in order to detect possible gaps and act proactively before the person receives external offers.

► **Development and Training:** We have a digital talent training strategy that sets up the technical and adaptive capabilities required by the members of the organization at three levels:

1. Management Training
2. Expert Training
3. Cross-cutting Training

Additionally, a Digital Citizen Program was designed and implemented, seeking to establish a unifying concept that sets up a different mindset and mobilizes towards new capabilities and ways of doing things.

► **Positioning Entel as a digital company:** Our managers give talks at universities and participate in conferences and congresses to publicize Entel's work in areas such as advanced analytics, big data and artificial intelligence.

Thanks to these initiatives, the turnover of critical digital talent at Entel is no higher than in the rest of the company.

Performance evaluation

In 2021, 65% of the group's employees underwent formal performance evaluation processes, an essential tool for the design of training programs and the development of each person's potential. Several methodologies were used, depending on the role being evaluated and the type of operation.

In the case of Entel Chile, this percentage amounted to 94% of staff, who were assessed in one of the following four types of models: functional, for teams working with traditional methodology; agile, for those working with scrum methodology; 360° for first-line managers; PEC for teams that have first contact with customers (stores). In the case of Call Center Chile, 79% of the staff underwent a performance assessment; in Call Center Peru, only 8.4%. In Entel Peru it was 84.7%.

Percentage of workforce with a formal performance appraisal process in 2021

	Entel Chile	CC Chile	CC Peru	Entel Peru
% Men	96	71	13	84.1
% Women	89	90	5.4	85.6
% of total	94	79	8.4	84.7



Learning Management

Entel's range of training programs is flexible so that each person can manage their development according to their own interests and, at the same time, guarantee the acquisition of critical skills and knowledge for the performance of each role. As such there are cross-cutting courses, specialization courses and other specific courses to develop leadership and management skills. With respect to programmatic priorities, there were four focuses in 2021:

- Development of lifelong learning skills as a key competency for transformation.
- Development of digital competencies necessary for the challenges we face as professionals and as an organization.
- Provision of tools and knowledge that foster employability and enhance people's current and future skills.
- Integral care of people, with special focus on leaders.



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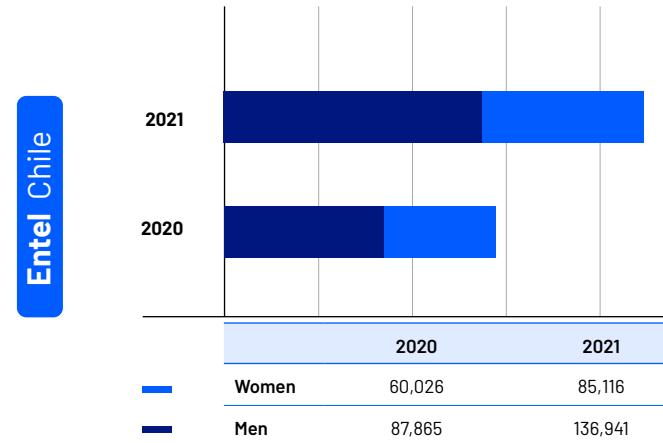
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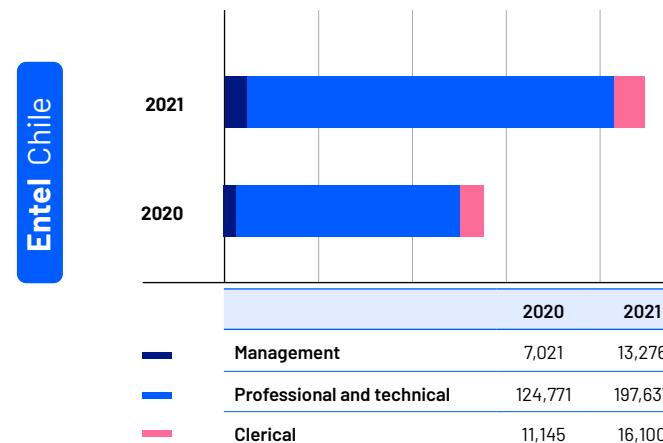
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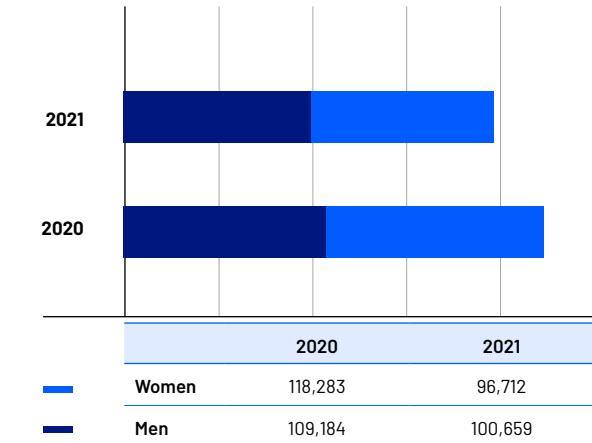
Hours of training by gender



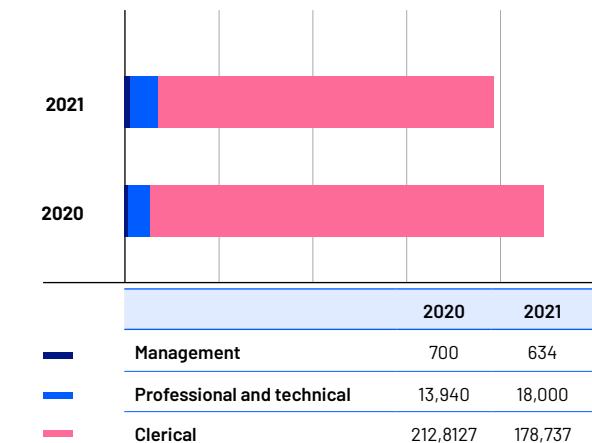
Hours of training by level



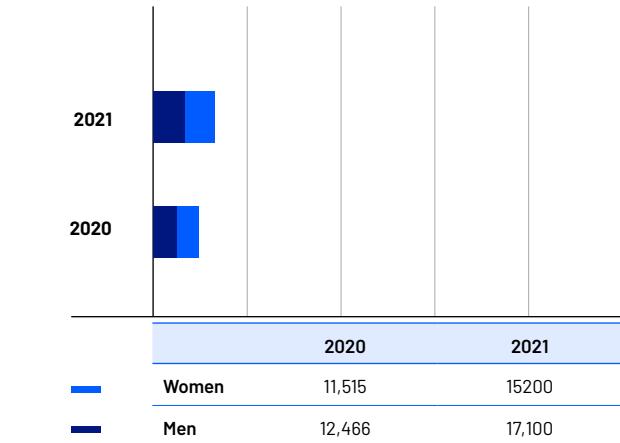
Call Center Chile



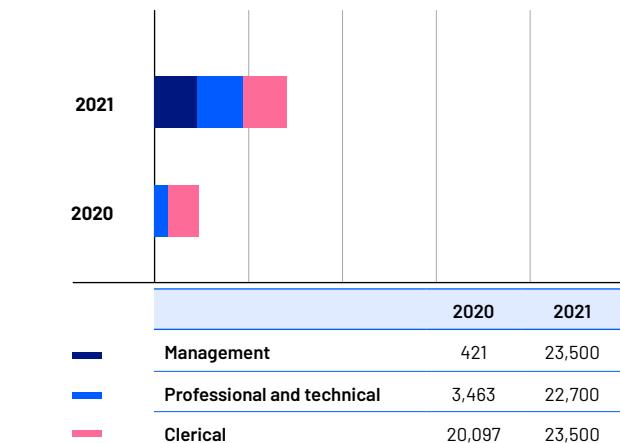
Call Center Chile



Entel Peru



Entel Peru



We do not have Call Center Peru data for 2020. In 2021, this subsidiary reported 2,784 hours of training for women, 1,936 hours for men, 592 hours for executives, 4,096 hours for professionals/technicians and 32 hours for administrative staff.

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Welfare and benefits

All the group's employees are covered by life insurance as soon as they sign their permanent contracts or complete a period of employment with the company, which does not exceed one year. Some contracts and agreements also include catastrophe and high-cost illness insurance.

We promote healthy living and physical activity among employees in our Chilean operations, either within the company's own facilities or through agreements. We also offer nutritional counseling services within the company and in alliance with external health institutions.

Flexible schedule

Formalizing Entel Work in Chile was a major step towards making working hours more flexible, but it is not the only measure of this type that we have implemented in the group.

Even before the pandemic, Entel Peru personnel were able to start and end their working day at different times. Since remote working started, new measures have been added:

➤ **Daily disconnect time:** Meetings cannot be scheduled between 1:00 pm and 2:30 pm.

➤ **Digital disconnect policy:** This was launched in April 2021 and establishes guidelines for maintaining an appropriate work-life balance. In addition, training was provided to leaders and digital campaigns were carried out to reinforce respect for personal schedules.

➤ **Early Friday year round:** In January, February and March 2021, employees enjoyed being able to disconnect every Friday from 2:00 pm. The measure was so well received (85% used it at least once) that, as of April, a disconnection permit was introduced every Friday of the year from 4 p.m. onwards.

➤ **Golden Day:** In 2021, the benefit of one day off per year for employees working in customer service and critical operation support was doubled.

➤ **Power holidays:** Entel Peru gives additional days off to those who schedule a certain number of vacation days (for example, if an employee requests eight working days of vacation, Entel will give him/her two). This discourages stockpiling.

Call Center Peru's administrative staff has eight flexible hours per week.



Climate and commitment

In a challenging year, the results of the engagement surveys conducted in 2021⁽¹⁾ were very good on a group level.

At Entel Chile, employees are highly committed to the organization, with steady year-on-year increases in survey results: from 2020 to 2021, commitment increased by 0.8%. While many reported being in greater demand as a result of the pandemic, they also said they felt very well taken care of by the organization. To a large extent, this is in response to the work we have been doing with management since the 2019 social crisis. Today we have managers who are truly aware of the particular needs of each mem-

ber of their teams and are able to organize the work in a more flexible way, taking into account both the needs of the business and those of their teams.

The level of engagement in Entel Call Center Chile fell by almost two percentage points compared to 2020. In contrast, Call Center Peru increased by 0.33%.

Entel Peru continued its upward trend, as well as narrowing the perception gap between genders. In this subsidiary the main concerns of employees are work-life balance and workload.

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	Entel Chile	CC Chile	CC Peru	Entel Peru
Engagement breakdown	2021	2021	2021	2021
Actively committed employees %	88.9	67.5	84.33	90.35
Men %	89.1	65	39	91
Women %	88.6	35	61	89
Coverage %	86.9	100	100	100



Occupational health and safety

In its health and safety policy, Entel states its commitment to maintaining a safe work environment, for both its employees and contractors. In the case of Entel Chile, each activity carried out is framed within the occupational health and safety preventive management system, the guidelines of which are disseminated internally. In addition, risks and incidents can be reported by anyone through specific channels that are regularly promoted.

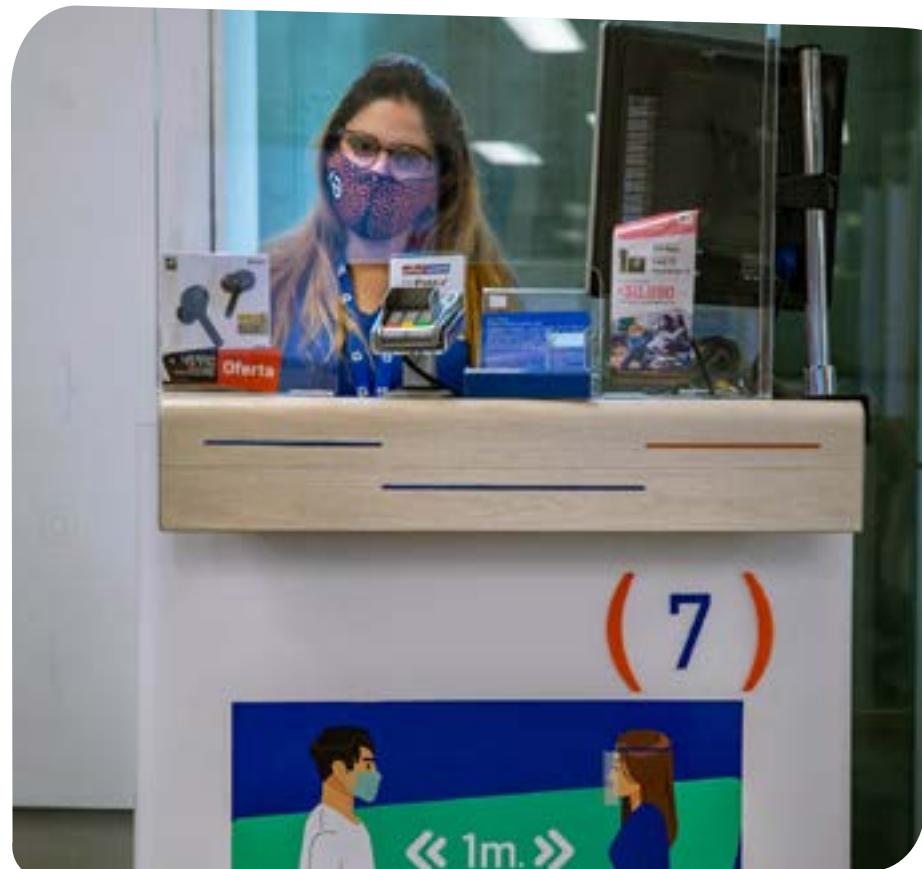
In 2021, the Covid-19 pandemic continued to be a major health concern for the company's

employees. At Entel Chile, the implementation of the Entel Safe program and the high percentage of vaccinated workers kept the infection rate low during the year, even after we started face-to-face activities. All the preventive protocols implemented by Entel in Chile and Peru comply with the regulations issued by the authorities and have been updated whenever necessary; in Chile, they are also audited by the Chilean Safety Association (ACHS). Contractors apply their own protocols and adhere to Entel's when the current regulations are less strict than internal guidelines.

Mental health year

Over the course of 2020 and 2021, the Center for Surveys and Longitudinal Studies of Universidad Católica and ACHS published four research studies showing the evolution of Chileans' mental health during the pandemic. During one of the most complex times - July 2020 - 35% of respondents exhibited symptoms associated with mental problems. This percentage dropped to 24% for the latest survey, published in September 2021. Studies like this one have uncovered the mental deterioration that the pandemic has produced in people, a fact that we are aware of at Entel. We have paid special attention to certain factors that, according to the ACHS-UC study, show a high correlation with the increase in mental health problems, such as confinement, the fact of being a woman and the lack of shared responsibility in domestic and child-rearing tasks, which we have incorporated into our policies and practices for this area.

This concern prompted us to organize discussions and talks on the most pressing issues, to conduct internal campaigns to raise awareness of these problems and to provide a free mental health care channel open 24/7 for all company employees. One of our challenges for 2022 is to promote holistic physical and mental self-care in the different teams.



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OHS indicators in 2021

	Entel Chile	CC Chile	CC Peru	Entel Peru
Total number of accidents at work	7	28	0	0
Number of fatal accidents	0	0	0	0
Fatal work-related illnesses	0	0	0	0
Accident rate ⁽¹⁾	0.17%	0.79	0	0
Loss rate ⁽²⁾	10.44%	13.6	0	0
Frequency rate ⁽³⁾	0.66	2.66	0	0
Severity index ⁽⁴⁾	41	41.12	0	0
Total days lost to accidents	217	446	0	0
Days lost due to occupational sicknesses	225	10	0	0
Total days lost ⁽⁵⁾	442	456	0	0
Average labor force	4,235	3,615	4,089	2,035
Absenteeism rate	0.398%	0.11%	0	0.62%

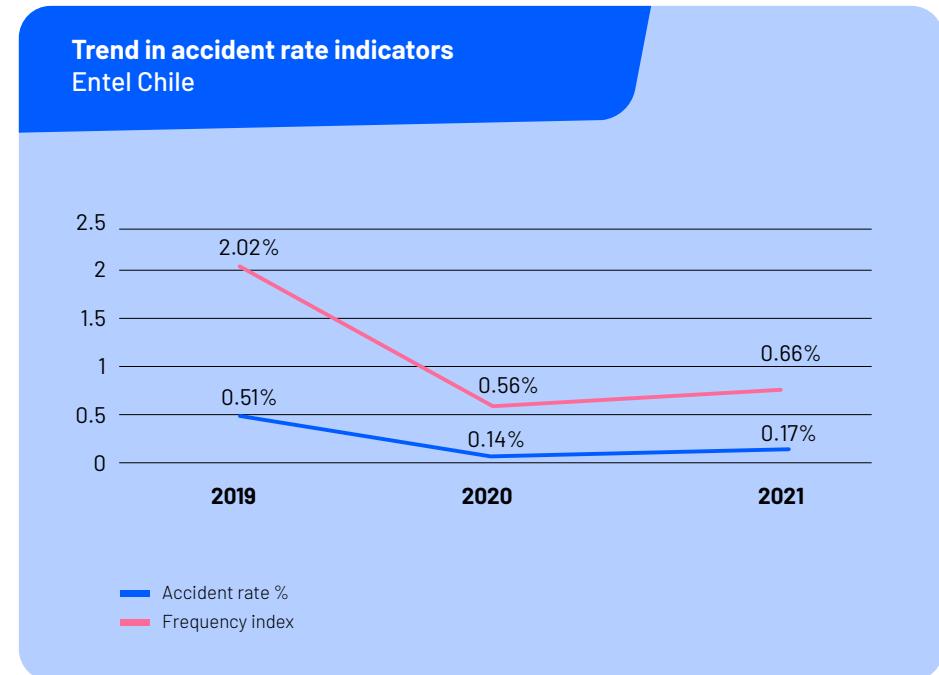
⁽¹⁾ Ratio between the number of occupational accidents in a year and the average number of workers in the same period, multiplied by 100. It is taken as the number of accidents per 100 workers.

⁽²⁾ Ratio between the total days lost in a year and the annual average number of workers, multiplied by one hundred.

⁽³⁾ Number of occupational accidents that have caused at least one day of sick leave for every million hours worked by all personnel in the period in question.

⁽⁴⁾ Number of days of absence from work of injured persons per million hours worked by all personnel in the period in question.

⁽⁵⁾ Days of medical rest due to work-related accidents and occupational diseases.



OHS training conducted in 2021

	Entel Chile	CC Chile	CC Peru	Entel Peru
	Internal	Contractors		
Number of workers attending	8,921	6,297	4,892	3,027
Nº de courses	423	425	54	6
Hours	14,185	13,996	9,784	36,324
				4,814

Occupational health and safety training

Each person who starts working at Entel receives an initial induction that includes basic safety information (first aid, UV radiation and load handling, among others). There is also periodic training related to the tasks performed by each worker, together with other activities such as hazard identification and risk assessment, prevention and investigation of incidents.



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› Suppliers and contractors

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In 2021, we worked with 1,634 direct suppliers, of which 389 were contractors, 1,472 national and 989 SMEs. Total direct supplier spending came to Ch\$1,129,981 million (16% more than in 2020), distributed over 45,694 purchase orders.

The guidelines that govern our relations with all of them are set out in the company's Code of Ethics and Supplier Policy, the principles of which commit us to offering equal opportunities to all qualified companies that wish to enter into commercial relations with Entel, providing them with equal access to information and evaluating bids through objective procedures, using world-class platforms.

In turn, each supplier must sign their commitment to our code of ethics and the crime prevention model, and may not present conflicts of interest in their relationship with the company. The updates to these documents in 2021 were duly circulated among the supplier companies. Additionally, they were asked to update their information security policies to align them with the guidelines of Entel's Data Governance department.

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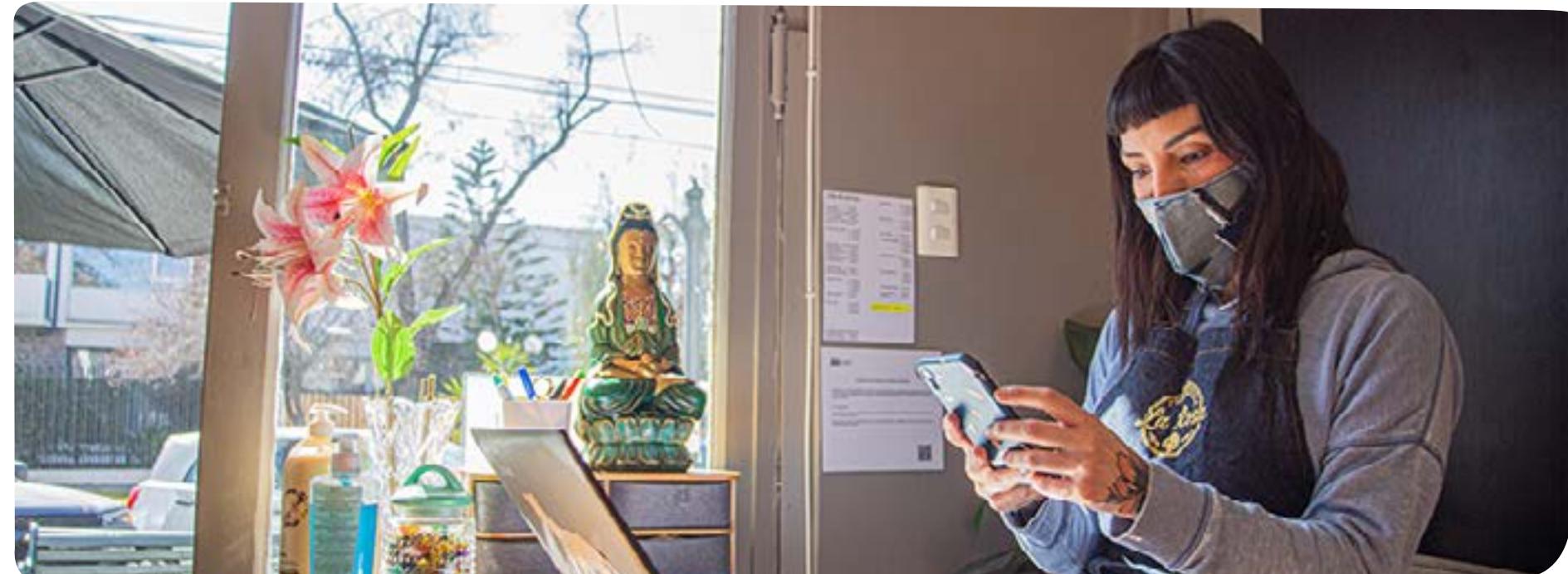
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Pro SME Seal

Entel was one of the first companies to obtain this seal, awarded by the Ministry of Economy to organizations that commit to pay their SME suppliers within 30 days of receiving invoices. In 2021 we retained the seal for the tenth year in a row.

In addition, spending on SMEs **increased by 25.04% over 2020.**



Suppliers and contractors

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Relationship during the pandemic

We continued to take special measures over the reporting period to safeguard the health of our contractors and suppliers in the context of the pandemic, especially those who are part of our remote and on-site operational chain. Action included the following:



- ▶ Restriction of face-to-face activities to the strictly necessary.
- ▶ Stepping up digital and teleworking tools
- ▶ Delivery of hygiene and safety products.
- ▶ Strengthening of sanitary protocols
- ▶ Flexibility in providing services

Characteristics of the supply chain in 2021

Main suppliers		Ericsson, Huawei, Apple, Samsung, Cisco, Microsoft, Oracle, Raylex, Ingram.
Main products		Materials for network maintenance and growth; terminals.
Main services		Services for network maintenance and growth; IT services.



Assessment of suppliers

Entel's model for the management of contractors and suppliers establishes criteria and procedures for their monitoring and assessment, as well as feedback mechanisms to improve performance and mitigate risks. All new suppliers must meet seven cross-cutting criteria, the standards of various company departments, sustainability criteria and social impacts. Old or repeat suppliers are assessed through monitoring.

The purchasing department is in charge of these appraisals and follow-ups, which it performs on the basis of the assessments made by the various support areas:



Department/division	Assessment area
Risk prevention	Environmental, safety and occupational health standards.
Operation and Development	Corporate ethics, corruption risks, free competition
Outsourcing	Child labor, labor and association rights, working conditions and remuneration.
Human Capital	Compliance with labor laws.

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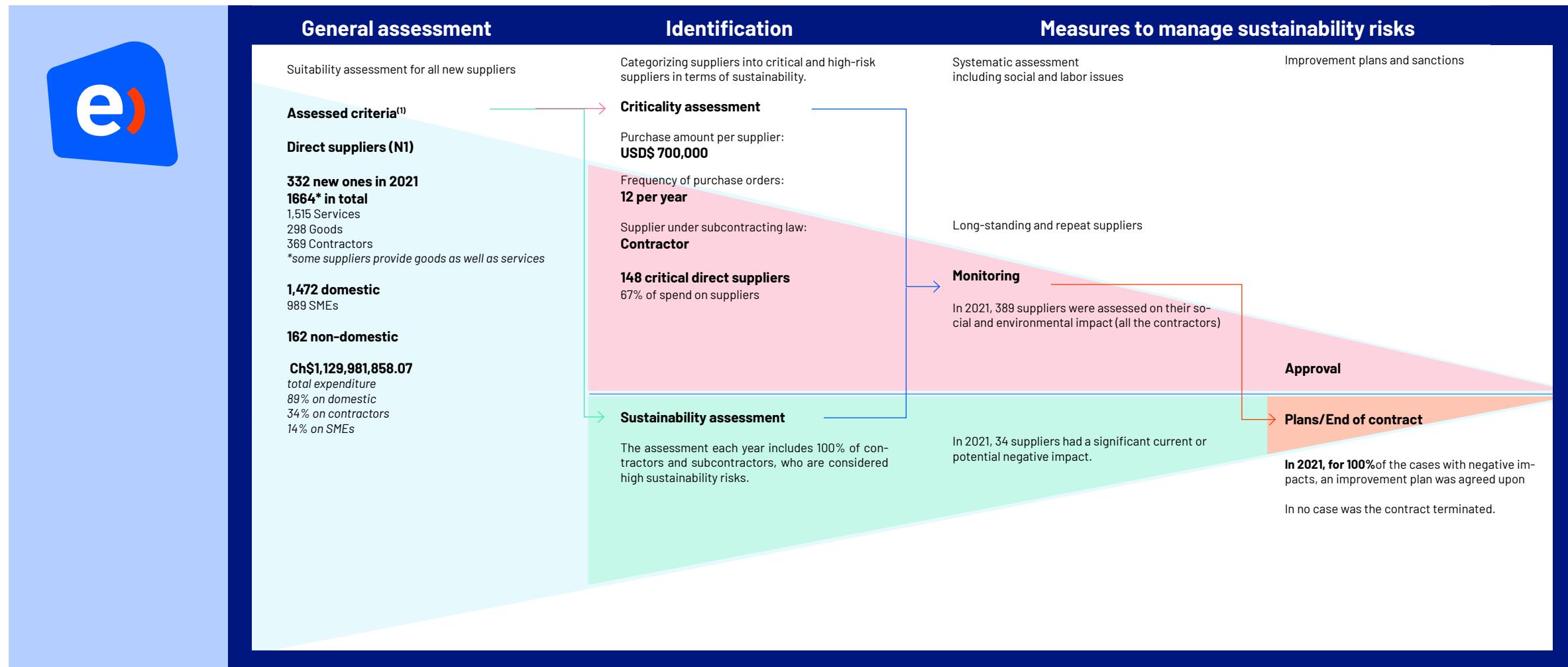
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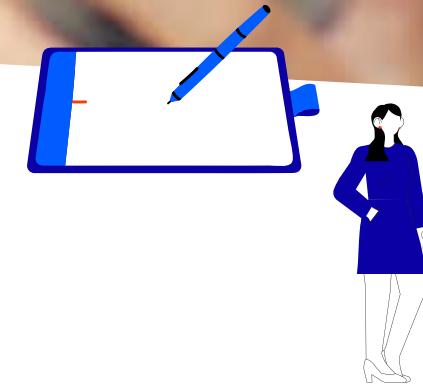
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6.1

› Customer experience

Although there were fewer capacity and mobility restrictions in 2021 than during the first year of the pandemic, the telecommunications industry continued to face higher service demand, with increasing traffic on fixed and mobile networks. Moreover, several of the usage patterns that emerged in 2020 were consolidated, such as hybrid and more flexible modes of work and education, a new test of operators' ability to adapt.

In this context, at Entel we continue to strive to improve our users' experience. With this objective in mind, one of the main focuses of the year was to keep up a robust network throughout the country. At the same time we are working to provide our channels with the necessary capabilities to provide faster, more empathetic and simpler responses to the different requirements of our customers. As a result, in line with the Digital First strategy, Entel's digital channels continued to be strengthened, while the face-to-face and remote assisted channels increased their capacity for resolution, providing customer service alternatives to different types of customers, according to their needs and level of digitization.

The good results we obtained over the year would not have been possible without the work the company has been doing for years regarding digital transformation, advanced analytics, big data, agile collaboration structures and other initiatives that enable more effective and personalized user experiences.



Advances in 2021

Growth of digital channels

The deep penetration of digital channels and the diverse functionalities they have acquired undoubtedly helped Entel to successfully overcome the adaptation challenge. In 2021 we maintained our goal of making digital experiences simpler and strengthening their oversight:

- ▶ We simplified access, bringing it into line with the standard used by large international companies, which helped user digitization to grow by 12% over the previous year.
- ▶ We have further customized the user experience, bringing it closer to the reality of each customer, enhancing alliances with digital benefits.
- ▶ We developed new features with a focus on personalization, customer journey and communication, resulting in improved high-value flows. New measures included redesigning the channels to surprise the user, implementing connection speed tests and the possibility of sharing wifi via QR.

As a result, e-commerce already accounts for around 30% of sales in the mobile business in the consumer segment, while it exceeds 40% in the fiber-optic business, putting us ahead of Europe and the United States. Meanwhile, our app and the My Entel site have become the fastest growing and most widely used channels, in addition to offering the highest rated customer service.

Exploring the "figital" world

E-commerce figures were also boosted by the success of projects combining the advantages of digital shopping with chain-based distribution in physical stores. In 2021, the one-hour in-store pickup was consolidated, a measure that has helped us to redirect flows to in-store sales points in places we could not reach with traditional deliveries. In addition, in July we launched Delivery Express, a two-hour home delivery service which was very well received by our customers.



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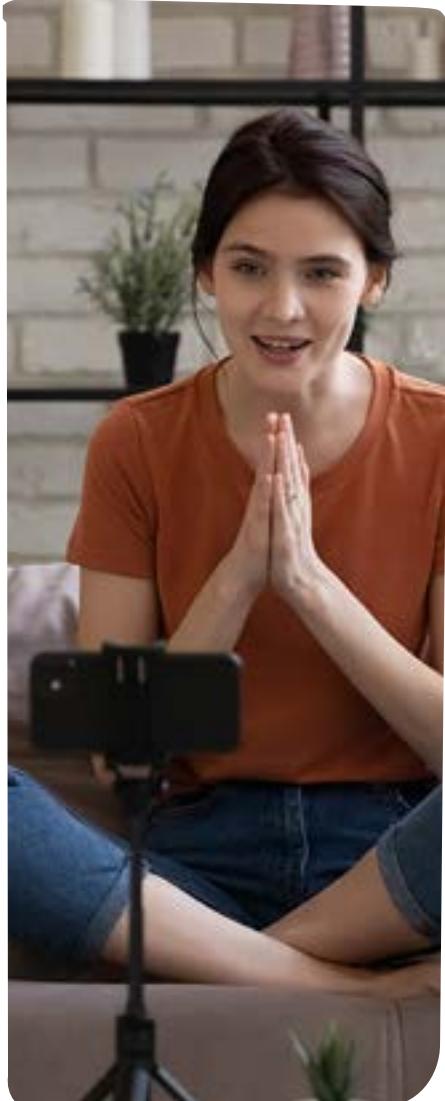


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Artificial intelligence for better assistance

Artificial intelligence has played a key role in improving customer service. In the residential sector of the Consumer segment, we deployed a system that warns of massive failures in a proactive, clear and timely manner. We also simplified how the user selects the address of the home where they need on-site service, which increased PCS satisfaction by two points. We also launched a web application that uses augmented reality to facilitate setting up Entel Hogar devices,

with which we have been able to solve 96% of the problems in more than 9,000 interactions.

In the prepaid mobile telephony segment, we increased our problem solving capacity through the self-service channel, and when it is not possible to solve a problem through this channel, the call is transferred directly to an executive. This improved PCS satisfaction by five points.

Contextual marketing

Together with our partners at Vodafone, we carried out a project to optimize the work of the Customer Value Management (CVM) department, which is responsible for designing and communicating the best offers to our customers. More specifically, we improved the platform to manage campaigns based on batch processing systems (batch mode⁽¹⁾), so that 100% of our offers are made automatically, adjusted to the moment and according to the needs that we detect with advanced analytics and big data.

⁽¹⁾ These are programs whose implementation does not require any type of interaction with the user.

Advances in the call center

In the first half of 2021, we encountered a difficult scenario due to the pandemic, with 95% of our call center staff in teleworking mode and high levels of worker turnover. Under these circumstances, digital platforms were crucial to organize teams and align business focuses. In the second half of the year, we focused on improving customer satisfaction, notably by strengthening our agents' problem-solving skills and empathy. At the same time we migrated the contact center platform to the cloud, which opens up many opportunities to optimize the customer experience in the near future.

New Entel Help Center

From the onset of the pandemic, we set out to reach as many people as possible with our product and service messages. To do this, we created the Entel Help Center⁽²⁾, a site through which we channel all the questions and answers from customers in the Consumer segment, with a self-management approach. As teleworking and tele-education are already part of our normal routine, we include topics relating to the use and proper functioning of fiber optics.

Recovery of the stores

In spite of the increase in digital interaction, the demand for in-store customer service has also grown, driven by the expansion of capacity, the stabilization of the number of open stores and new options such as in-store pick-up and visit scheduling. As a result, we have not only recovered pre-pandemic sales levels, but store satisfaction has also reached its highest levels in recent years.

We also took advantage of the pandemic setting to launch a new digital⁽³⁾ training platform for agents. In 2021 there were 1,201 participants, more than 90 learning activities and 52 live forums.



Collection Project

Over the course of the year we developed and implemented this cross-cutting project which automates the cut-off and repositioning procedures for services - which for customers were the principal source of complaints relating to billing. Now, 99.6% of reinstatements take less than five minutes after payment is received.

⁽²⁾ Available at:

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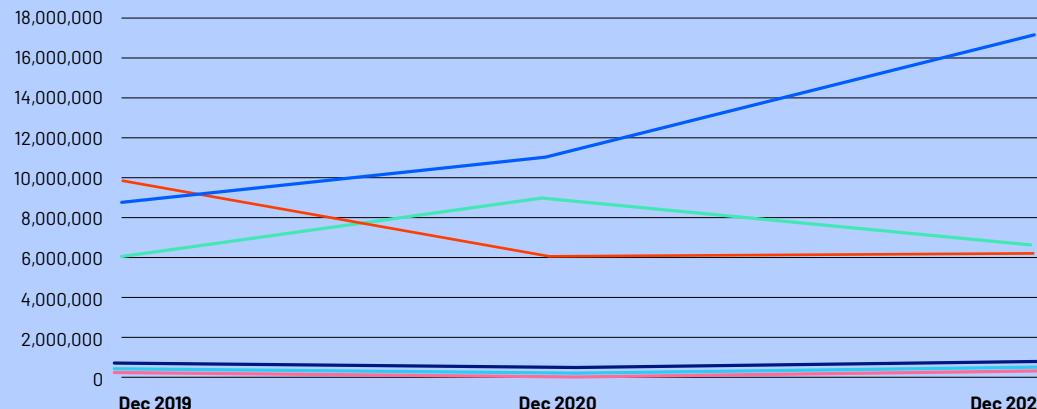
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Change in the number of interactions through channels - Consumer Segment



Satisfaction rates

Consumers

Regarding the postpaid mobile business, the PCS satisfaction index improved by eight points over twelve months, after having seen a significant drop during the first stage of the pandemic, due to the abrupt increase in traffic and the compulsory closure of stores and call centers. Although we have not yet regained market leadership, the trend is upward. Key to this have been the new digital features, the redesign of customer journeys and more fluid communication with them. Something similar happened in the prepaid business, with satisfaction showing an upward trend since the beginning of 2021 in response to focused efforts.

Meanwhile, we continue to lead the fiber optic industry in the sectors where we are present, a position that we will consolidate by the end of 2021 with a three-point gain in satisfaction compared to December 2020. This was achieved with very strong performance in customer service, where we saw a ten-point improvement year on year.



Channel	December 2020		December 2021	
	Assistance	PCS	Assistance	PCS
App + Mi Entel	14,454,460	71	18,532,670	74
Remote assistance (CC+WSP+IVR)	7,594,650	38	6,925,520	42
Stores	466,257	77	342,131	81
Public site visits	5,367,768	64	4,753,695	63
Total	27,883,135	62	30,554,016	65



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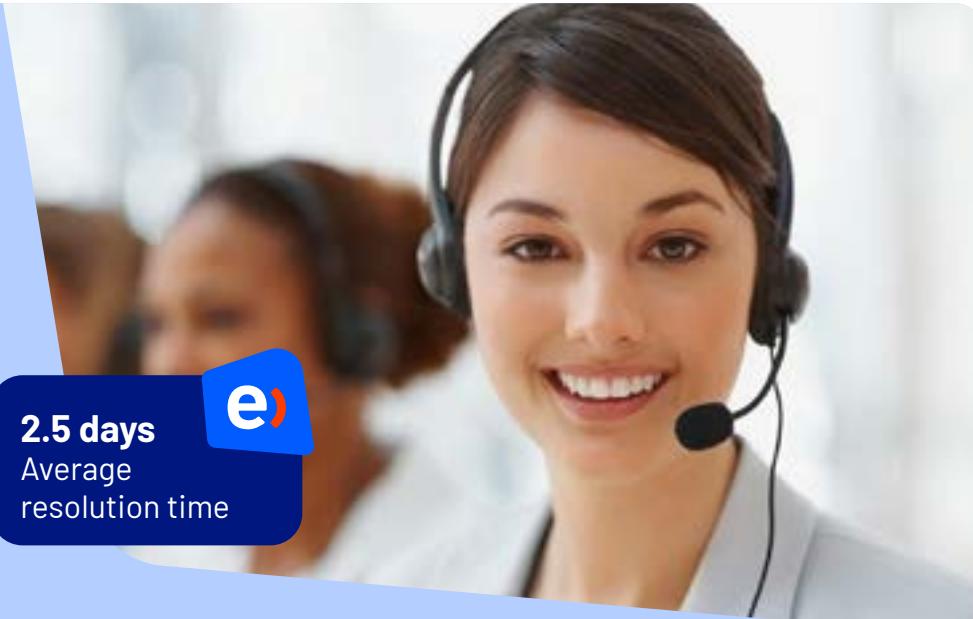
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Businesses

Enterprise Segment customer satisfaction results have remained stable. Entel held on to its leadership in fixed and mobile services, with a significant lead over the industry average. In the IT segment, we again ranked second only to GTD.

Corporate

Satisfaction levels continued to be above 80 points in the mobile business, both in the case of users and contract managers. In information technologies, in just three years we increased from 30 to 60 points, a very good figure for the B2B segment, especially in the systems category where customers

tend to be more demanding when evaluating services. In fixed networks, we have kept a positive performance over time. While in the last survey we were down slightly, due to network outages and cases of vandalism, we remained above 60 points.

Entel Peru

In Peru we lead all segments, both in terms of NPS (Net Promoter Score) and customer satisfaction. In addition, for the seventh year in a row the consulting firm IZO recognized us as the operator with the best customer experience.



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Customer experience

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Best mobile quality of service

Once again Entel was rewarded for its mobile service quality in Chile, winning first place in six of the seven categories measured by **OpenSignal in its Mobile Network Experience Report study** - video experience, video games, voice within applications, download speed, 4G service availability and 4G coverage. The latest report covered the period from May 1 to July 29, 2021.

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Customer experience



Entel UP program

In 2021 the company started a project that aims to position Entel as the undisputed market leader in customer experience, through distinctive services, technological innovations and a service that meets the needs of each customer. The initiative covers the entire company, with the understanding that the customer experience is built from the value proposition until it becomes tangible at each touch point.



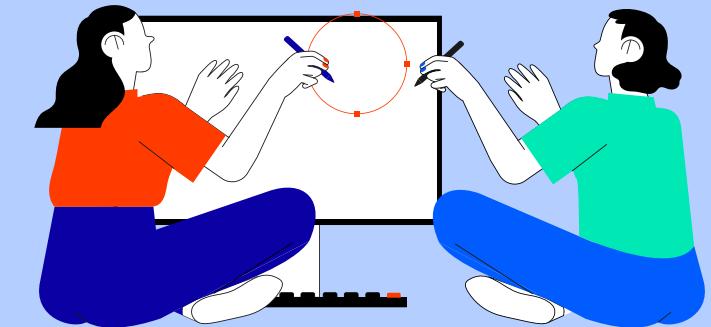
The pandemic experience

Since the beginning of the health crisis, we have not only been committed to maintaining the quality and continuity of the service we provide to our customers, We also took a number of measures to facilitate their activities:

Consumers:

- **We strengthened digital customer service channels**, such as the website, the Entel app and social networks, adding online tutorials, email campaigns and web scheduling for store visits.
- **We complied with the highest standards of hygiene and safety** in the scheduled home visits.
- **We guaranteed assistance in physical stores during the quarantines**, with at least one Entel store staying open in each municipality, operating under all applicable health protocols.

➤ **In conjunction with the government and Chile Telcos**, we implemented the Solidarity Connectivity Plan 2021. Thanks to this plan, created in 2020, and due to the health emergency it was decided to extend it until March 31, 2022. Active customers remained connected in the event that they could not pay their monthly bill for reasons of force majeure. This benefit was available to those listed in the Social Household Registry and who belong to the 80% of the most vulnerable families in Chile. It is valid for 90 days and allowed non-recreational actions, such as sending and receiving mail or using certain social networks. During 2021, Entel added 2,298 mobile lines and 75 home lines to the Solidarity Plan.



➤ **In 2021 we strengthened the senior assistance channel**, created in 2020, to provide an effective response to a segment that is less experienced with digital channels.

Enterprises and Corporations:

- **We encourage adopting collaborative tools in the cloud**. Through our Entel Corporate website, we provide user manuals and answer frequently asked questions.
- **We continued providing the support implemented in 2020**, such as not charging fines for late payment of services, suspending disconnections for non-payment, granting bill payment facilities without charging interest or special penalties, and facilities for relocation and early termination of services.

(¹⁰) Available at:



[See more](#)



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› Consumer Segment

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Consumer Segment

Customers in this segment are private individuals, end users of the services and products we offer, which include **mobile telephony with or without data, internet, television and sale of handsets.**

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Consumer Segment



Mobile services

The year 2021 was a year of excellent results for Entel's mobile business. Our customer base in this segment increased by 8.6% over the period, to 8,126,484 customers, of which 4,490,297 were postpaid (12.5% increase over December 2020) and 3,636,187 were prepaid (4.2% compared to 2020).

These achievements are especially noteworthy in the highly competitive context that prevailed during the year, with other operators making offers focused on free second lines and substantial gigabyte increases.

To achieve these results, the company enhanced its digital channel offering, along with an attractive range of handsets, OTT and value-added services. For example, postpaid customers were given access to digital content platforms from the Android universe, Google Play and Spotify, which are billed with the monthly service. This is another example of how the distinctive browsing enabled by our 4G+ network makes it possible to deepen the offering of data, which is showing exponential growth in consumption.

In prepaid, the offering continued to focus on loyalty and incentive programs, such as higher data allowances and special rates for customers who top up more. One-click top-ups, our low-cost self-service model via digital platforms, also played an important role.

Handset sales increased significantly as a result of the economic recovery and high market liquidity.

Entel Residential

In the residential business, our focus in 2021 was on continued fiber optic deployment and penetration, a segment where we grew by 66% over 2020. This growth can be explained by the increasing need for quality connections for households due to the pandemic and the requirements of education and remote work, as well as attractive high-speed plans. Coverage of this technology reached the end of 2021 with 769,000 homes passed in the Metropolitan and Valparaíso regions, 69% more than the same period of the previous year.

Residential fixed wireless telephony, internet and satellite television services over the 3.5 GHz band, continued to lose ground to fiber optics. As of December 31 they accounted for around 280,000 RGUs in postpaid, a year-on-year decrease of 28.8%.

The rise of ecommerce

In 2021, the growth trend of digital channels was confirmed, with a significant increase in sales arising from these platforms. This was possible thanks to our ongoing work to strengthen our platforms and the incorporation of important innovations in our dispatch and delivery system, such as Express Delivery and one-hour in-store pickups.

In 2021, the company achieved **important milestones in terms of digital interaction with customers** and in ecommerce 2.0. For example, **the digital sales mix**, which already accounts for **30% of the total** in the case of mobile services and more than **40% of fixed services**.



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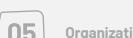
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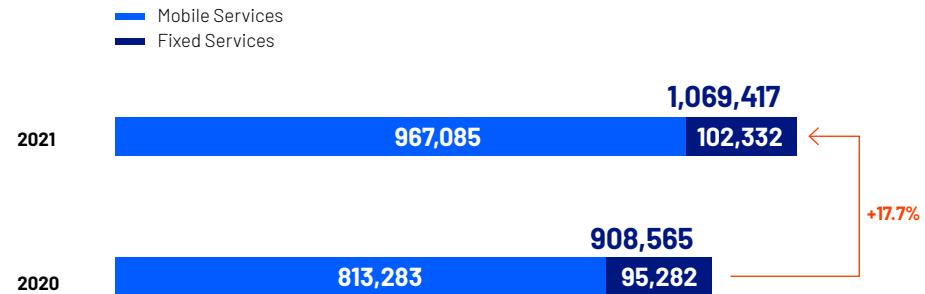
Consumer Segment

Revenue

Revenue in the Consumer Market increased (+17.7%) compared to 2020, driven by expansion in the mobile business (+18.9%), led by a significant acceleration in sales of mobile handsets and accessories (+52%) and revenue from mobile services (+9.1%). Mobile service revenue grew, driven by the postpaid segment (10.9%), in line with the expansion of the customer base (+12.5%) and an efficient management of the churn rate. Prepaid revenue fell, mainly due to migrations to the postpaid segment. Revenue from handset and accessory sales continued to grow, driven by the postpaid segment based on an attractive handset offer and greater liquidity in the economy.

Additionally, fixed service revenue grew (+7.4%), driven by "Entel Hogar" fiber services (+95% year-on-year), which represented 40.8% of the segment's fixed revenues (+18 percentage points year-on-year), as a result of fiber rollout and higher penetration. This was partially offset by lower wireless service revenue from the residential segment (-20.1%), due to higher wireless broadband, satellite TV and voice disconnections.

Consumer segment - revenue (CLP million)



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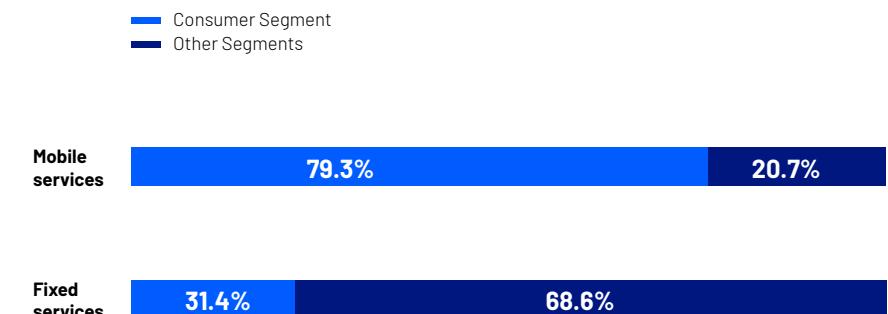
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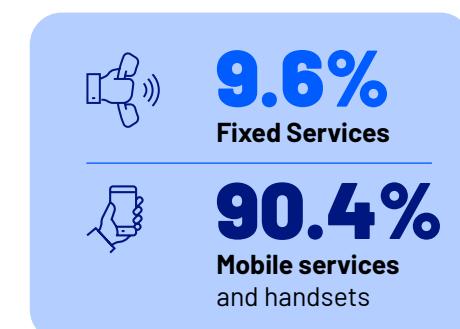
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Share of the consumer business in Entel Chile total services



Consumer Segment Breakdown of income by service



6.3

› Enterprise Segment



Enterprise segment

This segment serves companies and individuals who **use our products and services in their production processes or to market them.** The company continues to increase its market presence, with a strong share in mobile services and significant development in voice, data and fixed internet services, along with a broad range of IT outsourcing and digital services. Our goal is to become the best technology partner for each customer.

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Enterprise Segment



Mobile services

Entel is the mobile market leader in the micro, medium and large enterprise segment, with more than 40% market share¹. This is a mature market that in 2021 experienced a boost from new businesses relating to teleworking and teleducation, which required robust support in mobile connectivity.

In teleducation, at the end of 2020 Entel was providing 200,000 mobile lines to municipal schools (66%) and private schools (34%) to enable students to attend virtual classes. Ongoing logistical support was provided to these customers and efforts were made to adapt our services to the diverse needs of our users. In order to facilitate connectivity for resuming classes, students held on to the chips during school vacations.

The traditional mobile business saw a significant recovery in terms of accounts and lines, largely driven by the adoption of mobile telephony as an alternative to support teleworking. Companies have tended to give more mobile devices to their employees, both cell phones and mobile internet, for the flexibility this technology brings to their operations.

Fixed Services

Entel Enterprises is very well positioned in the fixed market, where it has a 30% market share¹. Revenue from this segment had declined recently as a result of the pandemic, but started to recover in the second half of 2021, with the gradual lifting of mobility restrictions and the return to business of stores and other productive activities. Growth was most noticeable in services for micro-enterprises, as many of them reactivated or decided to opt for better services from Entel.

IT Services

Entel has set out to accompany, inspire and mobilize companies in their technological transformation journeys. This clearly involves providing connectivity, an essential enabler for any digitization process, but also providing different layers of services that help companies transform themselves. Although this segment currently represents only 5.8% of revenue in the corporate market, it has great potential. It is expected to support most of the growth of B2B telecommunications companies in the future.

Revenue from cloud services showed year-on-year growth of around 40%, leveraged by Microsoft or Google collaborative applications and those that support the digital transformation of SMEs (web pages, social network management, CRM, etc.), but also in the public cloud, where we provide Amazon Web Services AWS and Microsoft (Azure) infrastructure with local billing, in addition to offering support for migration and operating support.

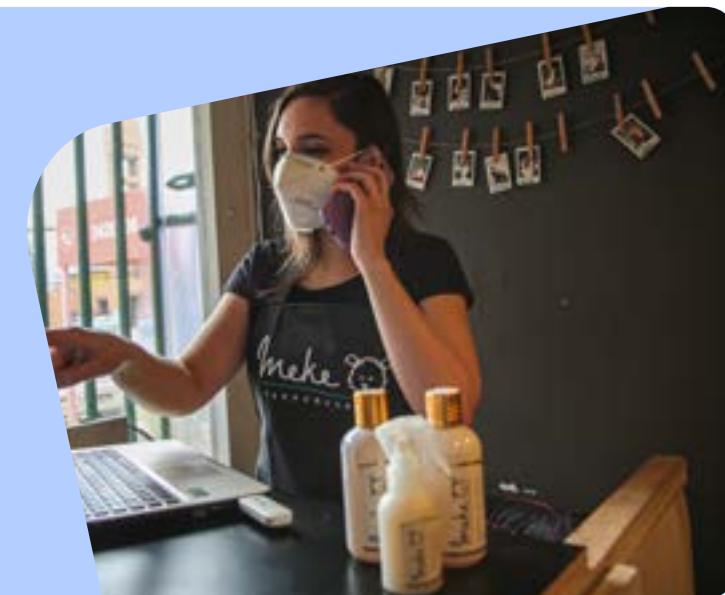
Regarding the internet of things, we lead in M2M (machine to machine) connectivity, and we are also making strong inroads with applications that integrate different digital technologies, focusing on fleet management (with OnWay); condominium and office security through video analytics (with Smartki, which is already present in two large buildings in Santiago); and intelligent agriculture, with a digital application for monitoring the use of groundwater, which

is being used by three companies. Some of these services were developed by our digital unit, Entel Ocean.

Our strategy includes continuing to promote IT services by bundling them and strengthening the Digital Market website, where companies can find different applications for their digitalization in a single place, without having to rely on multiple suppliers.

New Entel One

In 2021 Entel Enterprises launched a new technological solution to support the professionalization of remote work in business: Entel One, a communication platform hosted in the cloud that unifies mobility, advanced fixed telephony functionalities and collaborative tools, making it possible for employees of companies of any size to work from any device and any location. In fact, the user takes their landline number and the collaborative platform with them wherever they go. It is a highly flexible solution supported by a solid foundation of infrastructure, fiber optics and data center capabilities. Initially, sales were targeted at SMEs. From 2022, we are offering this platform with support and scalable capabilities for large enterprises.



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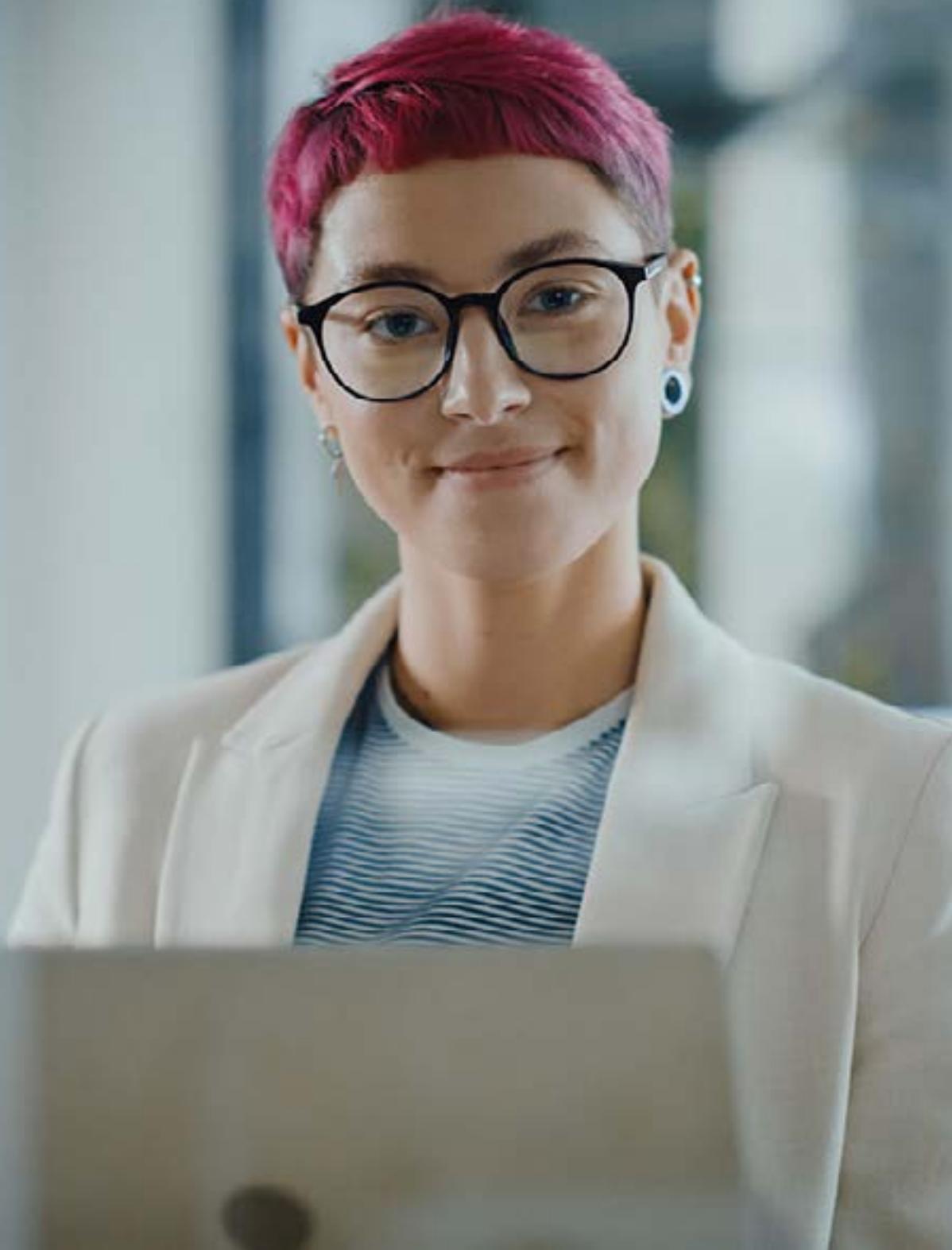
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Enterprise Segment



Helping the digital transformation of SMEs

► Business Community

In 2021, more than 60,000 users throughout Chile benefited from this Entel initiative, which started as a B2B interaction web platform to support the digital transformation of Chilean SMEs with content. Today, participants can share experiences, access material provided by Entel and develop different areas in order to provide better digital services to their customers. It is open to all companies in Chile, both Entel customers and non-customers.

► Digitized 4

At the end of 2021, the call for entries was made for the fourth docureality in which Entel advises SMEs needing to digitize. The most iconic cases are broadcast on free-to-air television, on this occasion on the screens of Chilevisión and CNN Chile. A new feature of "Digitalizados 4" was that an educational platform for training in digital transformation was made available to all companies, not just participants. It has a profiler - a questionnaire that reveals the level of digitalization of each user and their available training opportunities in digital marketing, telework, e-commerce and digital marketing, and business management.



 More information at: [See more](#)

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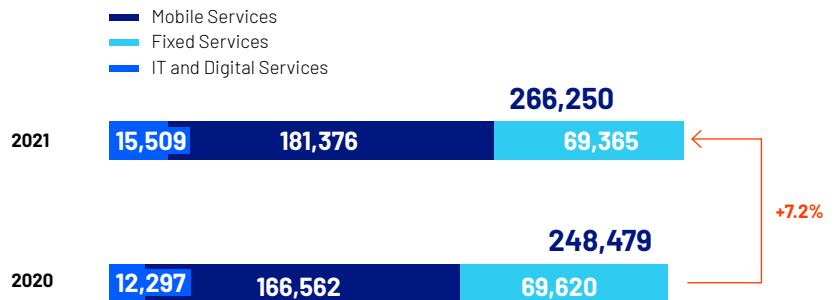
Enterprise Segment

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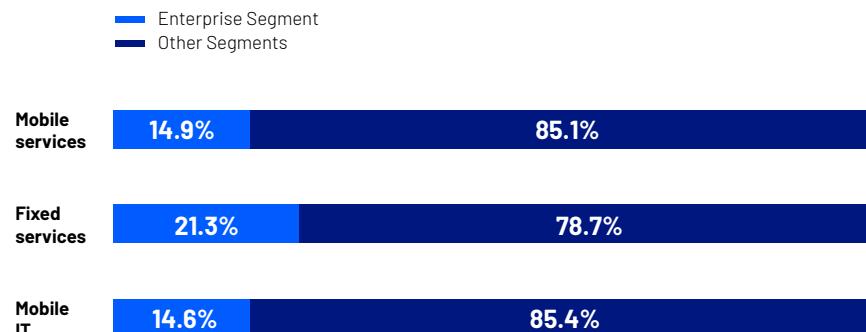
Enterprise segment - revenue

Revenue in the Corporate segment increased (+7.2%) compared to 2020, driven by mobile revenues (+8.9%) and fixed revenue (+3.6%). Mobile revenue was driven by higher service revenues (+7.6%) in line with the increased demand for tele-education services, partially offset by a decrease in average revenue per subscriber (ARPU), while revenue from the sale of mobile handsets increased (+12.1%). Fixed-line service revenue was driven by double-digit growth in services relating to digital/IT solutions, along with stable revenue in traditional voice, data and internet services, mainly due to health emergencies.

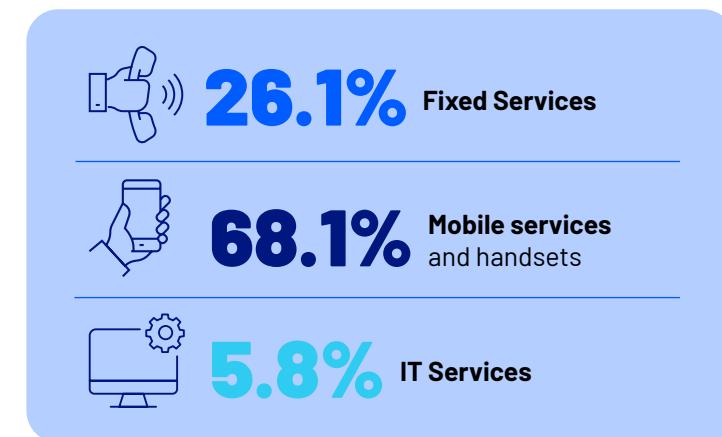
Enterprise segment - revenue (CLP million)



Share of the enterprise business in Entel Chile total services



Enterprise segment Breakdown of income by service



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› Corporate Segment



Corporate Segment

Clients of Corporate Segment

have similar characteristics to those of the Enterprise segment, but are larger in size and include government agencies. **In 2021, we served 550 of them, to whom we provided services for the provision**, operation and infrastructure provision, operation and management services, as well as technological infrastructure management, and digital solutions provided by our Entel Ocean unit.



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Corporate Segment



Mobile services

This segment showed a good pace of business throughout 2021, especially in the areas of connectivity to sustain the hybrid work models adopted by companies; support for teleducation; and the new affinity programs - sales of lines to employees of the companies we serve (B2B2C lines). The latter already represent 28% of the total Corporations' mobile base.



Fixed Services and IT

Both segments experienced significant growth. Significant progress was made in the outsourcing of IT services, such as winning a project for SMU - one of the main players in Chile's supermarket retail sector - to manage the company's entire technological platform.

We continue to work in tandem to improve the margins and profitability of these businesses. To this end, we continue to transform the fixed networks we provide to our customers into software-defined networks (SDNs). We also made progress integrating artificial intelligence into our IT solutions and in migrating services to cloud mode, so as not to have to allocate specific equipment (hardware).



Cybersecurity solutions

The cybersecurity business continued to gain strength and perform well. One of the highlights of the year was the renewal of the cyber-attack shields of Banco de Chile and the Ministry of Health, with a market-leading solution: Imperva. As of 2021, this U.S. company has been operating in our data center in Ciudad de los Valles, in cloud mode.



Entel Ocean:

Our digital unit's sales grew 93% in 2021, representing 12% of the Corporate Segment's revenue.

Entel Ocean has specialized in transformative solutions, based mainly on IoT, data analytics, artificial intelligence and cloud computing, for six industry groups - utilities and mining; agri-food and beverage; logistics and transportation; retail, banking and insurance; public sector and healthcare. The problems they seek to solve relate to physical and road safety, environment and mobility.

One of the most promising businesses has to do specifically with mobility: fleet management. Entel signed a contract with Pullman to implement the new Onway application in its fleet of 1,500 buses. Onway was developed by Entel Ocean and Location World, Waze's exclusive operator for Latin America, in a partnership aimed at creating solutions to accelerate the digitization of the transport and logistics value chain.

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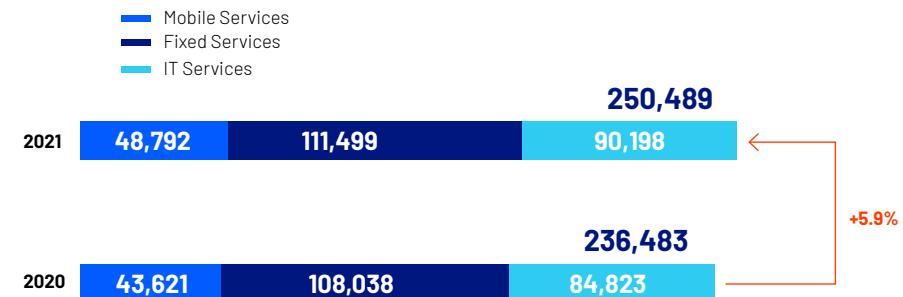
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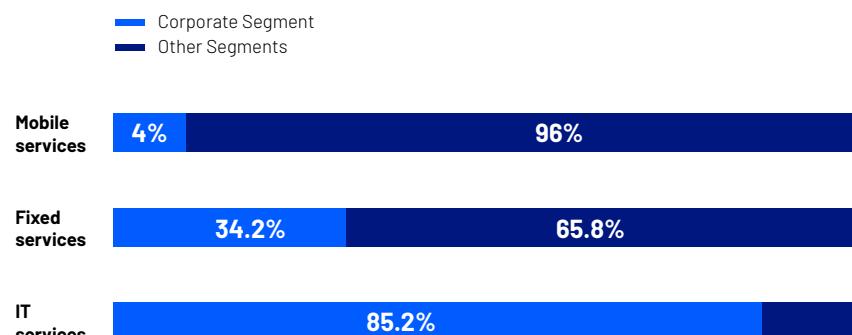
Corporate Segment Revenue

Revenue grew by 5.9% compared to 2020, as a result of an increase in fixed revenue (+4.6%) and progress in mobile revenue (+11.9%). Fixed services grew mainly due to the increase in revenue from digital services (+23.4%) associated with cloud and cybersecurity services, and to a lesser extent due to an increase in integrated voice, data and Internet services over MPLS networks. Mobile services grew, largely due to an increase in service revenue (+10.3%) as a result of the expansion of the customer base (+18.9%) in line with higher customer capture, an affinity program and requirements in the tele-educational industry.

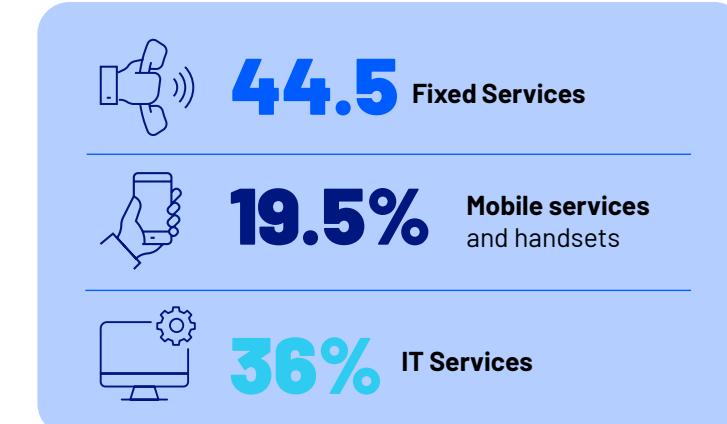
Corporate Segment - revenue (CLP million)



Share of the corporations business in Entel Chile total services



Corporate Segment Breakdown of income by service



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› Wholesale Segment



Wholesale Segment

This unit leases fixed and mobile network services to national and international telecommunications operators in areas where they do not have their own coverage or they need to enhance it.

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Wholesale Segment

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While some businesses, such as international roaming, continued to be affected by traffic restrictions, wholesale segment revenue saw a year-on-year increase of 4.7% in 2021. These positive results are the result of a meticulous strategy focused on the following areas:

- **Support growth in network leasing revenue** by pushing fiber-optic transport and last-mile services and the opportunities offered by the various next-generation satellite cloud projects.
- **Deepen mobile infrastructure sharing** through national roaming, RAN sharing and tower leasing for co-location.
- **To promote value-added services in international roaming**, migrate voice services to VoLTE technology and strengthen fraud control mechanisms, a growing threat worldwide.
- **In the international traffic business**, control margins in the voice segment, which is showing a downward trend, by complementing it with new value-added services.



Advances in 2021

Signing of sharing agreement for RAN mobile infrastructure

Entel and another market operator agreed to implement the first RAN mobile infrastructure sharing project in Chile, enabling both operators to use common towers and antennas while retaining their own spectrum. The agreement covers LTE Advanced technology in the 700 MHz band. In this way, more users in rural or sparsely populated areas will enjoy the benefits of a 4G+ network.

New satellite projects in Longovilo

Agreements were signed with three international operators to implement projects enabling them to control, from our Longovilo station, new-generation satellite clouds with a total of 4,000 communication satellites.

New 10 Gbps last mile services over fiber optics

These services are increasingly sought by wholesale customers who require higher bandwidths so that their users can access data center, cloud services, and others.

Release of monitoring services for operators

In 2021 we released a set of monitoring tools for our customers to directly manage their links and measure their performance and quality.

A2P service extension

We added a fourth A2P (application-to-person) aggregator to those already operating with Entel. These aggregators market the termination of international messaging over the Entel network to companies that need to contact our customers via SMS.

DID service implementation

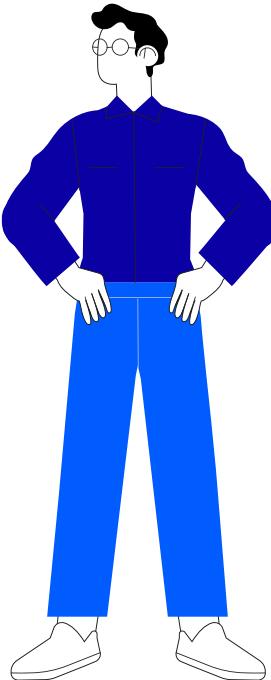
We developed and implemented the Direct Inward Dialing (DID) service for international customers to contact cloud-based services such as call centers and sales.

Fiber Optic Connection Submarina Austral

In an effort to resolve difficulties relating to the health crisis, in the first quarter of 2021 we successfully completed Entel's connection to the Southern Submarine Optical Fiber. In doing so we were able to substantially improve communications in towns such as Caleta Tortel and Puerto Williams, which only had satellite or microwave connectivity, in addition to strengthening fiber optic connectivity in Punta Arenas, which had previously only had a connection through Argentina.

Agreements with content suppliers

Internet consumption has continued to increase as a result of the pandemic, which required action to support traffic increases and, at the same time, improve the customer experience with the most popular content. In this context, in 2021 we implemented new agreements with content providers (CDN and peering) and more connections to new traffic exchange points (iXP). Agreements with Tik Tok, Powerhost and Edgeuno stand out. In addition, we reinforced existing connections and backup routes to ensure optimal service availability.



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Wholesale Segment



National roaming

In 2021, the voluntary national roaming agreement signed a year earlier with another mobile operator for 3G sites, continued to operate, extending the coverage of both companies in rural and isolated areas. Entel continued to comply with the national roaming law which came into force in October 2020, obliging network operators to provide roaming services in isolated, sparsely populated or single-operator locations. In 2021, the agreements and the number of sites enabled in the previous year were upheld. The emphasis was on completing the technical projects started with the other companies and including additional services, such as 4G. The law, published in December 2021, will make it possible to move forward with pending commercial agreements and regularize charges for roaming services. Due to Entel's network coverage in the mandatory service areas set out in the law, a positive result is expected for the company.

5G opportunities

For last-mile services, fifth-generation mobile networks will make it possible to offer unprecedented wireless bandwidths at very competitive prices, providing the option of complementing fiber-optic coverage and making new services available at low cost. New business areas will open up for mobile virtual network operators, especially services based on the Internet of Things with added value, such as telemetry, data analytics and artificial intelligence. With the expansion of data consumption that will drive this, international roaming will also be positively impacted.

It should be noted that thanks to the national roaming law, this new technology will cover rural and isolated locations more quickly than previous generations of mobile telephony.

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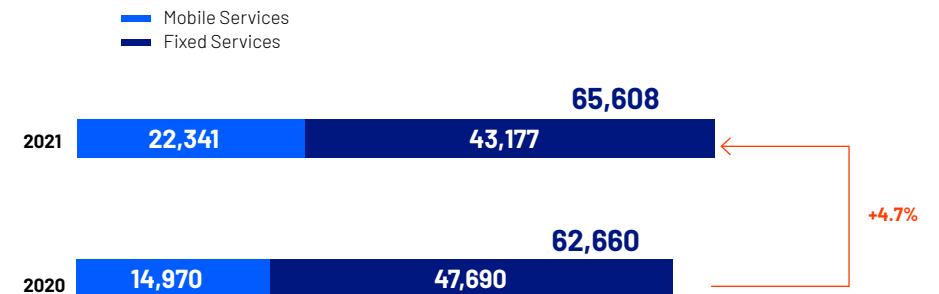
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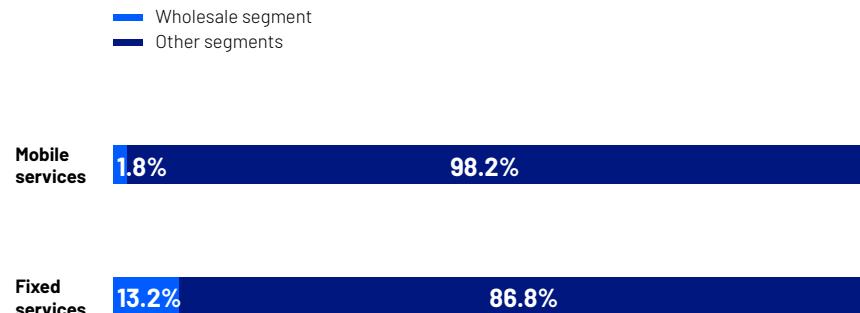
Wholesale segment - revenue

Wholesale Segment revenue increased by 4.7% over 2020, due mainly to higher revenue from domestic roaming services with other operators, along with higher revenue from infrastructure leasing, partly offset by lower revenue in the traffic business.

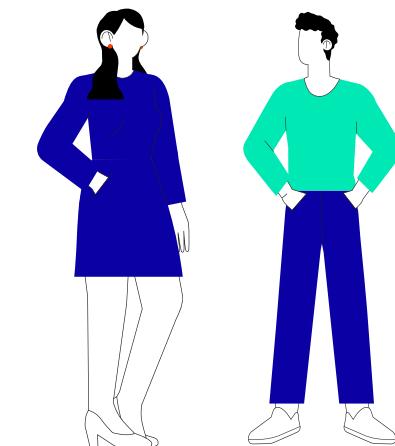
Wholesale segment - revenue (CLP million)



Share of the wholesale business in Entel Chile total services



Wholesale Segment Breakdown of income by service



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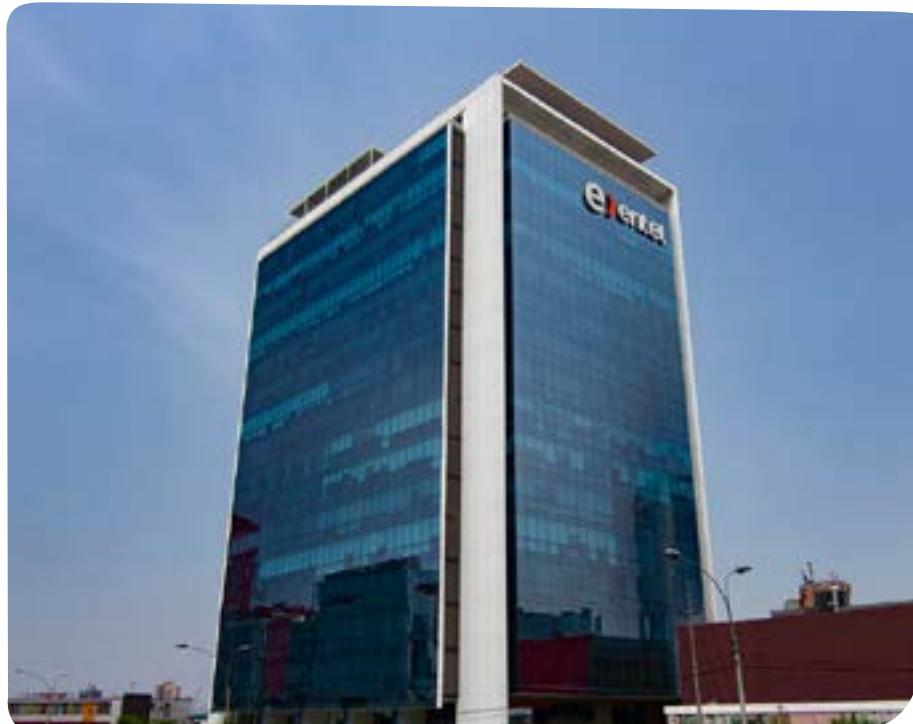
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6.6

› Fixed and mobile phone services in Peru

Entel's businesses in Peru focus on the mobile phone service business through Entel Peru, and integrated fixed network services for business customers through Americatel Peru. In 2019 Entel Peru and Americatel combined their operations to better address the Peruvian market by offering mobile and fixed services. Their customers are individual consumers and enterprises.



2021 was another complex year in terms of the pandemic and its effect on health, as well as the country's high political and economic instability. In spite of this, Entel Peru continued to grow, reaching almost 10 million customers, being a pioneer in Latin America in launching 5G services, and recognized for offering the best customer experience.



Mobile services

Today Entel Peru has 9.9 million customers, 11% more than in 2020, due to significant year-on-year growth (+18.6%) in the postpaid subscriber base, which totaled 4,403,161 customers (including MBB and IoT). This growth was achieved through commercial packages focusing on second lines, a handset renewal program, a wide range of multimedia plans and attractive internet browsing fees. Also contributing to this was the boost given to digital platforms and the Entel app, enabling customers to migrate from prepaid to postpaid, renew contracts and schedule service in stores, 100% remotely. Net portability was high, with almost one million switch-overs per year, while churn was down.

The prepaid customer base increased 6.2%, with 5,492,253 customers by December 31. This was driven by a higher level of prepaid top-ups, with incentives for customers with higher top-up volumes, including unlimited voice traffic to any destination network and the use of social networks for free for a limited time. In addition, top-up options on WhatsApp and portability-oriented promotions continued being offered.

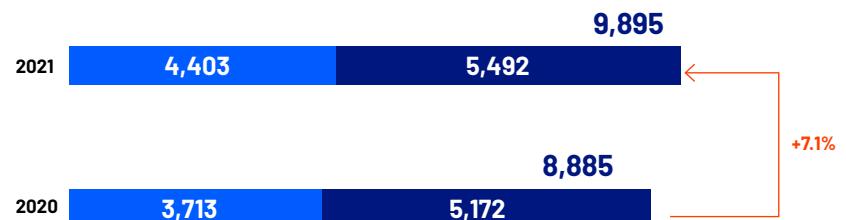
Keys to good results

- ▶ **Increase in the postpaid multiline base:** the line-to-customer ratio climbed from 1.13 to 1.29 over five years.
- ▶ **E-commerce:** sales almost tripled in two years.
- ▶ **Value-added services (VAS) and OTT** (Over the top, which are typically streaming services) in the consumer segment have grown 253% since 2018, achieving 20% penetration in prepaid and 4.5% in postpaid by 2021.
- ▶ **In the enterprises segment**, collaborative services (0365, Gsuite) are growing; Entel is the market share leader (+60%).
- ▶ **M2M is growing due to POS** business (Visa, Mastercard) and IoT diversification.



Mobile customer base in thousands

- Postpaid
- Prepaid



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Fixed and mobile phone services in Peru

Another driver was handset sales, whose revenue grew by 103.6% over the year, driven by a wide range of smartphones and the incorporation of financing, in the case of postpaid handsets. In addition, sales cost efficiencies were achieved through the digitization of distribution channels. This business used to be loss-making, but today enjoys positive margins.



Fixed services

Entel selectively offers wireless telephony and broadband services to the residential segment, leveraging the capabilities of the mobile network. In March 2021 it launched new services with 5G technology in Lima, Trujillo, Piura and Arequipa, on the 3.5 GHz band. To achieve this, the company invested close to USD 117.3 million, of which USD 99.8 million was allocated to the mobile segment, focused on increasing the capacity and quality of the 4G network, essential for rollout of the new 5G network.

Over the year we carried out three 5G demonstrations - one of video surveillance with live high definition video on buses at the Lima airport, in collaboration with Huawei; one of tele-education with virtual and augmented reality at UTEC, in conjunction with Nokia; and one telemedicine demonstration in which we carried out a remote ultrasound scan with electrical transmission, in collaboration with Auna and Ericsson.

We also launched B2B fiber optic services in Lima, where, in spite of the fact that the new sanitary protocols entailed procedural changes for obtaining municipal permits, we were able to complete all the rollout projects planned for 2021. As such, in 2021 we had 44% growth in our Enterprise customer base via fiber optic connection, with this becoming our main means of connectivity, with Gpon starting to operate in this market (Fiber to the Office), increasing the number of customers of both private companies and the State.

Mobile and fixed market revenue, Peru USD (000)

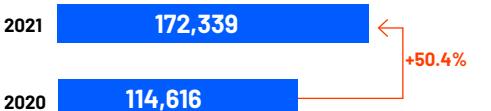


Revenue

In 2021, Peru saw net revenues of USD 1.017 billion, up 35.6% compared to 2020 and driven by an increase in equipment revenue (103.6%), thanks to the wide range of handsets mentioned above and service revenue (12.5%), as a result of the growth in the postpaid subscriber base and higher prepaid top-ups. Revenue from mobile services constitutes 24.7% of the country's telecommunications industry.

Ebitda totaled US\$ 172.3 million, a year-on-year increase of 50.4%. Operating profit (Ebit) totaled USD 6.9 million, USD 43.8 million more than in 2020, when a loss of 36.9 million was recorded.

Mobile and fixed market EBITDA, Peru USD (000)





6.7

› Entel Call Center

This Entel subsidiary aims to be an advisor in the digital transformation of contact channels with a view to improving the experiences of Entel's users and the organizations it serves in Chile and Peru. In 2021, its revenue in both countries fell by 3%, totaling \$57,244 million.



Advances in 2021

Move to new offices

This year we moved the entire Entel Call Center operation in Chile to our new offices located in Ciudad Empresarial, a new space designed for hybrid, collaborative and flexible work, providing innovative spaces and services to our employees and customers. The move also involved the data center, taking into account the optimization of our server architecture to improve the performance and security of our operations. This move did not generate any complications for operational continuity, employees or customers.

Digitization

Entel Call Center is addressing the challenge of the digital transformation of our customers by developing new internal skills and establishing alliances with highly qualified suppliers, always with the objective of facilitating and promoting this transformation among our customers, while at the same time simplifying their experience. This provides valuable information for the design of experience management strategies.

In this regard, a multidisciplinary transformation team was created, with the mission of exploring and implementing new customer service solutions in digital and automated formats, such as integrations with CRM, WhatsApp, Twitter, chat, email and automation processes with artificial intelligence, robotics and data analytics.

Gradual adoption of the "new normal"

For most of 2021, teleworking was kept up for 80% of personnel, covering all the functions that can be performed remotely. In the last quarter, as in the rest of the company the gradual implementation of hybrid work began, starting with the administrative staff, accounting for about 8% of the workforce. Operations workers will gradually be added to the new model. Entel Call Center's offices in Chile received the ACHS Covid-19 Seal, a sign of the subsidiary's commitment to comply with health measures to prevent contagion.

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6.7

› ENTEL 2030

In order to detect future business opportunities and prepare for possible threats, the company is always on the lookout for emerging trends, a practice that is increasingly necessary given the exponential acceleration in the adoption and massification of new technologies. Every five or six years we carry out a reflective process, involving all areas of the organization. The conclusions serve to define the strategies that will guide us in the following years. The last of these exercises, "Entel 2030", took place during the second half of 2021.

The process, facilitated by the Planning and Trends departments, involved vice presidents, senior management executives and representatives from each market segment to generate a unified vision of the future and identify the strategic positions that Entel should adopt to meet the challenges that lie ahead in the next ten years.

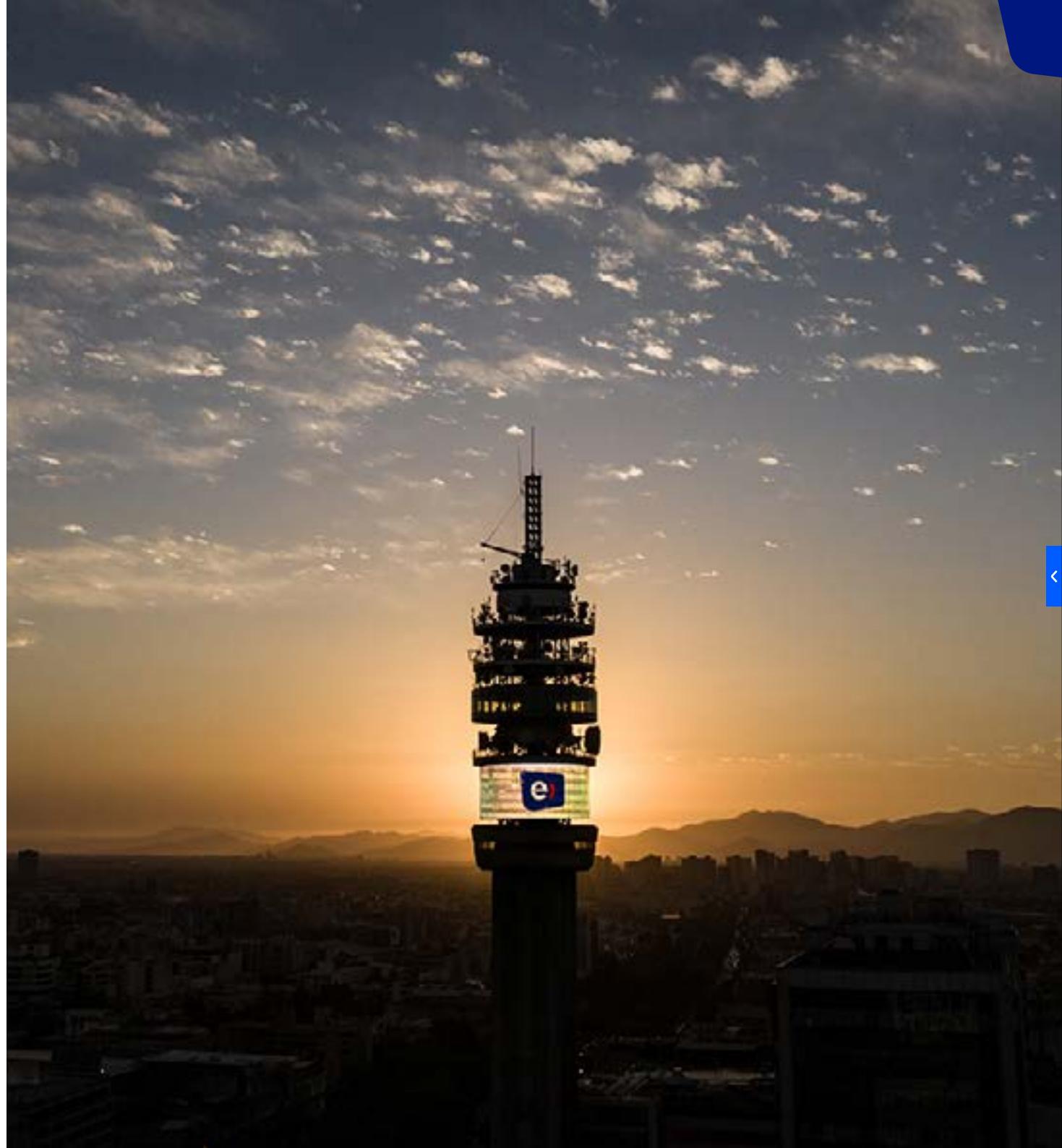


First, an extensive input survey was conducted, which included a report on medium- and long-term social and technological trends, and strategic talks given by different actors from the industry and other sectors. Six main themes related to the Industry 4.0 concept and the impacts of technology emerged from this review of trends. In addition, different future scenarios were identified based on possible degrees of social and technological disruption.

A second stage was organized in plenary sessions where, on the basis of the pre-defined themes and scenarios, the participants reached strategic agreements in three areas:

- **The most likely drivers** for the next decade and how the company will position itself to manage them;
- **The key steps** to be taken by the company to continue creating value and achieve the defined positions;
- **The skills** we will need to adopt to face the future we see.

The conclusions include guidelines for the different segments, as well as suggestions relating to the creation of products and services and customer experience, including developing and strengthening cross-cutting enablers.

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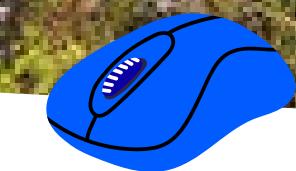
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7.1

Our infrastructure

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Although during the second half of 2021 people took up their activities with fewer restrictions, the use of mobile devices for entertainment, work and education continued, contributing to year-on-year growth of 34% in data traffic through our network in Chile, amassing 1,332,398,841 GB over twelve months. In some regions the increase was notable, such as in Arica and Parinacota (85%), Tarapacá (60%) and Los Ríos (50%).

While in Peru, the year-on-year increase in traffic was 45%. Keeping up service quality under these circumstances, while increasing coverage, is a major challenge that requires significant investments in infrastructure. We faced this challenge in 2021 working constantly to improve, update and expand our networks, a strategy that we will continue to implement in 2022 to bring the infinite possibilities offered by technology to all Chileans and Peruvians.



Transport Networks in Chile

Network	Features and applications	Advances in 2021
Core and Metropolitan Optical Network	<p>Ensures connectivity of Entel's critical traffic.</p> <ul style="list-style-type: none"> It consists of 6,019 km of optical fiber. Metropolitan Core with ROADM technology, providing better connectivity to the different datacenters and to the fixed and mobile service aggregation points. <p>Additional components</p> <ul style="list-style-type: none"> Aggregation network with 40 points in Santiago, enabling fixed and mobile access traffic to be routed to the network core. Third routes to back up north and south traffic in La Serena and Chillán, in case of emergencies or natural disasters. Emergency capacity to divert traffic from Arica in the event of an outright cut-off on the Arica-La Serena routes. 	<ul style="list-style-type: none"> Trunk DWDM capacity was increased to 9.4 Tbps in Antofagasta, La Serena, Valparaíso, Recreo, Chillán and Concepción, to meet the fixed and mobile capacity demands of corporations, enterprises and wholesalers. DWDM capacity in the Metropolitan ring was increased to 10 Tbps to meet the fixed and mobile needs of corporations, enterprises and wholesalers. DWDM capacity in regional networks was increased to 2.5 Tbps to meet fixed and mobile capacity demands.
Microwave	<ul style="list-style-type: none"> Used as a branching and access channel, connecting rural localities with fiber optic trunk network nodes. Has nationwide coverage. Nearly all the network has IP protocol. 	<ul style="list-style-type: none"> Bandwidth capacity was increased by 307 links on medium and high capacity MM00 sections, to aggregate traffic from fixed and mobile services.
Satellite Network	<ul style="list-style-type: none"> Covers the entire country, including Antarctica and Rapa Nui, providing fixed and mobile telecommunications services. It has more than 60 satellite stations for cellular backhaul, distributed throughout the country. Its main teleport is at Longovilo, with more than 20 antennas, including 11 for the reception of 120 international TV channels for OTT. Larger diameter antennas (over 30 m) intended for special telemetry and tele-command TT&C missions of satellites in orbit. Uses HTS (High Throughput Satellite) technology satellites for higher speeds. 	<ul style="list-style-type: none"> Installation of four additional antennas for the launch of a constellation of satellites in 2021 - 2022. The Longovilo Gateway teleport was enabled for the main international satellite service operators, with GEO and MEO orbit solutions. Satellite capacities: 322.6 MHz + 350/80 Mbps.



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Our infrastructure



IP/MPLS Core Data Network

The MPLS (Multiprotocol Label Switching) network uses Entel's transport networks to connect access networks with service networks, platforms and other operators. The use of different routes enables high availability. Its components are as follows:

Backhaul IP: 303 IP traffic aggregation points for mobile and fixed services, distributed nationwide.

Concentrates traffic onto the MPLS Core. 

Core MPLS: 62 routers grouped in 31 points from Arica to Punta Arenas. It processes 100% of Entel's network traffic and interconnects with the network, the service platform and Core IP.

Core IP: A set of routers that enable connection to national and international public Internet services and local caches.

New national content distribution networks were added in 2021 to enhance the internet user experience.



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Access Networks in Chile

Network	Features and applications	Advances in 2021
xDSL Network	<ul style="list-style-type: none"> Enables the delivery of voice, data and internet services. It has 447 points of presence and covers 161 municipalities. It includes DIAGNOSIS, which supports the diagnosis of DSLAM failures for NGN services. 	<ul style="list-style-type: none"> Customers were gradually migrated to networks with higher speed technologies (such as GPON and MPLS).
Ethernet network	<ul style="list-style-type: none"> It connects to the nationwide MPLS network and provides dedicated, high-availability voice and data services. 1,422 points of presence in 311 municipalities. 	<ul style="list-style-type: none"> New capacities with higher speeds were enabled for data center services in Santiago, with uplinks of up to 100 Gbps.
GPON Network (Passive Optical Network with gigabit capacity)	<ul style="list-style-type: none"> Used to serve business segment customers. Strengthens coverage in dense residential areas and areas with a high commercial interest. 	<ul style="list-style-type: none"> Coverage increased in residential areas of the Metropolitan Region (Colina, Lampa, Maipú, Santiago, Peñalolén, Pudahuel and Las Condes) and Valparaíso (Villa Alemana, Quilpué, Valparaíso and Viña del Mar) 135,000 businesses passed and 740,000 households passed.
Wireless network for fixed and mobile services	<ul style="list-style-type: none"> It has more than 6,500 points of presence operating on the different frequency bands: <ul style="list-style-type: none"> 700 MHz (15+15 MHz), in operation nationwide for mobile data services with LTE Advanced technology. 900 MHz (10+10 MHz), used to provide 3G mobile and data services. 1,900 MHz (2 blocks of 15+15 MHz), in operation throughout the country to provide mobile phone and data services through 2G, 3G and LTE technologies. 2,600 MHz (20+20 MHz), used to provide mobile data services using LTE technology. 3,500 MHz: two 25 MHz blocks, with a total of 563 BAFI points of presence in sites nationwide, and one 50 MHz block, to provide mobile data services with 5G technology on a national level. 	<ul style="list-style-type: none"> The return of 5+5 MHz in the 900 MHz band was finalized. As a result, the current spectrum in this band was reduced to 5+5 MHz. More than 730 4G projects were implemented, of which 230 relate to new points of presence (POPs) nationwide. In addition, 260 POPs that only had 2G or 3G were upgraded to 4G, mainly in rural areas. Rollout of the 5G mobile network began, with 390 POPs deployed, as part of a technical project that includes 1,384 POPs nationwide.



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Network infrastructure in Peru

Network	Features and applications	Advances in 2021
Wireless network for fixed and mobile services	<ul style="list-style-type: none"> Several technologies and bands with coverage levels in: <ul style="list-style-type: none"> 2G and 3G network with nationwide presence over the 1,900 MHz band. A 4G network, with 4,247 POPs⁽¹⁾ deployed nationwide and 289 extended sectors in the 1,700-2,100 MHz (AWS) and 700 MHz (APT) bands, in addition to the 2,600 MHz band in nine provinces and 2,300 MHz in six districts. The 1,900 MHz band also became available for 4G in some provinces. Regarding inbuilding, there are 456 baseband sites (including DAS Indoor, Microcells and Smallcells). Ran Sharing TdP Network with 173 points of presence and Ran Sharin IPT Network with 1,104 points of presence and 1,141 2G roaming points. Banda de 2.300 MHz para brindar servicios fijos de internet de banda ancha. The mobile service includes: <ul style="list-style-type: none"> A core network with three redundant nodes in Lima and presence in Trujillo and Arequipa. A 2,947 km network in Lima, consisting of 74 rings interconnecting 318 pre-aggregation sites and 27 rings with 142 aggregation nodes for mobile and fixed traffic. Fiber optic rings in Piura, Chiclayo, Trujillo and Arequipa with a total of 70 km and 1,633 km of interconnection in provinces. An MPLS multiservice network and a DWDM transport network with bandwidths of up to 100 Gbps are deployed over the fiber optic network. 	<ul style="list-style-type: none"> 2G/3G/4G network: 165 sites. Construction of 932 km of fiber optic and 76 PAGs 133 new 4G POPs were enabled. 510 Ran Sharing IPT network points of presence and 1,141 2G roaming points were activated. Three data cores were deployed in Lima (660 Gbps). On the IPMPLS network, 17 100G links and 14 10G links were upgraded.
IDEN Network	<ul style="list-style-type: none"> Trunked radio service on the 800 MHz band. 	<ul style="list-style-type: none"> No users. A request to shut down the grid until refarming was submitted in 2019. No response has been received from the Ministry of Transportation and Communications.
3,500 MHz	<ul style="list-style-type: none"> 100 MHz on the band, half of this enabled for 5G mobile services. 	<ul style="list-style-type: none"> In April, following authorisation by the authority, we started operating 5G in Peru - in Lima, Chiclayo, Trujillo and Arequipa.

⁽¹⁾ Point of presence with a baseband. Does not include inbuilding sites.



Data Centers

We have the largest data center infrastructure in Chile, providing housing and IT operation outsourcing services. They are connected to each other through high-availability, high-capacity networks with redundant fiber-optic routes that allow high-speed data traffic to be maintained even in the event of outages.

Phase 3 of our Ciudad de los Valles data center was awarded TIER IV Gold certification for Sustainable Operation by the Uptime Institute, making it the sixth data

center worldwide in the service provider category to obtain this highest distinction. Phases 1 and 2 of Ciudad de los Valles and the Amunátegui data center have achieved different levels of Tier III and Tier IV certification. They all comply with ISO 9001, ISO 27001, SSAE 16 and ICREA (International Computer Room Expert Association) standards.

In Peru we have a data center in the city of Lima with 752 m² of floor space and Tier III Design certification from the Uptime Institute.



Total area of our five data centers in Chile, located in Ciudad de los Valles, Amunátegui, Ñuñoa, Pedro de Valdivia and Longovilo.



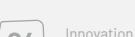
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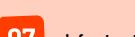
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Other infrastructure

Category	Number	Location	Area /capacity
Call centers	1	Santiago (Chile)	5,026 m ²
	1	Viña del Mar (Chile)	600 m ²
	2	Lima (Peru)	6,838 m ²
Corporate buildings			
Tower C Titanium Park	1	Santiago (Chile)	19,441 m ²
Torre Entel	1	Santiago (Chile)	19,487 m ²
Costanera	1	Santiago (Chile)	6,119 m ²
Plaza Repùblica	1	Lima (Peru)	12,060 m ²
CO San Borja	1	Lima (Peru)	18,613 m ²
MSO Miraflores	1	Lima (Peru)	2,398 m ²
Administrative offices in the regions	22	Arica, Iquique, Antofagasta, Calama, Copiapó, La Serena, Valparaíso, Rancagua, Talca, Chillán, Los Ángeles, Concepción, Temuco, Valdivia, Osorno, Puerto Montt, Castro, Coyhaique, Punta Arenas, Constitución.	18,140 m ²
Owned stores	10	Antofagasta, Rapa Nui, Viña del Mar, Concepción, Puerto Montt, Santiago and Rancagua.	6,300 m ²
Owned stores in Peru	9	Arequipa, Chiclayo, Chimbote, Huancayo, Ica, Larco, Piura, República and Trujillo	4,278 m ²

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7.2

› Investments

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The company deployed a powerful investment plan, well balanced between growing businesses, more mature ones and new areas of exploration. US\$ 461.8 million was allocated to Chile, US\$ 117.3 million to the Peruvian operation and US\$ 5.7 million to Entel Call Center.

In Chile, US\$267.3 million was allocated to the mobile business, where investments were made to continue increasing 4G capacity, both to meet the increase in data traffic and for the initial rollout of the 5G network. In the residential business, the investment in 2021 came to USD 96 million, which was mainly used in the deployment of fiber optics and the connection of new customers. USD 98.5 million was allocated to corporate connectivity business, customer projects, IT and digital business.

In Peru, US\$ 99.8 million was invested in the mobile business, aimed at increasing the capacity and quality of the 4G network and the rollout of the 5G network, US\$ 14.9 million for the development of business customers and US\$ 2.7 million for the residential business.

⁽¹⁾Infrastructure to ensure connectivity to the mobile telephone network in closed environments.



Mobile network deployment

4G LTE network

In 2021, Entel invested USD 60 million to expand and strengthen its 4G mobile network in Chile. This included an additional plan to address the change in traffic behavior and its geographic redistribution, which included 979 initiatives related to upgrading localities with significant traffic increases during the pandemic to 4G; 4G quality improvements; and implementation of new 4G points of presence.

As such, among other advances made in 2021, more than 230 new LTE points of presence (POPs) were implemented nationwide, 30 in towns and rural areas such as Unión Campesina (municipality of Ovalle) and Estero Canoa (municipality of Longaví). In addition, 260 POPs that only had 2G or 3G were upgraded to LTE, extending 4G coverage to locations such as El Milagro (municipality of Cabildo) and Rancura (municipality of Licantén).

To meet the increase in traffic, in Peru, 4G capacity grew by 21% in twelve months. Additionally, the Indoor Urban Coverage initiative⁽¹⁾ was completed and regulatory projects relating to the commitments of the 2,300 MHz band were implemented. Thanks to these developments, 670 new locations were connected to Entel's 4G network, 97% of which are rural. Another initiative that allowed us to expand our presence in these

areas was the National Roaming with TdP project, with which we will reach more than 1,000 rural locations by July 2021, also offering good quality mobile voice services.

5G network

For several years Entel has been preparing for the arrival of the fifth generation, an endeavor that has included investments in improvements to the 4G network and the expansion of fiber optics, both necessary for deploying the fifth generation network in an initial stage. Thanks to these early measures, on December 16, 2021 - less than a year after the required spectrum was awarded - Entel officially began operating the first phase of its 5G network in Chile, in 33 municipalities in the Metropolitan Region and other regions. The estimated initial investment is USD 230 million through to 2023, which will enable 5G connectivity in Chile's 16 regions and cover 313 municipalities.

In Peru, Entel also began deploying the 5G network, establishing a presence in 16 districts of Lima, in addition to the cities of Arequipa, Trujillo, Chiclayo and Ica.

As this new technology takes hold, it will bring unimaginable advances in areas as diverse as industry, health, transportation and education, with a direct impact on people's quality of life and the development of countries.



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Ericsson-Entel partnership

Entel Chile chose Ericsson as its 5G RAN (radio access network) provider. The two companies signed a three-year agreement extending their strategic alliance of more than a quarter of a century aimed at ensuring the continued modernization of mobile networks for the Chilean market. The new agreement will help enable the next generation of connectivity.

Entel will roll out a 5G network using Ericsson 5G RAN products and solutions from the Ericsson Radio System portfolio, including Ericsson Spectrum Sharing, Massive MIMO radios for high-band (26 GHz), mid-band (3.5 GHz) and millimeter wave solutions.

Ericsson is the first company to launch commercial 5G networks on five continents and has more than 2.5 billion subscribers from 2G to 5G.



Fiber optic rollout

To offer better fixed internet services in Chile, Entel is implementing an FTTH/FTTB fiber optic rollout plan that so far covers urban areas in the Metropolitan and Valparaíso regions. More than 75,000 homes in Quilpué and Villa Alemana (80% of the total in these municipalities) were connected to this high-capacity network in 2021, enabling them to hold conferences or transfer videos and files at a higher speed than other alternatives.

The pandemic challenged us to develop different strategies to cope with increased delivery times of materials and equipment, and the reduction of personnel due to safeguards to prevent and mitigate possible Covid 19 infection of on-the-ground staff. In spite of this, we were able to meet our deployment targets, achieving 769,000 homes passed with this technology in Chile, 68.5% more than in 2020.

In Peru, in spite of the health protocols, all the fiber optic expansion projects planned for 2021 were completed. This was made possible by the creation of a virtual filing desk to process municipal permits, as well as the reduction of the time required to obtain environmental authorizations. Also, in some cases public mobility restrictions were helpful. For example, GPON network rollout was facilitated in places that were usually very crowded. We were also able to work double shifts (day and night), in coordination with the municipalities.

In Peru, significant progress was made, such as 44% growth in the number of business customers connected via fiber optics (point-to-point and GPON), currently our main means of connectivity, and the start of GPON operations for this market (fiber to the office), which is already active in 15 districts.

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7.3

Operational continuity

The telecommunication infrastructure is extensive and exposed to a variety of hazards that can lead to service interruptions. Prevention and the capacity to respond to events of this type reduce the probability of interruptions, which is especially important

given the critical nature of the services provided by Entel in Chile and Peru. For this reason our corporate strategy includes emergency plans, which have been reinforced in recent years to address the social and health crises.

Networks



The dependability of our networks is a constant indicator of the quality and continuity of our service. In 2021 we experienced network outages⁽¹⁾ with an average frequency⁽²⁾ of 8.99% in Chile and 10.88% in Peru, and an average duration⁽³⁾ of 45.83 minutes in Chile and 405 minutes in Peru.

⁽¹⁾ In Chile, the services included are: NGN, ADSL, Pack Negocio, 3play and Trunk IP. In the case of Entel Peru, services for enterprises include (fiber optics, radio links, LTE FWBB and Wimax).

⁽²⁾ Calculated as the total number of customer outages, which corresponds to the sum of all outages of the number of customer accounts that experienced an outage during each incident, divided by the total number of customers served.

⁽³⁾ Calculated as the total duration of the customer outage, corresponding to the sum of all outages for the total downtime of each outage multiplied by the number of customer accounts affected by each outage, divided by the total number of customers served.



Managing the challenges and risks to operational continuity in 2021

Operating the network under pandemic conditions was one of the great challenges of 2021, both in Chile and Peru. To address the problem, remote work was preferred

where possible, such as for maintenance and supervision through the NOC. For field activities, oversight of adherence to health protocols was increased.

In addition to the pandemic, in both countries we faced a variety of local challenges:

Country	Risk	Mitigation measures
Chile	More outages in critical sections of the fiber optic transport network due to vandalism.	<ul style="list-style-type: none"> Investments in third backup routes. Deployment of cameras and increased frequency of surveillance teams in urban areas.
	Theft of batteries used as backup in power outages.	<ul style="list-style-type: none"> GPS incorporated in batteries to track offenders.
	Unable to attend to incidents and maintain infrastructure in the southern macro-zone due to lack of safety, land seizures, and difficulties moving around.	<ul style="list-style-type: none"> Investments in higher capacity power backups. Greater coordination with the police. Adopting security protocols and procedures. Creation of the internal committee for the southern macro-zone.
Peru	Instability of power grids and the electricity service feeding base stations in Peru, mainly in provinces, where there was a 16% increase in the length of power outages compared to 2020 (50% of fixed service interruptions are due to power outages).	<ul style="list-style-type: none"> Strengthening maintenance and operational support with service platform providers. Annual preventive HealthCheck and high availability health plans. Ensuring geographical and local area surplus. Ensuring service continuity with our own fiber, ring and external solutions. Technological renovation of obsolete plants. Strengthening energy autonomy in base stations. Implementation of load balancing policies at the data transport level and QoS prioritization through DSCP.
	Fiber optic outages (accounting for 23% of fixed service interruptions).	



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Operational continuity



Managing increase in traffic

From the beginning of the pandemic the mobile network experienced a steady increase in traffic and a shift in source sites, which can impair service quality. We have taken measures to prevent this in Chile and Peru.

In Chile, the Extra-Plan project was implemented, along with other initiatives.

Refarming 1,900 project

By reallocating spectrum in the 1,900 MHz band in urban areas, we reduced the use of 2G and 3G technologies and increased the spectrum available for 4G, which already accounts for 90% of mobile data traffic on our network. This measure was implemented between October and December 2021, starting in regions with a lot of summer tourism, in order to improve services over the 2022 holiday season at a low cost and in a short period of time. Initially we focused on zones that could be activated remotely. In 2022 we will tackle the rest of the country, taking on locations that require physical intervention, and as such additional time for implementation.

In the areas targeted, the project has seen improvements of between 15% and 25% in 4G browsing speed, with a much smaller

impact on inferior technologies. Meanwhile the share of 4G traffic in the total grew from 87% at the beginning of 2021 to more than 92% in December 2021.

Load balancing

In terms of improvements, the load balancing strategy between Entel's 4G spectrum bands was enhanced, with massive nationwide optimization in 2021. In this way it was possible to improve the experience of using the 4G network, regardless of the frequency band to which the user connects, helping to preserve perceived service stability.

4G network prioritization

The strategy of prioritizing the mobile network in favor of 4G was reinforced, prioritizing access to the best available technology and ensuring the best mobile service usage experience for the customer.

VoLTE technology

As part of the continuous improvement of the LTE voice service (VoLTE technology), its quality was optimized, mainly at the margins of coverage. As a result, the percentage of call outages was reduced to less than 0.5%.

Measures in Peru

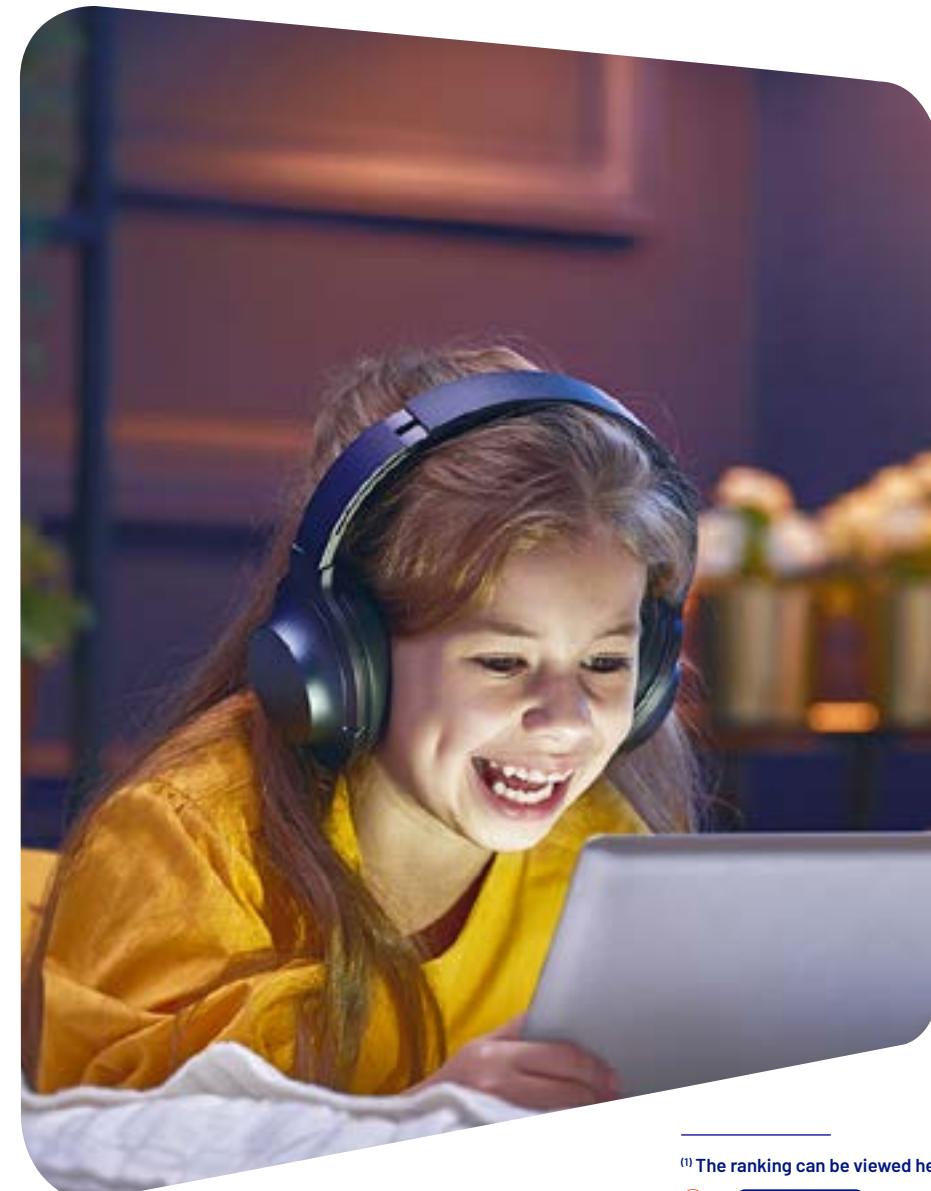
Entel implemented a large number of capacity expansions in the provinces with the highest traffic increases, and added a second phase with an additional 21% capacity expansion through wide coverage and high order MIMO solutions.

Network optimizations were also made and applications with new performance-enhancing functionalities were implemented throughout the year. The largest gain was in July, with a 13% speed increase in the network.

In addition, it was necessary to accelerate the expansion mapped in the Automatic Network Growth project, which also had to be modified to adapt it to the needs of the network. To gain a better overview when prioritizing expansion works, links were continuously monitored.

With regard to the core, thanks to the streamlining of certain processes and the development of automations, it was possible to react in a timely manner to the increase in traffic.

As a result, quality levels remained in line with Entel's policies. Towards the end of 2021, OSIPTEL produced a ranking based on an analysis of the performance of the country's networks. Entel topped the 4G speed per user category with 11.53 Mbps.⁽¹⁾



⁽¹⁾ The ranking can be viewed [here](#):



[See more](#)

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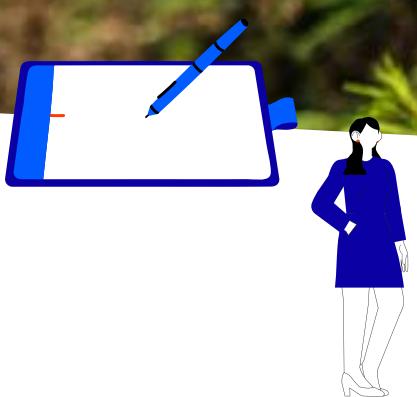
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- › Digital inclusion
- › Community engagement
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8.1

› Digital inclusion

With advances in technology and the globalization of communications, the internet has become a tool that offers access to knowledge and all kinds of opportunities to a growing number of people. According to data from the International Telecommunications Union (ITU), the United Nations' agency specializing in ICTs, global internet users went up from 4.1 billion in 2019 to 4.9 billion in 2021. However, connectivity gaps remain: There are still 2.9 billion people without a connection, and of that number 96% live in developing countries.⁽¹⁾ According to the GSMA, 275 million people in Latin America - more than a third of the population - remain disconnected and excluded from the digital economy.⁽²⁾

Chile is one of the countries with the greatest internet development in the region. Nonetheless, 55 municipalities have connectivity levels of less than 1% and more than 60,000 people live in the so-called silent zones.⁽³⁾ But even with coverage, a significant part of the population faces obstacles such as lack of digital skills, insecurity or lack of access to electricity. The digital divide barometer study, a survey conducted between January and April 2021, showed that low-income people, people with lower educational levels and women have a great-

⁽¹⁾ ITU (2021). 2.9 billion people remain unconnected. <https://www.itu.int/es/mediacentre/Pages/PR-2021-11-29-FactsFigures.aspx>

⁽²⁾ GSMA (2021). Accelerating mobile internet adoption: Policy considerations to bridge the digital divide in low- and middle-income countries. <https://www.gsma.com/mobilefordevelopment/resources/accelerating-mobile-internet-adoption-policy-considerations/>

er gap when it comes to accessing digital services such as teleworking, online education and e-commerce. Meanwhile, 74% of the sample considered digitalization to be of "high value".⁽⁴⁾

Entel works to bring closer the possibilities that technology offers, to the greatest number of people possible. This commitment was reinforced in 2021 when Entel issued its sustainable bond, given that a large part of the funds raised will be used to expand and strengthen connectivity with projects relating to the implementation of the 5G network, the strengthening of the 4G network, the deployment of fiber optics and the operation of sites in rural areas.

In addition, we continue to offer digital skills development programs focusing on the most underserved segments of the population, because we understand that it is part of our duty as a technology company and it is what society expects of us. In 2021 we created the Territory and Communities department to promote more sustainable, decentralized, horizontal relationships with the communities in the territories where we operate. One of its first tasks was to assess people's expectations of our company. Bridging the digital divide continues to be the priority mission entrusted to us by the public.

⁽³⁾ Senate of the Republic of Chile (April 15, 2021). Internet as a public service: the challenge of equitable access and coverage. <https://www.senado.cl/noticias/internet/internet-como-servicio-publico-el-desafio-del-acceso-equitativo-y-la>

⁽⁴⁾ Universidad Adolfo Ibáñez, Department of Telecommunications, Con@cción (8 de junio de 2021). Results of digital social divide barometer. <https://www.subtel.gob.cl/wp-content/uploads/2021/06/ppt-barometro-brecha-jun2021.pdf>



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Digital inclusion



Progress with connectivity

Year after year Entel invests about one-fifth of its revenue in reaching more locations, upgrading technology and increasing network capacity and speed. It is a way of reducing the digital divide, both in terms of coverage and quality. In 2021 the company continued to make progress rolling out its FTTH GPON fiber optic network, technology that provides better quality home connections and makes it possible to offer high-speed internet services in places that previously lacked this option. Some of the new locations reached over the year were: Villa Alemana, Quilpué, Curauma, Colina, Lampa and new sectors in Pudahuel, Las Condes, Peñalolén and Maipú. In terms of mobile service, efforts focused on increasing the coverage and capacity of the LTE network, with more points of presence, evolution of 2G or 3G points to fourth generation, and capacity expansion.

But where the changes brought by connectivity to quality of life are most evident, is in those rural or isolated areas being served by the Internet for the first time.

Rural connectivity in Chile

In recent years, Entel has invested around USD 270 million in rural mobile connectivity, benefiting millions of people. This line of work continued in 2021 with several projects, the importance of which was heightened by the pandemic:

► Expansion of satellite capacity for fixed and mobile services

The initiative covered Villa O'Higgins, a town in the Aysén region with just over 600 inhabitants, and Rapa Nui, where in 2020 we had already increased capacity and built two new sites.

► Use of Fiber Optic Austral (FOA) to improve 4G connectivity in isolated localities

Entel was the first telecommunications company to connect to the FOA, to deliver high-speed voice and data services to communities in the extreme south of Chile. The project started with the community of Caleta Tortel in 2020, continued with Puerto Williams and in 2021 we reached Punta Arenas. The effect has been significant. One year on from the implementation of the 4G network in Caleta Tortel, mobile data usage in the Aysén region had grown by 33%.

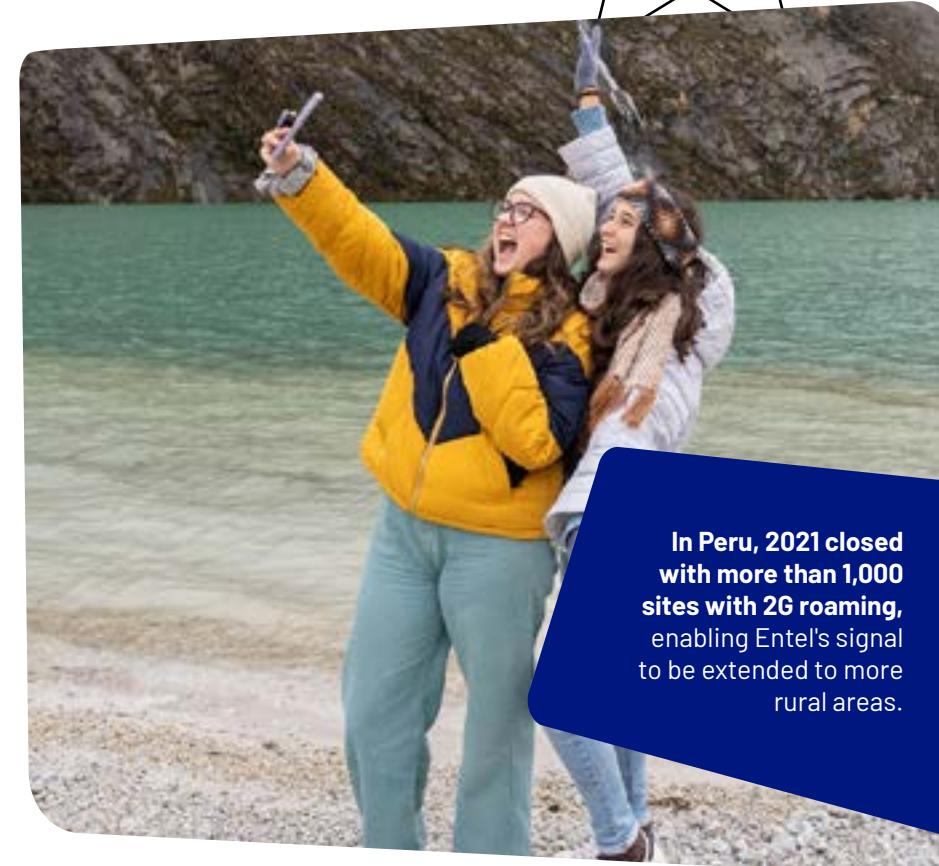
► Increased site capacity in mountain and coastal areas of the Maule region

This has been a joint effort between the company's infrastructure departments, the authorities and the beneficiary communities themselves, including Upeo, Los Niches and La Pesca.

Rural connectivity in Peru

Entel and the Internet for All initiative continued working together to reduce the digital divide that still exists in Peru. In 2021, for the first time high-speed internet was brought to Cochayuc, located in the highlands of Piura, and to Huatabamba, in the district of Pitumarca, in the province of Canchis (Cusco). Also, the latest generation equipment and chips were delivered, enabling the people to have access to the advantages of connectivity from the very beginning.

In three years, this partnership has deployed more than 730 antennas in Peru, making it possible to bring 4G mobile internet to one million people in some seven thousand rural communities. Entel and Internet for All plan to soon deploy another 1,500 4G antennas, which will extend connectivity to 1,800,000 people in 11,000 rural communities by 2022. This is taking place as part of the coverage fee scheme, which allows operators to use up to 40% of the spectrum fee to install 4G antennas in underserved areas.



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Digital inclusion

5G connectivity commitments

When Entel and the other winning companies were awarded spectrum in the bidding processes to develop the 5G network in Chile, they committed to provide coverage to at least 90% of the population, bringing the new technology to the far corners of the country. As such, 366 localities will have high-speed mobile internet for the first time, and more than 300,000 people will make progress towards inclusion. In addition, the companies are required to connect specific points of interest:

- ▶ **199 hospitals and 358 rural health posts**, making it possible to advance telemedicine, remote medical procedures and real-time diagnostics.
- ▶ **2,118 rural** drinking water systems.
- ▶ **17 airports and aerodromes.**
- ▶ **12 centres** of scientific interest.
- ▶ **28 higher education** institutions.
- ▶ **23 sea ports.**

National Agreement on Connectivity

On May 18, 2021, the Ministry of Transport and Telecommunications, Entel, Claro, GTD, Movistar, Mundo Telecomunicaciones, VTR and WOM announced the "National Agreement on Connectivity to Reduce the Digital Divide", which includes an investment of close to USD 2 billion, a figure obtained by combining the projects of the different operators and the ministry in this area. Its objectives are threefold: to improve connectivity in vulnerable areas, to boost the digital economy through the development of 5G, and to train for new digital skills to create a workforce capable of meeting the challenges of the 4.0 economy.



Free access to public use platforms

We released educational content from the Ministry of Education and the platforms of the Ministry of Social Development for the application to Family Emergency Income and the pages of the Ministry of Health with health information, as well as other sites of public interest.



Continuing distance education

Over the year we continued supporting more than 21,000 students who had benefited the previous year from the delivery of SIM cards with e-learning plans that include 70 GB a month at no cost.



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Digital inclusion



Digital enablers

Inclusion of senior citizens

Through technological solutions and digital inclusion initiatives, we seek to assist in the social integration of the elderly who are alone or have been excluded from the accelerated digitalization that society is experiencing.

Special channels

In 2021 we consolidated the call center platform exclusively for people over 75 years of age, a group that has been significantly impacted by the pandemic. The channel has executives trained in specific soft skills, in order to ensure direct assistance, without referrals and with the least possible effort for the customer. The response has been satisfactory, with an average of 5,700 monthly visits and high satisfaction of more than 60 EPA points.

There is also a simple-to-navigate website with answers to the most frequently asked questions from senior smartphone users, user guides and video tutorials.

Working with the Conecta Mayor UC Foundation

Entel has supported this foundation of the Pontificia Universidad Católica de Chile,

dedicated to the digital inclusion of senior citizens, from the very beginning. In September 2020 we donated 80,000 data plans with a two-year term, consisting of 300 minutes, 50 SMS per month and free gigabytes at a lower speed (between 256 and 512 kbps). Thanks to the collaborative work with 336 municipalities, by the end of 2021 there were already 73,000 seniors connected. Beneficiaries receive a telephone with a user-friendly interface developed by Entel Ocean, with a telephone support service.

Senior Hackathon

We support this online competition to develop innovative and technological solutions to problems that affect the quality of life of the elderly. For two days, higher education students, with the support of experts from academia and the private sector from all over Chile, worked in teams to propose solutions to the three challenges proposed in the 2021 competition: digital inclusion, digital autonomy and financial education.

Digital Citizen

For some years we have been addressing the digital transformation and the evolution

and impact of technology. However, in 2021 it was decided to have a plan that would consider in a cross-cutting manner what was being done in Human Capital, Cybersecurity, Customer Experience and the different markets under a common objective and narrative. As a result, the Digital Citizen was born, a macro concept to address the culture, education and security of digital life.

This plan involves fostering public-private partnerships and academia to reach citizens as a whole with different content and educational information campaigns for people to develop and strengthen healthy digital habits.

As such, in August, in the context of Children's Day, together with the Ministry of the Interior's computer security incident response team and the Children's Office, we launched a guide with advice for parents to teach their children how to surf the web safely and responsibly, at a time when the risk of becoming a victim of cybercrime has increased after many daily activities were transferred to the digital sphere. In December, together with the Government's CSIRT and the National Chamber of Commerce, Services and Tourism, we launched the campaign "cyber security tips to avoid falling for scams this Christmas", to help users shop safely for gifts at a time when online commerce is rapidly increasing.

Chair of Sustainable Digital Transformation

Entel and the Universidad Católica have joined forces to create a chair to promote the development of teaching and research in areas relating to the challenges posed by

information technologies and digital inclusion. It also opens up entrepreneurial opportunities to create new products, services and companies. This initiative is part of the Endowment UC project, an endowment fund used to support academic research and provide scholarships for students.



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8.2

Community engagement

GRI 413-1/ 413-2

Building relationships based on respect and trust with communities and other stakeholders is a priority for Entel. We feel compelled to lead the industry in this area, by building responsible and effective ties that will enable us to continue to deploy infrastructure to benefit the quality of our services and social investments for the development of society.

Moreover, our sustainability strategy commits Entel to identifying and understanding the impacts that our services and products may cause. There is a multidisciplinary team of professionals from different departments within the company who are involved in every project and whose mission is to highlight societal issues.



Managing impact on communities of installation of antennas

The installation of antennas is key to providing connectivity to the inhabitants of the countries in which we operate, but can be regarded as unwelcome by some communities. In general, new antennas are necessary when deploying networks in areas with coverage gaps, improving service in areas that have coverage, or expanding network capacity. These activities are always carried out in compliance with current legislation:



In Chile, Law 20,599 (Antennas Law) of 2012 applies. Pursuant to this legal body:

➤ **Notice must be given to the corresponding Municipal Works Department** before installing a support tower and antenna of up to three meters in height, when the antenna-holding structure is installed on buildings of more than five stories or, in rural areas, whatever the size.

➤ **An installation permit must be obtained from the Municipal Works Department** for the construction of antenna supporting structures exceeding three meters. In such cases, the neighborhood councils and the owners of all the properties in the area must be informed of the project in detail, and an insert must be published in a newspaper in the provincial or regional capital. Owners and neighbors can submit comments to the Municipal Council, which is responsible for managing them.

➤ **Installing antennas and radiant systems** on existing towers does not require a permit or notice.

➤ **Stricter power limits** than those recommended by the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) were established.

In Peru, Law 29.022 ("Law for Strengthening and Extending Telecommunications Infrastructure") of 2007, must be complied with. In accordance with this law and its subsequent amendments:

➤ **Authorization to install telecommunications antennas** is subject to automatic approval by local governments, with further inspection.

➤ **Annex 2** of the regulation establishes guidelines for the installation of antennas and telecommunications towers so as to minimize their visual impact, favoring the use of blending models.

➤ Regulations on emissions are based on the recommendations of WHO, ICNIRP and the International Telecommunications Organization.

While the activity is regulated, some communities are concerned, either because they believe that the antennas will damage their properties, or because they are unaware of electromagnetic emissions regulations and the serious studies that have been carried out on the subject. To respond to this, we have focused on working on two fronts:

➤ **To minimize project impact:** here, we make the greatest use of existing infrastructure (electrical or urban security poles, high-rise buildings and rooftops,

vacant sites, etc.) and landscape features. Some 70% of Entel's infrastructure in urban areas is made up of antennas with built-in architecture, attached to buildings and microcells that blend with the urban landscape.

➤ **Carry out prior consultation with the surrounding communities and neighbors who could be the focus of conflict.** Explain the benefits of connectivity and inform them of the studies on electromagnetic network emissions and the associated regulations.

Although results have been good, it is a job that requires an ongoing effort. In 2021 we implemented several awareness-raising and communication initiatives, some aimed at the contractors in charge of the facilities and others for the communities themselves.

New relationship-building guidelines

efits of access to the telecommunications network, so they can be shared.

Workshop for contractors

We conducted a series of community relations workshops for contractors to provide them with theoretical and practical tools to engage with the community in an appropriate way, based on a common language and the provision of transparent and timely information, in order to prevent potential conflicts when installing infrastructure. A total of 11 hours of training were held over four days, with 85 contractors trained.

Educational videos: Reality connectors

We produced three educational videos on Law 20,599 and the international standards that frame the installation of antennas, in order to debunk myths and communicate good practices.⁽¹⁾

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⁽¹⁾ The videos can be found here:



See more

Community management

Talks for communities

We organize field and virtual talks with authorities, regulators and communities in the northern, central, southern and extreme areas of Chile, to listen to their requirements for services, learn about their needs and reach agreements.

Community interaction for infrastructure installation in 2021

Throughout the year as part of our Mobile Infrastructure Program, we interacted with 26 communities in Chile. There were two cases where a community or neighborhood group objected to the work to be carried out. Both were successfully resolved:

- ▶ A neighborhood group opposed work in an area of Temuco, and was backed by a district counselor. After meeting with them to discuss the project and its benefits, it was decided to relocate it to a fire station near the original location.
- ▶ After installing a light support structure in the town of El Estero (Lake Rapel), a small group of people from the community protested, even burning the structure. They

cited dangers to health and non-compliance with Law 20,599. Since it was impossible to resume construction and services, we met with the sector's neighborhood councils to explain the benefits of the project, which would allow them to connect to the 4G network. This was especially important for the young people in the surrounding area, who were unable to participate in remote classes. We were finally able to resume reinstatement work. The site was active at the time of writing.

In Peru, new towers are deployed with Entel teams or with passive infrastructure providers (TowerCo). As required by law, prior negotiations must be carried out with the neighboring farming communities. In 2021, two sites were assigned to TowerCo, whose representatives negotiated with the communities of Ayllopongo (department of Cusco) and Cochatama (department of Huánuco). The transportation network expansion project, meanwhile, required the rollout of the La Esperanza-Casa Grande fiber optic link (department of La Libertad), where we engaged with the Casa Grande sugar company. There were no conflicts or social incidents. When that does happen, our procedure includes awareness talks, delivery of supporting documents issued by the WHO and an option to modify the technical project.

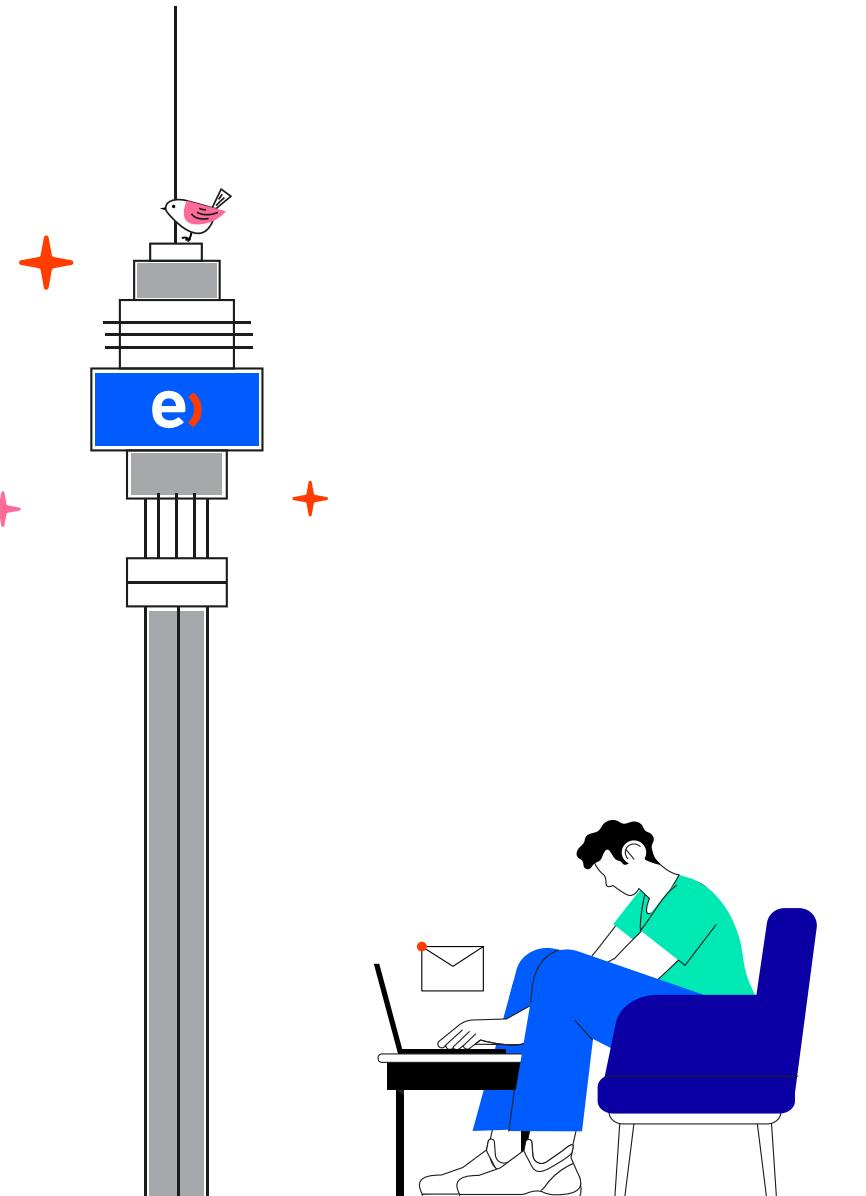


Encouraging education

Fostering education in science, technology, engineering and mathematics amongst children, young people and women has become a fundamental pillar of Entel's sustainability strategy. It is very important to us that more and more young people become interested in and explore these areas, especially women, who are often left on the sidelines. This is why in 2021 we were be part of three STEAM initiatives⁽²⁾:

"Los Creadores" prize

Entel participated in the fifth annual Kodea Foundation contest, which rewards digital talent in schools. In 2021, for the first time it included a training program with workshops to guide students and teachers in the process of turning their ideas into innovative technology-based solutions, an event in which some of our employees participated. The winners from each region attended the final in Santiago, where Entel experts also participated as judges.



⁽²⁾Acronyms for science, technology, engineering, art and mathematics.

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Community management

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Atómicas Academy

Fundación Tremendas, a collaborative platform that seeks to showcase the talent of girls and young women, launched the Atómicas academy, a virtual, free event that invites women between the ages of 12 and 25 from Latin America and the Caribbean to discover their interests in astronomy, biology, technology and robotics, through workshops and classes taught by experts. Entel executives were part of the teaching staff in 2021. Afterwards, mentors from Entel supported the participants in developing their projects.

Lab4U project

Entel and Lab4U - which creates applications to facilitate science education - implemented a pilot project in four schools from the Belén Educa Foundation so that teachers and students can access tools and activities and deepen their knowledge of their specialties.

Figures

CLP 47,280,000

Voluntary work funds in 2021

21,339

SIM cards donated to 27 institutions in 2021



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8.3

› Environmental management

GRI 102-11/ 302-1/ 303-3/ 305-1/ 305-2/ 305-3/ 306-1/ 306-2/ 306-3/ 306-4/ 306-5

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At Entel, aware of the challenges facing the planet, we seek to conduct our activities in an environmentally friendly manner, in line with our Environmental Policy.¹ Due to the characteristics of the company's operations and their most significant impacts, the most important environmental initiatives relate to energy efficiency and managing the waste we generate throughout our marketing and after-sales chain.

As part of the Conscious Transformation component of Entel's sustainability strategy, we set ourselves the challenge of improving the eco-efficiency of our operations. With this in mind we are developing an environmental management system for our operations in Chile, with which we hope to better control the environmental impacts of our activities, with a focus on prevention to address the risks and opportunities posed by climate change.

⁽¹⁾ Available at:



Energy efficiency

Networks and data centers account for the greatest consumption of electricity in our operations. We have set ourselves the goal of increasing the energy efficiency of these facilities as data traffic grows, and of including more renewable energies in our matrix.

A portion of the USD 800 million raised by the green, social bond that Entel placed in 2021 will be allocated to investment in renewable energies to power our network. We have already made progress here. We

have a park of 140 antennas powered by solar energy, 19 powered by wind and 4 points of presence, each with 5Kw hydrogen cells as energy backup. Additionally, in the latest tender to supply electricity to our data centers and corporate buildings, in 2019, we included the use of duly certified renewable energies. This contract runs until 2022.

The sustainable bond funds will also help finance energy efficiency projects at the network and data center level, including:

Networks

- ▶ **Incorporating artificial intelligence** into the consumption of energy on the network
- ▶ **Using software** to deactivate network sectors when there is no traffic

- ▶ **Use of efficient technologies** for the development of any network, fixed or mobile.
- ▶ **Adjusting air-conditioning** to reduce electricity consumption
- ▶ **Changing** halogen lights for LEDs

Data Centers

- ▶ **More efficient** ventilation
- ▶ **Implementing air confinements** to reduce the energy consumption of air conditioning fans.
- ▶ **Sixty-five percent of energy consumption** is from renewable energies.

Managing energy efficiency in networks in 2021

To manage the networks, we use a series of indicators relating data traffic volume to factors such as quality, available and deployed capacities and resource usage, including electricity, which are reviewed in monitoring committee meetings. This practice is enhanced by the annual energy efficiency program that Entel's network team runs at all of its sites. In 2021 we implemented several initiatives that had a positive impact on the energy consumption on the networks:

▶ **Implementing new features:** We are carrying out an engineering process to implement energy efficiency features in 3G and 4G technologies in Chile, to reduce consumption based on the traffic handled by each cell. In this way, consumption was reduced during off-peak hours, as were service operating costs. Overall, energy savings at the points of presence supported by this feature came to 20%. This resulted in annual savings of USD 392,000, equivalent to 3,564 kWh/year.

▶ **Increase in operating temperature:** This was set at 28°C at 750 sites, which reduced the number of operating hours of the air conditioning equipment at each of the configured sites, with a consequent drop in energy consumption. This resulted in savings of USD 112,000, equivalent to 1,018 kWh/year.

▶ **Legacy equipment replacement:** We shut down equipment with low traffic, migrating services to new, more efficient technologies. This generated savings of USD 56,000, equivalent to 509 kWh/year.

In total we managed to save 2.48 GWh/year with the initiatives described above.

Network energy consumption reached 189,599 MWh in 2021, an increase of less than 1% compared to 2020. Energy efficiency measures averted a higher increase.

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Managing energy efficiency in data center in 2021

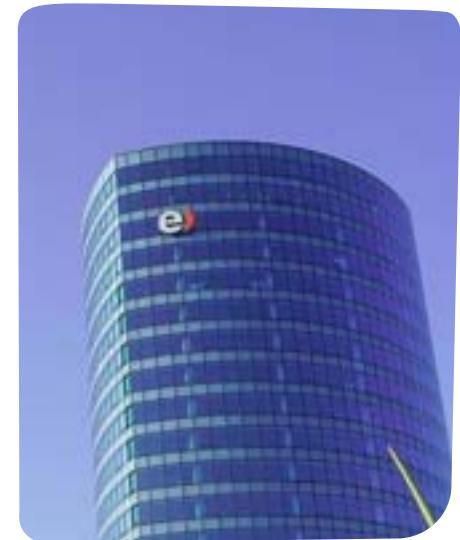
Our data processing centers are measured by the international Power User Effectiveness (PUE) standard and puts them on a par with the most efficient data centers in the world. In 2021 the average PUE was 1.75, unchanged from the previous year.

Electricity consumption was 94,157.77 MWh, in line with 2020. Water consumption for our data center facilities came to 161,171 m³ in 2021. Longovilo has groundwater use rights; the rest of the facilities are supplied by the drinking water network.

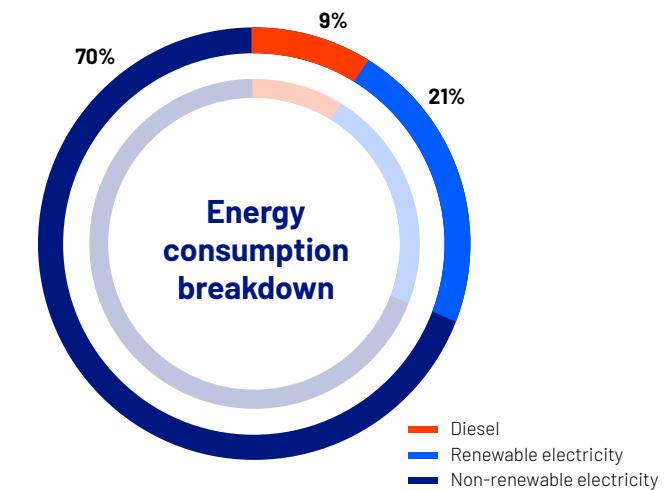
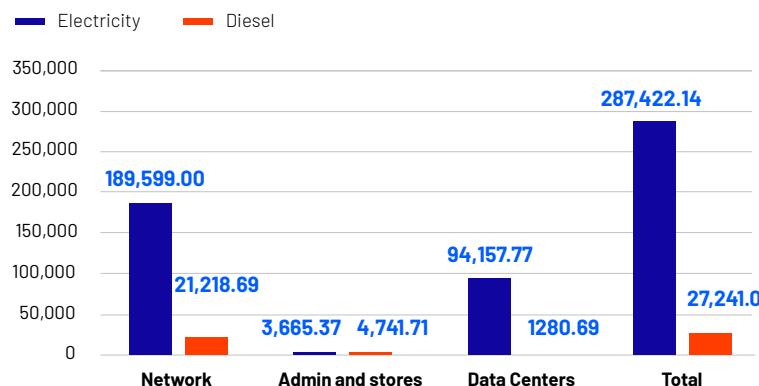
International standards for energy and water efficiency

Our corporate building at Titanium Park is pre-certified by the U.S. Green Building Council, which promotes the design, build and operation of environmentally and socially responsible buildings.

The sustainable construction design generates savings of close to 20% of the consumption of similar buildings in the same sector.



Entel Chile energy consumption 2021 (Total: 314,663.23 MWh)



Circular economy and education

At Entel we constantly monitor the waste generated throughout our value chain and take action to manage it responsibly, in accordance with the principles of the circular economy, as we are aware of the threat that improper disposal represents for our environment and people's health.

This work also involves suppliers, our main business partners, along with environmental organizations and companies with which we have formed alliances. We also strive to raise awareness in society about the importance of circular resource use, to which end we have designed high-impact campaigns.



In-house circular economy programs

► "Entel Zero Waste"

In 2021, the corporate recycling program continued, with less waste to recycle due to teleworking. The containers were nevertheless maintained for the recycling of materials such as paper, PET bottles, aluminum cans, glass, batteries and cigarette butts. We also included the Ciudad de los Valles data center, and in total the corporate campaign handled 7.8 tons.

► Electronic waste collection campaign

In 2021, we promoted two internal recycling campaigns for electronic waste and furnishings of all sizes. More than 120 employees participated and we were able to recycle 5.7 tons.

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► Recycling of advertising material

With the support of MktGreen, at Entel we reuse the advertising material displayed on public roads. In 2021, 9,693.23 m² of advertising was printed, 8,229.79 m² were taken down and we were able to collect and recover 4,032.5 m², which is equivalent to 1,774.3 kg not being sent to landfill. The recovery rate was 49% and CO₂ offset came to 29%, equivalent to 2,116.7 kg.

Since its inception, this program has allowed us to collect more than 30,000 m² of advertising material, or 13 tons of waste and more than 16 tons of CO₂ not released into the atmosphere.



70%

of the problems with devices brought by **users to e)** service in 2021 **were solved with a single interaction.**

Equipment repairs grew **7% over 2020.**

Public campaigns to promote the circular economy

► Campaign

"The life of the planet is in your hands"

We continued with this campaign promoting the repair of equipment in our ten stores with specialist assistance, reuse through the purchase of pre-owned equipment - refurbished devices with Entel warranty - and electronic recycling through our collection network. The idea is to continue providing these options to our customers and to educate them to be more aware of the importance of repairing, reusing and recycling.



Figures

18,865

pre-owned handsets sold in 2021.



Figures

111

in-store e-recycling points

2.814

tons of waste recovered in 2021



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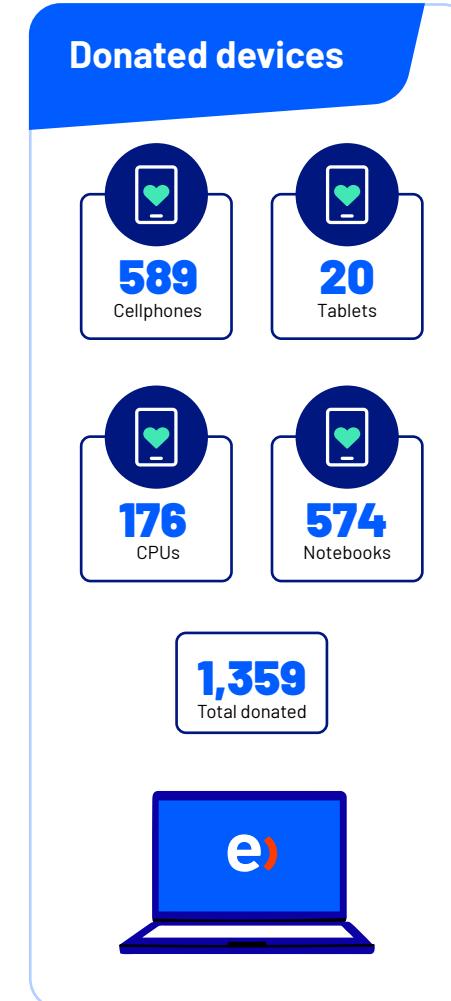
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► Re-use Campaign

Entel conducted the second stage of its "Reutiliza" campaign, launched in 2020 together with Kyklos and the Centro Inclusivo de Reciclaje (CiR) to collect unused electronic equipment for reconditioning and giving it to vulnerable students. In 2021 there were more containers to deposit equipment and the number of municipalities in the Metropolitan Region where it was possible to request home collection, went up from 15 to 33.

Over the year more than 8,000 old electronic devices were received and checked to assess whether they should be repaired or recycled. In all, 1,359 devices were donated to 40 different educational institutions throughout Chile, such as the Escuela Italia (Los Niches, Curicó), Fundación Niño y Patria, Patricio Mekis school in Maipú, Fundación Levantemos Chile, Escuela Valle de Lumaco and Fundación Familias Mundi Chile.

Along with helping students, we prevented more than 16 tons of electronic waste from reaching landfills.



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Environmental management

► Sponsorship of the Center for Inclusive Recycling (CiR)

With our support, CiR continues to operate in Maipú to recover and reuse more and more electronic waste, which is collected from homes, companies and schools in the Metropolitan Region. This center also has a strong social mission, employing people with cognitive disabilities. In 2021, four CiR employees with disabilities were trained as speakers to continue promoting circular education in the communities.

► Educational talks

Together with Kyklos, in 2021 we gave 12 virtual lectures, attended by more than 2,300 students from 120 schools. In these instances, CiR experts and employees talked about the correct disposal of electronic waste. There were also face-to-face activities, in which some 7,600 students from 75 schools participated.

► Reciclapp

We continue to work with the application connecting those who want to recycle. To

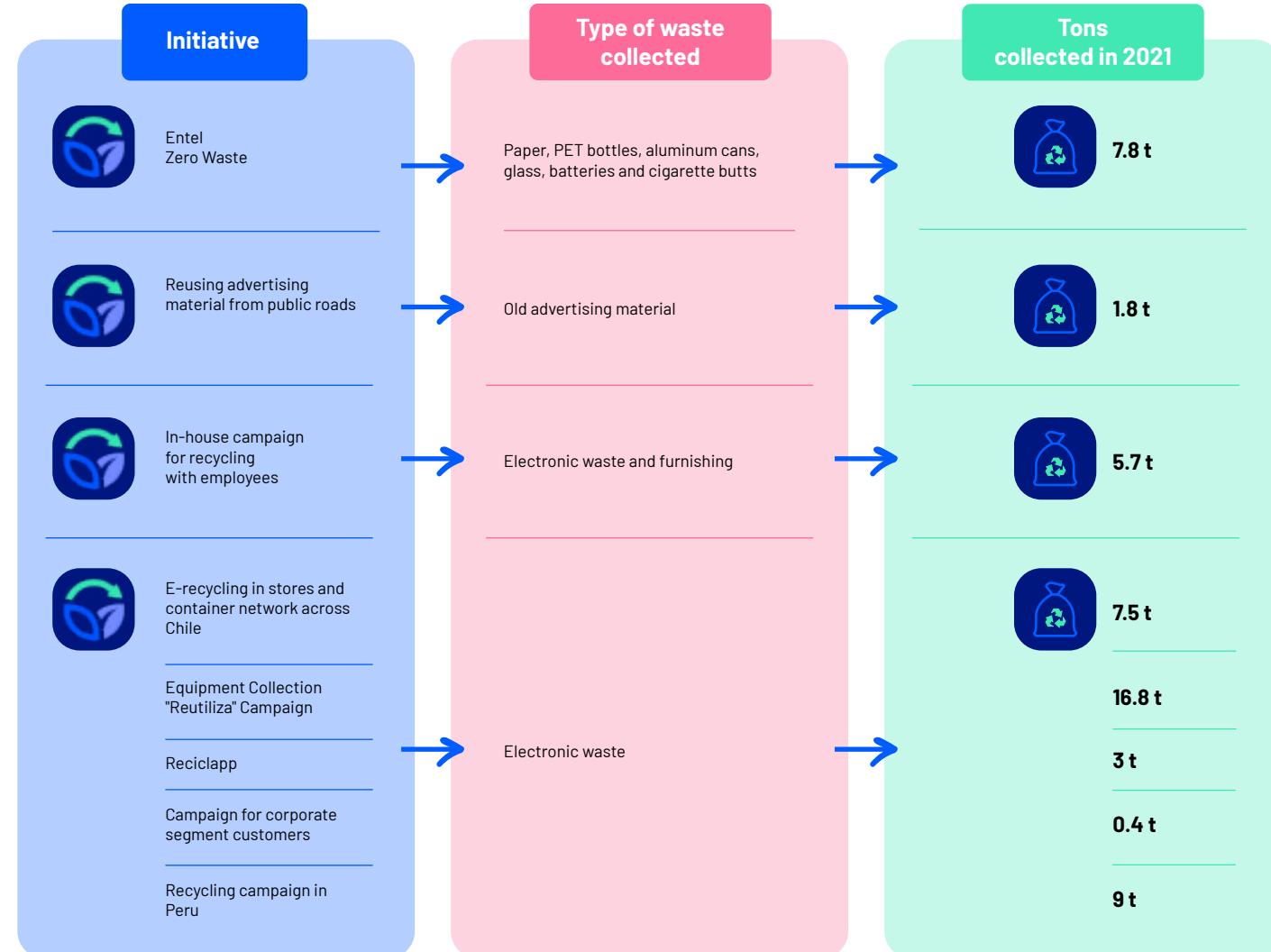
promote it, we disseminate videos and explanatory posts through social media. We emphasized the types of waste received through the app by expanding the category for electrical and electronic equipment waste. We also helped to promote the e-week recycling campaign, which was extended to more cities in Chile, recovering and recycling 1,094 kgs of electrical appliances. We handled a total of 2,991 kgs of electronic waste during the year through Reciclapp.

► Program for corporate segment customers

We extended this program, which has 24 collection points at Entel's corporate customers' facilities, for another year. Even though the flow of workers was lower due to capacity restrictions, we were able to collect 350 kgs of electronic waste.

► Electronic recycling in Peru

Entel recovered 8,957.46 kilograms in 2021, using 230 containers distributed nationwide. Since this campaign began in 2016, a total of 220,783.64 kg have been collected.



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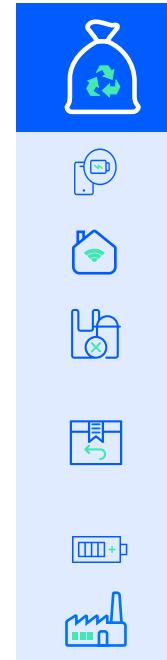
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Environmental management



Waste Management and Disposal / Entel Chile (kg)

Type of waste	Type of treatment	2018	2019	2020	2021
Electronics (cellphones, accessories, batteries etc.)	Recycling programs	12,090	28,413	9,881	10,854
Derived from rollout and operation of network	Agreement with Ericsson which includes a sustainable waste management procedure	333,505	830,604	178,036	385,769
Plastics	Recycling and waste operator	7,973	16,642	5,001	361
Paper	Treatment plant	1,452	-	-	-
Cardboard	Recycling	181,486	17,236	59,854	8,012
Dangerous (batteries, cells, battery banks)	Treatment plant	29,214	14,271	50,855	80,274
Non-hazardous solid industrial	Landfill	29,214	83,500	283,146	86,540

Emissions evolution (tons of CO2e)

Type of emission	2018	2019	2020	2021
Direct (Scope 1)	7,552.0	6,857.4	6,508.9	7,593.8
Indirect (Scope 2)	127,355.4	89,222.5	83,291.0	87,350.4
Other indirect emissions (Scope 3)	16,005.6	8,261.6	10,523.9	11,518.5
Total Footprint	150,913.1	104,341.5	100,323.8	106,462.7



Carbon footprint

Since 2016, we have been measuring the direct and indirect greenhouse gas emissions generated by our operations. For this calculation, information is provided by the Network, Data Center, Real Estate, Purchasing and Logistics departments.

Emissions category Scope 3	Emissions (tons CO2e)
Office paper	11.8
Importing and distribution of equipment	11,390.8
Air Travel	115.8



Emissions breakdown 2021 by type of installation

Antennas	74%
Data Center	12%
Distribution of handsets	11%
Corporate buildings	1%
Owned stores	1%
Call Center	1%



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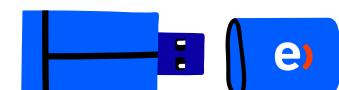


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Results: Consolidated Financial Performance

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9.1

› Market context

Chile

In 2021 the economy grew, driven by rapid progress in vaccine administration, a broad fiscal stimulus pack, and the short-term impact on consumption of extraordinary pension fund withdrawals. Growth in GDP was 11.7% for the year. Inflation rose 7% over 2020, in the context of growing domestic demand and supply-side constraints. Regarding the stock market, the main indicator for the domestic market, the IPSA, closed the year up 3%.

As regards politics, in 2021 we saw a number of different electoral events, such as choosing members of the Constitutional Convention; the election of Regional Governors; municipal elections; parliamentary elections (which resulted in an equalized Congress); and presidential elections, with Gabriel Boric, a member of the Apruebo Dignidad coalition, elected president.

On regulatory matters, in the early months of 2021, the 5G tenders launched in 2020 were resolved, with the allocation of 20 MHz on the 700 band to WOM, 30 MHz on the AWS band to WOM, 50 MHz to Telefónica (Movistar), Entel and WOM on the 3.5 GHz band spectrum. These three tenders were resolved through a bidding process (financial bid for spectrum allocation after a tie in the technical projects of the bidders); and through direct allocation of 400 MHz of 26 GHz spectrum to Claro (in 34 municipalities), Entel (in 20 municipalities) and WOM (15 municipalities). After ex-ante control of legality by the Comptroller's Office and

subsequent notification to the concessionaires, the Concession Decrees for the 700 MHz, AWS and 3.5 GHz bands were published in the official gazette in October. On publication of the decrees, the concessionaires started the process of authorizing the infrastructure to comply with the technical project of the bidding process. Finally, in December, through an act headed by the President of the Republic, the commercial use of 5G technology was authorized. Entel then began to offer 5G connectivity to its customers.

The telecommunications industry remains highly competitive, focusing on free second lines and substantial increases in GB. The importance of the sector has increased since the onset of the Covid-19 pandemic, with connectivity and technology playing a crucial role in people's lives. The market currently has a high number of active contracts. Data traffic, the number of connections, and service penetration show good performance and growth over the year. The trend towards a more agile operation through the sale of infrastructure and network rollout continues, opening up to shared models. There has also been a migration to digital platforms, driven by the growth of e-commerce and the use of applications for entertainment purposes.

The residential sector was also boosted by the pandemic, with strong competition and aggressive pricing, accelerating the rollout of fiber optics to the home by operators.

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Market context

A joint venture was announced in 2021, between VTR and Claro Chile, a partnership which aims to form a new company which will allow both companies to compete in the development of fifth generation technology, focusing on delivering internet services with a 5G signal and fiber optic connection.

This year Chile became the first country in the region to allocate spectrum for 5G technology, following a bidding process that began in 2020. The process included a demand for greater access to rural and underserved communities, as well as to strategic locations identified by the authority.

Based on estimates, the telecommunications sector grew by around 7.4%, year-on-year, in organic revenue, mainly due to: Mobile Business (+8.4%, explained by handsets +20.9% and mobile services +3.6%); Fixed Business (+6.1%, driven by business services +10.4% and Home fixed service +3.5%).

Peru

As in the previous year, 2021 was affected by restrictions arising from the new waves of Covid-19 and the political uncertainty accentuated by the general elections, resulting in the exchange rate reaching historic highs of 4.15 soles per dollar. The start of mass vaccination in the second half of the year made it possible to reduce these restrictions and contribute to the recovery of economic activity. By the end of 2021, more than 70% of the eligible population

had already received at least one dose of the vaccine. In spite of this, GDP is expected to grow by 13.4% in 2021, mainly due to a statistical rebound from 2020 (a fall of -11% as a result of the almost total shutdown of the economy in the second half of the year).

Along with the economy as a whole, the telecommunications sector in Peru recovered following the easing of the confinement measures and restrictions on economic activities. With the exception of February, for most of the year normal retail activities were continued, together with the porting and activation of new mobile lines and fixed accesses. Additionally, a high revolving rate was observed in the second half of the year, when postpaid subsidies were resumed. Residential services saw an acceleration in the deployment of fiber in Lima by operators.

For regulatory matters 2021 was a challenging year. In terms of spectrum, in the first few months of the year the company obtained the authorizations to provide fixed and mobile 5G services in the 3.5Ghz band.

Mobile sector revenue is estimated to increase by 24% to December 2021, thanks mainly to 69% growth in handsets and 9% in services, both recovering from the months of total restriction in sales due to the state of emergency in 2020. Fixed home services are expected to grow by 5%, mainly due to higher broadband revenue (+13%), while pay TV revenue is expected to fall -1%, and fixed telephony revenues, -6%.

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2021 Results

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Consolidated results (CLP million)	2021	2020	% Change	2021 Organic	2020 Organic	% Change
Total Revenue	2,460,119	2,147,484	14.6%	2,438,513	2,104,763	15.9%
EBITDA	772,452	684,232	12.9%	750,845	641,511	17.0%
Ebitda Margin	31.40%	31.86%		30.79%	30.48%	
Operating profit	294,375	212,469	38.5%	273,018	169,748	60.8%
Net Interest Expense	-109,031	-91,641	19.0%			
Exchange rate and adjustment of units of account	-66,713	-26,874	148.2%			
Pre-tax results	118,630	93,954	26.3%			
Taxes	-43,655	-9,488	360.1%			
Annual Profit	74,975	84,466	-11.2%			

Note: Organic excludes sale of infrastructure.

Substantial increase in mobile customers, Revenue and EBITDA

Consolidated revenue came to Ch\$2,460,119 million, an increase of 14.6% over FY2020. Organic revenue was up 15.9% vs. 2020, driven by growth in revenue from mobile services and equipment in Chile (16.8%) and Peru (+22.3%), residential "Entel Fibra" services (+95%) and a recovery in fixed services in the Corporate and Enterprises segments (+4.6%), boosted by Digital/IT services (+8.8%).

Consolidated EBITDA came to Ch\$772,452 million, year-on-year growth of 12.9%. Organic EBITDA grew 17% compared to 2020, driven by the performance of both Chile and Peru in the mobile business in the consumer segment and in the enterprises and corporations segment, positively impacted by the education industry, associated with the pandemic, and to a lesser extent by increased margins in infrastructure sales services and "Entel Residential".

EBITDA for mobile and fixed operations in Chile came to Ch\$635,028 million, up 10% over 2020, with organic EBITDA at Ch\$614,279 million, up 12.3% over the previous year. This is due to better margins in mobile services in all segments, mobile

equipment margins, "Entel Residential", associated with fiber services, and the business of infrastructure to other operators. This was partially offset by an increase in advertising and marketing costs, operating costs and administrative expenses.

EBITDA for mobile and fixed operations in Peru came to ThUS\$172,341, an increase of 50.4% compared to the previous year, while organic EBITDA was up 68.8%. Performance is largely due to the increased operational scale, together with higher margins in mobile services, higher margins in mobile tele-education services and a significant increase in equipment margins, partially offset by higher channel costs associated with increased activity and operational costs.

Consolidated operating income rose to \$294,375 (+38.5%) and organic income came to \$273,018 (+60.8%). Depreciation and amortization increased by Ch\$6,315 million (+1.3%) in comparison with the same period of 2020. In Chile, depreciation increased 3.9%, due mostly to expanding the mobile and fiber optic network to the home, and consumer installations of fixed network projects. There was a fall in Peru due to the effect of the devaluation of the Peruvian sol against the Chilean peso. In source curren-

cy, there was an 11% increase in Peru, linked to network rollout and IT developments mainly relating to digital transformation.

Non-Operating Income posted a loss at the end of 2021 of Ch\$175,744 million, up 48.3% with respect to 2020 (-Ch\$118,515). This was mainly due to higher indexation unit expenses (unidad de fomento U.F.) affected by higher inflation, and lower interest earned on financial instruments due to lower interest rates. There were also higher financial expenses, due mainly to the net cost of debt restructuring, where there was a loss of Ch\$17,368 million pesos, corresponding to the net effect on results of the operation where the company repurchased a bond debt (USD\$800 million) and simultaneously issued a new bond for the same amount, maturing in 2032. This transaction was completed in September of this year. It should be noted that the issuance of the new bond in the international markets resulted in a lower interest rate and an extension of the maturities of the obligations from 2024 to 2032.

Net income posted a gain of Ch\$74,975 million, down compared to 2020, due to higher taxes related to the increase in the peso/dollar exchange rate in 2021, affecting foreign investments, compared to a decrease in the peso/dollar exchange rate in 2020.

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2021 Results

Investments totaled Ch\$445,467 million, an increase of 20.4% compared to 2020, which were affected that year by the health emergency and the uncertainty it created. In contrast, 2021 brought new challenges such as the awarding of bands for 5G services, which will involve an additional mandatory and commercial investment cost of approximately \$340 billion over 4 years. Resources in 2021 focused on the company's strategic areas, mainly on keeping up 4G mobile network capacity with high quality standards, 5G coverage and the expansion of the fiber-to-the-home network.

Operating cash flow, at Ch\$76,372 million, was down with respect to 2020, mainly due to payment of 5G licensing, higher working capital in line with increased commercial activity and increased investments.

Net financial debt increased 12.4% in 2021 compared to year-end 2020, mainly due to extraordinary payments for 5G licensing and dividends. The positive evolution of the debt ratio (net financial debt over EBITDA was noteworthy, including IFRS16 liabilities) which, excluding the effect of the sale of towers on EBITDA, was 2.52 at December 2021, an improvement on the 2.59 at the end of 2020. Entel has a strong liquidity position and no significant debt maturities. In September, debt obligations associated with international bonds were increased to a total of USD 800 million, seeing the early purchase of bonds issued in 2013 and 2014, with principal maturities between 2022 and 2026. At the same time, we issued a new bond with a 10-year maturity, structured on sustainability criteria, becoming Entel's first issuance with this characteristic.



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FOR TRANSLATION PURPOSE



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	102-6 Markets Served	36 - 38		
	102-7 Scale of the organization	7, 9, 13, 14, 70		
	102-8 Information on employees and other workers	104 - 105		
	102-9 Supply chain	118		
GRI 102: General Conten-	102-10 Significant changes in the organization and supply		No significant changes were observed in the organization and its supply chain during 2021.	
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	102-46 Defining report content and topic boundaries	11		
	102-47 List of material issues	11		
	102-48 Restatement of information		There are no restatements of information with respect to previous reports.	
	102-49 Changes in reporting		For 2021 no significant changes in reporting have been observed.	
	102-50 Reporting period	11		
	102-51 Date of most recent report		The last report published covered the year January 1, 2020 to December 31, 2020.	
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	102-54 Claims of reporting in accordance with the GRI Standards	11		
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	102-56 External assurance	11		

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GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
MATERIAL ISSUES				
GRI 201 Economic performance				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	7 - 8		
	103-2 The management approach and its components	7 - 8		
	103-3 Assessment	7 - 8		
GRI 201-1	Direct economic value generated and distributed	24		x
GRI 201-2	Financial implications and other risks and opportunities arising from climate change	54		
GRI 203 Indirect Economic Impact				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	146 - 149		
	103-2 The management approach and its components	146 - 149		
	103-3 Assessment	146 - 149		
GRI 203-1	Investments in infrastructure and supported services	146 - 149, 156		
GRI 203-2	Significant indirect economic impact	49, 50, 88		
GRI 204 Procurement Practices				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	117		
	103-2 The management approach and its components	117		
	103-3 Assessment	117		
GRI 204-1	Proportion of spending on local suppliers	119		
GRI 205 Anti-corruption				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	71 - 72		
	103-2 The management approach and its components	71 - 72		
	103-3 Assessment	71 - 72		
GRI 205-1	Operations evaluated for risks relating to corruption	71 - 72		
GRI 205-2	Communication and training on anti-corruption policies and procedures	73		
GRI 205-3	Confirmed incidents of corruption and measures taken	71 - 72		

GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 206 Anti-competitive Behavior				
GRI 103 Management Approach				
GRI 206-1	103-1 Explanation of the material issue and its coverage	71 - 72		
	103-2 The management approach and its components	71 - 72		
	103-3 Assessment	71 - 72		
GRI 207 Taxes				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	25		
	103-2 The management approach and its components	25		
	103-3 Assessment	25		
GRI 207-1	Tax approach	25		
GRI 207-2	Tax governance, control and risk management			
GRI 207-3	Stakeholder relations and handling of tax-related concerns			
GRI 207-4	Tax report by country	25		
GRI 302 Energy				
GRI 103 Management Approach				
GRI 302-1	103-1 Explanation of the material issue and its coverage	162 - 163		
	103-2 The management approach and its components	162 - 163		
	103-3 Assessment	162 - 163		
GRI 302-4	Energy consumption within the organization	163		x
			Compared to 2020, there was a 2.7% increase in energy consumption.	

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GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 303: Water and effluents (2018)				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	54, 163		
	103-2 The management approach and its components	54, 163		
	103-3 Assessment	54, 163		
GRI 303-1	Interaction with water as a shared resource	92, 93, 157		
GRI 303-2	Management of water discharge-related impacts		Entel does not discharge water from its operations outside of the disposal of municipal wastewater through the sewage system.	
GRI 303-3	Water extraction	163	In 2021, Entel's water consumption included water abstraction at the Longovilo Data Centre, to the tune of 22,656 m ³ . The other data centre facilities consumed 138,515 m ³ of water from the drinking water network. The corporate building, meanwhile, consumed 37,437 m ³ of drinking water from the mains.	x
GRI 303-4	Water discharges		Entel does not discharge water from its operations outside of the disposal of municipal wastewater through the sewage system.	
GRI 303-5	Water consumption	163		
GRI 305 Emissions				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	167		
	103-2 The management approach and its components	167		
	103-3 Assessment	167		
GRI 305-1	Direct GHG emissions (scope 1)	167		x
GRI 305-2	Indirect GHG emissions (scope 2)	167		x
GRI 305-3	Other indirect GHG emissions (scope 3)	167		

GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 306 Waste (2020)				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	163		
	103-2 The management approach and its components	163		
	103-3 Assessment	163		
GRI 306-1	Waste generation and significant impacts of waste	163 - 166		
GRI 306-2	Managing significant impacts related to waste	163 - 167		
GRI 306-3	Waste generated	167		
GRI 306-4	Waste diverted from disposal	167		
GRI 306-5	Waste directed to disposal	167		x
GRI 307 Environmental Compliance				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	163		
	103-2 The management approach and its components			
	103-3 Assessment	163		
GRI 307-1	Non-compliance with environmental laws and regulations		In 2021 there were no cases of non-compliance with current environmental legislation recorded.	
GRI 308 Environmental assessment of suppliers				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	118		
	103-2 The management approach and its components	118		
	103-3 Assessment	118		
GRI 308-1	New suppliers that were screened using environmental criteria	119		
GRI 308-2	Negative environmental impact to the supply chain and action taken	119		
GRI 401 Employment				

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GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	111		
	103-2 The management approach and its components	111		
	103-3 Assessment	111		
GRI 401-1	New employee hires and employee turnover	111	Turnover breakdown by gender for men and women: Entel Chile 0.9% y 1.2%; CC Chile: 8.6% y 5.9%; CC Peru 10.8% y 9.7%; Entel Peru Brand 1.13% y 0.95%.	x
GRI 401-2	Benefits for full-time employees that are not given to part-time or temporary employees	114		
GRI 403: Occupational Health & Safety in the workplace 2018				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	115		
	103-2 The management approach and its components	115		
	103-3 Assessment	115		
GRI 403-1	Management system for health and safety at work	115		
GRI 403-2	Hazard identification, risk assessment and incident investigation	115		
GRI 403-3	Occupational health services	115		
GRI 403-4	Worker participation, consultation and communication on health and safety at work	115		
GRI 403-5	Worker training on occupational health and safety	116		
GRI 403-6	Promoting workers' health	115		
GRI 403-7	Prevention and mitigation of impact on the health and safety of workers directly linked through commercial relationships	115		
GRI 403-8	Coverage of the occupational health and safety management system	115		
GRI 403-9	Work-related injuries	116		
GRI 403-10	Work-related ill health	116		

GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 404 Training and Education				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	111		
	103-2 The management approach and its components	111		
	103-3 Assessment	111		
GRI 404-1	Average training hours per year per employee	112		
GRI 404-2	Programmes to improve employee skills and transition assistance schemes			
GRI 404-3	Percentage of employees who receive regular performance and career development assessments.	112		x
GRI 405 Diversity and equal opportunities				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	108		
	103-2 The management approach and its components	108		
	103-3 Assessment	108		
GRI 405-1	Diversity of governance bodies and employees	65, 70, 105, 108		x
GRI 405-2	Ratio of base salary and remuneration of women versus men	110		
GRI 406 Non-Discrimination				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	108		
	103-2 The management approach and its components	108		
	103-3 Assessment	108		
GRI 406-1	Incidents of discrimination and corrective action taken	72		

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GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 407 Freedom of Association and Collective Bargaining				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	25		
	103-2 The management approach and its components	25		
	103-3 Assessment	25		
GRI 407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	25		
GRI 408 Child Labor				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	25		
	103-2 The management approach and its components	25		
	103-3 Assessment	25, 118		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	118		
GRI 409 Forced or Compulsory Labor				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	25		
	103-2 The management approach and its components	25		
	103-3 Assessment	25		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	25		
GRI 412 Human Rights Assessment				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	25		
	103-2 The management approach and its components	25		
	103-3 Assessment	25		
GRI 412-1	Operations subject to reviews or impact assessments on human rights	25		

GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
GRI 413 Local Communities				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	159		
	103-2 The management approach and its components	159		
	103-3 Assessment	159		
GRI 413-1	Operations with local community engagement, impact assessments and development programs	160 - 161		
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	159		
GRI 414 Social Assessment of Suppliers				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	118		
	103-2 The management approach and its components	118		
	103-3 Assessment	118		
GRI 414-1	New suppliers that were screened using social criteria	119		
GRI 414-2	Negative social impacts in the supply chain and actions taken	119		
GRI 415 Public Policy				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	71		
	103-2 The management approach and its components	71		
	103-3 Assessment	71		
GRI 415-1	Political contributions		In 2021, in line with corporate policies and guidelines, no contributions were made to political parties or political representatives.	

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GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
Own material issue: GRI 417 Marketing and labeling				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	18		
	103-2 The management approach and its components	39-43		
	103-3 Assessment	39-43		
GRI 417-3	Incidents of non-compliance related to marketing communications		In 2021 there were no significant fines for non-compliance with current environmental legislation.	
Own material issue: GRI 418 Customer privacy				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	11, 100		
	103-2 The management approach and its components	100		
	103-3 Assessment	101		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	101	In 2021 there were no data privacy complaints from external parties received by the company or from regulators.	
Own material issue: Network quality and dependability				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	146 - 147		
	103-2 The management approach and its components	146		
	103-3 Assessment	146 - 148		
Frequency and length of network interruptions				
Own material issue: Consumer experience and wellbeing				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	121		
	103-2 The management approach and its components	121 - 122, 126		
	103-3 Assessment	124		
Satisfaction and interaction index by channel type				
EPA Post-Attention Survey Results				
		123	X	

GRI standard	Contents	Page number or URL	Response, Explanation or Omission	Verification
Own material issue: In-house culture and team well-being				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	104		
	103-2 The management approach and its components	107, 114, 115		
	103-3 Assessment	105, 106, 109, 111 - 113, 116		
Average annual commitment				
Own material issue: Digital innovation and business adaptation				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	85		
	103-2 The management approach and its components	85 - 87		
	103-3 Assessment	85		
Technological innovation initiatives and their direct and indirect impacts				
Own material issue: Digital divide and access to new technologies				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	155		
	103-2 The management approach and its components	156 - 158		
	103-3 Assessment	158		
Programmes to overcome access barriers to technology and digital skills among the general public and for those with difficulties in accessing technology.				
Network points in rural and isolated areas				
Own material issue: Information security and cybersecurity				
GRI 103 Management Approach	103-1 Explanation of the material issue and its coverage	95		
	103-2 The management approach and its components	96		
	103-3 Assessment	95, 98		
Cybersecurity training initiatives and number of workers trained				

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› Limited Independent Assurance Report

on Entel Chile's 2020 Integrated Annual Report

To the Shareholders and Board of Directors
Empresa Nacional de Telecomunicaciones S.A.
Independent Auditors' Report

We have reviewed the information regarding certain sustainability indicators for Empresa Nacional de Telecomunicaciones S.A., set out below for the year ended 31 December 2021, to be reported in its Integrated Report 2021. Empresa Nacional de Telecomunicaciones S.A.'s management is responsible for reporting sustainability indicators in accordance with the sustainability reporting standards of the Global Reporting Initiative (GRI standards), in its "core" compliance option. It is our responsibility to provide a statement of conclusion on the sustainability indicator information included and individualised below, based on our review.

Our review was conducted in accordance with auditing standards established by the American Institute of Certified Public Accountants (AICPA) AT-C Section 105, Concepts Common to All Attestation Engagements, and AT-C Section 210, Review Engagements. Such standards require us to plan and conduct the review so as to achieve limited assurance as to whether any significant modifications should be made to the sustainability indicators detailed below to bring them in line with the GRI standards in their "core" compliance option. A review has a substantially narrower scope than an examination, the purpose of which is to obtain a reasonable degree of assurance as to whether the sustainability indicators detailed below are in accordance with "core" GRI standards, in all material respects, so that an opinion can be expressed. Accordingly, we express no such opinion. We consider that our review provides a reasonable basis for our conclusion.

We carry out the following procedures:

- Work planning according to the relevance and volume of information of the selected Sustainability Indicators presented in the draft Integrated Report 2021;
- Interviewing various officials who provide information on the Sustainability Indicators selected for the Integrated Report 2021;
- Evidence-based verification that the data for the selected Sustainability Indicators included in the Integrated Report 2021 are consistent with supporting documents and/or come from sources with verifiable back-up;
- Review of the wording of the Integrated Report 2021, ensuring that it does not mislead or misrepresent the information presented for the following Sustainability Indicators:
 - 102-41 (DJSI) Collective bargaining agreements
 - 201-1 Direct economic value generated and distributed
 - 302-1 Energy consumption within the organisation
 - 303-3 Water extraction
 - Direct GHG emissions (Scope 1)
 - 305-2 Direct GHG emissions (Scope 2)
 - 306-5 Waste for disposal

Santiago, April 5, 2022

- 401-1 (DJSI) New employee hires and employee turnover
- 405-1 (DJSI) Diversity in government bodies and employees
- 3.5.4 (DJSI) Management and employee talent
- 1.5.2 (DJSI) Consumer experience and wellbeing

In performing our review, we have complied with the independence and other ethical requirements set out in the Code of Professional Conduct, and have applied the AICPA's Quality Assurance Standards.

Based on our review, we are not aware of any material modifications that would need to be made to the Sustainability Indicators information presented by Empresa Nacional de Telecomunicaciones S.A.'s 2021 Integrated Report for the year ended 31 December 2021, in order for it to comply with the Global Reporting Initiative's sustainability reporting standards under the "core" compliance option.




Firmado digitalmente por Gonzalo Alejandro Riederer Herrera RUT: 13.757.157-9. El certificado correspondiente puede visualizarse en la versión electrónica de este documento.

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Empresa Nacional de Telecomunicaciones S. A. and Subsidiaries

Articles of Incorporation

Entel Chile S.A. was incorporated as a corporation by public deed, issued before notary Jaime García Palazuelos in Santiago on August 31, 1964.

The company and its articles of incorporation were approved by Supreme Decree No. 5,487, issued by the Ministry of the Treasury on December 30, 1964.

The relevant extract can be found on page 381, No. 191, and the aforementioned decree on page 384, No. 192, of the Santiago Trade Register, dated January 18, 1965, and published in the Official State Gazette on January 20, 1965. The company was declared legally established by Supreme Decree No. 1,088, issued by the Ministry of the Treasury on April 4, 1966.

The company statutes have subsequently undergone a number of modifications to ensure compliance with Decree Law No. 3,500 (1980) regarding the number and nationality of directors, the existence of alternative directors, increases in capital and expanding the areas in which the company operates.

As at December 31, 2021, the capital stock of Empresa Nacional de Telecomunicaciones S.A. was distributed in 302,017,113 single-series shares, fully subscribed and paid-in by its 2,243 shareholders.

The 12 largest shareholders of Entel S.A. are listed in the table below, together with the size of their shareholding and its percentage.



Information contained in the shareholder register as at December 31, 2021.

"There is no evidence in the company records of the existence of other majority shareholders outside the controlling shareholder."

Name or Company Name	Shares on 12/31/2021	% Share
1. INV ALTEL LTDA	165,674,102	54.856%
2. AFP HABITAT S A	16,022,266	5.305%
3. BANCO DE CHILE ON BEHALF OF STATE STREET	11,803,175	3.908%
4. AFP PROVIDA S.A.	11,644,354	3.856%
5. BANCO DE CHILE ON BEHALF OF CITI NA NEW YORK CLIE	10,689,614	3.539%
6. AFP CAPITAL S A	9,767,649	3.234%
7. BANCO SANTANDER ON BEHALF OF FOREIGN INVESTORS	8,241,635	2.729%
8. BANCO DE CHILE ON BEHALF OF NON-RESIDENT THIRD PARTIES	7,552,724	2.501%
9. LARRAIN VIAL S A STOCKBROKERS	5,817,984	1.926%
10. SANTIAGO STOCK EXCHANGE	5,386,174	1.783%
11. BANCHILE CORREDORES DE BOLSA S A	4,481,729	1.484%
12. SANTANDER CORREDORES DE BOLSA LTD.	3,143,514	1.041%
Others	41,792,193	13.838%
Total	302,017,113	100.000%

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Controllers

In compliance with General Regulation No. 30, Inversiones Altel Ltda., Tax ID 76.242.520-3, remains the controller of Entel without any change and 165,674,102 shares, representing a 54.8559% stake in the Group. Inversiones Altel Ltda. is owned by Almendral Telecomunicaciones S.A., Tax ID 99.586.130-5, with a 99.9917% share and Almendral S.A., Tax ID 94.270.000-8, with an ownership interest of 0.0083% and where Almendral Telecomunicaciones S.A. is wholly owned by Almendral S.A.

The individuals and legal entities that directly and indirectly form part of the controlling group are as follows:

Information contained in the shareholder register as at December 31, 2021.

Tax ID	Shareholder Controlling Group of Almendral S.A.	Shares	(%)
96.878.530-3	Inversiones Nilo S.A. (*)	1,235,926,704	6.86%
96.895.660-4	Inversiones El Rauli S.A.	946,366,424	5.25%
96.969.110-8	Forestal Cañada S.A.	774,109,283	4.30%
79.770.520-9	Forestal y Pesquera Copahue S.A.	606,020,425	3.36%
96.800.810-2	Inmobiliaria Canigue S. A.	388,766,998	2.16%
90.412.000-6	Minera Valparaíso S.A.	384,296,690	2.13%
96.791.310-3	Inmobiliaria Teatinos S. A.	288,164,056	1.60%
95.980.000-6	Forestal O'Higgins SA	505,349,730	2.80%
81.358.600-2	Cominco S.A.	206,601,992	1.15%
96.878.540-0	Inversiones Orinoco S. A.	192,109,370	1.07%
81.280.300-K	Viecal S.A.	126,871,904	0.70%
79.621.850-9	Forestal Cominco S.A.	104,994,454	0.58%
77.320.330-K	Inversiones Coillanca Limitada	67,401,166	0.37%
96.656.410-5	Bice Vida Compañía de Seguros	29,195,853	0.16%
4.333.299-6	Patricia Matte Larraín	6,462,746	0.04%
6.598.728-7	Bernardo Matte Larraín (*)	4,974,342	0.03%
4.436.502-2	Eliodoro Matte Larraín (*)	4,920,302	0.03%
Matte Group (17)		5,872,532,439	32.59%
77.302.620-3	Inversiones Teval S.A.	1,738,677,957	9.65%
77.677.870-2	Inversiones Los Almendros Limitada	421,239,288	2.34%
3.931.817-2	Eduardo Fernández León	18,100,000	0.10%
76.086.315-8	Inversiones C R Limitada	8,912,851	0.05%
Fernández León Group (4)		2,186,930,096	12.14%
96.950.580-0	Inversiones Huidad SPA.	1,526,191,700	8.47%
87.866.800-6	Inversiones Lota Green SPA.	415,084,403	2.30%
Hurtado Vicuña Group (2)		1,941,276,103	10.77%

Tax ID	Shareholder Controlling Group of Almendral S.A.	Shares	(%)
79.619.200-3	Consortio Financiero S.A. (*)	912,212,094	5.06%
99.012.000-5	Cia. De Seguros de Vida Consorcio	750,424,284	4.16%
96.579.280-5	CN Life Compañía de Seg. de Vida S. A.	102,431,278	0.57%
Consortium Group (3)		1,765,067,656	9.80%
85.127.400-6	Inmobiliaria Escorial Ltda.	464,431,708	2.58%
76.503.333-0	Inversiones Rapel Ltda.	141,221,944	0.78%
79.737.090-8	Andromeda Inversiones Ltda.	136,633,769	0.76%
78.136.230-1	Santa Rosario de Inversiones Ltda.	85,463,040	0.47%
79.942.850-4	Inversiones El Manzano Ltda.	82,360,247	0.46%
79.934.710-5	Inversiones Marchigüe Ltda. (*)	56,177,702	0.31%
77.740.800-3	Inversiones La Estancia Ltda.	45,226,047	0.25%
79.933.390-2	Andacollo de Inversiones Ltda.	38,996,296	0.22%
77.174.230-0	Inversiones Los Cíervos Ltda. (*)	5,936,539	0.03%
96.932.040-1	Los Boldos S.A.	4,170,190	0.02%
79.966.130-6	Inmobiliaria e Inversiones Santa Sofía Ltda	4,110,485	0.02%
76.452.873-5	Soc. Colectiva Civil Inversiones Los Nogales (*)	357,537,311	1.98%
78.130.310-0	Andaluza Sociedad de Inversiones Limitada	4,099,022	0.02%
76.073.008-4	La Esperanza S. A.	4,099,022	0.02%
4.431.346-4	Maria Teresa Valdes Covarrubias	3,299,023	0.02%
96.928.240-2	Santo Domingo de Inversiones S. A.	3,079,761	0.02%
77.863.390-6	Cerro Colorado de Inversiones Ltda.	3,079,761	0.02%
96.561.610-1	Inmobiliaria Estoril S.A.	124,619	0.00%
79.937.930-9	Inmobiliaria Santoña Ltda	43,109	0.00%
Grupo Izquierdo Menéndez (19)		1,440,089,595	7.99%

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Tax ID	Shareholder Controlling Group of Almendral S.A.	Shares	(%)
96.499.800-6	Inversiones Green Limitada	438,537,590	2.43%
76.416.848-8	Allegra SpA	154,435,553	0.86%
76.421.231-2	Solariat Chile SpA	11,764,007	0.07%
76.416.849-6	Flomanju SpA (*)	154,435,553	0.86%
76.421.241-k	Floridest Chile SpA.	11,764,007	0.07%
76.416.851-8	Pifemarno SpA (*)	141,184,513	0.78%
76.421.235-5	Bluedar Chile SpA	11,764,007	0.07%
Grupo Gianoli (7)		923,885,230	5.13%
Controlling Group (52)		14,129,781,119	78.42%
Minor shareholders		3,887,798,012	21.58%
Total		18,017,579,131	100%

(*) With shares held by stockbrokers

Individual members of the controlling group.

As set out in Title XV of Law No. 18,045, as of October 14, 2021, the companies owning shares representing 78.24% of the voting capital are listed below.

Grupo Matte

Control of the Company is exercised by virtue of a control and joint action agreement entered into with Forestal O'Higgins S.A. and other companies. It is expressly stated for the record that the aforementioned control and joint action agreement takes into account limitations to the free disposition of the shares. Other members of the Larraín Matte-, Matte Capdevila- and Matte Izquierdo families are listed after the controller, in the manner and proportions shown below:

Patricia Matte Larraín, Tax ID 4.333.299-6 (6.49%) and her children María Patricia Larraín Matte, Tax ID 9.000.338-0 (2.56%), María Magdalena Larraín Matte, Tax ID 6.376.977-0 (2.56%), Jorge Bernardo Larraín Matte, Tax ID 7.025.583-9 (2.56%).
Eliodoro Matte Larraín, Tax ID 4.336.502-2 (7.22%) and his children Eliodoro Matte Capdevila, Tax ID 13.921.597-4 (3.26%), Jorge Matte Capdevila, Tax ID 14.169.037-K (3.26%), and María del Pilar Matte Capdevila, Tax ID 15.959.356-8 (3.26%).

Bernardo Matte Larraín, Tax ID 6.598.728-7 (8.05%) and his children Bernardo Matte Izquierdo, Tax ID 15.637.711-2 (3.35%), Sofía Matte Izquierdo, Tax ID 16.095.796-4 (3.35%), and Francisco Matte Izquierdo, Tax ID 16.612.252-K (3.35%).

The individuals identified above are related by blood to the same corporate group.

Grupo Fernández León

a) Inversiones Los Almendros Ltda., whose ultimate controllers are Eduardo Fernández León, Tax ID No. 3.931.817-2, Valerie Mac Auliffe Granello, Tax ID No. 4.222.315-8, Eduardo Fernández Mac Auliffe, Tax ID No. 7.010.379-6, Tomás Fernández Mac Auliffe, Tax ID No. 7.010.380-K, and María José Cruzat Ochagavía, Tax ID No. 9.907.684-6. 010.380-K, and María José Cruzat Ochagavía, RUT 9.907.684-6, with 4.356%, 3.061%, 46.232%, 46.247% and 1.01% of direct and indirect participation in the capital stock, respectively.

b) Inversiones Teval S.A., whose ultimate controllers are:

- Grupo Fernández León, comprising Eduardo Fernández León (Tax ID 3.931.817-2), Valerie Mac Auliffe Granello (Tax ID 4.222.315-8), Eduardo Fernández Mac Auliffe (Tax ID 7.010.379-6), Tomás Fernández Mac Auliffe (Tax ID 7.010.380K) and María

José Cruzat Ochagavía (Tax ID 9.907.684-6) with 4.510%, 3.614%, 20.781%, 20.832% and 0.036% indirect shares of the company's capital, respectively.

- Grupo Garcés Silva, comprising José Antonio Garcés Silva, Tax ID 3.984.154-1, María Teresa Silva Silva, Tax ID 3.717.514-5, María Paz Garcés Silva, Tax ID 7.032.689-2, María Teresa Garcés Silva, Tax ID 7.032.690-6, José Antonio Garcés Silva, Tax ID 8.745.864-4, Matías Alberto Garcés Silva, Tax ID 10.825.9833 and Andrés Sergio Garcés Silva, Tax ID 10.828.517-6, with 3.505%, 0.67%, 9.165%, 9.165%, 9.165% and 9.165% indirect shares of the company's capital, respectively.

c) Inversiones CR Ltda., whose ultimate controlling shareholders are Eduardo Fernández León, Tax ID No. 3.931.817-2, Valerie Mac Auliffe Granello, Tax ID No. 4.222.315-8, Eduardo Fernández Mac Auliffe, Tax ID No. 7.010.379-6, Tomás Fernández Mac Auliffe, Tax ID No. 7.010.380-K, with 52.78%, 35.10%, 6.06% and 6.06% of direct participation in the capital stock, respectively.

d) Eduardo Fernández León, Tax ID 3.931.817-2 on December 29, 2020 directly acquired 18,100,000 shares representing 0.1% of the Capital Stock.

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Grupo Hurtado Vicuña

José Ignacio Hurtado Vicuña, Tax ID 4.556.173-9, María Mercedes Hurtado Vicuña, Tax ID 4.332.503-5, María Victoria Hurtado Vicuña, Tax ID 4.332.502-7, Juan José Hurtado Vicuña, Tax ID 5.715.251-6, José Nicolás Hurtado Vicuña, Tax ID 4.773.781-8, and Pedro José Hurtado Vicuña, Tax ID 6.375.828-0, directly and indirectly, and in equal percentages, control the companies through which Grupo Hurtado acts as member of the controller Almendral S.A. (Inversiones Huidad SpA, Inversiones Lota Green SpA).

Grupo Consorcio

a) **Consorcio Financiero S.A.**, whose ultimate controllers are:

- P&S S.A., with a share of 42.02% of the company's capital. P&S S.A. is controlled in equal percentages with a joint direct and indirect share of 82.07% of the company's capital, by José Ignacio Hurtado Vicuña (Tax ID 4.556.173-9), María Mercedes Hurtado Vicuña (Tax ID 4.332.503-5), María Victoria Hurtado Vicuña (Tax ID 4.332.502-7), Juan José Hurtado Vicuña (Tax ID 5.715.251-6), José Nicolás Hurtado Vicuña (Tax ID 4.773.781-8) and Pedro

José Hurtado Vicuña (Tax ID 6.375.828-0).

- Banvida S.A., with a share of 42.02% of the company's capital. Inversiones Teval S.A. is controller of Banvida S.A. with a share of 80.93% of the company's capital.

b) **Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A.**, whose ultimate controllers are the same as for Consorcio Financiero S.A., through which they hold a 99.86% share of capital of the former.

c) **CN Life Compañía de Seguros de Vida S.A.**, whose ultimate controllers are the same as for Consorcio Financiero S.A., through which they hold a 100% share of capital of the former.

Grupo Izquierdo Menéndez

a) **Inmobiliaria Santona Ltda.**, whose ultimate controllers are Vicente Izquierdo Menéndez, Tax ID 5.741.891-5, and María Virginia Taboada Bittner, Tax ID 6.834.545-6, with 93.02% and 6.98% direct shares of the company's capital, respectively.

b) **Inmobiliaria Escorial Ltda.**, whose ultimate controller is Fernando Izquierdo Menéndez, Tax ID 3.567.488-8 (59.764%), Ida

Ester Etchebarne Jaime, Tax ID 5.418.932-K (39.246%), Agustín Izquierdo Etchebarne, Tax ID 9.156.812-8 (0.198%), Fernando Jose Izquierdo Etchebarne, Tax ID 9.156.8276 (0.198%), Francisco Izquierdo Etchebarne, Tax ID 12.027.838-K (0.198%), María de los Angeles Izquierdo Etchebarne, Tax ID 12.027.835-5 (0.198%), Cristián Tomás Izquierdo Etchebarne, Tax ID 15.642.698-9 (0.198%).

c) **Inversiones El Manzano Ltda.**, whose ultimate controlling shareholders are Diego Izquierdo Menéndez, Tax ID 3.932.428-8, with 95.48% of the capital stock, María Isabel Reyes, Tax ID 5.748.650-3, with 3.58% of the capital stock, Diego José Izquierdo Reyes, Tax ID 17.402.993-8, with 0.23% of the capital stock, Pablo José Izquierdo Reyes, RUT 17.402.994-6, with 0.23% of the capital stock, María Isabel Izquierdo Reyes, RUT 18.018.196-2 with 0.23% of the capital stock and María Alejandra Izquierdo Reyes, RUT 18.636.111-3 with 0.23% of the capital stock.

d) **Andacollo de Inversiones Ltda.**, whose ultimate controllers are Gonzalo Izquierdo Menéndez, Tax ID 3.567.4845, and Luz María Irarrázaval Videla, Tax ID 5.310.548-3, with 99.99% and 0.01% direct shares of the company's capital, respectively.

e) **Santo Domingo de Inversiones S.A.**, whose ultimate controllers are Rosario Izquierdo Menéndez, Tax ID 5.548.438-4, and Santiago Izquierdo Menéndez, Tax ID 5.742.959-3, with 99.79% and 0.21% direct shares of the company's capital, respectively. This company was taken over by Santa Rosario de Inversiones Ltda.

f) **Andrómeda Inversiones Ltda.**, whose final controller is Roberto Izquierdo Menéndez, Tax ID 3.932.425-3, with 27.68%, María Teresa Valdés Covarrubias, Tax ID 4.431.346-4 with 4.58%, Roberto Izquierdo Valdés, Tax ID 9.099.538-3 with 11.29%, Francisco Rodrigo Izquierdo Valdés, Tax ID 9.099.540-5 with 10.60%, Rosario Izquierdo Menéndez, Tax ID 5.548.438-4 with 42.42% and Carmen Izquierdo Menéndez Tax ID 5.548.409-0 with 18.87% of the capital stock.

g) **Santa Rosario de Inversiones Ltda.**, whose ultimate controllers are Rosario Izquierdo Menéndez, Tax ID 5.548.438-4 and Santiago Izquierdo Menéndez Tax ID 5.742.959-3 with 99.79% and 0.21% direct shares of the company's capital, respectively.

h) **Inversiones La Estancia Ltda.**, whose ultimate controller is María del Carmen Izquierdo Menéndez, Tax ID 5.548.409-0 with a 99.99% of the company's capital.

i) **Inversiones Los Ciervos Ltda.**, whose ultimate controller is Diego Izquierdo Menéndez, Tax ID 3.932.428-8 with a 99% share and María Isabel Reyes, Tax ID 5.748.650-3 with a 1% share of the company's capital.

j) **Inmobiliaria Estoril S.A.**, whose ultimate controllers are: Matías Izquierdo Menéndez, Tax ID 3.674.298-4 with 22.71%, Gonzalo Izquierdo Menéndez, Tax ID 3.567.484-5 with 10.60%, Rosario Izquierdo Menéndez, Tax ID 5.548.438-4 with 42.42% and Carmen Izquierdo Menéndez Tax ID 5.548.409-0 with 18.87% of the capital stock.

k) **Inversiones Marchigüe Ltda.**, whose ultimate controller is Fernando Izquierdo Menéndez, Tax ID 3.567.488-8 with 57.13%, Ida Ester Etchebarne Jaime, Tax ID 5.418.932-K with 7.02%, Juan Agustín Izquierdo Etchebarne, Tax ID 9.156.812-8 with 7.17%, Fernando José Izquierdo Etchebarne, Tax ID 9.156.827-6 with 7.17%, Cristián Tomás Izquierdo Etchebarne, Tax ID 15.642.698-9 with 7.17%, Francisco Izquierdo Etchebarne, Tax ID 12.027.838-k with 7.17%, María de los Ángeles Izquierdo Etchebarne, Tax ID 12.027.835-5, with 7.17% of the capital stock.

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l) Los Boldos S.A., whose ultimate controllers are Rosario Izquierdo Menéndez, Tax ID 5.548.438-4, and Santiago Izquierdo Menéndez, Tax ID 5.742.959-3 with 99.77% and 0.23% direct and indirect shares of the company's capital, respectively.

m) Inversiones Rapel SpA, whose ultimate controlling shareholders are Vicente Izquierdo Menéndez, Tax ID 5.741.891-5, and María Virginia Taboada Bittner, Tax ID 6.834.545-6, with 93.02% and 6.98% of the capital stock, respectively.

n) Andaluza Sociedad de Inversiones Ltda., whose controlling shareholders are María Alejandra Izquierdo Menéndez, Tax ID 5.020.827-3 with 98% and Fundación Epi-fanía, Tax ID 65.049.057-6 with 2% of the capital stock.

o) La Esperanza S.A., whose ultimate controller is Gracia Inés Izquierdo Menéndez, Tax ID 5.742.317-K, with a 99.99% share of the company's capital.

p) Inmobiliaria e Inversiones Santa Sofía Ltda., whose ultimate controllers are Matías Izquierdo Menéndez, Tax ID 3.674.298-4 with 10.37%; María de la Luz González del Valle, Tax ID 4.469.967-2 with 0.03%; Jimena Iz-

quierdo González, Tax ID 10.184.748-9 with 0.31%; María Cecilia Izquierdo González, Tax ID 10.184.749-7 with 6.92%; Felipe Izquierdo González, RUT 10.367.412-3, with 6.93%;

Sofía Izquierdo González, Tax ID 7.054.293-5 with 7.72%; Matías Izquierdo González, Tax ID 7.636.577-6 with 6.92%; Paula Izquierdo González, Tax ID 7.054.289-7 with 6.92%; Nicolás Izquierdo González, Tax ID 10.367.413-1 with 7.67%; Pedro Izquierdo González, Tax ID 10.364.156-K with 7.65%; Lucía Izquierdo González, Tax ID 13.436.321-5 with 7.67%; Francisca Izquierdo González, Tax ID 7.054.292-7 with 7.67%; Julio Izquierdo González, Tax ID 13.881.971-K with 7.71%; Rosario Izquierdo González, Tax ID 18.465.113-0 with 0.31%; María del Pilar Izquierdo González, Tax ID 13.233.182-0 a 7.69% direct shares of the company's capital, respectively.

q) Sociedad Colectiva Inversiones Los Robles, Santiago Izquierdo Menéndez Tax ID 5.742.959-3 (24.4856%), Bárbara Larraín Riesco Tax ID 6.448.657-8 (3.2948%); Santiago Izquierdo Larraín Tax ID 16.365.276-5 (12.0366%); Martín Izquierdo Larraín Tax ID 16.611.594-9 (12.0366%); Benjamín Izquierdo Larraín Tax ID 17.406.081-9 (12.0366%); Bárbara Izquierdo Larraín Tax ID 18.020.351-6 (12.0366%); Gracia Izquierdo Larraín Tax ID 18.641.299-0 (12.0366%); Lucas Izquierdo

Larraín Tax ID 19.893.205-1 (12.0366%) direct shares of the company's capital.

r) Cerro Colorado de Inversiones Ltda., whose ultimate controlling shareholders are Luz María Irarrázaval Videla, Tax ID 5.310.548-3 with 0.50%; Gonzalo Izquierdo Menéndez, Tax ID 3.567.484-5 with 14.31%; José Juan Izquierdo Irarrázaval, Tax ID 17.402.003-5 with 16.18%; Florencia de Jesús Ruiz-Tagle Jara, Tax ID 18.394.625-0 with 0.85%; Alejandro José Izquierdo Irarrázaval, Tax ID 16.015.556-6 with 13.63%; Valentina Doppelmann Andueza, Tax ID 16.365.774-0 with 0.85%; Elisa Izquierdo Doppelmann, Tax ID 24.611.971-6 with 0.85%; Olivia Izquierdo Doppelmann, Tax ID 25.120.480-2 with 0.85%; Juan Izquierdo Doppelmann, Tax ID 26.509.180-6 with 0.85%; Alfonso Hernán Izquierdo Irarrázaval, Tax ID 15.367.349-7 with 13.63%; María Josefina Ortega Ortiz, Tax ID 16.208.866-1 with 0.85%; Alfonso José Izquierdo Ortega, Tax ID 24.397.953-6 with 0.85%; León José Izquierdo Ortega, Tax ID 25.106.207-2 with 0.85%; María Josefina Izquierdo Ortega, Tax ID 25.951.937-3 with 0.85%; Gonzalo José Izquierdo Irarrázaval, Tax ID 8.717.813-7 with 17.03%; Luz María Izquierdo Irarrázaval, Tax ID 9.609.989-4 with 17.03% of the capital stock, respectively.

Grupo Gianoli

a) Inversiones Green Ltda., whose ultimate indirect controller is the Fondation G&D (Geneva, Switzerland) with 90% of the capital stock.

b) Pifemarno SpA and Bluedar Chile SpA, whose ultimate controlling company is Claudia Gianoli Quesada, Tax ID 48.160.755-8, with an indirect participation of 100% in the capital stock.

c) Allegra SpA y Solaria Chile SpA, whose ultimate controlling shareholder is Cirilo Gianoli Quesada, Tax ID 48.014.709-k, with an indirect shareholding of 100% in the capital stock.

d) Flomanju SpA and Floridest Chile SpA, whose ultimate controller is Alberto Gianoli Quesada, Tax ID 48.033.713-1, with an indirect participation of 100% in the capital stock.

Shareholders



Inversiones ALTEL	54.86%
Pension fund	14.20%
Others	30.94%

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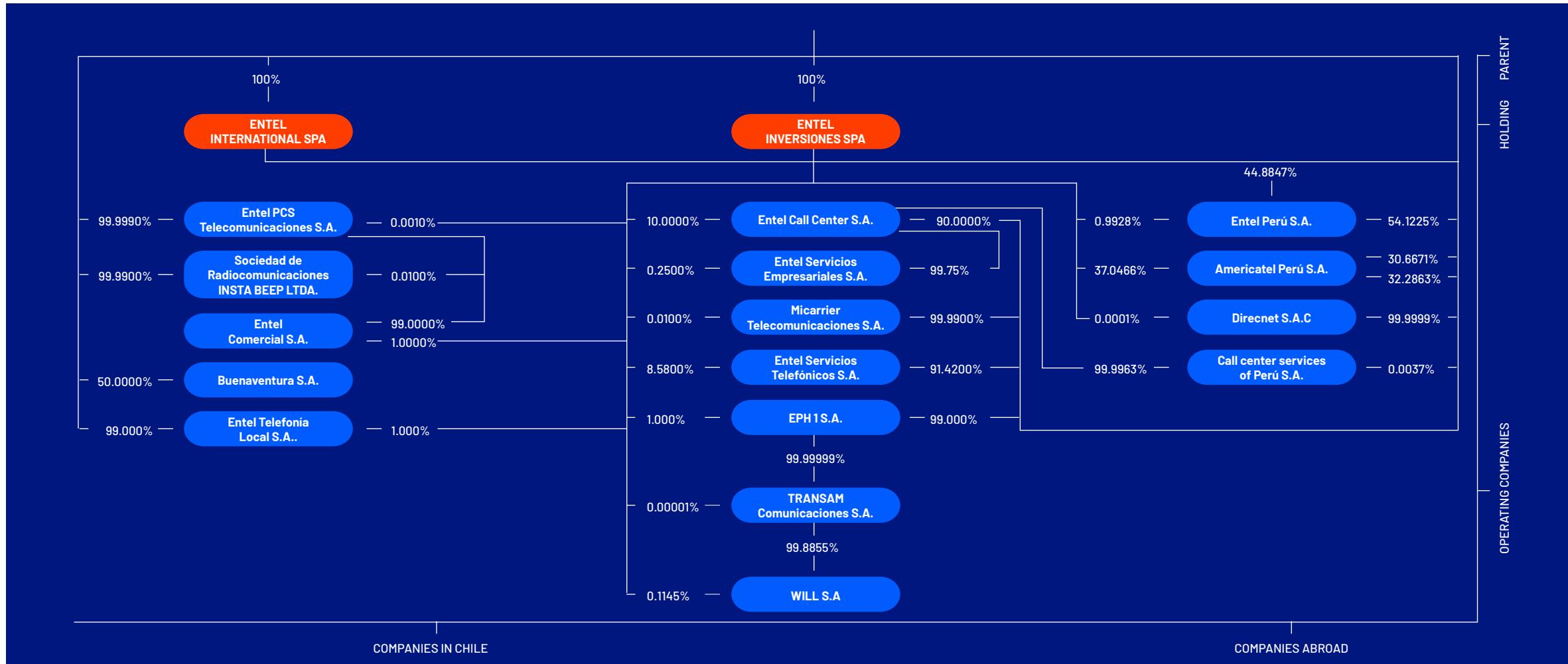
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Entel Group at 31.12.2021



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Dividend Policy

a) Dividend Policy:

In accordance with the regulations of the Chilean Securities and Insurance Supervisor, the board of directors must approve the company's dividend policy for future years.

The board intends to maintain the dividend policy reported at the 2020 Annual Shareholders' Meeting, consisting of paying out up to fifty percent of the distributable profits of each year as a dividend and, where advisable, the capitalization of part of such accumulated profits at the end of each year.

It is proposed to pay the resulting dividend on or before May 31 of the corresponding year. In relation to the annual interim dividends, the distribution of a provisional dividend during the last quarter of 2021 is envisaged for the year 2021, whose origin and amount will be determined in accordance with the results obtained by the company during the first three quarters of the year.

This policy will be analyzed going forward with a view to making it permanent, in line with the return to a stable investment plan associated with organic revenue growth.

In determining the percentage of profits and the dates on which proposed final dividends will be paid, the company seeks to ensure financial stability while adhering to the established distribution policy. Specific attention has been paid to safeguards for debt, liquidity, and budget financing, and any possible covenants that may arise from public supply contracts and credit agreements entered into by the company.

The board's intended dividend payments are always subject to the results and investment requirements set out in the forecasts made regularly by the company.

It is stated for the record that, also to be maintained are the Policy for the determination of Distributable Net Income and the Policy for the treatment of Adjustments determined for the first application of IFRS, communicated to the Superintendency of Securities and Insurance in a timely manner and reported at the 2013 Shareholders' Meeting in accordance with the provisions of Circular 1945 of the Superintendency of Securities and Insurance, now the Financial Market Commission. The policy will continue to hold for future financial years in the manner described above.

Interested parties wishing to withdraw their dividends at the commercial bank designated by the Company must do so in person or duly represented by an authorized representative with powers granted by public deed or by private instrument authorized by a public notary. For the latter, either the original document or a duly legalized photocopy must be left with the company.

b) Dividend Payment Procedure:

Upon the written request of any shareholder, dividends will be deposited in the shareholder's current or savings account on the date established for payment. To this end, shareholders must communicate, at least 24 hours before the closing of the registration, the name of the bank, the branch or office, and the number of an account in their name. The shareholder will remain subject to this payment system until he/she communicates, also in writing, his/her wish to the contrary.

For shareholders who have not opted for the aforementioned method, the dividend will be paid by demand voucher through a commercial bank designated by the Company in the Metropolitan Region, to be withdrawn within 60 days from the informed payment date. Once this period has passed, the shareholder must request the issuance of a new demand voucher or the deposit in a bank account, directly to the company administering the Shareholders' Register.

The company also undertakes projects to maintain a level of technical and economic efficiency, and suitable levels of maintenance for its facilities, making financially optimal decisions to allow the required evolution of infrastructure, networks, platforms and systems.

The payment of dividends will be publicly communicated in a timely manner in the national newspaper established at the general shareholders meeting.

Investment Policy

In terms of investments, the company aims to obtain an adequate return on its assets through the study, construction and operation of telecommunications systems and information technology, complemented by the provision of a wide range of related services both in Chile and abroad, principally through its subsidiaries in Peru.

To comply with this objective, the company makes investments in a wide range of technologies and platforms for the sale, provision and development of new services for customers, as well as making investments to meet the growing demand for connectivity related to new services, technologies, markets and user needs.

The company will be authorized to make contributions to subsidiaries and affiliates, in Chile and abroad, within the scope of this policy.

To maximise yields from cash surpluses, the company will invest in financial assets and market securities in line with its portfolio selection and diversification criteria. These criteria will take into consideration factors such as liquidity, security and profitability.



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Financing Policy

The financing policy is based on obtaining financial resources in national and international financial markets, bearing in mind the structure of the company, the natural cycles of business and the cost of debt.

The company's policy is based on the following sources of resources in Chile and abroad:

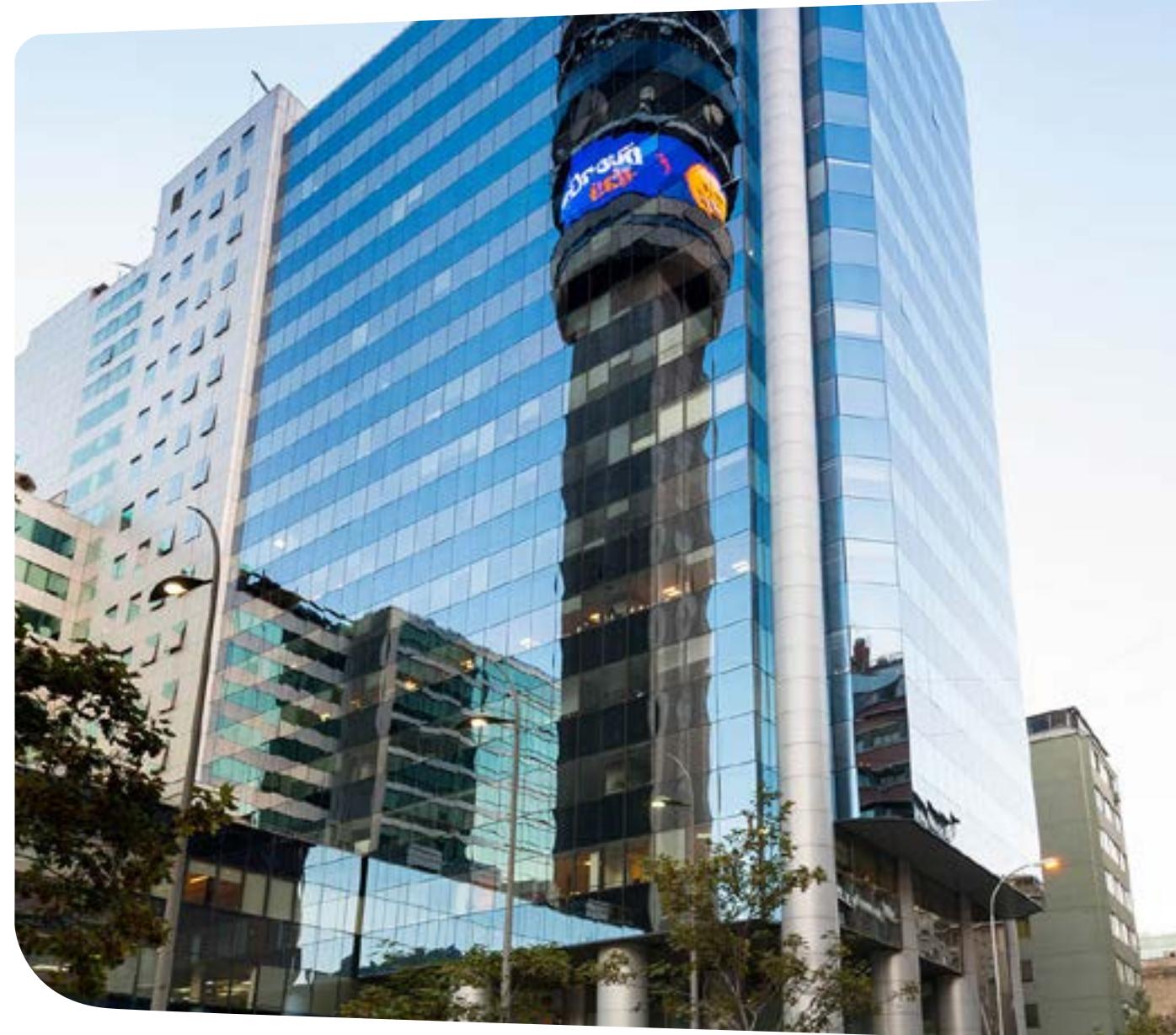
- Own resources.
- Resources derived from increases to capital stock by issuing and placement of shares.
- Supplier Credit.
- Loans from banks and financial institutions.
- Deferred customs duties.
- Issuing and placing public and private bond offerings.
- Leasing and leaseback operations.
- Sale of non-core assets.

The policy establishes a maximum level of debt based on the higher of: (Financial Debt - (Cash and cash equivalents + Other current and non-current financial assets)) / (Equity plus non-controlling interests) equal to 1.7 (one point seven fold); or (Financial Debt - (Cash and cash equivalents + Other current and non-current financial assets)) / Ebitda last 12 months equal to 3.5 (three point five fold).

In calculating both indicators, financial debt is calculated discounting financial investments and cash. The company will strive to maintain reasonable debt and interest expense coverage ratios over time, with a view to achieving an "investment grade" risk rating.

It should be noted that the management of the company cannot agree to specific dividend restrictions with creditors or make guarantees of any kind to third parties or other companies or enterprises other than subsidiaries or associates.

In addition, all concessions and frequencies granted for the provision of public service in Chile and abroad held by the company and considered essential to the provision of its services, are declared to be essential assets for the operation of the company, unless their sale is ordered by the authorities or they are replaced, changed or modified in any other way. It is understood that the foregoing includes the relinquishment, modification or sale of such concessions and frequencies, or other alternatives, whichever is deemed more convenient, if necessary, to comply with the provisions of the competent authorities and/or to carry out adjustments and rearrangements that benefit or do not materially alter the rendering of the services. The company may dispose of, sell, exchange, lease, add, modify or replace other property consisting of towers, antennas and other installations as long as in doing so the provision of services is altered.



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Distributable Profits

The Consolidated Income Statement for the year 2021 shows a profit of CLP74,975,310,630. For the purpose of determining the distributable net profit to be included in the calculation of the minimum mandatory and supplementary dividend, the company has established a policy of deducting net profits arising from unrealized

fair value adjustments to assets and liabilities from profit or loss. For this purpose, as at 31.12.2021, no deduction should be made as the net change in the market-to-market adjustments amounted to a loss. As a result, the distributable profit for the financial year 2021 was CLP74,975,310,630.

Dividends per Share

Year	Provisory Div CLP per share		Eventual Div CLP per share		Final Div CLP per share		Total Div per year
	Profit for year	Profit previous years	Profit for year	Profit previous years	Profit for year	Profit previous years	
2019	0	0	0	0	0	0	0
2020	0	0	0	0	154	0	154
2021	0	0	0	700	139	0	839

Comparative performance of shares



Stock Market Presence

The stock market presence of Entel S.A. in 2021 was 100%, calculated in line with General Regulation No. 327 of the Chilean Superintendency of Securities and Insurance, dated January 17, 2012. This includes transactions carried out on the Santiago Stock Exchange, Electronic Stock Exchange.

Summary of Transactions

	Santiago Stock Exchange			Chilean Electronic Stock Exchange		
	Quantity Traded	Transaction Amount (pesos)	Average Price (pesos)	Quantity Traded	Transaction Amount (pesos)	Average Price (pesos)
1st quarter 2019	19,230,427	127,806,005,072	6,646	518,621	3,390,819,445	6,538
2nd quarter 2019	11,843,839	81,758,163,534	6,903	292,327	2,015,918,875	6,896
3rd quarter 2019	9,903,366	61,813,249,951	6,242	146,690	936,382,238	6,383
4th quarter 2019	19,216,036	106,701,802,594	5,553	336,621	1,908,483,479	5,670
1st quarter 2020	24,039,766	101,908,358,955	4,239	486,296	2,130,908,626	4,382
2nd quarter 2020	32,108,156	157,420,070,649	4,903	779,545	3,883,095,983	4,981
3rd quarter 2020	17,858,064	92,925,116,172	5,204	273,498	1,403,259,088	5,131
4th quarter 2020	43,528,886	202,599,232,131	4,654	1,153,865	5,431,377,764	4,707
1st quarter 2021	27,312,547	127,497,525,560	4,668	563,204	2,635,735,137	4,680
2nd quarter 2021	26,925,128	108,248,346,919	4,020	615,184	2,379,371,571	3,868
3rd quarter 2021	12,976,875	48,177,141,738	3,713	782,074	2,934,274,261	3,752
4th quarter 2021	38,036,636	116,577,494,045	3,065	1,383,506	4,194,421,475	3,032
Total	282,879,726	1,333,432,507,320	4,712	7,331,431	33,244,047,942	4,534

Share transactions

In compliance with the instructions contained in General Rule No. 269 of the Superintendency of Securities and Insurance, it is hereby stated for the record that during 2021, according to our records, the following stock transactions were carried out.

Name/ Company name	Function	Date of Trans- action	Transaction	Method	Shares	Unit Price	Transaction Amount
NO REPORTED MOVEMENTS							

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Financial Activities 2021

Over the year, the company engaged in financial activities focused on maintaining solid and conservative liquidity levels, which were reflected in its significant cash levels as well as in the maturity profile of its bonds. In September, the company issued debt obligations associated with its international bonds for a total of USD 800 million. This was achieved through the early purchase of bonds issued in 2013 and 2014 whose principal maturities are scheduled between 2022 and 2026. To achieve this, the company launched an early repurchase offer of existing bonds for up to USD 800 million and simultaneously announced its interest in issuing a new bond with a 10-year maturity in order to repay the repurchased bonds early. The new Entel 2032 bond was based on sustainability criteria ("ESG"), and is the first Entel issue of this type. High market demand for this new bond issue was reflected in the interest in purchasing the new instrument, with investment orders placed during the process reaching up to 3.4 times the required amount. Through the management of liabilities, the repurchase and the new issuance, Entel was able to outline its new maturity schedule in longer terms and where short-term obligations can be feasibly covered with available liquidity.

In addition to the above, and partly as a result of the disposal of non-strategic assets, Entel's cash flow was increased to levels that allowed it to comfortably meet possible emergency situations that could have arisen as a result of the health or political-social situations in the countries where it operates. However, as a result of the significant equity generated in the business, the final cash position was even stronger. The consolidated cash balance as at December 31 showed solid liquidity with a balance of Ch\$ 355,881 million, which is invested conservatively and in accordance with the guidelines established in the company's investment policy.

Similarly, in order to maintain a comfortable payment schedule for liabilities, we took care of commercial obligations, which were very well accepted by suppliers, allowing us to offer attractive payment terms.

Combining cash effects with the loose amortization schedule, and in conjunction with the optimization of working capital, the group's companies maintained high coverage ratios for their current liabilities.

Over the year, the subsidiary Entel Perú took out bank loans in local currency for a total equivalent of USD 35 million, which were

used to repay acknowledged receivables from its parent company. These loans from Peruvian banks were granted without explicit guarantees from the parent company, in line with the plan to start operating the subsidiary in the Peruvian financial system, without additional requirements to its own positive generation of cash flow. In this regard, over the year Entel did not transfer any financial resources and the subsidiary covered all of its financing needs. Nonetheless, there is an ongoing assessment of the participation of the different Peruvian financial agents for the financing of this subsidiary. Over the year, short-term bank credit lines remained fully active and approved, in order to ensure liquidity and provide flexibility to the regular operation of the business in both countries. These bank credit lines came to \$158 billion and were not disbursed. In line with both the financial soundness and the liability management carried out over the period, the prices of debt instruments in the secondary markets showed improvements in relation to previous years.

In keeping with the objective of ensuring an investment grade risk classification by the risk rating agencies, the company continued to improve the level of indebtedness both through greater generation of cash flow from its operations in Entel Peru and

Entel Chile, as well as from the resources provided by the sale of non-strategic assets in both countries. Positive quarterly performance of the financial ratios increased the leeway agreed in certain debt agreements, as well as the maximum limits established internally by the Financing Policy and ratified by the Shareholders' Meeting.

Over the year, both the financial asset markets and the currency parity markets showed high volatility with respect to historical levels, making it critical to keep the net balance of the currency position permanently adjusted, in order to bring it in line with Entel's policy regarding the hedging of all its financial and commercial obligations denominated in currencies other than those of its core business, i.e., Chilean pesos and nuevos soles. For this reason, currency derivative instruments that fluctuated inversely to liabilities were maintained and renewed, eliminating net fluctuations associated with exchange rates. The average amount of short-term currency futures contracts (forwards) was USD 249 million and were mainly associated with payments to suppliers and bank loans denominated in foreign currency. Meanwhile, currency hedges were retained both for the total principal and interest of the financial debts issued in international bonds.

Together with the implementation of new trends and work and innovation methodologies at Entel, the company incorporated an important number of electronic banking tools to its regular financial operations, improving the agility and timeliness of transactions, eliminating risks and maintaining an environment of strict oversight for payment processes. In addition, progress continues to be made in the operation of certain financial functions in Chile and Peru, generating economies of scope and scale.

In 2021, the company continued with activities aimed at keeping the financial community informed about its performance. This included follow-up on information to shareholders, bondholders, bank creditors and risk rating agencies, with the aim of sharing those elements important for assessing the company.

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Risk Factors

Risks Common to the Whole Industry			
Risk	Description	Impact	Management
Technological Evolution	Evolution in technology means the company must continuously review its investment projects to ensure they are in line with its aim of meeting the connectivity needs of the markets. These changes occur both as a result of changes in patterns of demand and the development of new forms of connectivity.	The periods of obsolescence of investments in new technology may be less than initially estimated when the investment is made, meaning initial estimates of expected profitability may not be met.	The risk of technological evolution is inherent to all the markets in which Entel operates. A key element of the company's competitiveness is in remaining at the cutting edge of the development of technology while actively managing technological risk.
Regulatory	Telecommunications services in Chile are governed primarily by the General Law of Telecommunications, its regulations and complementary technical regulations. These legal and regulatory bodies establish a general principle of free competition in which concessions are granted through pre-established and objective norms.	Changes in the General Telecommunications Law, new sector regulations or recommendations and obligations from authorities can create opportunities and risks in the company's commercial activities and can also affect the rollout of infrastructure and levels of competition in the market.	Actively participating in legislative and regulatory debate in the sector through the relevant forums, and in market assessments carried out by the authorities, allows Entel to anticipate changes, adapting to the new regulation, minimizing risk and creating opportunities that allow it to maintain its position in the various markets in which it operates, or roll out new services.
Exchange Rate	The company's liabilities are largely designated in foreign currencies due to bank loans and bonds issued on international debt markets. Furthermore, a proportion of Entel's suppliers generate obligations for foreign currency payments.	A daily fluctuation in the value of liabilities as a result of changes in exchange rates, with the respective economic impact on the financial statements.	To cover these volatilities, Entel has short- and long-term contracts in foreign currency assets (hedge derivatives) to protect against such variations and guard against the risk of exchange rate fluctuations.
Interest Rate	In general there is a positive correlation between the company's business activities, the economic cycle and interest rates, which creates a natural hedge for cash flows and financial expenditure. However in certain situations, time lags may occur.	The potential fluctuation of financial expenditure is covered by an interest rate hedge policy which aims to secure a level of coverage for the company's financial expenditure to allow the adequate performance of the business over time and ensure greater predictability and control of financial expenditure.	To comply with these objectives, interest rates are insured against through financial swap contracts (cross currency swaps and forwards) to reduce potential variability in interest on debts with variable rates (e.g. Libor, Tab, Cámara).
Credit	The credit risk from balances of accounts held with banks, financial instruments, negotiable securities and derivatives is managed by the finance department in line with the policies for maintaining the invested capital.	Situations can occur in the market where one of the counterparts in a financial contract - such as one for investments, financial derivatives or cash - are unable to fulfil their obligations.	To reduce this risk, Entel has policies to ensure the diversification of risk based on pre-established limits for the duration, percentage by institution, and the risk classifications of the institutions and instruments in which investments are made. Risks related with accounts receivable originating from commercial business are covered by accounts receivable impairment policies.
Liquidity	To minimize risk, Entel's liquidity policy is consistent with the adequate management of assets and liabilities, allowing the company to fully meet short- and medium-term payment commitments.	The company may be affected by the failure to comply with the debt service.	Entel can also anticipate the due dates of financial obligations by searching for an option on the market to provide funds in a timely manner.
			Customer billing is monitored on a daily basis to detect any relevant deviations that may exist with respect to the expected revenue flow. The company actively manages accounts payable to suppliers of consumables and debt services, allowing it to meet all its obligations in a timely manner while optimizing cash surpluses on a daily basis.
			Also, forecasts of cash flows are periodically made along with an analysis of the company's balance sheet and the expectations of the capital market so that Entel has flexible alternatives to deal with needs and availability of cash.

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Insurance commitments

In 2021, the insurable risks were retained in the insurance market that usually provides insurance coverage for both the parent company and all its subsidiaries in Chile and Peru. These policies cover any damage that might affect assets, profits or third parties as a result of the transaction, thereby avoiding possible negative impacts on results and assets due to the effect of due to the effect of losses. In addition, Entel continually implements risk control and mitigation policies through procedures focused both on preventing and limiting the extent of an incident and on reducing recovery and replacement times for the material or service involved. Risk mitigation is reinforced by infrastructure investment plans increasing network redundancy and resilience.

The corporate insurance policy places special emphasis on covering those incidents that may have a significant effect on the financial results of the companies in the ENTEL group, without relinquishing the less significant impact events, so as to ensure an appropriate economic balance between the costs of an incident and those of the premiums. The programme also protects group companies against possible civil liability relating to third parties as a result of damages caused involuntarily in the course of our business. In recent years new policies have been incorporated with ceilings increased in some cases in line with risk,

particularly climate and social risk and the demands of an environment in flux.

The insurance policies that provide coverage for greater risks with bigger losses are contracted through a regional program, to take advantage of the benefits offered by the insurance market given the greater insurable volume and the diversification of risks in the region, which has been extended to different existing policies.

The company has contracted insurance policies normally taken out by companies in the telecommunications sector to cover:

- a. Physical Property and Impairment Loss Allowance, with respect to its own property and property of third parties under care, custody and control.
- b. Civil Liability for possible pecuniary claims for damages caused to third parties in the course of business activities, which are caused in its facilities, on public roads or in third parties' premises.
- c. Data protection liability and cyber risk that may affect the industry.
- d. Several miscellaneous policies, including transportation insurance, personal accident insurance, insurance for private security guards, as well as two insurance programs implemented for contractors and franchisees.

Shareholder Comments and Directors' Committee

Over the last fiscal year, the company did not receive any requests with comments or proposals related to the course of its business to be included in this report.

In accordance with current legal and regulatory standards, the group companies in 2021 informed the Financial Market Commission (CMF), under the

qualification of a material event or relevant information, of the following:



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I. Parent Company - Summons to extraordinary shareholders meeting, summons and proposals.

The board of directors of the company, in a meeting held on April 5, 2021, agreed to call an ordinary shareholders' meeting of Entel S.A. to be held on April 27, 2021, in order to inform and submit for approval of the shareholders the matters listed below:

- Approval of the 2020 Annual Report, Balance Sheet and other Financial Statements as of December 31, 2020, and the External Audit Company's report for the same fiscal year.
- Profit Distribution.
- Dividend Policy Information
- Approval of Investment and Financing Policy.
- Determining remuneration of the Directors
- Setting remuneration for the Directors' Committee and its expense budget.
- Appointment of External Audit Company and Account Inspectors.
- Appointment of Risk Rating Agencies.
- Report on Transactions with Related Parties.
- Determining the journal in which the citation notices will be published.
- Other matters that are of interest to the company and within the powers of the Board.

With respect to the matter set out in number 2, above, it will be proposed at the ordinary shareholders' meeting that a final dividend of CLP139 per share be paid out of the profits for the year 2020, without deducting

anything for not distributing an interim dividend over the past year, to be paid on a date to be determined by the shareholders at the ordinary shareholders' meeting.

The Board of Directors, by virtue of the provisions of General Rule No. 435 and Circular No. 1141 issued by the Financial Market Commission (CMF), both dated March 18, 2020, approves the participation and remote voting of shareholders in the Ordinary Shareholders' Meeting and recommends the use of such mechanisms if the health risks generated by the Covid-19 pandemic, whose effects are publicly known, are still prevalent on the date set for the meeting. The mechanisms and the manner in which each shareholder shall prove his or her identity and proxy, if applicable, shall be communicated to the shareholders in the relevant notice and on the website <https://informacioncorporativa.entel.cl/inversionistas/informacion-de-interes>.

Finally, it is noted that the Board of Directors especially empowered the CEO to qualify the health and regulatory circumstances in force on the day set for the Meeting to be held, in order for him to determine the need to invoke reasons of force majeure and suspend the Meeting or the adoption of any other measure that may be necessary to hold the Meeting under the terms agreed by the Board. In the event that the meeting has to be adjourned, it shall be held within 30 days from the date on which the situation that prevented the Meeting from being held has ceased, all of which shall be duly reported to shareholders by means of a material fact and the respective notices.

II. Parent Company - Ordinary shareholders' meeting, notices, agreements and proposals. Distribution of profits (payment of dividends)

Letter No. 2, dated April 27, 2021, communicated that at the General Meeting of Ordinary Shareholders held on April 27, 2021, it was agreed to:

- Approve the Annual Report, Balance Sheet and Statement of Income for the 2020 financial year.
- Pay as a final dividend CLP 139 per share, equivalent to 49.7% of the net income for the year, without deducting any amount due to non-distribution of an interim dividend. Payment will be made as of May 26, 2021.
- Approve the investment and financing policy and the dividend policy. Dividend policy reported.
- Uphold the remuneration of the directors and the directors' committee approved at the previous Ordinary Shareholders' Meeting and set the Committee's annual budget; approve the appointment of the firm EY as external auditors; appoint regular and alternate account inspectors; retain Fitch Ratings and ICR (International Credit Rating) as risk raters; continue using the newspaper "El Mercurio" of Santiago for the publication of corporate notices; and approve the related transactions.

Lastly, the Chairman is informed that the minutes of this Shareholders' Meeting will be sent to him within the term established by current regulations, and that the pertinent

background information will be published on the Company's website, in accordance with legal and corporate regulations.

III. Parent company - Placement of securities in international and/or national markets

By letter dated September 9, 2021, the following information was communicated as a material fact:

On September 9, 2021, Empresa Nacional de Telecomunicaciones S.A. (the "Company"), agreed to issue and place in the international markets sustainable bonds for a total of US\$800,000,000 (eight hundred million United States dollars), maturing in 2032 at an interest rate of 3.05% per annum (the "US Bonds"), under Rule 144-A and Regulation S of the Securities and Exchange Commission of the United States of America, pursuant to the Securities Act of 1933, of the United States of America.

The funds to be raised with this US Bond issue will be used primarily to finance and refinance, in full or in part:

- Eligible Green Projects and Eligible Social Projects of the Company or any of our subsidiaries in accordance with the Green Bond Principles, 2021 and the Social Bond Principles, 2021, administered by the International Capital Markets Association; and
- A voluntary early redemption offer ("Tender Offer") of bonds issued by the Company and maturing in 2024 at an interest

rate of 4.875% per annum (the "2024 Bonds") and/or bonds issued by the Company maturing in 2026, at an interest rate of 4.750% (the "2026 Bonds"), for a combined total amount of US\$800,000,000 in par value. The premium for voluntary early redemption would be USD 66,481,026.

The issuance of these US Bonds was rated BBB- by S&P and BBB- by Fitch Ratings.

This operation changes the maturity profile of the company's obligations over time, lengthening the terms. In addition, the issue envisages a lower interest rate in dollars than that of the bonds to be redeemed early.

Finally, in accordance with the provisions of the Commission's Circular No. 988, we inform you that the Company's management believes that, with regards to the placement of US Bonds, as well as the result of the Tender Offer mentioned above, it is not possible to determine with the information available at this date its effect on the Company's statement of income for the current fiscal year, in the event it should materialize.

IV. Parent company - Placement of securities in international and/or national markets

By letter dated September 15, 2021, the following information was communicated as a material fact:

In addition to what was reported on September 9, 2021, on September 14, 2021, Empresa Nacional de Telecomunicaciones S.A. (the "Company"), issued and placed Sus-

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tainable Bonds in the international markets for a total amount of US\$800,000,000 (eight hundred million United States dollars) maturing in 2032 at an annual interest rate of 3.05% (the "US Bonds"), pursuant to Rule 144A and Regulation S under the Securities Act of 1933 of the United States of America.

The proceeds of this US Bond issue will be used primarily to finance and refinance, in whole or in part, Eligible Green Projects and Eligible Social Projects of the Company or any of its subsidiaries in accordance with the Green Bond Principles, 2021 and the Social Bond Principles, 2021 administered by the International Capital Markets Association.

Pending the allocation of the funds to the Eligible Green Projects and the Eligible Social Projects, an amount equal to the funds raised was used to pay a voluntary early redemption offer ("Tender Offer") of a portion of the bonds issued prior to this date by the Company, maturing in 2024 at an interest rate of 4.875% per annum (the "2024 Bonds") and of the bonds issued prior to this date by the Company maturing in 2026, at an interest rate of 4.750% (the "2026 Bonds"), for a combined total amount of US\$800,000,000 par value. The premium paid for the voluntary early redemption was for US\$66,481,026. The portion of the 2024 Bonds and the 2026 Bonds subject to the voluntary early redemption were repurchased, paid for and cancelled today, resulting in the settlement of the Company's debt for that same amount.

The issuance of these US Bonds was rated BBB- by S&P and BBB- by Fitch Ratings.

This operation changes the maturity profile of the company's obligations over time, lengthening the terms. In addition, the issue envisages a lower interest rate in dollars than that of the bonds to be redeemed early.

Similarly, in accordance with the provisions of the Commission's Circular No. 988, we inform you that the Company's management believes that, with regards to the placement of US Bonds, as well as the result of the Tender Offer mentioned above, it is not possible to determine with the information available at this date its effect on the Company's statement of income for the current fiscal year.

V. Parent Company– Ordinary shareholders' meeting, notices, agreements and proposals. Distribution of profits (payment of dividends)

The Company's Board of Directors, in a meeting held on October 4, 2021, agreed to call an extraordinary shareholders' meeting of Entel S.A. to be held on Tuesday, October 19, 2021, in order to inform and submit for the approval of the shareholders the matters listed below:

- Distribution of an interim dividend, charged to the Company's retained earnings of Ch\$700 per share, equivalent to Ch\$211,411,979,100, to be paid on the day to be fixed by the extraordinary shareholders'

meeting, proposed for such purpose on Wednesday, November 3, 2021 (the "Dividend"), to the shareholders registered in the respective register at midnight of the fifth business day prior to the payment date, in accordance with the procedures previously used by the Company for the payment of dividends, without prejudice to the power of the shareholders' meeting to set a different amount, dates or conditions for the payment of the Dividend. The above is proposed based on the outcome of the tower sale program that has been underway since December 2019, which yields an extraordinary net pre-tax gain of Ch\$238,146 million, accrued as at December 31, 2020, as well as the company's current financial position, among other reasons;

- To empower the board of directors, in the event it deems necessary or convenient, to modify the date of payment of the Dividend, as well as to grant it such other powers as the board of directors may resolve with respect to the Dividend; and
- To adopt such other resolutions or take such other action as may be necessary to effectuate that which is ultimately approved by the board.

The Board of Directors, by virtue of the provisions of General Rule No. 435 and Circular No. 1141 issued by the Financial Market Commission (CMF), both dated March 18, 2020, approves the participation and remote voting of shareholders in the Ordinary

Shareholders' Meeting and recommends the use of such mechanisms if the health risks generated by the Covid-19 pandemic, whose effects are publicly known, are still prevalent on the date set for the meeting. The mechanisms and the manner in which each shareholder shall prove his or her identity and proxy, if applicable, shall be communicated to the shareholders in the relevant notice and on the website <https://informacioncorporativa.entel.cl/inversionistas/informacion-de-interes>.

Finally, it is noted that the Board of Directors especially empowered the CEO to qualify the health and regulatory circumstances in force on the day set for the Meeting to be held, in order for him to determine the need to invoke reasons of force majeure and suspend the Meeting or the adoption of any other measure that may be necessary to hold the Meeting under the terms agreed by the Board. In the event that the meeting has to be adjourned, it shall be held within 30 days from the date on which the situation that prevented the Meeting from being held has ceased, all of which shall be duly reported to shareholders by means of a material fact and the respective notices.

VI. Parent Company – Distribution of Profits (Payment of Dividends)

By letter No. 6 dated October 20, 2021, the following material fact was reported:

At the Company's extraordinary shareholders' meeting, held on October 19, it was

agreed to distribute an interim dividend of Ch\$700 (seven hundred pesos) per share, charged to the Company's retained earnings, amounting to Ch\$211,411,979,100, to be paid on Wednesday, November 3, 2021 (the "Dividend"), to the shareholders registered in the respective registry at midnight of the fifth business day prior to the payment date.

The board of directors was also empowered to modify the dividend payment date agreed by the shareholders at the meeting, should it be deemed necessary or appropriate. The above, in all cases, shall only apply until midnight of the fifth business day prior to the date set for payment. Thereafter, the board of directors may not change the original dividend payment date.

In addition, it was agreed to empower the board of directors to adopt any resolution that may be necessary to complement or comply with the resolutions adopted at the meeting or to satisfy any legal, regulatory or administrative obligation or requirement of the Financial Market Commission, the stock exchanges, the Internal Revenue Service or any other public or private authority or institution that may arise as a result of the resolutions approved at the meeting.

Finally, immediate implementation of the resolutions adopted at the meeting was authorized, once the minutes of the meeting have been duly signed, without waiting for their subsequent approval.

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Statement of Responsibility

Report Signatories and Sworn Declaration of Truth

In compliance with General Regulation No. 30, dated November 10, 1989, and General Regulation No. 283, dated November 5, 2010, both issued by the Chilean Superintendence of Securities and Insurance, this Report is signed by the absolute majority of the members of the Board of Directors and the CEO of Empresa Nacional de Telecomunicaciones S.A., who declare under oath to be responsible for the truth of the information provided in this Annual Report for 2021.

Signatures of the members of the Board.



Luis Felipe Gazitúa Achondo
Vice President
TAX ID 6.069.087-1



Enrique Gundermann Wylie
Director
TAX ID 9.900.567-K



Richard Büchi Buc
Director
TAX ID 6.149.585-1



Andrés Echeverría Salas
Director
TAX ID 9.669.081-9



Juan José Mac-Auliffe Granello
Director
TAX ID 5.543.624-K



Bernardo Matte Larraín
Director
TAX ID 6.598.728-7



Juan José Hurtado Vicuña
Chairman
TAX ID 5.715.251-6



Patricio Parodi Gil
Director
TAX ID 8.661.203-8



Jorge Salvatierra Pacheco
Independent Director
TAX ID 6.557.615-5



Antonio Büchi Buc
CEO
TAX ID 9.989.661-2

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Independent Auditor's Report

(Translation of the report originally issued in Spanish)

To the Shareholders and Directors of Empresa Nacional de Telecomunicaciones S.A.

We have audited the accompanying consolidated financial statements of Empresa Nacional de Telecomunicaciones S.A. and subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion on the Regulatory Basis of Accounting

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Empresa Nacional de Telecomunicaciones S.A. and subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.



Andrés Marchant V
EY Audit SpA

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For the years ended December 31, 2021 and 2020

ASSETS	Note	2021-12-31 (ThCh\$)	2020-12-31(ThCh\$)
Current Assets			
Cash and cash equivalents	5	108.604.768	202.481.237
Other current financial assets	6	326.830.155	389.290.088
Other current non-financial assets	7	95.306.980	85.956.936
Trade and other receivables	8	620.457.323	489.258.436
Trade receivables from related parties	9	210.440	294.621
Inventories	10	121.126.311	77.736.315
Current tax assets	11	24.843.836	117.796.401
Total Current Assets Other than Non-current Assets Held for Sale		1.297.379.813	1.362.814.034
Non-current assets classified as held for sale	22	-	14.144.897
Total Current Assets		1.297.379.813	1.376.958.931
Total Current Assets			
Other non-current financial assets	6	397.088.066	130.512.601
Other non-current non-financial assets	7	98.554.901	106.732.933
Non-current fees receivable	8	8.678.034	7.606.937
Intangible assets	12	388.041.277	280.882.103
Goodwill	13	47.251.140	47.151.825
Property, plant and equipment	14	2.049.999.322	1.940.341.846
Lease rights of use	28	442.122.455	362.410.839
Non-current tax assets	11	640.498	1.078.992
Deferred tax assets	15	688.472.867	634.767.525
Total Non-Current Assets		4.120.848.560	3.511.485.601
Total Assets		5.418.228.373	4.888.444.532

LIABILITIES AND EQUITY	Note	2021-12-31 (ThCh\$)	2020-12-31(ThCh\$)
Current Liabilities			
Other current financial liabilities	16	196.857.268	22.733.634
Current lease obligations	28	105.314.134	75.453.147
Trade and other payables	17	746.239.147	662.449.107
Accounts payable to related parties	9	607.794	332.181
Other provisions	18	1.539.643	1.479.547
Current tax liabilities	11	57.204.467	14.700.058
Other current non-financial liabilities	19	51.739.943	37.009.101
Total Current Liabilities		1.159.502.396	814.156.775
Non-Current Liabilities			
Other non-current financial liabilities	16	1.935.510.606	1.856.453.965
Non-current lease obligations	28	486.102.565	428.773.709
Other non-current provisions	18	40.770.581	37.718.865
Deferred tax liabilities	15	260.925.087	210.225.420
Non-current provisions for employee benefits	20	14.731.566	16.071.303
Other non-current non-financial liabilities	19	17.640.205	16.554.068
Total Non-Current Liabilities		2.755.680.610	2.565.797.330
Equity			
Shares issued	21	874.846.615	874.846.615
Retained earnings		549.179.854	724.749.620
Other reserves		79.018.898	(91.105.808)
Equity attributable to owners of the Parent		1.503.045.367	1.508.490.427
Non-controlling interests		-	-
Total Equity		1.503.045.367	1.508.490.427
Total Liabilities And Equity		5.418.228.373	4.888.444.532

The notes 1 to 38 attached are an integral part of these Consolidated Financial Statements.

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Empresa Nacional de Telecomunicaciones S.A. and Subsidiaries

Consolidated Comprehensive Income Statements

For the years ended December 31, 2021 and 2020

INCOME STATEMENTS	Note	01-01-2021/ 2021-12-31 (ThCh\$)	01-01-2020/ 2020-12-31 (ThCh\$)
Revenue	22	2,427,220.678	2,092,644.232
Other income	22	12,089.212	13,254.828
Employee benefit expenses	20	(257,334.487)	(256,582.135)
Depreciation and amortization expenses	12;14;28	(466,882.184)	(467,435.702)
Impairment (losses) reversals, net	23	(98,585.660)	(79,684.088)
Other expenses	24	(1,342,942.385)	(1,131,313.467)
Other profits (losses)	22	20,809.511	41,585.368
Profit (loss) from operating activities		294,374.685	212,469.036
Finance income	25	4,919.952	10,894.534
Finance costs	25	(113,951.133)	(102,535.938)
Foreign currency translation	27	250.185	(115,094)
Income (loss) from indexation units	27	(66,963.329)	(26,758.482)
Profit (loss) before taxes		118,630.360	93,954.056
Income tax (expense) benefit	15	(43,655.049)	(9,487.808)
Profit (loss) from continuing operations		74,975.311	84,466.248
Profit (loss) from discontinued operations		-	-
Profit (loss) attributable to		74,975.311	84,466.248
Owners of the Parent			
Non-controlling interests		74,975.311	84,466.248
Profit (loss)		-	-
Ganancia (Pérdida)		74,975.311	84,466.248
Earnings per share			
Basic earnings per share			
Basic earnings (loss) per share from continuing operations		248,25	279,67
Basic earnings (loss) per share from discontinued operations		-	-
Basic earnings (loss) per share		248,25	279,67

COMPREHENSIVE INCOME STATEMENTS	Note	01-01-2021/ 2021-12-31 (ThCh\$)	01-01-2020/ 2020-12-31 (ThCh\$)
Profit (loss)		74,975.311	84,466.248
Components of other comprehensive income that will not be reclassified to income, before taxes			
Actuarial losses on defined benefit plans		2,846.107	(691,589)
Components of other comprehensive income that will be reclassified to income, before taxes			
Foreign currency translation profits (losses)		97,687.828	(192,861.822)
Cash flow hedge income (losses)		132,066.385	37,966.341
Income tax related to components of other comprehensive income that will not be reclassified to income for the year			
Income tax related to defined benefit plans		(768.449)	186.729
Income tax related to components of other comprehensive income that will be reclassified to profit (loss) for the year			
Income tax (expense) benefit related to foreign currency translation		(26,049.241)	6,605.912
Income tax (expense) benefit related to cash flow hedges		(35,657.924)	(10,250.912)
Other comprehensive income (loss)		170,124.706	(159,045.341)
Comprehensive income (loss)		245,100.017	(74,579.093)
Comprehensive income (loss) attributable to			
Owners of the Parent		245,100.017	(74,579.093)
Non-controlling interests		-	-
Comprehensive income (loss)		245,100.017	(74,579.093)

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Empresa Nacional de Telecomunicaciones S.A. and Subsidiaries

Consolidated Statements of Changes in Equity

As of December 31, 2021 and 2020

	Other reserves								
	Share capital ThCh\$	Reserve for actuarial variances in employee benefit plans ThCh\$	Foreign currency translation ThCh\$	Cash flow hedging reserves ThCh\$	Other miscellaneous reserves ThCh\$	Retained earnings (losses) ThCh\$	Equity attributable to owners of the Parent ThCh\$	Non-controlling interests ThCh\$	Total equity ThCh\$
Opening balance as of January 1, 2021	874.846.615	(5.320.108)	(1.633.077)	(23.387.742)	(60.764.881)	724.749.620	1.508.490.427	-	1.508.490.427
Comprehensive income									
Profit (Loss)	-	-	-	-	-	74.975.311	74.975.311	-	74.975.311
Other comprehensive income (loss)	-	2.077.658	71.638.587	96.408.461	-	-	170.124.706	-	170.124.706
Comprehensive income (loss)							245.100.017		245.100.017
Dividends	-	-	-	-	-	(250.545.077)	(250.545.077)	-	(250.545.077)
Total changes in equity		2.077.658	71.638.587	96.408.461		(175.569.766)	(5.445.060)		(5.445.060)
Closing balance as of December 31, 2021	874.846.615	(3.242.450)	70.005.510	73.020.719	(60.764.881)	549.179.854	1.503.045.367		1.503.045.367
Opening balance as of January 1, 2020	874.846.615	(4.815.248)	184.622.834	(51.103.171)	(60.764.881)	665.888.250	1.608.674.399		1.608.674.399
Comprehensive income									
Profit (Loss)	-	-	-	-	-	84.466.248	84.466.248	-	84.466.248
Other comprehensive income (loss)	-	(504.860)	(186.255.910)	27.715.429	-	-	(159.045.341)	-	(159.045.341)
Comprehensive income (loss)							(74.579.093)		(74.579.093)
Dividends	-	-	-	-	-	(25.604.878)	(25.604.878)		(25.604.878)
Total changes in equity		(504.860)	(186.255.910)	27.715.429		58.861.370	(100.183.971)		(100.183.971)
Closing balance as of December 31, 2020	874.846.615	(5.320.108)	(1.633.076)	(23.387.742)	(60.764.881)	724.749.620	1.508.490.428		1.508.490.428

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Empresa Nacional de Telecomunicaciones S.A. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

STATEMENT OF CASH FLOWS, DIRECT METHOD	Note	01-01-2021/ 2021-12-31 (ThCh\$)	01-01-2020/ 2020-12-31 (ThCh\$)
Cash receipts from customers		2.677.343.154	2.751.909.058
Cash payments to suppliers		(1.746.165.583)	(1.593.219.688)
Cash payments to and on behalf of employees		(261.905.286)	(258.793.036)
Other cash payments for operating activities		(129.530.887)	(163.547.255)
Operating interest received		418.093	1.114.672
Income tax reimbursed(paid)		31.681.634	(176.907.770)
Net cash flows provided by (used in) operating activities		571.841.125	560.555.981
Flujos de Efectivo Utilizados para Obtener el Control de Subsidiarias		-	-
Proceeds from disposal of property, plant and equipment		44.563.586	110.796.307
Amounts from the Sale of Intangibles		7.652.715	-
Additions to property, plant and equipment		(305.004.114)	(402.506.254)
Additions to intangible assets		(100.844.643)	(864.886)
Dividends received		-	2.502
Interest received		3.451.137	5.309.384
Other cash inflows (outflows)		139.525.125	(233.660.003)
Net cash flows provided by (used in) investing activities		(210.656.194)	(520.922.950)

STATEMENT OF CASH FLOWS, DIRECT METHOD	Note	01-01-2021/ 2021-12-31 (ThCh\$)	01-01-2020/ 2020-12-31 (ThCh\$)
Proceeds from long-term loans		627.295.067	2.403.900
Proceeds from short-term loans		110.551.916	92.032.202
Loan repayment		(718.712.876)	(155.218.823)
Payment of finance lease liabilities		(96.740.586)	(97.187.050)
Dividends paid		(253.366.851)	(46.476.842)
Interest paid		(148.370.217)	(94.388.228)
Other cash inflows (outflows)		19.468.497	24.813.957
Net cash flows provided by (used in) financing activities	16	(459.875.050)	(274.020.884)
Net increase (decrease) in cash and cash equivalents		(98.690.119)	(234.387.853)
Effects of exchange rate fluctuations on cash and cash equivalents		4.813.650	(10.542.670)
Cash and cash equivalents, beginning of year		202.481.237	447.411.760
Cash and cash equivalents, end of year	5	108.604.768	202.481.237

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Empresa Nacional de Telecomunicaciones S.A. and Subsidiaries

1. Reporting Entity

a) Entel Group

Empresa Nacional de Telecomunicaciones S.A. (Taxpayer ID 92.580.000-7), (hereinafter “Entel S.A.” or the “Company”), is a company constituted and domiciled in Chile. The Company’s registered office is at Avenida Costanera Sur 2760, 22nd floor, Las Condes, Santiago, Chile.

This Company is the Parent of the Entel Group companies included in these consolidated financial statements. Information on the Group’s structure is provided in Note 3a).

The Company is an openly publicly held corporation, with an indefinite term, registered with the Chilean Financial Market Commission (CMF) under number 162 and, therefore, it is subject to the regulations of CMF. Its shares are registered in the Securities Record and traded in the Chilean market.

The controlling shareholder of Entel S.A. is Inversiones Altel Ltda. (Taxpayer ID 76.242.520-3), the owner of 54.86% of the Company’s current shares. 99.99% of Altel Ltda. is controlled by Almendral S.A. (Taxpayer ID 94.270.000-8).

Almendral S.A. is controlled by a group of shareholders who signed a joint interest agreement on January 24, 2005. The agreement was signed by the groups Matte, Fernández León, Hurtado Vicuña, Consorcio, Izquierdo and Gianoli.

The subsidiaries of which the financial statements are included in consolidation correspond to companies domiciled in Chile and other countries as detailed in note 3a).

The Chilean subsidiaries are closely-held corporations not subject to the regulations of the CMF; their shares are not traded or registered with the Securities Record.

However, in line with legal requirements for public telecommunications concession holders, the subsidiary Entel PCS Telecomunicaciones S.A. is registered with the CMF under No. 33. Company registered in this special register is subject to the same regulations as public limited company in terms of market information and disclosure, except for the requirement to provide interim financial statements on a quarterly basis.

As of December 31, 2021, the Group’s personnel amounted to 12.246 employees and an average headcount during the year was amounted to 12.000. As of December 31, 2020, the Group’s personnel amounted to 12.070 employees and an average headcount during that year amounted to 12.182.

b) Line of business.

The Group companies are engaged in mobile telecommunication services, including voice, added value, data, broadband and mobile internet services basically oriented to proposing integrated solutions, which encompass data networks, local telephony, Internet access, public long-distance telephone, cable TV services, information technology services (data center, BPO and operating continuity), infrastructure, lease of networks and wholesale traffic businesses. The Group also provides call center services for the corporate market and Group companies.



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These businesses are conducted mainly in Chile. Activities abroad are performed by three companies operating in Peru engaged in the provision of wireline, call center services, and mobile telephone services.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements as of December 31, 2021, have been prepared in conformity with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and were authorized for issue by the Board of Directors on January 26, 2022.

These consolidated financial statements have been prepared from accounting records held by the Parent and other entities from the consolidated holding. Each entity prepares its financial statements following

the accounting principles and criteria in force in each country and, therefore, the necessary adjustments and reclassifications have been applied during the consolidation process to unify such principles and criteria to be in conformity with IFRS.

The Company applied amendments for the first time, which are effective for annual period beginning on or after January 1, 2021.

Accounting pronouncements (affecting the Group) effective starting from January 1, 2022, and thereafter:

Management estimates that these amendments should not have a significant impact on their financial statements.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items:

- Lease rights of use and their obligations measured at the present value of installments not yet due.

Standards and Amendments	Mandatory application for:
AMENDMENTS TO IFRS	
IFRS 3 - Business Combination : Reference to the Conceptual Framework	Annual periods beginning on January 1, 2022
IAS1 - Presentation of Financial Statements : Classification of Current and Non-Current Liabilities	Annual periods beginning on January 1, 2023
IAS1 - Presentation of Financial Statements : Disclosure of Accounting Policies	Annual periods beginning on January 1, 2023
LAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Annual periods beginning on January 1, 2023
LAS 12 - Income Taxes : Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction	Annual periods beginning on January 1, 2023
LAS 37 - Provisions, Actuaries/Contingent Liabilities : Cost of Contract Performance	Annual periods beginning on January 1, 2022

- Derivative financial instruments are measured at fair value
- Interest-bearing borrowings are measured at amortized cost; and
- Liabilities arising from post-employment defined benefit plans are measured at their present value considering actuarial variables.

c) Functional and presentation currency

The amounts of these consolidated financial statements are rounded to the nearest thousand Chilean pesos, except indicated otherwise. The Chilean peso is the Group's functional and presentation currency.

d) Use of estimates and judgments

In the preparation of the consolidated financial statements, the Company's management uses certain estimates based on the best information available at each reporting date. These estimates impact the valuation of certain assets, liabilities, profit or loss, and cash flows that would be significantly affected by new events giving rise to changes in assumptions and other sources of uncertainty assumed through the present date.

The main estimates refer to:

- Actuarial assumptions used for estimating severance indemnity payment liabilities, detailed in Note 20.
- Valuation of intangible assets other than goodwill, goodwill generated from the acquisition of companies, which could affect the determination of impairment losses, detailed in Note 12.
- Useful lives and residual values (no residual value) of property, plant and equipment and intangible assets, detailed in Notes 12 and 14.
- Assumptions made when determining the fair value of financial instruments, detailed in Note 6.
- Assumptions related to the generation of future taxable profits deductible from deferred tax assets, detailed in Note 15.
- Assumptions associated with the cost of decommissioning facilities, detailed in Note 18.
- The customer doubtful account rates (impairment) for the different segments based on the projected loss model in Note 8.
- Duration and value of the installments of contracts not considered cancellable for the purposes of IFRS 16 in Note 28.

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e) Changes in accounting policies

During the years covered by these consolidated financial statements, the accounting policies have been applied consistently.

3. Significant accounting principles

a) Basis of consolidation

Consolidation of a subsidiary shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee. Specifically, the revenues and expenses of a subsidiary acquired or sold during the year are included in the consolidated statements of comprehensive income from the date in on which the Company obtains control and up to the date in on which control cease.

The consolidated financial statements include the financial statements of the parent

and the entities controlled by the Group (its subsidiaries). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvements with the entity and when it has the ability to affect those returns through its power over the entity. Thus, the Company controls an investee when, and only when, it has all the following:

- Power over the investee (that is, it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns.);
- Exposure, or rights, to variable returns from involvement with the investee; and
- The ability to use power over the investee to affect the amount of the investor's returns.

When there is a loss of control, Entel S.A. derecognizes the assets and liabilities of the subsidiary, non-controlling interests and other equity components related to the subsidiary. Any gain or loss resulting from

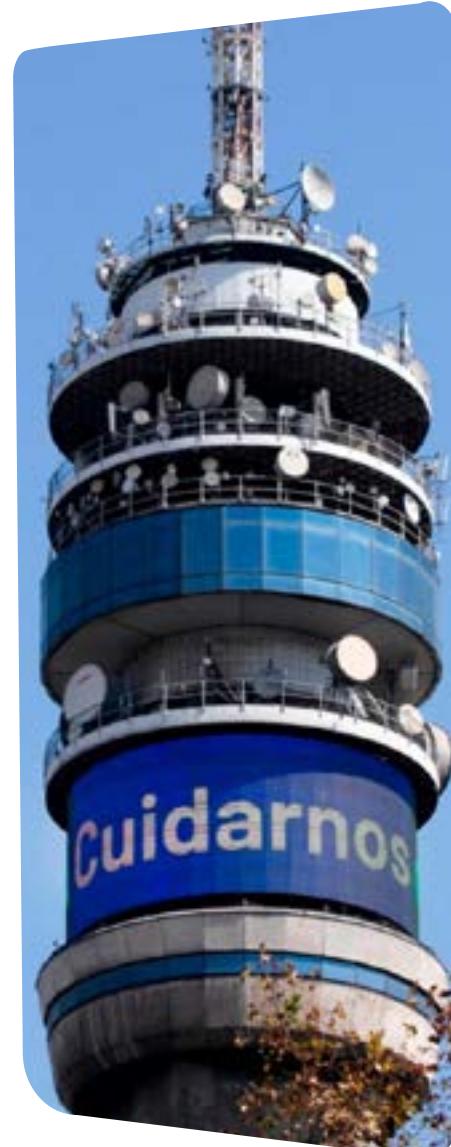
the loss of control is recognized in profit or loss. If any investment is retained in the former subsidiary this is valued at its fair value when control is lost. Subsequently, that investment retained is accounted for as an investment recorded under the equity method or a financial asset available for sale, depending on the level of influence retained.

In preparing consolidated financial statements, an entity combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income revenue and expenses. All the Company's direct and indirect subsidiaries are controlled by 100% and, accordingly, non-controlling interest does not exist in the consolidated financial statements.

The significant transactions made by consolidated companies, and balances payables between them have been eliminated for consolidation purposes.

The carrying amount of the Parent's investment in each subsidiary is offset against equity, after adjusting such carrying amount to fair value on the date in which control over the investee is obtained. At that date, goodwill is recognized as described below whereas any gain resulting from the acquisition of a business or negative goodwill is recognized in the statement of comprehensive income.

The assets and liabilities of the consolidated foreign subsidiaries expressed in currencies other than the Chilean peso are translated using the effective exchange rate at the date of the statement of financial position; revenue and expenses are translated at the average exchange rate for each month in which they are produced. Foreign currency translation changes resulting from the application of this method are classified in equity until the sale of the investment, as well as the changes resulting from loans designated as part of the net investment abroad and their tax.

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The subsidiaries included in consolidation correspond to companies domiciled both in Chile and abroad, detailed as follows:

Tax ID.	Company name	Country of origin	Functional currency	Interest percentage			
				12.31.2021	12.31.2020		
76479460-5	ENTEL COMERCIAL S.A.	CHILE	CLP	99,999	0,001	100,000	100,000
96561790-6	ENTEL INVERSIONES SpA.	CHILE	CLP	99,990	0,010	100,000	100,000
96554040-7	ENTEL SERVICIOS TELEFONICOS S.A.	CHILE	CLP	91,420	8,580	100,000	100,000
96563570-K	ENTEL CALL CENTER S.A.	CHILE	CLP	90,000	10,000	100,000	100,000
96697410-9	ENTEL TELEFONIA LOCAL S.A.	CHILE	CLP	99,000	1,000	100,000	100,000
77088124-2	EPH 1S.A.	CHILE	CLP	99,000	1,000	100,000	100,000
96548490-6	MICARRIER TELECOMUNICACIONES S.A.	CHILE	CLP	99,990	0,010	100,000	100,000
96672640-7	ENTEL SERVICIOS EMPRESARIALES S.A.	CHILE	CLP	-	100,000	100,000	100,000
79637040-8	SOC.DE TELECOMUNICACIONES INSTABEEP LTDA	CHILE	CLP	99,990	0,010	100,000	100,000
96652650-5	TRANSAM COMUNICACIONES S.A.	CHILE	CLP	-	100,000	100,000	100,000
96833480-8	WILL S.A.	CHILE	CLP	-	100,000	100,000	100,000
76942869-0	ENTEL INTERNACIONAL SpA.	CHILE	USD	100,000	-	100,000	100,000
0-E	AMERICATEL PERU S.A.	PERU	PEN	28,005	71,995	100,000	100,000
0-E	SERVICIOS DE CALL CENTER DEL Peru S.A.	PERU	PEN	0,004	99,996	100,000	100,000
0-E	ENTEL DEL PERU S.A.	PERU	PEN	54,123	45,877	100,000	100,000
0-E	DIRECNET S.A.C	PERU	PEN	-	-	-	100,000

Ch\$= Chilean pesos

PEN= New Peruvian soles

b) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The difference determined between the original and closing amount is recognized under foreign currency translation differences in the statement of income.

An exception to the above relates to assets and liabilities stated at fair value (mainly those arising from financial derivative contracts). The differences between exchange rates at the reporting date and the fair value of such contracts are also recorded in profit or loss within Foreign currency translation differences, with the exception of cash flow hedge contracts where differences are recognized in equity.

Assets and liabilities expressed in foreign currency or other translation units are translated as follows:

Closing Foreign Exchange		12.31.2021(\$)	12.31.2020(\$)
US Dollar	USD	844,69	710,95
Euro	EUR	955,64	873,30
Unidad de Fomento	UF	30.991,74	29,070,33
New Peruvian Soles	PEN	211,88	196,36

c) Financial instruments**- Financial Assets**

The Group classifies its financial assets under the following categories: fair value through profit or loss or other comprehensive income; and assets at amortized cost. The classification depends on the purpose for which the financial assets were acquired.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the rights to receive the contractual cash flows on the financial asset.

- Financial assets at fair value through profit and loss

The Group companies include under this category those derivatives that do not meet the requirements for hedge accounting. Contracts that record an asset position at the reporting date are presented within other financial assets in the statement of consolidated financial position, whereas those with liability positions are recognized within other financial liabilities

This category also includes investments in capital instruments in other companies where the interests owned are not enough to have control or significant influence on them.

- Financial assets and liabilities at amortized cost

Correspond to financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Group has determined that the calculation of amortized cost does not differ from the invoiced amount as there are no significant costs associated with the transactions.

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments which are subject to an insignificant risk of changes in value. In addition to cash balances and those held in bank current accounts, cash and cash equivalents also

includes short-term deposits; fixed income mutual fund deposits; and transactions with buyback and resale options with original maturities of three months or less. These assets are recorded at their nominal value or amortized cost, depending on their nature, with changes through profit or loss. Recorded balances include interest and inflation adjustments accrued at the end of the year.

- Financial liabilities

The Group initially recognizes unsecured debts issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date on which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities under financial liabilities measured at amortized cost. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Such liabilities include loans and borrowings, bank overdrafts, and trade and other payables and obligations with bond holders.

Financial liabilities hedged by derivative instruments designated to managing the net foreign exchange exposure and which impact the variability of cash flows (derived from cash flow hedging), are measured at amortized cost.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

If in certain contracts embedded derivative contracts coexist, they are separated from the original contract and are accounted for separately. This procedure is applied if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

In accordance with IFRS 9, derivative financial instruments qualify for hedge accounting only when:

- In the inception of the hedge relationship must be in place the formal designation and documentation
- only of eligible hedging instruments and eligible hedged items
- Hedging relationship meets the hedge effectiveness requirements in three areas, economic relationship, credit risk and hedging relationship.

All derivatives are measured at fair value in accordance with IFRS 9.

If a fair value hedge meets the conditions for hedge accounting, the following accounting treatment is applicable:

- Cash flow hedges – When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effec-

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tive portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity (cash flow hedge reserve). The amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in profit or loss.

When hedges relate to risk management strategies but not necessarily meet the effectiveness and testing requirements required by international financial reporting standards for the application of hedge accounting, changes in the value of instruments are charged to profit or loss.

d) Inventories

Goods for sale are measured at the lower of cost and net realizable value depending on the purpose for which they are held. The cost of inventories is measured using the weighted average price.

The main inventories are mobile handsets and accessories. The existence of obsolescence is assessed at each reporting date in order to register the corresponding de recognition of assets, considering the storage time of the different handsets in warehouses, and the potential sale of such handsets.

e) Non-current assets held for sales

The Group classifies as non-current assets held for sale, property, plant and equipment, intangibles, investments in associates and disposal groups (groups of assets that will be disposed of together with their directly associated liabilities), for which as of the date of classification, active measures have begun to be taken for their sale and the sale is believed to be highly probable.

These assets or disposal groups are valued at the lesser of carrying amount or estimated selling value, deducting the costs necessary to carry out the disposal, and they stop being depreciated (amortized) from the time at which they are classified as non-current assets held for sale.

f) Impairment

- Non-derivative financial assets

A financial asset not measured at fair value through profit or loss is evaluated at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that a loss event has occurred after initial recognition of the asset, and that the event had a negative effect on the future estimated cash flows of the asset which can be reliably measured.

The calculation of impairment of trade accounts receivable is based on an analysis of observable historical data, on the behavior of the overdue portfolio, and incorporates relevant market variables, to estimate the future behavior of the portfolio. A such, the Company applies a simplified method as determined by IFRS 9, whereby the impairment provision is always recorded with reference to expected credit losses over the life of the asset. An analysis is performed, both retrospective, monitoring the behavior of the accounts receivable portfolio, and prospective in relation

to customer behavior, differentiating the different segments to which they belong, and the different products that the Company has contracted

As a general rule, the following criteria are used in order to determine the date to be covered:

1. Date on which a customer "stops being a customer"
2. The recovery curve becomes asymptote
3. Conceptual homologation of the policy, according to the relative importance of the segment
4. Should there be relevant differences between the 1st and 2nd rule, the rate is fed back, with recovery of the subsequent months.

This policy establishes the hedging of the probability of non-payment of the portfolio from the time at which income is provisioned, thus faithfully reflecting its intrinsic credit risk.

This model ultimately provides a rate to determine the allowance for doubtful accounts in accordance with the present policy.

The allowance policy incorporates segmentation of customers, both by their nature, as well as by products and services contracted. In this way the diverse credit risks of the accounts receivable portfolio are encompassed with the different types of customers. With this, the Company believes it fully reflects the need to establish an allowance on the portfolio.

The policy is reviewed periodically, in order to keep it up to date, and thus faithfully reflect the intrinsic risk of the portfolio, taking into account demographic factors, technological change risks, credit improvements, regulatory changes, etc. That is, all events that might reasonably affect the statistically proven impairment behavior of the portfolio.

The calculation of impairment of accounts receivable does not consider the discounted values of these assets since they are collected in the short term. Therefore, the difference between their current value and their present value is not significant.

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- Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets other than goodwill that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognized in profit or loss. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount; however, an impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

In determining the acquisition value, the Group considers the acquisition price of assets and services, including non-recoverable tax and customs duties. Likewise, the Group considers site and start-up costs until is ready to operate; in addition, the estimation of dismantling and withdrawal costs are also included.

Net interest on borrowings directly associated with the financing of construction work, accrued during the development period and up to the date in which the asset is available for use are capitalized except for projects which development period is lower than six months.

h) Depreciation of property, plant and equipment

Depreciation is estimated using the straight-line method based on the estimated useful lives of the assets in conformity with technical studies. Such technical studies include the annual verification of technologic and/or business events that make it advisable to amend such useful lives as well as the assets residual value at the date of removal.

In addition, the Group applies procedures to evaluate any indication of asset impairment. In the event that there are assets which values exceed their market value or ability to generate net income, the Group makes impairment adjustments which are charged to profit or loss.

Tables of useful life for depreciation are highly disaggregated, based on the characteristics of different assets in addition to the possibility of being treated on an individual basis. Most significant useful lives are detailed in Note 14,

Property, plant and equipment. The useful life and residual values are reviewed at least once a year, considering the advances in technology and, if appropriate, are adjusted prospectively, affecting future depreciations.

i) Leases

In accordance with IFRS 16, the Group recognizes qualifying lease contracts as rights of use assets, prioritizing the identification concepts of the leased good which implies the control to manage its use and receive its benefits. This asset is determined based on fixed future contract payments discounted at the incremental debt rate. It also records changes in adjustability indexes as assets, like the variation in the UF which applies to most contracts in Chile.

Additional contract renewal periods are not considered when establishing the terms for discounting installments, as the conditions of these contracts are renegotiated on the original expiration dates. Once new contract conditions are certain, the respective assets and obligations are generated.

The right of use asset is generated when the good is available for use and is depreciated over the remaining contract duration or the

useful life of the respective good, whichever is shorter.

Contracts with a duration of up to one year, or those with a low materiality, are subject to recognition exemption. Interest associated with lease obligations is imputed to finance expenses.

For transactions that imply the sale of a good and subsequent lease, IFRS 15 is first applied to determine whether or not a sale is effectively made and control of the good is handed over to the buyer. If this is the case, income is recorded for the sale of the fixed asset, which is determined as the difference between the value receivable, the right of use asset, minus the cost of the asset sold and obligation. In accordance with IFRS 16.

On the other hand, leased assets (lessor) provided under contracts in which substantially all risks and benefits are transferred, are considered as sold in the accounting, with the consequent reduction of inventory. Income from these transactions is determined based on the "present value" of receivable installments, in relation to the acquisition or construction value of the assets sold.

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j) Intangible assets

Intangible assets include rights of use on fiber optic cable capacities (IRU's), the cost of licenses and operating concessions, as well as other rights of use in favor of the Group companies.

IRU's are amortized on a straight-line basis and expensed in profit or loss over the period of the related agreements.

Licenses and concessions are amortized over the lower of the estimated operating or awarding periods whereas rights of use are amortized over the life of the agreement with a maximum period of 40 years.

Computer software cost is capitalized over a period of 4 years.

k) Goodwill

For goodwill that arises from the total or partial acquisition of companies, the Group uses the acquisition method to establish the fair value of the acquirer's identified assets and liabilities, recognizing the possible difference in the amount paid for the acquisition as goodwill. This amount is subject to impairment testing at each year-end and any possible impairment losses are recognized.

l) Current and deferred income taxes

The income tax expense is determined, based on profit or loss for tax purposes. Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes are recorded as non-current assets and liabilities, as applicable, applying the criteria of feasibility of their use. Such values are recognized at current value with no discount to their present value regardless of the estimated term of recovery. Deferred tax assets and liabilities are recognized using the current tax rates when these are expected to be realized or settled.

By virtue of tax regulations, both chilean and peruvian, the tax loss for the year and previous years, can be used in the future as a tax benefit with no expiry date.

m) Employee benefits**- Defined benefits plan
(post-employment benefits)**

Post-employment benefits include severance payments to employees with indefinite employment contract with Entel Chile S.A., who are members of Corporación Mutual and are entitled when they achieve 8 years

of continuous service. These obligations are measured at their present value and discounted using long-term interest rates and actuarial assumptions regarding employee turnover, life expectancy and salary and wage forecasts of the potential beneficiaries.

To determine the net amount of the liability to be recognized, the Group deducts the fair value of balances accumulated by employees based on the contributions they have to make in certain Funds under agreements currently in force.

Variations in the obligation related to accruals associated with increases in the number of periods or increases or decreases in the number of employees are charged to payroll expenses, whereas those related to the accrual of embedded interest, are charged to profit or loss. Gains or losses arising from actuarial effects are charged to equity.

- Termination benefits

Termination benefits, other than post-employment benefits, are recognized as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termina-

tion benefits as a result of an offer made to encourage voluntary redundancy. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

- Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The cost of employee vacations is recognized in the year in which vacation days accrue, regardless of the year in which employees use them.

n) Revenue

Revenue is recognized on the basis of the accrual method, when the Group becomes entitled to receive a consideration. For these purposes, the Group considers the time of delivery or reception of goods or rendering of services provision, regardless of the time

when the related cash flows are received (prepaid, simultaneous or at a given term).

The Group has the following specific policies for revenue:

- Aggregated offers

This caption identifies the components of commercial packages, offered determining the characteristics of each package.

Based on the above, package income is allocated to each of its obligations based on their fair value, applying the corresponding individual income recognition standards.

Package sales that cannot be disaggregated are treated as a single transaction. Package sales cannot be disaggregated when their commercial effect cannot be understood without reference to the whole set of transactions.

The most significant aggregated offer relates to the recruitment of mobile telephone service customers. This offer includes the equipment, a credit chargeable to services and the expectation for future services. Only those cash flows of which reception is certain are considered for recognition by disaggregating as service the average amount of the value

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that can be allocated to telephone services as these are used by customers.

Obligations are recognized considering total cash flows of the contract, including the initial instalment allocating to each of them, the prices the proportionality of evaluating total cash flows on the basis of the separate observable prices of each performance obligation.

For the capture of prepaid mobile telephone customers, this offer is composed of the handset, a credit on the services and hope of future services. In the accounting recognition, only cash flows over which certainty exists are considered, separating as a service the average value of the amount chargeable to telephone services, to the extent that these are used by the customer.

In the event that solely some elements can be assigned a value reliably, the residual value is assigned to the remaining components.

The value assigned to a certain component will be limited to the sale price not subject to the delivery of other items.

Amounts received in relation to future services are recognized as a liability for advances received from customers, which are subse-

quently reclassified to profit or loss when the related services are used. Main cash flows for this concept correspond to amounts related to services included in prepaid mobile telephone service offers as well as the sale of subsequent electronic recharges.

Habilitation costs charged to post payment customers under contracts of loan and restitution of equipment are recognized in profit or loss in the same period when the delivery of the related equipment is also recognized in profit or loss.

- Sale of handsets

In conformity with the general standard, revenue is recognized when handsets are delivered to customers.

In the event that the sale includes a supplementary activity (installation, set-up, start-up, etc.) such sale is recognized upon approval by the customer.

No revenue is recognized for equipment delivered without transference of ownership (bailment, loan, lease, etc.). Handsets under this condition are recorded as operating assets and, accordingly, they are subject to the related depreciation. Cable television,

internet, fixed-line telephony and certain IT services are included under this condition.

- Revenue from connection charges

revenue from connection charges are deferred and recognized as revenue during the term of the contract or expected customer retention period, whichever is shorter.

The customer retention period is estimated based on the historical experience, churn rates or the knowledge of market behavior.

Connections whose direct execution cost is equal to or higher than the charge to the customer are excluded from the previous procedure. In this case, revenue from connection charges is recognized as revenue when the customer connects, in order to achieve symmetry between revenue and expenses.

Connection costs include installation and management of third-party orders, distributor fees and SIM card cost.

Also excluded from the general procedure are connections that represent an independent transaction, that is not rescindable, or subject to the mandatory delivery of other goods or services.

- Customer Loyalty Programs

Provision of future benefits based on service use levels or current or past purchases. Revenue received is allocated based on fair values among services already rendered and services to be provided in the future; revenue allocated to the latter is treated as unearned income for future sales. Simultaneously, the Company accrues a provision for marginal costs associated with services or goods to be delivered fully or partially for free.

This procedure excludes isolated campaigns intended to introduce new products or re-launch other products as long as such campaigns last for less than three months and do not represent more than 1% of sales for the last 12 months.

These programs include credits for calls, product discounts, benefits for goal compliance and accumulation of exchangeable points for products, own or third-party services.

In the cases where benefit prescription or defeasance clauses are exercised, the respective unused balances are transferred to revenue.

These procedures are only applied if it is possible to make reliable estimates of benefits to be obtained by customers.

- Sale Discounts

Revenue is stated net of discounts granted to customers.

- Third Party Sales

In the cases where the Company acts as principal, agent or broker-dealer for sales of goods or services produced by other agents, revenue is recorded net; i.e., recording only the margin resulting from rendering the services; i.e., the commission or fee, or share of profit received.

To establish the condition to act as principal, the Group considers whether the product is explicitly sold on behalf of the supplier, whether it assumes the risks related to the product, the responsibility over it and is in charge of fixing the sale price.

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- Prepaid Mobile Services

Revenue from sales of prepaid mobile services is recognized in profit or loss in the month when users make use of the services or when such services expire, if earlier.

- Rendering of services in progress at the reporting date

Service rendering for more than one accounting period is recognized as revenue under the percentage of completion method at each reporting date. This percentage is determined based on the proportional of inputs used compared with budget.

o) Finance costs

Initial expenses related to fees, advisory services and taxes for financial debts are treated using the amortized cost method. Under this method, these expenses become a part of the effective interest rate and, accordingly, they are amortized using such rate and during the schedule payment period.

p) Provisions

The Group recognizes liabilities for all legal obligations in favor of third parties arising

from transactions conducted or future events for which it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are recognized when the amount of the obligation can be reliably estimated, based on the risks identified and the best estimates. The amount of provisions is discounted when the effect of the time value of money is deemed to be material. Refer to Note 18 for further information.

q) Dividends

Dividends payable to third parties are reported as a change in net equity in the period in which the obligation for their distribution arises either because of being declared at the Shareholders' Meeting or being related to a legal obligation for minimum dividends.

r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed

regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets.

s) Government grants

Government grants intended to finance investments are recorded as lower acquisition or construction cost of the related assets and are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with other domestic and international operators.

t) Interconnection revenue and costs.

Amounts accrued in favor or against the Group's companies are recognized on the basis of existing agreements and traffic measurements exchanged with other domestic and international operators.

u) Deferred costs

The main deferred costs correspond to commissions that are paid to external sales channels for the signing of contracts with customers for mobile telephone services. Those expenses are recognized in income either during the term of the contract or during the average period of permanence based on behavior statistics for the segment of such customers, whichever is shorter.

v) Cost of sales

Cost and expenses are charged to services directly as access charges and interest in other telecommunication carriers are charged. Other cost pools are distributed to each segment and product through allocation drivers. These drivers are from different nature, and some are obtained directly from the ERP systems, and others correspond to activity variables obtained from the operational systems. Property, plant and equipment are related to technological platforms and the allocation of product depreciation based on the use of such platforms.

4. Financial Assets and Liabilities**a) Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Derivative Financial Instruments

The fair value of a derivative contract that is not quoted in an active market is obtained from the difference between the cash flows related to the rights and obligations resulting from the contract discounted at the applicable market interest rate at the measurement date, level 2 in the fair value hierarchy.

For currency forward contracts, fair value corresponds to the difference between the amount of the foreign currency to be acquired based on the contract, multiplied by the applicable forward exchange rate, the debt in chilean pesos and peruvian soles agreed in the contract, both discounted using the effective exchange rate for the chilean peso

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and the peruvian sol for the remaining contract period.

As there are no rates for all maturity dates but for some specific dates, the applicable rate is obtained by interpolating the closest points to the applicable maturity date. This procedure is applied to rates in inflation-indexed units (UF), chilean pesos, US dollars, Euros and peruvian soles.

In the case of contracts to hedge against fluctuations in exchange and/or interest rates (Cross Currency Swap and IRS), the fair value corresponds to the difference in discounted cash flows of each contract component, including the nominal amount.

Rates used to discount the local currency as well as the Peruvian currency are risk free and zero-coupon rates of instruments issued by the central banks of each country.

With respect to foreign currency rates, the rates are risk-free and zero-coupon rates based on interbank rates (U.S. LIBOR) adjusted by the market risk in each country.

Other Investments

In the case of investments made through the purchase of shares (either first issue or a secondary transaction), the historical cost of the investment will be taken as the value of the asset for the first 12 months from the date of investment, unless a new financing event or real transaction of relevance occurs (purchase and sale of shares of the Company - does not consider transactions associated with Employee Stock Option Pool - ESOP). In this case, the valuation will be that defined by such transaction as this would be considered the fair value because it is the real value at which the asset is being traded and will be held for the following 12-month period

if there are no new transactions. Additionally, a semiannual review of the status of the Company will be carried out to adjust the valuation in those cases where any indicator may generate a significant change in value for the Company. After 12 months from a valuation as defined above, this value will be adjusted at the closing of the corresponding financial year using the Proportional Equity Value methodology.

Non-derivative financial liabilities

For disclosure purposes, fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market interest rate is determined by reference to similar leases.

In the case of current trading assets and liabilities, the fair value is estimated to be equal to their current value as they correspond to short-term cash flows.

b) Fair value hierarchy

In conformity with the methods and techniques used to determine fair values, the following hierarchies are defined:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below shows the changes in the fair value of net liabilities from derivatives:

	12.31.2021 Level 2 ThCh\$	12.31.2020 Level 2 ThCh\$
Net beginning balance of derivative contracts, assets (liabilities)	130.446.456	174.662.735
Profits (losses) recognized in income	230.889.218	(59.078.644)
Profits (losses) recognized in equity	133.334.825	36.895.477
Negative (favorable) settlement of contracts for the year	(23.809.802)	(22.033.112)
Change in fair value measurement	340.414.241	(44.216.279)
Ending balance of derivatives, assets (liabilities)	470.860.697	130.446.456

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c) Categories of financial assets and liabilities

The table below shows the carrying amounts for the different categories of financial assets and liabilities compared to their fair values.

At fair value								
December 31, 2021, in ThCh\$	Note	Through profit or loss	Through OCI hedge derivatives	Assets at amortized cost	Liabilities at amortized cost	Currency or indexation unit	Total at carrying amount	Total at fair value
Assets								
Cash equivalents	5	-	-	44.383.002	-	CLP/USD/PEN	44.383.002	44.383.002
Other financial assets								
Derivatives		2.126.451	474.515.443	-	-	USD	476.641.894	476.641.894
Fixed Term Deposits > 90 days		-	-	247.276.327	-	CLP	247.276.327	247.276.327
Trade and other receivables	8	-	-	629.135.357	-	CLP/USD/PEN	629.135.357	629.135.357
Accounts receivable from related parties	9	-	-	210.440	-	CLP	210.440	210.440
Other Investments	7	508.788	-	-	-	CLP	508.788	508.788
Total assets		2.635.239	474.515.443	921.005.126			1.398.155.808	1.398.155.808
Liabilities								
Other financial liabilities								
Interest bearing borrowings		-	-	-	144.829.033		144.829.033	109.652.106
Liabilities with bondholders		-	-	-	1.981.757.644		1.981.757.644	2.027.388.883
Derivatives		4.458.742	1.322.455	-	-		5.781.197	5.781.197
Trade and other payables	17	-	-	-	746.239.147		746.239.147	746.239.147
Accounts payable to related parties	9	-	-	-	607.794		607.794	607.794
Total liabilities		4.458.742	1.322.455	2.873.433.618			2.879.214.815	2.889.669.127

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At fair value								
December 31, 2020, in ThCh\$	Note	Through profit or loss	Through OCI hedge derivatives	Assets at amortized cost	Liabilities at amortized cost	Currency or indexation unit	Total at carrying amount	Total at fair value
Assets								
Cash equivalents	5	-	-	113.299.535	-	CLP/USD/PEN	113.299.535	113.299.535
Other financial assets								
Derivatives		1.509.435	131.491.802	-	USD	133.001.237	133.001.237	
Fixed Term Deposits > 90 days		-	-	386.801.452	-	CLP	386.801.452	386.801.452
Trade and other receivables	8	-	-	496.865.373	-	CLP/USD/PEN	496.865.373	496.865.373
Accounts receivable from related parties	9	-	-	294.621	-	CLP	294.621	294.621
Other Investments	7	345.427	-	-	-	CLP	345.427	345.427
Total assets		1.854.862	131.491.802	997.260.981			1.130.607.645	1.130.607.645
Liabilities								
Other financial liabilities								
Interest bearing borrowings		-	-	-	110.872.311		110.872.311	109.630.272
Liabilities with bondholders		-	-	-	1.758.651.007		1.758.651.007	1.907.617.518
Derivatives		991.485	8.672.796	-	-		9.664.281	9.664.281
Trade and other payables	17	-	-	-	662.449.107		662.449.107	662.449.107
Accounts payable to related parties	9	-	-	-	332.181		332.181	332.181
Total liabilities		991.485	8.672.796	2.532.304.606			2.541.968.887	2.689.693.359

ORI – Refers to Other Comprehensive Income.

The application of IFRS 9 Financial Instruments did not imply changes in respect to valuation of financial assets and liabilities, in comparison to the preceding standard, IAS 39. The loans and accounts receivable

category were replaced by assets at amortized cost but their valuation is still at amortized cost. Only assets or liabilities that are derivative instruments are measured at fair value.

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5. Cash and Cash Equivalents

Cash and cash equivalents are detailed as follows:

	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Cash on hand	153.966	492.076
Bank balances	64.052.153	88.674.716
Short-term time deposits	42.420.792	105.190.512
Fixed income mutual funds	1.962.210	8.109.023
Other cash and cash equivalents	15.647	14.910
Total	108.604.768	202.481.237
Total by type of currency		
CLP	63.444.954	140.110.730
USD	24.805.805	3.384.233
PEN	20.319.232	58.954.492
EUR	34.778	31.782
Total	108.604.769	202.481.237

Bank balances include CH\$ 49.116.330 in accounts remunerated at an average monthly rate of 0,22%.

The same items of the caption are considered for the statement of financial position and the statement of cash flows. The Group's companies have no balances that are not

available for use, nor do they have restrictions on financing cash flows to be used in operating and/or investment activities.

The flows from different activities for the business segments reported in note 29 are controlled in the aggregate, while separating the businesses in Chile and Peru.

For a breakdown of the most relevant items in the Statement of Cash Flows, see the reasoned analysis "Comments on the Statement of Cash Flows."

As of December 31, 2021, the unused bank lines of credit associated with checking accounts (overdraft lines) that are formally approved, total ThCh\$ 158.000.000.

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a) Short-term time deposits, with original maturities equal to or less than three months, are recorded at amortized cost and are detailed as follows for each period:

Institution	Currency	Date of placement	Maturity date	Days	Amount (ThCh\$)	Accrued days	Accrued interest (ThCh\$)	Total 12.31.2021 (ThCh\$)
Banco Consorcio (Chile)	Ch\$	15-12-21	21-02-22	68	8.000.000	16	20.480	8.020.480
BCI (Chile)	USD	21-12-21	03-01-22	13	3.125.353	10	148	3.125.501
BCI (Chile)	USD	28-12-21	24-01-22	27	3.378.760	3	56	3.378.816
BCI (Chile)	USD	28-12-21	17-01-22	20	3.378.760	3	56	3.378.816
Banco de Crédito (Peru)	USD	31-12-21	06-01-22	6	1.094.890	-	-	1.094.890
Banco Continental (Peru)	USD	27-12-21	05-01-22	9	252.667	4	2	252.669
Banco Interbank (Peru)	USD	27-12-21	06-01-22	10	336.889	4	7	336.896
Banco Scotiabank (Peru)	USD	27-12-21	06-01-22	10	421.112	4	5	421.117
Banco Scotiabank (Peru)	USD	31-12-21	06-01-22	6	7.580.007	-	-	7.580.007
Banco de Crédito (Peru)	PEN	31-12-21	06-01-22	6	5.297.000	-	-	5.297.000
Banco de Crédito (Peru)	PEN	31-12-21	05-01-22	5	423.760	-	-	423.760
Banco Continental (Peru)	PEN	31-12-21	06-01-22	6	1.864.544	-	-	1.864.544
Banco Continental (Peru)	PEN	31-12-21	05-01-22	5	2.118.800	-	-	2.118.800
Banco Interbank (Peru)	PEN	31-12-21	05-01-22	5	508.512	-	-	508.512
Banco Interbank (Peru)	PEN	31-12-21	05-01-22	5	2.457.808	-	-	2.457.808
Banco Scotiabank (Peru)	PEN	31-12-21	06-01-22	6	2.161.176	-	-	2.161.176
Totals					42.400.038	20.754	42.420.792	

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Institution	Currency	Date of placement	Maturity date	Days	Amount (ThCh\$)	Accrued days	Accrued interest (ThCh\$)	Total 12.31.2021 (ThCh\$)
Banco Consorcio	Ch\$	17-11-20	22-01-21	66	10.000.000	44	7.333	10.007.333
Banco Estado	Ch\$	13-11-20	25-01-21	73	14.000.000	48	2.240	14.002.240
Banco Estado	Ch\$	26-11-20	19-02-21	85	14.000.000	35	1.633	14.001.633
Banco ITAU	Ch\$	11-12-20	24-02-21	75	14.000.000	20	3.733	14.003.733
Banco de Crédito	PEN	17-12-20	06-01-21	20	9.818.000	14	572	9.818.572
Banco de Crédito	PEN	18-12-20	04-01-21	17	1.570.880	13	85	1.570.965
Banco de Crédito	PEN	18-12-20	07-01-21	20	2.945.400	13	159	2.945.559
Banco de Crédito	PEN	24-12-20	13-01-21	20	4.319.920	7	126	4.320.046
Banco de Crédito	PEN	30-12-20	07-01-21	8	8.836.200	1	25	8.836.225
Banco de Crédito	PEN	31-12-20	13-01-21	13	2.002.872	-	-	2.002.872
Banco Continental	PEN	18-12-20	06-01-21	19	3.338.120	13	12	3.338.132
Banco Continental	PEN	24-12-20	13-01-21	20	2.140.324	7	4	2.140.328
Banco Continental	PEN	31-12-20	06-01-21	6	1.786.876	-	-	1.786.876
Banco Interbank	PEN	18-12-20	06-01-21	19	844.348	13	46	844.394
Banco Interbank	PEN	18-12-20	06-01-21	19	1.119.252	13	61	1.119.313
Banco Interbank	PEN	24-12-20	13-01-21	20	687.260	7	20	687.280
Banco Interbank	PEN	24-12-20	13-01-21	20	981.800	7	29	981.829
Banco Interbank	PEN	31-12-20	06-01-21	6	1.079.980	-	-	1.079.980
Banco Interbank	PEN	31-12-20	06-01-21	6	608.716	-	-	608.716
Bnaco Scotiabank	PEN	18-12-20	06-01-21	19	6.460.244	13	117	6.460.361
Bnaco Scotiabank	PEN	24-12-20	13-01-21	20	1.885.056	7	29	1.885.085
Bnaco Scotiabank	PEN	31-12-20	06-01-21	6	2.749.040	-	-	2.749.040
Totals					105.174.288	16.224	105.190.512	

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b) Investments in fixed income mutual fund units for 2021 are detailed as follows:

Counterparty	Beginning	Ending	Original currency	Type/Class	Capital invested ThCh\$	Final value ThCh\$	Total 12.31.2021 ThCh\$
Estado FM	30-12-2021	03-01-2022	CLP	Fondo Solvente Serie 1	1.260.000	1.260.539	1.260.135
Estado FM	30-12-2021	03-01-2022	CLP	Fondo Solvente Serie 1	702.000	702.300	702.075
Totals							1.962.000
Totals							1.962.210

Counterparty	Beginning	Ending	Original currency	Type/Class	Capital invested ThCh\$	Final value ThCh\$	Total 12.31.2020 ThCh\$
Banco BCI FM	30-12-2020	04-01-2021	CLP	BCI Competitivo Serie E	5.937.000	5.937.163	5.937.017
Banco Estado FM	30-12-2020	04-01-2021	CLP	Conveniencia Serie 1	1.645.000	1.645.022	1.645.005
Banco Scotiabank FM	30-12-2020	04-01-2021	CLP	Serie V	527.000	527.018	527.001
Totals							8.109.000
Totals							8.109.023

According to the financial investment policies established by the Company, all operations have been undersigned only with widely recognized Banks and Financial Institutions with the highest credit ratings in Chile and Peru.

The carrying amount of time deposits, fixed income mutual funds and instruments issued by the Chilean Central Bank for both periods does not significantly differ from their fair values.

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6. Other Financial Assets

Other financial assets are detailed as follows:

	12.31.2021	12.31.2020
	(ThCh\$)	(ThCh\$)
Current		
Derivatives - not designated as hedges	2.126.451	1.509.435
Derivatives - designated as hedges	77.427.377	979.201
Term Deposits > 90 Days	247.276.327	386.801.452
Subtotal current	326.830.155	389.290.088
Non-current		
Derivatives - designated as hedges	397.088.066	130.512.601
Subtotal non-current	397.088.066	130.512.601
Total other financial assets	723.918.221	519.802.689

Derivatives include all contracts with balances in favor (right) of Group companies:

a) Hedging Derivatives – cash flows – these balances correspond to the market value of derivative contracts that have been designated as exchange and interest risk hedges, and cross currency swaps (CCS), in relation to bonds placed in the international market. These CCS contracts consist in the substitution of obligations in bonds in the amount of US\$ 1,800 million at fixed rates of 4.75% and

4.05%, for obligations in Unidades de Fomento (U.F.) in the amount of 16.38 million and obligations in Chilean pesos in the amount of ThCh\$ 645,882,700, both at annual rates in the range of UF+4.05% and CL\$+6.26%.

b) Derivatives at fair value though in profit or loss (not used as hedging). These comprise the following:

- Purchase/sale of foreign currency futures (FR), which comprise the purchase obligation

of USD 269 million, for a total amount of ThCh\$ 21,776.820 and 890 million New Soles (ThCh\$ 188,615.879).

Those derivative contracts with balances against (obligation) Group companies are recorded within Other financial liabilities (Note 16).

Time deposits over 90 days correspond to placements in the local market. They are detailed as follows:



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Institution	Currency	Date of placement	Maturity date	Days	Amount (ThCh\$)	Accrued days	Accrued interest (ThCh\$)	Total 12.31.2021 (ThCh\$)
Banco de Chile	Ch\$	16-06-21	07-01-22	205	14.000.000	198	55.440	14.055.440
Banco BCI	Ch\$	30-06-21	14-01-22	198	11.400.000	184	48.944	11.448.944
Banco BCI	Ch\$	06-07-21	11-02-22	220	14.000.000	178	74.760	14.074.760
Banco BCI	Ch\$	14-07-21	25-02-22	226	14.500.000	170	106.817	14.606.817
Banco Bice	Ch\$	02-09-21	14-04-22	224	14.500.000	120	110.200	14.610.200
Banco BTG	Ch\$	30-07-21	18-03-22	231	14.500.000	154	119.093	14.619.093
Banco Consorcio	Ch\$	11-08-21	25-03-22	226	14.000.000	142	106.027	14.106.027
Banco Consorcio	Ch\$	15-12-21	21-03-22	96	8.000.000	16	21.333	8.021.333
Banco Estado	Ch\$	22-12-21	22-04-22	121	14.000.000	9	350	14.000.350
Banco HSBC	Ch\$	30-08-21	08-04-22	221	7.000.000	123	63.140	7.063.140
Banco Itau	Ch\$	17-12-21	22-04-22	126	14.000.000	14	28.093	14.028.093
Banco Santander	Ch\$	16-06-21	28-01-22	226	14.000.000	198	73.920	14.073.920
Banco Santander	Ch\$	16-06-21	04-02-22	233	13.000.000	198	71.214	13.071.214
Banco Santander	Ch\$	07-07-21	18-02-22	226	14.000.000	177	82.600	14.082.600
Banco Santander	Ch\$	19-07-21	04-03-22	228	14.500.000	165	111.650	14.611.650
Banco Santander	Ch\$	22-07-21	11-03-22	232	14.500.000	162	109.620	14.609.620
Banco Security	Ch\$	30-08-21	08-04-22	221	7.500.000	123	55.350	7.555.350
Banco Security	Ch\$	17-12-21	29-04-22	133	14.000.000	14	29.335	14.029.335
Banco Scotiabank	Ch\$	11-08-21	01-04-22	233	14.500.000	142	108.441	14.608.441
Totals					245.900.000		1.376.327	247.276.327

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Institution	Currency	Date of placement	Maturity date	Days	Amount (ThCh\$)	Accrued days	Accrued interest (ThCh\$)	Total 12.31.2020 (ThCh\$)
Banco de Chile	Ch\$	29-12-20	23-04-21	115	6.909.000	2	138	6.909.138
Banco de Chile	Ch\$	23-12-20	24-03-21	91	6.045.000	8	484	6.045.484
Banco de Chile	Ch\$	29-09-20	26-02-21	150	14.000.000	93	13.020	14.013.020
Banco de Chile	Ch\$	15-10-20	01-04-21	168	9.652.000	77	7.432	9.659.432
Banco de Chile	Ch\$	14-09-20	22-01-21	130	14.000.000	108	20.160	14.020.160
Banco de Chile	Ch\$	02-10-20	12-03-21	161	14.000.000	90	12.600	14.012.600
Banco BCI	Ch\$	27-10-20	28-05-21	213	9.702.000	65	8.408	9.710.408
Banco BCI	Ch\$	10-12-20	16-04-21	127	14.000.000	21	2.940	14.002.940
Banco BCI	Ch\$	17-12-20	13-08-21	239	10.680.000	14	1.994	10.681.994
Banco BCI	Ch\$	06-11-20	11-06-21	217	10.000.000	55	7.333	10.007.333
Banco BCI	Ch\$	16-09-20	29-01-21	135	14.000.000	106	14.840	14.014.840
Banco BCI	Ch\$	25-09-20	19-02-21	147	14.000.000	97	13.580	14.013.580
Banco BTG	Ch\$	03-09-20	08-01-21	127	14.000.000	119	41.650	14.041.650
Banco BTG (Chile)	Ch\$	15-09-20	15-01-21	122	4.905.000	107	12.246	4.917.246
Banco Consorcio	Ch\$	03-11-20	07-05-21	185	10.000.000	58	9.667	10.009.667
Banco Consorcio	Ch\$	22-09-20	05-02-21	136	8.000.000	100	13.333	8.013.333
Banco Estado	Ch\$	20-10-20	18-06-21	241	14.000.000	72	6.720	14.006.720
Banco HSBC	Ch\$	28-12-20	20-08-21	235	8.500.000	3	706	8.500.706
Banco Itau	Ch\$	24-09-20	12-02-21	141	10.000.000	98	11.433	10.011.433
Banco Itau	Ch\$	03-12-20	09-04-21	127	10.374.000	28	3.873	10.377.873
Banco Santander	Ch\$	08-10-20	26-03-21	169	14.000.000	84	11.760	14.011.760
Banco Santander	Ch\$	16-12-20	02-07-21	198	14.000.000	15	4.200	14.004.200
Banco Santander	Ch\$	29-10-20	30-04-21	183	8.445.000	63	7.094	8.452.094

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Institution	Currency	Date of placement	Maturity date	Days	Amount (ThCh\$)	Accrued days	Accrued interest (ThCh\$)	Total 12.31.2020 (ThCh\$)
Banco Santander	Ch\$	11-12-20	24-05-21	164	12.818.000	20	4.273	12.822.273
Banco Santander	Ch\$	11-11-20	04-06-21	205	14.000.000	50	9.333	14.009.333
Banco Santander	Ch\$	27-11-20	25-06-21	210	10.384.000	34	5.884	10.389.884
Banco Security	Ch\$	05-10-20	19-03-21	165	14.000.000	87	12.180	14.012.180
Banco Security	Ch\$	04-12-20	07-05-21	154	11.311.000	27	3.054	11.314.054
Banco Security	Ch\$	30-09-20	05-03-21	156	14.000.000	92	10.733	14.010.733
Banco Security	Ch\$	11-09-20	15-01-21	126	5.000.000	111	5.550	5.005.550
Banco de Chile	Ch\$	15-12-20	21-06-21	188	3.199.275	16	853	3.200.128
Banco de Chile	USD	21-12-20	16-08-21	238	4.265.700	10	652	4.266.352
Banco BCI	USD	30-09-20	01-03-21	152	6.043.075	92	7.722	6.050.797
Banco Consorcio	USD	14-10-20	18-01-21	96	6.398.550	78	8.318	6.406.868
Banco Estado	USD	21-10-20	22-03-21	152	7.109.500	71	5.609	7.115.109
Banco Estado	USD	18-11-20	26-04-21	159	6.398.550	43	2.293	6.400.843
Banco Itau	USD	07-10-20	08-02-21	124	6.398.550	85	7.554	6.406.104
Banco Itau	USD	12-11-20	12-04-21	151	2.843.800	49	1.742	2.845.542
Banco Itau	USD	28-10-20	29-03-21	152	3.910.225	64	3.823	3.914.048
Banco Itau	USD	04-11-20	05-04-21	152	5.189.935	57	4.108	5.194.043
Totals					386.482.160		319.292	386.801.452

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7. Other Non-Financial Assets

This caption is detailed as follows:

	Current		Non-current	
	12.31.2021 (ThCh\$)	12.31.2020 (ThCh\$)	12.31.2021 (ThCh\$)	12.31.2020 (ThCh\$)
Prepaid expenses				
Leases (land, real estate)	9.666.534	8.499.066	-	-
Impuesto Uso Espectro Radioeléctrico	13.145.124	3.573.022	3.193.453	2.221.247
Capacity rental	865.180	1.136.762	-	-
Advertising	350.399	657.552	305.542	664.529
Insurance	734.966	154.683	-	-
Other	2.322.846	4.557.147	-	-
Customer contract acquisition deferred costs	56.784.885	59.171.869	7.415.348	6.397.223
Contenidos para TV	11.437.046	8.206.835	87.131.770	97.104.507
Remaining VAT credit	-	-	508.788	345.427
Total	95.306.980	85.956.936	98.554.901	106.732.933

Assets for contracts with customers refer to deferred cost balances for the customer recruitment (commissions paid to sales channels), which are recognized in income within a an 18-month period, coinciding with the average duration of these contracts.

For the 2021 and 2020, nine month periods, the effect of these deferred charges on income amounted to ThCh\$ 84.412.730 and ThCh\$96.789.698, respectively. There has been no impairment affecting capitalized balances.

The remaining tax credits originate mainly in subsidiary Entel Perú and will be applied to the VAT on sales in the following periods. These credits have no expiration deadline.

Other Investments corresponds to CLIN Investment Private Fund, which is a venture capital fund managed by Inversiones Innovadoras S.A. The movement is detailed as follows:

	Valorization		
	12.31.2020	Contributions	to Market
CLIN Private Investment Fund	345.427	184.821	(21.460) 508.788

	Valorization		
	31.12.2019	Aportes	Valorización a Mercado)
CLIN Private Investment Fund	168.273	177.154	- 345.427

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8. Trade and Other Receivables

a) Trade and other receivables are detailed as follows:

	12.31.2021 (ThCh\$)	12.31.2020 (ThCh\$)
Trade and other receivables, net		
Current trade accounts receivable, net	598.788.088	466.560.911
Current accounts receivable from employees, net	6.081.918	5.899.574
Other current accounts receivable, net	15.587.397	16.797.951
Total	620.457.323	489.258.436
Non-current accounts receivable, net		
Non-current trade accounts receivable, net	2.004.791	1.907.033
Non-current accounts receivable from employees, net	5.425.441	4.450.288
Other non-current accounts receivable, net	1.247.802	1.249.616
Total	8.678.034	7.606.937
Trade and other receivables, gross		
Current trade accounts receivable, gross	785.411.197	618.759.097
Current accounts receivable from employees, gross	6.081.918	5.899.574
Other current accounts receivable, gross	15.668.865	16.877.124
Total	807.161.980	641.535.795
Non-current accounts receivable, gross		
Non-current trade accounts receivable, gross	2.118.056	2.094.335
Non-current accounts receivable from employees, gross	5.425.441	4.450.288
Other non-current accounts receivable, gross	1.247.802	1.249.616
Total	8.791.299	7.794.239

Trade receivables do not include any securitized or transferred items.

Trade receivables are stated net of provisions for impairment (uncollectibility) of ThCh\$ 186.736.454 and TcCh\$ 152.385.488, as of each year-end, respectively. Included in these balances, is ThCh\$ 399.725.369 and ThCh\$ 1.392.050, corresponding to customers to be invoiced for sale of mobile equipment.

As of December 2020, net current and non-current trade accounts receivable include ThCh\$ 19.522.970 and ThCh\$ 20.087.635 as of each year-end, for recognition of equipment sales to mobile telephone, pending billing, customers on a loan for use basis ("comodato").

Trade accounts receivable includes the value of the services provided and not invoiced in the amount of ThCh\$ 121.244.926 and ThCh\$ 111.939.458, for both periods, respectively.

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Current and non-current gross values, equivalent to ThCh\$ 787.529.253 and ThCh\$ 620.853.432, are detailed as follows:

December 31, 2021		Non-renegotiated portfolio		Renegotiated portfolio		
Portfolio structure		Nº. of customers	Gross balances (ThCh\$)	Nº. of customers	Gross balances (ThCh\$)	Total gross portfolio (ThCh\$)
Current		3.593.827	579.520.760	932	753.225	580.273.985
1 - 30 days		897.718	43.232.643	1.289	167.605	43.400.248
31 - 60 days		297.190	20.286.272	1.289	56.395	20.342.667
61 - 90 days		273.003	12.752.883	1.678	23.505	12.776.388
91 - 120 days		255.993	10.608.316	19.466	172.533	10.780.849
121 - 150 days		260.131	7.390.985	16.017	117.406	7.508.391
151 - 180 days		273.710	7.852.710	5.620	130.706	7.983.416
181 - 210 days		241.650	6.618.949	7.330	181.740	6.800.689
211 - 250 days		327.337	7.376.357	10.772	379.451	7.755.808
Over 250 days		2.289.327	73.019.924	157.998	16.886.888	89.906.812
Total		8.709.886	768.659.799	222.391	18.869.454	787.529.253
December 31, 2020		Non-renegotiated portfolio		Renegotiated portfolio		
Portfolio structure		Nº. of customers	Gross balances (ThCh\$)	Nº. of customers	Gross balances (ThCh\$)	Total gross portfolio (ThCh\$)
Current		3.642.268	439.086.866	356.278	14.272.048	453.358.914
1 - 30 days		981.630	40.218.051	43	101.723	40.319.774
31 - 60 days		417.308	20.974.562	21	154.638	21.129.200
61 - 90 days		316.155	14.602.203	11	90.135	14.692.338
91 - 120 days		290.272	11.167.128	7	5.209	11.172.337
121 - 150 days		258.118	8.400.342	10	13.171	8.413.513
151 - 180 days		253.268	6.699.138	13	20.670	6.719.808
181 - 210 days		211.391	8.084.165	10	11.307	8.095.472
211 - 250 days		201.285	8.757.868	20	34.539	8.792.407
Over 250 days		3.463.723	39.347.137	10.047	8.812.532	48.159.669
Total		10.035.418	597.337.460	366.460	23.515.972	620.853.432

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During the second quarter, the Peruvian regulator has promoted initiatives to limit the collection process for unpaid services in the "consumer" service. For this reason, a total of 356,204 customers, equivalent to ThCh\$ 11.697.648, have begun a process to reprogram their debt, which may be paid within a maximum period of 12 months starting in August of this year (according to IFRS 9, their present value has not yet been discounted). Currently, the amount of ThCh\$ 6,416,959 is still to be recovered from 185,871 customers in total. It should be noted that these limitations stopped being applied as of July 1.

For the Chilean market, the telecommunications industry was not considered within the law to suspend essential service shut-offs, as a result of the pandemic.

b) In addition, trade accounts receivable includes the following balances in relation to non-securitized bounced documents or documents in legal collection:

	12-31-2021		12-31-2020	
	Nº. of customers	Gross balances ThCh\$	Nº. of customers	Gross balances ThCh\$
Returned notes receivable	9,291	10,419,855	9,330	10,456,805
Notes receivable in legal collection process	584	3,001,670	838	3,280,094
Total	9,875	13,421,525	10,168	13,736,899

c) Movimiento de la provisión por deterioro.

	12-31-2021	12-31-2020
	ThCh\$	ThCh\$
Beginning balance	152,385,488	166,734,875
Increase due to impairment recognized in income	87,390,270	75,356,937
Drop in impaired financial assets	(60,356,036)	(79,201,828)
Increase (decrease) in foreign exchange	7,316,732	(10,504,496)
Total	186,736,454	152,385,488

As indicated above with respect to the collection limitations in Peru, an impairment of 100% of the reprogrammed value has been recognized, equivalent to ThCh\$ 6,416,959, included in the charges to income for the period.

In the Chilean market, impairment provisions have increased in line with the increase in revenue, taking into account the

importance of the services provided by the Company to the development of the different economic activities.

Accounts receivable are understood as past-due according to the due date indicated in each bill.

For the purposes of the impairment of accounts receivable, the Company applies a

simplified method, whereby the impairment provision is always recorded with reference to the expected loss, which is determined according to the evaluation of the past payment behavior of customers from different kind of subscribers/clients in the portfolio, as well any existing prospective information, thus generating the respective uncollectibility percentages.

Entel performs an analysis of the level of solvency and activity by type of distributor, for sale of handsets and recharge. A line of credit is generated based on this, which is 100% covered by credit insurance, which has a 10% deductible for each claim.

In the case of recharge distributors, a guarantee bond equivalent to 30% of monthly billing is required. That guarantee bond can be executed upon any non-compliance with contractual clauses.

With respect to credit insurance, this covers the entire account receivable generated with the counterparty. The company has made the decision that credit insurance covers all phone line top-up and sales business partners, without any differentiation.

Compliance Incentives (credit improvements). In the Companies segments, motivation for payment compliance by customers is influenced by not figuring in public or private non-compliance registries (DICO, Transunion - formerly Databusiness and SIISA). In addition, for all segments, differentiated service cut-offs, telephone collections actions and onsite collection up to non-renewal of contracts actions are taken by the company as applicable.

d) Information on Trade Receivables by Customer type

The most significant disaggregation for collection purposes taking into account the business-product combination is the "consumer-mobile services customer. Note that these customers include 83% of the balance receivable due from Telefonía Móvil Perú as of December 31, 2021.

The tables below show, in addition to the portfolio for the "consumer" mobile services customers, information for "all other customers." This breakdown by segment includes Enterprise, Corporate and Other businesses as well as 17% of the balance of accounts receivable due from Telefonía Móvil Perú.

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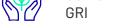
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Stages in arrears	12.31.2021											Total Gross debt	Total Impairment	Total net debt			
	Consumer segment																
	Mobile services				Wireline services				Other services								
	Non-renegotiated		Renegotiated		Non-renegotiated		Renegotiated		Non-renegotiated								
	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment							
Current	390.252.765	21.229.226	61	61	9.417.209	326.282	-	-	-	-	399.670.035	21.555.569	378.114.466				
1- 30 days	16.992.812	3.323.747	1.142	1.142	3.113.691	184.856	-	-	-	-	20.107.645	3.509.745	16.597.900				
31 - 60 days	6.796.153	2.298.545	3.284	3.284	279.684	68.986	-	-	-	-	7.079.121	2.370.815	4.708.306				
61 - 90 days	6.049.278	2.165.997	7.739	7.739	261.287	90.887	-	-	-	-	6.318.304	2.264.623	4.053.681				
91 - 120 days	5.464.113	5.308.372	13.907	13.907	247.046	111.866	-	-	-	-	5.725.066	5.434.145	290.921				
121 - 150 days	4.906.511	4.800.472	88.340	88.340	244.108	123.349	-	-	-	-	5.238.959	5.012.161	226.798				
151 - 180 days	5.259.837	5.166.451	120.892	120.892	264.637	146.298	-	-	-	-	5.645.366	5.433.641	211.725				
181 - 210 days	4.221.672	4.221.672	160.424	160.424	315.914	209.384	-	-	-	-	4.698.010	4.591.480	106.530				
211 - 250 days	5.659.264	5.659.264	353.652	353.652	392.862	260.385	-	-	-	-	6.405.778	6.273.301	132.477				
Over 250 days	53.098.991	53.098.991	10.660.030	10.660.030	939.703	939.703	989.976	989.976	-	-	65.688.700	65.688.700	-				
Total	498.701.396	107.272.737	11.409.471	11.409.471	15.476.141	2.461.996	989.976	989.976	-	-	526.576.984	122.134.180	404.442.804				

Stages in arrears	12.31.2021											Total Gross debt	Total Impairment	Total net debt			
	Consumer segment																
	Mobile services				Wireline services				Other services								
	Non-renegotiated		Renegotiated		Non-renegotiated		Renegotiated		Non-renegotiated								
	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment							
Current	114.171.966	5.344.023	335.513	335.513	63.562.102	713.847	417.652	187.660	2.116.717	4.046	180.603.950	6.585.089	174.018.861				
1- 30 days	15.588.211	13.481.645	66.103	66.103	6.606.911	617.752	100.360	52.482	931.018	686	23.292.603	14.218.668	9.073.935				
31 - 60 days	8.458.160	6.941.498	48.530	48.530	4.548.469	561.445	4.581	2.660	203.806	1.141	13.263.546	7.555.274	5.708.272				
61 - 90 days	4.505.095	3.647.399	14.656	14.656	1.853.349	357.701	1.111	736	83.873	5.767	6.458.084	4.026.259	2.431.825				

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12.31.2021																
Stages in arrears	Consumer segment										Total Gross debt	Total Impairment	Total net debt			
	Mobile services				Wireline services				Other services							
	Non-renegotiated		Renegotiated		Non-renegotiated		Renegotiated		Non-renegotiated							
	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment						
91 - 120 days	3.710.449	3.333.613	157.871	157.871	1.151.738	235.618	755	501	34.970	70	5.055.783	3.727.673	1.328.110			
121 - 150 days	1.424.068	1.285.871	8.914	8.914	743.051	198.810	20.152	20.152	73.247	90	2.269.432	1.513.837	755.595			
151 - 180 days	1.475.949	1.359.990	9.814	9.814	800.364	260.362	-	-	51.923	1	2.338.050	1.630.167	707.883			
181 - 210 days	1.367.178	1.300.986	21.317	21.317	714.184	298.616	-	-	-	-	2.102.679	1.620.919	481.760			
211 - 250 days	851.239	851.239	25.799	25.799	472.992	253.324	-	-	-	-	1.350.030	1.130.362	219.668			
Over 250 days	12.896.722	12.896.722	3.595.763	3.595.763	5.828.168	4.460.270	1.641.116	1.641.116	256.343	155	24.218.112	22.594.026	1.624.086			
Total	164.449.037	50.442.986	4.284.280	4.284.280	86.281.328	7.957.745	2.185.727	1.905.307	3.751.897	11.956	260.952.269	64.602.274	196.349.995			

12.31.2020																
Stages in arrears	Consumer segment										Total Gross debt	Total Impairment	Total net debt			
	Mobile services				Wireline services				Other services							
	Non-renegotiated		Renegotiated		Non-renegotiated		Renegotiated		Non-renegotiated							
	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment						
Current	221.776.372	16.837.535	12.898.607	6.727.420	7.949.216	306.438	-	-	-	-	242.624.195	23.871.393	218.752.802			
1 - 30 days	12.323.626	4.331.479	-	-	95.882	23.740	-	-	-	-	12.419.508	4.355.219	8.064.289			
31 - 60 days	6.824.119	3.127.771	575	575	106.728	27.271	-	-	-	-	6.931.422	3.155.617	3.775.805			
61 - 90 days	4.819.062	2.754.337	-	-	98.175	37.868	-	-	-	-	4.917.237	2.792.205	2.125.032			
91 - 120 days	5.706.172	5.550.671	94	94	109.591	51.003	-	-	-	-	5.815.857	5.601.768	214.089			
121 - 150 days	4.071.774	4.071.774	-	-	100.124	76.057	-	-	-	-	4.171.898	4.147.831	24.067			
151 - 180 days	3.608.676	3.608.676	-	-	67.555	57.058	-	-	-	-	3.676.231	3.665.734	10.497			
181 - 210 days	3.585.701	3.585.701	981	981	105.958	97.172	-	-	-	-	3.692.640	3.683.854	8.786			
211 - 250 days	4.208.784	4.208.784	235	235	321.162	321.162	-	-	-	-	4.530.181	4.530.181	-			
Over 250 days	26.071.185	26.071.185	5.195.867	5.195.867	1.284.807	1.284.807	576.825	576.825	-	-	33.128.684	33.128.684	-			
Total	292.995.471	74.147.913	18.096.359	11.925.172	10.239.198	2.282.576	576.825	576.825	-	-	321.907.853	88.932.486	232.975.367			

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Stages in arrears	12.31.2020												Total Gross debt	Total Impairment	Total net debt								
	Consumer segment										Non-renegotiated	Renegotiated											
	Mobile services				Wireline services				Other services														
	Non-renegotiated		Renegotiated		Non-renegotiated		Renegotiated		Non-renegotiated														
	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment	Gross balances	Impairment													
1 - 30 days	128.608.732	11.460.222	710.837	159.101	79.566.589	1.008.288	662.604	466.222	1.185.957	3.722	210.734.719	13.097.555	197.637.164										
31 - 60 days	17.361.551	8.050.929	20.632	20.632	8.771.205	309.151	81.091	63.027	1.665.787	6.579	27.900.266	8.450.318	19.449.948										
61 - 90 days	9.994.022	8.572.611	153.510	153.510	3.524.683	196.831	553	461	525.010	2.878	14.197.778	8.926.291	5.271.487										
91 - 120 days	7.526.149	6.289.552	89.328	89.328	1.712.438	229.498	807	741	446.379	2.113	9.775.101	6.611.232	3.163.869										
121 - 150 days	4.112.072	3.798.492	3.193	3.193	1.169.565	156.691	1.922	1.762	69.728	179	5.356.480	3.960.317	1.396.163										
151 - 180 days	3.071.164	2.947.842	7.406	7.406	1.141.045	189.175	5.765	5.765	16.235	49	4.241.615	3.150.237	1.091.378										
181 - 210 days	1.711.332	1.582.936	16.079	16.079	1.311.575	288.914	4.591	4.591	-	-	3.043.577	1.892.520	1.151.057										
211 - 250 days	460.727	460.727	7.127	7.127	1.207.612	373.677	3.199	3.199	2.724.167	13.322	4.402.832	858.052	3.544.780										
Over 250 days	3.106.311	3.106.311	23.938	23.938	1.121.611	450.385	10.366	10.366	-	-	4.262.226	3.591.000	671.226										
Más de 250 días	2.113.125	2.113.125	2.920.587	2.920.587	9.865.547	7.762.488	119.253	119.253	12.473	27	15.030.985	12.915.480	2.115.505										
Total	178.065.185	48.382.747	3.952.637	3.400.901	109.391.870	10.965.098	890.151	675.387	6.645.736	28.869	298.945.579	63.453.002	235.492.577										

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9. Trade Receivables Due from Related Parties

The table below shows the detail of transactions and balances with persons or legal entities related to the mentioned parents as well as the benefits received by the Group's Board of Directors and key management personnel.

As discussed in Note 1.a), the controlling shareholder of Entel Chile S.A. is Inversiones Altel Ltda. (Taxpayer ID 76.242.520-3), the owner of 54.86% of the Company's current shares. 99.99% of Altel Ltda. is controlled by Almendral S.A. (Taxpayer ID 94.270.000-8).

Almendral S.A. is controlled by a group of shareholders who signed a joint interest agreement on January 24, 2005. The agreement was signed by the groups Matte, Fernández León, Hurtado Vicuña, Consorcio, Izquierdo and Gianoli.

a) Trade receivables:

TAX ID.	Company	Country of origin	Nature of relationship	Current	
				12.31.2021 ThCh\$	12.31.2020 ThCh\$
76.115.132-0	Canal 13	Chile	Director en Común	3.701	8.105
76.600.628-0	CMPC Celulosa S.A.	Chile	Accionista en Común	-	34.800
90.193.000-7	Empresas el Mercurio	Chile	Director en Común	27.670	25.826
90.222.000-3	Empresas CMPC S.A.	Chile	Accionista en Común	-	12.604
96.505.760-9	Colbún S.A.	Chile	Accionista en Común	14.622	-
96.529.310-8	CMPC Tissue S.A.	Chile	Accionista en Común	17.852	33.524
96.565.580-8	Compañía de Leasing Tattersall S.A.	Chile	Director en Común	19.793	-
97.080.000-K	Banco BICE	Chile	Accionista en Común	49.511	39.256
99.012.000-5	Seguros de Vida Consorcio S.A.	Chile	Accionista en Común	67.732	112.616
99.500.410-0	Banco Consorcio	Chile	Accionista en Común	9.559	27.890
Total				210.440	294.621

b) Accounts payable:

TAX ID.	Company	Country of origin	Nature of relationship	Current	
				12.31.2021 ThCh\$	12.31.2020 ThCh\$
76.115.132-0	Canal 13	Chile	Director en Común	465.055	269.545
90.193.000-7	Empresas el Mercurio	Chile	Director en Común	40.824	33.844
96.505.760-9	Colbún S.A.	Chile	Accionista en Común	858	-
96.529.310-8	CMPC Tissue S.A.	Chile	Accionista en Común	14.719	-
96.565.580-8	Compañía de Leasing Tattersall S.A.	Chile	Director en Común	57.705	-
99.012.000-5	Seguros de Vida Consorcio S.A.	Chile	Accionista en Común	28.633	28.792
Total				607.794	332.181

Related company balances are only reported when the operations (transactions) volume is proportionally higher than UF 6,000 per year.

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c) Transactions:

The Company conducts transactions with related parties domiciled in Chile.

TAX ID	Company	Nature of relationship	Transaction description	12.31.2021		12.31.2020	
				Amount ThCh\$	Effect on income (charge / credit)	Amount ThCh\$	Effect on income (charge / credit)
76.115.132-0	Canal 13	Director en Común	Servicios Prestados	54.016	54.016	65.290	65.290
			Servicios Recibidos	1.973.853	(1.973.853)	2.154.889	(2.154.889)
76.600.628-0	CMPC Celulosa S.A.	Accionista en Común	Servicios Prestados	-	-	545.687	545.687
90.193.000-7	Empresas el Mercurio	Director en Común	Servicios Prestados	135.932	135.932	144.279	144.279
			Servicios Recibidos	350.386	(350.386)	232.680	(232.680)
90.222.000-3	Empresas CMPC S.A.	Accionista en Común	Servicios Prestados	-	-	200.798	200.798
96.505.760-9	Colbún S.A.	Accionista en Común	Servicios Prestados	552.743	552.743	-	-
96.529.310-8	CMPC Tissue S.A.	Accionista en Común	Servicios Prestados	386.527	386.527	415.874	415.874
			Servicios Recibidos	45.575	(45.575)	61.714	(61.714)
96.565.580-8	Compañía de Leasing Tattersall S.A.	Director en Común	Servicios Prestados	95.285	95.285	-	-
			Servicios Recibidos	496.227	(496.227)	-	-
97.080.000-K	Banco BICE	Accionista en Común	Servicios Prestados	313.207	313.207	321.690	321.690
99.012.000-5	Seguros de Vida Consorcio S.A.	Accionista en Común	Servicios Prestados	539.380	539.380	573.868	573.868
			Servicios Recibidos	337.567	(337.567)	336.499	(336.499)
99.500.410-0	Banco Consorcio	Accionista en Común	Servicios Prestados	295.235	295.235	270.367	270.367
Total				(831.283)		(247.929)	

The detail is as follows: Telecommunication services provided to related parties correspond to services included in the Entel Group's line of business (mobile and wireline telephone services, Internet, data services and call center).

Meanwhile, the services received are primarily related to sponsorships, advertising, and supplementary health insurance.

d) Key management personnel compensation:

The Parent is managed by a Board of Directors comprised of nine members, of which compensation for the first the years 2021 and 2020, amounted to ThCh\$ 523.753 and ThCh\$ 514.165, respectively.

For the same periods, key management personnel compensation amounted to ThCh\$ 5.097.443 and ThCh\$ 5.130.683, respectively. These amounts include annual bonuses paid of ThCh\$ 2.473.140 and ThCh\$ 2.002.546 paid in each of the periods.

The number of the key management personnel is 11 for period.

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10. Inventories

Inventories are primarily comprised of mobile telephone handsets and accessories. Inventories are stated in conformity with Note 3 d; and are detailed as follows:

	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Mobile telephone equipment and accessories	112.257.785	73.564.709
Work in progress	-	4.641
Other inventory	8.868.526	4.166.965
Total	121.126.311	77.736.315

As of each year-end there were no encumbrances on any of the items that compose inventory.

For mobile phone handsets, the cost of handsets is recognized directly in profit or loss when contracts are signed and the handset is delivered to the client.

During the periods covered by these financial statements, income was charged for the concept of cost of sales, marketing costs and/or consumption of materials, in the amount of ThCh\$ 569.377.688 and ThCh\$ 378.343.801, respectively.

During the same reporting periods, there have been no allocations to inventory from adjustments to the realizable value.

During 2021 and 2020, respectively, ThCh \$1.987.264 and ThCh\$ 3.599.952, respectively, for impairment of inventory, arising from technological and/or market obsolescence. The accumulated values for this concept amount to ThCh\$ 3225.243 and ThCh\$ 3.435.708, respectively.

At each reporting period, there have been no reversals of impairment losses recognized in prior periods.

Inventory refers primarily to mobile phones for the service users. The level, activity, and turnover are based on portfolio growth projections, demand for phone upgrades, technological changes, and customer retention campaigns.

11. Current Tax Assets and Liabilities

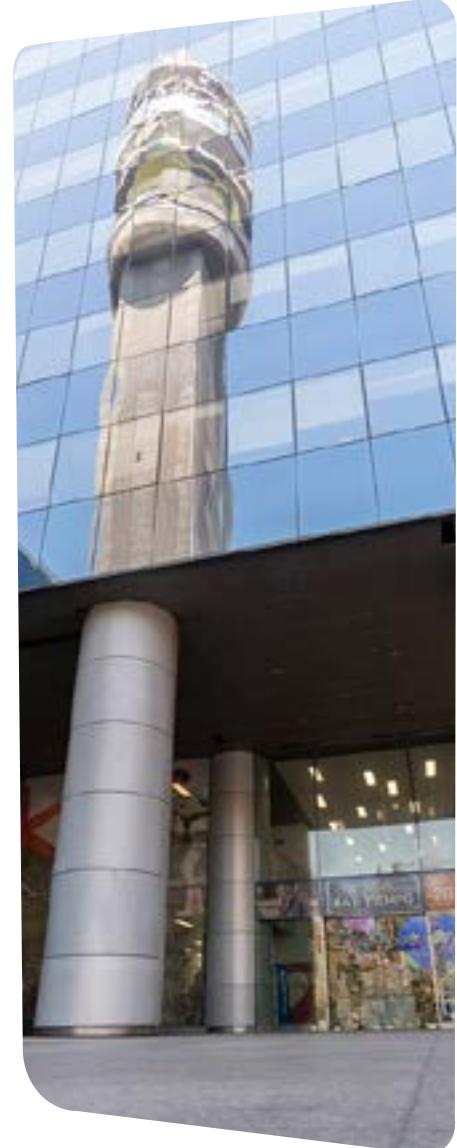
Income tax provisioned by each company in the Group, for their income (for companies with positive net income), is presented offset with the mandatory monthly provisional payments (PPM), that have been made and other credits. The effect of income tax on income can be seen in Note 15.d.

The accumulated offsetting of companies with balances in favor (receivable) added altogether, as of each year ThCh\$ 9.544.716 and ThCh\$65.135.169, respectively. These values are presented in current assets, forming part of tax assets, which are detailed in the following table:

	Current		Non-current	
	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Monthly provisional payments net of income taxes	9.544.716	65.135.169	-	-
Provisional payment on absorbed profits	4.172.775	32.706.900	-	-
Monthly provisional payments from prior periods, other credits	11.126.345	19.954.332	640.498	1.078.992
Total	24.843.836	117.796.401	640.498	1.078.992

The aggregate amount of income taxes payable was ThCh\$ 57.204.467 and ThCh\$14.700.058, as of December 31, 2021 and 2020, and are presented within current tax liabilities in current liabilities.

The provisional payments for absorbed profits correspond to the right held by companies with tax losses and which receive dividends, to receive a tax return associated with the dividend received.

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12. Intangible Assets

Intangible assets include licenses, easements and others, and are detailed as follows:

	12-31-2021 (ThCh\$)	12-31-2020 (ThCh\$)
Total intangible assets, net	388.041.277	280.882.103
Intangible assets with finite useful lives, net	388.041.277	280.882.103
Identifiable intangible assets, net	388.041.277	280.882.103
Patents, registered brands and other rights, net	1.746.242	2.189.925
Other identifiable intangible assets, net	386.295.035	278.692.178
Total intangible assets, gross	525.157.852	404.541.293
Identifiable intangible assets, gross	525.157.852	404.541.293
Patents, registered brands and other rights, gross	39.027.910	39.027.910
Other identifiable intangible assets, gross	486.129.942	365.513.383
Total accumulated amortization and impairment of intangible assets	(137.116.575)	(123.659.190)
Accumulated amortization and impairment, identifiable intangible assets	(137.116.575)	(123.659.190)
Accumulated amortization and impairment, patents, registered brands and other rights	(37.281.668)	(36.837.985)
Accumulated amortization and impairment, other identifiable intangible assets	(99.834.907)	(86.821.205)

As of December 31, 2021, and 2020, the net value of the main components of intangible assets is detailed as follows:

	Net value	Grantor	Term (months)	Remaining term (months)
Patents, registered brands and other rights:				
- Relationships with customers	1.737.757	CIENTEC and TRANSAM absorption	180	36
- Easements	8.485	Owners of real estate	120 - 240	0 - 52
Total	1.746.242			
Other identifiable intangibles:				
- 3.5 GHz Band Concession (5G Tender)	100.094.746	State of Chile	360	357
- Concession of 900 MHz band	4.209.691	State of Chile	480 - 360	345 - 231
- Concession of 700 MHz band	5.312.970	State of Chile	360	277
- Concession of 2.600 MHz band (4G tender)	2.970.749	State of Chile	360	250
- Concession of 700 MHz band	180.492.756	State of Peru	480	427
- Concession of AWS 1700 - 2100 MHz band	50.509.713	State of Peru	480	283
- Concession of 1900 MHz band	34.917.375	State of Peru	480	329
- Concession of 2500 MHz band	2.301.592	State of Peru	156	32
- Concession of 3500 MHz band	2.076.526	State of Peru	171 - 240	0 - 111
- Concession of 2300 MHz band	1.283.665	State of Peru	216	192
- Other	2.125.252			
Total	386.295.035			

	Net value	Grantor	Term (months)	Remaining term (months)
Patents, registered brands and other rights:				
- Relationships with customers	2.181.439	CIENTEC and TRANSAM absorption	180	48
- Easements	8.486	Owners of real estate	120 - 240	0 - 61
Total	2.189.925			
Other identifiable intangibles:				
- Concession of 900 MHz band	7.699.093	State of Chile	480 - 360	357 - 243
- Concession of 700 MHz band	5.542.307	State of Chile	360	289
- Concession of 2.600 MHz band (4G tender)	3.113.345	State of Chile	360	262
- Concession of 700 MHz band	171.972.688	State of Peru	480	439
- Concession of AWS 1700 - 2100 MHz band	48.239.237	State of Peru	480	305
- Concession of 1900 MHz band	33.540.006	State of Peru	480	341
- Concession of 2500 MHz band	3.148.505	State of Peru	156	44
- Concession of 3500 MHz band	2.111.399	State of Peru	171 - 240	1 - 120
- Concession of 2300 MHz band	2.181.259	State of Peru	240	204
Other	1.144.339			
Total	278.692.178			

Las Accumulated impairment losses shown in the table above relate mainly to the rights of use over optic fiber cable capacities. At each reporting date, these accumulated impairment losses amount to ThCh\$ 2.857.281 and they originated mainly in prior years as a result of adjustment of such assets to their recoverable amount due to a decrease in market demand.

No fully amortized intangible assets are still in use.

There are no restrictions over the ownership of intangible assets and no total or partial guarantees have been granted over intangible assets.

As of December 31, 2021, and 2020, the Group does not have any significant commitments for the acquisition of intangible assets.

	Net patents, registered brands & other rights ThCh\$	Other identifiable intangibles, net ThCh\$	Total net identifiable intangible assets ThCh\$
Beginning balance	2.189.925	278.692.178	280.882.103
Additions	-	100.844.643	100.844.643
Amortization	(443.683)	(9.792.753)	(10.236.436)
Impairment Loss Recognized in the Income Statement	-	(3.214.094)	(3.214.094)
Increase (decrease) in foreign currency translation	-	20.026.339	20.026.339
Other increase (decrease)	-	(261.278)	(261.278)
Ending balance	1.746.242	386.295.035	388.041.277

It should be noted that in December 2021 the amount of ThCh\$3,214,094 was written-off. This amount relates to a portion of the spectrum in the 900 Mhz band that was returned the to the State of Chile.

	Net patents, registered brands & other rights ThCh\$	Other identifiable intangibles, net ThCh\$	Total net identifiable intangible assets ThCh\$
Beginning balance	2.633.879	329.639.267	332.273.146
Additions	-	864.886	864.886
Amortization	(443.954)	(11.910.856)	(12.354.810)
Increase (decrease) in foreign currency translation	-	(39.837.672)	(39.837.672)
Other increase (decrease)	-	(63.447)	(63.447)
Ending balance	2.189.925	278.692.178	280.882.103

The amortization schedule for intangible assets is detailed as follows:

Assets	Min. useful life (years)	Max. Useful life (years)
Patents, registered brands and other rights	4	20
Computer programs	4	4
Other identifiable intangible assets	10	40

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13. Goodwill

Changes in goodwill are detailed as follows:

Company	Main segment	Beginning balance 01.01.2020 ThCh\$	Foreign currency translation ThCh\$	Ending balance 12.31.2020 ThCh\$	Foreign currency translation ThCh\$	Ending balance 12.31.2021 ThCh\$
Entel PCS Telecommunicaciones S.A.	Personas	43.384.200	-	43.384.200	-	43.384.200
Cientec Computación S.A.	Corporaciones	2.402.281	-	2.402.281	-	2.402.281
Entel Peru S.A.	Personas	1.447.109	(190.567)	1.256.542	99.315	1.355.857
Transam Comunicación S.A.	Personas	108.646	-	108.646	-	108.646
Will S.A.	Personas	156	-	156	-	156
Final balance, net		47.342.392	(190.567)	47.151.825	99.315	47.251.140

Goodwill is subject to annual impairment testing at each reporting date. No impairment has been noticed since the date of acquisition.

The main goodwill balances relate to the following business combinations:

a) The goodwill related to the investment in the subsidiary Entel PCS Telecommunicaciones S.A. arose from the merger in which the parent acquired all the assets and assumed all the liabilities of the subsidiary Entel Telefonía Personal S.A. made by the end of 2010.

The assets of the taken over company included 94.64% of the equity of Entel PCS Telecommunicaciones S.A. as well as an asset for goodwill paid, generated in December 2002 as a result of the acquisition of 25% of the shares owned by Propel Inc. (USA).

When 100% of control over Entel Telefonía Personal S.A. was acquired by the Entel Group, the former had almost exclusive control over two subsidiaries in charge of significant concessions in the 1900MHz band, which allowed developing the digital mobile telephone service business in Chile.

The qualitative factors considered in the goodwill recognized included the high growth potential and expected profitability of the mobile telephone business, the higher flexibility in relation to investing and operational decisions, especially considering the exclusion of a minority interest held by a foreign shareholder within the telecommunication equipment manufacturing industry, and the market position of the subsidiary at the time.

The periodic performance of impairment tests includes the present and forecast contribution of revenue resulting from mobile

telephone service transactions, the level of updating and capacity of technological platforms, the satisfaction level of customers, market recognition and the status of technical and marketing management.

b) The goodwill related to the investment in the subsidiary Cientec Computación S.A. arose from the acquisition of 100% of its shares from its prior shareholders in December 2008. The selling shareholders were Inversiones Balilia Limitada and Millenium Fondo de Inversiones Privado, legal entities not directly or indirectly related to the acquirer.

The purpose of acquiring this company was to expand the Group's capacity to offer operating continuity services within the Information Technology business. Cientec was a well reputed company in providing operating continuity business services to companies (hosting/housing services, critical business applications for IT center management, sale and training platforms).

The qualitative factors considered in the goodwill recognized relate to the reputation of Cientec among its customers, the transfer

of management and higher efficiencies related to the critical customer mass.

The periodic performance of goodwill impairment tests includes the maintenance and growth of market share, maintenance of service standards and the profitability and growth potential of related business area.

c) The goodwill related to the investment in the subsidiary Entel Perú S.A. (formerly Nextel Perú S.A.) arose from the acquisition of 100% of its shares from its prior shareholders in August 2013. The selling shareholders were American Company NII Holdings, a legal entity not directly or indirectly related to the acquirer.

This transaction allows Entel S.A. to expand the sale of services and its presence in Peru, a country with a strong economy and an attractive market, which presents a good potential for development.

The efforts have been focused on developing a business strategy to achieve a relevant position in the market, promoting the segmentation of consumer and SME customers, and redesigning the commercial offer and customer

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service, as well as expanding the distribution channels. In addition, the network capacity and coverage, as well as the 2G, 3G and 4G technologies have been significantly expanded, positioning the latter as the best in terms of quality in the Peruvian market. Beginning in October 2014, Nextel Peru officially changed its name to Entel Peru, thereby consolidating the change in brand name in the Peruvian market. As a result, the Company launched a high-impact advertising campaign focused on strengthening the new brand name and services provided to the market.

d) The impairment tests for recognized assets are based on the comparison of the carrying amount of the cash-generating unit, including its surplus value, to the discounted net cash flows with a 8 year time frame. Should the fair value be lower than the net carrying amount, an impairment loss that cannot be reversed is recognized in profit or loss. Impairment tests are performed at the end of each annual period.

The main assumptions used to calculate recoverable amounts are based on the best forecast estimates for the cash flows of the different businesses that the Company will undertake and based, for the short-term, on a Budget that has been formally approved by the Board for the next three years. For longer periods, estimates consider the markets (expectations regarding customer base, income margins, levels of competition, maturity cycles, new business) technological aspects and the need for associated additional investments that the Company believes will be necessary, such as expansion of networks, technological evolution, spectrums, etc. The aforementioned activity projections influence the evolution of the different financial metrics, such as debt levels, working capital fluctuations, debt indicators, taxes, dividends and profit rates, among other things. Projected cash flows are analyzed jointly, in order for them to reflect coherence with the Company's vision and long-term expected plans. Finally, the cash flows obtained are discoun-

ted at rates associated to the Company's cost of capital 9,43% annually (WACC rate).

To date, the recovery value of the cash generating units to which goodwill has been allocated, comfortably exceed their carrying amounts. Consequently, no impairment for this concept has been recognized.

14. Property, Plant and Equipment

The gross values, depreciation and net values of property, plant and equipment as of December 31, 2021 and 2020, are detailed as follows:

	12-31-2021 (ThCh\$)	12-31-2020 (ThCh\$)
Total property, plant and equipment, net	2.049.999.322	1.940.341.846
Construction in progress, net	326.773.327	251.373.017
Land, net	12.193.566	11.928.560
Buildings, net	101.186.741	107.162.180
Plant and equipment, net	1.357.889.695	1.345.531.601
Information technology equipment, net	214.883.303	180.675.228
Fixed installations and accessories, net	25.943.881	33.122.129
Motor vehicles, net	2.381	17.964
Leasehold improvements, net	2.349.203	4.431.584
Other property, plant and equipment, net	8.777.225	6.099.583
Total property, plant and equipment, gross	6.896.658.961	6.347.093.923
Construction in progress, gross	326.773.327	251.373.017
Land, gross	12.193.566	11.928.560
Buildings, gross	284.903.467	284.276.164
Plant and equipment, gross	5.236.689.533	4.877.778.219
Information technology equipment, gross	680.200.308	578.367.902
Fixed installations and accessories, gross	284.566.893	275.716.635
Motor vehicles, gross	869.257	837.528
Leasehold improvements, gross	39.897.399	39.933.896
Other property, plant and equipment, gross	30.565.211	26.882.002
Total accumulated depreciation and impairment, property, plant and equipment	(4.846.659.639)	(4.406.752.077)
Accumulated depreciation and impairment, buildings	(183.716.726)	(177.113.984)
Accumulated depreciation and impairment, plant and equipment	(3.878.799.838)	(3.532.246.618)
Accumulated depreciation and impairment, information technology equipment	(465.317.005)	(397.692.674)
Accumulated depreciation and impairment, fixed installations and accessories	(258.623.012)	(242.594.506)
Accumulated depreciation and impairment, motor vehicles	(866.876)	(819.564)
Accumulated depreciation and impairment, leasehold improvements	(37.548.196)	(35.502.312)
Accumulated depreciation and impairment, other	(21.787.986)	(20.782.419)

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In 2021, the movements of items that compose property, plant and equipment are detailed as follows:

	Construction in progress ThCh\$	Land ThCh\$	Buildings, net ThCh\$	Plant and equipment, net ThCh\$	Information technology equipment, net ThCh\$	Fixed installations & accessories, net ThCh\$	Motor vehicles, net ThCh\$	Leasehold improvements, net ThCh\$	Other property, plant & equipment, net ThCh\$	Property, plant & equipment, net ThCh\$	
Beginning balance	251.373.017	11.928.560	107.162.180	1.345.531.601	180.675.228	33.122.129	17.964	4.431.584	6.099.583	1.940.341.846	
Changes	Additions	254.789.783	-	-	115.440.651	68.413.448	3.203.228	-	26.772	4.588.565	446.462.447
	Divestitures(1)	(27)	-	-	(2.617.058)	(46.866)	(38.497)	-	(31.716)	(81.177)	(2.815.341)
	Depreciation expense	-	-	(6.764.193)	(307.440.874)	(52.590.145)	(12.206.267)	(15.715)	(2.098.744)	(864.763)	(381.980.701)
	Impairment loss recognized in the income statement	-	-	-	(7.978.459)	(2.424)	(413)	-	-	-	(7.981.296)
	Increase (decrease) in foreign exchange	1.816.801	265.006	504.553	37.735.906	7.909.510	1.555.910	132	-	363.059	50.150.877
	Other increase (decrease)	(181.206.247)	-	284.201	177.217.928	10.524.552	307.791	-	21.307	(1.328.042)	5.821.490
	Total changes	75.400.310	265.006	(5.975.439)	12.358.094	34.208.075	(7.178.248)	(15.583)	(2.082.381)	2.677.642	109.657.476
Ending balance	326.773.327	12.193.566	101.186.741	1.357.889.695	214.883.303	25.943.881	2.381	2.349.203	8.777.225	2.049.999.322	

In 2020, the movements of items that compose property, plant and equipment are detailed as follows:

	Construction in progress ThCh\$	Land ThCh\$	Buildings, net ThCh\$	Plant and equipment, net ThCh\$	Information technology equipment, net ThCh\$	Fixed installations & accessories, net ThCh\$	Motor vehicles, net ThCh\$	Leasehold improvements, net ThCh\$	Other property, plant & equipment, net ThCh\$	Property, plant & equipment, net ThCh\$	
Beginning balance	314.079.376	12.239.862	114.178.364	1.363.171.308	191.879.731	35.829.661	75.411	5.616.462	5.782.335	2.042.852.510	
Changes	Additions	191.939.220	195.133	-	122.598.504	45.811.706	11.125.684	15.313	1.171.946	3.890.882	376.748.388
	Divestitures(1)	(100.469)	-	-	(3.679.498)	(18.308)	(1.252.715)	(21.297)	-	(1.341)	(5.073.628)
	Depreciation expense	-	-	(6.696.178)	(292.415.442)	(59.349.004)	(14.097.990)	(49.616)	(2.589.887)	(650.782)	(375.848.899)
	Impairment loss recognized in the income statement	-	-	-	(4.320.000)	(5.729)	(1.422)	-	-	-	(4.327.151)
	Increase (decrease) in foreign exchange	(3.301.299)	(508.506)	(1.029.525)	(71.273.419)	(16.148.929)	(3.651.011)	(1.847)	-	(582.046)	(96.496.582)
	Other increase (decrease)	(251.243.811)	2.071	709.519	231.450.148	18.505.761	5.169.922	-	233.063	(2.339.465)	2.487.208
	Total changes	(62.706.359)	(311.302)	(7.016.184)	(17.639.707)	(11.204.503)	(2.707.532)	(57.447)	(1.184.878)	317.248	(102.510.664)
Ending balance	251.373.017	11.928.560	107.162.180	1.345.531.601	180.675.228	33.122.129	17.964	4.431.584	6.099.583	1.940.341.846	

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Las adiciones disclosed in the tables of movements are not representative of the payments related to acquisitions of property, plant and equipment (taxes and changes in suppliers are not included). Such information is included in the statement of cash flows.

During 2021 and 2020 interest has been generated in the Group and charged to work in progress and associated materials, in the amount of ThCh\$ 5.638.967 and ThCh\$ 6.153.488 respectively, in accordance with the policy described in Note 3g.

The Group's companies have procedures for identifying possible loss of value of its property, plant and equipment items.

The policies for determining impairment of property, plant and equipment are based on ongoing analysis of the indications of impairment; if the results are positive, the recovery values of the affected assets are estimated.

For this purpose, the Company has assets control systems with various levels of component details which are associated to technological service platforms.

The values charged to losses for this concept during 2021 and 2020, originate in removal of equipment affected by technological changes or a decrease in their recoverable values due to a decrease in the price of certain services or customer equipment, with scarce probability of them being reused or disposed of, and equipment with remaining useful lives that exceed their estimated period of economic use. See Note 23.

Average depreciation applied is detailed as follows:

For assets of which the useful life is completed, the Group has not determined recoverable amounts of possible gains from sale as it is difficult to forecast the complementary economic efficiency period of such assets, mainly due to that fact that their ageing has increased their technological risk.

There are no ownership restrictions over any assets except for those usual for assets under finance leases. In addition, no total or partial guarantees have been granted over these assets.

As of December 31, 2021, and 2020, commitments related to the acquisition of property, plant and equipment including purchase orders to suppliers and contracts related to the construction of civil works, amount to ThCh\$ 151.321.235 and ThCh\$ 80.393.746, respectively.

Property, plant and equipment do not include any items out of service with significant value.

The gross value of fixed assets that although totally depreciated are still in use amounts to ThCh\$748.222.465. In general,

these assets correspond to assets with high technical obsolescence, of which retirement or replacement becomes economically convenient upon completion of the services being used, increase in failure risks, suspension of the technological support from the manufacturer or other circumstances. The value in use of these assets has not been estimated due to the uncertainty regarding the remaining use period.

Fondo de Desarrollo de las Telecomunicaciones, an entity dependent of the Ministerio de Transportes y Telecomunicaciones, awarded the Entel Group the execution of several projects intended to drive projects allowing to increase the coverage of telecommunication services, specially toward the most vulnerable or isolated areas of Chile.

As part of this project, as of December 31, 2021, the Group has carried out works for ThCh\$ 76,373,283. As per the agreement entered into with the Chilean Government, the Group has received grants of ThCh\$ 28,879,847. From this amount, ThCh\$ 25,884,150 has been recorded reducing the book value of the works performed.

Assets	Min. useful life (years)	Max. Useful life (years)
Buildings	20	50
Plant and equipment		
External plant	7	25
Subscriber equipment	3	7
Information technology equipment	3	8
Fixed installations and accessories	3	10
Motor vehicles	3	7
Leasehold improvements	5	5
Other property, plant and equipment	5	10

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15. Income Tax and Deferred Taxes

a) General information

The companies subject to the partially integrated system, which establishes the new tax earnings records (RAI), which includes FUT historical balances plus profits for the year, and the accumulated credit balance (SAC), which determines the credit rate

to which the shareholders are entitled to when distributing dividends.

As of December 31, 2021, balances of both records for the Group companies that at the reporting date maintained undistributed tax profits are detailed as follows:

Company	Accumulated credit balance (SAC in Spanish)		
	Taxable income (RAI in Spanish) ThCh\$	As of 01.01.2017 Current rate with restitution ThCh\$	To 12.31.2016 TEF rate (Effective FUT rate) without restitution ThCh\$
Empresa Nacional de Telecomunicaciones S.A.	1.019.430.407	171.679.025	184.000.786
Entel PCS Telecomunicaciones S.A.	698.852.051	31.358.955	160.226.090
Entel Inversiones SpA.	41.574.204	323.049	6.795.806
Transam Comunicaciones S.A.	14.155.293	5.159.428	800.555
Entel Comercial S.A.	5.217.272	51.727	1.460.661
Entel Servicios Empresariales S.A.	2.768.670	718.397	371.342
Entel Telefonía Local S.A.	1.906.386	577.339	232.973
EPH 1 S.A.	-	13.735.178	127.301
Will S.A.	37.715.256	14.757.984	-
Entel Internacional SpA	33.418.899	-	-
Entel Servicios Telefónicos S.A.	-	-	791.763
Total ThCh\$	1.855.038.438	238.361.082	354.807.277

b) Deferred taxes:

Deferred tax assets and liabilities stated in conformity with Note 3k are detailed as follows:

Description	12.31.2021		Changes for the period in	
	Asset ThCh\$	Liability ThCh\$	Income ThCh\$	ORI ⁽¹⁾ ThCh\$
Depreciation of property, plant and equipment	10.333.489	80.919.322	(86.424.625)	(5.749.480)
Amortization of intangibles	514.959	29.297.255	(2.531.812)	(2.097.155)
Accumulations (or accruals)	25.575.491	5.274.672	4.151.168	(2.762)
Provisions	22.573.960	-	1.756.479	347.754
Impairment of accounts receivable (doubtful accounts)	43.887.426	-	27.382.256	1.591.168
Assets/liabilities at amortized cost	748.850	189.546	(5.755.687)	-
Deferred revenue/costs	16.504.357	18.336.264	10.236.628	(222.647)
Right of use assets	-	125.709.587	18.173.744	(4.706.479)
Lease agreement liabilities	170.219.453	-	(19.852.133)	5.783.539
Tax losses	394.509.552	-	32.102.594	29.133.821
Other	3.605.330	1.198.441	(262.822)	(47.874)
Totals	688.472.867	260.925.087	(21.024.210)	24.029.885

Description	12.31.2020		Changes for the period in	
	Asset ThCh\$	Liability ThCh\$	Income ThCh\$	ORI ⁽¹⁾ ThCh\$
Depreciation of property, plant and equipment	42.674.196	21.085.924	(22.214.081)	2.915.658
Amortization of intangibles	154.860	24.308.189	649.218	3.464.412
Accumulations (or accruals)	21.616.839	5.464.426	3.156.940	(113.179)
Provisions	20.469.727	-	412.458	(1.794.030)
Impairment of accounts receivable (doubtful accounts)	14.914.002	-	(3.962.735)	(782.952)
Assets/liabilities at amortized cost	6.547.513	232.522	(283.269)	-
Deferred revenue/costs	6.679.209	18.525.097	4.197.269	1.217.351
Right of use assets	-	139.176.852	(29.217.182)	12.286.657
Lease agreement liabilities	184.288.047	-	37.109.575	(14.661.106)
Tax losses	333.273.137	-	5.131.670	(49.840.060)
Other	4.149.995	1.432.410	(847.185)	(157.746)
Totals	634.767.525	210.225.420	(5.867.322)	(47.464.995)

ORI⁽¹⁾: Corresponds to Other Comprehensive Income (ORI in Spanish), Accumulated Foreign Currency Translation Reserves.

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Deferred assets related to tax losses are primarily obtained from accumulated tax losses of the subsidiary Entel Perú S.A., which do not have maturity dates and will be applied to future tax earnings generated in such subsidiary.

c) Unrecognized deferred tax assets

No deferred assets have been recognized for certain national and foreign subsidiaries, associated to the application of tax losses on future profits and customer impairment. Unrecognized assets amount to ThCh\$ 30.315.861 and ThCh\$ 18.721.788, as of each year-end, respectively.

d) Deferred and current income tax expense (benefit) are detailed as follows

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Current income tax expense		
Current tax expense	32.759.621	38.934.419
Adjustment to prior period current tax	(70.321)	1.651.759
Other current tax expense (credit)	(10.058.461)	(36.965.692)
Total net current taxes	22.630.839	3.620.486
Deferred income tax expense		
Tax expense (credit) related to creation and reversal of temporary differences	21.024.210	5.867.322
Total net deferred tax expense (credit)	21.024.210	5.867.322
Income tax expense (credit)	43.655.049	9.487.808



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e) Reconciliation between the legal tax rate and the effective tax rate (amounts):

For each period, the reconciliation between the expense using the legal tax rate and expense using the effective tax rate is detailed as follows:

	01.01.2021 12.31.2021 ThCh\$	01.01.2020 12.31.2020 ThCh\$
Tax expense (credit) using the legal rate	32.030.195	25.367.595
Tax effect of rates in other jurisdictions	(943.923)	(1.818.032)
Tax effect of permanent differences		
Readjustment/fluctuation of tax investments	72.336.688	(10.111.335)
Price-level restatement of own capital	(53.953.430)	(22.218.162)
Lower Deferred Tax Accrual	276.922	18.037.438
Tax Effect of Tax of Previous Periods	121.546	1.651.759
Tax calculated with the applicable rate	18.729	12.432
Modification of Financial Debt (IFRS 9)	(7.141.765)	-
Other increase (decrease) in legal tax charge	910.087	(1.433.887)
Total adjustment to tax expense using the legal rate	11.624.854	(15.879.787)
Tax expense (credit) using the effective rate	43.655.049	9.487.808

f) Reconciliation of legal tax rate to effective tax rate (percentage):

	01.01.2021 12.31.2021 ThCh\$	01.01.2020 12.31.2020 ThCh\$
Tax expense (credit) using the legal rate	27%	27%
Tax effect of rates in other jurisdictions	-0,8%	-1,9%
Tax effect of permanent differences		
Readjustment/fluctuation of tax investments	61,0%	-10,9%

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	01.01.2021 12.31.2021 ThCh\$	01.01.2020 12.31.2020 ThCh\$
Price-level restatement of own capital	-45,5%	-23,6%
Lower Deferred Tax Accrual	0,2%	19,2%
Tax Effect of Tax of Previous Periods	0,1%	1,8%
Tax calculated with the applicable rate	-	-
Modification of Financial Debt (IFRS 9)	-6,0%	-
Other increase (decrease) in legal tax charge	0,8%	-1,5%
Total adjustment to tax expense using the legal rate	9,8%	-16,9%
Tax expense (credit) using the effective rate	36,8%	10,1%

16. Other Financial Liabilities

As of December 31, 2021, and 2020, other financial liabilities are detailed as follows:

	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Current		
Interest bearing borrowings	47.784.171	641.558
Liabilities with bondholders	143.291.900	18.636.014
Derivatives - not designated as hedges	4.458.742	991.485
Derivatives - designated as hedges	1.322.455	2.464.577
Subtotal current	196.857.268	22.733.634
Non-current		
Interest bearing borrowings	97.044.862	110.230.753
Liabilities with bondholders	1.838.465.744	1.740.014.993
Derivatives - designated as hedges	-	6.208.219
Subtotal non-current	1.935.510.606	1.856.453.965
Total other financial liabilities	2.132.367.874	1.879.187.599

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a) Interest bearing borrowings – As of December 31, 2021, outstanding bank loans were as follows:

- On October 26, 2021, the subsidiary Entel Peru received from Scotiabank a six-month loan for a total sum of 60 million Soles in Peru. The loan, that accrues an annual rate of 2.4%, includes monthly interest amortization payments and a single principal amortization payment as of April 2022.

- On August 18, 2021 the subsidiary Entel Peru received from Banco de Crédito del Perú (BCP) a six-month loan for a total sum of 80 million Soles. The loan accrues an annual rate of 1.95% and includes monthly interest amortization payments and a single principal amortization payment as of February 2022.

- On May 11, 2020, the Entel Peru subsidiary took out a loan of Soles 10 million over three years with Banco de Crédito del Perú (BCP). This loan has a state guarantee and is part of

the Peru Reactiva program. The loan, which accrues interest at an annual rate of 1.12%, considers equal monthly payments as of June 2021.

- On December 20, 2018, the Company signed a loan with German bank Kreditanstalt für Wiederaufbau (KfW) for the amount of US\$ 80 million at a rate of Libor + 1.38%. Payment of principal contemplates 2 equal payments of the outstanding loan in 2024 and 2025.

- On April 27, 2017, Banco del Estado granted a loan in Chilean pesos in the amount of Ch\$ 99,000 million, which was modified on October 29, 2018, extending the schedule of amortization due dates. This principal was partly paid off in October 2019 in the amount of CLP 19.8 billion and in January 2020, in the amount of CLP 49.2 billion. The principal owed in the amount of CLP 29.7 billion considers a single payment in 2024 and generates an annual rate of TAB + 0.62%.

- On June 29, 2017, a loan was taken out with Scotiabank equivalent to CLP 33,105 million at a rate of TAB + 0.10%. This loan was partially paid off on March 20, 2020, in the amount of CLP 10 billion, leaving a principal amount of CLP 6,552 million in December, 2021, leaving a capital balance of 10,516,552 million that includes an amortization in June 2022

b) Liabilities with bondholders – this corresponds to the following:

- Placement of 144A bonds in the international market in October 2013 and partial repurchase in September 2021. Currently, they amount to USD 438 million with maturity on the same date in 2022, 2023 and 2024. The fixed annual rate thereof is USD+4.875%.

- Bond placement in the local market in October 2019 in the amount of UF 8 million in tranches of i) Series N for UF 6.0 million for a 9-year term at an annual placement rate of UF+0.87% and an annual coupon rate of UF+2.40% and ii) Series Q for UF 2.0 million for a 20-year term at an annual placement rate of UF + 1.34% and coupon rate of UF+2.90%.

- 144A bond placement in the local market in July 2014 and partial repurchase in September 2021. Currently, they amount to USD 562 million with maturity on the same date in 2025 and 2026. The fixed annual rate thereof is USD+4.750%.

- Bond placement in the local market in July 2014 for UF 7 million at a fixed annual rate of UF + 3.50%, maturing over a 21-year period.

- 144A bond placement in the international market in October 2013 and partial repurchase in September 2021. Currently, they amount to USD 438 million with maturity on the same date in 2022, 2023 and 2024. The fixed annual rate thereof is USD+4.875%.

Such obligations are subject to certain restrictions, which are presented in Note 32.

In determining the market value of derivatives, cash flows are discounted considering inputs (interest rates) quoted in active markets. Accordingly, market values determined are classified in level 2 of the hierarchy established by IFRS 13.

The schedule of due dates of “other financial liabilities” and “trade and other accounts payable”, is presented in the following table, for each accounting close date. This information is presented comparing the carrying amounts (fair value or amortized cost, as applicable), to the nominal values (projected cash flows at nominal value).

For valuation purposes, the profile for the nominal value due dates of other financial liabilities presented in the following tables consider principal and interest values (non-discounted values) in the case of financial debts and the offset value of financial derivative contracts with negative values, according to conversion tables current as of the closing date.

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As of 12.31.2021																			
Creditors	Type of liability	Total debt ThCh\$	NOMINAL VALUES								CARRYING AMOUNT								
			Term in days				Term in years				Total debt ThCh\$	Term in days				Term in years			
			0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years			
Banco Estado - Chile	Loans	34.512.424	412.220	1.337.317	1.749.536	31.013.351	-	-	-	29.792.808	242.385	-	-	29.550.423	-	-	-		
Banco Scotiabank - Chile	Loans	23.623.485	461.320	23.162.165	-	-	-	-	-	16.531.977	956	16.531.021	-	-	-	-	-		
KFW-Ipex Bank	Loans	70.913.414	268.611	820.194	1.088.805	34.697.331	34.038.473	-	-	67.074.997	31.013	-	-	33.521.992	33.521.992	-	-		
Banco de Credito del Peru	Loans	1.535.856	361.378	813.100	361.378	-	-	-	-	1.517.011	-	1.066.556	450.455	-	-	-	-		
Banco de Credito del Peru	Loans	17.144.274	17.144.274	-	-	-	-	-	-	17.144.274	17.144.274	-	-	-	-	-	-		
Banco Scotiabank - Peru	Loans	12.767.966	-	12.767.966	-	-	-	-	-	12.767.966	-	12.767.966	-	-	-	-	-		
Subtotal		160.497.419	18.647.803	38.900.742	3.199.719	65.710.682	34.038.473	-	-	144.829.033	17.418.628	30.365.543	450.455	63.072.415	33.521.992	-	-		
Obligaciones por Bonos Internacionales	Bonus	2.392.620.702	58.874.506	255.810.063	290.264.250	284.249.632	370.599.943	297.339.429	835.482.879	1.485.109.698	15.398.386	126.184.737	122.936.405	122.672.193	236.337.209	236.077.298	625.503.470		
Obligaciones por Bonos Locales	Bonus	629.719.650	3.437.123	12.020.147	13.748.491	13.748.494	13.748.491	13.748.494	559.268.410	496.647.946	-	1.708.777	-	-	-	-	494.939.169		
Subtotal		3.022.340.352	62.311.629	267.830.210	304.012.741	297.998.126	384.348.434	311.087.923	1.394.751.289	1.981.757.644	15.398.386	127.893.514	122.936.405	122.672.193	236.337.209	236.077.298	1.120.442.639		
Banco de Crédito e Inversiones	Derivatives - Hedging	1.954.663	307.448	432.667	579.992	587.917	-108.235	154.874	-	256.110	256.110	-	-	-	-	-	-		
Banco de Chile	Derivatives - Hedging	1.792.024	245.249	306.067	403.507	417.253	310.851	109.097	-	180.729	180.729	-	-	-	-	-	-		
Banco Santander - Chile	Derivatives - Hedging	14.803.512	795.808	1.063.002	1.415.468	1.413.941	1.402.794	1.398.311	7.314.188	425.177	425.177	-	-	-	-	-	-		
Scotiabank Chile	Derivatives - Hedging	8.188.412	432.190	731.121	971.607	977.577	897.085	741.800	3.437.032	334.885	334.885	-	-	-	-	-	-		
JP Morgan Chase Bank, N.A.	Derivatives - Hedging	1.185.671	185.911	209.113	265.614	269.562	190.059	65.412	-	125.554	114.574	10.980	-	-	-	-	-		
Subtotal		27.924.282	1.966.606	2.741.970	3.636.188	3.666.250	2.692.554	2.469.494	10.751.220	1.322.455	1.311.475	10.980	-	-	-	-	-		
Banco Estado - Chile	Derivatives - Non Hedging	44.545	13.965	30.580	-	-	-	-	-	21.499	3.775	17.724	-	-	-	-	-		
Scotiabank Chile	Derivatives - Non Hedging	105.300	105.300	-	-	-	-	-	-	68.623	68.623	-	-	-	-	-	-		
Itaú CorpBanca	Derivatives - Non Hedging	49.720	49.720	-	-	-	-	-	-	45.613	45.613	-	-	-	-	-	-		
Scotiabank Chile	Derivatives - Non Hedging	13.240	13.240	-	-	-	-	-	-	4.142	4.142	-	-	-	-	-	-		
Scotiabank (Peru)	Derivatives - Non Hedging	-	-	-	-	-	-	-	-	812.394	544.319	268.075	-	-	-	-	-		
BBVA (Peru)	Derivatives - Non Hedging	-	-	-	-	-	-	-	-	1.481.268	1.481.268	-	-	-	-	-	-		
Banco Santander (Peru)	Derivatives - Non Hedging	-	-	-	-	-	-	-	-	1.718.983	323.253	1.395.730	-	-	-	-	-		
Interbank (Peru)	Derivatives - Non Hedging	-	-	-	-	-	-	-	-	110.123	110.123	-	-	-	-	-	-		
Banco de Crédito del Peru	Derivatives - Non Hedging	-	-	-	-	-	-	-	-	196.097	196.097	-	-	-	-	-	-		
Subtotal		212.805	182.225	30.580	-	-	-	-	-	4.458.742	2.777.213	1.681.529	-	-	-	-	-		
Trade payables	Commercial Debt	435.785.345	419.363.472	16.421.873	-	-	-	-	-	435.785.345	419.363.472	16.421.873	-	-	-	-	-		
TOTALS		3.646.760.203	502.471.735	325.925.375	310.848.648	367.375.058	421.079.461	313.557.417	1.405.502.509	2.568.153.219	456.269.174	176.373.439	123.386.860	185.744.608	269.859.201	236.077.298	1.120.442.639		

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As of 12.31.2020																			
Creditors	Type of liability	Total debt ThCh\$	NOMINAL VALUES								CARRYING AMOUNT								
			Term in days		Term in years						Total debt ThCh\$	Term in days		Term in years					
			0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years			
Banco del Estado de Chile	Line of Credit	24.888	24.888	-	-	-	-	-	-	24.888	24.888	-	-	-	-	-	-		
Subtotal		24.888	24.888	-	-	-	-	-	-	24.888	24.888	-	-	-	-	-	-		
Banco Estado	Loans	30.704.851	64.598	197.381	261.979	261.979	29.918.914	-	-	29.549.655	46.590	-	-	-	29.503.065	-	-		
Banco Scotiabank	Loans	23.261.264	35.427	72.330	23.153.507	-	-	-	-	23.026.228	590	-	23.025.638	-	-	-	-		
KFW-Ipex Bank	Loans	60.671.051	230.348	698.153	858.828	933.477	29.257.725	28.692.520	-	56.316.002	25.395	-	-	-	28.145.304	28.145.303	-		
Banco de Credito del Peru	Loans	1.955.538	-	544.095	993.983	417.460	-	-	-	1.955.538	-	544.095	993.983	417.460	-	-	-		
Subtotal		116.592.704	330.373	1.511.959	25.268.297	1.612.916	59.176.639	28.692.520	-	110.847.423	72.575	544.095	24.019.621	417.460	57.648.369	28.145.303	-		
Obligaciones por Bonos Internacionales	Bonus	1.532.274.984	15.418.728	63.289.361	296.732.754	285.179.819	273.626.880	305.767.746	292.259.696	1.289.728.539	11.256.708	5.776.469	236.166.829	235.703.873	235.196.373	282.983.868	282.644.419		
Obligaciones por Bonos Locales	Bonus	603.574.736	3.224.030	11.274.928	12.896.119	12.896.122	12.896.119	12.896.122	537.491.296	468.922.468	-	1.602.837	-	-	-	-	467.319.631		
Subtotal		2.135.849.720	18.642.758	74.564.289	309.628.873	298.075.941	286.522.999	318.663.868	829.750.992	1.758.651.007	11.256.708	7.379.306	236.166.829	235.703.873	235.196.373	282.983.868	749.964.050		
Banco de Crédito e Inversiones	Derivatives - Hedging	-	-	-	-	-	-	-	-	696.802	-	-	-	-	-	348.401	348.401		
Banco de Crédito e Inversiones	Derivatives - Hedging	7.638.178	810.367	1.147.340	1.527.821	1.532.890	1.540.815	646.142	432.803	653.151	653.151	-	-	-	-	-	-		
Banco de Chile	Derivatives - Hedging	-	-	-	-	-	-	-	-	533.786	-	-	-	-	-	266.893	266.893		
Banco de Chile	Derivatives - Hedging	6.286.007	785.894	1.027.322	1.350.948	697.456	1.213.004	889.207	322.176	529.620	485.127	44.493	-	-	-	-	-		
Banco Santander - Chile	Derivatives - Hedging	3.128.985	296.626	444.531	586.005	586.005	606.115	451.353	158.350	353.292	262.603	90.689	-	-	-	-	-		
Scotiabank Chile	Derivatives - Hedging	634.160	-	-	-	-	-	317.080	317.080	-	4.517.578	-	-	327.049	327.048	327.048	1.768.217		
Scotiabank Chile	Derivatives - Hedging	4.440.507	279.999	748.667	980.233	769.024	844.830	601.133	216.621	375.159	331.687	43.472	-	-	-	-	-		
The Bank of Nova Scotia	Derivatives - Hedging	1.074.063	182.556	339.326	424.519	-	127.662	-	-	87.323	-	87.323	-	-	-	-	-		
Itaú CorpBanca	Derivatives - Hedging	247.913	42.056	78.358	97.985	-	29.514	-	-	20.366	-	20.366	-	-	-	-	-		
JP Morgan Chase Bank, N.A.	Derivatives - Hedging	5.951.576	747.967	936.017	1.222.646	1.104.080	997.191	692.977	250.698	445.667	379.268	66.399	-	-	-	-	-		
JP Morgan Chase Bank, N.A.	Derivatives - Hedging	-	-	-	-	-	-	-	-	460.052	-	-	153.351	153.351	153.350	-	-		
Subtotal		29.401.389	3.145.465	4.721.561	6.190.157	4.689.455	5.676.211	3.597.892	1.380.648	8.672.796	2.111.836	352.742	480.400	480.399	480.398	2.383.511	2.383.510		
Banco Itaú Corpbanca	Derivatives - Non Hedging	300.790	300.790	-	-	-	-	-	-	300.445	300.445	-	-	-	-	-	-		
Banco de Chile	Derivatives - Non Hedging	84.615	84.615	-	-	-	-	-	-	84.444	84.444	-	-	-	-	-	-		
Banco Santander - Chile	Derivatives - Non Hedging	111.700	111.700	-	-	-	-	-	-	111.628	111.628	-	-	-	-	-	-		
Banco del Estado de Chile	Derivatives - Non Hedging	69.465	69.465	-	-	-	-	-	-	69.330	69.330	-	-	-	-	-	-		
Scotiabank Chile	Derivatives - Non Hedging	70.590	70.590	-	-	-	-	-	-	70.421	70.421	-	-	-	-	-	-		
Itaú CorpBanca	Derivatives - Non Hedging	173.800	173.800	-	-	-	-	-	-	173.700	173.700	-	-	-	-	-	-		

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As of 12.31.2020

Creditors	Type of liability	Total debt ThCh\$	NOMINAL VALUES								CARRYING AMOUNT								
			Term in days				Term in years				Total debt ThCh\$	Term in days				Term in years			
			0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	0 - 90 days	91 days - 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years			
Banco del Estado de Chile	Derivatives - Non Hedging	11.210	11.210	-	-	-	-	-	-	10.910	10.910	-	-	-	-	-	-	-	
HSBC Bank (Chile)	Derivatives - Non Hedging	112.460	112.460	-	-	-	-	-	-	112.248	112.248	-	-	-	-	-	-	-	
Scotiabank Chile	Derivatives - Non Hedging	58.440	58.440	-	-	-	-	-	-	58.359	58.359	-	-	-	-	-	-	-	
Scotiabank (Peru)	Derivatives - Non Hedging	864	864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BBVA (Peru)	Derivatives - Non Hedging	28.472	-	28.472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Banco Santander (Peru)	Derivatives - Non Hedging	14.521	14.120	401	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal		1.036.927	1.008.054	28.873	-	-	-	-	-	991.485	991.485	-	-	-	-	-	-	-	
Trade payables	Commercial Debt	390.983.359	323.291.093	67.692.266	-	-	-	-	-	390.983.359	323.291.093	67.692.266	-	-	-	-	-	-	-
Totales		2.673.888.987	346.442.631	148.518.948	341.087.327	304.378.312	351.375.849	350.954.280	831.131.640	2.270.170.958	337.748.585	75.968.409	260.666.850	236.601.732	293.325.140	313.512.682	752.347.560		

In the case of other financial liabilities included in the table above, the table below shows the detail of each liability identifying the debtor Group companies, the related creditor, country of origin and the financial conditions of the liabilities:

As of 12.31.2021											
Debtor's tax ID	Debtor	Country	Creditor's tax ID	Creditor			Country	Currency	Type of repayment	Effective rate	Nominal rate
92.580.000-7	Entel S.A.	Chile	97.030.000-7	Banco Estado - Chile			Chile	CLP	Anual diferida	4,66%	Tab CLP 90D + 0,62%
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile			Chile	CLP	Anual diferida	5,06%	Tab CLP 180D + 0,1%
92.580.000-7	Entel S.A.	Chile	0-E	KFW-Ipex Bank Gmbh			Alemania	USD	Anual diferida	4,24%	Líbor USD 90D + 1,38%
0-E	Entel Peru	Peru	0-E	Banco de Credito del Peru			Peru	PEN	Mensual diferida	1,86%	1,12%
0-E	Entel Peru	Peru	0-E	Banco de Credito del Peru			Peru	PEN	Al Vencimiento	1,95%	1,95%
0-E	Entel Peru	Peru	0-E	Scotiabank - Peru			Peru	PEN	Al Vencimiento	2,40%	2,40%
92.580.000-7	Entel S.A.	Chile	0-E	Deutsche Bank Trust Company Americas, como representante de tenedores de bonos			Estados Unidos	USD	Anual diferida	5,09% / 4,88% / 4,08%	4,874% / 4,75% / 3,05%
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile, como representante de tenedores de bonos			Chile	UF	Anual diferida	3,51%; 0,87%; 1,34%	3,5%; 2,4%; 2,9%
92.580.000-7	Entel S.A.	Chile	97.006.000-6	Banco de Crédito e Inversiones			Chile	CLP	-	-	-
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile			Chile	CLP	-	-	-
92.580.000-7	Entel S.A.	Chile	97.036.000-k	Banco Santander - Chile			Chile	CLP	-	-	-
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile			Chile	CLP	-	-	-
92.580.000-7	Entel S.A.	Chile	97.043.000-8	JP Morgan Chase Bank, N.A.			Chile	CLP	-	-	-

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As of 12.31.2021										
Debtor's tax ID	Debtor	Country	Creditor's tax ID	Creditor	Country	Currency	Type of repayment	Effective rate	Nominal rate	
92.580.000-7	Entel S.A.	Chile	97.030.000-7	Banco del Estado de Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.023.000-9	Itaú CorpBanca	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	-	-	-	
0-E	Entel Peru	Peru	0-E	Scotiabank (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	BBVA (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	Banco Santander (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	Interbank (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	Banco de Crédito del Peru	Peru	PEN	-	-	-	

As of 12.31.2020										
Debtor's tax ID	Debtor	Country	Creditor's tax ID	Creditor	Country	Currency	Type of repayment	Effective rate	Nominal rate	
92.580.000-7	Entel S.A.	Chile	97.030.000-7	Banco Estado - Chile	Chile	CLP	Al Vencimiento	-	5,07%	
92.580.000-7	Entel S.A.	Chile	97.030.000-7	Banco Estado - Chile	Chile	CLP	Anual diferida	4,,66%	Tab CLP 90D + 0,62%	
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	Anual diferida	5,06%	Tab CLP 180D + 0,1%	
92.580.000-7	Entel S.A.	Chile	0-E	KFW-Ipex Bank GmbH	Alemania	USD	Anual diferida	4,24%	Libor USD 90D + 1,38%	
0-E	Entel Peru	Peru	0-E	Banco de Credito del Peru	Peru	PEN	Mensual diferida	1,86%	1,12%	
92.580.000-7	Entel S.A.	Chile	0-E	Deutsche Bank Trust Company Americas, como representante de tenedores de bonos	Estados Unidos	USD	Anual diferida	5,09% - 4,88%	4,874% / 4,75%	
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile, como representante de tenedores de bonos	Chile	UF	Anual diferida	3,51%; 0,87%; 1,34%	3,5%; 2,4%; 2,9%	
92.580.000-7	Entel S.A.	Chile	97.006.000-6	Banco de Crédito e Inversiones	Chile	UF	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.006.000-6	Banco de Crédito e Inversiones	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.036.000-k	Banco Santander - Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	UF	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	-	-	-	

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Liquidity risks are controlled through the financial planning, which considers debt policies and possible sources of financing from third parties. The indebtedness level of the Group companies as well as access to domestic and international financing through bank borrowings and the placement of debt securities allow discarding long-term liquidity risks, except for those related to systemic alterations in financial markets.

On November 26, 2018, the Company registered two lines of bonds with the Financial Market Commission (CMF) with 10-year and 30-year terms. The lines, which do not contemplate guarantees, allow the Company to issue Bearer Bonds series for a joint maximum of up to UF 10 million. These lines were used for the issuance of bonds in the local market in October of this year for a total of UF 8 million.

The reconciliation is shown in ThCh\$ of net financial liabilities, excluding cash and cash equivalents and time deposits at more than 90 days, to cash flows from financing activities is detailed as follows:

As of 12.31.2020										
Debtor's tax ID	Debtor	Country	Creditor's tax ID	Creditor	Country	Currency	Type of repayment	Effective rate	Nominal rate	
92.580.000-7	Entel S.A.	Chile	0-E	The Bank of Nova Scotia	Canadá	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.023.000-9	Itaú CorpBanca	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.043.000-8	JP Morgan Chase Bank, N.A.	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.043.000-8	JP Morgan Chase Bank, N.A.	Chile	UF	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.023.000-9	Banco Itaú Corpbanca	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.004.000-5	Banco de Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.036.000-k	Banco Santander - Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.030.000-7	Banco del Estado de Chile	Chile	CLP	-	-	-	
92.580.000-7	Entel S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.023.000-9	Itaú CorpBanca	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.030.000-7	Banco del Estado de Chile	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.951.000-4	HSBC Bank (Chile)	Chile	CLP	-	-	-	
96.806.980-2	Entel PCS S.A.	Chile	97.018.000-1	Scotiabank Chile	Chile	CLP	-	-	-	
0-E	Entel Peru	Peru	0-E	Scotiabank (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	BBVA (Peru)	Peru	PEN	-	-	-	
0-E	Entel Peru	Peru	0-E	Banco Santander (Peru)	Peru	PEN	-	-	-	

	Beginning balance 01.01.2021	Cash flows		Changes other than cash				Ending balance 12.31.2021
		Obtained	Payments	Interest	Fluctuations Readjustments	Amortization Expenses	Changes in fair value	
Loans and obligations with the public (Bonds)	1.869.498.431	654.997.667	(718.700.039)	76.174.228	272.920.534	(28.304.144)	-	2.126.586.677
Lines of credit	24.887	82.849.316	(82.932.791)	58.588	-	-	-	-
Derivatives	(123.336.956)	23.809.802	(7.109.499)	(1.432.754)	(229.906.465)	-	(132.884.825)	(470.860.697)
Total net financing activity liabilities	1.746.186.362	761.656.785	(808.742.329)	74.800.062	43.014.069	(28.304.144)	(132.884.825)	1.655.725.980
Lease obligation payment			(116.076.168)					
Dividends paid			(253.366.851)					
Other payments of additional tax, commissions, etc.			(43.346.487)					
Net cash flows (used in) financing activities			(459.875.050)					

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	Beginning balance 01.01.2021	Cash flows		Changes other than cash			Ending balance 12.31.2021
		Obtained	Payments	Interest	Fluctuations Readjustments	Amortization Expenses	
Loans and obligations with the public (Bonds)	1.987.091.173	2.403.900	(138.746.211)	87.155.706	(65.436.038)	(2.970.099)	- 1.869.498.431
Lines of credit	2.388	92.032.202	(92.032.202)	22.499	-	-	- 24.887
Derivatives	(174.662.735)	27.501.767	-	(5.585.150)	65.983.060	-	(36.573.898) (123.336.956)
Total net financing activity liabilities	1.812.430.826	121.937.869	(230.778.413)	81.593.055	547.022	(2.970.099)	(36.573.898) 1.746.186.362
Lease obligation payment			(115.669.246)				
Dividends paid			(46.476.842)				
Other payments of additional tax, commissions, etc.			(3.034.252)				
Net cash flows (used in) financing activities			(274.020.884)				

17. Trade And Other Payables

Trade and other payables, not existing interests related to such payables, are detailed as follows:

	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Currents		
Trade payables		
Foreign correspondents	1.122.517	1.229.284
Telecommunications suppliers	12.765.781	18.123.925
Foreign suppliers	31.205.698	20.417.531
Domestic suppliers	606.945.759	514.718.869
Other payables		
Obligations with employees	35.329.960	33.622.269
Dividends payable	22.574.875	25.396.649
Other (net VAT debit, withholding taxes)	36.294.557	48.940.580
Total trade and other accounts payable	746.239.147	662.449.107

Comparative information for trade payables to suppliers for invoices (excluding accruals) is presented below. The Entel Group's companies recorded no past due debt in both periods:

Current trade payables by maturity date	12.31.2021			12.31.2020		
	Goods	Services	Total	Goods	Services	Total
Up to 30 days	81.687.822	129.818.756	211.506.578	62.221.337	86.575.384	148.796.721
Between 31 and 60 days	86.223.890	88.629.893	174.853.783	49.772.498	82.205.949	131.978.447
Between 61 and 90 days	12.835.452	20.167.659	33.003.111	12.657.157	29.858.768	42.515.925
More than 90 days	8.509	16.413.364	16.421.873	11.997.035	55.695.231	67.692.266
Total	180.755.673	255.029.672	435.785.345	136.648.027	254.335.332	390.983.359

The % of accounts payable from the main 10 suppliers related to total trade payables is detailed as follows:

Supplier Name	12-31-21 %	12-31-20 %
Huawei del Peru SAC	2,5%	4,4%
Huawei Chile Ltda.	2,1%	4,3%
Samsung Electronics Peru	5,8%	4,3%
Samsung Electronics Chile Ltda.	3,3%	12,6%
Apple Chile Comercial	3,0%	9,3%
Brightstar Corp	-	3,7%
Ericsson Chile S.A.	2,8%	5,3%
Motorola Mobility Inc.	1,0%	3,2%
ZTE Corporation-Peru	1,2%	-
Ingram Micro Peru S.A.C	4,9%	3,7%
Comercial Multiwireless Ltda.	1,7%	1,4%
Other	71,8%	47,8%
Total Commercial Accounts Payable	100%	100%

18. Other Provisions

Provisions are detailed as follows:

	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Current provisions		
Other provisions	1.539.643	1.479.547
Total current provisions	1.539.643	1.479.547
Non-current provisions		
Decommissioning, restoration and rehabilitation costs	40.770.581	37.718.865
Total non-current provisions	40.770.581	37.718.865

As of the periods referred to in these financial statements, movements in these provisions are detailed as follows:

	Decommissioning and restoration costs ThCh\$	Other provisions ThCh\$	Total ThCh\$
Total provision, beginning balance (01-01-2021)	37.718.865	1.479.547	39.198.412
Increase (decrease) in existing provisions	(363.590)	3.690	(359.900)
Provision used	(339.531)	-	(339.531)
Reversal of unused provision	(68.734)	-	(68.734)
Increase due to accrued interest	892.968	-	892.968
Increase (decrease) in foreign currency translation	1.824.842	56.406	1.881.248
Other increase (decrease)	1.105.761	-	1.105.761
Total changes in provisions	3.051.716	60.096	3.111.812
Total provision, ending balance (12.31.2021)	40.770.581	1.539.643	42.310.224

	Decommissioning and restoration costs ThCh\$	Other provisions ThCh\$	Total ThCh\$
Total provision, beginning balance (01-01-2020)	37.285.161	1.841.742	39.126.903
Increase (decrease) in existing provisions	4.182.292	347.397	4.529.689
Provision used	(735.446)	-	(735.446)
Reversal of unused provision	(1.328.685)	(600.000)	(1.928.685)
Increase due to accrued interest	1.631.125	-	1.631.125
Increase (decrease) in foreign currency translation	(3.750.111)	(109.592)	(3.859.703)
Other increase (decrease)	434.529	-	434.529
Total changes in provisions	433.704	(362.195)	71.509
Total provision, ending balance (12.31.2020)	37.718.865	1.479.547	39.198.412

The determination of the provision for dismantling and restoration costs considers the estimated value for the construction, demolition, or any other unavoidable activity. These costs are discounted based on estimated validity periods of contracts maintained with the owners of the properties or facilities where the premises are located, considering the termination and renewal hypotheses. These amounts are discounted using the Company's indebtedness cost rates.

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19. Other Non-Financial Liabilities

Correspond mainly to unearned income, which as of each year-end is detailed as follows.

	Current		Non-current	
	12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Deferred revenue				
Prepayment cards	37.741.041	26.240.301	-	-
Services billed in advance	5.996.237	5.624.987	-	-
Customer loyalty	4.323.506	2.848.101	7.197.472	8.086.724
Network movement	3.679.159	2.288.847	10.442.633	8.455.700
Advance on State subsidies, to be applied	-	6.865	-	-
Other deferred liabilities	-	-	100	11.644
Total	51.739.943	37.009.101	17.640.205	16.554.068

Services invoiced ahead of time correspond to balances of revenue for services not rendered, which in conjunction with the remaining deferred revenue, correspond to the category of customer contract liabilities.

20. Employee Benefits and Expenses

a) Personnel expenses are detailed as follows:

	01.01.2021 ThCh\$	12.31.2021 ThCh\$	01.01.2020 ThCh\$	12.31.2020 ThCh\$
Wages and salaries		189.551.711		195.379.666
Short-term employee benefits		23.805.832		18.217.216
Post-employment benefits obligation expense		688.867		846.932
Termination benefits		14.481.282		13.538.757
Other personnel expenses		28.806.795		28.599.564
Total	257.334.487		256.582.135	

b) Severance indemnity payments (post-employment and termination benefits)

The Parent Company maintains the most significant agreements in relation to severance payments payable to its employees and executives.

The right to receive this benefit, as well as the determination of the amount payable, is regulated by the existing agreements considering such relevant factors as the number of years of service, permanence, and salary.

The benefit in favor of employees is provided through "Corporación Mutual Entel Chile", which is financed in a shared manner. Employees provide a monthly contri-

bution of 2.66% of their base salaries and the Company pays the balances that might possibly be required to complete the payment of a number of severance payments of up to 3% of its employees.

As of December 31, 2021, and 2020 of each year, liabilities recognized as post-employment benefits recorded in Non-current provisions for employee benefits amount to ThCh\$ 14.731.566 and ThCh\$ 16.071.303, respectively, and represent the present value of accrued severance indemnity payments at such dates, deducting the amounts held by the Guild Association.

Movements in the Parent's severance payment (post-employment) benefits are detailed as follows:

Movements	12.31.2021 ThCh\$	12.31.2020 ThCh\$
Present value of the obligation, beginning balance	16.071.303	15.045.267
Cost of present service	1.155.931	846.932
Finance cost of the obligation	817.503	842.162
Actuarial losses (profits) of the obligation	(2.846.107)	691.589
Paid plan contributions	(467.064)	(1.354.647)
Present value of the obligation, ending balance	14.731.566	16.071.303

Actuarial assumptions used to calculate benefits:

	12.31.2021	12.31.2020
Discount rate	6,80%	5,20%
Salary increase rate	3,00%	3,00%
Turnover rate	1,1%; 0,1%	1,1%; 0,1%
Retirement age for men	70	70
Retirement age for women	65	65
Mortality table	RV-2014	RV-2014

The discount rate is obtained from the rates of local corporate bonds at a term that is in accordance with the remaining duration of the obligation, which is approximately 16 years.

The salary increase is in line with the Company's global annual remunerations increase policy.

Turnover rates are obtained from the Company's turnover statistics.

Finally, the mortality table is the latest one issued by the Superintendence of Pensions and Pension Fund Administrators.

c) Sensitivity analysis should there be a variation of +- 100 base points in the actuarial variables, (keeping all the rest of the variables constant) it is estimated that the provision would be detailed as follows:

	Effect + 100 base points	Effect - 100 base points
	12.31.2021	ThCh\$
Termination benefits:		
Annual discount rate	13.266.112	16.429.173
Salary increase rate	17.376.609	13.202.212
Turnover rate	13.840.435	-

21. Capital and Reserves

Changes in equity accounts as of December 31, 2021 and 2020, are detailed in the Statement of Changes in Equity.

- Capital

The Company has a single series of ordinary shares with no par value outstanding, which have been fully paid. Due to the above, there are no rights, privileges and/or restrictions corresponding to classes of shares, including on the distribution of dividends and reimbursements.

Series	Single
Nº. of shares subscribed	302.017.113
Nº. of shares paid	302.017.113
Nº. of shares with voting rights	302.017.113
Subscribed capital	874.846.615
Paid capital	874.846.615

The attached Issued Capital table does not discount expenses incurred in the placement of shares.

Between January 1, 2020 and December 31, 2021, there are no movements related to redemptions, payments, or decreases.

There are no treasury shares held in portfolio, reserves or any commitments for the

issue of shares to cover option and sale agreements.

- Retained (loss) Earnings

For both periods, no provisional dividends were distributed. Likewise, the allowance for minimum dividend over the income of 2021 and 2020 is equivalent to \$ 74,47 and \$ 83,90 for the results of 2020 per share, respectively. These values are included in the dividends line of the statement of changes in equity.

The detail of changes in retained earnings for each year can be observed in the statement of changes in equity.

- Dividend Policy

Pursuant to Law No. 18,046, except for any different unanimous agreement reached at shareholders meetings, publicly traded companies must pay a minimum legal annual dividend of at least 30% of the profit for the period.

The Group's dividend distribution policy currently in force sets dividend limits exceeding legal minimum amounts. However, the Group's policy establishes maximum amounts and, accordingly, the discretionary criterion is applied for pos-

sible dividends exceeding the maximum legal amount. As a result, no provisions for dividends additional to the minimum legal requirement were accrued.

The policy communicated at the Ordinary Shareholders' meeting held on April 27, 2021, approved the maximum for dividend distribution of 50% of profit for each period depending on the Company's profit for the period, investment needs and safeguards established in long-term loan agreements entered into by the Company in relation to debt, liquidity and financing issues. This policy means maintaining the policy of the prior year.

As required by the Financial Market Commission (CMF), through Circular No.1945 of 2009, the Parent established a policy regarding the treatment of the effects resulting from adjustments of financial assets and liabilities at fair value. In line with this, the Group has established as policy to reduce from the profit to be used to pay dividends the unrealized gains resulting from adjustments to fair value.

Except for the conditions indicated in the preceding paragraphs, the Company is not subject to any additional restrictions to the payment of dividends.

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- Dividends paid:

During the respective periods, the following dividend has been distributed:

At the Extraordinary Shareholders' Meeting held on October 19, 2021, it was agreed to distribute dividends charged to retained earnings as of 2020 for \$ 700 per share, that is to say, ThCh\$ 211,411,979. Such dividends were paid from November 3, 2021.

At the Ordinary Shareholders' Meeting held on April 27, 2021, it was agreed to distribute final dividends charged to profits as of 2020 for \$ 139 per share, that is to say, ThCh\$ 41,980,379. Such dividends were paid from May 26, 2021.

At the Ordinary Shareholders' Meeting held on April 28, 2020, the shareholders agreed to distribute a final dividend charged against profits for 2019 in the amount of Ch\$ 154 per share, equivalent to ThCh\$ 46,510,635. This dividend was paid as of May 26, 2020.

The dividends paid according to the statement of cash flows include those agreed to distribute each year (payment) and those not collected from previous distributions (recovery).

- Other reserves:

Other reserves included in the Statement of Changes in Equity are as follows:

Reserves for actuarial variances for employee benefit plan: Relates to variances in liabilities due to employee benefit plans, as a result of changes in actuarial variances, adjusting them to current market rates used for their measurement, such as the discount rate, turnover rate, mortality rate and income forecasts.

Translation reserve: Reflects accumulated gains or losses resulting from the translation of the financial statements of foreign subsidiaries from their functional currency to the Group's presentation currency (Chilean pesos), as well as those resulting from loans designated as part of the net investment abroad and their tax.

Cash flows hedge reserve: Corresponds to the difference between carrying amount and the fair value of cash flow hedge contracts qualified as effective hedges. Net of deferred taxes.

These amounts are transferred to profit or loss as contracts mature.

Other reserves: Credits and debits to equity in relation to adjustments required due to the first time application of International Financial Reporting Standards (IFRS) as of January 1, 2008. Main balances related to such adjustments relate to unrecognized deferred tax liabilities of ThCh\$ 10,866,212 and advances from customers of ThCh\$ 8,215,281.

In addition, in accordance with Article 10 of Law No. 18,046 and Official Letter No. 456 issued by the Superintendence of Securities and Insurance, price-level adjustment on paid-in capital is also recorded in this caption.

The evolution of other reserves for the respective periods is detailed as follows, see along with the statement of changes in equity.

Other reserves					
	Actuarial Variations Staff Benefits Plan ThCh\$	Exchange Differences by Conversion ThCh\$	Cash Flow Hedges ThCh\$	Other Miscellaneous Reserve ThCh\$	Total Other Reserve ThCh\$
Beginning balance as of January 1, 2020	(4.815.248)	184.622.833	(51.103.171)	(60.764.881)	67.939.533
Conversion to the Group's presentation currency	-	(168.406.404)	-	-	(168.406.404)
Loans that are part of net investment	-	(24.455.418)	-	-	(24.455.418)
Income tax on fluctuation loans	-	6.605.912	-	-	6.605.912
Other result integral	(504.860)	-	27.715.429	-	27.210.569
Total Changes in Equity	(504.860)	(186.255.910)	27.715.429	-	(159.045.341)
Ending balance as of December 31, 2020	(5.320.108)	(1.633.077)	(23.387.742)	(60.764.881)	(91.105.808)
Beginning balance as of January 1, 2021	(5.320.108)	(1.633.077)	(23.387.742)	(60.764.881)	(91.105.808)
Conversion to the Group's presentation currency	-	1.209.160	-	-	1.209.160
Loans that are part of net investment	-	96.478.667	-	-	96.478.667
Income tax on fluctuation loans	-	(26.049.240)	-	-	(26.049.240)
Other result integral	2.077.658	-	96.408.461	-	98.486.119
Total Changes in Equity	-	71.638.587	96.408.461	-	170.124.706
Ending balance as of December 31, 2021	(3.242.450)	70.005.510	73.020.719	(60.764.881)	79.018.898

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22. Revenue and Other Revenues

a) Revenue

The Group's revenue relates mainly to the rendering of services; sales of goods are not significant and supplement the services rendered, which are detailed as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Mobile telephone service-Chile	1.187.687.422	1.016.430.589
Entel Perú	766.725.252	627.018.640
Private services (includes IT services)	218.644.036	203.604.516
Local telephone service (includes NGN - IP)	34.893.797	45.324.087
Television service	44.328.094	42.364.275
Long distance	3.882.049	5.620.901
Internet	81.954.020	66.270.860
Services to other operators	41.255.765	32.215.807
Traffic business	18.813.015	22.143.923
Americatel Perú	14.965.614	17.905.272
Call Center and Other Services	14.071.614	13.745.362
Total Revenue	2.427.220.678	2.092.644.232

Certain categories of that revenue are transversal to the reported segments. Their relationship is detailed in Note 29.

Revenue from mobile telephone services and from private services in Chile and Peru, includes the sale of equipment and accessories in the amount of ThCh\$ 678.289.188 and ThCh\$ 429.415.782.

b) Other revenues

As of December 31, 2021, and 2020, other revenue is as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Subleasing of stores and points of sale	4.059.307	7.983.175
Reimbursement from distributors for loss of equipment	2.390.398	1.797.559
Commercial interests and reimbursement of collection expenses	397.797	1.351.829
Other revenue	5.241.710	2.122.265
Total Other Revenue	12.089.212	13.254.828

c) Other Profits (Losses)

Other profits (losses) for each year are detailed as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Profit on sale of mobile telephone service towers	12.622.184	42.721.337
Profit from disposal of other property, plant and equipment	464.057	(1.135.969)
Gain (Loss) on Intangible Sales	7.744.730	-
Gain (Loss) on Fair Value Other Investments	(21.460)	-
Total Other Profits (Losses)	20.809.511	41.585.368

The Company has finalized the process, for the purposes of selling a portfolio of towers and complementary elements, which does not exceed 40% of its own towers in Chile, and in the case of a Entel Perú, a similar process to sell towers representing no more than 64% of its own towers in that country.

This is presented at its net cost of depreciation in the statement of financial position under non-current assets held for sale.

The profit on that sale and subsequent leasing is presented in accordance with IFRS 16 and is determined from the difference between the selling price, the right of use asset on the leases, derecognition of decommissioning provisions less lease debt and the cost of the towers sold.

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23. Impairment Loss (Reversals), Net

As of December 31, 2021, and 2020, impairment affecting profit or loss is detailed as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Impairment loss, property, plant and equipment*	11.195.390	4.327.151
Impairment loss (reversal), trade accounts receivable**	87.390.270	75.356.937
Total impairment losses	98.585.660	79.684.088

*See note 14. **See note 8 d).

24. Other Expenses

As of December 31, 2021, and 2020, other expenses are detailed as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Access charges and share to correspondents	(84.181.766)	(91.303.933)
Outsourcing and materials	(68.049.953)	(58.296.807)
Advertising, commissions and cost of sale of equipment	(755.442.366)	(565.802.886)
Leases and maintenance	(154.327.707)	(160.129.380)
Share to other service operators	(63.864.686)	(46.417.881)
Professional and consulting services	(61.424.514)	(62.550.607)
Energy and other consumption	(52.922.309)	(52.012.095)
Other	(102.729.084)	(94.799.878)
Total other expenses	(1.342.942.385)	(1.131.313.467)

25. Finance Income and Finance Costs

As of December 31, 2021, and 2020, finance income and finance costs are detailed as follows:

	01.01.2021	01.01.2020
	12.31.2021	12.31.2020
	ThCh\$	ThCh\$
Interest on time deposits - Assets at amortized cost	3.451.137	5.309.384
Accrued interest (net) - IRS	1.468.815	5.585.150
Total finance income	4.919.952	10.894.534
Finance cost, loans - liabilities at amortized cost	(1.875.991)	(2.420.513)
Finance cost, bonds - liabilities at amortized cost	(67.003.501)	(72.078.300)
Amortization of expenses related to loan agreements	(5.376.010)	(2.970.099)
Interest rate hedges (CCS)	(36.061)	(249.205)
Finance cost, leases	(19.688.346)	(19.233.749)
Finance cost on post-employment benefit plans	(817.503)	(842.162)
Finance cost, other	(900.059)	(1.707.659)
Other finance costs	(18.253.662)	(3.034.251)
Total Finance Costs	(113.951.133)	(102.535.938)
Total Net Finance Income	(109.031.181)	(91.641.404)
Net finance income includes the following interest on assets and liabilities that are not measured at fair value through profit or loss:		
Total revenue from interest on financial assets	3.451.137	5.309.384
Total interest expense on financial liabilities	(113.915.072)	(83.052.984)

As part of other finance costs and amortization of loan expenses, a loss for the amount of ThCh\$ 17,368,716 is presented, which corresponds to the net effect on income of the operation to repurchase the bonded debt (800 million US dollars) of Entel. At the same time, a new bond is issued for the same exact value, with maturity in 2032. The accounting treatment provided in IFRS 9 was applied to this transaction, with the subsequent outcome referred to above. This transaction was carried out in September of this current year.

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26. Assets and Liabilities in Foreign Currency

Assets and liabilities in foreign currency are detailed as follows:

Class of Assets	Foreign currency	12.31.2021 ThCh\$	Amounts not discounted according to maturity				
			91 days - 1 year	1 - 3 years	3 - 5 years	Over 5 years	
Cash and cash equivalents	US dollars	24.805.805	24.805.805	-	-	-	-
	New Sol	20.319.232	20.319.232	-	-	-	-
	Euro	34.778	34.778	-	-	-	-
Other current financial assets	US dollars	510.089.808	165.523.979	344.565.829	-	-	-
Other non-current financial assets	US dollars	1.117.160	639.252	477.908	-	-	-
	New sol	54.689.078	54.316.374	372.704	-	-	-
Current trade and other accounts receivable	US dollars	13.186.377	13.186.377	-	-	-	-
	New Sol	205.284.925	205.284.925	-	-	-	-
	Euro	68.307	68.307	-	-	-	-
Inventory	New Sol	61.106.216	61.106.216	-	-	-	-
Current tax assets	New Sol	305.759	305.759	-	-	-	-
Other non-current financial assets	Dolares	1.252.956.833	-	534.970.333	237.281.023	480.705.477	
Other non-current non-financial assets	New Sol	88.846.221	-	3.061.666	85.784.555	-	
Non-current accounts receivable	New Sol	243.450	-	-	243.450	-	-
Intangible assets	New Sol	274.592.312	-	-	-	274.592.312	
Property, plant and equipment	New Sol	688.183.352	-	-	-	688.183.352	
Rights of use	New Sol	226.612.003	-	-	-	226.612.003	
Non-current, current tax assets	New Sol	640.498	-	-	640.498	-	-
Deferred tax assets	New Sol	520.270.865	-	-	-	520.270.865	
Total assets in foreign currency		3.943.352.979					
	Dolares	1.802.155.983					
	New Sol	2.141.093.911					
	Euro	103.085					

Class of Assets	Foreign currency	31.12.2021 ThCh\$	Amounts not discounted according to maturity				
			91 days - 1 year	1 - 3 years	3 - 5 years	Over 5 years	
Cash and cash equivalents	US dollars	141.614.136	15.429.399	126.184.737	-	-	-
	New Sol	30.978.796	17.144.274	13.834.522	-	-	-
Lease obligations, Current	US dollars	18.078.761	412.630	17.666.131	-	-	-
	New Sol	29.875.146	33.891	29.841.255	-	-	-
Accounts Payable Trade and Other Accounts Payable	US dollars	166.545.369	166.545.369	-	-	-	-
	Euro	119.250	119.250	-	-	-	-
	New Sol	134.864.531	129.049.228	5.815.303	-	-	-
Other Provisions, Current	New Sol	769.905	769.905	-	-	-	-
Other Non-Financial Liabilities, Current	US dollars	-	-	-	-	-	-
	New Sol	19.319.507	19.319.507	-	-	-	-
Otros Pasivos Financieros, No Corriente	US dollars	1.410.570.559	-	279.130.590	505.936.499	625.503.470	
	New Sol	450.459	-	-	450.459	-	-
Other Financial Liabilities, Non-Current	US dollars	82.448.022	-	-	35.054.698	22.981.358	24.411.966
	New Sol	136.703.488	-	-	59.213.563	36.253.771	41.236.154
Other Provisions, Non-Current	New Sol	25.007.656	-	-	-	24.548.444	459.212
Deferred tax liabilities	New Sol	182.347.619	-	-	-	-	182.347.619
Total Liabilities in Foreign Currency		2.379.693.204					
	US dollars	1.819.256.847					
	New Sol	560.317.107					
	Euro	119.250					

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Class of Assets	Foreign currency	12.31.2020 ThCh\$	Amounts not discounted according to maturity				
			91 days - 1 year				
			1 - 90 days	1 - 3 years	3 - 5 years	Over 5 years	
Cash and cash equivalents	US dollars	3.384.233	3.384.233	-	-	-	-
	New Sol	58.954.492	58.954.492	-	-	-	-
	Euro	31.782	31.782	-	-	-	-
Other current financial assets	US dollars	253.050.046	158.256.611	94.793.435	-	-	-
	New Sol	3.223.110	3.223.110	-			
Other non-current financial assets	US dollars	16.660.579	16.252.591	407.988	-	-	-
	New Sol	31.907.646	31.570.931	336.715	-	-	-
Current trade and other accounts receivable	US dollars	18.403.274	18.403.274	-	-	-	-
	New Sol	117.442.027	117.442.027	-	-	-	-
	Euro	71.003	71.003	-	-	-	-
Inventory	New Sol	39.004.323	39.004.323	-	-	-	-
Current tax assets	New Sol	133.940	133.940	-	-	-	-
Other non-current financial assets	US dollars	1.279.710.000	-	473.966.666	521.363.334	284.380.000	
Other non-current non-financial assets	New Sol	98.829.060	-	2.987.028	95.842.032	-	
Non-current accounts receivable	New Sol	283.151	-	283.151	-	-	
Intangible assets	New Sol	263.907.315	-	-	-	263.907.315	
Property, plant and equipment	New Sol	635.253.114	-	-	-	635.253.114	
Rights of use	New Sol	150.466.764	-	-	-	150.466.764	
Non-current, current tax assets	New Sol	1.078.992	-	1.078.992	-	-	
Deferred tax assets	New Sol	448.130.573	-	-	-	448.130.573	
Total assets in foreign currency		3.419.925.424					
	US dollars	1.571.208.132					
	New Sol	1.848.614.507					
	Euro	102.785					

Class of Assets	Foreign currency	12.31.2020 ThCh\$	Amounts not discounted according to maturity				
			91 days - 1 year				
			1 - 90 days	1 - 3 years	3 - 5 years	Over 5 years	
Cash and cash equivalents	US dollars	17.033.177	11.256.708	5.776.469	-	-	-
	New Sol	544.095	-	544.095	-	-	-
	Euro	11.221.036	284.373	10.936.663	-	-	-
Lease obligations, Current	US dollars	15.032.327	23.357	15.008.970	-	-	-
Accounts Payable Trade and Other Accounts Payable	US dollars	130.869.786	130.869.786	-	-	-	-
	Euro	413.947	413.947	-	-	-	-
	New Sol	112.513.445	107.932.250	4.581.195	-	-	-
Other Provisions, Current	New Sol	709.809	709.809	-	-	-	-
Other Non-Financial Liabilities, Current	US dollars	-	-	-	-	-	-
	New Sol	18.509.711	18.509.711	-	-	-	-
Otros Pasivos Financieros, No Corriente	US dollars	1.336.095.469	-	478.980.201	574.470.849	282.644.419	
	New Sol	1.411.443	-	1.411.443	-	-	-
Lease Obligations, Non-Current	US dollars	68.819.517	-	21.563.470	19.693.583	27.562.464	
	New Sol	96.329.231	-	32.389.508	26.114.324	37.825.399	
Other Financial Liabilities, Non-Current	New Sol	22.943.567	-	-	22.675.079	268.488	
Deferred tax liabilities	New Sol	134.851.841	-	-	-	134.851.841	
Other Non-Financial Liabilities, Non-Current	New Sol	11.551	-	-	-	11.551	-
Total Liabilities in Foreign Currency		1.967.309.952					
	US dollars	1.564.038.985					
	New Sol	402.857.020					
	Euro	413.947					

As of each accounting close date, the Group's companies had current derivative contracts hedging foreign exchange (foreign currency futures - forwards) and for substituting obligations in dollars for obliga-

tions in UF and Ch\$ (Cross Currency Swap - CCS). The previous tables only include the foreign currency component of those contracts.

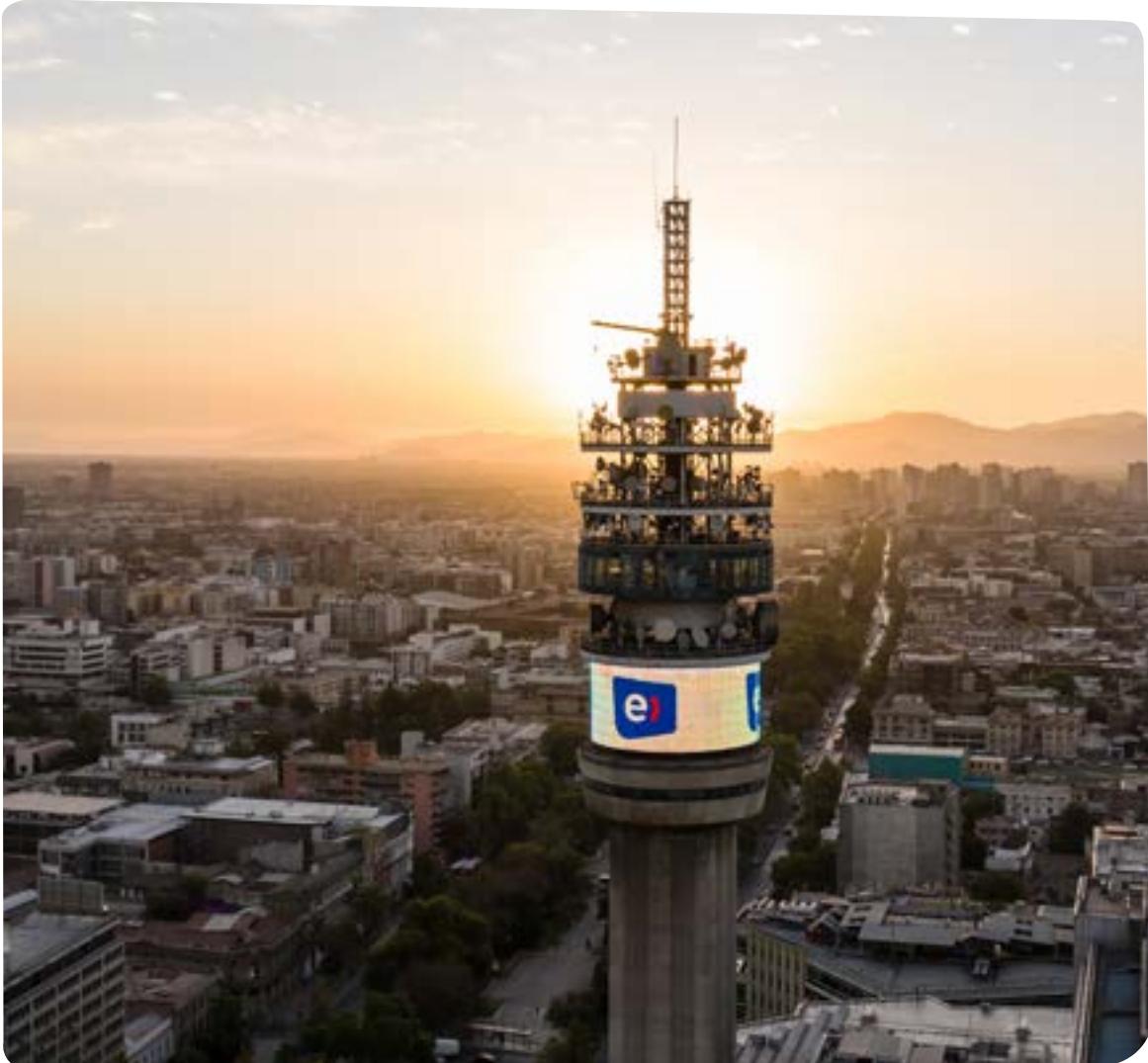
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27. Foreign Currency Translation And Results From Inflation-Indexed Units

The origin of the effects on profit or loss from foreign currency translation differences during the periods indicated above are detailed as follows:

	01.01.2021 12.31.2021 ThCh\$	01.01.2020 12.31.2020 ThCh\$
Other assets	7.526.453	(8.509.981)
Trade and other accounts payable	(12.504.194)	(4.377.144)
Obligations with the public - Bonds	(239.924.184)	68.022.000
Interest-bearing loans	(5.785.165)	4.133.876
Derivative instruments - effect of closing rates (FW)	17.684.854	18.350.359
Derivative instruments - effect of closing rates (CCS)	240.730.609	(68.022.000)
Derivative instruments - effect of fair value (FW)	(257.134)	(1.392.442)
Other liabilities	(7.221.054)	(8.319.762)
Total loss (income) foreign currency translation	250.185	(115.094)
Income from indexation units		
Other assets	2.521.909	670.723
Derivative instruments - effect of closing rates (CCS)	(31.918.540)	(12.663.385)
Obligations with the public - Bonds	(30.770.717)	(12.265.408)
Other liabilities	(6.795.981)	(2.500.412)
Total income (loss) from indexation units	(66.963.329)	(26.758.482)



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28. Leases

These lease contracts in which the Company acts as lessee refer to rights of use for urban and rural real estate and towers, for the placement of technical nodes, fiber optics, stores, and administrative offices, and vehicles for service installation and network maintenance activities. All of these activities are related to the provision of services of the companies that make up the Group.

The net accounting effect for the concept of leases, depreciation, amortization and interest of income from future periods, will depend on the evolution of the contracts and their renegotiations.

a) The activity in rights of use assets by asset type for each of the respective period are presented as follows:

Movements in 2021 of items that compose right of use assets - Leases are detailed as follows:

	Sites and towers, net ThCh\$	Stores & offices, net ThCh\$	Fiber optics, net ThCh\$	Vehicles, net ThCh\$	Other leases, net ThCh\$	Total right of use assets - leases ThCh\$
Beginning balance as of January 1, 2021	326.130.213	32.228.879	548.888	2.701.943	800.916	362.410.839
Changes						
Additions	122.762.422	18.435.685	323.710	2.242.265	34.830	143.798.912
Divestitures	(1.332.391)	(6.766.984)	(39.471)	(538.060)	-	(8.676.906)
Depreciation expense	(66.051.750)	(6.578.316)	(392.626)	(1.522.088)	(120.267)	(74.665.047)
Increase (decrease) in foreign exchange	12.868.182	2.114.781	3.478	92.605	63.259	15.142.305
Other increase (decrease)	4.462.134	645.164	5.152	(1.000.098)	-	4.112.352
Total changes	72.708.597	7.850.330	(99.757)	(725.376)	(22.178)	79.711.616
Ending balance as of December 31, 2021	398.838.810	40.079.209	449.131	1.976.567	778.738	442.122.455

Movements in 2020 of items that compose right of use assets - Leases are detailed as follows:

	Sites and towers, net ThCh\$	Stores & offices, net ThCh\$	Fiber optics, net ThCh\$	Vehicles, net ThCh\$	Other leases, net ThCh\$	Total right of use assets - leases ThCh\$
Beginning balance as of January 1, 2020	362.684.804	17.886.298	756.528	3.950.096	584.035	385.861.761
Changes						
Adiciones	51.614.256	23.953.382	-	732.601	433.930	77.074.103
Desapropiaciones	(4.733.353)	-	-	(71.095)	-	(4.804.448)
Gasto por Depreciación	(69.127.390)	(8.035.473)	(420.999)	(1.556.768)	(91.363)	(79.231.993)
Incremento (Decremento) en el Cambio de Moneda Extranjera	(18.528.816)	(2.896.627)	(18.769)	(445.706)	(122.853)	(22.012.771)
Otros Incrementos (Decrementos)	4.220.712	1.321.299	(107.806)	92.815	(2.833)	5.524.187
Cambios, Total	(36.554.591)	14.342.581	(207.640)	(1.248.153)	216.881	(23.450.922)
Ending balance as of December 31, 2020	326.130.213	32.228.879	548.888	2.701.943	800.916	362.410.839

Assets are depreciated over the remaining term of the contracts their average is approximately 8 years.

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b) Lease obligation expiries and reconciliation of the nominal debt to their carrying amount (present value) are detailed as follows:

12.31.2021			
Expiration tranches	Gross	Interest	Present Value
Up to 1 year	122.731.098	(17.416.964)	105.314.134
From 1 to 2 years	114.701.554	(18.444.293)	96.257.261
From 2 to 3 years	105.815.956	(18.572.864)	87.243.092
From 3 to 4 years	91.207.472	(16.159.061)	75.048.411
From 4 to 5 years	76.203.610	(13.306.350)	62.897.260
More than 5 years	203.597.017	(38.940.476)	164.656.541
Total	714.256.707	(122.840.008)	591.416.699

As of December 31, 2021, the liquidity risk associated to these expiries is hedged with the operating cash flows of the Group, which have no restrictions associated to the leases. Lease obligations are of an operating nature as is the supplier counterpart.

Finance costs accrued on these obligations are presented in Note 25. Payments for lease obligations, including interest, are presented in the statement of cash flows as financing activities in the amount of ThCh\$ 116.076.168 and ThCh\$ 115.669.246 for each annual period.

12.31.2020			
Expiration tranches	Gross	Interest	Present Value
Up to 1 year	79.480.807	(4.027.660)	75.453.147
From 1 to 2 years	86.830.881	(12.459.957)	74.370.924
From 2 to 3 years	76.613.790	(12.248.652)	64.365.138
From 3 to 4 years	72.495.418	(12.593.378)	59.902.040
From 4 to 5 years	66.927.425	(11.839.370)	55.088.055
More than 5 years	214.301.603	(39.254.051)	175.047.552
Total	596.649.924	(92.423.068)	504.226.856

Currently, there are no contracts with variable price components or low materiality that imply, for this reason, not recognizing lease assets and liabilities.

c) Disbursements related to lease contracts for which the exemption of recognition as an assets and liability, according to IFRS 16, has been applied, such as: i) short-term contracts that are renewed annually, ii) those contracts subject to price modifications, or iii) contracts that do not qualify as an identifiable asset subject to control. The amounts associated with this concept are ThCh\$ 49.558.401 and ThCh\$ 64.957.272, as of December of each year.

d) Regarding the rental expenses indicated in the previous paragraph, the following are the potential future outflows for these commitments

	12.31.2021 - ThCh\$	12.31.2020 - ThCh\$
Up to one year	66.857.223	64.936.006
More than one year and less than five years	167.567.471	148.701.835
Total	234.424.694	213.637.841

e) On the other hand, operating leases as lessor refer to contracts associated to the business of leasing networks to other telecommunications operators and Datacenter Services (housing, hosting, virtual servers, etc.).

Minimum future charges	12.31.2021 - ThCh\$	12.31.2020 - ThCh\$
Up to one year	13.332.148	13.121.284
More than one year and less than five years	31.302.154	29.265.000
Total	44.634.302	42.386.284
Lease collection recognized in income	13.332.148	12.984.609

As of December 31, 2021, there are no installments of a contingent nature to be perceived as paid.

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29. Operating Segments

The Group has very developed management control systems, which allow having separate financial information with high disaggregation levels for making decisions about allocation of services and performance evaluation.

In line with the Group's organizational structure, the following operating segments have been defined for reporting purposes based on their related revenue levels and how management make decisions: "Consumer", "Enterprises", "Corporate", "Mobile Services Peru" and "Other businesses".

The factors used to identify each segment relate to separate operating functions for

each market segment referred to product development and innovation, prices, marketing, sales and customer service. In addition, each segment's requirements over the common technical and shared services infrastructure is also taken into account.

Each of the defined segments, generates revenue and expenses, for which the Company has differentiated information, which is examined periodically by the decision-making levels in terms of allocation of resources and evaluation of results.

The operating segment information for the years ended December 31, 2021 and 2020, is detailed as follows:

General Information on Results, Cash Flow, Assets and Liabilities as of 12.31.2021 in ThCh\$	Segment Description						Inter-segment adjustments and Eliminations		Total Group
	Consumer	Enterprise	Corporate	M. services Peru	Other businesses	Not assigned			
Operating Revenue	1.069.417.584	266.250.064	250.489.342	803.030.908	956.928.746	-	(885.997.243)	2.460.119.401	
Other Significant Revenue (expense) items	(673.463.012)	(154.768.903)	(176.082.118)	(669.011.660)	(898.518.240)	-	884.176.790	(1.687.667.143)	
Reportable Gain (loss) (Ebitda)	395.954.572	111.461.161	74.407.224	134.019.248	58.410.506	-	(1.820.453)	772.452.258	
Depreciation, Amortization and Impairment	(214.549.554)	(60.664.255)	(60.505.379)	(129.189.574)	(14.989.264)	-	1.820.453	(478.077.573)	
Segment Operating profit (loss), (EBIT)	181.405.018	50.816.906	13.901.845	4.829.674	43.421.242	-	-	294.374.685	
Interest Revenue				39.957		25.264.362	(20.384.367)	4.919.952	
Interest Expense				(33.687.240)		(100.648.260)	20.384.367	(113.951.133)	
Exchange Rate Differences and Income by Indexation Units				(3.143.090)		(63.570.054)	-	(66.713.144)	
Income tax expense (benefit)				(22.721)		(43.632.328)	-	(43.655.049)	
Total Profit (loss)	181.405.018	50.816.906	13.901.845	(31.983.420)	43.421.242	(182.586.280)	-	74.975.311	
Assets				2.151.414.981		3.886.233.076	(619.419.684)	5.418.228.373	
Increase in non current assets	101.197.081	26.051.817	42.471.030	109.789.802	8.209.606	259.587.754	-	547.307.090	
Liabilities				(1.412.308.044)		3.122.294.646	(619.419.684)	3.915.183.006	
Equity								1.503.045.367	
Equity and Liabilities								5.418.228.373	
Impairment Losses Recognized in Income of the Period	37.751.215	8.941.062	2.485.058	44.515.353	4.892.972	-	-	98.585.660	
Cash Flow from Operating Activities				128.481.431		443.359.694	-	571.841.125	
Cash Flow from Investment Activities				(110.916.454)		(80.240.551)	(19.499.189)	(210.656.194)	
Cash Flow from Financing Activities				(49.285.198)		(430.089.041)	19.499.189	(459.875.050)	

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General Information on Results, Cash Flow, Assets and Liabilities as of 12.31.2020 in ThCh\$	Segment Description						Inter-segment adjustments and Eliminations	Total Group
	Consumer	Enterprise	Corporate	M. services Peru	Other businesses	Not assigned		
Operating Revenue	908.564.801	248.479.525	236.482.642	680.167.740	934.634.356	-	(860.844.636)	2.147.484.428
Other Significant Revenue (expense) items	(570.492.023)	(141.623.975)	(160.801.264)	(576.558.733)	(872.609.677)	-	858.833.133	(1.463.252.539)
Reportable Gain (loss) (Ebitda)	338.072.778	106.855.550	75.681.378	103.609.007	62.024.679		(2.011.503)	684.231.889
Depreciation, Amortization and Impairment	(196.617.428)	(60.367.212)	(66.923.555)	(136.628.232)	(13.237.929)	-	2.011.503	(471.762.853)
Segment Operating profit (loss), (EBIT)	141.455.350	46.488.338	8.757.823	(33.019.225)	48.786.750		-	212.469.036
Interest Revenue				555.029		36.096.766	(25.757.261)	10.894.534
Interest Expense				(38.697.579)		(89.595.620)	25.757.261	(102.535.938)
Exchange Rate Differences and Income by Indexation Units				(1.906.970)		(24.966.607)	-	(26.873.577)
Income tax expense (benefit)				5.227.353		(14.715.180)	-	(9.487.807)
Total Profit (loss)	141.455.350	46.488.338	8.757.823	(67.841.392)	48.786.750	(93.180.621)	-	84.466.248
Assets				1.867.217.442		3.549.771.738	(528.544.648)	4.888.444.532
Increase in non current assets	70.689.205	15.293.338	34.627.137	94.743.170	6.419.426	155.840.998	-	377.613.274
Liabilities				1.104.656.806		2.803.841.947	(528.544.648)	3.379.954.105
Equity								1.508.490.427
Equity and Liabilities								4.888.444.532
Impairment Losses Recognized in Income of the Period	34.523.675	7.490.594	1.875.835	35.562.970	231.014	-	-	79.684.088
Cash Flow from Operating Activities				151.981.190		408.574.791	-	560.555.981
Cash Flow from Investment Activities				(105.787.190)		(260.443.928)	(154.691.832)	(520.922.950)
Cash Flow from Financing Activities				(207.763.732)		(220.948.984)	154.691.832	(274.020.884)

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No operations have been discontinued during the periods 2021 and 2020.

The reportable segment "Consumer" relates to natural persons who are the final users of the services and equipment provided. The significant services for this segment relate to mobile call, data and equipment, landline telephony, international long-distance telephony, and Internet, wireless landline telephony and television services, the latter associated with the home revenues.

The reportable segment "Enterprise" generally relates to legal entities where goods and services acquired are used in productive processes or sold. The significant services for this segment relate to mobile call, data and equipment, data, Internet, local telephony and network lease and IT services, digital services, and cybersecurity.

The reportable segment "Corporate" has characteristics similar to those of Small and Medium-Sized Entities but relates to larger companies, government entities, banks and all kind of large companies. The relevant services of this segment relate to

mobile call, data and equipment, IT services, local telephony, and Internet services.

The "Mobile Services, Peru" segment corresponds to mobile and fixed telephone services (long distance, traffic business, integrated voice networks, data and Internet, jointly with IT services), provided through subsidiaries Entel Perú S.A and Americatel Perú both to individuals and companies.

The "Other Business" segment basically corresponds to network infrastructure services provided to certain subsidiaries and other telecommunications operating companies, both national and international and traffic businesses. This segment also includes the call center services subsidiary's operations, which account for less than 1% of revenue.

This segment also includes the operations of subsidiaries providing call center services both in Chile and Peru.

Mobile and fixed service operations abroad through subsidiaries in Peru, generated revenue with third parties in the amount of ThCh\$ 781.690.866 and ThCh\$ 649.051.697

during the respective annual periods, equivalent to 32% and 31% of the Group's revenue in each of the respective years.

Inter-segment transactions are stated at market prices, which usually correspond to prices for sale to third parties.

Due to the nature of the business and its financing, there is no allocation of finance costs, except for the mobile and landline business in Peru.

Income by business segment is determined at different levels, with income at the Ebitda level being the most considerable, since its components mainly include directly related allocations.

The allocation of revenues and expenses considers the existing correlations on each segment; therefore, the revenues of services provided in a segment are correlated with the corresponding expenses incurred in providing such services in that segment. As a result, there are no segments with unrelated revenues or expenses.

The Entel Group provides mobile telecommunication services including voice, added value, data, broadband and mobile internet services as well as fixed network services basically focused on providing integrated solutions including data network, local telephony, Internet access, long distance public telephony, information technology integration services (data center, BPO and operating continuity) digital businesses and cybersecurity, lease of networks and wholesale traffic businesses. The Group also provides call center services for the corporate market and Group companies.

The activities described above are mainly carried out in Chile. Activities abroad are carried out by three companies operating in Peru, also oriented toward mobile phone, fixed network services and call centers.

At Group level, there are no clients concentrating significant revenue percentages. The revenues related to intermediaries for the magnetic charge of prepaid mobile telephone services are deferred until the sale to the final client is finalized and such, the related invoices to intermediaries are not included in the Consumer segment revenues.

30. Capital Management

The capital needs for financing investments are met by own resources as well as those from share payments and the withholding of benefits, and resources from long-term debt with third parties.

According to the established internal policies, the level of indebtedness can reach a maximum of the greater of the following ratios: i) (Financial Debt - Net)/Equity plus non-controlling interests, ratio equal to 1.7 times, or ii) (Financial Debt - Net)/Ebitda (See Note 32) for the last twelve months, ratio equal to 3.5 times. The calculation of both ratios considers, the Financial Debt less other financial assets and cash and cash equivalents.

This financing policy was confirmed at the last Ordinary Shareholders' Meeting held on April 27, 2021.

Per the financial statements as of December 31, 2021, amounts obtained from financing are represented by accumulated equity of ThCh\$ 1.503.045.367 and current and non-current liabilities of ThCh\$ 2.132.367.874

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The mentioned financial liabilities include negative balances due to valuation of derivative instrument in the amount of ThCh\$ 5.871.197. Balances in favor presented by these valuations have not been deducted.

Should the Company face investment needs of an extraordinary nature that exceed the established limit, these must be submitted for approval at a Shareholders' Meeting, proposing the corresponding financing structures, such as capital or debt instrument issuances, bank debt, loans from suppliers or any other form of capital financing.

All bank loan contracts, both local and international and the bond issuance Contract in Chile contemplate certain restrictions on management and financial ratio limits. The latter includes the obligation to not exceed a ratio of 4.0 for Net Financial Debt/Ebitda, both for all bank loans and the local bond, and a ratio equal to or greater than 2.5 for Ebitda/Net Finance Costs.

31. Risk Management (Unaudited)

- Technological change risk (unaudited)

The evolution in telecommunication technologies makes it necessary to permanently review existing investment plans in order for them to be focused on satisfying the evolution in connectivity needs arising in markets. Technological changes arise from changes in demand habits as well as from the development of new communication methods whether related to applications or the speed used. The investment in new technologies can become obsolete before the term considered to repay the investment is completed, thus generating that initial profitability estimates are not met.

As a result of the above, the risk of technological change is inherent to the industry in which the Group operates. The Group believes it is critical that they stay ahead of technologic development by actively managing the risk of such change.

Accordingly, ENTEL has included an active and ongoing policy as a strategic development component for adopting cutting edge technologies and analyzing their expected return. Such a policy has allowed the Group being successful in adapting to the use of new technologies as well as being an integrated supplier and adopting new methods for doing businesses. Accordingly, the arrival and implementation of new technology has allowed ENTEL to grow, integrate and diversify reducing its exposure to concentrate its businesses in specific niches.

- Regulatory Risks (unaudited).

Regulation has a relevant influence on the telecommunications industry. In this sphere, regulation governs the industry's activities to protect the public interest. In this sense, we believe that the well-being of consumers and public interest requires stable regulations and criteria in order to properly evaluate the projects proposed by the companies, as well as its investment risks. Considering said interest, it is necessary to properly monitor the evolution of the standards that regulate the sector.

In this context, the main regulating instrument of the telecommunications sector that must be considered is the General Telecommunications Law itself, which in the last few years has had significant modifications in the regulatory framework, through obligations emanating from modifications to said legal precept; including among others, Free Election of Telecommunications, the Obligation of Minimum Guaranteed Speed of Access to the Internet, Sanctions on illegal decoding of Services Limited to Television, and Regulation of installation and removal of Aerial and Underground Lines and National Automatic Roaming.

Portability

As of December 2010, Number Portability was implemented, allowing over 20 million customers to change operators. Following a new bidding process, the current portability system operator is awarded the contract, which reduces transactional costs and does not require the operator to make new investments. In this new bid, the approved terms and conditions include the

feasibility that the customers porting their landline can express their intention to close other telecommunications services that are "bundled" with the landline. The new system began operating on March 1, 2021, and on that date the new modifications are available in the portability process.

Spectrum

Regarding the Supreme Court Ruling that, on the one hand, requires operators to dispose of the same quantity of the spectrum that was acquired through the 700 Mhz; Entel, reported and published in the Official Gazette the modifications to their concessions to adjust their spectra, with a deadline of October 2021 to finalize such adjustments in their exploitation, including, within the maximum term to materialize the returns, the transfer of a 3,500 MHz band concession as a result of the new 5G bids awarded in the same MacroBand. Both adjustments were reported and confirmed by the authority. Similarly, and within the referred term, Entel performed the 10MHz adjustment (reduction) regarding the concessions of the spectrum in the 900 MHz band (return and waiver). This situation was also revised and confirmed by the Undersecretary office for Telecommunications.

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In relation to the spectrum limits, reviewed by the Supreme Court, in addition to establishing dynamic Spectrum Limits by Operator (a percentage of the total spectrum in the respective Macroband), it also established additional conditions that must be met in order to implement the new caps or limits to the holdings of rights to use the radioelectric spectrum; a) Obligation to grant National Roaming, for operators in the deployment phase, b) Obligation to Offer payment installments and resale of plans for OMV, c) Effective (real) and efficient (optimal) use plan, when participating in new Spectrum auctions, and d) Prior to a frequency auction, the authority must analyze whether or not the incumbent operators can reasonably offer it in their preexisting frequencies.

In other matters related to spectrum use, in Resolution No. 62 of August 31, 2020, the TDLC resolved the consultation formulated by Telefónica Chile regarding the exploitation of 3,500 MHz band frequencies, when Telefónica withdrew its appeal to the Supreme Court. This Resolution establishes that the execution of Exempt Resolutions No. 1,289/2018 and No. 1,953/2018, issued by Subtel regarding the use of 3,400-3,600 MHz frequency bands does not infringe upon the free competition regulations (nor does Resolution No. 584 by the Decision Commission).

In relation to concessions and services operating in 3,400-3,600 MHz band, Subtel has recently opened a public consultation to know the public's opinion, including companies, organizations and individuals either involved or interested in participating in telecommunication-related matters in Chile. The consultation raises the issue associated with the current distribution of the spectrum and aims to know the implications the redistribution of 3,400-3,600 MHz band might entail. In fact, and as a result of successive transfer, adjustment processes and concession awarding in such band, currently, the band is dispersed and fragmented in blocks that may affect the efficiency and also hinder the provision of modern services like 5G. The consultation period will last for 30 successive days until January 21, 2022 at 11:39 pm.

5G Auctions

Concessions for the provision of telecommunication services operating high-speed wireless networks in the following bands 700MHz, AWS, 3.3-3.4 and 3.6-3.65 GHz and 26 GHz are awarded within the first half of the year in four unrelated public bidding processes. In September, Subtel informs of Supreme Decrees related to 700MHz, AWS, 3.3-3.4 and 3.6-3.65 GHz bidding processes. Subsequently, de-

crees were published by the concessionaires the first weeks of October.

As of December 16, the regulatory authority grants concessionaires authorization to begin providing 5G services for all base stations already authorized by the Undersecretary office for Telecommunications. From such date, Entel initiates the commercial phase of 5G services in 3,500 MHz band in 34 communes within the Metropolitan Region and some in the regions of Tarapacá, Valparaíso, O'Higgins, BíoBío and La Araucanía.

VTR + CLARO Joint Operation

On September 29, 2021, the parent companies of Liberty Latin America Ltd. and América Móvil S.A.B. de C.V. announced to the US SEC that a Joint Venture (JV) had been established by Claro and VTR for their operations in Chile. Such transaction needs to be approved by the Free Competition regulatory body, that is to say, the National Economic Prosecutor's Office (FNE).

On December 30, 2021, FNE informed that whenever the background information of the concentration operation submitted by the notifying entities concerning the mandatory notification process was complete, an investigation under No FNE F295-2021

should commence. This is the case if the referred concentration operation corresponds to any operation contemplated in article 47, letter c) of DL 211, as the parties constitute an independent economic agent that will operate on a permanent basis.

In that context, in January, Entel received two Rulings from the FNE whereby it was required to enclose background information regarding the markets impacted by the transaction so that the competent authority evaluates the different options that may be legally adopted in relation to the concentration operation in which respect notice has been given.

Guaranteed Minimum Internet Speed

With respect to Law No. 21,046, which establishes the obligation to guarantee a minimum internet access speed, during the second half of the year, Regulations were published to establish the Organization, Operation and Public Bid Mechanism of the Independent Technical Entity, which according to law shall be responsible for performing service quality measurements.

The Undersecretary office for Telecommunications and the Committee Representing ISPs agreed in March 2021 the Bidding Bases to define the Independent Technical Body (ITB).

Also, this organ initiates the bidding process. From the total five interested parties in this Bidding two proposals were received. Following the reviews and technical, legal and economic clarifications on the part of participants, the Bidding was declared void by the representative committee during the first weeks of October 2021, since none of the proposals received met the technical and economic requirements in due form.

Following a new review of the requirements to manage the ITB in December, the first days of January 2022 the Representative Committee submitted a new Base proposal to Subtel for review and approval in order to reopen the Bidding.

National Roaming

While in October 2020, the companies initiated the enablement process to activate the domestic roaming service operating in the mandatory locations that are the beneficiaries of FDT, in compliance with Law No 21,245, which established the Automatic National Roaming by incorporating a new article 26 bis into the General Telecommunications Law, concessionaires have not yet materialized the agreements.

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This legal provision establishes that the concessionaires assigning rights of use of spectrum must allow access and use of their facilities to other concessionaires, also for the Virtual Mobile Operation and must formulate and keep updated Offers of Wholesale Facilities.

Regarding the Roaming Obligation, agreements must also be signed in the case of interruptions in emergency situations and to facilitate the entry of New Operators, in which case the maximum term of these agreements shall be five years.

Lastly, on December 2, 2021, Supreme Decree No 138 of 2020 is published. These rules regulate the conditions and characteristics of these Offers. As stated in the transitory articles, such rules shall be effective on February 1, from which date and for a maximum period of 30 business days, concessionaires must submit both offers for approval and amend the current agreements based on applicable legal rules and regulations.

Price-setting processes

Price-setting corresponds to the process defined by the General Telecommunications Law to establish the provisions that are primarily granted in interconnections. In the case of Entel, during July, 2020, the Price Study and Model was submitted by our Landline Phone service concessions company, EPH, which presents a price-setting proposal that in the case of access charges proposes an average rate of \$3.87/minute, equivalent to a 35% reduction in said fare.

In November, Subtel notified our concessions company with its objections and counterproposal report (IOC), establishing a rate of \$3.367/minute. In December, 2020, our landline concessions company insisted on some parameters to be considered in the price model, with a rate propose of \$3.557/minute.

Finally, in August 2021 Subtel announces that the Tariff Decree of the concessionaire was submitted to the Comptroller General for its Acknowledgment with the

same values established in the IOC report. After the Decree publication and approval, tariffs charged pursuant to the former Tariff Decree shall be recalculated from January 15, 2021, to the date of publication in the Official Gazette.

Covid-19

The global pandemic situation due to the outbreak of COVID-19, the Government and Public Health authorities have taken exceptional measures to protect the health of all residents. Therefore, as of March 2020, a State of Catastrophe and Constitutional Exception has been declared under the terms indicated in article 41 of the Constitution, the one that has been renewed to date.

Based on this declaration, different measures have been established that restrict the free mobility of individuals, and in this sense, a curfew has been declared throughout the country, affecting the free transit between some communities, among other safeguards and health measures. All of the above affects the normal development of the activities of Entel, its employees and its customers.

However, the Telecommunications services for this event are considered Essential Service companies for the provision of landline and mobile telephone and internet services; Data Center operations; which has implied the operational continuity (with the necessary health protocols) in the face of emergency, repairs and/or installation, all for the purpose of providing telecommunications services within the communities in lockdown and in curfew hours, in which case the respective employees must have the necessary credentials, permits or safe passage authorization for said mobility.

In this way, although with certain limitations and the respective health protocols, Entel maintains the operational continuity of on-site technicians, customer service in some of its stores, although remote customer service has been prioritized, and over 95% of Entel professionals carry out their activities through the Home Office methodology.

It should be noted that as a result of the pandemic and due to the importance of the services provided, there is still the risk that the authority may take regulatory measures that affect some of the services provided.

These regulatory changes being introduced by the authority create business risks and/or opportunities. The diversification and relative size of the services provided by Entel allow partial mitigation of the consequences of potentially adverse or inadequate regulations, reducing the overall risks to operations, cash flows, the creation of value for shareholders, and its contribution to the community. In all, within a regulated industry as that in which Entel carries out its business, we cannot fully discard regulatory or policy changes by the authority at the legal or regulatory level, which may have an impact on the Company's results or restrictions on its possibilities for growth.

- Foreign exchange market risk

Entel's financing is denominated mostly in foreign currency and is composed of bank loans, local bonds and 144 bonds issued in the international market, for a total of US\$ 1,880 million (ThCh\$ 1.588.017.200). The detail is presented in Note 16 to the financial statements. In addition, a smaller portion of the suppliers of the Entel group generate permanent trade accounts payable in foreign currency. Both components are

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liabilities whose values change daily due to fluctuations in the exchange rate. For this, Entel has short and long-term contracts in foreign currency active positions (derivative instruments), such that the net balance of foreign currency exposure is immune to those changes and thus the risk of foreign currency fluctuations is eliminated.

- Interest rate market risk

Through its Interest Rate Risk Hedging Policy, the Company basically seeks to ensure a hedging level for its financial expense to allow better predictability of financial expenses and ensure greater control of them.

There is generally a positive correlation between the Company's business, the economic cycle and level of interest rates. This generates a natural hedge between business cash flows and financial expenses, although in certain situations there can be a mismatch in their timing.

The Company's debt is composed mostly of long-term international and local bonds and hedging instruments denominated in fixed rates. Notwithstanding the above, and to comply with the objectives and for the portions of debt at variable rates, the Company

considers the purchase of insurance rates to fix them, such as FRA or Cross Currency Swaps that reduce the variability of the interest generated by debts with variable rates such as Libor or TAB.

Among the considerations incorporated in the decision, are review of implicit discounts in future rate curves (swap curves), market studies, surveys of economic expectations provided by public entities and estimates on the economy and its impact on the main variables.

- Credit risk

Credit risk related to bank balances, financial instruments, marketable securities and derivatives, is management by Finance and Management Control in conformity with the policies created to maintain the invested capital. These policies diversify the risk through pre-established limits per days of placement, percentage per institution and the risk of the documents used to invest cash surpluses.

The investment instruments approved and used are those issued by the Central Banks of Chile and Peru or by bank entities and their subsidiaries with high level risk

ratings. Investments can be denominated both in domestic currency or in the main foreign currencies. Exposure to the risk associated to recovery of trade accounts receivable is due to the terms which, due to the characteristics of the telecommunications industry must necessarily be granted both to direct customers and to intermediaries, as well as to other domestic and international operators, with which there are reciprocal interconnection agreements.

Risk management related to accounts receivable focuses on minimizing exposure, within the possibilities allowed by market conditions. Risk management processes are differentiated based on the characteristics of the debtors, in accordance with segmented portfolio control, among others, customers are distinguished between individuals, companies, corporations, telecommunications companies, correspondents, distributors, large stores or other goods and services distribution channels, see Note 3, letter f, impairment.

For each segment, there are prospective and predictive models that allow the generation of policies based on the origin of the debt, which go from prepaid services for the more risky combinations of customer/

product to establishing credit limits, with or without collateral guarantees, credit insurance and other alternatives, which are assessed case by case.

The models used to project the impairment of accounts receivable consider the possible impact of portfolio impairment, due to the national contingency and its impact on macroeconomic variables.

This impairment is monitored daily, to detect and size up the impacts of any change in the impairment trends.

- Liquidity risk

In terms of providing the liquidity required to meet financial obligations in a timely manner, Entel plans for future maturities by searching the market alternative that can provide funds in a timely manner.

A detail of the maturity dates of financial liabilities is provided in Note 16.

- Risk governance

Entel has a General Policy of Risk Control and Management approved by the Board of Directors and is structured as a cross-cu-

tting governance for a comprehensive risk management, led by the Strategic Committee of Comprehensive Risk Management and supported by a Risk Management Operating Committee.

In accordance with such policy, the line and business areas are responsible for managing risks. To support such management, the Company's governance is assisted by these committees and the Operational Risk and Internal Audit Management, specifically in the Risk Management Area.

The latter is responsible for providing support and following-up on risk management and governance, in particular focused on:

- Operational risk
- Business continuity
- Information security
- System access risk management

In addition, this area is responsible for:

- Ensuring compliance with governance mechanisms for risk management, promoting culture and ensuring its understanding.
- Coordinating and supporting organizational units in accordance with the defined governance model in the identification,

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analysis, evaluation, recording and mitigation of risks.

- Performing a follow-up and recording mitigation and other projects associated with risk management, either internal for each area or cross-cutting at organizational level.
- At least every three years, organizing and updating the risk map.
- Keeping Management and the Board informed on the compliance, evolution and improvement of risk management matters.

The Operational Risk and Internal Audit Management is responsible for assessing effectiveness of the implementation of Risk Control and Management Policy, compliance with its regulations and supporting such information.

This structure allows the Company to conduct efficient corporate management actions and make a contribution to mitigate risk the Company's risks.

32. Contingencies, Litigation and Covenants

Contingencies related to direct commitments maintained by Group companies as of December 31, 2021 and 2020, are as follows:

a. Contingencias por compromisos directos
Contingencies related direct commitments for foreign purchase orders of ThCh\$ 9.813.146 and ThCh\$ 34.803.632, respectively.

All these purchase orders are recorded in foreign currencies and have been translated using the exchange rates at the end of each period.

b. Contingency related to bank guarantee certificates provided to ensure compliance with contracts related to the award of 700 and 2,600MHz frequencies, and the replacement of public use assets for the construction and maintenance of networks. At each period, these certificates amounted to ThCh\$ 76.756.744 and ThCh\$ 71.703.387, respectively.

c. As of December 31, 2021, significant lawsuits and legal procedures that could represent a loss contingency for the Group companies are as follows

-Leal vs. Baran Chile and Entel PCS

Court: 6th Civil Court of Santiago.

Case No.: C-9128-2017

Notification: August 8, 2017.

Matter: Collection in Chilean Pesos

Defendant: Entel PCS Telecomunicaciones S.A.

Request: Payment of Ch\$ 306,512,749.

Cause of action: Services rendered and unpaid and compensation for damages.

Cause of action: Cassation.

On October 1, the parties were summoned to hear sentencing. On December 20, the final sentence was handed down, rejecting the complaint. The plaintiff appealed the sentence and on February 28, 2019 the documents were sent to the Santiago Court of Appeals, which currently has the documents for the appeal.

On August 5, the judgment was affirmed including court cost and attorney's fees. On August 23, the plaintiff files a Cassation Appeal regarding the substance; case files are submitted to the Supreme Court of Justice.

Possible contingency: Rejection of the complaint is considered probable due to lack of grounds.

-Inversiones Altazor vs. Entel S.A.

Court: 9th Civil court of Santiago

Case No.: C-8848-2017

Notification: May 14, 2018.

Matter: Damage indemnity

Defendant: Empresa Nacional de Telecomunicaciones S.A.

Request: Damage indemnity in the amount of Ch\$480,915,900.

Cause of action: Consequential damages, loss of profits and moral damage.

Current procedural stage: Filed.

On December 17, Entel S.A. responded to the complaint. The reconciliation hearing took place on March 26. On May 15, 2019, the case was accepted for the evidence stage. Currently, awaiting hearing for designation of expert.

Ruling issued on June 3, 2020. On June 11, 2020, the plaintiff is expressly notified of the final ruling. Case is archived on December 9, 2020.

Possible contingency: Rejection of the complaint is considered probable due to lack of grounds.

-Inversiones Winston Michelson vs. Entel PCS

Court: 11th Civil Court of Santiago.

Case No.: C-9573-2018

Notification: May 2, 2018.

Matter: Damage indemnity.

Defendant: Entel PCS Telecomunicaciones S.A.

Request: UF 8.585

Cause of action: Loss of profits.

Current procedural stage: Cassation.

On September 4, the case was received for the evidence stage. On October 17, such resolution was notified. On December 6, the parties were summoned to hear sentencing. On May 14, 2019, the final sentence was dictated, rejecting the complaint, which was notified to this party on May 27. The plaintiff filed an appeal, which was rejected by the Court of Appeals on June 24, 2021. On July 10, the plaintiff filed a cassation appeal in the form and substance against this judgement and the case files were submitted to the Supreme Court, awaiting since September 6, 2021, for the court to hold a judgment hearing.

Possible contingency: Probable rejection of the complaint due to lack of grounds.

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-Construcciones y Comunicaciones Eduardo Pizarro vs. Entel PCS

Court: 27th Civil Court of Santiago.

Case No.: C-7164-2018

Notification: May 22, 2018.

Matter: Notification of collection of invoice.

Defendant: Entel PCS Telecommunicaciones S.A.

Request: Ch\$ 240,930,279.

Cause of action: Payment for services

Current procedural stage: Evidentiary term.

On May 25th, 2020, it was rejected the objection interposed by Entel PCS. Afterwards, on October 13th, 2020, Entel PCS appealed to the sentence issued by Chilean Courts that resolved the opposition of the preparatory judicial measures, by means the Court granted or awarded such opposition with devolutive effect. On the other hand, on November 17th, 2020 Pizarro filed a lawsuit against Entel PCS, which was denied by the Chilean Courts. As a consequence, the plaintiff filed a revocation proceeding.

The court admits the appeal for reversal and considers the action as filed. On February 16, 2021, the court gives notice to Entel PCS. On February 22, 2021, Entel PCS asserted defenses. On March 12, 2021, the defenses asserted are found admissible and received for evidentiary purposes.

Possible contingency: Probable rejection of the complaint due to lack of grounds.

-Easton vs Entel PCS

Court: 21st Civil Court of Santiago.

Case No.: C-14157-2019

Notification: June 17, 2019.

Matter: Damage indemnity.

Defendant: Entel PCS Telecommunicaciones S.A.

Request: UF 7,000

Cause of action: Damage indemnity.

Current procedural stage: Ruling.

On June 17, 2019, Entel PCS was notified of the complaint, and filed delaying exemptions, which were received for approval on September 9, 2019 and is currently awaiting ruling. On January 24, 2020, the dilatory exception of collateral estoppel delay is admitted. On July 29, 2020, the court closes the case.

Possible contingency: Rejection of the complaint is considered probable due to lack of grounds.

-Muñoz vs. Entel PCS

Court: 24th Civil Court of Santiago.

Case No.: C-611-2018

Notification: March 18, 2019.

Matter: Rent Summary Judgment.

Defendant: Entel PCS Telecommunicaciones S.A.

Request: UF 4,200.

Cause of action: Payment of owed rent.

Current procedural stage: Archived

On March 18, the complaint was notified to Entel. On March 25, the defense, reconciliation and testing subpoena took place, and the parties were summoned to hear sentencing. On May 30, 2019 final sentence was dictated. On June 28, 2019, the plaintiff appealed the final sentence. The case has currently been filed due to time lapsed.

Possible contingency: Rejection of the complaint is considered probable due to lack of grounds.

-Agricola Pacífico Sur vs. Entel PCS

Court: 8th Civil Court of Santiago.

Case No.: C-23586-2019

Notification: October 2, 2019

Matter: Damage indemnity.

Defendant: Entel PCS Telecommunicaciones S.A.

Request: Ch\$821,060,743

Cause of action: Consequential damage, loss of profits and compensation of enrichment without cause.

Current procedural stage: Evidentiary stage.

On October 2, 2019, Entel receives notice of the claim filed. Once the Rebuttal is filed the court issues a resolution summoning the parties to a conciliation hearing. Currently, the plaintiff receives notice of such resolution, we are expecting to receive such notice. On March 26, 2020, the Court issues a summons to the parties to hold a conciliation hearing, however, the parties have not been served. The conciliation hearing is held on February 11, 2021, however, no settlement is reached by the parties reach. The case is admitted for evidentiary purposes and notice is given on August 6, 2021.

Possible contingency: Rejection of the complaint is considered probable due to lack of grounds.

-Eventos Producción Publicidad Tomate Ltda. vs. Entel S.A.

Court: 26th Civil Court of Santiago

Case No.: C-34844-2019

Notification: March 5, 2020

Subject: Ordinary Lawsuit of Larger Claims

Defendant: Empresa Nacional de Telecomunicaciones S.A. and Banco Santander.

Request: Payment of Ch\$1,144,273,778

Cause of action: Compensation of damages

Current procedural stage: Discussion.

On March 5, 2020, Entel S.A. was notified of the claim, which was contested and the plaintiff has taken due notice of the response to the Court. On March 26, 2020, the court resolves to admit, without costs, the dilatory exception filed by Banco Santander Chile, with the plaintiff having to correct the defects in the claim. On April 14, 2020, ENTEL replies to the claim, and the parties file their rebuttal and rejoinder. On September 8, 2020, the parties are summoned to a reconciliation hearing for the fifth business day following the latest notification.

On September 21, 2021, the plaintiff requests the procedure to be resumed and summons are issued in order to hold a conciliation hearing, however, this request has not been admitted yet. On November 8, 2021, Banco Santander -the defendant- requests the procedure to be abandoned. The court rejects this request on November 29.

Possible contingency: Rejection of the claim is considered probable due to lack of grounds.

-María Rivas Eirl vs. Entel PCS

Court: 1st Civil Court of Santiago.

Case No.: C-12618-2018

Notification: Monday, June 18, 2018

Subject: Compensation of damages

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Defendant: Entel PCS Telecomunicaciones S.A.
Request: Ch\$115,472,450.-
Cause of action: Compensation of consequential damages, loss of earnings, and moral damage.
Current procedural stage: Appeal.

On September 21, 2019, the claim was contested. The rebuttal was submitted, and on December 7, 2018, the parties were summoned to a reconciliation hearing. On June 12th, the case was received for trial. On September 4th, Banco Santander was notified of evidentiary interlocutory, to which it responds and is granted by the court, taking the case before the Court of Appeals. The plaintiff alleges obstruction regarding its testimonial evidence, requesting a special term be established for this purpose, although this was rejected by the Court. On February 14, 2020, the Court of Appeals confirms the appeal. On March 20, 2020, a computer engineer expert witness is designated. Court summons the parties to hear the ruling. On December 11, 2020, the court issued a ruling, that has not been notified to the parties. On January 17, 2021 the plaintiff files an appeal against the final judgement. On February 11, 2021, Entel PCS was served and informed that the claim against Entel was rejected.

Possible contingency: Rejection of the claim is considered probable due to lack of grounds.

-Comercial Servicio Técnico vs. Entel S.A.

Court: 5th Civil Court of Santiago.
Case No.: C-2142-2020

Notification: July 9, 2017

Subject: Claim for compensation of damages.

Defendant: Entel PCS Telecomunicaciones S.A.

Request: Compensation of damages in the amount of Ch\$250,000,000

Cause of action: Contractual responsibility

Current procedural stage: Closed.

On July 13, 2020, Entel PCS was notified. On July 27, 2020, Entel PCS files dilatory exception of court incompetence due to the existence of an arbitration clause. On July 30, 2020, the court opposes the dilatory exception, notice to be served. On February 2, the case is closed.

Probable contingency: The claim is likely to be rejected due to the lack of reasonable grounds.

-UVZ Móbiliario vs. Entel PCS

Court: 3rd Civil Court of Santiago.

Case No.: C-17692-2020

Notice: April 23, 2021.

Subject: Claim for damages

Defendant: Entel PCS Telecomunicaciones S.A.
Request: Ch\$117,792,418

Cause of action: Compensation for damages.

Current procedural stage: Answer to the claim.

On May 17, 2021, Entel PCS files a motion to dismiss for lack of jurisdiction; the motion was admitted for evidentiary purposes. On November 11, the plaintiff requests to resume the evidentiary stage of the dilatory defense record that had been suspended due to the state of exception. On November 10, 2021, it is considered as resumed and case files return to the court for entry of judgement. On May 17, 2021, Entel PCS files a motion to dismiss for lack of jurisdiction, which is admitted for evidentiary purposes.

Possible contingency: Rejection of the claim is considered probable due to lack of grounds.

-Ulloa vs. Entel PCS

Court: 12th Civil Court of Santiago

Case No.: C-1086-2020

Notice: May 20, 2020

Subject: Lease agreement termination

Defendant: Entel PCS Telecomunicaciones S.A.

Request: 3480 UF

Cause of action: Lease agreement termina-

tion for failure to make rental payments.

Current procedural stage: Closed. On June 1, 2020, considering the constitutional state of exception, the hearing is suspended and the request is to be filed again ten business days after the end of the constitutional state of exception. On February 24, 2021, the case is closed.

Probable contingency: The claim is likely to be rejected due to the lack of reasonable grounds.

In addition to the above-mentioned proceedings, on January 28, 2019, WOM S.A. filed an unfair competition claim against Entel and claimed loss of profit, consequential damages and moral damages.

On October 18, 2019, the court rendered first instance final judgement and rejected the claim filed by WOM, arguing that while the actions of Entel undoubtedly seek to attract WOM's customers, those actions are neither contrary to good faith and good practices nor have they been carried out by illegitimate means.

The cassation appeal in the form and appeal filed by WOM against that judgement before the Court of Appeals in Santiago is currently pending.

d. Financial Contracts – there are restrictions on the management of certain financial ratios, agreed in bank loan agreements and in bonds placed in the international and Chilean markets.

The most significant refer to the following:

1) Financial ratios

For both ratios, the EBITDA and net finance costs are calculated considering the last 12 moving months prior to each quarterly close. Based on the audited and non-audits financial statements, as applicable, on a quarterly basis, the Company calculates and controls compliance with the financial restrictions included in these Contracts.

As of December 31, 2021, the ratios observed comply with such restrictions as the Debt Ratio (Net Financial Debt / Ebitda) with a ratio of 1.68:1 times and of 1.73:1 times for current financial instruments. It should be noted that the maximum allowed for this indicator is 4.0:1 times. In addition, the interest hedging index (Ebitda/net finance costs) is a ratio is 78,80:1 times and 79,04:1 times for current financial instruments. It should be noted that the minimum allowed for this indicator is 2.5:1 times.

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2) Other restrictions

Additionally, the contracts include restrictions such as:

a) No merger or consolidation with another company is allowed unless the surviving company assumes the obligations and does not exceed the limits established by the debt covenants.

b) Sale of assets: Neither the Company nor its subsidiaries may sell assets without considering:

- A fair value for the asset sold.
- A reinvestment of the product being sold in the main business of the sold product.

Any sale is allowed related to obsolete or unnecessary inventory, operations involving cash or cash equivalents, and any other sale arising in the normal course of business.

3) Liens

Allows to grant liens in the normal course of the business and up to an amount proportional to the size of the Company's assets.

In the event of non-compliance with any of these requirements, the creditor can demand the payment of all indebted amounts, without any right to file any appeal, legal action or complaint by the debtor subsequent to the adjustment period agreed.

33. Third Party Guarantees

The Group companies have not received any guarantees from third parties in relation to the acquisition of assets, loan operations, or to guarantee any other type of obligation.

34. Environment

The Companies have not made any disbursements for environmental standards.

35. Research And Development

During the periods covered by these consolidated financial statements, the Group companies have not conducted any activity that can be qualified as research and/or development activities.

However, the Parent maintains a contract with the main public agency responsible for promoting innovation (Corfo's Innova Chile Committee) in order to promote business innovation, innovative entrepreneurship, technology diffusion and transfer, and public innovation. The expenses incurred up to date in the context of this initiative do not yet qualify as research or development expenses.

In conformity with this contract, a modern Innovation Center focused on the generation of high technology projects was created, with the joint participation of clients and technological allies.

36. Sanctions

The Group companies and their directors or managers have not been subject to sanctions of any nature imposed by the Chilean Financial Market Commission or any other regulatory authority.

37. Financial Information for Subsidiaries

The financial information for the subsidiaries included in these consolidated financial statements is provided below.

Transactions and balances with the Parent company are also included.

The above information has been prepared in conformity with International Financial Reporting Standards.

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a) Financial statements:

Company Name	12.31.2021				12.31.2021		
	Assets		Liabilities		Revenue	Profit (Loss)	Comprehensive Income
Current	Non-current	Current	Non-current				
Entel PCS Telecomunicaciones S.A.	410.340.143	1.088.243.542	509.175.088	351.691.020	1.528.163.444	146.506.194	146.506.194
Entel Comercial S.A.	38.067	6.081.600	733.394	-	-	411.744	411.744
Entel Inversiones SpA.	31.019	20.177.757	265.291	-	-	(1.098.562)	(701.208)
Entel Servicios Telefónicos S.A.	44.408	1.476.814	29.637	-	252.446	99.061	99.061
Entel Call Center S.A.	9.719.565	33.607.132	6.798.047	7.649.402	40.891.242	2.365.791	3.004.169
Entel Telefonía Local S.A.	665.967	100.461.699	98.436.187	-	7.748.622	148.082	148.082
EPH1 S.A.	-	58.306.576	40.900	-	-	13.425.440	13.425.440
Micarrier Telecomunicaciones S.A.	315.662	3.228.797	-	-	-	267.471	267.471
Entel Servicios Empresariales S.A.	1.223.938	3.667.148	1.741.979	30.940	7.961.763	943.030	943.030
Empresa de Radiocomunicaciones Insta Beep Ltda.	-	4.970	-	1.001.376	-	(62.834)	(62.834)
Transam Comunicaciones S.A.	7.649.427	44.917.346	7.613.173	494.182	181.220.769	16.807.123	16.807.123
Will S.A.	15.359.520	26.085.961	7.418.708	-	240.964.857	6.368.094	6.368.094
Americatel Peru S.A.	6.401.333	26.214.032	7.636.630	1.590.732	21.768.943	223.930	1.252.973
Servicios del Call Center del Peru S.A.	7.428.697	6.383.798	3.808.856	1.338.186	20.521.441	851.258	1.489.659
Entel Peru S.A.	360.783.230	1.761.494.199	378.917.832	1.025.720.699	770.139.578	(32.207.350)	(31.920.464)
Entel Internacional SpA	562	331.436.772	50.176	517.995	-	(14.812.618)	(14.337.997)

Company Name	12.31.2020				12.31.2020		
	Assets		Liabilities		Revenue	Profit (Loss)	Comprehensive Income
Current	Non-current	Current	Non-current				
Entel PCS Telecomunicaciones S.A.	326.046.088	989.854.664	347.888.935	352.227.581	1.326.773.789	80.245.737	80.245.737
Entel Comercial S.A.	1.260.173	4.475.433	761.077	-	-	186.146	186.146
Entel Inversiones S.A.	42.638	19.565.313	-	-	-	(156.882)	(3.094.598)
Entel Servicios Telefónicos S.A.	28.232	1.460.538	96.246	-	228.568	36.772	36.772
Entel Call Center S.A.	11.008.880	29.315.751	7.918.531	6.531.019	38.289.345	1.710.814	757.974
Entel Telefonía Local S.A.	4.573.193	113.621	2.143.417	-	6.244	(194.079)	(194.079)
EPH1 S.A.	-	58.511.638	40.433	-	-	38.488.098	38.488.098
Micarrier Telecomunicaciones S.A.	312.191	2.964.810	-	-	-	131.349	131.349
Entel Servicios Empresariales S.A.	1.401.931	3.126.360	2.172.267	180.888	9.404.910	778.852	778.852
Soc.de Telecomunicaciones Instabeep Ltda.	-	4.658	420	937.809	-	(25.857)	(25.857)
Transam Comunicaciones S.A.	10.242.887	53.552.308	10.580.556	562.345	173.849.401	38.691.755	38.691.755
Will S.A.	8.760.398	33.445.400	9.976.251	-	242.535.432	29.628.677	29.628.677
Americatel Peru S.A.	5.296.680	26.913.298	9.128.397	6.680.543	23.721.544	(2.336.524)	(2.336.524)
Servicios del Call Center del Peru S.A.	5.797.096	6.870.776	2.595.413	2.896.666	21.723.465	(442.577)	(442.577)
Entel Peru S.A.	283.187.883	1.557.107.646	265.839.601	824.896.566	631.497.177	(63.588.241)	(227.305.769)
Direcnet S.A.C.	35.291	-	(55.928)	-	-	(457.637)	(501.613)
Entel Internacional SpA	12.934	341.462.276	-	77.345	-	(29.462.469)	(29.462.469)

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b) Balances in favor or against with the Parent Company:
ACCOUNTS RECEIVABLE FROM SUBSIDIARIES

TAX ID.	COMPANY	Country of origin	Currency	Current		Non-current	
				12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2021 ThCh\$	12.31.2019 ThCh\$
96.806.980-2	Entel PCS Telecommunicaciones S.A.	Chile	CLP	87.087.613	13.822.511	-	3.661.565
96.554.040-7	Entel Servicios Telefónicos S.A.	Chile	CLP	-	3.980	-	-
96.697.410-9	Entel Telefonía Local S.A.	Chile	CLP	-	1.538.791	86.729.036	-
79.637.040-8	Instabeep Ltda.	Chile	CLP	-	-	1.001.376	937.809
96.652.650-5	Transam Comunicación S.A.	Chile	CLP	367.656	367.656	-	-
76.942.869-0	Entel Internacional SpA	Chile	CLP	-	-	517.995	77.345
0-E	Entel Peru S.A.	Peru	USD	600.451	936.019	601.861.879	505.129.975
0-E	Americatel Peru S.A.	Peru	USD	579.362	481.853	-	4.976.650
0-E	Servicios de Call Center del Peru S.A.	Peru	USD	11.168	22.174	-	-
Total				88.646.250	17.172.984	690.110.286	514.783.344

ACCOUNTS PAYABLE TO SUBSIDIARIES

TAX ID.	COMPANY	Country of origin	Currency	Current		Non-current	
				12.31.2021 ThCh\$	12.31.2020 ThCh\$	12.31.2021 ThCh\$	12.31.2019 ThCh\$
96.806.980-2	Entel PCS Telecommunicaciones S.A.	Chile	CLP	-	-	76.337.093	-
96.561.790-6	Entel Inversiones SpA.	Chile	CLP	-	-	1.287.469	1.423.915
96.554.040-7	Entel Servicios Telefónicos S.A.	Chile	CLP	7.462	-	1.476.814	1.427.435
96.563.570-K	Entel Call Center S.A.	Chile	CLP	4.268.898	3.664.851	3.562.234	5.370.351
96.548.490-6	Micarrier Telecomunicaciones S.A.	Chile	CLP	260.440	260.440	3.228.797	2.964.810
96.697.410-9	Entel Telefonía Local S.A.	Chile	CLP	-	-	-	2.835.966
96.652.650-5	Transam Comunicación S.A.	Chile	CLP	-	-	9.164.512	19.500.924
96.833.480-8	Will S.A.	Chile	CLP	-	-	17.118.616	24.266.631
96.672.640-7	Entel Servicios Empresariales S.A.	Chile	CLP	839.734	919.592	3.267.668	2.391.314
0-E	Servicios de Call Center del Peru S.A.	Peru	USD	-	-	2.584.837	1.080.644
Total				5.376.534	4.844.883	118.028.040	61.270.990

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c) Transactions between the Parent Company and Subsidiaries:

TAX ID.	Company	Transaction description	31.12.2021		31.12.2010	
			Amount ThCh\$	Effect on income (charge) / credit	Amount ThCh\$	Effect on income (charge) / credit
96.806.980-2	Entel PCS Telecommunicaciones S.A.	Services rendered	218.552.476	218.552.476	188.013.890	188.013.890
96.806.980-2	Entel PCS Telecommunicaciones S.A.	Services received	43.759.747	(43.759.747)	21.736.411	(21.736.411)
96.806.980-2	Entel PCS Telecommunicaciones S.A.	Received Loans	73.980.631	-	49.558.880	-
96.561.790-6	Entel Inversiones SpA.	Received Loans	-	-	418.333	-
96.561.790-6	Entel Inversiones SpA.	Granted Loans	533.044	-	-	-
96.554.040-7	Entel Servicios Telefónicos S.A.	Services rendered	262.742	262.742	200.776	200.776
96.554.040-7	Entel Servicios Telefónicos S.A.	Services received	245.268	(245.268)	218.066	(218.066)
96.554.040-7	Entel Servicios Telefónicos S.A.	Received Loans	60.818	-	978	-
96.563.570-K	Entel Call Center S.A.	Services rendered	817.573	817.573	412.895	412.895
96.563.570-K	Entel Call Center S.A.	Services received	24.188.306	(24.188.306)	20.349.639	(20.349.639)
96.563.570-K	Entel Call Center S.A.	Received Loans	824.854	-	9.994.388	-
96.697.410-9	Entel Telefonía Local S.A.	Services rendered	-	-	13.814.766	13.814.766
96.697.410-9	Entel Telefonía Local S.A.	Services received	-	-	852.521	(852.521)
96.697.410-9	Entel Telefonía Local S.A.	Granted Loans	88.026.212	-	18.250.653	-
96.548.490-6	Micarrier Telecommunicaciones S.A.	Granted Loans	48.734	-	46.286	-
96.672.640-7	Entel Servicios Empresariales S.A.	Services received	7.961.763	(7.961.763)	9.386.796	(9.386.796)
96.672.640-7	Entel Servicios Empresariales S.A.	Received Loans	796.495	-	1.838.228	-
96.652.650-5	Transam Comunicación S.A.	Granted Loans	10.336.412	-	-	-
96.652.650-5	Transam Comunicación S.A.	Received Loans	-	-	12.482.261	-
96.833.480-8	Will S.A.	Received Loans	-	-	30.886.004	-
96.833.480-8	Will S.A.	Granted Loans	7.147.931	-	-	-
76.942.869-0	Entel Internacional SpA	Granted Loans	440.650	-	-	-

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TAX ID.	Company	Transaction description	31.12.2021		31.12.2010	
			Amount ThCh\$	Effect on income (charge) / credit	Amount ThCh\$	Effect on income (charge) / credit
76.942.869-0	Entel Internacional SpA	Received Loans	-	-	148.332	-
0-E	Americatel Peru S.A.	Payment Loans	5.886.544	-	-	-
0-E	Americatel Peru S.A.	Granted Loans	-	-	3.509.697	-
0-E	Americatel Peru S.A.	Services rendered	199.882	199.882	320.909	320.909
0-E	Americatel Peru S.A.	Services received	199.120	(199.120)	216.574	(216.574)
0-E	Servicios de Call Center del Peru S.A.	Payment Loans	699.362	-	-	-
0-E	Servicios de Call Center del Peru S.A.	Granted Loans	-	-	1.751.453	-
0-E	Servicios de Call Center del Peru S.A.	Services rendered	120.720	120.720	142.590	142.590
0-E	Entel Peru S.A.	Granted Loans	11.380.300	-	-	-
0-E	Entel Peru S.A.	Payment Loans	684.500	-	132.754.812	-
0-E	Entel Peru S.A.	Services rendered	4.753.070	4.753.070	7.497.079	7.497.079
0-E	Entel Peru S.A.	Services received	3.340.867	(3.340.867)	4.260.222	(4.260.222)
0-E	Direcnet S.A.C	Payment Loans	-	-	2.523.180	-

38. Subsequent Events

Between January 1, 2022 and the date of presentation of the present consolidated financial statements, no subsequent events have occurred that could significantly affect their balances.

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› Ratio Analysis of Consolidated Financial Statements

Empresa Nacional de Telecomunicaciones S. A. and Subsidiaries

As at December 31st, 2021 and 2020

1. Financial structure, revenue, costs and profitability evolution

Entel measures for coronavirus (COVID-19), 2021:

As a result of the situation the country is going through as a consequence of the coronavirus pandemic, the company is firmly committed to connect with its mission to provide access to the infinite possibilities that technology offers.

Since March 2020, around 95% of our employees have been teleworking. Those who due to their job description had to continue working in person, in order to maintain operational continuity, did so under strict health protocols. These same sanitary protocols have been applied to employees who have contact with customers, either in stores or on site, who wear protective equipment in all facilities.

From September 2021, a new hybrid model for returning to the offices was introduced with small groups, with the full staff included in the process from the first week of October.

The return to work was accompanied by a new teleworking policy, as well as an update of the #EntelSeguro operational and business continuity plan, which contains the general prevention guidelines and is constantly updated in accordance with the recommendations of the health authority.

Market Segments

Regarding the operation of the network and customer communication, telecommunications and associated technologies have been a key tool to support and facilitate both work and education at home throughout the pandemic period, as well as the proper functioning of the health system.

All technical teams available have been working to take the necessary measures to deal with the increase in network use, in order to preserve the quality of the service provided to customers, making every effort to guarantee the operability of the network.

In our Market Segments - Consumer; Enterprises; and Corporations, measures have included:

Consumer segment customers:

- **Strengthening and promoting digital customer service channels**, such as the website, the Entel App and social networks. Complemented with online tutorials, mailing campaigns and web scheduling for store visits.
- **Ensuring the highest standards of hygiene and safety regarding services for customers** who have scheduled visits with executives for technical attention or home installations.
- **Ensuring in-store customer care during quarantine.** At least one Entel store has remained open in each commune when there was total quarantine, operating with all COVID-19 protocols and favoring remote service and/or web scheduling.
- **Managing the Solidarity Connectivity Plan 2021.** This initiative is implemented jointly with the government and Chile Telco (trade association) and allows active customers to stay connected in the event that, for reasons of force majeure, they are unable to pay their monthly bill. This benefit is available to those who are registered in the Social Household Registry and belong to the 80% most vulnerable families in Chile. This plan lasts 90 days and allows activities such as sending and receiving emails and using certain social networks, but does not include recreational use (such as streaming and video games). Due to the health emergency, it was decided to extend this measure, which can be requested until March 31, 2022.

Enterprises and Corporate segment customers:

- **Customer support** to encourage adoption of cloud collaboration tools and thus increase productivity, releasing user manuals and FAQs for our users through our Entel Corporations website. Extending benefits throughout 2021.
- **Free training** through CLIC Courses for the Enterprise community - and also open to the public - with a focus on digitizing businesses.
- **Several initiatives are being implemented in the Enterprise Community**, such as maps so that all SMEs can publish and upload their business so they can easily be found.
- **Advice and support to the entire Entel Enterprises Community** through our website <https://entel.cl/comunidadempresas>. Focused on attending to all customers equally, regardless of size, with the possibility of access to free and pertinent information and content on digital finance, people management, human capital, internet sales, social networks, teleworking, etc.

Community in general.

By virtue of the relationship between Entel and society as a whole, and viewing the corporate role as one of developing Chile, some measures have been taken in accordance with the COVID-19 contingency for 2021:

- **Free access to public use platforms**, such as the release of the Ministry of Education's web pages with educational content for parents, teachers and students; the Ministry of Social Development's platforms to apply for family emergency income, and the Ministry of Health's web pages with health information.
- **We continued providing connectivity support to students, who had already received help in 2020 to continue their studies remotely.** As such, until December 2021, connectivity was provided through 24,000 simcards with e-learning plans, with 70GB per month free of charge. This was coordinated with institutions such as Fundación Belén Educa, Fundación Nocedal, Desafío Levantemos Chile, Fundación Nuestros Hijos, Corporación de Educación de Puerto Natales and CPC.

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Through Entel Ocean, our digital unit, **we have a cooperation and knowledge transfer agreement with the Instituto de Sistemas Complejos de Ingeniería (ISCI), a scientific research center that brings together leading engineers from the Universidad de Chile and Pontificia Universidad Católica.** This project aims to contribute to the analysis of population mobility in times of pandemics through geo-intelligence. The alliance combines efforts to work with

engineers and professionals from ISCI and a team of specialists from Entel Ocean to process the data, develop predictive models and generate conclusions. The analysis and results are obtained with statistical data at the census tract level and information on the use of telecommunications infrastructure, which Entel delivers in compliance with its data protection policy, anonymized and aggregated.

Financial Ratios

This document presents the changes noted in the most significant financial ratios over the last twelve months.

For analytical purposes, it is necessary to remember that the information is not

presented in currency of equal purchasing power, in line with IFRS accounting standards, adopted by the company as of fiscal year 2008. Since that time it has not been necessary to adjust the figures monetarily.

	31.12.2021	31.12.2020
LIQUIDITY RATIOS		
Current liquidity (Current assets / Current liabilities)	1.12	1.69
Acid Ratio (Cash and Cash Equivalents / Current Liabilities)	0.09	0.25
INDEBTEDNESS RATIO		
Indebtedness ratio (%) (Total Debt / Equity)	260.48	224.06
Short-term debt ratio (%) (Current Liabilities / Total debt)	29.62	24.09
Long-term debt ratio (%) (non-current liabilities / total debt)	70.38	75.91
Financial expenses coverage (income before taxes and interest / financial expenses)	2.04	1.92
EFFICIENCY AND PROFITABILITY RATIOS		
Profit Margin (profit on revenue)	3.09	4.04
Return on Equity (%) (annualized) (profit for year over average equity)	4.98	5.42
Return on assets (%) (annualized) (Net income for year over average assets) (annualized)	1.45	1.68
PROFITABILITY AND VALUE PER SHARE		
Earnings per share (annualized) (CLP)	248.25	279.67
Dividend yield (%) (Dividend last twelve months / share quotation at year-end)	29.14	3.49
Book value (Equity / number of shares) (CLP)	4,976.69	4,994.72
Market value (as quoted) (CLP)	2,879.00	4,409.00

Ebitda (Earnings before income tax, interest, adjustments and exchange-rate fluctuations depreciations, amortizations and extraordinary items).

Ebitda was up CLP88,220 million year-on-year, from CLP684,232 million to CLP772,452 million (+13%). This increase is mainly due to higher revenue from mobile services in Chile and Peru, from fixed services in Chile associated with digital, IT and the "Entel Hogar" residential services, and to better margins. Both periods saw the effects of tower sales from the contract signed in December 2019, and this year the effect of the sale of spectrum from a 30 Mhz block of the 3,500 band, together with the sale of a property. Excluding these non-recurring sales for each year, Ebitda was up CLP109,335 million, from CLP641,511 million to CLP750,846 million (+17%).

Evolution of financial ratios

In the periods being compared, pre-tax income increased by CLP24,676 million, from a profit of CLP93,954 million to CLP118,630 million (+26%). Profit after tax was 74,975 million

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pesos, down CLP9,491 million on the previous year, mainly due to the increase in the peso/dollar exchange rate over 2021 compared to a decrease in the exchange rate over 2020, affecting foreign investments. Meanwhile the current liquidity and profitability ratios showed a slight decrease for reasons already mentioned, with the debt ratios showing a moderate increase with respect to the same period the previous year.

It is important to mention that Entel has a highly liquid financial situation in the face of emergencies such as the pandemic and the debt maturities due by the end of 2022, in addition to having significant bank financing available. In this regard, last September a transaction was carried out whereby the Company repurchased USD 800 million of its corporate bond debt while issuing a new bond for the same amount, maturing in 2032, allowing it to extend the maturity of the obligations and reduce the interest rates to 3.05% per annum. The company continued with its cost efficiency-, investment- and working capital management- plans, ensuring an efficient allocation of resources.

The Efficiency and Profitability Ratios
- profit margin and return on equity and assets - showed a moderate decrease compared to the previous year. Operating results showed an increase due to improvements in both Chile and Peru. Non-oper-

ating results are principally impacted by higher inflation-related readjustment expenses, as well as expenses arising from the restructuring of the corporate bond debt carried out in September of this year. There was an increase in tax expenses due to higher earnings and the increase in the peso/dollar exchange rate between the twelve months of 2021 compared to the fall in 2020, which affected foreign investments.

The debt ratio meanwhile went up from 224.06 to 260.48 over the year. This variation is due to an increase in total liabilities of 535 billion pesos (+16%) compared to a decrease in equity of 5 billion pesos (-0.4%). Liabilities increased by CLP253 billion, mainly due to higher current and non-current financial liabilities, higher trade accounts payable to the tune of CLP84 billion, higher lease liabilities of CLP87 billion, higher current tax liabilities of CLP43 billion, and higher deferred tax liabilities of CLP51 billion. Equity was down slightly, by 5 billion pesos, as a result of a decrease in accumulated results relating to the payment of dividends of 250 billion pesos, partially offset by an increase in foreign exchange translation differences affecting investments in Peru, due to the increase in the sol/peso exchange rate over the last twelve months, and by an increase in cash flow hedging reserves relating to derivative instruments.

The financial expense coverage ratio increased compared to the same period the previous year, with an adequate level of solvency, up by a factor of 2.04. The allowance for this ratio improved if the net financial cost is taken into consideration - i.e. by offsetting financial income and expenditure. Measured this way, at the end of December 2021 it was up by a factor of 2.09.

If the calculation is made on cash flows, based on results before depreciation, the ratio is 6.47.

For the purpose of calculating the financial expense coverage ratios, interest on bank loans, interest rate differences arising from the application of interest rate hedging contracts and interest on financial and operating leases are included. Interest calculations are made on the basis of effective rates, in accordance with amortized cost procedures (IAS 39).

In terms of liquidity ratios, the coverage ratio of current assets over current liabilities dropped from 169% to 112%, with current liabilities up by 42% and current assets down 6%. Current liabilities rose by CLP345 billion, mainly due to higher trade accounts payable to the tune of CLP84 billion, higher current financial liabilities of CLP174 billion, and higher current tax liabilities of CLP43 billion. Current assets fell by CLP80 billion,

due primarily to a decrease of CLP156 billion in cash and financial investments, and a decrease of CLP93 billion in current tax assets, partially offset by an increase of CLP131 billion in trade accounts receivable and an increase of CLP43 billion in inventory.

With regard to the acid ratio, ie the coverage of cash and cash equivalents over current liabilities, it was down from 25% to 9%. This was due to a decrease in Cash and Cash Equivalents of CLP94 billion (-46%), and an increase in current liabilities of CLP345 billion (+42%), as mentioned above. This ratio improves if, in addition to cash and cash equivalents, financial investments such as time deposits and derivative instruments are included, which, measured this way, at the end of December 2021 would be 38%.

Analysis of Financial Position Statement

Based on the consolidated financial statements, the evolution of assets and liabilities between the end of the previous year and December 31, 2021 is shown below.

Between December 2020 and December 2021, the Peruvian sol fell in value by 8% with respect to the Chilean peso, affecting the conversion of assets and liabilities from soles to pesos.

Regarding the level of the Group's total assets, there was growth of CLP530 billion pesos, equivalent to 11%, compared to the previous year.

The main changes in assets are due to an increase in intangible assets of CLP107 billion, due to the awarding of the 3.5 GHz band in the 5G tender, to the tune of CLP100 billion. There was also an increase in other non-current financial assets of CLP267 billion, due to higher valuations of derivative instruments, an increase in accounts receivable of CLP132 billion, and an increase in rights of use for leases and deferred taxes of CLP80 billion pesos and CLP54 billion respectively, both affected by the revaluation of the Peruvian sol mentioned above.

Current inventories increased by 43 billion and relate mainly to mobile handsets tied to service users. Their size, activity and turnover are determined on the basis of portfolio growth projections, demands for equipment renewal, technological changes and customer loyalty campaigns.

	31.12.2021	31.12.2020	Variation
Assets	CLP (million)	CLP (million)	%
Current Assets	1,297,380	1,376,959	-6
Non-Current Assets	4,120,848	3,511,486	17
Total Assets	5,418,228	4,888,445	11

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Property, plant and equipment saw an increase of CLP110 billion, reflecting the amount by which investments exceeded depreciation for the period (+6%) both in Chile and in the Peruvian operations. It should be noted that part of the increase in the Peruvian subsidiaries is due to the revaluation of their currency.

Gross investment came to CLP446 billion for the twelve-month period, and depreciation totaled CLP382 million.

The Entel Group's investments in property, plant and equipment, including the subsidiaries in Peru, were allocated 55% to mobile services, 45% to investments in cross-business platforms, fiber network and "Residential" services and other fixed network investments.

In turn, the investment in mobile services corresponded mainly to network infrastructure.

The aforementioned increases were partially offset by a CLP156 billion decrease in cash and financial investments, mainly relating to the payment of the bid for the 5G tender for the 3.5 GHz band and the contingent dividend distributed. There was also a decrease in current tax assets of CLP93 billion pesos, related to the refund of tax credits.

Liabilities and Equity	31.12.2021	31.12.2020	Variation
	CLP (million)	CLP (million)	%
Current Liabilities	1,159,502	814,157	42
Non-Current Liabilities	2,755,681	2,565,797	7
Total Equity	1,503,045	1,508,490	-0.4
Attributable to the Owners of the Parent Company	1,503,045	1,508,490	
Total Liabilities and Equity	5,418,228	4,888,444	11

With regard to the level of total liabilities compared to the previous year, an increase of CLP535 billion, equivalent to 16%, was observed.

These increases are mainly due to an increase in financial liabilities of CLP 253 billion, related mainly to debt denominated in dollars as a result of the increase in the peso/dollar exchange rate between the end of December 2021 and December 2020, with the consequent increase in the financial assets of the exchange hedging instruments contracted. There was also an increase in trade accounts payable by of CLP84 billion, higher current tax liabilities of CLP43 billion, and higher lease and deferred tax liabilities of CLP87 billion and CLP51 billion, respectively, partly affected by the revaluation of the Peruvian sol mentioned above.

Equity was down slightly, by 5 billion pesos, as a result of a decrease in accumulated results relating to the payment of dividends of 250 billion pesos, partially offset by an increase in foreign exchange translation dif-

ferences affecting investments in Peru, due to the increase in the sol/peso exchange rate over the last twelve months, and by an increase in cash flow hedging reserves relating to derivative instruments.

As mentioned, there were no significant net effects due to fluctuations in the exchange rate as these were neutralized by the group's hedging policies. These policies are based on hedging exposure through derivatives, as noted above.

Income Statement Analysis:

Sales Revenue Performance

The Group's revenues are categorized as Revenue from Ordinary Activities, Other Revenue and and Other Gains (losses) from the Comprehensive Income Statement. These revenues increased by 15% when comparing 2021 and 2020, as per the following breakdown:



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Sales Revenue Performance	2021	2020	Variation
	CLP (million)	CLP (million)	%
Mobile Telephone Services - Chile	1,187,688	1,016,431	17
Entel Peru	766,725	627,019	22
Private Services (includes IT/digital services)	218,644	203,605	7
Local Telephone Services (including NGN-IP)	34,894	45,325	-23
Television Service	44,328	42,364	5
Long Distance	3,882	5,621	-31
Internet	81,954	66,271	24
Services to Other Operators	41,256	32,216	28
Traffic Business	18,813	22,144	-15
Americatel Perú	14,966	17,905	-16
Call Center Services and other	14,072	13,727	3
Other Revenue(1)	32,897	54,856	-40
Total Operating Revenue	2,460,119	2,147,484	15

(1) Other income, from the disposal of property, plant and equipment, business interests and other.

Consolidated revenues for the twelve months of the year totalled 2,460 billion pesos, an increase of 15% compared to 2020. This increase was driven by higher revenue in the mobile operations in Chile and Peru (+17% and +22%, respectively), by fixed services in Chile associated with digital, IT and residential services of "Entel Hogar", and by revenue from services to other operators, which grew 28%. Other Income includes net income of CLP13 billion and CLP43 billion as of December 31, 2021 and 2020, respectively, from the sale of 156 and 530 towers each year, related to the sale agreement signed

in December 2019 with ATC. In addition, in June of this year revenue of 7.7 billion pesos was posted in connection with the sale of a 30 Mhz block of the 3,500 band, and revenue of 1.2 billion pesos from the sale of a warehouse in the Cerrillos district in August of last year.

With regard to the COVID-19 pandemic, the health measures were made more flexible, affecting to a lesser extent the operating and commercial activity in the last semester, where the company has quickly adapted to the new reality through various measures mentioned above. Against this backdrop,

the use of digital solutions has continued to increase across the broadest spectrum for the provision of services and customer care, where digital sales channels have been strengthened, enabling the continuity of sales and customer service.

The Group maintains a strong position in mobile services in Chile, as a result of the ongoing commercial drive and the quality of service. Revenue from mobile phone services improved by 17% year-on-year. This was due to a 10% increase in postpaid service revenue, due mainly to higher fixed charges from a larger customer base (+12%) and higher revenue from device sales (+42%) related to promotional offers, increased penetration in digital channels and financing plans. Revenue from prepaid services was similar for each year, driven mainly by good levels of consumption and top-up purchases.

The subsidiary Entel Perú, in terms of ordinary revenue, posted revenue of 767 billion pesos in the twelve months of this year, 140 billion pesos higher than in the same period the previous year (+22%), despite being negatively affected by the devaluation of the Peruvian sol against the Chilean peso, where the average Peruvian sol/Chilean peso parity fell 14% compared to the same period the previous year. Ordinary revenue in local currency increased 40%, due to higher service revenue, which grew 14% as a result of the growth of the postpaid subscriber base and the higher level of top-ups in prepaid services, and a 110% increase in revenue

from handset sales. There was growth in mobile customers, totaling 9,895,414 subscribers as at December 31, 2021, showing net growth of 11% over December 2020. Entel selectively offers wireless telephony and broadband services to the residential segment, leveraging the capabilities of the mobile network. At the end of December 2021, there were 180,000 revenue-generating units (RGUs), a 26% decrease in the subscription and prepaid categories.

Revenue from private services, relating to integrated voice, data and internet networks provided to the business segment, together with digital and IT services associated with hosting, security and cloud services, came to 219 billion pesos, an increase of 7% compared to December 2020, driven mainly by IT services and digital business.

Local phone service revenues decreased 23% to ThCh45 million and are mainly associated with the "Entel Hogar" business. For wireless postpaid phone services, 210,000 RGUs were reached as at December 31, 2021, down 22% on the previous year. A positive development can be observed in these services provided through fiber optics, where more than 18,000 RGUs were registered as at December 31, representing growth of 22% with respect to the previous year.

Growth in revenue from television services increased by 5%, and reflects the portion of the satellite and fiber television service associated with "Entel Hogar" as well as the

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OTT service launched at the end of 2020, "Entel TV". To date, the fiber optic service has already reached 55,000 RGUs (+42%), and the satellite and "Entel TV" service has 114,000 RGUs (-12%).

Internet services experienced a 24% growth, totaling 82 billion pesos, due to increased activity in the business segment as well as "Entel Hogar" services in the wireless mobile broadband service portion (BAFI) and those provided through fiber optics. As at December 31, FWBB services totaled 82,000 RGUs, a decrease of 37% when compared to the same date the previous year. There was also a steady increase in Residential services provided through fiber optics, reaching 157,000 RGUs at December 31, 2021 in the subscription service mode (+86%).

Revenue from services to other mobile and fixed operators increased 28% year-on-year, due mainly to higher domestic roaming and infrastructure leasing revenue.

Traffic business services reported a 15% fall, due to lower tariffs and lower minute traffic.

Americatel Peru reported a decline of 16%, due mainly to lower revenue from integrated voice, data and internet business services, and satellite services. Similarly, revenue associated with the traffic and long-distance business decreased, due to lower traffic.

Call Center revenue grew 3%, driven by increased activity, mainly in Peru.

Costs, Expenses and Profitability

The following information corresponds to the main costs and expenses items for the twelve months of 2021 and 2020:

Costs, Expenses and Profitability	2021	2020	Variation
	CLP (million)	CLP (million)	%
Operating Costs	(2,165,745)	(1,935,015)	-12
Operating Income (EBIT)	294,375	212,469	39
Net financial costs, readjustments, and other	(175,744)	(118,515)	-48
Net income	74,975	84,466	-11

The consolidated cost of operations for the twelve months of the year totaled ThCh\$2,166 million, an increase of ThCh\$231 million or 12% compared to the figures for the same period in 2020.

Operating income increased by 81,906 million pesos equivalent to +39%, going from 212,469 million pesos to 294,375 million pesos, and the Ebitda increased at 88,220 million pesos (+13%), going from 684,232 to 772,452 million pesos, between the twelve months of each year.

By excluding the sale of towers, spectrum and real estate in each year, the operating result increases by 103,020 million pesos (+61%), going from 169,748 million pesos to 272,768 million pesos. Likewise, the Ebitda increases by 109,335 million pesos, going from 641,511 to 750,846 million pesos (+17%).

772,452 million pesos, between the twelve months of each year.

Excluding the sale of towers, spectrum and real estate in each year, the operating result increases by 103,020 million pesos (+61%), going from 169,748 million pesos to 272,768 million pesos. Likewise, the Ebitda increases by 109,335 million pesos, going from 641,511 to 750,846 million pesos (+17%).

Depreciation and amortization increased by 6,315 million pesos (+1%) compared to the same period for 2020. In Chile, depreciation increased 4%, due mostly to expanding the mobile and fiber optic network to the home, and consumer installations of fixed network projects.

There was a fall in Peru due to the effect of the devaluation of the Peruvian sol against the Chilean peso. In source currency, there was an 11% increase in Peru, linked to network rollout and IT developments mainly relating to digital transformation.

Mobile and Fixed Phone Services Peru

As explained in note 29, segment reporting, this operation corresponds to services provided through the subsidiaries Entel Perú S.A. and Americatel.

As mentioned earlier, as at December 31, 2021, when measured in Chilean pesos the results are affected by the devaluation of the sol against the Chilean peso, by an average of 14% compared to the same date of the previous year.

On the basis of the individual financial statements of the subsidiaries that provide mobile and fixed services in Peru, revenue totaled CLP794 billion as at December 31, 2021, a rise of 18% compared to the previous year. Ebitda totaled CLP134 billion (+29%). The operating results shows a profit of 5 billion pesos, up 38 billion pesos from the 33 billion peso loss at the same date last year. In 2020 there were more towers sold compared to those sold in 2021 (124 towers vs. 13), with an impact on Ebitda of CLP12,394 million and CLP859 million in 2020 and 2021, respectively. Excluding the sale of towers for each year, operating income went up 49 billion pesos. Meanwhile Ebitda grew CLP42 billion, from CLP91 billion to CLP1331 billion (+46%).

Below, based on the individual financial statements of Entel Peru and Direcnet, we present the results of the mobile business, income performance, investments and financing, for both periods.

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Entel Peru and Direcnet	31.12.2021	31.12.2020	Variation
	CLP (BILLION)	CLP (BILLION)	%
Total Operating Revenue	781,203	656,597	+19
Operating Profit /Loss (Ebit)	4,113	(28,584)	-114
Total Loss	(32,207)	(63,588)	49

Entel Peru and Direcnet	31.12.2021	31.12.2020	Variation
	CLP (BILLION)	CLP (BILLION)	%
Operating Flow	128,481	151,981	-15
Investment Flow	(110,616)	(105,787)	-5
Financing Cash Flow	(49,285)	(207,764)	-76

Entel Perú's mobile subscriber base reached 9,895,414 customers as at December 31, 2021, up 11% from December of the previous year.

The postpaid segment (voice, mobile broadband and IoT) totaled 4,403,161 customers, an increase of 18% on December 2020. This growth was achieved primarily through sales, portability and retention plans, supported by a wide range of multimedia plans with attractive internet browsing and social network quotas. A varied range of smartphones continue to be available, as well as plans for SIM cards without handsets. The product offering has evolved over time towards better margins on handset sales, also incorporating financing in the sale of postpaid handsets. In addition, savings in sales costs have been achieved through the

streamlining and digitization of distribution channels and the introduction of low-cost sales models for lower-value plans. Over the year, business activity gradually improved as the mobility restrictions associated with the pandemic were eased.

In the prepaid segment the customer base was up 6%, at 5,492,253 customers as at December 31, 2021. Offers have continued to focus on providing incentives for higher-volume top-up customers, including unlimited voice traffic to any destination network and the use of social networks such as WhatsApp and Facebook for free, for a limited time. Portability-oriented promotions also continue. The recharge quota has grown steadily over the year. Revenue for the twelve months of 2021 reached 781 billion pesos, an increase of 125

billion pesos 19% compared to December 2020. Excluding the sale of towers in both years, revenue increased 21%. Measured in local currency, operating income was up 40%, due to a 110% improvement in income from the sale of handsets. Additionally, service revenue grew 14% as a result of the growth in the postpaid subscriber base and the higher level of top-ups in prepaid services.

Cost trends; the total cost of the business for the period came to 777 billion pesos, an increase of 13% compared to the figures for December 2020. In local currency, costs rose 30%, mainly due to higher costs of equipment sales, depreciation, provision for bad debts, consulting, sales commissions and advertising. These increases were partially offset by primarily by lower personnel and rent expenses.

Operating income posted a profit of CLP4.11 billion, a substantial improvement compared to the loss of CLP28.58 billion recorded the previous year. Ebitda posted a profit of CLP127.72 billion, an increase of CLP26.49 billion compared to the same date the previous year. In local currency, operating income and EBITDA grew 117% and 50%, respectively. Excluding the sale of towers, Ebitda grew by 39.67 billion (+42%); and in local currency increased by 65%.

Depreciation, impairment and amortization showed a decrease of CLP6.21 billion (-5%) compared to the same period of 2020. It in-

creased 11% in local currency, due mainly to network rollout and the implementation of IT developments, mainly relating to digital transformation.

The flow of capital investments is mainly related to the increase of transmission capacities, selective network rollout, digital transformation projects and residential.

Americatel Perú's individual financial statements meanwhile show a negative variation of 14% in revenue, amounting to CLP21.828 billion. Ebitda increased 37% to CLP6.30 billion, due mainly to lower costs and expenses. In local currency, revenue and Ebitda was up 7% and 60%, respectively.

Consolidated pre-tax profit (loss)

Non-operating profit is affected mainly by higher UF readjustment expenses due to higher inflation, and lower interest earned on financial instruments due to lower interest rates. There were also higher financial expenses, due mainly to the net cost of debt restructuring, where there was a loss of Ch\$17,368 million pesos, corresponding to the net effect on results of the operation where the company repurchased a bond debt (USD\$800 million) and simultaneously issued a new bond for the same amount, maturing in 2032. For this transaction, the accounting treatment was applied in accordance with IFRS 9, with the result shown above. This transaction was completed in September of this year. It should be noted

that the issuance of the new bond in the international markets resulted in a lower interest rate (4.875% to 3.05% year on year) and an extension of the maturities of the obligations from 2024 to 2032.

Pre-tax earnings are the result of revenue and expenditure performance, discussed above. These came to 119 billion pesos, an increase of 26% compared to the same date in 2020.

Regarding tax expenses, there was an increase due to better results and the increase in the peso/dollar exchange rate in 2021, which will affect investments abroad, compared to a decrease in the exchange rate in 2020.

2. Comments on the cash flow statement

The sources of cash generation have shown the following behaviour over the twelve months of each year, for each of the areas of activity in question.

For operating activities, an increase in net cash flows from operations of 11 billion pesos was observed, up from 561 to 572 billion pesos. The increase in cash flow from operating activities was due to credit returns and lower income tax payments of CLP209 billion, partially offset by an increase in operating payments of CLP123 billion (+6%), affected by a higher payment to suppliers,

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partially offset by a lower VAT payment associated with the sale of towers, and by a decrease in amounts collected from customers of CLP75 billion (-3%).

As regards investing, there was a decrease in net cash outflow of CLP310 billion, mainly due to lower outflow by CLP373 billion, relating to reduced investments in time deposits of more than 90 days and higher recovery, a decrease in outflows for Purchases of Property, Plant and Equipment by CLP98 billion. This was partially offset by the payment for the bid for the 5G tender for the 3.5 GHz band, to the tune of CLP100 billion, and by a lower inflow from the sale of towers to the amount of CLP66 billion.

Financing activity saw a negative net cash flow of CLP460 billion as at December 31, 2021, posting an increase of CLP186 billion compared to December 2020, mainly due to higher dividend payments of CLP207 billion, higher corporate bond debt restructuring costs and lower income from foreign exchange hedging instrument settlements.

Due to the aforementioned movements and the balances of cash and cash equivalents held at the beginning of each period, the final cash and cash equivalents at the end of these periods amounted to CLP109 and 202 billion, as at December 31, 2021 and 2020, respectively, thus maintaining high liquidity at the end of the period.

3. Market and market risk analysis

Market analysis

The Entel Group operates in a highly competitive market, amid continuous technological change in the various service lines it offers.

In a more mature market and highly competitive environment, Entel continues making solid gains with higher end mobile customers, deepening the penetration of mobile data supported with strong levels of brand recognition, a superior infrastructure with multi-channel customer experience, the consolidation of the offering for data plans and strong leadership in terms of revenue share in the industry. It also continues to invest in digital transformation to improve the customer experience and increase business efficiencies.

The group's favorable positioning and its technological infrastructure constitute its main strength for facing the changing market that lies ahead. In the mobile service area, which represents 79% of the revenue for the year, the "Entel" brand maintains a strong position and is preferred by a large number of customers. It has the best network infrastructure and is highly innovative, offering customers a multichannel experience. Such factors have been crucial for managing market share policies and customer portfolio composition (post-paid and pre-paid).

The market policies implemented have paid special attention to post-paid customers, whose level of service use (MOU for voice and GOU for data) and average revenue (ARPU) are higher than those of pre-paid customers.

In Chile, health restrictions were gradually eased, starting in the second quarter.

Against this backdrop, the use of digital solutions has continued to increase across the broadest spectrum for the provision of services and customer care. The Company continued to expand in high-value customers, along with expansion in selected residential areas through Entel Hogar. The performance of digital channel sales continued to improve, representing 31% of mobile sales. Meanwhile, the robust network infrastructure was able to support traffic growth and changing usage patterns, ensuring highly reliable connectivity.

The company carries out ongoing analysis regarding relevant stakeholders in the telecommunications industry, both in mobile services and fixed networks. The mobile industry in Chile has been facing an increase in competitive dynamics, a strong expansion in mobile data usage and services, and a significant trend of customers moving from the prepaid to the postpaid segment, and has shown itself resilient in the face of the pandemic. In this context, over the last twelve months the company's mobile phone service customer base in Chile increased by 9% to 10,166,499 subscribers. In a highly

competitive environment, there was a positive variation in postpaid customers, driven by higher gross sales, higher net portability, higher prepaid migration and better customer retention. Entel's postpaid customer base (voice, mobile broadband and IoT) grew 12% over the year, accounting for 64% of the total mobile customer base in Chile. The prepaid customer base increased 4% year-on-year (voice, mobile broadband and IoT), mainly due to higher gross sales and customer retention efforts, supported by the launch of campaigns aimed at encouraging the use of data and promotions for the use of digital networks, among others.

The Company continued to improve the service experience by enabling its customers to access digital content platforms for Android, Google Play and Spotify applications, billed as part of the monthly service. This new package responds to the trend of exponential growth in users' mobile data consumption and the fact that Entel can offer a distinctive browsing experience to its customers, as it has a modern network and 4G+ service deployed in all regions of the country. For the development of the business plans, the implementation of 4G+ technology has enabled data provision to be enhanced in an attractive way, complemented by financing plans for handsets.

In the postpaid segment, controlled porting and second line promotions were continued, together with an attractive handset offer including financing plans, OTT's and enhanced

value-added services. Digital channels have gained traction, enhancing the digital experience. Handset sales also increased, due to the economic recovery and high liquidity.

On the prepaid side, the offering continued to focus on retention and incentive programs for customers with higher value top-ups, by applying special rates, and with the low-cost self-service model through digital platforms with "one-click top-ups". This allowed us to improve our top-up fees.

Entel's digital experience continues to evolve, using enablers such as e-commerce with fully digital sales flows, optimization of phone sales with 2-hour delivery and 1-hour in-store pick-up, and integration of e-commerce and digital apps with customer management tools.

For the eighth consecutive year, the company was recognized by the Chile3D study as the best rated brand in the telecommunications category. The 2021 survey was particularly important as it addressed the impact of the pandemic on people's way of life, new ways of working, and how connectivity became a critical tool for everyone. Chile3D is one of the most important national information platforms on brands and lifestyles in the country.

Last December, 5G was launched in Chile, where Entel was one of the two operators to submit a commercial bid. Within a year of being awarded the 3.5 GHz spectrum, the Com-

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pany officially began operating the first stage of the fifth generation network rollout in 33 municipalities in the Metropolitan Region (including Renca, La Pintana, Providencia, Santiago), as well as in some northern and southern regions. All customers with compatible 5G phones have free access for one year.

In the business segments the company has continued to consolidate and increase its presence, both in mobile services and in integrated voice, data and Internet services, along with IT outsourcing and digital services becoming technology partners for customers.

The adoption of digital transformation has been strengthened across industries, opening up opportunities in digital business. The easing of sanitary restrictions helped the business segment to recover. Demand for mobile devices increased due to the greater needs of the education sector, government and customers to stay connected.

"Entel One" continues to enhance its service offerings by providing advanced solutions for managing a company's communications system through a single platform, allowing for greater flexibility, collaboration and improved customer experience. Entel One operates on layers of security and in the cloud with no upfront investment. For customers in the Enterprises segment, services continue to be backed by solid infrastructure, fiber optics and data center capacities, integrated voice, data and internet solutions, as well as IT services where there has been an increasing interest in the use of the Cloud, allowing companies to

migrate from their own platforms to outsourcing solutions. In addition we have continued with Cyber Security services focused on the protection of critical assets and customer information. Also, digital /IoT solutions are being provided, including services for fleet tracking, construction, access control for condominiums, and groundwater monitoring.

The group has developed different service proposals for the enterprises segment on the basis of a solid mobile infrastructure and network GPON, and datacenter capabilities, through the converging sale of fixed and mobile services.

Entel is involved in highly complex projects in the corporate market which have resulted in the company leading the telecommunications sector in terms of market share. Additionally, the company has consolidated its position as a major player in the IT business and the most significant supplier of datacenter infrastructure, also having Tier IV Gold certification, granted by the Uptime Institute. Its design, implementation and operation guarantee 99.982% availability to face any contingency.

"Entel Ocean" continues to capture new business opportunities focused on developing advanced digital solutions, using Entel's best-in-class infrastructure and tools, such as big data analysis, artificial intelligence and cloud infrastructure, along with an ecosystem of work using agile methodologies.

The digital transformation process continued throughout the company, focusing on

the implementation of new management models for B2B markets and the standardization of mass service sales deals.

As regards "Entel Hogar" services, the company, leveraging the degree of development and convergence of its technologies, is deploying its fiber optic network, aiming to reach the highest density and highest consumption homes in the country, to deliver internet, television and fixed phone services. To date, the network primarily covers certain sectors of the metropolitan region, and as of December 31 there were 234,000 postpaid internet, television and broadband service RGUs (+66%). This growth was possible due to the deployment efforts of fiber optic service coverage with 769,000 homes covered to date. Fixed wireless telephony, internet and satellite television services for certain segments of the residential market, delivered over the 3.5 GHz band, reached 280,000 RGUs as at December 31 (-29%) for postpaid. Increased coverage of fiber optics by various industry participants has affected the development of wireless services.

Regarding the "Entel TV" services, launched in September 2020, which offers a streaming service that transforms the user experience by providing a complete "entertainment hub", adding to the package the first set-top box with Android TV in Chile. It is available to customers using any internet operator, and as of December 31, 2021, 26,000 RGUs had already been registered.

Alternative solutions for network development in the residential segment are taking

shape in the industry through shared infrastructure management.

Spectrum

In relation to the Supreme Court ruling, which required operators to divest the same amount of spectrum that was acquired through the spectrum contest in the 700 MHz band, Entel informed and published in the Official Gazette the modifications to its concessions to adjust its spectrum, prior to the October 2021 deadline, including the transfer of a concession on the 3,500 MHz band, as an effect of the new assignment in the 5G contests in that same MacroBand, both adjustments being reported to and confirmed by the authority. Similarly, and within this timeframe, Entel adjusted (decreased) 10 MHz of spectrum concessions on the 900 MHz band (return and waiver), a situation that was also reviewed and confirmed by the Department of Telecommunications.

Regarding spectrum limits, following review by the Supreme Court, in addition to establishing Dynamic Spectrum Limits per Operator (a percentage of the total spectrum in the respective Macroband), it established additional conditions to be met in connection with the implementation of the new caps on the holding of rights of use of the radio spectrum; a) Obligation to grant National Roaming, for operators in the deployment stage, b) Obligation to offer facilities and resale plans for MVNOs, c) Effective (real) and efficient (optimal) use plan, if participating in new spectrum con-

tests, and d) Prior to a frequency contest, the authority must assess whether incumbent operators can reasonably offer it in their pre-existing frequencies.

Meanwhile resolution No. 62, resolving the consultation made by Telefónica Chile regarding the use of frequencies on the 3,500 MHz band, was declared definitive as Telefónica withdrew its appeal to the Supreme Court. The Resolution cited establishes that the execution of Exempt Resolutions N°1,289/2018 and N°1,953/2018, issued by Subtel regarding the use and benefit of the 3,400-3,600 MHz frequency band, do not violate free competition regulations (and neither does Resolution N°584 of the Resolution Commission).

Regarding the concessions and services operating on the 3,400-3,600 MHz band, Subtel has recently opened a public inquiry in order to learn the opinion of citizens, including companies, organizations and individuals, involved or interested in participating in telecommunications issues in our country. There is a problem with the current spectrum distribution and there is a need to know the implications of reordering the 3,400-3,600 MHz band. At present, as a result of the successive processes of transfer, adjustment and granting of concessions in this band, it is dispersed and fragmented in blocks that may affect efficiency as well as hinder the provision of modern services such as 5G. The consultation process was open for 30 calendar days, expiring on January 21, 2022.

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5G bids

In the first quarter, the four independent public tenders for the granting of concessions for telecommunications services operating high-speed wireless networks in the 700 MHz, AWS, 3.3-3.4 and 3.6-3.65 GHz and 26 GHz bands were awarded. In September Subtel announced the Supreme Decrees in the 700 MHz, AWS and 3.3-3.4 and 3.6-3.65 GHz contests. Once this procedure was completed, the decrees were published by the concessionaires in the first weeks of October.

The regulatory authority granted approval for the concessionaires to start operating 5G services as of December 16, for all base stations already authorized by the Department of Telecommunications. Starting on that date, Entel will begin the commercial phase of its 5G services on the 3,500 MHz band for 34 municipalities in the Metropolitan Region and some municipalities in the regions of Tarapacá, Valparaíso, O'Higgins, Biobío and La Araucanía.

VTR + CLARO Joint Operation.

On September 29, 2021 the parent companies of Liberty Latin America Ltd. and América Móvil S.A.B. de C.V., announced to the US securities regulator a joint venture between Claro and VTR, of their operations in Chile. This process must be approved by the antitrust regulator, in this case the National Economic Prosecutor's Office (FNE).

The FNE announced on December 30, 2021, that once the documentation on the joint venture had been submitted as part of the compulsory notification process, an investigation should be initiated, filed as FNE Case No. F295-2021. The process of merging is covered in Article 47 letter c) of Law No. 211, as the parties will form a separate independent economic agent which will perform its functions on a permanent basis.

In this context, in January Entel received two letters from the FNE requesting that it submit information regarding the markets impacted by the transaction so that the relevant authority could proceed to assess the different options that it may legally adopt in relation to the joint venture, subject to notification.

In the area of international operations, the group currently maintains a presence only in Peru, whose market, resource requirements and management efforts are aligned with the current strategic specifications. The group's businesses in Peru focus on the mobile phone service business through Entel Peru, integrated fixed network services for business customers through Americatel Peru, and call center services. Entel Peru and Americatel combined their operations to better address the Peruvian market by offering mobile and fixed services.

In Peru, COVID-19 mobility restrictions were relaxed throughout the year. Against this backdrop the company continued to offer voice and data promotions with premium plans, with handset promotions that include

direct bank financing plans, roaming and OTT digital content. In this context, handset sales increased, the postpaid segment continued to attract new customers, and prepaid top-ups improved. The postpaid customer base grew by 18%, and prepaid customers by 6%, with improved top-ups and handset sales driving revenue and margins.

In the postpaid segment, the company continued promoting the use of digital platforms and strengthening the "AppEntel", allowing 100% digital migration from prepaid to postpaid, renewing contracts and making appointments in stores. Commercial offers focused mainly on second lines, handset renewal programs and sales campaigns with attractive financing plans to attract premium customers.

In the prepaid segment, the company continued to enhance the digital experience by offering top-up options on WhatsApp, including free app promotions. Network sharing agreements with other operators in the market have improved coverage in the regions using a low-cost, self-service model.

Customer satisfaction, brand positioning and preference for Entel Peru maintained high levels. In this regard, the company was recognized as a leader in customer satisfaction in the first half of 2021, based on an IZO survey.

In the residential segment, there was a 26% decrease in RGUs compared to December 2020. In March 2021, new services were

launched with 5G technology allowing higher speeds (up to 50 mbps), better connectivity and more devices, with easy self-installation.

Market risk analysis

The market risks faced by the group's companies are discussed in note 31 of the consolidated financial statements.

As a result of the national emergency generated by the COVID-19 pandemic, the company has set up and applied contingency plans adjusted to the realities of each business unit in order to maintain operational continuity and protect the health of employees, without affecting the quality of service to customers. In coordination with the Ministry and throughout the telecommunications industry, from July 2021 the commitment to offer a socially supportive connectivity plan will be renewed and offered to the most vulnerable 80% of the population, as defined by the social registry of households. Note 31. RISK MANAGEMENT, in the section on regulatory risks, the action plans mentioned above are described in detail.

The note describes the technological, regulatory, currency, credit, interest rate and liquidity risks, as well as the oversight and mitigation policies applied.

The continuous analysis of technology and market trends is strengthened through an alliance with the Vodafone Group, a British

carrier and worldwide leader in mobile services. Through this alliance, the Entel Group, amongst other benefits, shares best practices in customer service, has access to new voice and data products with international access, is able to increase roaming service coverage and quality and maintain a leading position in the development of added-value services in the area of advanced digital mobile phone services.

Regarding tariff processes, the authorities are continuing with the policy initiated in 2014 to establish tariff decreases in services provided through interconnections, especially access charges for mobile and fixed concessionaires.

Faced with the aforementioned regulatory changes, the diversification and size of the Entel Group helps mitigate the adverse consequences of any regulation, as well as creating new business opportunities. However, in a regulated industry, changes that impact the results or limit growth prospects cannot be ruled out.

4. Meeting obligations

Through to the present date, the Group's companies have complied with all their obligations with third parties.

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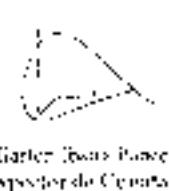
5. Certificate of accounts inspectors

Certificado de los Inspectores de Cuentas

Señores Asociados
Empresa Nacional de Telecomunicaciones S.A.

He hemos revisado los Estados Financieros Individuales y Consolidados de la Empresa Nacional de Telecomunicaciones S.A., correspondientes al ejercicio de diciembre, terminado el 31 de diciembre de 2021, examinando que han resultado bien observados. Nuestro examen y revisión como inspectores de cuentas abarca la comprobación de validez de elementos de "Urgencia Mayor" y la ejecución de consolidación en el caso de los Estados Financieros Consolidados, así las respectivas cintas del Balance General y de los Estados de Resultados a dicha fecha.


Alberto Fernández
Inspector de Cuentas


Gertler Iván Ponce
Inspector de Cuentas

Santiago, febrero 27 de 2022

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Financial Statements for Subsidiaries as at December 31, 2021 and December 31, 2020

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	Entel PCS Telecomunicaciones S.A. y Filial		Entel Telefonía Local S.A.		EPhi S.A. and subsidiaries		Entel Servicios Telefónicos S.A.		Micarrier Telecomunicaciones S.A.		Entel Inversiones SPA		Empresa de Radiocomunicaciones Insta Beep Ltda.		Entel Internacional SPA		Entel Perú S.A.		Entel Call Center S.A. y filiales		
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	
ASSETS																					
Current Assets	410,378,210	327,306,261	665,967	5,307,011	16,312,424	10,309,830	44,408	28,232	55,222	51,751	31,019	42,638	4,971	4,659	562	12,934	360,783,230	283,187,883	16,899,943	17,814,938	
Non-current Assets	1,094,325,142	994,330,097	100,461,699	1,410,798	51,707,266	61,505,014	1,476,814	1,460,538	3,489,237	3,225,250	20,177,757	19,565,313	-	-	331,436,772	341,462,276	1,761,494,199	1,557,107,646	31,951,537	29,966,660	
TOTAL ASSETS	1,504,703,352	1,321,636,358	101,127,666	6,717,809	68,019,690	71,814,844	1,521,222	1,488,770	3,544,459	3,277,001	20,208,776	19,607,951	4,971	4,659	331,437,334	341,475,210	2,122,277,429	1,840,295,529	48,851,480	47,781,598	
LIABILITIES																					
Current Liabilities	509,908,482	348,650,012	338,122	4,174,412	8,352,891	11,880,416	29,637	96,246	-	13	265,291	-	-	421	50,176	-	378,917,832	265,839,601	10,945,586	12,292,241	
Non-Current Liabilities	351,691,020	352,227,581	98,098,065	-	1,361,987	1,426,143	-	-	-	-	-	1,001,376	937,809	517,985	77,345	1,025,720,699	824,896,566	9,018,528	9,608,573		
TOTAL LIABILITIES	861,599,502	700,877,593	98,436,187	4,174,412	9,714,878	13,306,559	29,637	96,246	-	13	265,291	-	1,001,376	938,230	568,171	77,345	1,404,638,531	1,090,736,167	19,964,114	21,900,814	
NET EQUITY																					
Paid-in Capital	128,398,586	128,398,586	1,267,832	1,267,832	12,511,617	12,511,617	1,413,277	1,413,277	4,141,580	4,141,580	2,870,848	2,870,848	2,969,432	2,969,432	565,501,430	559,751,871	1,184,754,108	1,184,754,108	13,867,175	13,867,175	
Other Reserves	(10,526,899)	(10,526,899)	(103,615)	(103,615)	(1,022,529)	(115,502)	(57,525)	(338,476)	(338,476)	(338,476)	6,069,717	4,635,621	(242,681)	(242,681)	(178,445,736)	(178,445,736)	(178,920,357)	(106,605,976)	(106,892,862)	(1,696,391)	(2,334,768)
Retained Earnings	525,174,185	502,833,217	1,527,262	1,379,180	46,776,588	46,982,117	193,810	36,772	(258,645)	(526,116)	11,002,920	12,101,482	(3,723,156)	(3,660,322)	(56,186,531)	(39,433,649)	(360,509,234)	(328,301,884)	16,708,464	14,342,674	
Non-controlling stock	57,978	53,861	-	-	39,136	37,080	-	-	-	-	-	-	-	-	-	-	-	-	8,118	5,703	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,504,703,352	1,321,636,358	101,127,666	6,717,809	68,019,690	71,814,844	1,521,222	1,488,770	3,544,459	3,277,001	20,208,776	19,607,951	4,971	4,659	331,437,334	341,475,210	2,122,277,429	1,840,295,529	48,851,480	47,781,598	

Summarized Statements of Comprehensive Income of Subsidiaries as at December 31, 2021 and December 31, 2020

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	Entel PCS Telecomunicaciones S.A. y Filial		Entel Telefonía Local S.A.		EPhi S.A. and subsidiaries		Entel Servicios Telefónicos S.A.		Micarrier Telecomunicaciones S.A.		Entel Inversiones SPA		Empresa de Radiocomunicaciones Insta Beep Ltda.		Entel Internacional SPA		Entel Perú S.A.		Entel Call Center S.A. y filiales		
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	
Ordinary Revenue																					
Ordinary Revenue	1,528,163,444	1,326,773,789	-	-	285,120,008	290,448,086	253,485	228,568	-	-	-	-	-	-	-	-	-	770,139,578	631,497,177	65,143,882	68,266,427
Other operating revenue	13,485,827	32,030,556	7,748,622	705,946	10,879	10,485	145,545	68,927	-	-	-	-	-	421	-	-	-	10,420,339	13,204,790	62,365	197,800
Staff expenses	(62,056,879)	(54,674,776)	0	(513,997)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,421,125)	(58,660,879)	(47,944,370)	(49,420,352)
Depreciation and Amortization	(192,285,785)	(196,848,915)	(282,821)	(2,444)	(773,740)	(775,518)	-	-	-	-	-	-	-	-	-	-	-	(122,688,920)	(129,819,194)	(3,942,989)	(3,655,472)
Other miscellaneous operating costs	(1,120,446,547)	(1,002,992,195)	(7,028,055)	(479,353)	(266,146,587)	(237,095,820)	(269,773)	(278,011)	267,471	131,349	23,290	(1,044,350)	(63,255)	(25,857)	(14,812,618)	(29,462,470)	(63,911,649)	(524,036,244)	(10,495,979)	(12,773,255)	
Pre-Tax Profit (Loss)	166,859,980	104,288,459	437,746	(289,848)	18,210,560	52,587,233	129,257	19,484	267,471	131,349	23,290	(1,044,350)	(62,834)	(25,857)	(14,812,618)	(29,462,470)	(32,161,777)	(67,014,350)	2,822,909	2,615,148	
Revenue (expenditure) for corporation tax	(20,349,668)	(24,040,860)	(289,664)	95,769	(4,777,829)	(14,065,210)	(30,196)	17,288	-	-	(1,121,852)	887,468	-	-	-	-	(45,573)	4,226,109	(454,729)	(902,403)	
PROFIT (LOSS)	146,510,312	80,247,599	146,082	(194,079)	13,432,731	38,522,023	99,061	36,772	267,471	131,349	(1,098,562)	(156,882)	(62,834)	(25,857)	(14,812,618)	(29,462,470)	(32,207,350)	(63,588,241)	2,368,180	1,712,745	
Earnings (losses) attributable to parent company shareholders	146,506,194	80,245,737	148,082	(194,079)	13,432,731	38,522,023	99,061	36,772	267,471	131,349	(1,098,562)	(156,882)	(62,834)	(25,857)	(14,812,618)	(29,462,470)	(32,207,350)	(63,588,241)	2,365,791	1,710,814	
Earnings attributable to non-controlling shares	4,118	1,862	-	-	(7,291)	(33,925)	-	-	-	-	-	-	-	-	-	-	-	-	2,389	1,931	
PROFIT (LOSS)	146,510,312	80,247,599	146,082	(194,079)	13,432,440	<															

Subsidiaries and Affiliates

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Summarized Statements of Cashflow of Subsidiaries as at December 31, 2021 and December 31, 2020

	CHILE												PERU			OTHER				
	Entel PCS Telecomunicaciones S.A. y Filial		Entel Telefonia Local S.A.		EPHI S.A. and subsidiaries		Entel Servicios Telefonicos S.A.		Micarrier Telecomunicaciones S.A.		Entel Inversiones SPA		Empresa de Radiocomunicaciones Insta Beep Ltda.		Entel Internacional SPA		Entel Peru S.A.		Entel Call Center S.A. y filiales	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Net cash flows from (used in) operating activities	174,416,872	300,797,863	(94,631,240)	39,254	4,452,184	43,068,658	(33,535)	(47,755)	(17,043)	(16,663)	(206,103)	(620,360)	(1,579)	(1,489)	(420,164)	(225,552)	128,481,431	151,981,190	7,186,631	12,563,983
Net cash flows from (used in) investment activities	(121,573,620)	(67,551,213)	-	-	-	-	-	-	17,043	16,663	(16,390)	281,811	-	-	(5,749,559)	-	(10,916,454)	(105,787,190)	(1,381,228)	(70,003)
Net Cash Flows from (used in) Financing Activities	(49,903,158)	(233,434,622)	94,517,360	-727,919	(4,452,184)	(43,068,658)	(2)	(32,926)	-	-	222,493	338,549	1,579	1,489	6,157,351	83,748	(49,285,198)	(207,763,732)	(5,117,138)	(11,573,840)
Net increase (decrease) in cash and cash equivalents	2,940,094	(187,972)	(113,880)	(688,665)	-	-	(33,537)	(80,681)	-	-	-	-	-	-	(12,372)	(141,804)	(31,720,220)	(161,169,732)	688,265	920,140
Effects of foreign currency variations on cash and cash equivalents	-	-	-	-	-	-	33,395	80,667	-	-	-	-	-	-	-	-	2,031,618	(7,420,330)	(30,880)	(171,658)
Cash and cash equivalents, statement of cash flow, initial balance	1,708,334	1,896,306	116,372	805,037	-	-	142	156	-	-	-	-	-	-	12,934	154,738	58,837,865	227,827,927	1,698,588	950,106
Cash and cash equivalents, statement of cash flow, final balance	4,648,428	1,708,334	2,492	116,372	-	-	0	142	-	-	-	-	-	-	562	12,934	29,149,263	58,837,865	2,355,973	1,698,588

Statement of Changes in Stockholders' Equity of Subsidiaries as at December 31, 2021 and December 31, 2020

	CHILE									PERU			OTHER		
	Entel PCS Telecomunicaciones S.A. y Filial	Entel Telefonia Local S.A.	EPHI S.A. and subsidiaries	Entel Servicios Telefonicos S.A.	Micarrier Telecomunicaciones S.A.	Entel Inversiones SPA	Empresa de Radiocomunicaciones Insta Beep Ltda.	Entel Internacional SPA	Entel Peru S.A.	Entel Call Center S.A. y filiales					
Initial Balance Current Period 01-01-2021	620,758,765	2,543,397	58,508,285	1,392,524	3,276,988	19,607,951	(933,571)				341,397,865	749,559,362			25,880,784
Capitalization	-	-	-	-	-	-	-	-	-	-	3,809,295	-	-	-	-
Income from comprehensive income and expenditure	146,510,312	148,082	13,432,731	99,061	267,471	(1,098,562)	(62,834)	(14,812,618)	(32,207,350)	-	2,368,180	-	-	-	-
Distribution of final dividends	(104,287,090)	-	(13,630,969)	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other distributions to owners	(43,951,857)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in Net Equity	24,073,720	-	(5,235)	-	-	1,434,096	-	474,621	286,886	-	638,402	-	-	-	-
Final Balance Current Period 31-12-2021	643,103,850	2,691,479	58,304,812	1,491,585	3,544,459	19,943,485	(996,405)	330,869,163	717,638,898		28,887,366	-	-	-	-
Opening Balance of Previous Period 01-01-2018	646,588,459	20,258,245	19,986,262	1,355,752	3,145,639	22,428,565	(907,714)	445,344,283	978,865,131		25,120,914	-	-	-	-
Income from comprehensive income and expenditure	80,247,599	(194,079)	38,522,023	36,772	131,349	(156,882)	(25,857)	(29,462,468)	(63,588,241)	-	1,712,745	-	-	-	-
Distribution of final dividends	(115,006,284)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minimum Dividend	(24,073,721)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in Net Equity	33,004,712	(17,520,769)	-	-	-	(2,663,732)	-	(74,483,949)	(163,717,528)	-	(952,875)	-	-	-	-
Final Balance as at 12/31/2018	620,758,765	2,543,397	58,508,285	1,392,524	3,276,988	19,607,951	(933,571)	341,397,865	749,559,362		25,880,784	-	-	-	-

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Company Name	Entel PCS Telecomunicaciones S.A. and subsidiaries	Entel Telefonía Local S.A. or Entel Phone S.A.
Legal status	Closed corporation, registered in the Special Register of Reporting Entities (Number 33).	Closed corporation
Articles of Incorporation	Entel PCS was established as a corporation by public deed on October 3, 1996, in accordance with the laws of the Republic of Chile.	EntelPhone S.A. was established as a corporation by public deed on April 29, 1994, in accordance with the laws of the Republic of Chile. On December 20, 1994, by Supreme Decree 450, the Ministry of Transport and Telecommunications awarded a public telephone service concession to the company to install, operate, and run a local telephone system.
Address	Costanera Sur 2760 Tower C, Floor 22. Las Condes, Santiago.	Costanera Sur 2760 Tower C, Floor 9. Las Condes, Santiago.
Business purpose	The aim of the company is to study, build and operate a system to provide a full range of transmission, switching, communication, metering, billing and charging services for mobile telecommunications; the import, export, marketing, distribution, sale, leasing and provision in any other form of all types of equipment required to provide mobile communications, together with complementary and supplementary services; and, in general, all types of activities, including agreeing, signing and executing all types of contracts, required to provide any type of mobile telecommunications services.	Its objective is to satisfy telephone-, multimedia- and infrastructure needs of high-use consumers; to provide sales and dealership services for communication equipment and undertake any business activities related to telecommunications.
Subscribed and paid-in capital, December 31, 2021	ThCh\$128,398,586	ThCh\$1,267,832
Direct and indirect share in Entel S.A.	ENTEL S.A. 99.999%	ENTEL S.A. 99.00% Entel Inversiones S.p.A. 1.00%
Percentage of investment in Entel S.A. assets	16.10%	0.07%
Income for 2021	ThCh\$ 146,510,312	ThCh\$ 148,082
Board of Directors	Juan Hurtado V., President of the Board Richard Büchi B., Director Luis Felipe Gazitúa A., Director Alfredo Parot D., Director Felipe Ureta P., Director	Antonio Büchi B., Chairman of the Board Sebastián Domínguez P., Director Alfredo Parot D., Director José Luis Poch P., Director Felipe Ureta P., Director
CEO	Richard Büchi B., Director	Mario Núñez P.
Positions held at Entel Chile S.A.	Alfredo Parot D., Vice President Technology and Operations Felipe Ureta P., Finance and Management Control Executive Antonio Büchi B., Chief Executive Officer	Antonio Büchi B., Chief Executive Officer Sebastián Domínguez P., Vice President of Transformation and Business Support Alfredo Parot D., Vice President Technology and Operations José Luis Poch P., Vice President Consumer Segment Felipe Ureta P., Finance and Management Control Executive Mario Núñez P., Vice President Enterprise Segment
Business relationship with Entel Chile S.A.	Entel Telefonía Personal S.A. provides network infrastructure to increase the coverage of its fixed telecommunications services. Entel Chile S.A. provides it with telecommunications services to support its mobile communications operations.	None.
Agreements and Contracts	Entel PCS S.A. hired national signal transport services in switched and dedicated mode from ENTEL S.A. for ThCh\$198,335,383. In addition, Entel PCS S.A. leased or subleased physical space in buildings, commercial premises and radio stations owned by it or third parties to ENTEL S.A.; contracted marketing consulting, technical telephone services and Data Center services for ThCh\$14,738,895. ENTEL S.A. hired from Entel PCS S.A. infrastructure leasing, telecommunications services and payment of access charges, for ThCh\$43,759,746.	There were no acts or contracts that significantly influenced the operations and results.

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Company Name	EPH1 S.A. and subsidiaries	Entel Servicios Telefónicos or Entel S.A.
Legal status	Closed corporation	Closed corporation
Articles of Incorporation	EPH1 S.A. was established as a corporation by public deed on November 4, 2019, under the laws of the Republic of Chile.	Entel S.A. was originally established as a closed corporation by public deed dated March 13, 1989, under the laws of the Republic of Chile and with the name Global Telecomunicaciones S.A. On June 24, 1993, the corporate status was amended, changing the name and legal status.
Address	Costanera Sur 2760 Tower C, Floor 21. Las Condes, Santiago.	Costanera Sur 2760 Tower C, Floor 21. Las Condes, Santiago.
Business purpose	Its objective is to satisfy telephone-, multimedia- and infrastructure needs of high-use consumers; to provide sales and dealership services for communication equipment and undertake any business activities related to telecommunications.	To provide telecommunications services, sales, distribution and dealership services, and to undertake any business activities related to telecommunications.
Subscribed and paid-in capital, December 31, 2021	ThCh\$12,511,617	ThCh\$1,413,277
Direct and indirect share in Entel S.A.	ENTEL S.A. 99.00% Entel Inversiones S.p.A. 1.00% No changes for the year	ENTEL S.A. 91.42% Entel Inversiones S.p.A.: 8.58% No changes for the year
Percentage of investment in Entel S.A. assets	1.45%	0.03%
Income for 2021	ThCh\$ 13,425,440	ThCh\$ 99,061
Board of Directors	Antonio Büchi B., Chairman of the Board Sebastián Domínguez P., Director Alfredo Parot D., Director José Luis Poch P., Director Felipe Ureta P., Director	José Luis Poch P., Chairman Sebastián Domínguez P., Director Felipe Ureta P., Director
CEO	Mario Núñez P.	Pablo Pfingsthorn O.
Positions held at Entel Chile S.A.	Antonio Büchi B., Chief Executive Officer Sebastián Domínguez P., Vice President of Transformation and Business Support Alfredo Parot D., Vice President Technology and Operations José Luis Poch P., Vice President Consumer Segment Felipe Ureta P., Finance and Management Control Executive Mario Núñez P., Vice President Enterprise Segment	José Luis Poch P., Vice President Consumer Segment Sebastián Domínguez P., Vice President of Transformation and Business Support Felipe Ureta P., Finance and Management Control Executive Pablo Pfingsthorn O., Head of Financial Planning and Management Control Department
Business relationship with Entel Chile S.A.	None.	Entel S.A. provides management of customer service centers to Entel Chile S.A. customers. Receives operation and maintenance services for the public telephone network.
Agreements and Contracts	There were no acts or contracts that significantly influenced the operations and results.	Entel S.A. hired domestic and international signal transport services from ENTEL S.A., received administration and IT services, and leased or subleased physical space in commercial premises for ThCh\$ 262,742. Entel S.A. provided Entel Chile S.A. with advertising and customer care services for ThCh\$ 245,268.

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Company Name	Entel Call Center S.A. and subsidiaries	Micarrier Telecomunicaciones S.A. or Micarrier S.A.
Legal status	Closed corporation	Closed corporation
Articles of Incorporation	Entel Call Center S.A., formerly Entel Internacional S.A., established as a corporation by public deed on September 12, 1989, in accordance with the laws of the Republic of Chile. Its initial purpose was to provide consultancy services for telecommunications and IT projects. Its business purpose was amended on March 29, 2000.	Micarrier S.A. was incorporated as a corporation by public deed on December 30, 1988, in accordance with the laws of the Republic of Chile. Formerly known as Entel Servicios de Datos S.A. until March 26, 1996 when it amended its articles of incorporation to change its name.
Address	Avenida del Valle Sur 537 Office 101, Ciudad Empresarial, Huechuraba, Santiago.	Costanera Sur 2760 Tower C, Floor 21, Las Condes, Santiago.
Business purpose	Its aim is to develop, install, operate and run its own and third-party telecommunications platforms in Chile and abroad, and, in general, develop activities or services provided through telecommunications equipment or installations served by operators or automated operations.	Its objective is to install, operate, run and provide public and private telecommunications services at national and international level, both directly and through third parties.
Subscribed and paid-in capital, December 31, 2021	Subscribed and paid-in capital ThCh\$13,867,175	Subscribed and paid-in capital ThCh\$4,141,580
Direct and indirect share in Entel S.A.	ENTEL S.A. 90.00% Entel Inversiones S.p.A. 10.00% No changes for the year	Entel Chile S.A. 99.99% Entel Inversiones S.p.A. 0.01% No changes for the year
Percentage of investment in Entel S.A. assets	0.65%	0.09%
Income for 2021	ThCh\$2,368,180	ThCh\$267,471
Board of Directors	Sebastián Domínguez P., Chairman of the Board Julián San Martín A., Director Mario Núñez P., Director José Luis Poch P., Director Felipe Ureta P., Director	José Luis Poch P., Chairman Mario Núñez P., Director Alfredo Parot D., Director Sebastián Domínguez P., Director Felipe Ureta P., Director
CEO	José Antonio Llanos D.	Pablo Pfingsthorn O.
Positions held at Entel Chile S.A.	Sebastián Domínguez P., Vice President of Transformation and Business Support Julian San Martín A., Vice President Corporate Segment Mario Núñez P., Vice President Enterprise Segment José Luis Poch P., Vice President Consumer Segment Felipe Ureta P., Finance and Management Control Executive	José Luis Poch P., Vice President Consumer Segment Mario Núñez P., Vice President Enterprise Segment Alfredo Parot D., Vice President Technology and Operations Sebastián Domínguez P., Vice President of Transformation and Business Support Felipe Ureta P., Finance and Management Control Executive Pablo Pfingsthorn O., Head of Financial Planning and Management Control Department
Business relationship with Entel Chile S.A.	Entel Call Center provides the infrastructure required for services via remote channels for customers of subsidiaries of the Entel Group. Entel Chile SA meanwhile provides all the telecommunications services that support the call center business.	None.
Agreements and Contracts	ENTEL S.A. provided Entel Call Center S.A. with telecommunications, administration and IT services and leased office space for ThCh\$938,293. Entel Call Center S.A. provided ENTTEL S.A. with inbound and outbound call services for ThCh\$24,188,307.	There were no acts or contracts that significantly influenced the operations and results.

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Company Name	ENTEL Internacional S.p.A.	ENTEL Inversiones S.p.A.
Legal status	Joint-stock company	Joint-stock company
Articles of Incorporation	Entel Internacional S.p.A was incorporated as a corporation by public deed on December 18, 2018, in accordance with the laws of the Republic of Chile.	Entel Inversiones S.p.A. was incorporated as a corporation by public deed on August 8, 1989, in accordance with the laws of the Republic of Chile.
Address	Costanera Sur 2760 Tower C, Floor 22. Las Condes, Santiago.	Costanera Sur 2760 Tower C, Floor 22. Las Condes, Santiago.
Business purpose	The company's purpose is to carry out all kinds of foreign trade operations through transactions in foreign currencies, to provide all kinds of services in or to foreign countries, and to make investments abroad.	Making strategic investments in line with corporate objectives, regardless of their relationship to the telecommunications business.
Subscribed and paid-in capital, December 31, 2021	ThCh\$565,501,430	ThCh\$2,870,848
Direct and indirect share in Entel S.A.	ENTEL S.A. 100.00% No changes for the year	ENTEL S.A. 100.00% No changes for the year
Percentage of investment in Entel S.A. assets	8.29%	0.40%
Income for 2021	ThCh\$(14,812,618)	ThCh\$(1,098,562)
Board of Directors	None.	None.
CEO	Antonio Büchi B.	Antonio Büchi B.
Positions held at Entel Chile S.A.	Antonio Büchi B., Chief Executive Officer	Antonio Büchi B., Chief Executive Officer
Business relationship with Entel Chile S.A.	None.	None.
Agreements and Contracts	There were no acts or contracts that significantly influenced the operations and results.	There were no acts or contracts that significantly influenced the operations and results.

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Company Name	ENTEL Perú S.A.
Legal status	Subsidiary abroad.
Articles of Incorporation	ENTEL Peru S.A. (formerly Nextel del Peru S.A.) was incorporated as a limited company by public deed on December 30, 1987, under the laws of the Republic of Peru.
Address	Av. República de Colombia 791, San Isidro, Lima, Perú.
Business purpose	The company's aim is to provide final and value-added telecommunications services, including trunked service, one-way and two-way paging service, data transmission, storage and processing services and any other telecommunications services in accordance with Peruvian law, as well as to undertake activities relating to the acquisition, installation, sale and maintenance of telecommunications equipment and the provision of related services.
Subscribed and paid-in capital, December 31, 2021	ThCh\$1,184,754,108
Direct and indirect share in Entel S.A.	ENTEL S.A. 54.1225% ENTEL Internacional S.p.A. 44.8847% Entel Inversiones S.p.A. 0.9928% No changes for the year
Percentage of investment in Entel S.A. assets	9.73%
Income for 2021	ThCh\$(32,207,350)
Board of Directors	Antonio Büchi B., Chairman of the Board Felipe Ureta P., Director Richard Büchi B., Director José Luis Poch P., Director Alfredo Parot D., Director Juan Hurtado V., Director Luis Felipe Gazitúa A., Director Sebastián Domínguez P., Director Mario Núñez P., Director Martín Pérez M., Director
CEO	Ramiro Lafarga B.
Positions held at Entel Chile S.A.	Antonio Büchi B., Chief Executive Officer Felipe Ureta P., Finance and Management Control Executive José Luis Poch P., Vice President Consumer Segment Alfredo Parot D., Vice President Technology and Operations Sebastián Domínguez P., Vice President of Transformation and Business Support Mario Núñez P., Vice President Enterprise Segment
Business relationship with Entel Chile S.A.	Entel Perú S.A. and ENTEL S.A. provide each other with international communications transport and termination services.
Agreements and Contracts	Entel Perú S.A. contracted Entel Chile S.A. for the termination of traffic and payment of access charges for ThCh\$4,753,070. ENTEL S.A. contracted Entel Perú for traffic termination and payment of access charges for ThCh\$3,340,867.

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