



## **Cablevisión Holding S.A.**

### **Interim Condensed Consolidated Financial Statements**

For the six-month period ended June 30, 2020  
presented on a comparative basis

*English free translation of the Financial Statements and Reports originally issued in Spanish.*

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# CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2020

## GLOSSARY OF TERMS

<b>The Company / Cablevisión Holding</b>	Interchangeably, Cablevisión Holding S.A.
<b>Telecom Argentina / Telecom</b>	Interchangeably, Telecom Argentina S.A.
<b>Group</b>	Economic group composed by the Company and its subsidiaries.
<b>Telecom Group</b>	Economic group composed by Telecom Argentina and its subsidiaries.
<b>Telecom Personal/Personal/Micro Sistemas/Telintar/Pem/CV Berazategui/Cable Imagen/ Última Milla/AVC Continente Audiovisual/Inter Radios</b>	These companies are corporations or limited liability companies that are controlled directly or indirectly pursuant to the definition established under the General Associations Law, or were controlled by Telecom, directly or indirectly, to wit: Telecom Personal S.A., Micro Sistemas S.A., Telecomunicaciones Internacionales de Argentina Telintar S.A., Pem S.A., CV Berazategui S.A., Cable Imagen S.R.L., Última Milla S.A., AVC Continente Audiovisual S.A., Inter Radios S.A.U.
<b>Fintech</b>	Fintech Telecom LLC, shareholder of Telecom.
<b>Telecom USA/Núcleo/Personal Envíos/Tuves Paraguay / Televisión Dirigida / Adesol</b>	These refer to the foreign companies Telecom Argentina USA, Inc, Núcleo S.A.E., Personal Envíos S.A., Tuves Paraguay S.A., Televisión Dirigida S.A. and Adesol S.A., respectively, controlled by Telecom, directly or indirectly pursuant to the definition established under the Business Associations Law.
<b>AFIP</b>	<i>Administración Federal de Ingresos Públicos</i> (Argentine Federal Revenue Service)
<b>AREA</b>	Adjustment to Net Income from Prior Years.
<b>BYMA/NYSE</b>	Bolsas y Mercados Argentinos and the New York Stock Exchange, respectively.
<b>BCRA</b>	<i>(Banco Central de la República Argentina)</i> : Central Bank of Argentina.
<b>Cablevisión</b>	Cablevisión S.A., absorbed by Telecom as from January 1, 2018, which activities are currently carried out by Telecom.
<b>CAPEX</b>	Capital expenditures.
<b>CNV</b>	Argentine Securities Commission.
<b>COMFER</b>	<i>Comité Federal de Radiodifusión</i> (Federal Broadcasting Committee)
<b>CPCECABA</b>	<i>(Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires)</i> Professional Council in Economic Sciences of the City of Buenos Aires.
<b>D&amp;A</b>	Depreciation and Amortization.
<b>ED</b>	Emergency Decree
<b>ENACOM</b>	<i>Ente Nacional de Comunicaciones</i> (National Communications Agency "ENACOM", for its Spanish acronym)
<b>IASB</b>	International Accounting Standards Board.
<b>VAT</b>	Value Added Tax
<b>Gestión Compartida</b>	GC Gestión Compartida S.A.
<b>Grupo Clarín</b>	Grupo Clarín S.A.
<b>NDF</b>	Non-Deliverable Forward: Derivatives.
<b>INDEC</b>	National Institute of Statistics and Census
<b>IGJ</b>	<i>(Inspección General de Justicia)</i> : Argentine Superintendency of Legal Entities.
<b>LAD</b>	<i>(Ley Argentina Digital N° 27.078)</i> : Digital Argentina Law No. 27,078.
<b>LGS</b>	<i>(Ley General de Sociedades)</i> General Associations Law No. 19,550, as amended.
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards, issued by IASB.
<b>PEN</b>	<i>(Poder Ejecutivo Nacional)</i> : National Executive Branch.
<b>PP&amp;E</b>	Property, Plant and Equipment.
<b>Gain (Loss) on Net Monetary Position</b>	Results from changes in the purchasing power of the currency ("RECPAM", for its Spanish acronym).
<b>Roaming</b>	Charges for the use of network availability to customers of other national and foreign carriers.
<b>TR/FACPCE</b>	Technical Resolutions issued by the <i>"Federación Argentina de Consejos Profesionales de Ciencias Económicas"</i> (Argentine Federation of Professional Councils in Economic Sciences).
<b>RT 26</b>	Technical Resolution No. 26, amended by Technical Resolutions Nos. 29 and 43, among others.
<b>SC</b>	<i>(Secretaría de Comunicaciones)</i> : Argentine Secretariat of Communications.
<b>SCMA</b>	<i>(Servicio de Comunicaciones Móviles Avanzadas)</i> : Advanced Mobile Communications Service.
<b>SEC</b>	Securities and Exchange Commission.
<b>ICT services</b>	Information and Communications Technology Services. These services include the transport and distribution of signals or data, voice, text, video and images, provided or requested by third parties, through telecommunications networks.
<b>SU</b>	<i>(Servicio Universal)</i> : Universal Service. The availability of fixed telephony service at an affordable price to all persons within a country or specified area.
<b>Telefónica</b>	Telefónica de Argentina S.A.
<b>VLG</b>	VLG S.A.U., previously VLG Argentina LLC.
<b>VPP</b>	<i>(Valor Patrimonial Proporcional)</i> : Equity Method.

See our report dated  
August 19, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair

**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

Interim Condensed Consolidated Financial Statements as of June 30, 2020 and for the six-month period beginning January 1, 2020 and ended June 30, 2020.

Amounts stated in Argentine Pesos - Note 1.c) to the Interim Condensed Consolidated Financial Statements.

Registered office: Tacuarí 1842, 4th Floor, Buenos Aires, Argentina

Main corporate business: Investing and financing

Date of incorporation: December 1, 2016

Date of registration with the Public Registry of Commerce:

- Of the by-laws: April 27, 2017

Business start date: May 1, 2017

Registration number with the IGJ: 1,908,463

Expiration of Articles of Incorporation: April 27, 2116

Information on Parent Company:

Name: GC Dominio S.A.

Registered office: Piedras 1743, Buenos Aires, Argentina

The information about the Company's subsidiaries is disclosed in Note 1 to the Interim Condensed Consolidated Financial Statements.

**CAPITAL STOCK STRUCTURE (Note 20)**

Type	Number of votes per share	Outstanding Shares	Treasury Stock	Total Subscribed, Registered and Paid-in Capital
Class "A" Common shares, \$1 par value	5	47,753,621	-	47,753,621
Class "B" Common shares, \$1 par value	1	121,104,504	1,578	121,106,082
Class "C" Common shares, \$1 par value	1	11,782,877	-	11,782,877
<b>Total as of June 30, 2020</b>		<b>180,641,002</b>	<b>1,578</b>	<b>180,642,580</b>

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019,**  
**AND THE THREE-MONTH PERIODS BEGINNING ON APRIL 1 AND ENDED ON JUNE 30, 2020**  
**AND 2019**

(in millions of Argentine pesos)

	<u>Note</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>April 1, 2020</u> <u>through</u> <u>June 30,</u> <u>2020</u>	<u>April 1, 2019</u> <u>through</u> <u>June 30,</u> <u>2019</u>
<b>Revenues</b>	<b>21</b>	<b>131,158</b>	<b>135,272</b>	<b>65,023</b>	<b>66,004</b>
Employee benefit expenses and severance payments	22	(24,433)	(25,831)	(12,073)	(12,095)
Interconnection and Transmission Costs		(4,601)	(4,264)	(2,477)	(1,973)
Fees for Services, Maintenance, Materials and Supplies	22	(13,807)	(14,049)	(6,516)	(6,948)
Taxes and Fees with the Regulatory Authority	22	(9,923)	(10,737)	(4,888)	(5,292)
Commissions and Advertising		(7,011)	(7,965)	(3,249)	(4,028)
Cost of Equipment and Handsets	22	(4,399)	(6,621)	(2,028)	(3,211)
Programming and Content Costs		(8,991)	(10,196)	(4,011)	(4,862)
Bad Debt Expenses	3	(5,359)	(3,800)	(2,990)	(1,535)
Other Operating Income and Expense	22	(4,920)	(6,574)	(2,211)	(3,360)
<b>Operating Income before Depreciation and Amortization</b>		<b>47,714</b>	<b>45,235</b>	<b>24,580</b>	<b>22,700</b>
Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use.	22	(33,355)	(32,078)	(16,232)	(16,456)
<b>Operating Income</b>		<b>14,359</b>	<b>13,157</b>	<b>8,348</b>	<b>6,244</b>
Equity in Earnings from Associates	2.a	216	236	119	75
Financial Expenses on Debts	23	(12,755)	2,821	(9,495)	10,133
Other Financial Results, net	23	3,633	3,707	1,773	(2,977)
<b>Income (Loss) before Income Tax Expense</b>		<b>5,453</b>	<b>19,921</b>	<b>745</b>	<b>13,475</b>
Income Tax	13	(3,292)	(10,880)	(1,508)	(5,524)
<b>Net Income (Loss)</b>		<b>2,161</b>	<b>9,041</b>	<b>(763)</b>	<b>7,951</b>
<b>Other Comprehensive Income - to be subsequently reclassified to profit or loss</b>					
Currency Translation Adjustments (no effect on Income Tax)		(829)	(2,745)	229	(1,982)
Effect of NDF classified as hedges		(323)	(351)	2	(235)
Tax Effect of NDF classified as hedges		89	68	11	36
<b>Other Comprehensive Income, net of Taxes</b>		<b>(1,063)</b>	<b>(3,028)</b>	<b>242</b>	<b>(2,181)</b>
<b>Total Comprehensive (Loss) / Income</b>		<b>1,098</b>	<b>6,013</b>	<b>(521)</b>	<b>5,770</b>
<b>Net Income (Loss) attributable to:</b>					
Shareholders of the Controlling Company		879	3,102	(306)	3,374
Non-Controlling Interest		1,282	5,939	(457)	4,577
<b>Total Comprehensive Income (Loss) Attributable to:</b>					
Shareholders of the Controlling Company		539	2,160	(238)	2,707
Non-Controlling Interest		559	3,853	(283)	3,063
<b>Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in pesos)</b>	<b>24</b>	<b>4.87</b>	<b>17.17</b>	<b>(1.69)</b>	<b>18.68</b>

Additional information on costs by function is provided in Note 22.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

See our report dated  
August 19, 2020

PRICE WATERHOUSE &amp; CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

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Supervisory CommitteeSebastián Bardengo  
Chair

**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020 AND DECEMBER 31, 2019**  
(in millions of Argentine pesos)

<b>ASSETS</b>	<b>Note</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	49,967	30,742
Investments	2	2,253	487
Trade Receivables	3	17,152	19,271
Other Receivables	4	5,800	5,241
Inventories	5	2,325	3,649
<b>Total Current Assets</b>		<b>77,497</b>	<b>59,390</b>
<b>NON-CURRENT ASSETS</b>			
Trade Receivables	3	54	94
Other Receivables	4	2,138	2,302
Deferred Income Tax Assets	13	375	378
Investments	2	2,241	2,412
Goodwill	6	199,087	199,197
Property, Plant and Equipment ("PP&E")	7	270,133	279,253
Intangible Assets	8	89,931	93,511
Right-of-Use Assets	9	12,011	10,790
<b>Total Non-Current Assets</b>		<b>575,970</b>	<b>587,937</b>
<b>Total Assets</b>		<b>653,467</b>	<b>647,327</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	10	28,652	36,319
Financial Debt	11	78,957	40,076
Salaries and Social Security Payables	12	9,978	11,303
Taxes Payable	14	3,928	3,763
Dividends Payable		152	-
Lease Liabilities	15	3,177	2,998
Other Liabilities	16	2,211	1,978
Provisions	17	1,321	1,353
<b>Total Current Liabilities</b>		<b>128,376</b>	<b>97,790</b>
<b>NON-CURRENT LIABILITIES</b>			
Accounts Payable	10	3,661	2,675
Financial Debt	11	104,243	132,581
Salaries and Social Security Payables	12	871	978
Deferred Income Tax Liabilities	13	62,828	59,696
Taxes Payable	14	10	16
Lease Liabilities	15	5,400	4,171
Other Liabilities	16	1,031	1,731
Provisions	17	4,662	5,258
<b>Total Non-Current Liabilities</b>		<b>182,706</b>	<b>207,106</b>
<b>Total Liabilities</b>		<b>311,082</b>	<b>304,896</b>
<b>EQUITY</b> (as per the corresponding statement)			
Attributable to Shareholders of the Parent Company		141,748	142,050
Attributable to Non-Controlling Interests		200,637	200,381
<b>TOTAL EQUITY</b>		<b>342,385</b>	<b>342,431</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>653,467</b>	<b>647,327</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**  
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company										Equity Attributable to Non-Controlling Interests	Total Equity
	Shareholders' Contribution				Other Items		Retained Earnings					
	Capital Stock <sup>(1)</sup>	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	Total Equity of Controlling Interests		
Balances as of January 1, 2019	181	7,040	16,979	24,200	(1,199)	90,056	242	16,055	16,978	146,332	229,732	376,064
Set-up of Reserves	-	-	-	-	-	-	1,202	100,741	(101,943)	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(6,301)	(6,301)
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	3,102	3,102	5,939	9,041
Other Comprehensive Income	-	-	-	-	(942)	-	-	-	-	(942)	(2,086)	(3,028)
<b>Balances as of June 30, 2019</b>	<b>181</b>	<b>7,040</b>	<b>16,979</b>	<b>24,200</b>	<b>(2,141)</b>	<b>90,056</b>	<b>1,444</b>	<b>116,796</b>	<b>(81,863)</b>	<b>148,492</b>	<b>227,284</b>	<b>375,776</b>
Balances as of January 1, 2020	181	7,040	16,979	24,200	(2,000)	90,010	1,444	116,796	(88,400)	142,050	200,381	342,431
Set-up of Reserves (Note 26)	-	-	-	-	-	-	-	(3,420)	3,420	-	-	-
Dividend Distribution (Note 26)	-	-	-	-	-	-	-	(844)	-	(844)	-	(844)
Adjustment to the value of the Irrevocable Call and Put Option on the Shares of AVC Continente Audiovisual	-	-	-	-	-	3	-	-	-	3	5	8
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(308)	(308)
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	879	879	1,282	2,161
Other Comprehensive Income	-	-	-	-	(340)	-	-	-	-	(340)	(723)	(1,063)
<b>Balances as of June 30, 2020</b>	<b>181</b>	<b>7,040</b>	<b>16,979</b>	<b>24,200</b>	<b>(2,340)</b>	<b>90,013</b>	<b>1,444</b>	<b>(2) 112,532</b>	<b>(84,101)</b>	<b>141,748</b>	<b>200,637</b>	<b>342,385</b>

(1) Includes 1,578 treasury shares. See Note 20.

(2) Voluntary Reserve for Illiquid Results.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**  
(in millions of Argentine pesos)

	<u>Note</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b><u>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</u></b>			
Net Income		2,161	9,041
<b>Adjustments to reconcile Net Income to net Cash flows provided by Operating Activities</b>			
Allowances Deducted from Assets and Provisions for Lawsuits and Other Contingencies		5,622	4,250
Depreciation of PP&E	7	26,630	25,622
Amortization of Intangible Assets	8	4,146	4,453
Amortization of Rights of Use	9	2,430	1,876
Equity in Earnings from Associates	2.a	(216)	(236)
Net Book Value of Fixed Assets and Consumption of Materials		407	93
Financial Results and Other		12,143	585
Income Tax Expense	13	3,292	10,880
Income Tax Paid		(724)	(1,142)
Net (Increase) Decrease in Assets	2.b	(4,247)	5,232
Net Decrease in Liabilities	2.b	(4,505)	(11,215)
<b>Net Cash Flows provided by Operating Activities</b>		<b><u>47,139</u></b>	<b><u>49,439</u></b>
<b><u>CASH FLOWS USED IN INVESTING ACTIVITIES</u></b>			
PP&E Acquisitions		(21,810)	(29,985)
Intangible Assets Acquisition		(699)	(968)
Collection of Dividends	2.b	15	153
Income from Sale of PP&E and Intangible Assets		-	1
Investments not considered as cash and cash equivalents		(1,022)	2,100
<b>Net Cash Flows used in Investing Activities</b>		<b><u>(23,516)</u></b>	<b><u>(28,699)</u></b>
<b><u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</u></b>			
Proceeds from Financial Debt	2.b	27,688	31,286
Payment of Financial Debt	2.b	(20,309)	(21,917)
Payment of Interest and Related Expenses	2.b	(9,449)	(5,496)
Payment of Lease Liabilities		(2,451)	(2,264)
Payment of Dividends		(844)	-
Increase in the Reserve Account	26.1	-	(13)
Payment of Cash Dividends to Non-Controlling Interests		(154)	(5,707)
<b>Net Cash Flows used in Financing Activities</b>		<b><u>(5,519)</u></b>	<b><u>(4,111)</u></b>
<b>NET INCREASE IN CASH FLOWS</b>		<b>18,104</b>	<b>16,629</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:</b>		<b>30,742</b>	<b>13,028</b>
<b>EFFECTS OF EXCHANGE RATE DIFFERENCES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS</b>		<b>1,121</b>	<b>(2,226)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b><u>49,967</u></b>	<b><u>27,431</u></b>

See Note 2.b for additional information on the consolidated statement of cash flows.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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**CABLEVISIÓN HOLDING S.A.**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020,**  
(in millions of Argentine pesos)

**NOTE 1 – GENERAL INFORMATION AND BASIS FOR THE PRESENTATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****a) General Information****Cablevisión Holding S.A.**

Cablevisión Holding S.A. is a holding company that operates in the telecommunications industry. Its operating income and cash flows derive from the operations of its subsidiaries in which it participates directly or indirectly.

**Telecom Group**

Telecom Argentina was created through the privatization of ENTel, the state-owned company that provided telecommunication services in Argentina.

Telecom's license, as originally granted, was exclusive to provide telephony services in the northern region of Argentina since November 8, 1990 through October 10, 1999. As from such date, the Company also began providing telephony services in the southern region of Argentina and competing in the previously exclusive northern region.

Telecom provides mainly fixed-line public and mobile telecommunication services, international long-distance service, data transmission and Internet services in Argentina and through its subsidiaries, mobile telecommunications services in Paraguay and international wholesale services in the United States of America.

As a consequence of the merger between Telecom and Cablevisión S.A., Telecom Argentina, as the legal surviving entity after the merger, develops, as from fiscal year 2018, the operations that Cablevisión S.A. developed until December 31, 2017.

The core business of Cablevisión and some of its subsidiaries was the operation of the cable television networks installed in different regions of Argentina and Uruguay and the provision of telecommunication and data transmission services.

Cablevisión exploited cable television services through licenses original granted by the COMFER and telecommunication services through licenses granted by the SC.

Information on the Group's licenses and on the applicable regulatory framework is described under Note 2 to the Company's annual financial statements as of December 31, 2019.

As of June 30, 2020 and December 31, 2019, the following are the most significant subsidiaries included in the consolidation process and the respective interests:

<b>Company</b>	<b>Country</b>	<b>Interest as of June 30, 2020 <sup>(2)</sup></b>	<b>Interest as of December 31, 2019 <sup>(2)</sup></b>
Telecom Argentina <sup>(1)</sup>	Argentina	39.08%	39.08%

(1) See Note 27.

(2) As mentioned in Note 4) to the consolidated financial statements as of December 31, 2019, on April 15, 2019, the Voting Trust created under the trust agreement (the "Trust Agreement") was formalized. Pursuant to said Trust Agreement, Fintech Telecom

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LLC and VLG S.A.U., a subsidiary of the Company, each contributed the bare ownership -including the voting rights- of 235,177,350 shares of Telecom Argentina representing 10.92% of the outstanding capital stock of Telecom Argentina (the "Shares in Trust") to a voting trust (the "Voting Trust"), reserving for themselves the usufruct of the contributed shares. Consequently, the Company holds an economic interest of 39.08% in the outstanding capital stock of Telecom Argentina.

Pursuant to the above-mentioned Trust Agreement, the Company appointed a trustee who shall vote the Shares in Trust as instructed or voted by Cablevisión Holding concerning any and all matters that are not subject to veto under the Telecom Argentina Shareholders' Agreement. In these cases, Cablevisión Holding and the trustee appointed by Cablevisión Holding will be entitled to vote 50% plus 2 shares of Telecom Argentina.

Regarding the matters subject to veto under the Telecom Argentina Shareholders' Agreement, Cablevisión Holding shall be entitled to vote the shares it holds directly (18.89% of the outstanding share capital) and the shares it holds indirectly through VLG (9.27% of the outstanding share capital), together accounting for 28.16% of the outstanding share capital of Telecom Argentina as of June 30, 2020. The Shares in Trust, in these cases, shall be voted by the trustee appointed by Fintech.

### **b) Basis for the Presentation**

As required by the CNV, the Company's consolidated financial statements have been prepared in accordance with TR 26 (as amended by TR 29 and TR 43) issued by FACPCE, which adopted the IFRS as issued by the IASB. Those standards were adopted by the CPCECABA.

The Company has opted for the condensed format approach provided by IAS 34 to prepare these consolidated financial statements. To this end, these financial statements were prepared following the same accounting policies as those applied in the Company's most recent annual financial statements. Accordingly, the Company has not included all the information required for a complete set of annual financial statements. Consequently, these consolidated financial statements should be read together with the Company's most recent annual financial statements.

The preparation of these consolidated financial statements in conformity with IFRS requires that the Company's Management make estimates that affect the figures disclosed in the financial statements or their supplementary information. Actual results may differ from these estimates.

These consolidated financial statements (except for the statement of cash flows) were prepared in constant currency (see Note 1.e) on an accrual basis of accounting. Under this basis, the effects of transactions are recognized when they occur. Therefore, income and expenses are recognized at fair value on an accrual basis regardless of when they are received or paid. When significant, the difference between the fair value and the nominal amount of income and expenses is recognized as financial income or expense using the effective interest method.

These interim consolidated financial statements as of June 30, 2020, as well as the separate financial statements as of the same date, were approved by a resolution of the Board of Directors at the meeting held on August 19, 2020. Taking into consideration the current restrictions imposed by the National Executive Branch within the framework of Emergency Decree No. 297/2020, as amended, the financial statements mentioned above have not been transcribed to the Company's "Inventory and Balance Sheet" book as of the date of their approval.

### **c) Interim Condensed Consolidated Financial Statements Formats**

The interim condensed consolidated financial statement formats adopted are consistent with IAS 1. In particular:

- the consolidated statement of financial position has been prepared by classifying assets and liabilities according to the "current and non-current" criterion. Current assets and liabilities are those that are expected to be realized/settled within twelve months after the period-end;
- the consolidated income statement has been prepared by classifying operating expenses by nature of expense as this form of presentation represents the way that the business of the Group is monitored by Management, and, additionally, is in line with the usual presentation of expenses in the ICT Services industry;

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- the consolidated statement of comprehensive income includes the net income for the period as shown in the consolidated income statement and all components of other comprehensive income;
- the consolidated statement of changes in equity has been prepared showing separately (i) net income for the period, (ii) other comprehensive income (loss) for the period, and (iii) transactions with shareholders (owners and non-controlling interest);
- the consolidated statement of cash flows has been prepared by presenting cash flows from operating activities according to the “indirect method”, as permitted by IAS 7.

These consolidated financial statements contain all the disclosures required under IAS 34. Some additional disclosures required by the LGS and/or by the CNV have been also included, among them, supplementary information required in the last paragraph of Article 1 Chapter III Title IV of the CNV General Resolution No. 622/13. That information is included in the Notes to these consolidated financial statements, as provided by IFRS.

### **d) Segment information.**

An operating segment is defined as a component of an entity or an economic group that may earn revenues and incur expenses, and whose financial information is available, presented separately and evaluated regularly by the entity's chief operating decision maker. In the case of the Group, the Executive Director is responsible for the control of the resources and the economic-financial performance of the Economic Group.

The Executive Director has a strategic and operational vision of the Group as a single business unit in Argentina in accordance with the current regulatory framework of the convergent ICT Services industry (aggregating in the same segment the activities related to mobile telephony services, Internet services, cable television services and fixed telephony services, services that are subject to the same regulatory framework of ICT services). In the performance of his duties, the Executive Director periodically receives the economic-financial information about the Group (at historical currency as of the transaction date) prepared as a single segment and reviews the evolution of the business as a single cash-generating unit, allocating resources in a unified manner to achieve the Group's goals. Costs are not allocated specifically to a type of service, taking into consideration that the Company has a single payroll and general operating expenses that affect all the services in general (non-specific). In addition, the decisions on CAPEX affect all the different types of services provided by Telecom and not one of them in particular. Based on the above and in accordance with accounting principles (established in the IFRS as issued by the IASB), the Group is deemed to have a single segment of operations in Argentina.

The Group also carries out activities abroad (Paraguay, United States of America and Uruguay). The Executive Director does not analyze those operations as a separate segment. He analyzes the consolidated information of the companies in Argentina and abroad (at historical currency as of the transaction date), taking into consideration that the activities of the foreign companies are not significant for the Group. The Group's foreign operations do not meet the aggregation criteria established by the standard to be grouped within the segment “Services rendered in Argentina”, and since none of them exceeds the quantitative thresholds set out in the standard to qualify as reportable segments, they are grouped under the category “Other foreign segments.”

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Set out below is the segment information for the six-month periods ended June 30, 2020 and 2019, respectively:

□ **Consolidated income statement for the six-month period ended June 30, 2020**

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
<b>Revenues</b>	116,959	6,012	122,971	8,220	430	8,650	(463)	131,158
Operating Costs (without Depreciation, Amortization, Impairment of Fixed Assets)	(73,824)	(4,516)	(78,340)	(5,291)	(276)	(5,567)	463	(83,444)
<b>Operating Income before Depreciation and Amortization</b>	<b>43,135</b>	<b>1,496</b>	<b>44,631</b>	<b>2,929</b>	<b>154</b>	<b>3,083</b>	-	<b>47,714</b>
Depreciation, Amortization and Impairment of Fixed Assets	(14,811)	(16,394)	(31,205)	(1,951)	(199)	(2,150)	-	(33,355)
<b>Operating Income / (Loss)</b>	<b>28,324</b>	<b>(14,898)</b>	<b>13,426</b>	<b>978</b>	<b>(45)</b>	<b>933</b>	-	<b>14,359</b>

Equity in Earnings from Associates	216
Financial Expenses on Debts	(12,755)
Other Financial Results, net	3,633
<b>Income (Loss) before Income Tax Expense</b>	<b>5,453</b>
Income Tax	(3,292)
<b>Net Income</b>	<b>2,161</b>
<b>Attributable to:</b>	
Shareholder of the Controlling Company	879
Non-Controlling Interest	1,282
	<b>2,161</b>

□ **Consolidated income statement for the six-month period ended June 30, 2019**

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
<b>Revenues</b>	82,337	45,011	127,348	5,538	3,048	8,586	(662)	135,272
Operating Costs (without Depreciation, Amortization, Impairment of Fixed Assets)	(54,199)	(30,627)	(84,826)	(3,788)	(2,085)	(5,873)	662	(90,037)
<b>Operating Income before Depreciation and Amortization</b>	<b>28,138</b>	<b>14,384</b>	<b>42,522</b>	<b>1,750</b>	<b>963</b>	<b>2,713</b>	-	<b>45,235</b>
Depreciation, Amortization and Impairment of Fixed Assets	(11,586)	(18,418)	(30,004)	(1,283)	(791)	(2,074)	-	(32,078)
<b>Operating Income / (Loss)</b>	<b>16,552</b>	<b>(4,034)</b>	<b>12,518</b>	<b>467</b>	<b>172</b>	<b>639</b>	-	<b>13,157</b>

Equity in Earnings from Associates	236
Financial Expenses on Debts	2,821
Other Financial Results, net	3,707
<b>Income (Loss) before Income Tax Expense</b>	<b>19,921</b>
Income Tax	(10,880)
<b>Net Income</b>	<b>9,041</b>
<b>Attributable to:</b>	
Shareholder of the Controlling Company	3,102
Non-Controlling Interest	5,939
	<b>9,041</b>

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Additional information per geographical area required under IFRS 8 (Operating Segments) is disclosed below (amounts in constant currency):

- i) Sales revenues from customers located in Argentina amounted to \$ 122,519 million and \$ 126,668 million during the six-month periods ended June 30, 2020 and 2019, respectively; while sales revenues from foreign customers amounted to \$ 8,639 million and \$ 8,604 million during the six-month periods ended June 30, 2020 and 2019, respectively;
- ii) CAPEX corresponding to the segment "Services rendered in Argentina" amounted to \$ 16,849 million and \$ 28,276 million during the six-month periods ended June 30, 2020 and 2019, respectively; while CAPEX corresponding to the segment "Other foreign segments" amounted to \$ 2,149 million and \$ 2,677 million during the six-month periods ended June 30, 2020 and 2019, respectively.
- iii) PP&E, goodwill, intangible assets, and rights of use corresponding to the segment "Services rendered in Argentina" amounted to \$ 548,921 million and \$ 553,123 million as of June 30, 2020 and December 31, 2019, respectively; while PP&E, goodwill, rights of use assets, and intangible assets corresponding to the segment "Other Foreign Segments" amounted to \$ 22,241 million and \$ 22,656 million as of June 30, 2020 and December 31, 2019, respectively.
- iv) The total amount of Loans corresponding to the segment "Services rendered in Argentina" amounted to \$ 177,943 million and \$ 168,002 million as of June 30, 2020 and December 31, 2019, respectively; while the total amount of Loans corresponding to the segment "Other Foreign Segments" amounted to \$ 5,257 million and \$ 4,655 million as of June 30, 2020 and December 31, 2019, respectively.

### **e) IAS 29 (Financial Reporting in Hyperinflationary Economies)**

IAS 29 sets out the conditions under which an entity shall restate its financial statements at the currency unit current as of the date of the accounting measurement when it operates in a country with an economic environment classified as "hyperinflationary."

To determine the existence of a highly inflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%.

The macroeconomic events that occurred in Argentina during 2018, and the cumulative inflation rate over the last three years as of December 31, 2018, which reached 147.8%, indicate that the qualitative and quantitative factors provided under IAS 29 to consider Argentina as a highly inflationary economy for accounting purposes were fulfilled. On September 29, 2018, the FACPCE issued Resolution No. 539/18, whereby it provided for the need to adjust the financial statements of Argentine companies for accounting periods ending as from July 1, 2018, and set out specific issues regarding the inflation adjustment, such as the indexes to be used. This Resolution was approved on October 10, 2018 by the CPCECABA through Resolution No. 107/2018.

In addition, Law No. 27,468 amended Article 10 of Law No. 23,928, as amended, providing that the repeal of all the laws and regulations that establish or authorize price indexation, currency restatement, cost variance and any other form of restatement of debts, taxes, prices or fees related to property, works or services, does not apply to financial statements, which remain subject to Article 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/2002, as amended, and delegated on the Executive Branch, through its oversight agencies, the power to set the date as from which those regulations will come into effect with respect to financial statements. Consequently, through Resolution No. 777/18, the CNV established the method to restate financial statements in constant currency, in accordance with IAS 29 for years and/or periods ended on or after December 31, 2018. Therefore, these financial statements have been restated in constant currency as of June 30, 2020.

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Pursuant to Resolution No. 539/18, the inflation rate was based on the Domestic Wholesale Price Index ("IPIM", for its Spanish acronym) until the year 2016, taking into consideration for the months of November and December 2015 the average variation of the IPC index of the City of Buenos Aires. As from January 2017, the Company used the National Consumer Price Index (National IPC, for its Spanish acronym).

The following table shows the evolution of those indexes over the last two fiscal years and as of June 30, 2020 and 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of</u> <u>December 31,</u> <u>2018</u>	<u>As of</u> <u>June 30,</u> <u>2019</u>	<u>As of</u> <u>December 31,</u> <u>2019</u>	<u>As of</u> <u>June 30,</u> <u>2020</u>
General Price Index (December 2016=100)	184.26	225.54	283.44	322.0
<b><u>Variation of Prices</u></b>				
Annual	47.6%	55.8%	53.8%	42.8%
Accumulated over 3 years	147.8%	139.2%	183.2%	187.7%
Accumulated over 3 months since March 2019 / 2020	n/a	9.5%	n/a	5.4%
Accumulated over 6 months	n/a	22.4%	n/a	13.6%

The Company applied the same restatement policies to the items identified in the annual consolidated financial statements as of December 31, 2019. The main financial results from exchange differences, as well as the interest accrued, are calculated in real terms, excluding the corresponding inflationary effect.

## **NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

### **a) Cash and Cash Equivalents and Investments**

The breakdown of cash and cash equivalents and investments is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b><u>Cash and Cash Equivalents</u></b>		
Cash and Banks	3,152	1,962
Short-Term Investments	2,206	1,707
Mutual Funds	44,609	27,073
<b>Total Cash and Cash Equivalents</b>	<u>(a) 49,967</u>	<u>30,742</u>
<b><u>Investments</u></b>		
<b><u>Current</u></b>		
Notes and Bonds at Fair Value	1,395	337
Notes and Bonds at Amortized Cost	1,278	150
Mutual Funds	56	72
Short-Term Investments	101	-
Allowance for Credit Losses (b)	(577)	(72)
<b>Total Current Investments</b>	<u>2,253</u>	<u>487</u>
<b><u>Non-Current</u></b>		
Notes and Bonds at Amortized Cost	1,357	2,245
Trust "Complejo industrial de Telecomunicaciones 2003"	1	1
Investments in Associates (c)	1,495	1,278
Allowance for Credit Losses (b)	(612)	(1,112)
<b>Total Non-Current Investments</b>	<u>2,241</u>	<u>2,412</u>

(a) In July 2020, the Company transferred USD 273 million to a management trust (See Note 29.2.).

(b) Set up in accordance with the parameters set for expected credit losses under IFRS 9 as a consequence of the significant increase in the credit risk of these financial instruments.

(c) The information on investments in associates is detailed below:

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### Financial Position Information

Companies	Main business activity	Country	Interest in Capital and Votes	Valuation at	
				June 30, 2020	December 31, 2019
Ver T.V. S.A. (1)	Cable Television Station	Argentina	49.00	865	707
Teledifusora San Miguel Arcángel S.A. (1) (2) (3)	Cable Television Station	Argentina	50.10	325	286
La Capital Cable S.A. (2)	Closed-Circuit Television	Argentina	50.00	292	278
Other minor investments valued under the equity				13	7
<b>Total</b>				<b>1,495</b>	<b>1,278</b>

(1) The data about the issuer arise from non-accounting information.

(2) Direct and Indirect Interest.

(3) Even though Telecom has an interest of more than 50%, it does not exercise control or significant power in accordance with the requirements of IFRS.

### Information on Income

	<u>Six-month periods ended June 30,</u>		<u>Three-month periods ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Ver T.V. S.A.	158	166	88	52
Teledifusora San Miguel Arcángel S.A.	46	63	26	17
La Capital Cable S.A.	12	7	5	6
<b>Total</b>	<b>216</b>	<b>236</b>	<b>119</b>	<b>75</b>

The evolution of the allowance for credit losses is as follows:

	<u>As of June 30,</u>		
	<u>2020</u>	<u>2019</u>	
<b>Balances at the beginning of the year</b>		(72)	-
Increases - Exchange Differences		(12)	-
Reclassifications		(539)	-
Allocations (including Gain (Loss) on Net Monetary Position)		46	-
<b>Balances at period-end</b>		<b>(577)</b>	-

The evolution of the allowance for non-current credit losses is as follows:

	<u>As of June 30,</u>		
	<u>2020</u>	<u>2019</u>	
<b>Balances at the beginning of the year</b>		(1,112)	-
Increases - Exchange Differences		(175)	-
Reclassifications		539	-
Allocations (including Gain (Loss) on Net Monetary Position)		136	-
<b>Balances at period-end</b>		<b>(612)</b>	-

### Restructuring of Government Bonds issued under Foreign Law

On April 21, 2020, the National Executive Branch issued Decree No. 391/2020, whereby it restructured certain Government Bonds of the Argentine Republic issued under foreign law by inviting creditors to exchange those bonds for others subject to new issuance terms.

On April 23, 2020, the Government of the Province of Buenos Aires decided to restructure certain Provincial Government Bonds issued under foreign law by inviting creditors to exchange those bonds for others subject to new issuance terms.

In May 2020, Telecom presented both offers for the exchange of its eligible bonds to adhere both to the invitation made by the National Executive Branch and to the one made by the Government of the Province of Buenos Aires, in accordance with the terms and procedures established therein. In July 2020, Telecom presented a supplementary offer for the exchange of bonds, adhering to the invitation made by the National Executive Branch.

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**b) Additional Information about the Consolidated Statement of Cash Flows**

The Company applies the indirect method to reconcile the net income for the period with the cash flows generated by its operations.

In the preparation of the consolidated statements of cash flows, cash and cash equivalents comprise cash, bank current accounts and highly liquid investments (with originally agreed-upon maturities of three months or less). Bank overdrafts are disclosed in the statement of financial position as financial debts and their cash flows in the consolidated statement of cash flows as borrowing and repayment of loans, because they are part of the ongoing short-term financing structure of the Group.

The breakdown of changes in assets and liabilities is detailed below:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Net Decrease (Increase) of Assets</b>		
Trade Receivables	(3,437)	4,039
Other Receivables	(1,724)	1,162
Inventories	914	31
	<u>(4,247)</u>	<u>5,232</u>
<b>Net Increase (Decrease) of Liabilities</b>		
Accounts Payable	(2,348)	(8,591)
Salaries and Social Security Payables	(1,409)	(1,432)
Taxes Payable	927	582
Other Liabilities and Provisions	(1,675)	(1,774)
	<u>(4,505)</u>	<u>(11,215)</u>

**Main Financing Activities Components**

The following table presents the financing activities components:

	<u>As of June 30,</u>	
	<u>2020</u>	<u>2019</u>
Bank Overdraft	-	2,631
Notes	5,925	1,551
For Acquisition of Equipment	19,591	83
Banks and other Financial Institutions	2,172	27,021
<b>Proceeds from Financial Debt</b>	<u>27,688</u>	<u>31,286</u>
Bank Overdraft	(1,834)	-
Notes	(30)	-
Banks and other Financial Institutions	(17,564)	(21,917)
For Acquisition of Equipment	(881)	-
<b>Payment of Financial Debt</b>	<u>(20,309)</u>	<u>(21,917)</u>
Bank Overdraft	(2,451)	(551)
Banks and other Financial Institutions	(3,972)	(4,209)
Notes	(2,507)	(1,007)
NDF, Purchase of Equipment and Other	(519)	271
<b>Payment of Interest and Related Expenses</b>	<u>(9,449)</u>	<u>(5,496)</u>

**Main Non-Cash Operating Transactions**

The main non-cash operating transactions that were eliminated from the statements of cash flows are the following:

	<u>As of June 30,</u>	
	<u>2020</u>	<u>2019</u>
Acquisitions of PP&E and Intangible Assets Financed by Accounts Payable	13,456	14,288
Settlement of trade receivables with government bonds	191	-
	<u>13,647</u>	<u>14,288</u>

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**Collection of Dividends**

The following is a summary of the dividends collected by Telecom:

Six-month period ended June 30,	Paying Company	Collection of Dividends	
		Historic Currency at Transaction Date	Constant Currency as of 6/30/2020
2020	Ver TV	9	10
	T SMA	5	5
		<b>14</b>	<b>15</b>
2019	Ver TV	75	107
	T SMA	32	46
		<b>107</b>	<b>153</b>

**Distribution of Dividends of Telecom and its Controlled Companies**

The following is a summary of the distributions of dividends made and settled by Telecom and its controlled companies.

Six-month period ended June 30,	Paying Company	Month of Distribution	Amount Distributed		Month of Settlement	Amount Settled in Constant Currency as of 6/30/2020
			Historic Currency at Transaction Date	Constant Currency as of 6/30/2020		
2020	Núcleo	Apr-20	295	308	May -20	154
			<b>295</b>	<b>(a) 308</b>		
2019	Telecom	Apr-19	6,300	9,846	May -19	9,238
	Núcleo	Apr-19	201	303	May -19	317
			<b>6,501</b>	<b>10,149</b>		<b>9,555</b>

(a) The second installment amounts to \$152 million (equivalent to PYG 14,625 million at the exchange rate prevailing on June 30, 2020) and shall be settled in October 2020.

**Additional Information Required under IAS 7**

	<u>Balances as of December 31, 2019</u>	<u>Cash flows</u>	<u>Accrual of interest</u>	<u>Exchange Differences and effect of currency translation and other</u>	<u>Balances as of June 30, 2020</u>
Bank Overdraft - Principal	11,030	(1,834)	-	(1,096)	8,100
Repurchase Agreements - Principal	350	(261)	-	(89)	-
Banks and other Financial Institutions - principal	79,726	2,288	-	4,029	86,043
Notes - principal	46,034	5,895	-	1,949	53,878
NDF	426	(387)	-	786	825
For Acquisition of Equipment	4,760	1,291	-	(17)	6,034
Interest Accrued and Related Expenses	30,331	(9,195)	6,801	383	28,320
<b>Total Current and Non-Current Financial Debt (Note 11)</b>	<b>172,657</b>	<b>(2,203)</b>	<b>6,801</b>	<b>5,945</b>	<b>183,200</b>

	<u>Balances as of December 31, 2018</u>	<u>Cash flows</u>	<u>Accrual of interest</u>	<u>Exchange Differences and effect of currency translation and other</u>	<u>Balances as of June 30, 2019</u>
Bank Overdraft - Principal	3,979	2,631	-	(517)	6,093
Banks and other Financial Institutions - principal	96,770	5,105	-	(9,727)	92,148
Notes - principal	32,907	1,550	-	(6,300)	28,157
NDF	174	(782)	-	2,474	1,866
For Acquisition of Equipment	3,633	83	-	(365)	3,351
Interest Accrued and Related Expenses	15,426	(5,859)	6,163	4,509	20,239
<b>Total Current and Non-Current Financial Debt</b>	<b>152,889</b>	<b>2,728</b>	<b>6,163</b>	<b>(9,926)</b>	<b>151,854</b>

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**c) Dividends Payable**

	<u>As of June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	
ABC Telecomunicaciones	152	-	-
<b>Total Dividends Payable</b>	<b>152</b>	<b>-</b>	<b>-</b>

**NOTE 3 – TRADE RECEIVABLES**

The breakdown of trade receivables is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Current</b>		
Trade Receivables	25,002	24,377
Contract Asset under IFRS 15	86	138
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	153	154
Allowance for Bad Debts	(8,089)	(5,398)
	<u>17,152</u>	<u>19,271</u>
<b>Non-Current</b>		
Trade Receivables	47	60
Contract Asset under IFRS 15	7	34
	<u>54</u>	<u>94</u>
<b>Total Trade Receivables, Net</b>	<b>17,206</b>	<b>19,365</b>

The evolution of the allowance for bad debts is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Balances at the beginning of the year</b>	<b>(5,398)</b>	<b>(4,629)</b>
Increases - Bad Debts (Note 22)	(5,359)	(3,800)
Uses of the Allowance and Currency Translation	2,668	2,860
<b>Balances at period-end</b>	<b>(8,089)</b>	<b>(5,569)</b>

**NOTE 4 – OTHER RECEIVABLES**

The breakdown of Other Receivables is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Current</b>		
Prepaid Expenses	2,531	1,345
Tax Credits	2,344	2,158
Financial NDF	8	185
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	165	131
Trade Receivables from Customer Portfolio	23	26
Sundry Receivables	25	14
Other	777	1,421
Allowance for Other Debts	(73)	(39)
	<u>5,800</u>	<u>5,241</u>
<b>Non-Current</b>		
Prepaid Expenses	254	248
Tax Credits	859	976
Regulatory Receivables (Núcleo)	230	236
Trade Receivables from Customer Portfolio	62	70
Sundry Receivables	535	387
Other	198	385
	<u>2,138</u>	<u>2,302</u>
<b>Total Other Receivables, Net</b>	<b>7,938</b>	<b>7,543</b>

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The evolution of the allowance for other current receivables is as follows:

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
<b>Balances at the beginning of the year</b>	(39)	(27)
Increases	(40)	(11)
Decreases (including Gain (Loss) on Net Monetary Position)	6	-
<b>Balances at period-end</b>	<u>(73)</u>	<u>(38)</u>

**NOTE 5 – INVENTORIES**

The breakdown of inventories is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Mobile Handsets and Other	1,378	2,562
Radio Equipment and Other	1	1
Fixed telephones and equipment	19	75
Inventories for construction projects	1,232	1,276
<b>Subtotal</b>	<u>2,630</u>	<u>3,914</u>
Allowance for Obsolescence of Inventories	(305)	(265)
	<u>2,325</u>	<u>3,649</u>

The evolution of the allowance for Obsolescence of Inventories is as follows:

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
<b>Balances at the beginning of the year</b>	(265)	(233)
Increases	(52)	(19)
Decreases (including Gain (Loss) on Net Monetary Position)	12	31
<b>Balances at period-end</b>	<u>(305)</u>	<u>(221)</u>

**NOTE 6 – GOODWILL**

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Business in Argentina	198,020	198,020
Foreign Business <sup>(1)</sup>	1,067	1,177
<b>Total</b>	<u>199,087</u>	<u>199,197</u>

(1) The decrease compared to the balance as of December 31, 2019 corresponds to cumulative translation adjustment.

**NOTE 7 - PROPERTY, PLANT AND EQUIPMENT**

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
PP&E	272,807	281,873
Allowance for Obsolescence and Impairment of Materials	(2,087)	(1,709)
Allowance for Impairment of PP&E	(587)	(911)
	<u>270,133</u>	<u>279,253</u>

The following table shows the changes in PP&amp;E (without considering the allowance for obsolescence and impairment of materials and PP&amp;E):

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Balances at the beginning of the year</b>	281,873	263,715
Acquisitions	18,293	29,985
Effect of Currency Translation	(410)	(1,543)
Net Book Value and Consumption of Materials	(319)	(87)
Depreciation for the Period	(26,630)	(25,622)
<b>Balances at period-end</b>	<u>272,807</u>	<u>266,448</u>

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The evolution of the allowance for Obsolescence and Impairment of Materials is as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Balances at the beginning of the year</b>	(1,709)	(622)
Increases	(378)	(207)
<b>Balances at period-end</b>	<u>(2,087)</u>	<u>(829)</u>

The evolution of the allowance for Impairment of PP&amp;E is as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Balances at the beginning of the year</b>	(911)	(581)
Increases	(36)	(210)
Allocations (including Gain (Loss) on Net Monetary Position)	360	-
<b>Balances at period-end</b>	<u>(587)</u>	<u>(791)</u>

**NOTE 8 - INTANGIBLE ASSETS**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Intangible Assets	95,316	98,783
Allowance for Impairment	(5,385)	(5,272)
	<u>89,931</u>	<u>93,511</u>

The evolution of intangible assets (without considering the allowance for impairment) is as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Balances at the beginning of the year</b>	98,783	106,478
Acquisitions	705	968
Effect of Currency Translation	(26)	(225)
Amortization for the Period	(4,146)	(4,453)
<b>Balances at period-end</b>	<u>95,316</u>	<u>102,768</u>

The evolution of the allowance for Impairment is as follows:

	<u>As of June 30, 2020</u>	<u>2019</u>
<b>Balances at the beginning of the year</b>	(5,272)	(2,838)
Increases	(113)	-
<b>Balances at period-end</b>	<u>(5,385)</u>	<u>(2,838)</u>

**NOTE 9 – RIGHT-OF-USE ASSETS**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Rights of Use from Leases	11,080	9,826
Irrevocable Rights of Use	679	677
Asset Retirement Obligations	252	287
	<u>12,011</u>	<u>10,790</u>

The evolution of right-of-use assets is as follows:

	<u>June 30, 2020</u>	<u>June 30, 2020</u>
<b>Balances at the beginning of the year</b>	10,790	991
Addition upon adoption of IFRS 16	-	7,448
Acquisitions	3,768	3,480
Net Book Value	(89)	-
Effect of Currency Translation	(28)	(184)
Amortization for the Period	(2,430)	(1,876)
<b>Balances at period-end</b>	<u>12,011</u>	<u>9,859</u>

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**NOTE 10 - Accounts Payable**

<u>Current</u>	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Suppliers and Trade Provisions	27,806	35,312
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	846	1,007
	<u>28,652</u>	<u>36,319</u>
<u>Non-Current</u>		
Suppliers and Trade Provisions	3,661	2,675
	<u>3,661</u>	<u>2,675</u>
<b>Total Accounts Payable</b>	<u><b>32,313</b></u>	<u><b>38,994</b></u>

**NOTE 11 – FINANCIAL DEBT**

The item Financial Debt is composed as follows:

<u>Current</u>	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Bank Overdraft - Principal	8,100	11,030
Repurchase Agreements - Principal	-	350
Banks and other Financial Institutions - principal	21,892	15,334
Notes - principal	33,489	-
NDF	792	410
For Acquisition of Equipment	1,976	1,704
Interest Accrued and Related Expenses	12,708	11,248
	<u>78,957</u>	<u>40,076</u>
<u>Non-Current</u>		
Notes - principal	20,389	46,034
Banks and other Financial Institutions - principal	64,151	64,392
NDF	33	16
For Acquisition of Equipment	4,058	3,056
Interest Accrued and Related Expenses	15,612	19,083
	<u>104,243</u>	<u>132,581</u>
<b>Total Debt</b>	<u><b>183,200</b></u>	<u><b>172,657</b></u>

Most of the financial debt executed by Telecom has ratio covenants that are normal for this type of agreements. As of June 30, 2020, Telecom has complied with such ratios. The following is a detail of the developments regarding those loans as of the date of these consolidated financial statements.

**a) Prepayment of the Term Loan**

On October 17, 2018, Telecom requested a US\$ 500 million disbursement under the loan agreement it had executed with Citibank, NA, HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, JPMorgan Chase Bank, NA and Banco Santander, S.A., as lenders and arrangers, Citibank NA as an administrative agent, and the branch of Citibank NA established in Argentina, as the local collateral agent, for a term of 48 months.

On February 12, 2020, Telecom made a partial prepayment under the loan in the amount of US\$ 50.3 million (US\$ 50 million principal amount and US\$ 0.3 million corresponding to interest). On March 30, 2020, Telecom made a partial prepayment under the loan in the amount of US\$ 60.8 million (US\$ 60 million principal amount and US\$ 0.8 million corresponding to interest).

The outstanding balance as of June 30, 2020 amounts to US\$ 140.5 million, equivalent to \$ 9,902 million.

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### **b) Loan with IDB**

On May 29, 2019, Telecom executed a loan agreement with the Inter-American Development Bank (IDB invest) for an aggregate amount of up to US\$ 300 million.

On February 4, 2020, Telecom executed a supplement to the original agreement with IDB invest for an aggregate amount of US\$ 125 million broken down as follows: i) the first tranche for US\$ 50 million due on November 15, 2023, which accrues interest at LIBOR plus 4,6 percentage points, payable in 8 semi-annual consecutive installments as from May 2020 and ii) the second tranche for US\$ 75 million due on November 15, 2022, which accrues interest at LIBOR plus a variable spread of 7 to 7.75 percentage points, payable in 6 semi-annual consecutive installments as from May 2020. Telecom received a disbursement of US\$123.4 million because debt issuance expenses in the amount US\$1.6 million were deducted.

On April 7, 2020, Telecom received a new disbursement for an aggregate of US\$ 25 million due on November 15, 2022. Telecom received US\$ 24.6 million because debt issuance expenses in the amount US\$ 0.4 million were deducted.

The outstanding balance as of June 30, 2020 amounts to US\$ 248.9 million, equivalent to \$ 17,537 million.

### **c) Loan with Banco Macro**

On March 16, 2020, Telecom executed a loan agreement with Banco Macro S.A. for an aggregate amount of up to \$ 4,000 million. Principal will be repaid in a lump sum at its maturity on September 16, 2021. The loan accrues interest on a quarterly basis as from the Issuance Date until the Maturity Date, at a variable rate equivalent to BADLAR plus a margin of 6.75% per annum.

The outstanding balance under this loan as of June 30, 2020 amounts to \$ 4,022 million.

### **d) Loan with Banco ICBC**

On April 13, 2020, Telecom executed a loan agreement with Banco ICBC S.A. for an aggregate amount of \$ 975 million. Principal will be repaid in a lump sum at its maturity on April 13, 2021. The loan accrues interest on a monthly basis as from the Issuance Date until the Maturity Date, at a variable rate equivalent to BADLAR plus a margin of 9.75% per annum.

The outstanding balance under this loan as of June 30, 2020 amounts to \$ 982 million.

### **e) Loan with Banco Galicia**

On May 4, 2020, Telecom executed a loan agreement with Banco Galicia S.A. for an aggregate amount of \$ 2,000 million. Principal will be repaid in a lump sum at its maturity on April 29, 2021. The loan accrues interest on a quarterly basis as from the Issuance Date until the Maturity Date, at a variable rate equivalent to BADLAR plus a margin of 7.75% per annum.

The outstanding balance under this loan as of June 30, 2020 amounts to \$ 2,095 million.

### **f) Other Financial Debt**

- On January 7, 2020, Telecom made a full repayment of the loan executed with Banco Macro in the amount of US\$4.6 million (US\$ 4.4 million principal amount and US\$ 0.2 million corresponding to interest).

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- On February 6, 2020, Telecom made a full repayment of the loan executed with Banco Itaú to finance imports in the amount of US\$ 1.08 million (US\$ 1.07 million principal amount and US\$ 0.01 million corresponding to interest).
- On June 18, 2020, Telecom made a full repayment of the loan executed with Banco Galicia in the amount of US\$ 8.97 million (US\$ 8.43 million principal amount and US\$ 0.54 million corresponding to interest).

### **g) Global Notes Programs**

#### **Telecom Argentina**

Within the framework of the Global Notes Program for up to US\$ 3,000 million or its equivalent in other currencies, on January 23, 2020, Telecom informed the CNV about the resumption of the Notes placement period in two series for an aggregate nominal value of \$ 1,500 million, which may be extended to \$ 5,000 million. The funds thus obtained shall be used for working capital and to refinance liabilities.

The following is a detail of the amount of Notes actually issued and its main characteristics:

#### **Class 3 Notes**

**Issuance Date:** January 31, 2020.

**Amount Issued:** \$ 3,196,524,154.

**Maturity Date:** January 31, 2021.

**Repayment:** Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity.

**Interest Rate and Payment Date:** the notes accrue interest on a quarterly basis as from the Issuance Date until the Maturity Date, at a variable rate equivalent to BADLAR plus a margin of 4.75% per annum. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

#### **Class 4 Notes**

**Issuance Date:** January 31, 2020.

**Amount Issued:** \$ 1,200,229,180.

**Maturity Date:** July 31, 2021.

**Repayment:** Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity.

**Interest Rate and Payment Date:** the notes accrue interest on a quarterly basis as from the Issuance Date until the Maturity Date, at a variable rate equivalent to BADLAR plus a margin of 5.25% per annum. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

Telecom received a disbursement of \$ 4,374 million because debt issuance expenses in the amount \$ 23 million were deducted from the initial disbursement.

#### **Núcleo**

At the Extraordinary Shareholders' Meeting held on April 24, 2018, the shareholders of Núcleo amended its Bylaws in order to conform to the securities market's regulations and to become a *Sociedad Anónima Emisora* (Issuing Corporation, SAE, for its Spanish acronym).

On January 4, 2019, Núcleo requested the Paraguayan National Securities Commission and the Bolsa de Valores y Productos de Asunción S.A. the registration of the Global Notes Program which provides for the issuance of notes for up to Gs.500,000,000,000 (approximately \$ 3,200 million at such date) under the conditions to be established by the Board of Directors for each series. On February 5, 2019, the Paraguayan National Securities Commission authorized said Program through Resolution No. 11E/19.

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Under such Program, Núcleo issued a new Series of Notes with the following characteristics:

**Series III****Issuance Date:** March 12, 2020**Amount Issued:** Gs. 100.000,000,000 (approximately \$ 948 million as of the issuance date).**Maturity Date:** 60 months from the Issuance Date.**Repayment:** Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity (March 11, 2025).**Interest Rate:** the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 8.75 %.**Interest Payment Date:** Interest will be paid quarterly in arrears as from the Issuance Date. The last interest payment date will be the Maturity Date.**h) Loans for Acquisition of Equipment****Finnvera**

On May 7, 2019, Telecom submitted a proposal for an export credit facility for an amount up to US\$ 96 million to the following entities: (i) Banco Santander, S.A. and JPMorgan Chase Bank, N.A., London Branch, as initial lenders, mandated lead arrangers and residual risk guarantors, (ii) JPMorgan Chase Bank, N.A., London Branch, as facility agent and as the ECA bank (iii) Banco Santander, S.A. as documentation bank and (iv) Banco Santander Río S.A. as onshore custody agent, which was accepted on the same date. The Facility is guaranteed by Finnvera plc, the official export credit agency of Finland, which granted a guarantee in favor of the lenders subject to certain terms and conditions.

On March 5, 2020, Telecom received a disbursement for an aggregate of US\$ 10.5 million payable in 13 consecutive semi-annual installments as from November 2020, with final maturity in November 2026, accruing interest at a rate equivalent to LIBOR plus 1.04 percentage points.

On June 18, 2020, Telecom received a disbursement for an aggregate of US\$ 6.8 million payable in 13 consecutive semi-annual installments as from November 2020, with final maturity in November 2026, accruing interest at a rate equivalent to LIBOR plus 1.04 percentage points.

The outstanding balance as of June 30, 2020 amounts to US\$ 61.8 million, equivalent to \$ 4,352 million.

**Cisco Systems Capital Corporation**

Telecom executed loan agreements for the acquisition of Cisco equipment. During the six-month period ended June 30, 2020, Cisco Systems Capital Corporation granted Telecom an additional loan of US\$ 29 million under these agreements. Said agreements have an average maturity of fifty months, with partial repayments, and accrue interest at an average annual rate of 4%.

The outstanding balance as of June 30, 2020 amounts to US\$ 91.5 million, equivalent to \$ 6,446 million.

**Fair Value of Financial Debt**

As of June 30, 2020, the fair value of financial debt is as follows:

	<b><u>Book Value</u></b>	<b><u>Fair Value</u></b>
Notes	68,625	63,007
Other Financial Debt	114,575	117,901
	<b><u>183,200</u></b>	<b><u>180,908</u></b>

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**NOTE 12 - SALARIES AND SOCIAL SECURITY PAYABLES**

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Current</b>		
Salaries, annual supplementary salary, vacations and bonuses	6,640	8,372
Social Security Payables	2,720	2,113
Termination Benefits	618	818
	<u>9,978</u>	<u>11,303</u>
<b>Non-Current</b>		
Termination Benefits	871	978
	<u>871</u>	<u>978</u>
<b>Total Salaries and Social Security Payables</b>	<u>10,849</u>	<u>12,281</u>

**NOTE 13 - DEFERRED INCOME TAX ASSETS / LIABILITIES**

The breakdown of net deferred income tax assets and liabilities and tax receivables related to tax reimbursement claims is detailed below:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Tax Loss Carryforwards	(5,733)	(9,758)
Allowance for Bad Debts	(2,342)	(1,719)
Provisions for Lawsuits and Other Contingencies	(1,457)	(1,737)
PP&E and Intangible Assets	58,191	58,980
Dividends from Foreign Companies	506	585
Effect of Income Tax Inflation Adjustment	14,495	14,024
Other Deferred Tax Liabilities (Assets), Net	(337)	(69)
<b>Total Deferred Tax Liabilities, Net</b>	<u>63,323</u>	<u>60,306</u>
Tax Receivables Related to Reimbursement Claims	(870)	(988)
<b>Net Deferred Tax Liability</b>	<u>(*) 62,453</u>	<u>59,318</u>
<b>Deferred Tax Assets, Net</b>	<u>(375)</u>	<u>(378)</u>
<b>Deferred Tax Liabilities, Net</b>	<u>62,828</u>	<u>59,696</u>

(\*) Includes 17 corresponding to the effects of currency translation on the opening balances of the foreign subsidiaries.

Deferred tax assets from unused tax loss carryforwards are recognized to the extent their realization is probable against future taxable profits. The Company did not recognize deferred tax assets corresponding to tax loss carryforwards for \$ 4,727 million, which may be offset against future taxable profits.

The breakdown of income tax expense included in the consolidated statement of comprehensive income is the following:

	<u>June 30, 2020</u> <u>Income (loss)</u>	<u>June 30, 2019</u> <u>Income (loss)</u>
Tax	(84)	(103)
Deferred Tax	(3,208)	(10,777)
<b>Income Tax</b>	<u>(3,292)</u>	<u>(10,880)</u>

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The following is a detail of the reconciliation between income tax charged to net income and the income tax liability that would result from applying the corresponding tax rate on income (loss) before income tax:

	<u>June 30, 2020</u> <u>Income (loss)</u>	<u>June 30, 2019</u> <u>Income (loss)</u>
Accounting Income (Loss) before Income Tax Expense	5,453	19,921
Permanent Differences - Equity in Earnings from Associates	(216)	(235)
Permanent Differences – difference in the valuation of the cost of investments in foreign subsidiaries	(4,790)	-
Permanent Differences - other	(657)	(256)
Restatement of Equity and Goodwill and Other in Constant Currency	24,445	49,622
<b>Subtotal</b>	<u>24,235</u>	<u>69,052</u>
Average effective tax rate (*)	25.3%	25.5%
<b>Income Tax at the Average Effective Tax Rate</b>	<b>(6,138)</b>	<b>(17,532)</b>
Restatement at Constant Currency of Deferred Income Tax Liabilities and Other	9,107	7,404
Tax loss carryforwards not recognized as deferred tax assets	83	(709)
Effect of Income Tax Inflation Adjustment	(6,282)	-
Income Tax on Dividends from Foreign Companies	(62)	(43)
<b>Income Tax on the Income Statement</b>	<u><b>(3,292)</b></u>	<u><b>(10,880)</b></u>

(\*) Effective tax rate based on average tax rate in the different countries where the Company has operations. The effective rate in Argentina is 25% for the periods presented. In Paraguay, the effective tax rate is 10% plus an additional rate of 5% in case of distribution of dividends for the periods presented, in Uruguay the effective tax rate is 25% for the periods presented, and in the United States of America the effective tax rate is 26.5% for the periods presented.

**NOTE 14 - TAXES PAYABLE**

The breakdown of Taxes Payable is as follows:

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>Current</b>		
Income Tax (*)	69	40
Other National Taxes	3,300	2,913
Provincial Taxes	136	341
Municipal Taxes	423	469
	<u>3,928</u>	<u>3,763</u>
<b>Non-Current</b>		
National Taxes	10	16
	<u>10</u>	<u>16</u>
<b>Total Taxes Payable</b>	<u><b>3,938</b></u>	<u><b>3,779</b></u>

(\*) The breakdown by company is as follows:

	<u>As of June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Núcleo	64	7
Adesol	-	31
Telecom USA	3	-
AVC Continente Audiovisual	1	1
Cable Imagen	1	1
	<u>69</u>	<u>40</u>

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**NOTE 15 - LEASE LIABILITIES**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b><u>Current</u></b>		
Business in Argentina	3,003	2,665
Foreign Business	174	333
	<u>3,177</u>	<u>2,998</u>
<b><u>Non-Current</u></b>		
Business in Argentina	4,481	3,427
Foreign Business	919	744
	<u>5,400</u>	<u>4,171</u>
<b>Total Lease Liabilities</b>	<b><u>8,577</u></b>	<b><u>7,169</u></b>

**NOTE 16 – OTHER LIABILITIES**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b><u>Current</u></b>		
Deferred revenues on prepaid calling cards	926	808
Deferred revenues on connection fees and intern. capacity rental	136	150
Deferred Revenues from Construction Projects	18	42
Customer Loyalty Program	576	326
Directors' and Supervisory Committee Members' Fees	54	88
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	3	3
Other	498	561
	<u>2,211</u>	<u>1,978</u>
<b><u>Non-Current</u></b>		
Deferred revenues on connection fees and intern. capacity rental	223	622
Pension Benefits	442	371
Customer Loyalty Program	-	535
Other (*)	366	203
	<u>1,031</u>	<u>1,731</u>
<b>Total Other Liabilities</b>	<b><u>3,242</u></b>	<b><u>3,709</u></b>

(\*) Includes deferred revenues from subsidiaries arising from government grants for the acquisition of PP&amp;E.

**NOTE 17 – PROVISIONS**

The evolution of provisions is as follows:

	Balances as of December 31, 2019	Increases		Reclassifications	Decreases (iii)	Balances as of June 30, 2020
		Capital Stock (i)	Interest (ii)			
<b><u>Current</u></b>						
Lawsuits and Contingencies	1,353	8	-	574	(614)	1,321
<b>Total Current Provisions</b>	<b>1,353</b>	<b>8</b>	<b>-</b>	<b>574</b>	<b>(614)</b>	<b>1,321</b>
<b><u>Non-Current</u></b>						
Lawsuits and Contingencies	4,538	103	484	(574)	(572)	3,979
Asset Retirement Obligations	720	-	112	-	(149)	683
<b>Total Non-Current Provisions</b>	<b>5,258</b>	<b>103</b>	<b>596</b>	<b>(574)</b>	<b>(721)</b>	<b>4,662</b>
<b>Total Provisions</b>	<b>6,611</b>	<b>111</b>	<b>596</b>	<b>-</b>	<b>(iv) (1,335)</b>	<b>5,983</b>

(i) 197 charged to other operating costs and (86) to Other Comprehensive Income.

(ii) Charged to Other Financial Results, net, interest on provisions.

(iii) Includes Gain (Loss) on Net Monetary Position.

(iv) Includes (501) corresponding to payments of contingencies.

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	Balances as of December 31, 2018	Increases		Reclassifications	Decreases (iii)	Balances as of June 30, 2019
		Capital Stock (i)	Interest (ii)			
<b>Current</b>						
Lawsuits and Contingencies	1,301	195	-	468	(679)	1,285
<b>Total Current Provisions</b>	<b>1,301</b>	<b>195</b>	<b>-</b>	<b>468</b>	<b>(679)</b>	<b>1,285</b>
<b>Non-Current</b>						
Lawsuits and Contingencies	5,194	427	744	(468)	(1,226)	4,671
Asset Retirement Obligations	867	-	138	-	(171)	834
<b>Total Non-Current Provisions</b>	<b>6,061</b>	<b>427</b>	<b>882</b>	<b>(468)</b>	<b>(1,397)</b>	<b>5,505</b>
<b>Total Provisions</b>	<b>7,362</b>	<b>622</b>	<b>882</b>	<b>-</b>	<b>(iv) (2,076)</b>	<b>6,790</b>

- (i) Charged to Other Operating Costs.  
(ii) Charged to Other Financial Results, net, interest on provisions.  
(iii) Includes Gain (Loss) on Net Monetary Position.  
(iv) Includes (621) corresponding to payments of contingencies.

**Possible Contingencies****Resolution No. 50/10 et seq. issued by the Secretaría de Comercio Interior de la Nación (Secretariat of Domestic Trade or "SCI")**

SCI Resolution No. 50/10 approved certain rules for the sale of pay television services. These rules provide that cable television operators must apply a formula to estimate their monthly basic subscription prices. The price arising from the application of the formula was to be informed to the Office of Business Loyalty (*Dirección de Lealtad Comercial*). Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office. Telecom filed an administrative appeal against Resolution No. 50/10 requesting the suspension of its effects and its nullification.

In accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC", for its Spanish acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective. The National Government filed an appeal against the decision issued by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed. The National Government filed a direct appeal with the Supreme Court, which has also been dismissed.

Notwithstanding the foregoing, between March 2011 and October 2014, several resolutions based on Resolution No. 50/10 were published in the Official Gazette, which regulated the prices to be charged by Cablevisión to its customers for the basic cable television service. The Company filed appeals against these resolutions and their enforcement was suspended pursuant to the above-mentioned injunction. Notwithstanding the foregoing, each Resolution had an effective term of between three and six months. The last one expired in October 2014.

In September 2014, the Supreme Court of Argentina rendered a decision in re "Municipality of Berazategui v. Cablevisión" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Appeals of Mar del Plata that had issued the decision on the collective action in favor of ATVC. Currently, all the claims related to this matter are pending before the Federal Courts of Mar del Plata.

In April 2019, La Capital Cable S.A. was served notice of the decision rendered by Federal Court No. 2 of Mar del Plata, whereby said court declared the unconstitutionality of certain articles of the law on which the SCI grounded Resolution No. 50/10 as well as the subsequent resolutions. The declaration of unconstitutionality entails that these resolutions are not applicable to La Capital Cable and the companies represented by ATVC. However, the National Government filed an appeal against said resolution.

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On December 26, 2019, the Federal Court of Appeals of Mar del Plata rejected the grievances of the National Government and confirmed the decision rendered by the court of first instance, which declared the unconstitutionality of the articles of the law that were the basis for the issuance of SCI Resolution No. 50/10 and subsequent resolutions. The National Government filed an appeal against this decision, which may be granted or dismissed by the Federal Court of Appeals of Mar del Plata.

These consolidated financial statements should be read in the light of the circumstances described above, and the decisions made based on these consolidated financial statements should consider the potential impact that those circumstances may have on the Company and its subsidiaries.

**NOTE 18 – ADDITIONAL INFORMATION****Classification of asset and liability balances by maturity as of June 30, 2020**

Maturities	Cash and Cash Equivalents	Investments	Trade Receivables	Other Receivables	Deferred Income Tax Assets
<b>Total Due</b>	-	48	10,286	11	-
<b>Due</b>					
07.2020 through 09.2020	49,967	1,453	6,090	3,496	-
10.2020 through 12.2020	-	137	471	584	-
01.2021 through 03.2021	-	114	233	259	-
04.2021 through 06.2021	-	501	72	1,450	-
07.2021 through 06.2022	-	469	54	1,283	-
07.2022 through 06.2023	-	72	-	172	-
07.2023 onwards	-	204	-	543	-
Without an established term	-	1	-	140	375
<b>Total not due</b>	<b>49,967</b>	<b>2,951</b>	<b>6,920</b>	<b>7,927</b>	<b>375</b>
<b>Total</b>	<b>49,967</b>	<b>2,999</b>	<b>17,206</b>	<b>7,938</b>	<b>375</b>

Interest-Bearing Balances	2,441	2,941	1,154	-	-
Non-Interest-Bearing Balances	47,526	58	16,052	7,938	375
<b>Total</b>	<b>49,967</b>	<b>2,999</b>	<b>17,206</b>	<b>7,938</b>	<b>375</b>

Average Annual Nominal Interest Rate (%)	(a)	(b)	(c)	-	-
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- (a) 707 corresponds to assets stated in foreign currency that accrue interest at annual rates of between 0.01% and 2.25%, and 929 corresponds to assets in pesos that accrue interest at an interest rate of 29.74%.
- (b) 2,642 corresponds to assets stated in foreign currency that accrue interest at annual rates of between 0.06% and 6.19%, and 299 corresponds to assets in pesos that accrue interest at annual interest rates of between 25% and 30.49%.
- (c) 922 accrues interest at 54.4%, 183 accrues interest at an annual rate of 36% and 49 accrues interest at an annual rate of 47%.

Maturities	Accounts Payable	Financial Debt	Salaries and Social Security Payables	Taxes Payable	Dividends Payable	Lease Liabilities	Other Liabilities	Deferred Income Tax Liabilities
<b>Total Due</b>	<b>3,629</b>	-	-	-	-	-	-	-
<b>Due</b>								
07.2020 through 09.2020	23,770	14,692	4,228	3,852	-	755	1,776	-
10.2020 through 12.2020	917	7,239	1,631	4	152	1,360	134	-
01.2021 through 03.2021	191	16,081	2,141	2	-	594	125	-
04.2021 through 06.2021	145	40,945	1,978	70	-	468	176	-
07.2021 through 06.2022	3,115	39,106	400	10	-	2,599	205	-
07.2022 through 06.2023	257	28,420	244	-	-	1,052	129	-
07.2023 onwards	289	36,717	227	-	-	1,749	697	-
Without an established term	-	-	-	-	-	-	-	62,828
<b>Total not due</b>	<b>28,684</b>	<b>183,200</b>	<b>10,849</b>	<b>3,938</b>	<b>152</b>	<b>8,577</b>	<b>3,242</b>	<b>62,828</b>
<b>Total</b>	<b>32,313</b>	<b>183,200</b>	<b>10,849</b>	<b>3,938</b>	<b>152</b>	<b>8,577</b>	<b>3,242</b>	<b>62,828</b>

Interest-Bearing Balances	-	153,826	-	19	-	-	-	-
Non-Interest-Bearing Balances	32,313	29,374	10,849	3,919	152	8,577	3,242	62,828
<b>Total</b>	<b>32,313</b>	<b>183,200</b>	<b>10,849</b>	<b>3,938</b>	<b>152</b>	<b>8,577</b>	<b>3,242</b>	<b>62,828</b>

Average Annual Nominal Interest Rate (%)	-	(d)	-	18	-	-	-	-
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- (d) The liabilities in pesos accrue interest at annual rates of between 29.7% and 39.08%. The rest corresponds to liabilities denominated in dollars that accrue interest at annual rates of between 1.68% and 8.0%, and liabilities denominated in Guarani that accrue interest at an annual average interest rate of 8.83%.

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**Financial Asset and Liability Balances in Foreign Currency**

The following table shows the financial assets and liabilities denominated in foreign currency as of June 30, 2020 and December 31, 2019:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
	<u>(in millions of converted Argentine pesos)</u>	
Assets	37,678	37,800
Liabilities	(195,211)	(192,112)
<b>Net Liabilities</b>	<b>(157,533)</b>	<b>(154,312)</b>

In order to reduce this net liability position in foreign currency, the Group holds, as of June 30, 2020, derivatives for US\$ 232 million. Therefore, the net debt that is not covered by these instruments amounts to approximately US\$ 2,021 million as of that date.

**Offsetting of financial assets and liabilities that are within the scope of IFRS 7.**

The information required by the amendment to IFRS 7 as of June 30, 2020 and December 31, 2019 is as follows:

	<u>As of June 30, 2020</u>			
	<u>Trade Receivables</u>	<u>Other Receivables</u>	<u>Accounts Payable</u>	<u>Other Liabilities</u>
Current and non-current assets (liabilities) - Gross value	18,483	2,065	(33,584)	(234)
Offsetting	(1,277)	(14)	1,277	14
<b>Current and Non-Current Assets (Liabilities) – Book value</b>	<b>17,206</b>	<b>2,051</b>	<b>(32,307)</b>	<b>(220)</b>

  

	<u>As of December 31, 2019</u>				
	<u>Trade Receivables</u>	<u>Other Assets</u>	<u>Other Receivables</u>	<u>Accounts Payable</u>	<u>Other Liabilities</u>
Current and non-current assets (liabilities) - Gross value	19,547	523	2,424	(39,226)	(496)
Offsetting	(182)	-	(58)	182	58
<b>Current and Non-Current Assets (Liabilities) – Book value</b>	<b>19,365</b>	<b>523</b>	<b>2,366</b>	<b>(39,044)</b>	<b>(438)</b>

Telecom and its subsidiaries offset the financial assets and liabilities to the extent that such setoff is contractually permitted and provided that they have the intention to make such setoff, in accordance with requirements established in IAS 32. The main financial assets and liabilities that are offset correspond to transactions with other national and foreign operators (including interconnection, international settlement charges and Roaming). Offsetting is a standard practice in the telecommunications industry at international level that Telecom and its subsidiaries apply regularly. Offsetting is also applied to transactions with agents.

**NOTE 19 – PURCHASE COMMITMENTS**

As of June 30, 2020, there are outstanding purchase orders with local and foreign providers for the supply of switching equipment, inventories, external wiring works, network infrastructure, and other goods and services amounting in the aggregate to approximately \$ 57,521 million (of which \$ 19,688 million corresponds to PP&E acquisition commitments).

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### **NOTE 20 - CAPITAL STOCK**

#### **20.1 – Cablevisión Holding**

The Company's capital stock as of May 1, 2017, the date on which it started its operations, was set at \$ 180,642,580, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 117,077,867 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

On March 21, 2017, the Company made a filing with the CNV in order to request admission to the public offering regime. On May 29, 2017, the Company requested the BCBA the listing of its Class B common shares.

On August 10, 2017, the CNV approved the prospectus for admission to the public offering regime filed by Cablevisión Holding and, consequently, the Company fulfilled the conditions detailed in CNV Resolution No. 18,818. On August 11, 2017, the BCBA notified the Company of its admission to the public offering regime.

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of June 30, 2020.

On September 26, 2017, the Company's Board of Directors approved, pursuant to Article five of the By-Laws, the conversion request submitted by the shareholder GS Unidos LLC of 4,028,215 Class C non-endorsable, registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share. Pursuant to the By-Laws, the Company informed the CNV and the BCBA of the conversion and: (i) on October 5, 2017, the CNV authorized, through Resolution No. DI 20178APN-G #CNV, the public transfer by way of conversion of 4,028,215 Class C non-endorsable, registered common shares and, (ii) on October 6, 2017, the BCBA informed the Company of the transfer of the authorization for the listing of 4,028,215 non-endorsable registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share.

On February 16, 2018, the United Kingdom Listing Authority ("UKLA") approved the prospectus related to the listing of the Company's Class B shares in the form of global depositary shares (GDSs) to be traded on the London Stock Exchange. Those GDSs were admitted to the official list of the UKLA on February 21, 2018.

The Company's capital stock as of June 30, 2020 is of \$ 180,642,580 and is represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 121,106,082 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.

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- 11,782,877 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

**20.2 – Telecom Argentina**

As of June 30, 2020 and December 31, 2019, the total capital stock of Telecom Argentina amounted to \$ 2,153,688,011, represented by the same number of common book-entry shares with nominal value of \$1 each.

As of the date of these financial statements, the CNV has authorized the public offering of all the shares of Telecom Argentina.

Class B Shares are listed and traded on the leading companies panel of the Buenos Aires Stock Exchange and the American Depositary Shares (ADS), each representing 5 Class “B” shares of Telecom, are traded on the NYSE under the ticker symbol TEO.

**NOTE 21 – REVENUES**

Revenues consist of the following:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>April 1, 2020 through June 30, 2020</u>	<u>April 1, 2019 through June 30, 2019</u>
Mobile Services	49,433	45,716	25,063	22,568
Internet Services	28,392	30,623	14,002	14,759
Cable Television Services	26,357	28,575	12,532	13,613
Fixed Telephony and Data Services	20,093	21,065	10,106	10,338
Other Services	383	478	195	298
<b>Subtotal Service Revenues</b>	<b><u>124,658</u></b>	<b><u>126,457</u></b>	<b><u>61,898</u></b>	<b><u>61,576</u></b>
Sale of Handsets	6,500	8,815	3,125	4,428
<b>Total Revenues</b>	<b><u>131,158</u></b>	<b><u>135,272</u></b>	<b><u>65,023</u></b>	<b><u>66,004</u></b>

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**NOTE 22 – OPERATING EXPENSES**

Operating expenses disclosed by nature of expense amounted to \$ 116,799 million and \$ 122,115 million for the six and three-month periods ended June 30, 2020 and 2019, respectively. The main components of the operating expenses are the following:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>April 1, 2020 through June 30, 2020</u>	<u>April 1, 2019 through June 30, 2019</u>
			<b>Income (loss)</b>	
<b><u>Employee benefit expenses and severance payments</u></b>				
Salaries, Social Security Payables and Bonuses	(22,779)	(23,073)	(11,467)	(10,798)
Severance Payments	(1,150)	(2,328)	(343)	(1,141)
Other Labor Costs	(504)	(430)	(263)	(156)
	<u>(24,433)</u>	<u>(25,831)</u>	<u>(12,073)</u>	<u>(12,095)</u>
<b><u>Fees for Services, Maintenance, Materials and Supplies</u></b>				
Maintenance and Materials	(7,748)	(7,996)	(3,631)	(3,851)
Fees for services	(5,987)	(6,033)	(2,849)	(3,121)
Directors' and Supervisory Committee Members' Fees	(72)	(20)	(36)	24
	<u>(13,807)</u>	<u>(14,049)</u>	<u>(6,516)</u>	<u>(6,948)</u>
<b><u>Taxes and Fees with the Regulatory Authority</u></b>				
Turnover Tax	(4,717)	(4,947)	(2,328)	(2,430)
Municipal Taxes	(1,338)	(1,476)	(668)	(739)
Other Taxes and Charges	(3,868)	(4,314)	(1,892)	(2,123)
	<u>(9,923)</u>	<u>(10,737)</u>	<u>(4,888)</u>	<u>(5,292)</u>
<b><u>Cost of Equipment and Handsets</u></b>				
Inventory Balances at the beginning of the year	(3,914)	(5,027)	(3,490)	(5,069)
Plus:				
Purchase of Equipment	(3,469)	(6,780)	(1,446)	(3,247)
Other	354	386	278	305
Less:				
Inventory Balances at period-end	2,630	4,800	2,630	4,800
	<u>(4,399)</u>	<u>(6,621)</u>	<u>(2,028)</u>	<u>(3,211)</u>
<b><u>Other Operating Income and Expense</u></b>				
Lawsuits and Contingencies	(197)	(622)	(141)	(183)
Rentals and Internet Capacity	(848)	(2,794)	(292)	(1,366)
Other	(3,875)	(3,158)	(1,778)	(1,811)
	<u>(4,920)</u>	<u>(6,574)</u>	<u>(2,211)</u>	<u>(3,360)</u>
<b><u>Depreciation, Amortization and Impairment of PP&amp;E, Intangible Assets and Rights of Use.</u></b>				
Depreciation of PP&E	(26,630)	(25,622)	(12,919)	(13,359)
Amortization of Intangible Assets	(4,146)	(4,453)	(1,896)	(2,203)
Amortization of Rights of Use	(2,430)	(1,876)	(1,340)	(881)
Impairment of PP&E	(149)	(127)	(77)	(13)
	<u>(33,355)</u>	<u>(32,078)</u>	<u>(16,232)</u>	<u>(16,456)</u>

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Operating Expenses disclosed by function are as follows:

Item	Cost of services provided	Selling Expenses	Administrative Expenses	Total as of June 30, 2020	Total as of June 30, 2019
Employee benefit expenses and severance payments	(14,173)	(3,555)	(6,705)	(24,433)	(25,831)
Interconnection and Transmission Costs	(4,601)	-	-	(4,601)	(4,264)
Fees for Services, Maintenance, Materials and Supplies	(6,180)	(3,189)	(4,438)	(13,807)	(14,049)
Taxes and Fees with the Regulatory Authority	(9,827)	(31)	(65)	(9,923)	(10,737)
Commissions and Advertising	-	(586)	(6,425)	(7,011)	(7,964)
Cost of Equipment and Handsets	(4,399)	-	-	(4,399)	(6,621)
Programming and Content Costs	(8,991)	-	-	(8,991)	(10,197)
Bad Debt Expenses	-	-	(5,359)	(5,359)	(3,800)
Other Operating Income and Expense	(3,370)	(388)	(1,162)	(4,920)	(6,574)
Depreciation, Amortization and Impairment of Fixed Assets	(27,158)	(2,323)	(3,874)	(33,355)	(32,078)
<b>Total as of June 30, 2020</b>	<b>(78,699)</b>	<b>(10,072)</b>	<b>(28,028)</b>	<b>(116,799)</b>	<b>-</b>
<b>Total as of June 30, 2019</b>	<b>(83,418)</b>	<b>(10,244)</b>	<b>(28,453)</b>	<b>-</b>	<b>(122,115)</b>

**NOTE 23 – FINANCIAL INCOME AND EXPENSE**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>April 1, 2020 through June 30, 2020</u>	<u>April 1, 2019 through June 30, 2019</u>
	<u>Income (loss)</u>	<u>Income (loss)</u>	<u>Income (loss)</u>	<u>Income (loss)</u>
Financial Debt Interest Expense (*)	(6,962)	(5,916)	(3,582)	(2,989)
Exchange Differences on Financial Debt (**)	(5,793)	8,737	(5,913)	13,122
<b>Total Financial Expenses on Debt</b>	<b>(12,755)</b>	<b>2,821</b>	<b>(9,495)</b>	<b>10,133</b>
Interests	410	1,679	(20)	863
Taxes and Bank Expenses	(1,157)	(1,249)	(529)	(627)
Other Exchange Differences	2,013	1,383	982	311
Financial Discounts on Assets, debt and Other	(16)	(63)	(57)	(8)
Results from Operations with Notes and Bonds	258	248	193	161
Interest on Allowances	(596)	(882)	(280)	(458)
Interest on Pension Benefits	(106)	(84)	(51)	(40)
Gain (Loss) on Net Monetary Position	2,633	2,770	1,514	(3,096)
Other	194	(95)	21	(83)
<b>Total Other Financial Income and Expense, net</b>	<b>3,633</b>	<b>3,707</b>	<b>1,773</b>	<b>(2,977)</b>
<b>Total Financial Income and Expense, net</b>	<b>(9,122)</b>	<b>6,528</b>	<b>(7,722)</b>	<b>7,156</b>

(\*) Includes (93) and 58 corresponding to foreign currency exchange (losses) / gains, net, generated by NDF for the six-month periods ended June 30, 2020 and 2019, respectively.  
(\*\*) Includes (474) and (2,270) corresponding to foreign currency exchange losses, net, generated by NDF for the six-month periods ended June 30, 2020 and 2019, respectively.

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**NOTE 24 – EARNINGS PER SHARE**

The following table shows the net income and the weighted average of the number of common shares used in the calculation of basic earnings per share:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>April 1, 2020 through June 30, 2020</u>	<u>April 1, 2019 through June 30, 2019</u>
Net Income used in the Calculation of Basic Earnings per Share (loss / gain):				
from Continuing Operations (in millions of Argentine pesos)	<u>879</u>	<u>3,102</u>	<u>(306)</u>	<u>3,374</u>
	<u>879</u>	<u>3,102</u>	<u>(306)</u>	<u>3,374</u>
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share				
Earnings per Share (in pesos)	4.87	17.17	(1.69)	18.68

The weighted average of outstanding shares for the six-month periods ended June 30, 2020 and 2019 was 180,641,002. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>April 1, 2020 through June 30, 2020</u>	<u>April 1, 2019 through June 30, 2019</u>
Basic and Diluted Earnings per Share	4.87	17.17	(1.69)	18.68
Total Earnings per Share	4.87	17.17	(1.69)	18.68

**NOTE 25 - BALANCES AND TRANSACTIONS WITH COMPANIES UNDER ARTICLE 33 - LAW No. 19,550 AND RELATED PARTIES****a) Cablevisión Holding S.A.****i. Related Parties**

For the purposes of these interim condensed consolidated financial statements, related parties are individuals or legal entities that are related (under IAS 24) to Cablevisión Holding, except for companies under Article 33 of the LGS.

For the periods presented, the Group has not conducted any transactions with Key Managers and/or persons related to them.

**ii. Balances with Companies under Article 33 of General Associations Law No. 19,550, and related parties**

- **Companies under Art. 33 of the LGS - Associates**

<b>CURRENT ASSETS</b>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>Other Receivables</b>		
La Capital Cable S.A.	59	41
Teledifusora San Miguel Arcángel S.A.	20	25
Ver TV S.A.	54	65
	<u>133</u>	<u>131</u>
<b>CURRENT LIABILITIES</b>		
<b>Other Liabilities</b>		
Televisora Privada del Oeste S.A.	3	3
	<u>3</u>	<u>3</u>

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• **Related Parties**

<b>CURRENT ASSETS</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>Trade Receivables</b>		
Other Related Parties	153	154
	<b>153</b>	<b>154</b>
<b>Other Receivables</b>		
Other Related Parties	32	-
	<b>32</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>		
<b>Accounts Payable</b>		
Other Related Parties	846	1,007
	<b>846</b>	<b>1,007</b>

iii. **Transactions with Companies under Article 33 of General Associations Law No. 19,550, and related parties**• **Companies under Art. 33 of the LGS - Associates**

	<b>Transaction</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
		<b>Income (loss)</b>	
<b>Sales and Other Revenues</b>			
La Capital Cable S.A.	Sales of Services and Other	19	32
		<b>19</b>	<b>32</b>
<b>Operating Costs</b>			
La Capital Cable S.A.	Fees for services	(24)	(21)
		<b>(24)</b>	<b>(21)</b>
<b>Financial Results</b>			
Ver T.V. S.A.	Interests	28	-
Teledifusora San Miguel Arcángel S.A.	Interests	12	-
		<b>40</b>	<b>-</b>

• **Related Parties**

	<b>Transaction</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
		<b>Income (loss)</b>	
<b>Sales and Other Revenues</b>			
Other Related Parties	Sales of services	87	91
		<b>87</b>	<b>91</b>
<b>Operating Costs</b>			
Other Related Parties	Programming Costs	(1,385)	(1,322)
Other Related Parties	Publishing and distribution of magazines	(325)	(371)
Other Related Parties	Advisory Services	(173)	(176)
Other Related Parties	Purchase of Advertising	(180)	(188)
Other Related Parties	Other purchases and commissions	(74)	(55)
		<b>(2,137)</b>	<b>(2,112)</b>

These transactions were carried out by the Group under the same conditions as if they had been carried out with an independent third party.

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### NOTE 26 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS

#### 1. Cablevisión Holding

The Company's bylaws provide that retained earnings shall be appropriated as follows: (i) 5% to the Company's legal reserve until such reserve equals 20% of the Company's capital stock; and (ii) the balance, in whole or in part, to the payment of the fees of the members of the Board of Directors and the Supervisory Committee, to dividends on common shares, or reserve accounts, or as otherwise determined by the Shareholders, among other situations.

On April 29, 2020, at the General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión Holding S.A., the shareholders decided, among other things: (i) to absorb the net loss for the year ended December 31, 2019 which amounts to \$ 3,246 million (\$ 3,420 million in constant currency as of June 30, 2020) through the partial reversal of the Voluntary reserve for illiquid results and (ii) to make a full reversal of the Voluntary reserve for financial obligations which, as of December 31, 2019, amounted to \$ 19,899 million (\$ 20,969 million in constant currency as of June 30, 2020) and to allocate \$ 162,348 million (\$ 171,074 million in constant currency as of June 30, 2020) to increase the legal reserve, an amount in Argentine pesos equivalent to US\$ 12 million to the payment of dividends in unrestricted US dollars, and the remaining amount to increase the Voluntary reserve for illiquid results. As of the date of these financial statements, the Company paid all of the distributed dividends.

#### 2. Telecom

##### Decisions of the Shareholders of Telecom at the Ordinary and Extraordinary Shareholders' Meeting

The Ordinary and Extraordinary Shareholders' Meeting of Telecom was held on April 28, 2020 with the remote participation of its shareholders pursuant to CNV Resolution No. 830/2020, due to the fact that the free movement of people in general is restricted, limited or banned, as a result of the state of health emergency introduced by Emergency Decree No. 297/2020 and subsequent regulations issued by the National Executive Branch. The Meeting was held using the Cisco Webex video-teleconference system. At such Shareholders' Meeting, the shareholders decided, among other things:

- (a) To approve the Annual Report and financial statements of Telecom as of December 31, 2019;
- (b) To approve the Board of Directors' proposal stated in constant currency as of March 31, 2020 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/2018 in connection with the Accumulated Deficit as of December 31, 2019 for \$ 6,633,713,897 (\$ 6,990,249,484 in constant currency as of June 30, 2020). The Board proposed: (i) to absorb \$ 1,931,029,240 (\$ 2,034,814,338 in constant currency as of June 30, 2020) of the "Voluntary reserve for capital investments"; (ii) to absorb \$ 4,702,684,657 (\$ 4,955,435,146 in constant currency as of June 30, 2020) of the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and (iii) to reclassify \$ 10,887,950,778 (\$ 11,473,134,581 in constant currency as of June 30, 2020) from the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" and appropriate it to the "Merger Surplus".
- (c) To approve the reversal of the balance of the "Voluntary reserve for capital investments" in the amount of \$ 3,541,443,368 adjusted as of April 30, 2020 using the National IPC (\$ 3,731,781,783 in constant currency as of June 30, 2020), increasing the "Voluntary reserve for future cash dividends" with the amount of said reversal.

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### **NOTE 27 - MANDATORY PUBLIC TENDER OFFER (“PTO”) DUE TO CHANGE OF CONTROL**

As described under Note 4 to the Company's consolidated financial statements as of December 31, 2019, on January 1, 2018, the Company became the direct and indirect holder of 841,666,658 Class D shares of Telecom Argentina, representing 39.08% of the outstanding capital stock of said company. In addition, all the provisions of the agreement, described under said note, came into effect. Said agreement entitles the Company to appoint the majority of the members of Telecom's Board of Directors. Therefore, the Company is the controlling shareholder of Telecom.

Accordingly, and pursuant to Law No. 26,831 (as amended by Law No. 27,440, the “Capital Markets Law”) and the rules of the Argentine Securities Commission (the “CNV”, for its Spanish acronym) effective as of that date, (“CNV Rules” and together with the Capital Markets Law, the “PTO Rules”), on June 21, 2018, the Company's Board of Directors decided to promote and make a mandatory public tender offer (“PTO”) due to change of control for all the Class B common shares issued by Telecom Argentina listed on Bolsas y Mercados Argentinos S.A. (“BYMA”, for its Spanish acronym), (including the Class C common shares issued by Telecom which were converted into Class B common shares within the term provided) at a price of \$ 110.85 per share (less the items detailed in the PTO Announcement).

Notwithstanding the fact that Fintech Telecom, LLC was not obligated to promote, make or launch a PTO pursuant to the PTO Rules and that it had not taken part in the determination or formulation of any of the terms and conditions of the PTO, as provided under Clause 6.7 of the agreement, Fintech Telecom LLC undertook with regard to the Company to pay and acquire 50% of the shares tendered under the PTO (notwithstanding the Company's right to acquire by itself the first 43,073,760 Class “B” shares of Telecom Argentina).

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company is of \$ 110.85 per Share (less any cash dividend per Share to be paid by Telecom Argentina from the announcement date to the date the price of the PTO is paid and other expenses, such as transfer expenses, rights, fees, commissions, taxes, duties or contributions) (the “PTO Price”). The Company has obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price shall be payable in Pesos in Argentina no later than 5 business days following the expiration of the offer reception period.

Pursuant to Article 3, paragraph c), Chapter II, Title III of CNV Rules, on July 5, 2018, the Board of Directors of Telecom Argentina issued an opinion stating that the PTO Price had been set in accordance with the mandatory terms provided under applicable laws, in conformity with item I of Article 88 of the Capital Markets Law, and issued the Board of Directors' Report provided under such Rules.

As part of the administrative proceeding filed by the Company with the CNV, the regulatory agency challenged the PTO price offered by the Company and stated in its opinion that the price should be of US\$ 4.8658 per share, payable in Argentine pesos at the exchange rate prevailing on the business day immediately preceding the PTO settlement date. CVH considered that CNV's position was unfounded and brought a claim entitled “Cablevisión Holding S.A. v. Argentine Securities Commission on Injunctions” (File No. 7998/2018) pending before Federal Civil and Commercial Court No. 3. On November 1, 2018, the judge granted the injunction requested by CVH and ordered the CNV to refrain from issuing any decision or deciding on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, for a period of six (6) months.

On October 8, 2018, the Company filed the substantive claim on which the request for an injunction was grounded: a request for a declaratory judgment declaring that the Company submitted and formulated the PTO in conformity with applicable regulations and fully in accordance with the PTO Rules.

On June 10, 2019, the Company was served notice of the decision rendered on May 9, 2019 in re “Burgueño Daniel v. Executive Branch - Argentine Securities Commission on Injunction (Autonomous)” (File

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89,537/2018) pending before Federal Court on Administrative Matters No. 1, Clerk's Office No. 1, whereby that Court granted an injunction, suspending the proceeding related to the PTO until such Commission decides to apply Resolution No. 779/18 (the "New CNV Resolution"), or until the expiration of the maximum term allowed under Article 5 of Law No. 26,854, as the case may be. The above-mentioned injunction was extended for an additional term of six (6) months, and the Court of Appeals ratified such extension.

In addition, on July 19, 2019, the Company was served notice of a decision rendered by Chamber I of the Court of Appeals on Federal Civil and Commercial Matters of this City in re "Cablevisión Holding S.A v. Comisión Nacional de Valores on Injunctions" (File No. 7,998/2018), whereby said Court revoked the injunction granted to the Company that had ordered the CNV to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company. The Company pointed out that, in the decision rendered by the above-mentioned Chamber, it was ordered that any appeal that may be eventually filed by the Company against any decision rendered by the CNV in connection with the PTO shall have staying effects. Against this decision rendered by the Court of Appeals on Civil and Commercial Matters, the Company filed a federal extraordinary appeal, which was dismissed on December 26, 2019. Notwithstanding the foregoing, as of that date, the PTO submitted by the Company was still within the scope of the injunction ordered in re "Burgueño Daniel v. Executive Branch - Argentine Securities Commission on Injunction (Autonomous)" (File 89,537/2018) reported in the previous paragraph.

On November 26, 2019, CVH was served notice of a claim filed by a shareholder of the Company, Daniel Burgueño, in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), pending before Federal Court on Administrative Matters No. 1, Secretariat No. 1. The claim seeks to obtain a declaration that CVH is no longer under the obligation to carry out a PTO to acquire the shares of Telecom Argentina as a result of the change of control in that company, pursuant to subsection k) of Article 32 of the New CNV Resolution, which regulates Law No. 26,831 (as amended by Law No. 27,440.) On December 27, 2019, CVH was served notice of the decision issued by the court of first instance in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), whereby the Court admitted the claim brought by Mr. Burgueño, confirmed that CVH no longer falls within the obligation to conduct a PTO due to the change of control in Telecom Argentina, pursuant to the terms of Article 32, subsection k.) of the New CNV Resolution and ordered the CNV to deem the proceedings initiated by the Company with the CNV concluded. In its ruling, the Court also ordered CVH to cease the proceeding initiated in connection with the PTO. On May 18, 2020, the Company was served notice of a decision rendered on May 15, 2020, whereby the court of first instance provided for the extension of the effectiveness of the injunction that had been granted in favor of Daniel Burgueño in re "Burgueño Daniel v. Executive Branch - Argentine Securities Commission on Injunction" (File 89,537/2018/3).

As of the date of these financial statements, the decision rendered by the court of first instance served on the Company on December 27, 2019 in re Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019) is not yet final due to the appeal filed by the CNV, currently pending before Chamber V of the Court of Appeals.

### **NOTE 28 - IMPACT OF CORONAVIRUS**

By the end of December 2019, the World Health Organization (WHO) received a report of pneumonia cases originated in Wuhan, Province of Hubei, China. The report was related to the outbreak of a new virus called Coronavirus ("COVID-19"), which soon spread to several provinces of China and then to other countries. The outbreak and spread of COVID-19 has generated several consequences on businesses and economic activities at a global level.

Given the extent of the spread, several governments in the world have implemented drastic measures to restrict the movement of the population and to curb the spread, including, among other things, controls at

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airports and other transport hubs, suspension of visas, border closure and the ban on travel to and from certain parts of the world, closure of public and private institutions, suspension of sports events, restrictions on museums and tourist attractions, extension of vacations, and finally, the mandatory isolation of the population together with the suspension of non-essential commercial activities with a high degree of compliance. On March 11, 2020, the WHO declared COVID-19 a global pandemic.

In Argentina, the National Government established a series of measures aimed at reducing the movement of the population, ordering the Mandatory and Preventive Social Isolation as from March 20, 2020, allowing the movement of only those people involved in the provision/production of essential services and products, among them, those involved in the provision of telecommunication, fixed and mobile Internet and digital services. Such isolation measures were changed in different stages and may be extended as deemed necessary according to the epidemiological situation.

The Group provides services that are critical for society as it connects people, homes, companies and governments. The infrastructure deployed contributes to providing, through the capacity of fixed and mobile networks, essential services such as the coordination of the security forces and the health ecosystem where communications at healthcare facilities and new field hospitals have been strengthened and enhanced. In addition, the Government has facilitated the communication between students and teachers through virtual educational platforms, enhancing learning through different applications and boosting the access to information for all the population, as well as the availability of contents and entertainment delivered through different platforms, strengthening the bond with our customers.

In economic terms, the services rendered by the Group favor the continuity of the activities of large, medium- and small-sized companies that are still operating, many of them remotely, boosted by online platforms so that sellers and consumers can connect and sustain consumption; cooperate with the productive process through the implementation of home office as one of the most disruptive tools given its massive and immediate application, contributing to sustaining the economy of the country. In this context of isolation, the services rendered by the Group enable people to stay connected, entertain themselves, produce and stay informed from their homes.

Thanks to the investments in infrastructure made over the last years, the Group has equipment and systems that enable its networks to work efficiently even with the increased use of its fixed and mobile connectivity services registered since the beginning of the Mandatory and Preventive Social Isolation and that are reflected in the increase of up to 50% in home Internet data traffic, 70% in mobile voice services and 30% in mobile data, taking into account that fixed and mobile networks are complementary and that customers use them alternatively, and with a 75% increase in upstream.

### **External Actions Taken by the Group in Response to the Health Emergency**

The COVID-19 pandemic has driven joint actions by domestic companies providing essential support to face the health crisis, reflected in the donation of funds, services, supplies, products, and other type of assistance.

Telecom received a recognition from the NYSE for the social value initiatives implemented under its ongoing commitment to the community and in response to the COVID-19 emergency. The most relevant initiatives were the following:

- Connectivity for field hospitals;
- Discount in the services provided to over 500 hospitals and health centers throughout the country, to the Argentine Red Cross and to the Food Bank;
- Expansion of services for emergency lines;
- Discount in mobile data services for the use of educational platforms;
- Provision of Telecom's own educational contents through its program "Nuestro Lugar" ([www.nuestrolugar.com.ar](http://www.nuestrolugar.com.ar)) with proposals on cyber citizenship for children, families and teachers;

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- Increase of pedagogical contents in Flow, its entertainment platform, extending the access to Flow App to all the cable television customer base;
- Benefits granted to customers to enable them to take further advantage of connection possibilities and to access valuable information and educational and entertainment contents;
- Support to the solidarity initiative “Seamos Uno” for the delivery of food and personal care products to families that need them the most, among many other initiatives;
- Provision of communication tools to disseminate health information to citizens, in alliance with boroughs and governments throughout the country.

### **Internal Actions Taken by the Group in Response to the Health Emergency**

In addition, the Group implemented a series of measures to ensure the continuity of its operations, safeguarding the health and welfare of all the personnel and of those that are part of the value chain. The main measures adopted by the Company are:

- The early performance of the tasks planned for 2020 and the initiation of works to ensure the capacity required for the networks to continue operating seamlessly;
- Expansion of the capacity for international outgoing Internet traffic by 40% (with the possibility of increasing it further if the situation so requires);
- Execution of agreements to boost the links with international suppliers and IP networks;
- Early execution in public thoroughfare of infrastructure works on residential fixed data networks, enhancement of data centers and hubs and increase of the capacity of Flow's content distribution network;
- Expansion of the capacity of the mobile network in certain smaller locations in the provinces where there is only one network, and the continuation of preventive maintenance tasks in all our networks;
- Launch of a campaign, since the first day of the mandatory isolation, promoting all the digital communication channels and encouraging customers to request support through those channels. Enhancement of digital support in order to handle the new flow of customers by implementing special microsites identified as “I pay from home”;
- In compliance with regulations in effect in each location, Telecom began to gradually open its commercial offices in the locations that progress to stages involving social distancing;
- Technical support focused on preventive maintenance and repairs in public thoroughfare and on Telecom's own infrastructure, giving priority to critical cases such as hospitals and security forces, among others;
- In the case of new installations and repairs that have to be made inside of our customers' homes, Telecom provided technical teams with personal care and safety kits, which include special protective gear such as coveralls, gloves, cloth face covering and special goggles, hand sanitizer and training for the proper and safe use of those elements;
- The Crisis Committee, composed of members of Upper Management, started to hold meetings on a regular basis and added the advice of health experts in order to address the different scenarios that may arise and to be able to make quick decisions;
- Implementation of home office, prior to the declaration of the mandatory and preventive social isolation, for over 10,000 employees from business support areas with virtual private network access so that they can work remotely with the same tools and security levels they have in their workspaces at our offices. They use web and mobile applications for (i) administrative and human resources tasks, (ii) access to e-learning training and (iii) communication and collaborative workspaces, virtual rooms and access to files and documentation from anywhere, in a collaborative and safe way;
- Enhancement of cleaning and disinfection at workspaces and environments for those tasks that cannot be performed remotely, including the vans used by technical support teams, as well as provision of hand washing and sanitizing methods, the distribution of personal care kits in accordance with the protocol established by the Superintendency of Labor Risks;

See our report dated  
August 19, 2020

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín  
Supervisory Committee

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## **CABLEVISIÓN HOLDING S.A.**

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- From the beginning of the health situation, we have developed several initiatives under a corporate program called “Nos Acompañamos” (We support each other) aimed at all our employees for the purpose of safeguarding their biopsychosocial welfare, with a focus on work-life balance;
- Continuation of ongoing communication with unions to agree on work protocols that allow the Company to continue providing services and, at the same time, safeguard the health of our employees; and
- Ongoing communication with our strategic partners and other international operators from the countries with greater spread of the pandemic in order to understand and foresee the potential impacts on our operations.

### **Regulatory Matters**

#### **Prohibition to disconnect services in case of late or non-payment**

On March 24, 2020, the Executive Branch issued Decree No. 311/2020, whereby it provided for the temporary suspension of the disconnection of services deemed essential for the development of daily life, such as electricity supply, running water supply, gas supply, fixed or mobile telephony, Internet and radio electric link or satellite link subscription television, among others, in order to guarantee access to those essential services in case of late or non-payment of up to three consecutive or alternate bills due as from March 1, 2020. On June 18, 2020, the Executive Branch issued Decree No. 543/2020, whereby it extended such temporary suspension in case of late or non-payment of up to six consecutive or alternate bills, due as from March 1, 2020.

Decree No. 311/2020 also provides that companies that render fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services are under the obligation to maintain a reduced service, as established in the regulations, for a term of one hundred eighty (180) calendar days. In addition, the decree provides that if users of mobile telephony or Internet prepaid services fail to pay the corresponding recharge to have access to consumption, the companies that provide those services must provide a reduced service within the terms provided by regulations, and that this obligation shall be effective until April 30, 2020. Such term was subsequently extended through several decrees. Through an agreement executed between Telecom and the ENACOM, which is described below, such term will finally expire on October 31, 2020.

The Ministry of Productive Development (MPD), designated as the Enforcement Authority, ordered the prohibition to disconnect services in case of late or non-payment, under the conditions established under the approved general rules. In addition, the MPD created a Coordination Unit, composed of a representative of each of the competent areas, in order to implement the provisions of the decree. The Coordination Unit shall issue, within a maximum term of fifteen calendar days, a report regarding the number of users that fall within the scope of the decree and the segment of users that do not fall within the scope of the decree but the Unit would deem convenient to include.

The implementing regulations provide that the users that fall within the scope of the decree are all those whose bills are due as from March 1, 2020 and those with a current notice of disconnection, provided they registered the service under their name before March 26, 2020. In addition, the implementing regulations set forth the monthly minimum features that will be considered as reduced service. In addition, the implementing regulations also provide that the measures adopted may be extended to other individual customers, individuals registered under the simplified tax (*monotributo*) and civil associations that provide evidence of a decrease in their revenues.

In addition, the ENACOM set forth the information that the companies that render fixed and mobile telephony, Internet and radio-electric link or satellite link subscription television services must submit to the oversight agency, and also ordered that such companies may not suspend or disconnect the service due to non-payment by any user included in the reports issued by the Coordination Unit.

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Such companies must disclose to ENACOM all the prices set for the reduced services that they are under the obligation to maintain, broken down by type of service and subject to the condition that such prices shall be fair and reasonable. The prices of the reduced services must be informed to the users through the bills, institutional websites and all the social media through which companies communicate with their customers and/or advertise their services. Companies must also disclose to the ENACOM the terms and conditions and/or modalities of the payment plans and the communication process, which they shall make available to qualifying users.

### Agreement between the Industry and the ENACOM

In May 2020, Telecom, together with the other companies in the industry, executed an agreement with the ENACOM, effective until August 31, 2020, whereby the parties agreed, among other issues: (i) to suspend the increase in the prices of mobile and fixed telephony, Internet and cable television services from May 1 to August 31, 2020, in order to ease the situation of the users affected by the quarantine, (ii) to create inclusive plans for fixed and mobile telephony and Internet services for individuals who request that benefit, with a fixed price until September 30, 2020, (iii) to extend the “reduced service” benefit, which guarantees the connectivity of users with prepaid mobile telephony and Internet services, maintaining the price until October 31, 2020, (iv) not to dismiss employees without cause during the term of this agreement, and (v) to renegotiate this agreement and immediately suspend its effects in case of salary increases granted under wage negotiations.

### Universal Service

Through Resolution No. 477/2020, published in the Official Gazette on May 31, 2020, the ENACOM amended the General Rules on Universal Service. The amendments provided, among other matters, that the projects aimed at giving access and providing ICT services to the neighborhoods registered in the “*Registro Nacional de Barrios Populares*” (National Registry of Popular Neighborhoods), which require an exceptional urgent solution in the context of the health emergency, may be considered as Universal Service programs. In addition, direct execution by ENACOM is incorporated as a mechanism for granting Universal Service programs in the case of duly proven exceptional and extraordinary circumstances.

### Main Accounting Impacts

As of the date of these consolidated financial statements, the pandemic has not had significant impacts on the Group's results. Even though various types of difficulties have slowed down our operations or made them more complex; such as the increased Internet data traffic, the increase in mobile voice service, the decrease in the collection of service fees, and mainly the inconveniences to make repairs and installations inside of our customers' homes, among others; the operations are still in place and are expected to continue in spite of the difficulties.

In accordance with the guidelines of IAS 36, the Group's Management has assessed whether there was any indication of impairment of any asset. Even though the pandemic may have a significant impact on economic activity in Argentina and become an indicator of impairment, based on Management's estimates, no adverse effect has been identified on the Group's future cash-flow-generating capacity because the volume of operations is expected to remain stable. Therefore, the Group has not deemed it necessary to estimate the recoverable value of its fixed assets as of June 30, 2020.

The implementation of measures aimed at reducing the circulation of people initially included the closure of in-person collection channels, thus affecting the collections of the Group as from March 20, 2020. However, this situation gradually evolved during the second quarter of 2020 with the reopening of the in-person collection channels and the strengthening of the digital channels through the implementation of “I pay from home”. The Group's Management estimates that the deterioration of Argentina's economic situation represents an increase in the credit risk of trade receivables existing at the end of the period. These consolidated financial statements include an increase in the allowance for bad debts as a result of the

See our report dated  
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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín  
Supervisory Committee

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## CABLEVISIÓN HOLDING S.A.

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application of the model called “expected credit losses”, as established by IFRS 9. For more information on the breakdown and maturity dates of trade receivables, see Notes 3 and 18, respectively.

### - *Liquidity Risk:*

The negative effect on the collection of service fees mentioned above does not represent a liquidity risk with respect to the fulfillment of the short-term financial obligations because the Group has been working on strengthening its liquidity for some time now. The Company, Telecom and its subsidiaries have enough liquidity and bank credit lines and a notes program that allow them to finance their short-term obligations and investment plan in addition to the projected operating cash flows.

Notwithstanding the above, Telecom implemented measures to ensure the highest liquidity possible to address the volatility of the context with heightened uncertainty, to offset the potential decrease of revenues and to be able to fulfill its obligations. Those measures include the adherence to the following installment payment plans within the framework of General Resolution No. 4268 issued by the AFIP:

a) Employer's and Social Security Contributions: On April 15, 2020, Telecom filed an installment payment plan for the payment of employer's and social security contributions corresponding to March 2020 for an aggregate of \$ 1,136 million. The plan provides for the settlement of the debt in 6 equal consecutive installments as from May 16, 2020 and accrues an annual interest rate of 30%.

b) VAT and Excise Taxes: On April 21, 2020, Telecom filed an installment payment plan for the settlement of VAT and excise taxes payable under the tax return corresponding to March 2020 for an aggregate of \$ 642 million. The plan provides for the settlement of the debt in 6 equal consecutive installments as from May 16, 2020 and accrues an annual interest rate of 30%.

The ultimate effects of COVID-19 and its impact on the global and local economy are unknown. Governments may issue more stringent measures, which cannot be predicted at this stage. The Company's Management will continue to develop actions that minimize the potential impairment on its results, as a result of these situations, maintaining a high level of service and customer satisfaction, and seeking to maximize the precautions in social management in this context.

The Company's and Telecom's Board of Directors and Telecom's Crisis Committee are closely monitoring the evolution of the situation and taking the necessary measures to preserve human life and the sustainability of Telecom's businesses.

## NOTE 29 – SUBSEQUENT EVENTS

### 1. Renegotiation of Financial Debt

Within the framework of its ongoing policy of optimizing the terms, rates and structure of its financial liabilities, Telecom has refinanced a portion of its financial debt, as detailed below:

#### a) **Issuance of Class 5 Notes (Class 5 Notes)**

Within the framework of the Global Notes Program for up to a maximum outstanding amount of US\$3,000 million (or its equivalent in other currencies or value units), on August 6, 2020, the Company issued Class 5 Notes (the “Class 5 Notes”). Its main characteristics are detailed below:

#### **Class 5 Notes**

**Issuance Date:** August 6, 2020.

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(Partner)

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**Amount Issued:** US\$388.9 million (approximately \$28,273 million as of the date of issuance), of which US\$253.5 million corresponds to instruments to be paid in kind through the delivery of Class A Notes as described in item b) below and US\$135.4 million corresponds to instruments to be paid in cash.

**Maturity Date:** August 6, 2025.

**Repayment:** 3% of principal will be repaid on February 6, 2023, 30% on August 6, 2023, 33% on August 6, 2024, and 34% on August 6, 2025.

**Interest Rate and Payment Date:** the notes accrue interest on a semi-annual basis as from the Issuance Date until the Maturity Date, at a fixed annual rate of 8.50%. Interest will be paid on a semi-annual basis and the last interest payment date will be the Maturity Date.

**Payment Method:** Class 5 Notes may be paid, at the investor's choice, in cash in US dollars or in kind through the delivery of Class A Notes due in 2021. The net cash proceeds of Class 5 Notes that were paid in cash were allocated to the refinancing of the loan executed with Deutsche Bank AG, London Branch, mentioned in item c) below. The Class A Notes delivered for the subscription in kind of Class 5 Notes were settled by Telecom.

### **b) Outstanding Class "A" Notes (the "Class "A" Notes") at fixed rate due in 2021**

On July 7, 2020, Telecom started the public placement process of Class 5 Notes, for the purpose of refinancing Class A Notes and the loan executed with Deutsche Bank AG, London Branch, mentioned in point c) below, jointly with a request for consent for the amendment of certain terms and conditions of Class A Notes. The Class A noteholders that chose to deliver these Class A Notes for the payment in kind of the Class 5 Notes received for each US\$1,000 of Class A Notes delivered to Telecom: i) US\$ 700 principal amount of Class 5 Notes; and ii) US\$ 320 in cash.

Pursuant to the terms of the offer, the nominal value of Class "A" Notes delivered to Telecom for the payment in kind of Class 5 Notes amounted to US\$ 362.2 million, representing approximately 77.74% of the total outstanding Class "A" Notes, which were settled and retired.

As a result, the remaining nominal value of outstanding Class "A" Notes amounts to US\$ 103.7 million.

### **a) Loan with Deutsche Bank**

On November 8, 2018, Telecom was informed that Deutsche Bank AG, London Branch, as arranger of a bank syndicate, had accepted a loan offer (extended on November 14, 2018) for US\$ 300 million. As of June 30, 2020, the outstanding principal amounted to approximately US 187.5 million.

On August 6, 2020, Telecom repaid in full the bank loan executed with Deutsche Bank AG, London Branch, including interest accrued at that date and related expenses, with cash obtained from the subscription of Class 5 Notes mentioned in the previous paragraph and the payment in cash explained in item 2.b) below.

## **2. Agreement with TMF Trust Company**

In order to meet the obligations arising from the renegotiations of financial debts undertaken by Telecom, which involve significant cash payments, on July 15, 2020, Telecom entered into a management trust agreement with TMF Trust Company (Uruguay), in its capacity as trustee, for the provision of funds and the management of such payments.

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In accordance with the above, towards the end of July 2020, Telecom disbursed to the trust an aggregate amount of US\$ 273 million. As of the date of these financial statements, the Trust has made the following cash payments:

- a. US\$ 119.2 million to the holders of Class "A" Notes to pay the cash consideration for refinancing the Class "A" Notes, interest accrued as of the settlement date and related expenses.
- b. US\$ 62.4 million as a partial repayment of the loan executed with Deutsche Bank AG.

**NOTE 30 - APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The Company's Board of Directors has approved these interim condensed consolidated financial statements and authorized their issuance for August 19, 2020.

See our report dated  
August 19, 2020

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair

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**CABLEVISIÓN HOLDING S.A.**

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**Cablevisión Holding S.A.**  
**SUPPLEMENTARY FINANCIAL INFORMATION**  
As of June 30, 2020

**1. COMPANY ACTIVITIES**

On January 1, 2018, the Company informed that its subsidiary Cablevisión S.A., within the framework of its Merger with Telecom Argentina S.A., had signed the minutes regarding the transfer of operations, in its capacity as Absorbed Company to the Absorbing Company, under the terms of the Final Merger Agreement signed on October 31, 2017. Therefore, as provided under the Pre-Merger Commitment and under the Final Merger Agreement, as from 0:00 hours of January 1, 2018 the Merger entered into effect and, consequently, Cablevisión S.A. was dissolved without liquidation and Cablevisión Holding S.A. became the controlling company of Telecom Argentina S.A.

As far as business management is concerned, our subsidiary Telecom Argentina recorded during the first half of 2020 revenues in the amount of \$131,158 million, compared to \$135,272 million recorded in the first half of 2019. CVH's consolidated operating costs -including amortization, depreciation and impairment of fixed assets- amounted to \$116,799 million (a decrease of \$5,316 million compared to the same period of 2019), operating income before depreciation and amortization amounted to \$47,714 million -equivalent to 36.4% of consolidated revenues -, compared to \$45,235 million and 33.4% in the first half of 2019. Operating Income amounted to \$14,359 million (a 9.1% increase compared to the same period in 2019) -equivalent to 10.9% of consolidated revenues- and net income recorded a profit of \$2,161 million compared to the profit recorded in the first half of 2019 of \$9,041 million). This decrease is mainly accounted for by an increase in the financial cost of indebtedness during the first half of 2020, arising from the negative results due to exchange differences, given the higher real devaluation, which was partially offset by a decrease in income tax.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Sebastián Bardengo  
Chair

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**2. CONSOLIDATED FINANCIAL STRUCTURE**

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current Assets	77,497	63,238
Non-Current Assets	<u>575,970</u>	<u>582,741</u>
Total Assets	<u>653,467</u>	<u>645,979</u>
Current Liabilities	128,376	88,018
Non-Current Liabilities	<u>182,706</u>	<u>182,186</u>
Total Liabilities	<u>311,082</u>	<u>270,204</u>
Equity of the Parent Company	141,748	148,492
Equity of Non-Controlling Interests	<u>200,637</u>	<u>227,283</u>
Total Equity	<u>342,385</u>	<u>375,775</u>
Total Equity and Liabilities	<u>653,467</u>	<u>645,979</u>

**3. CONSOLIDATED COMPREHENSIVE INCOME STRUCTURE**

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Operating income/loss from continuing operations <sup>(1)</sup>	14,359	13,157
Financial Results	(9,122)	6,528
Equity in Earnings from Associates	<u>216</u>	<u>236</u>
Income/loss from continuing operations before income tax	5,453	19,921
Income Tax	<u>(3,292)</u>	<u>(10,880)</u>
Net Income (Loss) for the Period	2,161	9,041
Other Comprehensive Income (Loss) for the Period	<u>(1,063)</u>	<u>(3,028)</u>
Total Comprehensive Income (Loss) for the Period	<u>1,098</u>	<u>6,013</u>

<sup>(1)</sup> Defined as net sales less cost of sales and expenses.

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Chair



## CABLEVISIÓN HOLDING S.A.

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### 4. CASH FLOW STRUCTURE

Note: the amounts are stated in thousands of Argentine Pesos. Pursuant to CNV regulations, the following table shows the balances and results for the period, prepared under IFRS.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash flows provided by operating activities	47,139	49,439
Cash Flows used in Investment Activities	(23,516)	(28,699)
Cash provided by (used in) financing activities	<u>(5,519)</u>	<u>(4,111)</u>
Total Cash provided for the period	18,104	16,629
Exchange rate differences, net and gain (loss) on net monetary position on cash and cash equivalents	<u>1,121</u>	<u>(2,226)</u>
Total changes in cash	<u><u>19,225</u></u>	<u><u>14,403</u></u>

### 5. STATISTICAL DATA

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cable Television Service Subscribers (i)	100.2%	99.8%	99.8%
Internet Access (ii)	100.8%	101.7%	101.0%
Fixed Telephony Service Lines (ii)	84.2%	89.4%	96.9%
Personal Mobile Service Lines (ii)	99.1%	97.0%	98.2%
Núcleo Customers (ii)	95.4%	97.5%	97.2%

(i) Base December 2013= 100

(ii) Base December 2017= 100

### 6. RATIOS

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Liquidity (current assets / current liabilities)	0.60	0.61
Solvency (equity / total liabilities)	1.10	1.12
Capital assets (non-current assets / total assets)	0.88	0.91

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(Partner)

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Sebastián Bardengo  
Chair

## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

### 7. OUTLOOK

We started 2020 with an unprecedented scenario for humanity as a whole as a result of the health crisis triggered by COVID-19. As a consequence, governments all over the world have implemented drastic social isolation measures to safeguard their people.

The implementation of these emergency measures is expected to have a severe impact on the economic situation of the country, which had already showed difficulties by the end of 2019. Even today, the ultimate effects of COVID-19 and its impact on the global and local economy are unknown. However, one of the most visible consequences of the current health situation is the indispensable role of telecommunications in enabling connectivity and making possible the development of essential activities in the context of this health crisis

Thanks to the investments in infrastructure made over the last years, our subsidiary Telecom has equipment and systems that allow its networks to work efficiently even with the increased use of its services - both fixed and mobile connectivity- registered since the beginning of the Mandatory and Preventive Social Isolation.

In record time, our subsidiary has strengthened its networks, adapted its systems, reconfigured its management processes and implemented different modes of work to continue with its operations and, mainly, to safeguard its working team, its most important resource. In this sense, the scenario raised by the pandemic has accelerated the digital transformation that the Company was already undergoing, allowing it to accomplish great milestones in the upgrade of Telecom's core platforms, focused on the omnichannel experience of the customers and the transformation of the back office of all its areas.

Most of the employees in business support areas work from their homes efficiently and safely with access to the virtual private network. We enhanced the cleaning and disinfection at our facilities and workspaces for those tasks that cannot be performed remotely, we minimized interpersonal contact and provided hand washing and sanitizing methods, in accordance with the protocol established by the Superintendency of Labor Risks.

Customer service and support were directed to digital and telephone channels. However, in compliance with effective regulations, Telecom has recently opened commercial offices in locations with less than 100,000 inhabitants, assisting in the different stages of the opening of isolation measures that are being implemented in different cities of the country where Telecom has an active presence through its business brands.

As regards technical support, thanks to the reconversion of Telecom's networks and systems underway, several technical tasks can be conducted remotely. In those situations, the technicians provide customer support remotely, guiding customers to solve any inconveniences at their homes, while in the case of new installations and repairs that have to be made inside of the customers' homes, Telecom provided technical teams with personal care and safety kits, and training for the proper and safe use of those elements.

With these and other actions, Telecom managed to maintain its operations, to minimize the potential deterioration of its results as a consequence of this scenario and, at the same time, to maintain customer service and satisfaction level, promoting the safety of its employees and customers.

Regarding the macroeconomic context, the current environment is expected to cause a further deterioration of the economic variables and a negative impact on the results of most of the companies in Argentina and

See our report dated  
August 19, 2020

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(Partner)

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Chair

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in the world. In this sense, Telecom is strongly focusing its management on achieving operational efficiencies to maintain growth levels in line with the investments undertaken, and remains committed to the development of the country through a strategic investment plan aimed at the deployment and upgrading of infrastructure throughout the national territory.

Now more than ever, the Group reinforces its commitment to ensure the continuity and quality of all the services, to further support its customers in light of the challenge posed by the current context and continue with its transformation plan to become increasingly dynamic, efficient and digital.

Autonomous City of Buenos Aires, August 19, 2020.

See our report dated  
August 19, 2020

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Sebastián Bardengo  
Chair

Free translation from the original prepared in Spanish

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

To the Shareholders, President and Directors of  
Cablevisión Holding S.A.  
Legal domicile: Tacuarí 1842, 4th floor,  
City of Buenos Aires  
Tax ID No. 30-71559123-1

### **Introduction**

We have reviewed the attached interim condensed consolidated financial statements of Cablevisión Holding S.A. and its controlled subsidiaries (the "Company") which comprise the consolidated statement of financial position at June 30, 2020, the consolidated statements of comprehensive income for the six and three-month periods ended at June 30, 2020 and the consolidated statements of changes in equity and of cash flows for the six-month period ended on that date and a summary of significant accounting policies and other explanatory information.

The balances and other information corresponding to fiscal year 2019 and interim period are an integral part of the above-mentioned financial statements and, therefore, they should be considered in relation to those financial statements.

### **Management's responsibility**

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed consolidated financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

### **Scope of our review**

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed consolidated financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing, and consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an

audit opinion on the consolidated statement of financial position, consolidated comprehensive income and consolidated cash flows of the Company.

### **Conclusion**

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed consolidated financial statements mentioned in the first paragraph of this report are not prepared, in all material respects, in accordance with IAS 34.

### **Emphasis of Matter**

Without modifying our conclusion, we would like to emphasize the information contained in Note 17 to the interim condensed consolidated financial statements, which describes the situation related to the resolution issued by the Secretary of Internal Trade to calculate the monthly fee payable by the users of television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

### **Report on compliance with current regulations**

In accordance with current regulations, in respect to Cablevisión Holding S.A., we report that:

- a) except for its lack of transcription to the "Inventory and Balance Sheet" book, the interim condensed consolidated financial statements of Cablevisión Holding S.A. comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A., except for its lack of transcription to the "Inventory and Balance Sheet" book and to the "Journal" book (accounting entries corresponding to the months of January to June 2020), arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the supplementary financial information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at June 30, 2020, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company's accounting records and calculations amounted to \$ 684,443, none of which was claimable at that date.

City of Buenos Aires, August 19, 2020.

PRICE WATERHOUSE & CO. S.R.L.

by \_\_\_\_\_ (Partner)  
Dr. Carlos A. Pace



## **Cablevisión Holding S.A.**

### **Interim Condensed Separate Financial Statements**

For the six-month period ended June 30, 2020  
presented on a comparative basis

*English free translation of the Financial Statements and Reports originally issued in Spanish.*

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### **Interim Condensed Separate Financial Statements**

- Separate Statement of Comprehensive Income.
- Separate Statement of Financial Position.
- Separate Statement of Changes in Equity.
- Separate Statements of Cash Flows.

### **NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

1. General Information.
2. Basis for the Preparation and Presentation of the Interim Condensed Separate Financial Statements.
3. Accounting Estimates and Judgments.
4. Breakdown of main items.
5. Balances and transactions with related parties.
6. Financial Instruments.
7. Provisions and Other Contingencies.
8. Capital Stock Structure.
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10. CNV General Resolution No. 629/2014 - Record Keeping
11. Mandatory Public Tender Offer ("PTO") due to Change of Control.
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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019,**  
**AND THE THREE-MONTH PERIODS BEGINNING ON APRIL 1 AND ENDED ON JUNE 30, 2020**  
**AND 2019**  
(in millions of Argentine pesos)

	Notes	June 30, 2020	June 30, 2019	April 1, 2020 through June 30, 2020	April 1, 2019 through June 30, 2019
Equity in Earnings from Associates	4.4	686	3,695	(369)	2,870
Fees for services	4.1	(68)	(86)	(26)	(27)
Salaries and Social Security Payables	4.1	(12)	(14)	(7)	(8)
Other expenses	4.1	(6)	(7)	(2)	(4)
Other Operating Income and Expense		(52)	(113)	(26)	(63)
Financial Expenses on Debt	4.2	-	109	-	1,089
Other Financial Results, net	4.3	332	(481)	126	(484)
Income (Loss) before Income Tax		880	3,103	(304)	3,373
Income Tax		(1)	(1)	(1)	1
<b>Net Income (Loss) for the Period</b>		<b>879</b>	<b>3,102</b>	<b>(305)</b>	<b>3,374</b>
<b>Other Comprehensive Income</b>					
<b>Items which can be reclassified to Net Income (Loss)</b>					
Equity in Earnings from subsidiaries		(340)	(942)	67	(667)
<b>Total Comprehensive Income (Loss) for the</b>		<b>539</b>	<b>2,160</b>	<b>(238)</b>	<b>2,707</b>

The accompanying notes are an integral part of these interim condensed financial statements.

See our report dated  
August 19, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

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Supervisory Committee

Sebastián Bardengo  
Chair

Dr. Carlos A. Pace  
Certified Public Accountant (UBA)  
C.P.C.E.C.A.B.A. Vol. 150 Fol. 106



**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020 AND DECEMBER 31, 2019**  
(in millions of Argentine pesos)

	<u>Note</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4.5	805	1,682
Other Receivables		40	28
<b>Total Current Assets</b>		<b>845</b>	<b>1,710</b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables		535	387
Deferred Tax Assets		45	46
Investments in Unconsolidated Affiliates	4.4	135,231	134,885
<b>Total Non-Current Assets</b>		<b>135,811</b>	<b>135,318</b>
<b>Total Assets</b>		<b>136,656</b>	<b>137,028</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable		3	11
Salaries and Social Security Payables		7	11
Other Liabilities		43	98
<b>Total Current Liabilities</b>		<b>53</b>	<b>120</b>
<b>Total Liabilities</b>		<b>53</b>	<b>120</b>
<b>EQUITY (as per the corresponding statement)</b>			
Shareholders' Contribution		24,200	24,200
Other Items		(2,452)	(2,112)
Retained Earnings		114,855	114,820
<b>Total Equity</b>		<b>136,603</b>	<b>136,908</b>
<b>Total Equity and Liabilities</b>		<b>136,656</b>	<b>137,028</b>

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**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**  
 (in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company									
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Interests
	Capital Stock <sup>(1)</sup>	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	
Balances as of January 1, 2019	181	7,040	16,979	24,200	(1,199)	(101)	242	16,055	101,943	
Set-up of Reserves	-	-	-	-	-	-	1,202	100,741	(101,943)	-
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	3,102	3,102
Other Comprehensive Income	-	-	-	-	(942)	-	-	-	-	(942)
<b>Balances as of June 30, 2019</b>	<b>181</b>	<b>7,040</b>	<b>16,979</b>	<b>24,200</b>	<b>(2,141)</b>	<b>(101)</b>	<b>1,444</b>	<b>116,796</b>	<b>3,102</b>	<b>143,300</b>
Balances as of January 1, 2020	181	7,040	16,979	24,200	(2,000)	(112)	1,444	116,796	(3,420)	136,908
Dividend Distribution (Note 9.1)	-	-	-	-	-	-	-	(844)	-	(844)
Set-up of Reserves (Note 9.1)	-	-	-	-	-	-	-	(3,420)	3,420	-
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	879	879
Other Comprehensive Income	-	-	-	-	(340)	-	-	-	-	(340)
<b>Balances as of June 30, 2020</b>	<b>181</b>	<b>7,040</b>	<b>16,979</b>	<b>24,200</b>	<b>(2,340)</b>	<b>(112)</b>	<b>1,444</b>	<sup>(2)</sup> <b>112,532</b>	<b>879</b>	<b>136,603</b>

(1) Includes 1,578 treasury shares. See Note 8.

(2) Voluntary Reserve for Illiquid Results.

The accompanying notes are an integral part of these interim condensed financial statements.

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 AND 2019**  
(in millions of Argentine pesos)

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Net Income (Loss) for the Period	879	3,102
Income Tax	1	1
Accrued Interest, net	(7)	918
Adjustments to Reconcile Net Income (Loss) for the Period to Cash used in Operating Activities:		
Exchange Differences and Other Financial Results	(288)	(769)
Gain (Loss) on Net Monetary Position	(39)	206
Equity in Earnings from Associates	(686)	(3,695)
Changes in Assets and Liabilities:		
Other Receivables	65	(221)
Trade and Other Payables	(21)	(308)
Other Liabilities	(40)	30
Taxes Payable	(2)	247
Net Cash Flows used in Operating Activities	<u>(138)</u>	<u>(489)</u>
<b>CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES</b>		
Transactions with Notes and Bonds, Net	55	-
Dividends Collected	-	3,847
Net Cash Flows provided by Investment Activities	<u>55</u>	<u>3,847</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Payment of Dividends	(844)	-
Reserve set-up	-	(13)
Payment of Interest	-	(849)
Repayment of Loans	-	(1,919)
Net Cash Flows used in Financing Activities	<u>(844)</u>	<u>(2,781)</u>
(Decrease) / Increase in cash flow, net	(927)	577
FINANCIAL INCOME AND EXPENSE AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS	50	(178)
Cash and Cash Equivalents at the Beginning of the Year (Note 4.5)	<u>1,682</u>	<u>987</u>
Cash and Cash Equivalents at the End of the Period (Note 4.5)	<u>805</u>	<u>1,386</u>

The accompanying notes are an integral part of these interim condensed financial statements.

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020,**  
**PRESENTED ON A COMPARATIVE BASIS**  
(in millions of Argentine pesos)

**NOTE 1 – GENERAL INFORMATION**

Cablevisión Holding S.A. is a holding company that operates in the telecommunications industry. Its operating income and cash flows derive from its direct and indirect interest in Telecom.

Telecom provides mainly fixed-line public and mobile telecommunication services, international long-distance service, data transmission and Internet services in Argentina and through its subsidiaries, mobile telecommunications services in Paraguay and international wholesale services in the United States of America.

As a consequence of the merger between Telecom and Cablevisión S.A., Telecom Argentina, as surviving entity, develops, as from fiscal year 2018, the operations that Cablevisión S.A. developed until December 31, 2017.

The core business of Cablevisión and some of its subsidiaries was the operation of the cable television networks installed in different regions of Argentina and Uruguay and the provision of telecommunication services.

Cablevisión exploited cable television services through licenses original granted by the Federal Broadcasting Committee (COMFER, for its Spanish acronym) and telecommunication services through licenses granted by the SC.

**NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

**2.1. Basis for the preparation**

Through General Resolutions No. 562/09 and No. 576/10, the Argentine Securities Commission (“CNV”, for its Spanish acronym) provided for the application of Technical Resolutions (“TR”) No. 26 and No. 29 issued by the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”, for its Spanish acronym), which adopt the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) for entities subject to the public offering regime governed by Law No. 26,831, whether on account of their equity or their notes, or which have requested authorization to be subject to such regime. The FACPCE issues Adoption Communications in order to implement IASB resolutions in Argentina.

Technical Resolution No. 43 “Amendment of Technical Resolution No. 26”, effective for fiscal years beginning on or after January 1, 2016, sets out that separate financial statements shall be prepared fully in accordance with IFRS without applying any changes, i.e. complying with the full contents of those standards as issued by the IASB and with the mandatory or guiding provisions established by IASB in each document.

That Resolution provides that for its disclosure in separate financial statements of entities that are required to present consolidated financial statements, the investments in subsidiaries, joint ventures and associates shall be valued under the equity method as set out by IFRS.

In preparing these interim condensed separate financial statements for the six-month period ended June 30, 2020, the Company has followed the guidelines provided by TR 43, and, therefore, these financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Some additional matters required by the General Associations Law (“LGS”) and/or by the CNV have been also included, among them, supplementary information required in the last paragraph of Article 1 Chapter III Title IV of the CNV General

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## **CABLEVISIÓN HOLDING S.A.**

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Resolution No. 622/13. That information is included in the Notes to these interim condensed separate financial statements, as provided by IFRS. The interim condensed separate financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its annual separate financial statements as of December 31, 2020. The accounting policies are based on IFRS issued by the International Accounting Standards Board (“IASB”) and the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These parent-company only financial statements have been prepared based on historical cost restated as described in Note 2.1.1, except for the fair value measurement of certain non-current assets and financial instruments (including derivatives). In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

These interim condensed separate financial statements should be read together with the Company’s financial statements for the fiscal year ended December 31, 2019, prepared under IFRS.

The accounting policies used in the preparation of these interim condensed separate financial statements are consistent with those used in the preparation of the financial statements for the fiscal year ended December 31, 2019.

Certain figures reported in the financial statements presented on a comparative basis were reclassified in order to maintain the consistency in the disclosure of the figures corresponding to this period.

These interim condensed separate financial statements, approved by the Board of Directors of the Company at the meeting held on August 19, 2020, are presented in Argentine Pesos (\$), the Argentine legal tender, and arise from accounting records kept by the Company. Taking into consideration the current restrictions imposed by the National Executive Branch within the framework of Emergency Decree No. 297/2020, as amended, the financial statements mentioned above have not been transcribed to the Company’s “Inventory and Balance Sheet” book and the Journal book as of the date of their approval.

### **2.1.1 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)**

IAS 29 sets out the conditions under which an entity shall restate its financial statements at the currency unit current as of the date of the accounting measurement when it operates in a country with an economic environment classified as “hyperinflationary.”

To determine the existence of a highly inflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%.

The macroeconomic events that occurred in Argentina during 2018, and the cumulative inflation rate over the last three years as of December 31, 2018, which reached 147.8%, indicate that the qualitative and quantitative factors provided under IAS 29 to consider Argentina as a highly inflationary economy for accounting purposes were fulfilled. On September 29, 2018, the FACPCE issued Resolution No. 539/18, whereby it provided for the need to adjust the financial statements of Argentine companies for accounting periods ending as from July 1, 2018, and set out specific issues regarding the inflation adjustment, such as the indexes to be used. This Resolution was approved on October 10, 2018 by the CPCECABA through Resolution No. 107/2018.

In addition, Law No. 27,468 (published in the Official Gazette on December 4, 2018) amended Article 10 of Law No. 23,928, as amended, providing that the repeal of all the laws and regulations that establish or authorize price indexation, currency restatement, cost variance and any other form of restatement of debts, taxes, prices or fees related to property, works or services, does not apply to financial statements, which remain subject to Article 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/2002, as amended, and delegated on the Executive Branch, through its oversight agencies, the power to set the date as from which those regulations will come into effect with respect to financial statements.

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## CABLEVISIÓN HOLDING S.A.

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Therefore, through Resolution No. 777/18 (published in the Official Gazette on December 28, 2018), the CNV, the local regulator, also established the method to restate financial statements in constant currency to be applied by issuers subject to the oversight of the CNV, in accordance with IAS 29 for years/periods ended as from December 31, 2018. Therefore, these financial statements have been restated in constant currency as of June 30, 2020.

Pursuant to Resolution No. 539/18, the inflation rate was based on the Domestic Wholesale Price Index ("IPIM", for its Spanish acronym) until the year 2016, taking into consideration for the months of November and December 2015 the average variation of the IPC index of the City of Buenos Aires. As from January 2017, the Company used the National Consumer Price Index (National IPC, for its Spanish acronym).

The following table shows the evolution of those indexes over the last two fiscal years and as of June 30, 2020 and 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of December</u> <u>31, 2018</u>	<u>As of June</u> <u>30, 2019</u>	<u>As of December</u> <u>31, 2019</u>	<u>As of June</u> <u>30, 2020</u>
General Price Index (December 2016=100)	184.26	225.54	283.44	322.0
<b><u>Variation of Prices</u></b>				
Annual	47.6%	55.8%	53.8%	42.8%
Accumulated over 3 years	147.8%	139.2%	183.2%	187.7%
Accumulated over 3 months since March 2019 / 2020	n/a	9.5%	n/a	5.4%
Accumulated over 6 months	n/a	22.4%	n/a	13.6%

The Company applied the same restatement policies to the items identified in the annual financial statements as of December 31, 2019. The main financial results from exchange differences, as well as the interest accrued, are calculated in real terms, excluding the corresponding inflationary effect.

### NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the accounting policies used in the preparation of these interim condensed separate financial statements, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities that may not be obtained otherwise. The estimates and related assumptions are based on historical experience and other pertinent factors. Actual results may differ from these estimates.

The underlying estimates and assumptions are continually reviewed. The effects of the reviews of accounting estimates are recognized for the period in which estimates are reviewed.

The estimates and assumptions used in the preparation of these interim condensed separate financial statements are consistent with those used in the preparation of the financial statements as of December 31, 2019, which are disclosed in Note 3 to such financial statements for fiscal year ended December 31, 2019.

### NOTE 4 – BREAKDOWN OF MAIN ITEMS

#### 4.1– Information Required under Article 64, Subsection b) of Law No. 19,550

<u>Item</u>	<u>Administrative</u> <u>Expenses</u> <u>June 30, 2020</u>	<u>Administrative</u> <u>Expenses</u> <u>June 30, 2019</u>
Fees for services	68	86
Salaries and Social Security Payables	12	14
Other expenses	6	7
Total	<b>86</b>	<b>107</b>

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**4.2 - Financial Expenses on Debt**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Exchange Differences	-	1,028
Interests	-	(919)
	<u>-</u>	<u>109</u>

**4.3 – Other Financial Results, net**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Exchange Differences	54	(259)
Other Taxes and Expenses	(3)	(10)
Results from Operations with Notes and Bonds	55	-
Gain (Loss) on Net Monetary Position	39	(206)
Restatement of Receivables	180	(7)
Interests	7	1
	<u>332</u>	<u>(481)</u>

**4.4 - Investments in Associates**

(amounts in millions of Argentine pesos, except for those corresponding to the nominal value of shares)

<u>Companies</u>	<u>Country</u>	<u>Class</u>	<u>Nominal Value</u>	<u>Number</u>	<u>Valuation as of June 30, 2020 <sup>(1)</sup></u>	<u>Valuation as of December 31, 2019 <sup>(1)</sup></u>	<u>Interest (%)</u>
<b><u>Non-Current Investments:</u></b>							
Telecom Argentina <sup>(2)</sup>	Argentina	Common	\$ 1	406,757,183	60,522	60,352	18.89%
Telecom Argentina – Goodwill					8,957	8,957	
VLG <sup>(3)</sup>	Argentina	Common	\$ 1	19,172,000,000	64,706	64,530	100%
VLG – Goodwill					1,046	1,046	
<b>Total</b>					<b>135,231</b>	<b>134,885</b>	

<sup>(1)</sup> In certain cases, the equity value does not correspond to the related shareholders' equity due to: (i) the adjustment of the equity value to the Company's accounting policies, as required by professional accounting standards, (ii) the elimination of goodwill generated by transactions between companies under the Company's common control, (iii) the existence of irrevocable contributions, and (iv) adjustments to fair market value of net assets for acquisitions made by the Company.

<sup>(2)</sup> See Note 11.

<sup>(3)</sup> Company through which an indirect interest is held in Telecom.

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The information about the issuer is detailed below (in millions of Argentine pesos):

Companies	Main business activity	Date	Capital Stock	Net Income	Equity
Telecom	Provision of Information and Communications Technology Services ("ICT Services")	06.30.2020	2,154	1,744	347,970
VLG	Investing and financing	06.30.2020	19,172	353	70,093

The following is the evolution of the Investments in Unconsolidated Affiliates:

	June 30, 2020	June 30, 2019
Balance at the beginning of the year:	134,885	153,514
Equity in Earnings for the period from subsidiaries	686	3,695
Interest in the dividends distributed by subsidiaries	-	(3,847)
Other Comprehensive Income	(340)	(943)
Balance at period-end	<b>135,231</b>	<b>152,419</b>

**Equity in Earnings from Associates**

	June 30, 2020	June 30, 2019
Telecom	332	1,786
VLG	354	1,909
	<b>686</b>	<b>3,695</b>

**4.5 - Cash and Cash Equivalents**

	June 30, 2020	December 31, 2019
Banks in Local Currency	7	6
Banks in Foreign Currency (Note 4.6)	4	4
Mutual Funds (Note 4.6)	224	909
Interest-bearing accounts (Note 4.6)	570	763
<b>Total</b>	<b>805</b>	<b>1,682</b>

**4.6 - Assets and Liabilities in Foreign Currency**

Items	As of June 30, 2020			As of December 31, 2019	
	Amount in Foreign Currency (1)	Prevailing Exchange Rate (2)	Amount In local Currency (3)	Amount in Foreign Currency (1)	Amount in Local Currency (3)
			\$		\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	11	70.26	798	25	1,676
Other Receivables	1	70.26	25	-	14
<b>Total Current Assets</b>	<b>12</b>		<b>823</b>	<b>25</b>	<b>1,690</b>
<b>NON-CURRENT ASSETS</b>					
Other Receivables	8	70.26	535	6	387
<b>Total Non-Current Assets</b>	<b>8</b>		<b>535</b>	<b>6</b>	<b>387</b>
<b>Total Assets</b>	<b>20</b>		<b>1,358</b>	<b>31</b>	<b>2,077</b>

<sup>(1)</sup> US\$.<sup>(2)</sup> Bid/offered exchange rates, as appropriate.<sup>(3)</sup> Since the amounts in foreign currency and the equivalent amount in Argentine pesos are stated in millions, the calculation of the amount in foreign currency as per the prevailing exchange rate may not be accurate.

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**4.7 – Maturities of Investments, Receivables and Liabilities**

The following table shows the classification of investments, receivables and liabilities as of June 30, 2020 in the following categories:

	Investments (1)	Receivables (2)	Other Liabilities (3)
<b>In millions of Argentine pesos</b>			
Without any established term Due	794	-	-
Within three months	-	20	5
More than three months and up to six months	-	7	-
More than six and up to nine months	-	7	5
More than nine months and up to twelve months	-	6	43
More than 1 year	-	535	-
<b>Total with upcoming maturity</b>	<b>-</b>	<b>575</b>	<b>53</b>
<b>Total</b>	<b>794</b>	<b>575</b>	<b>53</b>

(1) Includes US\$ 11 and \$ 3 which accrue interest at a variable rate. Included in the item "Cash and Cash Equivalents."

(2) Includes US\$ 9 million which does not accrue any interest.

(3) Does not accrue any interest. Includes taxes payable, accounts payable and salaries and social security payables, and other liabilities.

**NOTE 5 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

The following table shows the breakdown of the Company's balances with its related parties as of June 30, 2020 and December 31, 2019.

Company	Item	June 30, 2020	December 31, 2019
<b><u>Other Related Parties</u></b>			
Grupo Clarín	Accounts Payable	-	7

The following table details the transactions carried out by the Company with related parties for the six-month periods ended June 30, 2020 and 2019:

Company	Item	June 30, 2020	June 30, 2019
<b><u>Other Related Parties</u></b>			
Grupo Clarín	Fees for services	(46)	(44)
Gestión Compartida	Fees for services	(5)	(5)

**NOTE 6 – FINANCIAL INSTRUMENTS**

Grupo Clarín's activities are exposed to several financial risks: Market risk (including exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

No changes were made in the risk department or to risk management policies, as from the time the Company's separate financial statements as of December 31, 2019 were issued.

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The following table shows the monetary assets denominated in foreign currency (US\$) as of June 30, 2020 and December 31, 2019:

	US\$ June 30, 2020	US\$ December 31, 2019
<b>ASSETS</b>		
Other Receivables	9	6
Cash and Cash Equivalents	11	25
<b>Total assets</b>	<b>20</b>	<b>31</b>

Applicable bid/offered exchange rates as of June 30, 2020 and December 31, 2019 were of \$ 70.26 / \$ 70.46 and \$ 59.69 / \$ 59.89, respectively.

### 6.1.1. Financial Instruments at Fair Value

The following table shows the Company's financial assets and liabilities measured at fair value as of June 30, 2020 and December 31, 2019:

	June 30, 2020	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
<b>Assets</b>			
Current Investments	794	224	570

  

	December 31, 2019	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
<b>Assets</b>			
Current Investments	1,672	763	909

Financial assets are valued using quoted prices for identical assets and liabilities (Level 1), or the prices of similar instruments arising from sources of information available in the market (Level 2). As of June 30, 2020 and December 31, 2019, the Company did not have any asset or liability for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

### 6.1.2. Fair Value of Financial Instruments

The book value of cash and banks, accounts receivable and short-term liabilities is similar to the fair value because these are instruments with short-term maturities.

## NOTE 7 - PROVISIONS AND OTHER CONTINGENCIES

### Resolution No. 50/10 et seq. issued by the Secretaría de Comercio Interior de la Nación (Secretariat of Domestic Trade or "SCI")

SCI Resolution No. 50/10 approved certain rules for the sale of pay television services. These rules provide that cable television operators must apply a formula to estimate their monthly basic subscription prices. The price arising from the application of the formula was to be informed to the Office of Business Loyalty (*Dirección de Lealtad Comercial*). Cable television operators must adjust such amount semi-annually and inform the result of such adjustment to said Office. Telecom filed an administrative appeal against Resolution No. 50/10 requesting the suspension of its effects and its nullification.

In accordance with the decision rendered on August 1, 2011 in re "LA CAPITAL CABLE S.A. v/ Ministry of Economy-Secretariat of Domestic Trade", the Federal Court of Appeals of the City of Mar del Plata ordered the

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SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by the Argentine Cable Television Association ("ATVC", for its Spanish acronym). Upon being served on the SCI and the Ministry of Economy on September 12, 2011, such decision became fully effective. The National Government filed an appeal against the decision issued by the Federal Court of Appeals of Mar del Plata to have the case brought before the Supreme Court. Such appeal was dismissed. The National Government filed a direct appeal with the Supreme Court, which has also been dismissed.

Notwithstanding the foregoing, between March 2011 and October 2014, several resolutions based on Resolution No. 50/10 were published in the Official Gazette, which regulated the prices to be charged by Cablevisión to its customers for the basic cable television service. The Company filed appeals against these resolutions and their enforcement was suspended pursuant to the above-mentioned injunction. Notwithstanding the foregoing, each Resolution had an effective term of between three and six months. The last one expired in October 2014.

In September 2014, the Supreme Court of Argentina rendered a decision in re "Municipality of Berazategui v. Cablevisión" and ordered that the cases related to these resolutions continue under the jurisdiction of the Federal Court of Appeals of Mar del Plata that had issued the decision on the collective action in favor of ATVC. Currently, all the claims related to this matter are pending before the Federal Courts of Mar del Plata.

In April 2019, La Capital Cable S.A. was served notice of the decision rendered by Federal Court No. 2 of Mar del Plata, whereby said court declared the unconstitutionality of certain articles of the law on which the SCI grounded Resolution No. 50/10 as well as the subsequent resolutions. The declaration of unconstitutionality entails that these resolutions are not applicable to La Capital Cable and the companies represented by ATVC. However, the National Government filed an appeal against said resolution.

On December 26, 2019, the Federal Court of Appeals of Mar del Plata rejected the grievances of the National Government and confirmed the decision rendered by the court of first instance, which declared the unconstitutionality of the articles of the law that were the basis for the issuance of SCI Resolution No. 50/10 and subsequent resolutions. The National Government filed an appeal against this decision, which may be granted or dismissed by the Federal Court of Appeals of Mar del Plata.

These interim condensed financial statements should be read in the light of the circumstances described above, and the decisions made based on these special interim condensed financial statements should consider the potential impact that those circumstances may have on the Company and its subsidiaries.

### **NOTE 8 - CAPITAL STOCK STRUCTURE**

The Company's capital stock as of May 1, 2017, the date on which it started its operations, was set at \$ 180,642,580, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 117,077,867 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

On March 21, 2017, the Company made a filing with the CNV in order to request admission to the public offering regime. On May 29, 2017, the Company requested the BCBA the listing of its Class B common shares.

On August 10, 2017, the CNV approved the prospectus for admission to the public offering regime filed by Cablevisión Holding and, consequently, the Company fulfilled the conditions detailed in CNV Resolution No. 18,818. On August 11, 2017, the BCBA notified the Company of its admission to the public offering regime.

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Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of June 30, 2020.

On September 26, 2017, the Company's Board of Directors approved, pursuant to Article five of the By-Laws, the conversion request submitted by the shareholder GS Unidos LLC of 4,028,215 Class C non-endorable, registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share. Pursuant to the By-Laws, the Company informed the CNV and the BCBA of the conversion and: (i) on October 5, 2017, the CNV authorized, through Resolution No. DI 20178APN-G #CNV, the public transfer by way of conversion of 4,028,215 Class C non-endorable, registered common shares and, (ii) on October 6, 2017, the BCBA informed the Company of the transfer of the authorization for the listing of 4,028,215 non-endorable registered common shares with nominal value of \$ 1 each and entitled to one vote per share for the same number of Class B book-entry, common shares with nominal value of \$ 1 each and entitled to one vote per share.

On February 16, 2018, the United Kingdom Listing Authority ("UKLA") approved the prospectus related to the listing of the Company's Class B shares in the form of global depository shares (GDSs) to be traded on the London Stock Exchange. Those GDSs were admitted to the official list of the UKLA on February 21, 2018.

The Company's capital stock as of June 30, 2020 is of \$ 180,642,580 and is represented by:

- 47,753,621 Class A common, registered, non-endorable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 121,106,082 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 11,782,877 Class C common, registered, non-endorable shares, with nominal value of \$ 1 each and entitled to one vote per share.

## **NOTE 9 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS**

### **1. Cablevisión Holding**

The Company's bylaws provide that retained earnings shall be appropriated as follows: (i) 5% to the Company's legal reserve until such reserve equals 20% of the Company's capital stock; and (ii) the balance, in whole or in part, to the payment of the fees of the members of the Board of Directors and the Supervisory Committee, to dividends on common shares, or reserve accounts, or as otherwise determined by the Shareholders, among other situations.

On April 29, 2020, at the General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión Holding S.A., the shareholders decided, among other things: (i) to absorb the net loss for the year ended December 31, 2019 which amounts to \$ 3,246 million (\$ 3,420 million in constant currency as of June 30, 2020) through the partial reversal of the Voluntary reserve for illiquid results and (ii) to make a full reversal of the Voluntary reserve for financial obligations which, as of December 31, 2019, amounted to \$ 19,899 million (\$ 20,969 million in constant currency as of June 30, 2020) and to allocate \$ 162,348 million (\$ 171,074 million in constant currency as of June 30, 2020) to increase the legal reserve, an amount in Argentine pesos equivalent to US\$ 12 million to the payment of dividends in unrestricted US dollars, and the remaining amount to increase the Voluntary reserve for illiquid results. As of the date of these financial statements, the Company paid all of the distributed dividends.

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### **2. Telecom**

#### **Decisions of the Shareholders of Telecom at the Ordinary and Extraordinary Shareholders' Meeting**

The Ordinary and Extraordinary Shareholders' Meeting of Telecom was held on April 28, 2020 with the remote participation of its shareholders pursuant to CNV Resolution No. 830/2020, due to the fact that the free movement of people in general is restricted, limited or banned, as a result of the state of health emergency introduced by Emergency Decree No. 297/2020 and subsequent regulations issued by the National Executive Branch. The Meeting was held using the Cisco Webex video-teleconference system. At such Shareholders' Meeting, the shareholders decided, among other things:

- (a) To approve the Annual Report and financial statements of Telecom as of December 31, 2019;
- (b) To approve the Board of Directors' proposal stated in constant currency as of March 31, 2020 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/2018 in connection with the Accumulated Deficit as of December 31, 2019 for \$ 6,633,713,897 (\$ 6,990,249,484 in constant currency as of June 30, 2020). The Board proposed: (i) to absorb \$ 1,931,029,240 (\$ 2,034,814,338 in constant currency as of June 30, 2020) of the "Voluntary reserve for capital investments"; (ii) to absorb \$ 4,702,684,657 (\$ 4,955,435,146 in constant currency as of June 30, 2020) of the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and (iii) to reclassify \$ 10,887,950,778 (\$ 11,473,134,581 in constant currency as of June 30, 2020) from the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" and appropriate it to the "Merger Surplus".
- (c) To approve the reversal of the balance of the "Voluntary reserve for capital investments" in the amount of \$ 3,541,443,368 adjusted as of April 30, 2020 using the National IPC (\$ 3,731,781,783 in constant currency as of June 30, 2020), increasing the "Voluntary reserve for future cash dividends" with the amount of said reversal.

#### **NOTE 10 – CNV GENERAL RESOLUTION No. 629/2014 - RECORD KEEPING**

On August 14, 2014, the Argentine Securities Commission issued General Resolution No. 629, which provides for record keeping regulations.

The Company keeps certain supporting documentation related to the record of its operations and economic-financial events at GCGC located at Patagones 2550, City of Buenos Aires, and at the warehouse located at Ruta 36 Km 31.500, Florencio Varela, of the supplier AdeA - Administración de Archivos S.A., during the periods established by effective laws.

#### **NOTE 11 - MANDATORY PUBLIC TENDER OFFER ("PTO") DUE TO CHANGE OF CONTROL**

As described under Note 6.a) to the Company's separate financial statements as of December 31, 2019, on January 1, 2018, the Company became the direct and indirect holder of 841,666,658 Class D shares of Telecom Argentina, representing 39.08% of the outstanding capital stock of said company. In addition, all the provisions of the agreement, described under said note, came into effect. Said agreement entitles the Company to appoint the majority of the members of Telecom's Board of Directors. Therefore, the Company is the controlling shareholder of Telecom.

Accordingly, and pursuant to Law No. 26,831 (as amended by Law No. 27,440, the "Capital Markets Law") and the rules of the Argentine Securities Commission (the "CNV", for its Spanish acronym) effective as of that date, ("CNV Rules" and together with the Capital Markets Law, the "PTO Rules"), on June 21, 2018, the Company's Board of Directors decided to promote and make a mandatory public tender offer ("PTO") due to change of control for all the Class B common shares issued by Telecom Argentina listed on Bolsas y Mercados Argentinos

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S.A. (“BYMA”, for its Spanish acronym), (including the Class C common shares issued by Telecom which were converted into Class B common shares within the term provided) at a price of \$ 110.85 per share (less the items detailed in the PTO Announcement).

Notwithstanding the fact that Fintech Telecom, LLC was not obligated to promote, make or launch a PTO pursuant to the PTO Rules and that it had not taken part in the determination or formulation of any of the terms and conditions of the PTO, as provided under Clause 6.7 of the agreement, Fintech Telecom LLC undertook with regard to the Company to pay and acquire 50% of the shares tendered under the PTO (notwithstanding the Company's right to acquire by itself the first 43,073,760 Class “B” shares of Telecom Argentina).

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company is of \$ 110.85 per Share (less any cash dividend per Share to be paid by Telecom Argentina from the announcement date to the date the price of the PTO is paid and other expenses, such as transfer expenses, rights, fees, commissions, taxes, duties or contributions) (the “PTO Price”). The Company has obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price shall be payable in Pesos in Argentina no later than 5 business days following the expiration of the offer reception period.

Pursuant to Article 3, paragraph c), Chapter II, Title III of CNV Rules, on July 5, 2018, the Board of Directors of Telecom Argentina issued an opinion stating that the PTO Price had been set in accordance with the mandatory terms provided under applicable laws, in conformity with item I of Article 88 of the Capital Markets Law, and issued the Board of Directors’ Report provided under such Rules.

As part of the administrative proceeding filed by the Company with the CNV, the regulatory agency challenged the PTO price offered by the Company and stated in its opinion that the price should be of US\$ 4.8658 per share, payable in Argentine pesos at the exchange rate prevailing on the business day immediately preceding the PTO settlement date. CVH considered that CNV’s position was unfounded and brought a claim entitled “Cablevisión Holding S.A. v. Argentine Securities Commission on Injunctions” (File No. 7,998/2018) pending before Federal Civil and Commercial Court No. 3. On November 1, 2018, the judge granted the injunction requested by CVH and ordered the CNV to refrain from issuing any decision or deciding on the authorization of the PTO submitted and formulated by the Company on June 21, 2018, for a period of six (6) months.

On October 8, 2018, the Company filed the substantive claim on which the request for an injunction was grounded: a request for a declaratory judgment declaring that the Company submitted and formulated the PTO in conformity with applicable regulations and fully in accordance with the PTO Rules.

On June 10, 2019, the Company was served notice of the decision rendered on May 9, 2019 in re “Burgueño Daniel v. EN-CNV on Injunction (Autonomous)” (File 89,537/2018) pending before Federal Court on Administrative Matters No. 1, Clerk’s Office No. 1, whereby that Court granted an injunction, suspending the proceeding related to the PTO until such Commission decides to apply Resolution No. 779/18 (the “New CNV Resolution”), or until the expiration of the maximum term allowed under Article 5 of Law No. 26,854, as the case may be. The above-mentioned injunction was extended for an additional term of six (6) months, and the Court of Appeals ratified such extension.

In addition, on July 19, 2019, the Company was served notice of a decision rendered by Chamber I of the Court of Appeals on Federal Civil and Commercial Matters of this City in re “Cablevisión Holding S.A v. *Comisión Nacional de Valores* on Injunctions” (File No. 7,998/2018), whereby said Court revoked the injunction granted to the Company that had ordered the CNV to refrain from resolving and deciding on the authorization of the PTO submitted and formulated by the Company. The Company pointed out that, in the decision rendered by the above-mentioned Chamber, it was ordered that any appeal that may be eventually filed by the Company against any decision rendered by the CNV in connection with the PTO shall have staying effects. Against this decision rendered by the Court of Appeals on Civil and Commercial Matters, the Company filed a federal extraordinary appeal, which was dismissed on December 26, 2019. Notwithstanding the foregoing, as of that date, the PTO submitted by the Company was still within the scope of the injunction ordered in re “Burgueño Daniel v. EN-CNV on Injunction (Autonomous)” (File 89,537/2018) mentioned in the previous paragraph.

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On November 26, 2019, CVH was served notice of a claim filed by a shareholder of the Company, Daniel Burgueño, in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), pending before Federal Court on Administrative Matters No. 1, Secretariat No. 1. The claim seeks to obtain a declaration that CVH is no longer under the obligation to carry out a PTO to acquire the shares of Telecom Argentina as a result of the change of control in that company, pursuant to subsection k) of Article 32 of the New CNV Resolution, which regulates Law No. 26,831 (as amended by Law No. 27,440.) On December 27, 2019, CVH was served notice of the decision issued by the court of first instance in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), whereby the Court admitted the claim brought by Mr. Burgueño, confirmed that CVH no longer falls within the obligation to conduct a PTO due to the change of control in Telecom Argentina, pursuant to the terms of Article 32, subsection k.) of the New CNV Resolution and ordered the CNV to deem the proceedings initiated by the Company with the CNV concluded. In its ruling, the Court also ordered CVH to cease the proceeding initiated in connection with the PTO. On May 18, 2020, the Company was served notice of a decision rendered on May 15, 2020, whereby the court of first instance provided for the extension of the effectiveness of the injunction that had been granted in favor of Daniel Burgueño in re "Burgueño Daniel v. EN-CNV on Injunction" (File 89,537/2018/3).

As of the date of these financial statements, the decision rendered by the court of first instance served on the Company on December 27, 2019 in re Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019) is not yet final due to the appeal filed by the CNV, currently pending before Chamber V of the Court of Appeals.

### **NOTE 12 - IMPACT OF CORONAVIRUS**

By the end of December 2019, the World Health Organization (WHO) received a report of pneumonia cases originated in Wuhan, Province of Hubei, China. The report was related to the outbreak of a new virus called Coronavirus ("COVID-19"), which soon spread to several provinces of China and then to other countries. The outbreak and spread of COVID-19 has generated several consequences on businesses and economic activities at a global level.

Given the extent of the spread, several governments in the world have implemented drastic measures to restrict the movement of the population and to curb the spread, including, among other things, controls at airports and other transport hubs, suspension of visas, border closure and the ban on travel to and from certain parts of the world, closure of public and private institutions, suspension of sports events, restrictions on museums and tourist attractions, extension of vacations, and finally, the mandatory isolation of the population together with the suspension of non-essential commercial activities with a high degree of compliance. On March 11, 2020, the WHO declared COVID-19 a global pandemic.

In Argentina, the National Government established a series of measures aimed at reducing the movement of the population, ordering the Mandatory and Preventive Social Isolation as from March 20, 2020, allowing the movement of only those people involved in the provision/production of essential services and products, among them, those involved in the provision of telecommunication, fixed and mobile Internet and digital services. Such isolation measures were changed in different stages and may be extended as deemed necessary according to the epidemiological situation.

Telecom, a subsidiary of the Company, provides services that are critical for society as it connects people, homes, companies and governments. The infrastructure deployed contributes to providing, through the capacity of fixed and mobile networks, essential services such as the coordination of the security forces and the health ecosystem where communications at healthcare facilities and new field hospitals have been strengthened and enhanced. In addition, the Government has facilitated the communication between students and teachers through virtual educational platforms, enhancing learning through different applications and boosting the access to information for all the population.

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In economic terms, the services rendered by Telecom favor the continuity of the activities of large, medium- and small-sized companies that are still operating, many of them remotely, boosted by online platforms so that sellers and consumers can connect and sustain consumption; cooperate with the productive process through the implementation of home office as one of the most disruptive tools given its massive and immediate application, contributing to sustaining the economy of the country, and also because, in this context of isolation, they enable people to stay connected, entertain themselves, produce and stay informed from their homes.

Thanks to the investments in infrastructure made over the last years, Telecom has equipment and systems that enable its networks to work efficiently even today with the increased use of its fixed and mobile connectivity services registered since the beginning of the Mandatory and Preventive Social Isolation and that are reflected in the increase of up to 50% in home Internet data traffic, 70% in mobile voice services and 30% in mobile data, taking into account that fixed and mobile networks are complementary and that customers use them alternatively, and with a 75% increase in upstream.

### **External Actions Taken by the Group in Response to the Health Emergency**

The COVID-19 pandemic has driven joint actions by domestic companies providing essential support to face the health crisis, reflected in the donation of funds, services, supplies, products, and other type of assistance.

Telecom received a recognition from the NYSE for the social value initiatives implemented under its ongoing commitment to the community and in response to the COVID-19 emergency. The main measures adopted were the following:

- Connectivity for field hospitals;
- Discount in the services provided to over 500 hospitals and health centers throughout the country, to the Argentine Red Cross and to the Food Bank;
- Expansion of services for emergency lines;
- Discount in mobile data services for the use of educational platforms;
- Provision of Telecom's own educational contents through its program "Nuestro Lugar" ([www.nuestrolugar.com.ar](http://www.nuestrolugar.com.ar)) with proposals on cyber citizenship for children, families and teachers;
- Increase of pedagogical contents in Flow, its entertainment platform, extending the access to Flow App to all the cable television customer base;
- Benefits granted to customers to enable them to take further advantage of connection possibilities and to access valuable information and educational and entertainment contents;
- Support to the solidarity initiative "Seamos Uno" for the delivery of food and personal care products to families that need them the most, among many other initiatives;
- Provision of communication tools to disseminate health information to citizens, in alliance with boroughs and governments throughout the country.

### **Internal Actions Taken by the Group in Response to the Health Emergency**

In addition, the Group implemented a series of measures to ensure the continuity of its operations, safeguarding the health and welfare of all the personnel and of those that are part of the value chain. The main measures adopted by the Company are:

- The early performance of the tasks planned for 2020 and the initiation of works to ensure the capacity required for the networks to continue operating seamlessly;
- Expansion of the capacity for international outgoing Internet traffic by 40% (with the possibility of increasing it further if the situation so requires);
- Execution of agreements to boost the links with international suppliers and IP networks;
- Early execution in public thoroughfare of infrastructure works on residential fixed data networks, enhancement of data centers and hubs and increase of the capacity of Flow's content distribution network;

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- Expansion of the capacity of the mobile network in certain smaller locations in the provinces where there is only one network, and the continuation of preventive maintenance tasks in all our networks;
- Launch of a campaign, since the first day of the mandatory isolation, promoting all the digital communication channels and encouraging customers to request support through those channels. Enhancement of digital support in order to handle the new flow of customers by implementing special microsites identified as “I pay from home”;
- In compliance with regulations in effect in each location, Telecom began to gradually open its commercial offices in the locations that progress to stages involving social distancing;
- Technical support focused on preventive maintenance and repairs in public thoroughfare and on Telecom's own infrastructure, giving priority to critical cases such as hospitals and security forces, among others;
- In the case of new installations and repairs that have to be made inside of our customers' homes, Telecom provided technical teams with personal care and safety kits, which include special protective gear such as coveralls, gloves, cloth face covering and special goggles, hand sanitizer and training for the proper and safe use of those elements;
- The Crisis Committee, composed of members of Upper Management, started to hold meetings on a regular basis and added the advice of health experts in order to address the different scenarios that may arise and to be able to make quick decisions;
- Implementation of home office, prior to the declaration of the mandatory and preventive social isolation, for over 10,000 employees from business support areas with virtual private network access so that they can work remotely with the same tools and security levels they have in their workspaces at our offices. They use web and mobile applications for (i) administrative and human resources tasks, (ii) access to e-learning training and (iii) communication and collaborative workspaces, virtual rooms and access to files and documentation from anywhere, in a collaborative and safe way;
- Enhancement of cleaning and disinfection at workspaces and environments for those tasks that cannot be performed remotely, including the vans used by technical support teams, as well as provision of hand washing and sanitizing methods, the distribution of personal care kits in accordance with the protocol established by the Superintendency of Labor Risks;
- From the beginning of the health situation, we have developed several initiatives under a corporate program called “Nos Acompañamos” (We support each other) aimed at all our employees for the purpose of safeguarding their biopsychosocial welfare, with a focus on work-life balance;
- Continuation of ongoing communication with unions to agree on work protocols that allow the Company to continue providing services and, at the same time, safeguard the health of our employees; and
- Ongoing communication with our strategic partners and other international operators from the countries with greater spread of the pandemic in order to understand and foresee the potential impacts on our operations.

### **Regulatory Matters**

#### **Prohibition to disconnect services in case of late or non-payment**

On March 24, 2020, the Executive Branch issued Decree No. 311/2020, whereby it provided for the temporary suspension of the disconnection of services deemed essential for the development of daily life, such as electricity supply, running water supply, gas supply, fixed or mobile telephony, Internet and radio electric link or satellite link subscription television, among others, in order to guarantee access to those essential services in case of late or non-payment of up to three consecutive or alternate bills due as from March 1, 2020. On June 18, 2020, the Executive Branch issued Decree No. 543/2020, whereby it extended such temporary suspension in case of late or non-payment of up to six consecutive or alternate bills, due as from March 1, 2020.

Decree No. 311/2020 also provides that companies that render fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services are under the obligation to maintain a reduced service, as established in the regulations, for a term of one hundred eighty (180) calendar days. In addition, the decree provides that if users of mobile telephony or Internet prepaid services fail to pay the corresponding recharge to have access to consumption, the companies that provide those services must provide a reduced service within the terms provided by regulations, and that this obligation shall be effective until April 30, 2020.

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Supervisory Committee

## **CABLEVISIÓN HOLDING S.A.**

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Such term was subsequently extended through several decrees. Through an agreement executed between the Company and the ENACOM, which is described below, such term will finally expire on October 31, 2020.

The Ministry of Productive Development (MPD), designated as the Enforcement Authority, ordered the prohibition to disconnect services in case of late or non-payment, under the conditions established under the approved general rules. In addition, the MPD created a Coordination Unit, composed of a representative of each of the competent areas, in order to implement the provisions of the decree. The Coordination Unit shall issue, within a maximum term of fifteen calendar days, a report regarding the number of users that fall within the scope of the decree and the segment of users that do not fall within the scope of the decree but the Unit would deem convenient to include.

The implementing regulations provide that the users that fall within the scope of the decree are all those whose bills are due as from March 1, 2020 and those with a current notice of disconnection, provided they registered the service under their name before March 26, 2020. In addition, the implementing regulations set forth the monthly minimum features that will be considered as reduced service. In addition, the implementing regulations also provide that the measures adopted may be extended to other individual customers, individuals registered under the simplified tax (*monotributo*) and civil associations that provide evidence of a decrease in their revenues.

In addition, the ENACOM set forth the information that the companies that render fixed and mobile telephony, Internet and radio-electric link or satellite link subscription television services must submit to the oversight agency, and also ordered that such companies may not suspend or disconnect the service due to non-payment by any user included in the reports issued by the Coordination Unit.

Such companies must disclose to ENACOM all the prices set for the reduced services that they are under the obligation to maintain, broken down by type of service and subject to the condition that such prices shall be fair and reasonable. The prices of the reduced services must be informed to the users through the bills, institutional websites and all the social media through which companies communicate with their customers and/or advertise their services. Companies must also disclose to the ENACOM the terms and conditions and/or modalities of the payment plans and the communication process, which they shall make available to qualifying users.

### Agreement between the Industry and the ENACOM

In May 2020, Telecom, together with the other companies in the industry, executed an agreement with the ENACOM, effective until August 31, 2020, whereby the parties agreed, among other issues: (i) to suspend the increase in the prices of mobile and fixed telephony, Internet and cable television services from May 1 to August 31, 2020, in order to ease the situation of the users affected by the quarantine, (ii) to create inclusive plans for fixed and mobile telephony and Internet services for individuals who request that benefit, with a fixed price until September 30, 2020, (iii) to extend the "reduced service" benefit, which guarantees the connectivity of users with prepaid mobile telephony and Internet services, maintaining the price until October 31, 2020, (iv) not to dismiss employees without cause during the term of this agreement, and (v) to renegotiate this agreement and immediately suspend its effects in case of salary increases granted under wage negotiations.

### Universal Service

Through Resolution No. 477/2020, published in the Official Gazette on May 31, 2020, the ENACOM amended the General Rules on Universal Service. The amendments provided, among other matters, that the projects aimed at giving access and providing ICT services to the neighborhoods registered in the "*Registro Nacional de Barrios Populares*" (National Registry of Popular Neighborhoods), which require an exceptional urgent solution in the context of the health emergency, may be considered as Universal Service programs. In addition, direct execution by ENACOM is incorporated as a mechanism for granting Universal Service programs in the case of duly proven exceptional and extraordinary circumstances.

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### Main Accounting Impacts

As of the date of these consolidated financial statements, the pandemic has not had significant impacts on the Group's results. Even though various types of difficulties have slowed down our operations or made them more complex; such as the increased Internet data traffic, the increase in mobile voice service, the decrease in the collection of service fees, and mainly the inconveniences to make repairs and installations inside of our customers' homes, among others; the operations are still in place and are expected to continue in spite of the difficulties.

In accordance with the guidelines of IAS 36, the Group's Management has assessed whether there was any indication of impairment of any asset. Even though the pandemic may have a significant impact on economic activity in Argentina and become an indicator of impairment, based on Management's estimates, no adverse effect has been identified on the Group's future cash-flow-generating capacity because the volume of operations is expected to remain stable. Therefore, the Group has not deemed it necessary to estimate the recoverable value of its fixed assets as of June 30, 2020.

The implementation of measures aimed at reducing the circulation of people initially included the closure of in-person collection channels, thus affecting the collections of the Group as from March 20, 2020. However, this situation gradually evolved during the second quarter of 2020 with the reopening of the in-person collection channels and the strengthening of the digital channels through the implementation of "I pay from home". The Group's Management estimates that the deterioration of Argentina's economic situation represents an increase in the credit risk of trade receivables existing at the end of the period. These consolidated financial statements include an increase in the allowance for bad debts as a result of the application of the model called "expected credit losses", as established by IFRS 9. For more information on the breakdown and maturity dates of trade receivables, see Notes 3 and 18, respectively.

#### - *Liquidity Risk:*

The negative effect on the collection of service fees mentioned above does not represent a liquidity risk with respect to the fulfillment of the short-term financial obligations because the Group has been working on strengthening its liquidity for some time now. The Company, Telecom and its subsidiaries have enough liquidity and bank credit lines and a notes program that allow them to finance their short-term obligations and investment plan in addition to the projected operating cash flows.

Notwithstanding the above, Telecom implemented measures to ensure the highest liquidity possible to address the volatility of the context with heightened uncertainty, to offset the potential decrease of revenues and to be able to fulfill its obligations. Those measures include the adherence to the following installment payment plans within the framework of General Resolution No. 4268 issued by the AFIP:

a) Employer's and Social Security Contributions: On April 15, 2020, Telecom filed an installment payment plan for the payment of employer's and social security contributions corresponding to March 2020 for an aggregate of \$ 1,136 million. The plan provides for the settlement of the debt in 6 equal consecutive installments as from May 16, 2020 and accrues an annual interest rate of 30%.

b) VAT and Excise Taxes: On April 21, 2020, Telecom filed an installment payment plan for the settlement of VAT and excise taxes payable under the tax return corresponding to March 2020 for an aggregate of \$ 642 million. The plan provides for the settlement of the debt in 6 equal consecutive installments as from May 16, 2020 and accrues an annual interest rate of 30%.

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The ultimate effects of COVID-19 and its impact on the global and local economy are unknown. Governments may issue more stringent measures, which cannot be predicted at this stage. The Company's Management will continue to develop actions that minimize the potential impairment on its results, as a result of these situations, maintaining a high level of service and customer satisfaction, and seeking to maximize the precautions in social management in this context.

The Company's and Telecom's Board of Directors and Telecom's Crisis Committee are closely monitoring the evolution of the situation and taking the necessary measures to preserve human life and the sustainability of Telecom's businesses.

**NOTE 13 - APPROVAL OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

The Company's Board of Directors has approved these interim condensed separate financial statements and authorized their issuance for August 19, 2020.

See our report dated  
August 19, 2020

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Supervisory Committee

Sebastián Bardengo  
Chair

**ADDITIONAL INFORMATION REQUIRED UNDER ARTICLE 12, CHAPTER III,  
TITLE IV OF THE 2013 RESTATED RULES ISSUED BY THE  
ARGENTINE SECURITIES COMMISSION**

**SEPARATE FINANCIAL STATEMENTS  
AS OF JUNE 30, 2020**

1.a) There are no specific material regulatory regimes currently applicable to the Company that may entail the contingent loss or acquisition of legal benefits.

1.b) Note 1 to the annual separate financial statements as of December 31, 2019 includes additional information about the date on which the Company began operating. Note 6 to the Company's annual separate financial statements as of December 31, 2019 details the reorganization process carried out between Cablevisión S.A. and Telecom Argentina S.A.

2) The classification of receivables and liabilities by maturity is detailed in Note 4.7 to the interim condensed separate financial statements.

3) The classification of receivables and liabilities according to their related financial effects is detailed in Note 4.7 to the interim condensed separate financial statements.

4) Equity interest under Article 33 of Law No. 19,550 is detailed in Note 4.4 of the interim condensed separate financial statements. As of June 30, 2020, the Company does not hold accounts receivable from and payable to those companies.

5) There are no trade receivables or loans to directors, members of the Supervisory Committee and their relatives up to, and including, the second degree of kinship and no such trade receivables or loans existed during the period.

6) The Company does not have any inventories.

7) The Company is not subject to the restrictions under section 31 of Law No. 19,550, since its main corporate purposes are investment and finance.

8) The Company assesses the recoverable value of its long-term investments each time it prepares its financial statements. In the case of investments for which the Company does not book goodwill with an indefinite useful life, it assesses their recoverable value when there is any indication of impairment. In the case of investments for which the Company books goodwill with an indefinite useful life, it assesses their recoverable value by comparing the book value with cash flows discounted at the corresponding discount rate, considering the weighted average capital cost, and taking into consideration the projected performance of the main operating variables of the respective companies.

9) As of June 30, 2020, the Company does not have any tangible property, plant and equipment.

10.a) Booked provisions for contingencies do not exceed, either individually or as a whole, two percent (2%) of the Company's shareholders' equity.

10.b) As of the date of these interim condensed separate financial statements, the Company does not have any contingent situations, the financial effects of which, if any, have not been booked (see Notes 7 and 8 to the annual separate financial statements as of December 31, 2019).

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- 11) The Company does not have any irrevocable contributions on account of future share subscriptions.
- 12) The Company does not have any unpaid cumulative dividends on preferred shares
- 13) In Note 9.1 to the interim condensed separate financial statements reference is made to the treatment given to retained earnings.

See our report dated  
August 19, 2020

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(Partner)

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C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair

Free translation from the original prepared in Spanish

## **REPORT ON REVIEW OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS**

To the Shareholders, President and Directors of  
Cablevisión Holding S.A.  
Legal domicile: Tacuarí 1842, 4th floor,  
City of Buenos Aires  
Tax ID No. 30-71559123-1

### **Introduction**

We have reviewed the attached interim condensed separate financial statements of Cablevisión Holding S.A. (the "Company") which comprise the separate statement of financial position at June 30, 2020, the separate statements of comprehensive income for the six and three-month periods ended at June 30, 2020 and the separate statements of changes in equity and of cash flows for the six-month period ended on that date and a summary of significant accounting policies and other explanatory information.

The balances and other information corresponding to fiscal year 2019 and interim period are an integral part of the above-mentioned financial statements and, therefore, they should be considered in relation to those financial statements.

### **Management's responsibility**

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed separate financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

### **Scope of our review**

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed separate financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing, and consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the separate statement of financial position, separate comprehensive income and separate cash flows of the Company.

## **Conclusion**

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed separate financial statements mentioned in the first paragraph of this report are not prepared, in all material respects, in accordance with IAS 34.

## **Emphasis of Matter**

Without modifying our conclusion, we would like to emphasize the information contained in Note 7 to the interim condensed separate financial statements, which describes the situation related to the resolution issued by the Secretary of Internal Trade to calculate the monthly fee payable by the users of television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

## **Report on compliance with current regulations**

In accordance with current regulations, in respect to Cablevisión Holding S.A., we report that:

- a) except for its lack of transcription to the "Inventory and Balance Sheet" book, the interim condensed separate financial statements of Cablevisión Holding S.A. comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A., except for its lack of transcription to the "Inventory and Balance Sheet" book and to the "Journal" book (accounting entries corresponding to the months of January to June 2020), arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the additional information to the Notes to the interim condensed separate financial statements required by Article 12°, Chapter III, Title IV of the regulations of the Argentine Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at June 30, 2020, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company's accounting records and calculations amounted to \$ 684,443, none of which was claimable at that date.

City of Buenos Aires, August 19, 2020.

PRICE WATERHOUSE & CO. S.R.L.

by \_\_\_\_\_ (Partner)

Dr. Carlos A. Pace



*Free translation from the original prepared in Spanish*

## **SUPERVISORY COMMITTEE'S REPORT ON THE REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

To the Shareholders of:

**Cablevisión Holding S.A.**

Tax Identification Number: 30-71559123-1

Registered office: Tacuarí 1842, 4th Floor

City of Buenos Aires

### **I. INTRODUCTION**

In our capacity as members of Cablevisión Holding S.A.'s Supervisory Committee, pursuant to the regulations of the Argentine Securities Commission (CNV, for its Spanish acronym) and the General Rules of Bolsas y Mercados Argentinos S.A., we have performed a review of:

a) The attached interim condensed separate financial statements of Cablevisión Holding S.A. comprising the separate statement of financial position as of June 30, 2020, the separate statement of comprehensive income for the six-month and three-month periods ended June 30, 2020, the separate statement of changes in equity and the separate statement of cash flows for the six-month period then ended, and selected explanatory notes.

b) The attached interim condensed consolidated financial statements of Cablevisión Holding S.A. and its subsidiaries comprising the consolidated statement of financial position as of June 30, 2020, the consolidated statement of comprehensive income for the six-month and three-month periods ended June 30, 2020, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and a summary of the significant accounting policies, and other explanatory information.

The balances and other information corresponding to fiscal year 2019 and its interim periods are an integral part of the financial statements mentioned above and, therefore, should be considered in relation to those financial statements.

### **II. RESPONSIBILITY OF THE COMPANY'S MANAGEMENT**

The Board of Directors of the Company is responsible for the preparation and presentation of the condensed financial statements detailed in point I., paragraphs a) and b) in accordance with the International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE", for its Spanish acronym) as professional accounting standards and incorporated by the CNV to its regulations, as approved by the International Accounting Standards Board (IASB). Therefore, the Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

### **III. SCOPE OF OUR REVIEW**

We conducted our review in accordance with effective statutory auditing standards established by the Argentine General Associations Law (Law No. 19,550, as amended) and by Technical Resolution No. 15 issued by the FACPCE. (amended by Technical Resolution No. 45 issued by the FACPCE). Said standards require that the review of the documents detailed in Point I, paragraphs a) and b) be conducted in accordance with effective audit standards for the review of interim condensed financial statements; that the documents be checked for consistency with the information on corporate decisions stated in minutes and that such decisions conform to the law and the by-laws, in all formal and documentary aspects.

In order to conduct our professional work on the documents detailed in Point I., paragraphs a) and b), we have reviewed the work performed by the Company's external auditor, Carlos A. Pace, a partner of Price Waterhouse & Co. S.R.L., who issued his reports on August 19, 2020, pursuant to International Standard on Review Engagements 2410 ("ISRE 2410") about "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which was adopted as a standard of review in Argentina through Technical Resolution No. 33 issued by the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB).

A review of interim financial information consists of making inquiries of the Company's personnel engaged in the preparation of the information included in the interim condensed consolidated financial statements and in the interim condensed separate financial statements and applying analytical and other review procedures. The scope of this review is substantially lower than that of an audit review performed in accordance with international auditing standards and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion on the Company's financial position, the comprehensive income and the cash flow position (both on a consolidated and separate basis).

We have not performed any management control and, therefore, we have not assessed the business criteria and decisions on administrative, financing, commercialization and production matters, since these issues are the exclusive responsibility of the Board of Directors.

#### **IV. CONCLUSION**

Based on our work, within the review scope described in Point III of this report, nothing has come to our attention that caused us to believe that the interim condensed financial statements mentioned in Point I, paragraphs a) and b) are not prepared, in all material respects, in accordance with International Accounting Standard 34.

#### **V. EMPHASIS OF MATTER**

Without modifying our conclusion, we draw attention to the information disclosed under Note 17 to the interim condensed consolidated financial statements and under Note 7 to the interim condensed separate financial statements, which describe the situation related to the resolution issued by the regulator for the calculation of the monthly fee payable by the users of cable television services provided by the subsidiary Telecom Argentina S.A., whose decision cannot be foreseen to date.

#### **VI. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with effective regulations, we report with respect to Cablevisión Holding S.A. that:

- a) Except for the fact that they have not been transcribed to the Inventory and Balance Sheet Book, the interim condensed separate and consolidated financial statements of Cablevisión Holding S.A. comply, as regards those matters that are within our competence, with the General Associations Law and the pertinent resolutions issued by the Argentine Securities Commission.
- b) The interim condensed separate financial statements of Cablevisión Holding S.A., except for the fact that they have not yet been transcribed to the "Inventory and Balance Sheet" book and to the "Journal" book (accounting entries corresponding to the months of January to June 2020), arise from accounting records kept, in all formal respects, in conformity with legal provisions.

- c) Furthermore, we report that in exercise of the legality control within our competence, during the six-month period ended June 30, 2020 we have applied the procedures set forth in Article 294 of the General Associations Law, as deemed necessary pursuant to the circumstances and we have no observations to make in that regard.
  
- d) We have read the additional information to the notes to the condensed financial statements detailed in paragraph I., paragraph a) required under Article 12, Chapter III, Title IV of CNV regulations, on which, as regards those matters that are within our competence, we have no observations to make.

City of Buenos Aires, August 19, 2020

Supervisory Committee

Pablo San Martín  
Chair