



## **Cablevisión Holding S.A.**

### **Annual Report and Consolidated Financial Statements**

For the year ended December 31, 2021,  
presented on a comparative basis

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

# **CABLEVISIÓN HOLDING S.A.**

## **2021 ANNUAL REPORT**

To the Shareholders of

Cablevisión Holding S.A.

We hereby submit for your consideration the Annual Report and Exhibit, the Separate Statement of Financial Position, the Separate Statement of Comprehensive Income, the Separate Statement of Changes in Shareholders' Equity and the Separate Statement of Cash Flows and Notes of Cablevisión Holding S.A. (hereinafter, "the Company", "Cablevisión Holding" or "CVH") for fiscal year No. 5 ended December 31, 2021 and the Consolidated Financial Statements as of December 31, 2021.

The main subsidiary of the Company is Telecom Argentina S.A. ("Telecom"), a telecommunication operator.

### **1. 2021 MACROECONOMIC ENVIRONMENT**

Argentine economy closed the year 2021 with opposing results regarding the 2020-2021 global crisis, despite the external surplus collected. This raises questions about the short- and medium-term performance, especially because of the uncertainty posed by the course of the economic policy and because of the agreement that the Government has to reach with the IMF and its due compliance.

The most relevant indicators of fiscal year 2021 were the evolution of the value of exports (+42% or US\$23.000 million from 2020, recovering from the 16% decline in 2020), the increase of the real GDP (close to pre-pandemic levels), and a fiscal deficit of approximately 3.0% at national level reached in an election year.

Among the negative indicators, Argentina experienced an acceleration of inflation levels (+50.9% in the year, +15% than in 2020) with the consequent adverse effect on the purchasing power of wages and pensions, and the growing sovereign indebtedness (equivalent to almost +USD28.000 million in the year) and that of the Central Bank (monetary base and remunerated liabilities grew +100% and +68% point-to-point). Moreover, the large exchange-rate gaps (of more than 100%) are a cause of concern.

The economy remained under pressure despite some relevant events that were intended to generate dynamism. The first was the easing of most of the measures aimed at mitigating COVID infections. The effect on activity was positive and was reflected in the second half of the year, mainly in the recovery of services such as trade, gastronomy and hotel business.

At the same time, the economy received a significant extraordinary foreign currency injection from two sources. As a result of the significant rise in the price of agricultural commodities in general and of soy in particular, the surrender of foreign exchange by the agricultural sector was a record high for this century (~USD33,000 million) and the value of Argentine exports rose to almost USD78,000 million, a growth of +USD23,000 million in absolute values. As a result, revenues from export duties (taxes on exports) grew by almost 150%, increasing the country's revenue collection levels. In addition, the IMF issued US\$ 4,300 million in Special Drawing Rights (SDRs).

This significant foreign exchange injection allowed the government to use official exchange rates (together with the near-freeze of utility tariffs, including transportation) in an attempt to moderate inflation (which continued its upward trend). Thus, the multilateral exchange rate index showed a deterioration of 17% in real terms as measured by the Central Bank of Argentina.

The normalization of COVID spending and the high fiscal imbalances resulting from the pandemic were the common denominator for the world's economies in 2021, and Argentina was no exception. In this sense, it is worth noting that after an unprecedented 6.4% record high in 2020, the primary fiscal imbalance at the national level closed the year at around 3.0% of GDP (4.5% considering interest payments on sovereign debt).

Argentina's fiscal imbalances over the past two years were "monetized" by the Central Bank for the most part, and then "sterilized" partly through the placement of remunerated liabilities in banks (with rising interest expense). Some of the highlights that illustrate the above are:

a. The BCRA's financial assistance to the Treasury accumulated during the period 2020/2021 amounted to \$3.7 billion (7.3% and 3.6% of GDP, respectively). If it had not been sterilized, this issue would have been equivalent to slightly more than doubling the monetary base recorded at the end of 2019;

b. As a result of the sterilization, the BCRA's stock of remunerated liabilities (mainly Liquidity Bills (LELIQs) and Reverse Repurchase Agreements) amounted to a record high of \$4.5 billion (average Dec-2021) and it was nearly four times higher than the figure recorded at the end of 2019 and just over 30% higher than the monetary base.

The Argentine economy has low genuine demand for the currency it issues and negative real interest rates for savings. The excess of pesos often translates quickly into excess demand for goods and/or dollars. Under foreign exchange control regimes, this additional demand for foreign currency generates increases in the different alternative exchange rates of the US dollar existing in Argentina and, therefore, widens the gaps between the unofficial rates and the "official" ARS/USD exchange rate.

The exchange-rate gap does not only have a marginal impact on prices, but also fuels expectations of devaluation. Even if the official exchange rate is around the historical average, the large exchange-rate gaps generate the widespread perception of a cheap dollar that erodes both the external front flows and the BCRA's reserve stock. In an extreme scenario, the monetary authority could end up with its reserve position being decimated and being forced to let official parity float, exacerbating the crisis.

## **PERSPECTIVES FOR THE UPCOMING YEAR**

The economy continues to present high and sustained fiscal imbalances that are exacerbated in election years. These may represent a potential source of imbalance for the rest of the fundamental economic variables. Financing fiscal deficits through inflation tax often leads to certain consequences: stagflation, scarcity of foreign currency, growing exchange controls, and deterioration of the social environment.

The trade balance of the Argentine economy has been showing high surpluses since 2019, higher than US\$10,000 million. While there is an excess flow of US dollars, partly explained by the current foreign exchange administration scheme, the Central Bank has a critical stock of reserves used to make payments on the country's sovereign debt and to intervene in the official and financial exchange market.

The baseline scenario foreseen for the local economy by consultants and investment banks for 2022 contemplates two critical assumptions: That the Government will reach some sort of agreement with the IMF to be approved by the Congress before the maturities in March which amount to ~USD2,900 million, and that it will keep COVID infections under control to avoid new health restrictions. This scenario also foresees the complexities posed by an adverse external front, which will make less likely to have an external surplus such as the one recorded in 2021.

In this way, the speed at which the fiscal imbalance will be unwound in the coming years and which will be the sources of financing will be fundamental to measure the performance of the

Argentine economy. The economic authorities have projected the general guidelines for the unwinding of the fiscal imbalance over the next 4 years, but without specifying in detail the respective paths of revenues and spending.

A sustainable agreement with the IMF could result in better access to financing from the private and public sectors. This major challenge is likely to have less support from the external front, which is expected to be less benign (lower volume of agricultural exports due to the effects of the climate phenomena called *La Niña* and greater deficit in the balance of services, as the outbound tourism tends to normalize). This scenario could lead to additional restrictions on the demand for foreign currency or some adjustment of the official exchange rate parity.

The impact of this nominal correction on economic activity and inflation will depend on the size and its implementation. In addition, segmented increases of utility tariffs are expected to reduce the growing fiscal burden of welfare payments.

Private entities estimate a real growth of the GDP of around 3%. In this way, the GDP would allow to chain 2 consecutive years of recovery, but it would still be about 6% below the peak value reached in 2017.

Private sector inflation expectations for 2022 (according to the Market Expectation Survey conducted by the Central Bank) are around 55%, above the 33% projected in the Budget Bill.

## **2. REGULATORY FRAMEWORK 2021**

The main subsidiary of CVH, Telecom, as a telecommunications operator, is subject to Argentine regulations.

### **DECREE No. 690/20 – AMENDMENTS TO THE LAD**

On August 22, 2020, the National Executive Branch issued Decree No. 690/2020, which was subsequently ratified by Parliament under the terms of Law No. 26,122.

Within the amendments introduced to the LAD, ICT services – fixed and mobile telephony, cable television and Internet – and the access to telecommunications networks for and between licensees are now deemed “essential and strategic public services provided on a competitive basis”, and their effective availability shall be guaranteed by ENACOM.

The prices of essential and strategic public ICT services provided on a competitive basis, the prices of the services provided under the Universal Service and of those determined by ENACOM based on reasons of public interest, shall be regulated by said agency.

The Decree also provides that ENACOM shall establish, in the respective regulations, the Mandatory Universal Basic Provision of ICT services.

It also provided for the suspension of price increases or modifications established or announced from July 31, 2020 to December 31, 2020 by ICT licensees.

On December 21, 2020, Resolutions Nos. 1466/2020 and 1467/2020 were published in the Official Gazette, whereby the ENACOM regulated Decree No. 690/2020.

Resolution No. 1,466/2020 provided that ICT Services Licensees that render Internet access, subscription broadcasting services by physical, radio-electric or satellite link, and fixed and mobile telephony services -in all cases in their different and respective modalities- may increase up to FIVE PERCENT (5%) their retail prices as from January 2021. In order to establish the percentages approved, licensees shall take as reference the prices effective as of July 31, 2020.

Said Resolution also provided that ICT Services Licensees may request on an exceptional basis price increases exceeding 5% in accordance with the provisions of Article 48 of the LAD.

Said Resolution also provides that ICT Services Licensees that hold registration for Internet Access Value Added Service (SVA-INT, for its Spanish acronym); subscription broadcasting services by physical and/or radio-electric link (SRSVFR, for its Spanish acronym) and audiovisual communication subscription services by satellite link (DTH); shall notify the Enforcement Authority about any and all changes in retail prices they intend to make to their plans, prices and commercial terms in effect, SIXTY (60) calendar days in advance of their implementation.

Resolution No. 1467/2020 regulates the Mandatory Universal Basic Service set forth by Decree No. 690/2020 for the different services provided by ICT Services Licensees, establishing the price and characteristics of each plan, namely:

- PBU-SBT: Mandatory Universal Basic Provision of Basic Fixed Telephony Service
- PBU-SCM: Mandatory Universal Basic Provision of Mobile Communication Service
- PBU-I: Mandatory Universal Basic Provision of Internet Access Value Added Service
- PBU-TP: Mandatory Universal Basic Provision of subscription television services by physical or radioelectric or satellite link

The Subsidiary decided to increase its prices as from January 2021. This increase was not enough to reflect the effect of the accumulated inflation for the March-December 2020 period as a consequence of the measures implemented by the Executive Branch. The Subsidiary brought a legal action before the Federal Court on Administrative Litigation Matters against Emergency Decree No. 690 and against the above-mentioned Resolutions, grounded on the unconstitutionality of said regulations. The National Government was served notice of said legal action on October 07, 2021.

In this regard, the Subsidiary requested an injunction ordering the suspension of their application. Such request for injunction was dismissed on January 29, 2021. The Subsidiary filed an appeal against such decision.

On April 30, 2021, the Court of Appeals on Federal Administrative Matters admitted the appeal filed by the Subsidiary, revoked the decision rendered by the court of first instance and, consequently, granted the requested injunction, ordering the suspension of the effects of Articles 1, 2, 3, 4, 5 and 6 of Emergency Decree No. 690/20 and of the resolutions issued in connection with such Decree and the consequent inapplicability to the Subsidiary for a period of six months. Under the protection of the injunction granted by the Court of Appeals, the Subsidiary increased once again its prices in June, September and December 2021.

In its decision, the Court considered, among other grounds, that the "circumstances prima facie lead to serious and founded concerns to challenge the reasonability and legitimacy of Decree 690/2020 and of the resolutions adopted by ENACOM as a consequence thereof, due to the direct adverse effects they have on Telecom Argentina's property rights, which derive from ICT services provision under a free competition system as regulated, authorized and granted (as the case may be) by the National Government itself."

The National Government and the ENACOM filed extraordinary appeals against the decision rendered by the above-mentioned Court of Appeals on Federal Administrative Matters, which were dismissed on June 18, 2021 pursuant to the decision rendered by Chamber No. II of the Court of Appeals on Federal Administrative Matters.

On June 29, 2021, the National Government and the ENACOM filed direct appeals before the Supreme Court of Argentina. As of the date of this Annual Report and financial statements, both appeals are still pending resolution.

On October 21, 2021, the Subsidiary was served notice of a decision rendered by Federal Court on Administrative Litigation Matters No. 8, whereby it decided to extend for a term of six months the effectiveness of the injunction that had been granted.

The Subsidiary, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

### **Sanctions Regime Applicable to Information Technology and Communication Services.**

On March 3, 2021, through Resolution No. 221/2021, the ENACOM approved the "Sanctions Regime applicable to Information and Communication Technologies." Such resolution, among other aspects, provides for: i) the price of the PBU-SBT (Mandatory Universal Basic Telephony Service) in effect at the time of payment as a unit of reference to set the amount of fines; ii) a maximum fine equivalent to 50,000 PBU-SBT and a minimum of 50 PBU-SBT; iii) the publication of the sanctions imposed in the media and/or the institutional website; and iv) the possibility of imposing daily fines for each day of non-compliance. Said Resolution was ratified by ENACOM's Board on April 28, 2021 through Resolution No. 581/21.

The Subsidiary, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

### **Paraguay**

The Subsidiary, through Núcleo, holds a license to provide mobile telecommunication services - STMC and PCS throughout Paraguay. In addition, Núcleo holds a license for the installation and exploitation of Internet and data services throughout Paraguay. All these licenses were granted for renewable five-year periods. The Enforcement Authority that regulates the services provided by Núcleo is the National Telecommunications Commission (CONATEL).

Personal Envíos is authorized by the Central Bank of the Republic of Paraguay to operate as an Electronic Payment Company ("EMPE", for its Spanish acronym), and its corporate purpose is restricted to such service.

Through Tuves Paraguay, the Subsidiary holds a license for the provision of direct-to-home subscription audio and television services ("DATDH"), for a term of five years. The license was renewed in March 2020 for a five-year term.

During 2021, the Company complied with the social obligations for the provision of notebooks to educational institutions and for the installation of telecenters in conformity with the terms of public tender No. 01/2017 whereby the Company acquired two frequency blocks in the 700 Mhz band.

In 2021, the Company complied with the terms of Agreements 29/2017 and 30/2017 executed with the CONATEL for the provision of Internet service and IT equipment to health facilities for the promotion of telemedicine with grants from the Universal Service Fund.

In September, the license for the Internet access and data transmission service was renewed for the period 2021-2026.

During 2021, as member of the Chamber of Mobile Operators of Paraguay, the Company focused on establishing common positions in the industry in the face of parliamentary initiatives such as the amendment of Law No. 1,334/2003 establishing the procedure for the registration of mobile telephone service lines, or the national automatic roaming bill. In addition, the Chamber of Mobile Operators made filings with the CONATEL regarding the Service Quality Rules and with the Ministry of the Environment regarding the amendment of the control regulations on non-ionizing radiation, among others.

## Uruguay

Through Adesol, the Subsidiary maintains contracts with several licensees that provide subscription television services through various systems in Uruguay, under the jurisdiction of URSEC.

The Audiovisual Communication Services Law effective in Uruguay regulates the provision of radio, television and other audiovisual communication services. With regard to this Law, Adesol is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain articles of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court of Uruguay in those proceedings may be favorable to the position of Adesol in the future.

Based on the above-mentioned analysis, the permit holders AUDOMAR S.A., DOLFYCOR S.A., REIFORD S.A., SPACE ENERGY TECH S.A., TRACEL S.A., BERSABEL S.A., and VISION SATELITAL S.A., together with the majority shareholder of those companies, brought on November 22, 2019 an unconstitutionality claim against Articles 54 and 189 of Law No. 19,307. In October 2020, the Supreme Court of Uruguay declared that the Legislative Branch could not be sued by claimant and dismissed the unconstitutionality claim.

In April 2020, the Executive Branch submitted to Parliament a media bill, that would result, if passed, in the repeal of the current audiovisual communications law (Law No. 19,307) and, consequently, of the respective implementing decrees. As of the date of these consolidated financial statements, said media bill is still being reviewed by Parliament.

### **3. THE COMPANY. ORIGIN, EVOLUTION, PROFILE AND ACTIVITIES**

Cablevisión Holding is the first Argentine Holding engaged in the development of infrastructure and delivery of convergent telecommunications services, focused on Argentina and the region. CVH was created on May 1, 2017 as a result of the spin-off process of Grupo Clarín S.A. that began in September 2016 to promote the specialization of the assets of each company and its subsidiaries, allowing for the implementation of differentiated growth strategies and goals for each segment.

CVH focuses its investments on the telecommunications sector through the distribution of video, voice and data under the global technological convergence process, which tends towards the integrated provision of ICT Services.

Cablevisión Holding S.A. focuses, through its subsidiaries, on investing in technology, developing convergent networks and providing competitive high quality integrated services, which will increasingly provide universal access to knowledge society. The companies, products and brands of Cablevisión Holding are benchmark providers in the telecommunications and content distribution industries.

Cablevisión Holding's controlling shareholders are Argentine. It competes with major local and international players, providing quality services across all the segments in which it operates.

On August 30, 2017, CVH obtained authorization for admission to the public offering regime and the listing of its shares on the Buenos Aires Stock Exchange. On February 21, 2018, CVH's global depositary shares (GDSs) represented by global depositary receipts were admitted to the official list of the United Kingdom Listing Authority ("UKLA") to be traded on the main market of the London Stock Exchange.

As of December 31, 2021, the Company holds an economic interest of 39.08% in the outstanding capital stock of Telecom. The information relating to Telecom shareholders' agreement and the Voting Trust is described in Note 6 to the Company's separate financial statements.

## 4. CABLEVISIÓN HOLDING AND ITS BUSINESS AREAS IN 2021

During 2021, the Company focused its businesses on the cable television services, fixed and mobile telephony and Internet access sectors, through the operations of its subsidiary Telecom.

Consolidated net sales stood at \$ 425,493 million and the consolidated gross financial indebtedness of CVH (including sellers financing, accrued interest and fair value adjustments) decreased to \$266,921 million in 2021 from \$302,185 million in 2020 in constant currency as of December 31, 2021.

### 4.1 Telecom

#### 4.1.1 Fixed and Mobile Telephony, Internet and Cable Television and Other Services

With a focus on the digital and convergent experience of all customers, Telecom's products and services continue to evolve. Telecom provides to its over 29 million customers a flexible and dynamic service, in all their devices, through high-speed mobile and fixed connections, and a live and on demand content platform that combines series, movies, gaming, music, and TV programs. The Company is present in Argentina, Paraguay (with mobile, Internet and cable TV services), and in Uruguay (with cable television services).

Over the years, Telecom has evolved from being a traditional telecommunications company to consolidating itself as an ecosystem of connectivity-based apps and platforms, which drive the digital economy. That is why, in 2021, Telecom changed its brands, with the aim of simplifying its portfolio.

**Personal** became the brand of full connectivity, with Telecom's fixed and mobile networks. **Flow** offers full entertainment, integrating content from the most important platforms on the market. And, under the **Telecom** brand, the Company continued to bring digital solutions closer to the corporate and government segment.

- **Mobile Services**

Mobiles services mainly comprise voice communications and high-speed mobile Internet services; streaming and online download of contents and apps; and sale of mobile communications devices. These services are based on different mobile network technologies (3G/4G). In addition, Telecom switched on the first 5G Network in Argentina

Services are provided to prepaid, postpaid and fixed payment customers. In prepaid plans, customers pay for services in advance with prepaid credit. In postpaid plans, customers pay a monthly bill for a particular plan, plus charges for additional services not included in that plan. Under fixed payment plans, customers pay a fixed payment monthly bill and, and, like postpaid plans, most of these plans include a quota of megabytes to browse the Internet, unlimited inbound and outbound calls, SMS and a fixed amount of credit that can be used to purchase packages or multimedia content. Once the prepaid seconds have been used or the Internet quota has been reached, the customer can get additional credit with a recharge through the prepaid system.

As of December 31, 2021, Telecom had more than 20.1 million customers.



It should be noted that the mobile services rendered by Personal have a 33% market share, leading in revenue share with 36%.

New products and services launched in 2021 for Mobile Service Customers.	
<b>Share Gigas</b>	It allows our customers to give or receive gigas between different mobile lines, available for plans with over 3GB.
<b>WiFi Pass</b>	It offers exclusive gigas to turn the cell phone into a Wi-Fi modem and use Internet gigas anywhere, without consuming the gigas included in the plan.
<b>My Gigas</b>	It allows our customers to use the remaining gigas in any given month during the next 30 days. The next-to-expire gigas have consumption priority over those allocated monthly.
<b>Benefit for Prepaid Customers with Convergent Plans</b>	A gift of \$100 of credit in prepaid mobile service for convergent customers. It can be activated from the app, it is genuine credit and can be used at any time.
<b>More Gigas in WhatsApp</b>	Mass promotion evolution for prepaid customers. Customers that make a \$400 recharge are granted 2 gigas (one for surfing and one for social media and video) plus unlimited on-net and off-net calls for 30 days.
<b>More Benefits for Convergent Customers</b>	Multiple benefits for mobile customers that also have our Internet service at their homes.

<b>Brand Unification</b>	A campaign for the registration of convergent services under the same customer, to link mobile and home services in the app and access savings from \$800 to \$1,400 for unlimited time.
	Mobile subscription benefit of an additional 1 GB per month in resets of 1, 3 and 5 GB (as from November 2021).
	<i>Pack Mundo</i> , a benefit granted once a year (as from December 2021) when customers activate Roaming.

- **Internet**

The Internet service consists mainly of monthly fees charged to residential and corporate customers. These services provide speeds of 50MB, 100MB, 300MB and up to 1000MB. These products are sold under the brand “Personal”.

Telecom continued to deploy FTTH (fiber-to-home) technology both in greenfield areas (areas where Telecom does not have any of its technology networks deployed: Copper, HFC or FTTH) and in brownfield areas (upgrading areas where Telecom has network deployment).

In 2021, the Company launched broadband offerings with higher speeds aimed at encouraging the upgrade of services, allowing customers to enjoy the high-speed experience.

With regard to access networks, the strategy was aimed at meeting the growing demand for broadband, mainly for downloading videos and multimedia content from the Internet. In this regard, Telecom continued with the expansion of its fiber optic access infrastructure, using different modalities and technologies, which have been optimized based on the demand for the services provided and different geographical locations.

As of December 31, 2021, Telecom had 4.2 million subscribers.

- **Data and Fixed Services**

These services mainly comprise urban, inter-urban and international communications; supplementary services; interconnection with other operators; data transmission (virtual private networks, dedicated lines, signal transport, among others), and convergent ICT services solutions.

As of December 31, 2021, Telecom had 2.4 million fixed lines in service and 3.1 million lines including customers with IP voice lines.

- **Cable television and Content Platform**

As of December 31, 2021, Telecom had 3.6 million customers.

Cable Television Services comprise the operation of cable television networks installed in different locations of Argentina and Uruguay.

Telecom offers a wide range of integrated cable television and over-the-top services (OTT) under the “Flow” brand.

Flow is a platform that offers live TV, on-demand movies and series on multiple devices that can be watched anytime and from anywhere. It currently has a strong presence in Argentina, Paraguay and Uruguay.

In relation to entertainment, Flow is Telecom’s live content and streaming platform and the most innovative in the region. Customers can enjoy more than 17,000 hours of on demand content, with premiered films and more than 360 series, including national co-productions and the best international titles, as a result of agreements with different producers. In addition, 189 digital channels and 123 HD signals can be accessed directly via the Classic TV and the Flow app. Telecom continues to promote Flow as a point of entertainment and expanded, during 2021, the quality content offering with exclusive co-productions and releases.

The platform diversified its availability to allow more customers to access the product, according to their consumption preferences:

- **Flow APP** Free and open to all the customers in the country.
- **Flow Now** For Personal’s customers, via the APP Flow (no home installation or decoder required). It allowed us to sustain the cable TV subscribers in 2021 and to continue to lead the market with a 37.5% share.

In addition, we executed agreements with different OTT service providers. Flow has become the most important comprehensive platform in Argentina with the incorporation of Paramount+ and Star+ to its offering, which includes Netflix, YouTube, Disney+, and Amazon Prime Video.

As regards gaming, in line with the calendar of tournaments of the different professional leagues, Flow released the documentary Isurus Origins as part of the agreement with Isurus, the oldest and most important e-Sports professional club in the region, to produce content for gamers.

Finally, through Tuves Paraguay, its subsidiary in Paraguay, Telecom holds a license to provide direct-to-home subscription audio and television services ("DATDH") in that country.

- **Corporate Services**

In the B2B (business-to-business) corporate market, Telecom continues to develop new solutions to support companies in boosting their business and to further evolve the digital transformation in this new context. In 2021, Telecom added to the portfolio several IoT (IBM Cloud), cybersecurity (Collaboration service), and asset tracking solutions, as well as the digital identity service, among others.

In line with this, it executed a strategic alliance with the IBM Cloud business unit with the aim of further deepening access to hybrid cloud solutions and continuing to add information technology products to its portfolio.

In addition, Telecom developed a new security solution called “*Fortalecimiento de usuarios*”, aimed at reducing the risks of IT attacks suffered by companies. This solution aims to raise awareness about IT security while measuring and analyzing results to reduce the risks to which network users are exposed.

- **Wholesale Services**

Mobile Telephony Services

Telecom’s mobile operations infrastructure enables it to provide the following wholesale services:

<b>International Businesses</b>	Due to the travel restrictions imposed as a consequence of the pandemic, the number of roamers was limited in 2021 as well as the possibility of taking advantage of international coverage. In order to boost the profitability of this business, Telecom streamlined costs and maximized the capture of traffic of roaming partners generated in Telecom's network.
	It also continued to open up new services to increase consumption.
<b>National Businesses</b>	Telecom renewed the firewall service (a system designed to block unauthorized access) to secure its network, optimized the monetization of the business, and entered into new agreements.
	The main revenues and costs of wholesale businesses are related to interconnection traffic charges, sale of interconnection service resources, sale of infrastructure to large groups, national roaming, and lease of conventional and non-conventional infrastructure sites.

## Fixed Telephony and Data Services

During 2021, Telecom remained one of the leading providers of wholesale telecommunications solutions for the different providers and operators of the market (including cable operators, Internet service provider cooperatives (ISPs), and others). It offered the following services:

<b>Infrastructure Services</b>	Video Transport: transport of video signals in standard and high definition, audio and video streaming
	Data Services: Dedicated links, layer 2 (LAN to LAN) and layer 3 (Internet Protocol Virtual Private Network).
	Datacenters: Hosting, housing and virtual private servers.
<b>Internet Services</b>	IP transit service: it concentrated most of the business in 2021, demanded by ISPs to provide Internet connectivity to their customers. This led to a significant increase in local and international broadband consumption.
<b>Value Added Services</b>	IoT, Security, and other additional services.
<b>International Long-Distance Service</b>	Telecom holds a permanent license to provide international telecommunications services in Argentina, including voice, data, and housing services and lease of international point-to-point circuits. Telecom is connected to international telecommunications networks, mainly through several submarine fiber optic cables.
<b>Services provided in the United States</b>	Commercial actions aimed at highly profitable wholesale products, among them, OTT services. Development of links with leading cloud content and service providers in the United States through the subsidiary Telecom USA.

### ● **Personal Pay**

During 2021, Telecom launched a new digital wallet service, Personal Pay, in Beta version, for the purpose of continuing to drive financial inclusion through the Fintech industry in Argentina.

The digital platform allows to:

- pay, save and manage their money, efficiently and securely,
- recharge their cell phone (regardless of the service provider),
- recharge transport cards and pay bills,
- send and receive money via a QR code and access a wide range of discounts and benefits.

Personal Pay is fully managed from the app and allows users to view all the credits and debits clearly and easily. All users can access the VISA Personal Pay International prepaid card. Personal's e-wallet offers the world's first customizable fintech card, in physical format. Thus, users can choose the name to be printed, as well as predefined logos that identify them. With the prepaid card, customers can make purchases online and in physical stores, subscribe to entertainment services, and they will soon be able to withdraw cash from ATMs.

As part of its development map, Personal Pay will continue to strengthen the functionalities of its app and, in future releases, users will be able to access financial education, savings tools, QR reader, among other functionalities.

Telecom seeks to continue to promote financial inclusion through the Fintech industry in Argentina. During 2022, Telecom will incorporate new functionalities and solutions under one of its pillars, financial inclusion, offering financial solutions to segments of the population that do not have access today.

## **4.1.2 Infrastructure**

### **4.1.2.1 Infrastructure Development**

To provide an innovative service and excellence, Telecom continues to develop its infrastructure on an ongoing basis. Making intensive investments in its infrastructure and systems to provide customers with the best services is a key pillar of Telecom's strategy.

Technological milestones in 2021 included:

- Transformation of the Network: consolidation of technical buildings that allow the unification of network equipment. In addition, a new phase of the transformation was initiated with the installation of the Outer Core equipment of the southern network, improving the capacity and operation of the transport network to the south of the country.
- Fiber optic deployment, FTTH: expansion of the service network to 9,550 blocks and construction of 3,000 blocks of Overlay, which consists of building an FTTH network over an HFC network. This allowed Telecom to decompress the traffic in the old network through the migration of customers and to provide better products.
- Deployment of 4G: Improvement of the network capacity and 4G coverage with the installation of more than 200 new sites and the improvement of more than 2,000 existing sites, reaching a 4G coverage of 96% at country level and 98% considering provincial capitals.
- Fixed Network: In addition to starting with the deployment of the FTTH overlay network that allows the modernization of fixed access, the HFC network was further enhanced to expand its capacity and optimize its performance. During the year, over 24,000 network blocks were improved, mainly by expanding up-stream capacity through the mid-split project. Telecom also worked on segmenting service areas to achieve higher capacity per user.
- Mobile Access: Telecom continued with the sites growth strategy to provide greater capacity per user, and improvements over existing ones: Adding bands, refarming toward 4G, etc. In turn, 4T4R antenna equipment was installed, which allows for a better use of the spectrum providing a better user experience.
- Personal WIFI Zone: Incorporating all the attributes of Telecom, Personal WiFi Zone continues the mission of being Argentina's largest free-of-charge Wi-Fi circuit. Strengthening the relationship with our strategic partners, we continue to provide Internet access at bars, restaurants, movie theaters and fitness centers along with the deployment of new hot spots in outdoor spaces and in 100% of our customer service locations.

**4.1.2.2 Digital Transformation Projects**

Telecom focuses on accelerating its digital transformation and that of society. To this end, it is making progress in the total reconversion of its systems. Together with the transformation of its internal culture, these changes allowed it to maintain the operation despite the pandemic restrictions and respond efficiently to the new needs of its customers.

**Platform Ecosystem: New Technology Enablers**

Focused on sustainable growth and technological and cultural transformation, Telecom developed a platform ecosystem following digital open architecture guidelines.

Innovations that are the basis of its enabling platforms	
Big Data and Analytics	<b>Data Phoenix Project.</b> Evolution of the Enterprise Data Warehouse model with Google Cloud Platform.
Open Digital Architecture	Implementation of the APification model: Availability of services embedded in APIs (Application Programming Interfaces) that allow their reuse, accelerate development and add value to its customers.
Cloudification	<b>Multicloud at Scale</b> to decentralize the generation of infrastructure, building knowledge and capabilities.
DC4	A convergent infrastructure model that enables the efficient management of the resources deployed at datacenters.  It seeks to make teams independent and have infrastructure available and as automated as possible.
Cloudvalley	Collaborative self-service portal that enables to manage infrastructure and services through a single catalog.  It complements enabling platforms with a self-service portal that enhances the experience of developers and users.

**Advances in Transformation Programs**

**Project FAN**

It is a customer relationship management (CRM) system comprising the administration, management and billing processes with a unified approach to our business. FAN is focused on the experience of more than 29 million customers to manage their services. In 2021, we achieved the following milestones:

- 19 million mobile lines were migrated to FAN, i.e. 96% of the mobile customer base.
- NPlay code in production (unification of the fixed and mobile code). Changes in the main sales and after-sales functionalities and in the initial customer view (products and services are grouped by address). Soon, NPlay will be switched on in two locations to gradually reach the rest of the country.

### **SWITCH, a Digital Experience**

A fully convergent experience, with a comprehensive view of the customer and with self-management as a horizon. Telecom is also optimizing its relationship models across all digital channels.

With a comprehensive approach to customers, this program allows Telecom to implement a common strategy in its digital sales (e-commerce) and post-sales (self-management) channels, to provide customers with a convergent and omni-channel experience, with a focus on self-management. In 2021, Telecom developed and launched the new E-Commerce Convergent Self-Management APP, accelerating the digital experience which includes functionalities, ongoing evolution, service transformation, and personalized valuable content.

### **SAP S/4 Hana, focused on the back office**

Regarding the evolution of Telecom's Enterprise Resource Planning (ERP) systems, its challenge in 2021 was the innovation roadmap to include machine learning, IoT and big data, among other tools, for back-office management. The main advances made were:

- Support to the development of new businesses by adapting their adoption to the back-office areas on SAP S4 Hana.
- Upgrade to the new version of SAP S4 Hana.
- SAP deployment for our subsidiaries in Uruguay and Paraguay.

### **OSS (Operation Support System) Program**

The convergent and comprehensive operation of the network is one of the fundamental axes in the Company's evolution. Through OSS, Telecom managed to unify processes, tools and data for the management of preventive maintenance of all its assets.

Telecom completed the rollout of a new Workforce tool that allows it to make its installation and support operation more efficient. In addition, Telecom implemented new network tickets and fault management systems, which enable it to monitor and manage network events with improved traceability and diagnostic portals that allow it to understand more accurately the points of failure in the services rendered to its customers.

## **4.1.3 New Technologies to Boost the Digital Environment**

In the coming years, 5G technology will lead to, for example, widespread smart cities, IoT, connected homes and cars, home automation, and AI. That's why Telecom has been investing for a long time in 5G technology by expanding the coverage, availability, and capacity of its mobile network. It also continued to deploy sites to expand coverage and made improvements to existing ones. In the north of the country, with a high degree of traffic, Telecom implemented 4T4R at 380 sites and the refarming of the 1,900 or 850 MHz band at more than 2,000 sites.

In February 2021, Telecom installed the first 5G network in Argentina, putting into operation 10 mobile antennas in the cities of Buenos Aires and Rosario. These sites use Dynamic Spectrum Sharing (DSS) technology, which leverages the current 4G network to turn on 5G accesses dynamically and on demand. The 5G network will enable speeds of 10Gbps and provide greater capacity for connected devices, coverage, and features than the 4G and 4.5G networks.

In December 2021, Telecom announced the expansion of its 5G network with 10 new sites in Mar del Plata, Pinamar and Carilo. Telecom installed antennas in Mar del Plata with this technology

in the areas of Playa Bristol, Varese, Mogotes and Playa Grande; and it put into operation five sites in Pinamar and, in Cariló, a site corresponding to the downtown area.

By the end of the year, Telecom expects to have sites with an exclusive spectrum for 5G.

## **IoT Solutions**

IoT solutions provide companies and agencies with real-time information and statistical data needed to perform several procedures in an agile and efficient manner. These solutions allow users to run tasks, automate processes, and generate efficiencies. IoT is not just connecting things to the Internet, but it involves the development of value propositions that incorporate new technologies.

Telecom has extensive experience as an end-to-end integrator of complex ICT solutions, where it uses its network infrastructure and highly qualified human resources. It has capacity for connectivity, networking, software, hardware, alliances, development of dashboard and platforms, with data analytics specialists for better decision-making that enable it to accompany customers in all their processes on the path towards the digital transformation of their businesses.

## **Machine Learning and Predictive Analytics**

Telecom started using the Customer Experience Index (CEI), an unbiased method of evaluating the user experience based on the quality of the network they perceive. To this end, we selected a variety of typical services (voice, web, streaming, etc.) and their underlying indicators. Telecom is working on improving the CEI model of the HFC network, mobile network, Wi-Fi access, and Flow platform.

## **Artificial Intelligence and Augmented Intelligence**

Augmented intelligence refers to the increase in human capabilities when combined with technology (especially artificial intelligence and automatic learning). Telecom uses ADA, an augmented intelligence tool, for mobile and fixed network planning.

In this way, it can obtain two-year projections of active users per network cell and average traffic per customer. In 2021, Telecom developed a use case for the application of artificial intelligence and automatic learning technologies in the network to automate the diagnosis, operation and correction of network failures.

### **4.1.4 Security of Information, People and Assets**

#### **Cybersecurity**

Telecom regularly updates the security measures and use cases, and includes new mitigation procedures both for the identification and prevention of cyber-attack attempts.

It trains its employees and drives awareness campaigns (both active and passive) about data security and privacy procedures. In those campaigns, Telecom warns its employees about threats that can affect users and the access to its systems.

In addition, the Department of Cybersecurity, which reports to the CTO, promoted the following activities:



- New solutions that allow to improve the security, design and development of technology focused on the classification of critical information and the prevention of data leakage.
- Identification of new threats and vulnerabilities generated in the IT ecosystems.
- Implementation of restriction measures for the access to personal data, protecting customer privacy and the encryption of sensitive data as required by laws, regulations or procedures.
- A portfolio of security products and services as an added value for its customers.
- Telecom strictly complies with Personal Data Protection Law No. 25,326, as supplemented, meeting the requirements provided by law in order to protect the privacy of personal data.
- Full and comprehensive review of the Credit Card data processing environment, in accordance with the PCI - DSS (Payment Card Industry - Data Security Standard).
- Adaptation of the Security management processes and documentation to the ISO/IEC 27001 management model.
- In order to safeguard the privacy of those employees that work remotely, we use two-factor authentication and geolocation restrictions.
- In order to prevent data leakage, Telecom upgraded the detection system and reviewed the restriction workflows for their update, and the early actions to be taken in case of movement of personnel.

#### **4.1.5 Human Capital**

Telecom's vision is aimed at furthering its evolution as a company by boosting digital capabilities, new ways of working and a customer & employee centric culture through the following lines of action:

- o Consolidating a new work experience with new ways of relating by putting into action our cultural purpose and principles.
- o Initiating and adopting new organizational formats and agile project teams that will accelerate its digital transformation and value delivery process.
- o Promoting and supporting the development of a digital leadership style as facilitator and enabler of business challenges.
- o Focusing on the attraction, recruiting and loyalty of digital profiles through the strengthening of its employment brand positioning and of its value proposition.

The COVID-19 pandemic drove Telecom to reinvent itself to continue operating, preserving the welfare of its people. Based on what it learned in 2020, Telecom began to consolidate, in 2021, a new labor paradigm marked by a new way of doing things, new challenges, a more federal vision of projects, and collaborative leadership. In 2021, it developed new working modalities that include a mix of remote and in-person work schedules, and provided support to its employees, through a comprehensive program that offers learning tools, good practices, and tips to maintain the work-life balance, among other valuable content.

#### **#NosAcompañamos**

This comprehensive program, created during the COVID-19 pandemic, seeks to support people's biopsychosocial welfare to enhance their work experience. Thus, through different means of communication, Telecom shared prevention measures, promoted remote working methodology, and activated various care protocols.

#### **Digital Culture**

Telecom drives a change of mindset in line with its cultural transformation, focused on three pillars:

- Digital leadership as a facilitator of business challenges
- Development of the employer brand to attract digital profiles and build loyalty
- Generation of new organizational formats that accelerate transformation and delivery of value

In order to strengthen a new leadership model aligned with this transformation, Telecom is boosting the Being and Doing model through the “Teco Attitude”, which puts its Cultural Purpose and Principles into action.

### **Teco XP**

Based on the cultural evolution that began in 2020, Telecom developed Teco XP, a new work experience with a focus on the balance between professional, family and personal life offering a mix of working modalities, depending on the needs of different projects and types of task: Fully remote schedules, in-person schedules and a combination of both. Under this scheme of work environments, we created Experience Centers that are considered as true meeting points for exchange and co-work, making the most of technology and connectivity.

In the second half of 2021, Telecom opened the first 4 Experience Centers for the employees located in Rosario and in the AMBA region to gradually adopt a hybrid working model. Subsequently, in January 2022, it opened another Experience Center in Cordoba.

### **Teco Station Academy**

This ecosystem of learning and development experiences seeks to strengthen the skills required in digital areas and new businesses. It also contributes to the process of upskilling (teaching employees new skills to optimize their performance) and reskilling (training an employee to adapt to a new position in the company) of its employees, encouraging their mobility and growth, and accelerating their readiness for current and future roles.

#### **4.1.5.1 Diversity and Respect in the Workplace**

Telecom seeks to build respectful environments and, to this end, it has a Diversity and Inclusion team that designs an agile working dynamic to drive the implementation of actions for our three pillars: Disabilities, Generations and Gender.

The highlights during 2021 were:

- Protocol in cases of violence and/or sexual harassment in the workplace
- Women Leaders
- Diversity Training for Leaders
- Support Provided to Employees with Disabilities

#### **4.1.5.2 Boost to the Development of the Employees**

##### **Feedback Connection**

A comprehensive performance management program aimed at empowering team development with valuable conversations. It has allowed Telecom to promote performance management in order to empower our employees as protagonists of the process and their leaders as facilitators or performance enhancers.

<b>4 lines of work feed off each other to provide different views on performance</b>	
<b>1. Plan of Goals</b>	Planning, cascading and assessment of goals. It clarifies expectations and generates agreements on business objectives and development goals.
<b>2. Conversations</b>	It encourages an ongoing, thorough, and honest dialog between employees and their leaders with a focus on the clarification of expectations.
<b>3. Leaders</b>	Spontaneous remarks to recognize those people who put Telecom's cultural principles into action. They generate greater emotional commitment and add complementary insights to the person's performance.
<b>4. Leadership Survey</b>	Feedback on leadership performance with the teams. It includes the point of view of the employees on the perception of the quality and effectiveness of the leader's performance.

### **Work Environment Survey**

The work environment survey carried out in 2021 to all the employees of Telecom Argentina had an 85% response rate and we conducted a digital campaign to disseminate the results. The survey was also conducted in Paraguay and Uruguay.

In 2021, Telecom emphasized the fact that the information submitted is confidential, that this survey is very useful and that it is very important to obtain employees' feedback for the actions to be taken by the Company.

### **4.1.6 Sustainability Strategy**

Telecom carries out its activities and operations taking into consideration the importance of ICT and the global impact on Argentine society. Since 2007, Telecom has issued, on an annual basis, a Sustainability Report and continues to strengthen its value chain and its environmental commitments, stated in the pillars that guide its policy. In 2021, it presented the first Integrated Report, which consolidated its performance with the company's financial information during the fiscal year 2020.

In 2021, Telecom started to review its sustainability strategy to establish the working dimensions focused on social and environmental actions. To this end, it assessed the impact of the company and materiality, it identified the relevant actions, and reviewed its long-term goals. In 2021, Telecom published a new Environmental Policy and developed the Sustainability Policy.

#### **4.1.6.1 Relationship with Stakeholders**

Telecom's ongoing dialog with its stakeholders allows it to learn about their expectations, to grow the company's business, and to create shared value. Telecom takes an active role to generate trust relationships, with a comprehensive company-wide approach.

The stakeholders are the following:

- Employees
- Shareholders and Investors
- Customers and Consumers
- Suppliers and Contractors
- The Environment
- Community
- Public Sector
- Unions
- Media, Opinion-Makers and Influencers

#### **4.1.6.2 Environmental Sustainability**

Telecom believes that sustainability is the way to improve the performance of its business and develop its activities minimizing the environmental footprint of the services it provides.

During 2021, Telecom developed a new environmental policy. It is based on the following ten general and strategic principles that guide the actions of all areas of the company (Risk Management and Minimization, Legal Framework, Technology for Sustainable Development, Contribution to Climate Change, Management of Indicators and KPIs, Efficiency in Resource Consumption, Waste Management, Organizational Culture, Value Chain, and Transparent Identity).

#### **4.1.6.3 Social and Environmental Impact**

Telecom contributes to the progress and development opportunities of the communities in which it is present. It brings its technological advances closer to people, transforming information, business, entertainment, and the ways of relating.

#### ***Mi Negocio Personal***

It is a personalized e-store where small traders and entrepreneurs can sell their products in an agile and simple way, and offer them on social media or publish them in the app Club Personal. Launched in the midst of the pandemic, Mi Negocio Personal enabled micro-entrepreneurs to continue doing business and making sales despite the preventive isolation measures.

In 2021, Mi Negocio Personal supported the digitization of the business experience of 20,000 entrepreneurs and created a community of 23,000 followers in their official social media profiles. With a 1.3% monthly conversion rate for subscriptions, it also provided enriching information tailored to the local market through free webinars and training.

#### **Responsible Advertising**

Telecom assesses and approves advertising pieces based on responsible advertising criteria. We take into account the level of exposure of children in advertising, family models, stereotypes, gender, use of appropriate vocabulary, and incitement to violence, among others. Telecom also participates in chambers and organizations that develop responsible advertising campaigns, such as the Argentine Council of Advertising.

#### **4.1.6.4 Digital Inclusion for the Community**

##### **Our Opportunity: boosting digital life**

To achieve digital inclusion, access to connectivity is necessary, but not sufficient. People must have the skills and abilities necessary to make safe, positive and responsible use of the service. And that is the focus of Telecom's sustainability strategy. Telecom promotes community access to digital skills and competencies that are fundamental to individual and collective growth in an increasingly digitized world.

With federal reach, its programs seek to bring valuable content closer to people across the country so that they can boost their growth. Thus, Telecom helps drive digital inclusion and enables more and more people to take advantage of the opportunities posed by the services it provides.

##### **Communication with the Community**

Connectivity is an engine for the economic and social development of large cities and also of towns located far from urban centers, with their specific needs. That is why Telecom works in conjunction with provincial and municipal governments to bring people closer to the most appropriate proposal in terms of infrastructure development. With a long-term vision, Telecom makes genuine investments that standardize network modernization, the development of people, and the preservation of natural environments.

Telecom maintains an active presence in the communities of influence, in order to promote dialog and foster shared interests.

##### **Community Programs**

###### **DIGIT@LERS**

This proposal is targeted at young people over the age of 18 to encourage them to find their vocation in the IT world and at the same time to promote the development of digital talent for the industry.

###### **CHICAS DIGIT@LERS**

This is a training space for young women aged 13-17, with which Telecom aims to reduce the gender gap in the sector by inspiring them to imagine their academic and labor future in the ICT world. Classes are delivered live online by mentors that work in the IT market.

##### **Corporate Volunteer Program: *Conectamundos***

Under the motto "Together, we reach further", the Corporate Volunteering Program aims to design spaces of joint creation for employees, in line with the spirit of Telecom's sustainability programs.

## **Puente Digital**

Through this program, Telecom provides free connectivity to different community institutions.

## **Sponsorship and Donations**

Through the donation of technological equipment and materials, Telecom made donations to schools, boroughs, and social organizations throughout the country so that they can use them in their daily activities.

## **5. TRANSPARENCY AND ETHICS**

Cablevisión Holding believes that one of the pillars of a good management is transparency. Therefore, through its communication it seeks to make available as much information as possible about its operations and businesses. In addition, it establishes ethical standards for the development of its operations.

The Company has a policy called Code of Ethics and Conduct, which, among other things, seeks to avoid potential conflicts between the Company's -and its subsidiaries'- interests and the personal interests of its directors and employees and their respective direct relatives. The code describes objective scenarios where a conflict of interest may arise and provides a non-exhaustive list of examples that standardize conflicts.

The Code of Ethics and Conduct deals with the handling of confidential information by the Company's officers, where confidential information is understood as all such information that has not become publicly known and that may be important for an investor to make a buy, sell or hold decision concerning any of the Company's securities. The Code prohibits the use of such information by the Company's officers for their own benefit or for the benefit of a third party.

Cablevisión Holding makes available to its investors and shareholders all the relevant information about its performance. CVH has employees who are in charge of the relationship with investors and shareholders, answering their inquiries and providing financial and operating information. The Company issues and distributes quarterly reports and holds periodic conference calls during which the information provided is discussed. All the reports are subsequently uploaded to the corporate website.

The Company maintains communication channels with the minority shareholders through the disclosure of relevant information in the stock exchanges where its shares and GDSs are listed and through information disclosed in the Company's website.

## **6. CORPORATE GOVERNANCE, ORGANIZATION AND INTERNAL CONTROL SYSTEM**

Cablevisión Holding S.A.'s Board of Directors is responsible for the Company's management and approves its policies and overall strategies. Pursuant to the By-laws, the Board of Directors is composed of ten permanent directors and ten alternate directors who are elected at Special Shareholders' Meeting of Classes on an annual basis. At least four of them (two permanent and two alternate members) are required to be independent directors, appointed in accordance with the requirements provided under the CNV rules.

## Members of the Board of Directors

As decided at the Annual Ordinary General Shareholders' Meeting and Special Shareholders' Meeting of Class "A", "B" and "C" Shares held on April 29, 2021 and at the Board of Directors' Meeting held on said date, the Board of Directors is composed of the following members:

Bardengo, Sebastián	Chair
Sáenz Valiente, Ignacio José María	Vice Chair
Whamond, Alan <sup>1</sup>	Permanent Director
Salaber, Sebastián <sup>1</sup>	Permanent Director
Pozzoli, Nelson Damián <sup>1</sup>	Permanent Director
Blaquier, Gonzalo <sup>1</sup>	Permanent Director
Pagliaro, Lucio Andrés	Permanent Director
Aranda, Antonio Román	Permanent Director
Magnetto, Marcia Ludmila	Permanent Director
Noble Herrera, Marcela	Permanent Director
Domenech, Fernando <sup>1</sup>	Alternate Director
Rio, Alejandro <sup>1</sup>	Alternate Director
Oria, Jorge <sup>1</sup>	Alternate Director
Colombres, Gervasio <sup>1</sup>	Alternate Director
Cassino, Damián Fabio	Alternate Director
Novoa, Nicolás Sergio	Alternate Director
Olivieri, Samantha Lee	Alternate Director
Ostergaard, Claudia Irene	Alternate Director
Romero, Maria Lucila	Alternate Director
Diez Monnet, Leandro	Alternate Director

<sup>1</sup> *Independent members of the Board of Directors.*

## Supervisory Committee

Cablevisión Holding also has a Supervisory Committee composed of 3 permanent members and 3 alternate members, who are also appointed on an annual basis at the Special Shareholders' Meeting of Class "A" shares, Class "A" and "B" Shares (voting as a single class) and Class "C" shares. The Board of Directors appoints among its members those of the Audit Committee, which is in charge of the ongoing oversight of all matters related to control information systems and risk management, and issues an annual report on these topics. The members of the Company's Audit Committee may be nominated by any member of the Board of Directors and a majority of its members must meet the independence requirement provided under CNV rules.

As appointed at the Annual Ordinary General Shareholders' Meeting and at the Special Meeting of Class "A" shares, Class "A" and "B" Shares (voting as a single class) and Class "C" shares held on April 29, 2021, the Company's Supervisory Committee is composed of the following members:

Gonzalez Rosas, Guillermo Raúl	Permanent Member of the Supervisory Committee
Menzani, Alberto Cesar José	Permanent Member of the Supervisory Committee
San Martín, Pablo Gabriel	Permanent Member of the Supervisory Committee
Rios, Martin Guillermo	Alternate Member of the Supervisory Committee
Suarez, Rubén	Alternate Member of the Supervisory Committee
Cartamil, María Celina	Alternate Member of the Supervisory Committee

### **Audit Committee**

The Audit Committee is composed as follows:

Bardengo, Sebastián	Chair
Whamond, Alan	Vice Chair
Pozzoli, Néstor Damián	Permanent Member
Sáenz Valiente, José Ignacio	Alternate Member
Salaber, Sebastián	Alternate Member
Blaquier, Gonzalo	Alternate Member

The overall criteria used to appoint Cablevisión Holding S.A.'s management are based on the background and experience in the position and the industry, companies they have worked for, age, professional and moral aptitude, among other factors.

In order to identify opportunities and streamline structures and systems with the aim of improving processes and making informed decisions, Cablevisión Holding S.A. sets forth several procedures and policies for controlling the Company's operations. The areas responsible for the Company's internal controls, both at the Company level and at the level of its subsidiaries and affiliates, contribute to the safeguarding of shareholders' equity, the reliability of financial information and the compliance with laws and regulations.

### **Compensation of the Members of the Board of Directors and Senior Management**

Compensation of the members of the Board of Directors is decided at the Shareholders' Meeting after the close of each fiscal year, considering the cap established by Section 261 of Law No. 19,550 and related regulations of the CNV.

Cablevisión Holding has compensation arrangements with all of its officers in executive and managerial positions, which contemplate a fixed and variable remuneration scheme. Fixed compensation is tied to the level of responsibility attached to each position, prevailing market salaries and performance. The annual variable component is tied to performance during the fiscal year based on the objectives set at the beginning of the year.



In addition, the parameters used in fixing compensations are in line with market practices, using market surveys issued by prestigious consultancy firms and the evaluation of the positions based on the size of the company and the complexity of the assigned tasks.

### **Dividend Policy**

CVH does not have a formal dividend policy governing the amount and payment of dividends or other distributions. According to its By-laws and the Argentine General Associations Law, CVH may lawfully pay and make declarations of dividends only out of the retained earnings stated in the Company's annual Financial Statements prepared in accordance with Argentine GAAP and CNV regulations and approved at the Shareholders' Meeting. In such case, dividends must be paid on a pro rata basis to all holders of shares of common stock as of the relevant record date.

### **Set-up of Reserves**

Pursuant to the Argentine General Associations Law and CNV resolutions, CVH is required to set up a legal reserve of no less than 5% of each year's retained earnings until such reserve reaches 20% of its capital stock. The legal reserve is not available for distribution to shareholders.

The shareholders may decide at a Shareholders' Meeting to set up other reserves as necessary for the prudent administration of for the Company.

### **Code of Corporate Governance**

In addition to the aforementioned, and in conformity with Resolution No. 707/2019 issued by the Argentine Securities Commission, the Company prepared the Report on the Corporate Governance Code in accordance with Exhibit III, Title IV of Chapter I, Section I of the Rules, which is attached as an exhibit to this Annual Report.

## **7. BUSINESS PROJECTIONS AND PLANNING**

Cablevisión Holding seeks to consolidate its role as leading holding company engaged in investing in convergent telecommunications, focused on Argentina and the region.

Its subsidiary, Telecom, will strive to seize opportunities, seeking to reinforce, improve and expand the range of products and services offered; reach new customers and promote permanent innovations in all of its activities.

Cablevisión Holding will continue to optimize even more the productivity and efficiency levels in all of the areas of CVH and its subsidiary. It will seek to develop and apply best practices in each of its processes.

At a corporate level, it will continue to focus on the main processes that allow sustainable, healthy and efficient growth from different perspectives: Financial structure, management control and business strategy. Cablevisión Holding will continue to analyze alternative new ventures related to its mission and strategic objectives both in Argentina and abroad, as long as they add value to shareholders and are feasible and viable under the prevailing economic environment.

Cablevisión Holding was created as result of Grupo Clarín's corporate spin-off, which sought to deepen the specialization of each of the organizations. In this way, each company was able to adjust even further its strategic, financial and operational focus with the global demands of each of these markets, allowing them to enhance their competitiveness.

Cablevisión Holding reaffirms its sustained commitment to regulatory compliance, to the customers of its main subsidiary and to the country.

## **8. SUPPLEMENTARY FINANCIAL INFORMATION**

The information included in the Supplementary Financial Information is part of this Annual Report and, therefore, both should be read in conjunction.

## **9. FINANCIAL POSITION AND RESULTS OF ITS OPERATIONS**

As mentioned in Note 1 to the Company's separate financial statements, CVH was created as a company that was spun off Grupo Clarín S.A., being the Effective Date of the Spin-off May 1, 2017. As from that date, Cablevisión Holding S.A. began its operations, the accounting and tax effects of the Spin-off became effective, and Grupo Clarín transferred to Cablevisión Holding S.A. the operations, risks and benefits that were part of the spun-off equity and the subsequent spun-off equity. The corporate reorganization was registered with the IGJ on April 27, 2017.

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.

The Company holds a direct and indirect economic interest of 39.08% in the outstanding capital stock of Telecom Argentina.

During this year, the main changes in the Company's financial position and results of its operations were the following:

Working capital (current assets minus current liabilities) at year-end decreased by \$ 290 million compared to the previous year, from \$ 1,409 million to \$ 1,119 million. This decrease is mainly accounted for by the decrease in cash and cash equivalents by \$ 370 million, net of the increase of other receivables by \$ 44 million and the decrease in Other liabilities by \$ 50 million. In addition, Other investments and dividends payable amounted to \$ 922 million and \$14,025 million as of December 31, 2021 and 2020, respectively, in connection with the dividends described in Note 11 to the separate financial statements.

With respect to non-current assets, the most significant variation was recorded under Investments in associates, mainly as a consequence of: (i) the increase arising from the net profit of fiscal year 2021 related to the direct and indirect investment in Telecom and (ii) the decrease generated by the distribution of dividends by Telecom. The changes in Investments in associates is detailed in Note 4.4 to the separate financial statements.

The Statement of Income as of December 31, 2021 recorded a net income of \$ 3,698 million. Such profit is mainly accounted for by the gain generated by the investments in controlled companies (mainly from the direct and indirect interest in Telecom), which amounted to \$ 3,395 million, operating costs, which amounted to \$ 285 million, and the net gain in other financial results of \$ 593 million.

Cablevisión Holding S.A. is controlled by GC Dominio S.A., which holds 64.2% of its voting rights. Balances and transactions with related parties are detailed in Note 5 to the Separate Financial Statements.

## **10. PROPOSAL OF THE BOARD OF DIRECTORS**

Since the Company is a holding company, its results derive mainly from the operations of its subsidiaries. Therefore, its liquidity position depends, among other things, on the distribution of dividends of its subsidiaries -which have to meet their investment and interest payments needs-, the contributions required by its subsidiaries and the expected cash flows from its own operating and financing activities.

The financial statements of the Company as of December 31, 2021 show a net profit of \$3,698 million. This profit was generated mainly by equity in earnings from associates and, to a lesser extent, by exchange gains, which did not generate an increase in liquidity; partially offset with operating costs and expenses which have an impact on liquidity. Taking into account the challenging macroeconomic scenario presented, in a context of high inflation, exchange-rate volatility and uncertainty regarding the regulatory framework of the industry in which the Company operates, the Board proposes, following prudent management criteria, to allocate the net profit of this fiscal year to increase the Voluntary Reserve for Illiquid Results, thus preserving a level of liquidity that allows to secure its operation.

The Board of Directors of CVH and its subsidiaries would like to thank its customers, suppliers, banking and financial institutions and other stakeholders, who are the key players in achieving the results obtained this fiscal year by the Company's management.

The Board of Directors

Buenos Aires, March 10, 2022

## **EXHIBIT - REPORT ON THE CORPORATE GOVERNANCE CODE OF CABLEVISIÓN HOLDING S.A. (CVH)**

### **ROLE OF THE BOARD OF DIRECTORS**

#### **Principles**

- I. The company shall be led by a professional and qualified Board of Directors in charge of laying the foundations for the company's sustainable success. The Board of Directors is the guardian of the company and the rights of all its shareholders.
- II. The Board of Directors shall be responsible for determining and promoting the corporate culture and values. The Board of Directors' performance shall guarantee the observance of the highest standards of ethics and integrity, based on the best interest of the company.
- III. The Board of Directors shall be in charge of ensuring a strategy inspired by the company's vision and mission, aligned with its values and culture. The Board of Directors shall engage constructively with management to ensure the correct development, execution, monitoring and revision of the company's strategy.
- IV. The Board of Directors shall control and supervise on an ongoing basis the direction of the company, ensuring that management takes actions aimed at the implementation of the strategy and the business plan approved by the Board of Directors.
- V. The Board of Directors must have the necessary mechanisms and policies in order to efficiently and effectively fulfill the role of the Board and each of its members.

#### **Recommended Practices**

1. The Board of Directors generates an ethical work culture and establishes the vision, mission and values of the company.

The Company applies the recommended practice. CVH is a holding company which currently has a single operation - its direct and indirect equity interest in its controlled company Telecom Argentina S.A. - and has a small structure. The Company's Board of Directors establishes the values and principles that set the framework within which the Company's activities must be developed. They are implemented by Management through a consistent message in the conduction of its activities, and are reflected in the documents that formalize its mission, principles and values, such as the Code of Ethics and its general policies. Its vision is focused on researching, exploring and discovering initiatives that promote digital inclusion and social innovation. Since 2007 (first through Cablevision S.A., currently through Telecom Argentina S.A.), CVH is the first company in the country to provide, through its subsidiary, free Internet connectivity and cable television services to schools, hospitals and community institutions. It uses technology to solve social challenges in alliance with governments, civil society organizations, universities, and other companies, such as the development of people who are part of its organization and the community. Consequently, CVH's vision is in this sense consistent with that of its controlled company: to transform the lives of Argentines providing them the possibility of staying constantly communicated thanks to the convergence of services rendered by Telecom Argentina S.A., whose mission is to be a leading company in terms of connectivity and content.

2. The Board of Directors sets out the general strategy for the Company and approves the strategic plan developed by Management. In doing so, the Board of Directors takes into consideration environmental, social and corporate governance factors. The Board of Directors supervises its implementation through the use of key performance indicators and taking into consideration the best interest of the Company and the rights of all its shareholders.

The Company applies the recommended practice. Taking into consideration the Company's vision and mission, as well as the internal risk factors inherent to its operations and the context in which it operates, the Company's Board of Directors and Management work together on the design of a general strategy for the company and oversee its implementation, consistent with the Company's mission, values and short, medium and long-term goals. In doing so, they safeguard the interests of the Company and its shareholders. The general operational strategy is reviewed on an annual basis, as well as the relevance and usefulness of the metrics that allow to monitor the performance of its activities. In addition, the Board assesses on a quarterly basis the Company's operating and financial position, which includes a comparison with the previous quarter.

3. The Board of Directors supervises management and ensures that it develops, implements and maintains an adequate internal control system with clear reporting lines.

The Company applies the recommended practice. The Board of Directors, mainly composed of non-executive directors, supervises Management and ensures, primarily through the work performed by the Audit Committee, that the Company has in place an adequate internal control system, taking into consideration the recommended practice mentioned in item 1 of this Exhibit. In connection with the foregoing about said recommended practice, the main internal controls are related to the transparency and accuracy of the process used for the preparation and reporting of the information to be submitted to regulatory agencies and other stakeholders. In this regard, the Audit Committee holds regular meetings with the external auditors as part of the tasks carried out to monitor the performance of an adequate internal control system in the Company.

4. The Board of Directors designs corporate governance structures and practices, appoints the person responsible for their implementation, monitors their effectiveness, and suggests changes as deemed necessary.

The Company does not apply the recommended practice as described above because its Board of Directors has not formally designated an officer responsible for the implementation of corporate governance structures. Notwithstanding the foregoing, the Board of Directors, given the characteristics of the Company described in the explanation regarding the recommended practice in item 1, has deemed the implemented practices adequate and has approved them. Therefore, as stated before, the Company applies the principles that underlie the practice.

5. The members of the Board of Directors have sufficient time to perform their duties in a professional and efficient manner. The Board of Directors and its committees have clear and formalized rules of operation and organization, which are disclosed through the Company's website.

The Company applies the recommended practice. The personal and professional backgrounds of the members of CVH's Board of Directors make them highly qualified to perform their duties in the board. In addition, they have enough time to fulfill their duties in the Board of Directors and regularly attend the meetings to which they are called. In addition, the directors provide advice to the Company's management areas about issues commissioned by the Chair or the Board of Directors. The directors receive the relevant information well in advance to support the decisions they have to make as members of the Board of Directors. Their rules of operation, roles, functions and responsibilities arise from the Company's Bylaws, which is published in the Financial Information Highway and

in the Company's website. The Audit Committee composed of members of the Board of Directors has a Rules of Procedure, which was filed with the CNV.

## **CHAIR OF THE BOARD OF DIRECTORS AND COMPANY SECRETARY**

### **Principles**

- VI. The Chair of the Board is in charge of ensuring the effective fulfillment of the functions of the Board of Directors and has a leading role among the members. The Chair shall generate a positive work dynamic and promote the constructive engagement of the members of the Board, and shall also ensure that they have the elements and information necessary for decision-making. The above also applies to the Chairs of each committee of the Board of Directors, regarding their corresponding functions.
- VII. The Chair must lead processes and establish structures to ensure the commitment, objectivity and competence of the members of the Board, as well as the best operation of the body as a whole and its evolution according to the company's needs.
- VIII. The Chair must ensure that the Board of Directors as a whole is fully committed and responsible for the succession of the CEO.

### **Recommended Practices**

6. The Chair of the Board of Directors is responsible for the proper organization of the Board of Directors' meetings, prepares the agenda ensuring the cooperation of the other members, and ensures that they receive the necessary materials well in advance for their efficient and informed participation. The Chairs of the committees bear the same responsibilities for their meetings.

The Company applies the recommended practice. The Chair of the Board of Directors leads and prepares, with the assistance of the Company's advisors, the agenda of the Board of Directors' Meetings, and organizes the Board of Directors' Meetings leading the Board members at all times and encouraging their constructive participation. In addition, the Company has legal advisors that assist the Chair of the Board of Directors in the arrangement of meetings, attendance and delivery of information with sufficient time ahead to allow Directors to review it and make decisions about the topics included in the agenda, and also assist the chair in meeting minute-taking, among other duties. The directors are called well in advance so that they can plan their attendance to the meetings for which they are called in due time and form.

7. The Chair of the Board of Directors ensures the proper internal operation of the Board of Directors by implementing formal processes for conducting annual performance reviews.

Even though the Company does not apply the recommended practice since it has not implemented a formal annual performance review process, it does apply the principles that underlie the recommended practice because the Chair of the Board of Directors ensures the proper and adequate internal operation of the Board, verifying compliance by its members with all the statutory and legal obligations applicable to them. The Shareholders' Meeting is in charge of performing, with adequate and sufficient information including the Annual Report, an annual review of the performance of the Board of Directors.

8. The Chair generates a positive and constructive workplace for all the members of the Board of Directors and ensures that they receive ongoing training to keep up to date and to be able to properly fulfill their duties.

The Company applies the recommended practice. The Company's Board of Directors performs its duties in an orderly and harmonious environment among

its members, ensuring constructive and efficient teamwork for the benefit of the Company and its shareholders. The Company has not formally implemented an annual training program. However, the members of the Board of Directors regularly receive updates about regulatory issues and information on the industry and businesses, for the adequate fulfillment of their duties and responsibilities, provided by highly qualified and experienced officers of the Company, renowned market professionals, industry referents or prestigious consultancy firms.

9. The Company Secretary provides assistance to the Chair of the Board of Directors in the effective administration of the Board and cooperates in the communication with the shareholders, the Board of Directors and management.

The Company does not apply the recommended practice through the formal implementation of a Company Secretary. However, the Company applies the principles that underlie the practice, since the Chair of the Board of Directors, which is in charge of the effective administration of the Board, has external advisors on administrative and support matters such as the preparation and distribution of information packages to be considered at meetings, meeting minute-taking, induction for new members, assistance with the communication among the members of the Board of Directors and of the latter with Management, among others. In addition, the Company also has external legal advisors that assist the Chair of the Board of Directors in matters that, given their legal nature, require such assistance. Thus, since 2020, in connection with the propagation of COVID-19 and the related measures issued by the National Executive Branch and the Argentine Securities Commission, the Chair has been advised by his legal counsel on the holding of remote Board of Directors' Meetings and Shareholders' Meetings in conformity with the requirements of Resolution No. 830/2020 issued by the Argentine Securities Commission and on the presentation of the Company's financial statements within the terms established by the Argentine Securities Commission to such effect.

10. The Chair of the Board of Directors ensures the involvement of all its members in the development and approval of a succession plan for the company's CEO.

The Company does not apply the recommended practice. The members of the Board of Directors are not involved in the development and formalization of a succession plan for the CEO, because the Company hires outstanding human resources professional advisors for the recruitment of potential candidates to cover managerial positions in the Company, as deemed necessary.

## **COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS**

### **Principles**

- IX. The Board must have adequate levels of independence and diversity in order to make decisions in the company's best interest, avoiding groupthink and decision-making by individuals or dominant groups within the Board.
- X. The Board must ensure that the company has formal procedures for the proposal and nomination of candidates to fill positions in the Board within a framework of a succession plan.

### **Recommended Practices**

11. The Board of Directors has at least two independent members in conformity with the effective criteria established by the Argentine Securities Commission.

The Company applies the recommended practice. The Company's Board of Directors is composed of directors who have executive functions, non-independent directors who do not have executive functions and independent directors. The Board of Directors currently has four permanent directors and four alternate directors who are independent in conformity with the criteria established by the Argentine Securities Commission. These members and their capacity are published on the Financial Information Highway of the Argentine Securities Commission and on the Company's website.

12. The Company has a Nomination Committee that has at least three (3) members and is chaired by an independent director. If the Chair of the Board of Directors is also the chair of the Nomination Committee, he/she shall refrain from participating in the appointment of his/her own successor.

The Company does not apply the recommended practice. The Company does not have a nomination committee. The Company's bylaws, published in the Financial Information Highway of the Argentine Securities Commission, provide for the way in which the members of the Board of Directors must be appointed by class of shares.

13. The Board of Directors, through the Nomination Committee, develops a succession plan for its members that guides the candidate pre-selection process to fill vacancies and takes into consideration the non-binding recommendations of its members, the CEO and the Shareholders.

The Company does not apply the recommended practice. The Company does not have a nomination committee. See the explanation related to the recommended practice in item 12. The Company's Board of Directors has members of diverse ages, sex, academic and professional backgrounds, which enrich the operation of the Board as a whole.

14. The Board of Directors implements an onboarding program for its newly appointed members.

The Company applies the recommended practice. The Company provides assistance to the new members of the Board of Directors through an induction process that covers all the necessary aspects required to gain an in-depth knowledge of the Company's operations, the regulatory and legal framework within which it operates, its structure, policies and processes, and the training they receive as indicated in the recommended practice No. 8 above.

## **REMUNERATION**

### **Principles**

- XI. The Board of Directors must generate incentives through remuneration, in order to align management -led by the CEO- and the Board with the long-term interests of the company, so that all the directors equally comply with their obligations with respect to all its shareholders.

### **Recommended Practices**

15. The Company has a Remuneration Committee that is composed of at least three (3) members. All the members are independent or non-executive.

The Company does not apply the recommended practice in the terms set out in the recommended practice. The Board does not have in place a Remuneration



Committee. However, the Company hires independent professional human resources consultants that advise the Company regarding the remuneration of the Board of Directors. In addition, the Audit Committee provides an opinion - before the Annual Shareholders' Meeting is held- on the reasonableness of the fees paid to the members of the Board of Directors pursuant to the Capital Markets Law taking into consideration their professional background and reputation, tasks performed, responsibilities, and the amount of time devoted to the performance of their duties. As regards the supervision of the remunerations of the Executive Management, which includes the competitiveness of their remuneration practices and policies, the Company also receives the advice of independent human resources professionals, in order to monitor that the remuneration is in line with the short and long-term returns and interests of the Company, according to its management goals and within market parameters.

16. The Board of Directors, through the Remuneration Committee, establishes a remuneration policy for the CEO and the members of the Board.

The Company does not apply the recommended practice in the terms set out in it. According to the explanation related to the recommended practice in item 15, the Board does not have a remuneration committee in place. However, the Company has a remuneration policy that is applicable to the CEO, which sets out a fixed and variable remuneration scheme. The fixed remuneration is related to the level of responsibility required for the position, the competitiveness with respect to the market and the performance of the executive. The annual variable remuneration is related to the goals set by the Company for the fiscal year and the degree of compliance, which are in line with the Company's business plan and strategy. The remuneration of the Board of Directors is approved by the shareholders at the Annual General Shareholders' Meeting. The Annual General Shareholders' Meeting, upon a proposal of the Board of Directors, authorizes the payment of advances of fees up to a certain amount subject to the approval of the remuneration by the next Annual General Shareholders' Meeting, distributed by the Board of Directors as authorized and delegated. Before proposing an amount of fees to be paid and submitting it on an annual basis to the consideration of the Shareholders' Meeting for their approval, the Board of Directors receives, under the terms of applicable provisions, an opinion from the Audit Committee on the reasonableness of those fees. To this end, it takes into consideration the parameters indicated in the recommended practice No. 15 above.

## **CONTROL ENVIRONMENT**

### **Principles**

- XII. The Board of Directors shall ensure the existence of a control environment, composed of internal controls developed by management, internal audit, risk management, regulatory compliance and external audit, all of which shall establish the lines of defense necessary to ensure the integrity of the company's operations and its financial reports.
- XIII. The Board of Directors must ensure the existence of a comprehensive risk management system that allows management and the Board of Directors to efficiently direct the company towards its strategic goals.
- XIV. The Board of Directors must ensure the existence of a person or department (depending on the size and complexity of the business, the nature of its operations and the risks it faces) in charge of the internal audit of the company. Such audit shall be independent and objective, with clear reporting lines, in order to properly evaluate and audit the company's internal controls, corporate governance processes, and risk management.

- XV. The Audit Committee of the Board shall be composed of qualified and experienced members, and shall perform its duties transparently and independently.
- XVI. The Board of Directors must establish adequate procedures to ensure the independent and effective work performed by the External Auditors.

#### **Recommended Practices**

17. The Board of Directors determines the company's risk appetite and also supervises and guarantees the existence of a comprehensive risk management system to identify, assess and decide on the course of action and monitor the risks faced by the Company, including, among others, the environmental and social risks and those inherent to the business in the short and long term.

The Company does not apply the recommended practice in the terms set out in it. The Company does not have a formalized comprehensive risk management system. Notwithstanding the foregoing, the Company's Board of Directors has identified the financial and non-financial risks faced by the Company and those inherent to its business, and conducts a regular analysis and follow-up of those risks. In addition, the Company's Board of Directors, mainly through its Audit Committee, composed of qualified and experienced members, ensures, among other things, the monitoring of the adequate development of the financial reporting process to regulatory agencies, among other functions.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual audit plan based on risks and a direct reporting line to the Audit Committee.

The Company does not apply the recommended practice. The Board of Directors has deemed it unnecessary to have an internal audit function on a permanent basis, given the current structure of the Company described in the recommended practice in item 1. Notwithstanding the foregoing, the Company hires internal audit services to verify the performance of critical controls in the financial reporting process.

19. The internal auditor or members of the internal audit department are independent and highly qualified.

The Company does not apply the recommended practice in the terms set out in it. As detailed in the explanation related to the recommended practice in item 18, the Company does not have a permanent internal audit position, but hires internal audit services provided by third parties. The internal audit service is provided by highly qualified professionals who do not have scope limitations in the performance of their work and have the required resources to adequately fulfill their duties.

20. The Board of Directors has an Audit Committee that works in accordance with rules of procedure. The committee is mostly composed of and chaired by independent directors and it does not include the CEO. Most of its members have professional experience in financial and accounting areas.

The Company applies the recommended practice. The Board of Directors has an Audit Committee that acts in accordance with the law, the bylaws and its internal rules which detail its purpose and functions. Those rules are reviewed on an annual basis. The Committee is mostly composed of independent directors. All the members have professional experience in financial and/or accounting areas.

The Audit Committee issues on an annual basis an action plan and the report that discloses the treatment given to those the matters that are within its competence. Notwithstanding the foregoing, the current chair of the Audit Committee is the Company's CEO, who, consequently, is a non-independent director.

21. The Board of Directors, based on the opinion of the Audit Committee, approves a policy for the selection and monitoring of external auditors that provides for the indicators to be considered in the recommendation to the Shareholders' Meeting about the continuity or replacement of the external auditor.

The Company applies the recommended practice. The Shareholders' Meeting appoints the external auditor after the Audit Committee has issued an opinion on them. The Audit Committee has in place a policy that sets out the guidelines to be followed in the assessment of the work performed by the external auditor, in order to issue its opinion on the proposal of the Board of Directors for the appointment of the external auditor, to ensure its independence and to perform a comprehensive assessment of its work.

## **ETHICS, INTEGRITY AND COMPLIANCE**

### **Principles**

- XVII. The Board of Directors shall design and establish appropriate structures and practices to promote a culture of ethics, integrity and compliance with standards in order to prevent, detect and address serious corporate or personal breaches.
- XVIII. The Board shall ensure the establishment of formal mechanisms to prevent, or failing this, to deal with conflicts of interest that may arise in the administration and direction of the company. It shall also have in place formal procedures seeking to ensure that related party transactions are made in the best interest of the company and the equitable treatment of all its shareholders.

### **Recommended Practices**

22. The Board of Directors approves a Code of Ethics and Conduct that reflects the ethical and integrity values and principles, as well as the culture of the company. The Code of Ethics and Conduct is communicated and applicable to all the directors, managers and employees of the company.

The Company applies the recommended practice. The Company has in place a Code of Ethics approved by the Board of Directors that reflects the values and conducts promoted by the Company. The Code of Ethics is communicated and applicable to all the directors, managers and employees of the company.

23. The Board of Directors sets out and periodically reviews an Ethics and Integrity Program based on risks, size and economic capacity. The plan is clearly and unequivocally supported by management, which designates an internal officer responsible for developing, coordinating, supervising and reviewing on an ongoing basis the efficacy of the program. The program provides for: (i) periodic training for directors, administrators and employees about ethics, integrity and compliance issues; (ii) internal channels to report irregularities, open to third parties and adequately disseminated; (iii) a policy for the protection of whistleblowers from retaliation; and an internal investigation system that respects the rights of those under investigation and imposes effective sanctions on violations of the Code of Ethics and Conduct; (iv) integrity policies in bidding procedures; (v) mechanisms for periodic analysis of risks, monitoring and evaluation of the Program; and (vi) procedures to verify the integrity and background of relevant third parties or business partners (including due diligence during corporate transformation and

acquisitions processes to evaluate potential irregularities, illegal actions or vulnerabilities), including suppliers, distributors, service providers, agents and intermediaries.

The Company applies the recommended practice. Taking into consideration the explanation related to the recommended practice in item 1, the Company developed an ethics and integrity program based on its risks, size and economic capacity. The Company's CEO is generally accountable for the follow-up and application of said program, as mentioned in the explanation related to the recommended practice in item 22. The Company has a Code of Ethics that reflects the values and principles promoted by the Company and that contemplates, among others, the integrity policies to be observed by the Directors, members of the Supervisory Committee and employees when the Company participates in public biddings and when it interacts with public officials. In addition, it includes an internal reporting line as a communication tool to strengthen the Company's ethical and integrity values and culture, which allows anonymous reporting and guarantees the protection against retaliation as a result of investigation processes, training for directors, managers and employees about ethics and integrity, assessment of risks related to integrity and adherence by third parties to observe the Company's transparency practices and principles.

24. The Board of Directors ensures the existence of formal mechanisms to prevent and deal with conflicts of interest. In the case of related party transactions, the Board of Directors approves a policy that provides for the role of each corporate body and sets out how to identify, address and disclose those transactions that are detrimental to the company or to certain investors.

The Company applies the recommended practice. The rules concerning conflicts of interest are included in the Company's Code of Ethics. In addition, the Company has in place a specific policy concerning related party transactions in conformity with the provisions of the Capital Markets Law.

## **ENGAGEMENT OF SHAREHOLDERS AND STAKEHOLDERS**

### **Principles**

- XIX. All shareholders must receive equitable treatment from the company. The company shall guarantee equitable access to non-confidential and relevant information for decision making at the company's shareholders' meetings.
- XX. The company shall promote the active engagement of all shareholders with adequate information, especially in connection with the composition of the Board.
- XXI. The company must have a transparent Dividend Distribution Policy, in line with its strategy.
- XXII. The company must take into account the interests of its stakeholders.

### **Recommended Practices**

25. The Company's website has financial and non-financial information available, providing timely and equitable access to all the investors. The website has a special section to answer inquiries from investors.

The Company applies the recommended practice. The Company has a website in which it publishes financial and non-financial information, thus allowing all the investors to have relevant information required to analyze the situation of the Company. The Company also has a department devoted to investor relations. Said department organizes conference calls on a quarterly basis ensuring investors worldwide the possibility of connecting for free. At these calls, the

Company provides information about its results, its goals and answers questions and/or inquiries made by investors. These conference calls are announced in the daily bulleting of the Buenos Aires Stock Exchange, in the reporting service of the London Stock Exchange, and on the Company's website. The Company maintains communication channels with the minority shareholders through the disclosure of relevant information in the stock exchanges where its shares and GDSs are listed and through information disclosed in the Company's website. In addition, the Company's shareholders and investors can communicate with the department via email at IR@cvh.com.ar or by telephone at +54 11 4309 3417, as detailed on the Company's website.

As regards non-financial information, as the first Argentine holding company of convergent communications, in its website, under the Sustainability section, visitors can learn about the purpose pursued by the Company, its strategy, digital inclusion and social innovation, employment and productive development, infrastructure and environment.

26. The Board of Directors must ensure that there is a process in place for the identification and classification of its stakeholders and a communication channel for them.

The Company applies the recommended practice. The Company has an Investor Relations department, which identifies potential and current stakeholders of the Company and uses the Company's website as a communication channel in addition to the regular reports.

27. The Board of Directors provides the shareholders, in advance of the Shareholders' Meeting, a "provisional information package" that allows shareholders -through a formal communication channel - to make non-binding comments and share opinions that dissent from the recommendations made by the Board of Directors. When the Board sends the final information package, it shall expressly state its answers to the comments received, as deemed necessary.

The Company applies the recommended practice. The Company makes available to its shareholders information packages before each Shareholders' Meeting. In addition, the Company uploads to CNV's Financial Information Highway all the information requests made the Company's shareholders before Shareholders' Meetings are held, regarding the items of the agendas to be considered at those meetings, together with the answers provided by the Company to each of the requests, so that all the investors have access to the same information thus ensuring equitable treatment and access to information. Such information is provided in English for the foreign investors through the reporting service of the London Stock Exchange.

28. The Company's bylaws provide that the shareholders can receive the information packages for Shareholders' Meetings through virtual media and participate at the meetings through electronic communication media that allow the simultaneous transmission of sound, images and words, ensuring the principle of equitable treatment of the participants.

The Company does not apply the recommended practice. The Company's Bylaws do not provide for the holding of remote Shareholders' Meetings. Notwithstanding the foregoing, and in view of the health situation generated by the COVID-19 pandemic and the isolation and social distancing measures implemented by the National Executive Branch, the Company has held since fiscal year 2020 all its Shareholders' Meetings remotely as authorized by Resolution No. 830 issued by the Argentine Securities Commission. In addition,

the Company took notice of the interpretative criterion No. 80 of the CNV, whereby, in view of the extension by the Executive Branch of the term of the health emergency until December 31, 2022, said agency decided to maintain the effectiveness of Resolution No. 830/2020 and to delegate on the Board of Directors the power to evaluate the circumstances and opt to hold Shareholders' Meetings in person or remotely guaranteeing the due compliance with the corresponding legal and health requirements. The Company provides through virtual media, such as the Financial Information Highway and its own website, the information to be considered at the Shareholders' Meeting in order to ensure equitable access to information by all the shareholders. In addition, the Company sends, through the Depositary, to the shareholders that do not reside in Argentina the items of the agenda so that they can grant a power of attorney to the Depositary, who attends the Shareholders' Meetings in its name and representation, voting as instructed by them.

29. The Dividend Distribution Policy is aligned with the strategy and clearly sets out the criteria, frequency and conditions under which dividends will be distributed.

The Company does not apply the recommended practice. The Company's Board of Directors believes that given the nature of a holding company and depending basically on the liquidity of its revenues that derive from the companies in which it holds equity interests, it is not convenient to establish a dividend distribution policy.

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# CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Consolidated Financial Statements for the year ended December 31, 2021, presented on a comparative basis

## 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>The Group</b>	Cablevisión Holding S.A. and its direct and indirect subsidiaries
<b>Micro Sistemas/Pem/Cable Imagen/AVC Continente Audiovisual/Inter Radios/Personal Smarthome/Última Milla/CV Berzategui</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, to wit: Micro Sistemas S.A.U., Pem S.A.U., Cable Imagen S.R.L., AVC Continente Audiovisual S.A., Inter Radios S.A.U., Personal Smarthome S.A., Última Milla S.A., CV de Berzategui S.A.
<b>Management Trust Agreement with TMF / TMF Trust</b>	Management Trust - Refinancing Plan executed by Telecom Argentina S.A. and TMF Trust Co.
<b>Fintech</b>	Fintech Telecom LLC, shareholder of Telecom.
<b>Telecom USA/Núcleo/Personal Envíos/Tuves Paraguay / Televisión Dirigida / Adesol / Opalker</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., Adesol S.A. and Opalker S.A., respectively, controlled by Telecom, directly or indirectly pursuant to the definition established under the LGS.
<b>La Capital Cable / Ver TV / TSMA</b>	These companies are corporations that are direct or indirect associates pursuant to the definition established under the General Associations Law, to wit: La Capital Cable S.A., Ver T.V. S.A. and Teledifusora San Miguel Arcángel S.A.
<b>Fixed Assets</b>	PP&E, Intangible Assets, Right-of-Use Assets, and Goodwill
<b>AFIP</b>	Argentine Federal Revenue Service ( <i>Administración Federal de Ingresos Públicos</i> ).
<b>AMBA</b>	The Metropolitan Area of Buenos Aires ( <i>Área Metropolitana de Buenos Aires</i> ), comprising the City of Buenos Aires and its surrounding area.
<b>BYMA/NYSE</b>	Bolsas y Mercados Argentinos and the New York Stock Exchange, respectively.
<b>BCRA</b>	Central Bank of Argentina ( <i>Banco Central de la República Argentina</i> ).
<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>CNC</b>	Argentine Communications Commission ( <i>Comisión Nacional de Comunicaciones</i> ).
<b>CNDC</b>	National Antitrust Commission ( <i>Comisión Nacional de Defensa de la Competencia</i> ).
<b>CNV</b>	Argentine Securities Commission ( <i>Comisión Nacional de Valores</i> ).
<b>CONATEL</b>	Paraguayan Telecommunications Commission ( <i>Comisión Nacional de Telecomunicaciones del Paraguay</i> ).
<b>CPCECABA</b>	Professional Council in Economic Sciences of the City of Buenos Aires ( <i>Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires</i> ).
<b>CPP</b>	Calling Party Pays. Charges for calls from fixed phones to mobile phones.
<b>D&amp;A</b>	Depreciation and Amortization.
<b>ED</b>	Emergency Decree
<b>ENACOM</b>	National Communications Agency ( <i>Ente Nacional de Comunicaciones</i> ), "ENACOM", for its Spanish acronym.
<b>ENTel</b>	National Telecommunication company ( <i>Empresa Nacional de Telecomunicaciones</i> ).
<b>FFSU or SU Fund</b>	Universal Service Trust Fund ( <i>Fondo Fiduciario del Servicio Universal</i> ).
<b>IASB</b>	International Accounting Standards Board.
<b>IDEN</b>	Integrated Digital Enhanced Network ( <i>Red Mejorada Digital Integrada</i> ).
<b>NDF</b>	Non-Deliverable Forward: Derivatives.
<b>IGJ</b>	Argentine Superintendency of Legal Entities ( <i>Inspección General de Justicia</i> ).
<b>INDEC</b>	National Institute of Statistics and Census ( <i>Instituto Nacional de estadísticas y censos</i> ).
<b>VAT</b>	Value Added Tax
<b>LAD</b>	Digital Argentina Law No. 27,078 ( <i>Ley Argentina Digital N° 27.078</i> ).
<b>LGS</b>	Business Associations Law No. 19,550 ( <i>Ley de Sociedades Comerciales</i> ), as amended. As from the enforcement of the new Civil and Commercial Code, its name was changed to "General Associations Law."
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards, issued by IASB.
<b>PCS</b>	Personal Communications Service. A mobile communications service with systems that operate in a manner similar to cellular systems.
<b>PEN</b>	National Executive Branch ( <i>Poder Ejecutivo Nacional</i> ).
<b>PP&amp;E</b>	Property, Plant and Equipment.
<b>PPP</b>	Share Ownership Plan ( <i>Programa de Propiedad Participada</i> ).
<b>PSP</b>	Payment Service Provider
<b>Gain (Loss) on Net Monetary Position</b>	Results from changes in the purchasing power of the currency ("RECPAM", for its Spanish acronym)
<b>RMB</b>	Official currency of the People's Republic of China
<b>Roaming</b>	Charges for the use of network availability to customers of other national and foreign carriers.

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair



## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Consolidated Financial Statements for the year ended December 31, 2021, presented on a comparative basis

### GLOSSARY OF TERMS

<b>TR/FACPCE</b>	Technical Resolutions issued by the Argentine Federation of Professional Councils in Economic Sciences ( <i>Federación Argentina de Consejos Profesionales de Ciencias Económicas</i> ).
<b>RT 26</b>	Technical Resolution No. 26, amended by Technical Resolutions Nos. 29 and 43, among others.
<b>SBT</b>	Basic Telephony Service ( <i>Servicio Básico Telefónico</i> ).
<b>SC</b>	Argentine Secretariat of Communications ( <i>Secretaría de Comunicaciones</i> ).
<b>SCMA</b>	Advanced Mobile Communications Service ( <i>Servicio de Comunicaciones Móviles Avanzadas</i> ).
<b>SEC</b>	Securities and Exchange Commission.
<b>SEFyC</b>	Superintendence of Financial and Foreign Exchange Institutions
<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>SRCE</b>	Radio electric trunking services ( <i>Servicio Radioeléctrico de Concentración de Enlaces</i> ).
<b>SRMC</b>	Cellular Mobile Radiocommunications Service ( <i>Servicio de Radiocomunicaciones Móvil Celular</i> ).
<b>SRS</b>	Physical and/or radio-electric link subscription broadcasting services ( <i>Servicio de Radiodifusión por Suscripción por vínculo físico y/o radioeléctrico</i> ).
<b>STM</b>	Mobile Telephony Services ( <i>Servicio de Telefonía Móvil</i> ).
<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>VAS</b>	Valued-added Services, which provide additional functionality to the basic transmission services offered by a telecommunications network such as Video streaming, Personal Video, Personal Cloud, M2M (Communication Machine to Machine), Social networks, Personal Messenger, Contents and Entertainment (content and text subscriptions, trivias, games, music and customization - ringtones, wallpaper, screensavers, etc), MMS (Mobile Multimedia Services) and Voice Mail.
<b>Telefónica</b>	Telefónica de Argentina S.A.
<b>UIF</b>	Financial Information Unit
<b>UPP</b>	Unit of purchasing power
<b>VLG</b>	VLG S.A.U., previously VLG Argentina LLC.
<b>VPP</b>	Equity Method ( <i>Valor Patrimonial Proporcional</i> )

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

Consolidated Financial Statements as of December 31, 2021 presented on a comparative basis

Amounts stated in Argentine Pesos - Note 1.c) to the 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 consolidated financial statements.

**CAPITAL STOCK STRUCTURE (Note 22)**

Type	Number of votes per share	Total Subscribed, Registered and Paid-in Capital
Class "A" Common shares, \$ 1 par value	5	47,753,621
Class "B" Common shares, \$ 1 par value	1	121,106,082
Class "C" Common shares, \$ 1 par value	1	11,782,877
Total as of December 31, 2021		<u>180,642,580</u>
Total as of December 31, 2020		<u>180,642,580</u>

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

(Partner)

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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 YEAR ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	<b>Note</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Revenues</b>	<b>24</b>	<b>425,493</b>	<b>455,234</b>
Employee benefit expenses and severance payments	25	(91,888)	(88,320)
Interconnection and Transmission Costs		(15,262)	(16,987)
Fees for Services, Maintenance, Materials and Supplies	25	(49,652)	(50,061)
Taxes and Fees with the Regulatory Authority	25	(32,744)	(34,750)
Commissions and Advertising		(24,392)	(26,040)
Cost of Equipment and Handsets	25	(20,961)	(16,803)
Programming and Content Costs		(28,949)	(30,443)
Bad Debt Expenses	6	(7,983)	(16,309)
Other Operating Costs	25	(21,180)	(20,591)
<b>Operating Income before Depreciation, Amortization and Impairment</b>		<b>132,482</b>	<b>154,930</b>
Depreciation, Amortization and Impairment of Fixed Assets	25	(135,545)	(124,645)
<b>Operating (Loss) / Income</b>		<b>(3,063)</b>	<b>30,285</b>
Equity in Earnings from Associates	5	395	749
Financial Expenses on Debts	26	28,700	(37,280)
Other Financial Results, net	26	17,542	9,837
<b>Income before Income Tax Expense</b>		<b>43,574</b>	<b>3,591</b>
Income Tax	16	(33,322)	(12,457)
<b>Net Income / (Loss)</b>		<b>10,252</b>	<b>(8,866)</b>
<b>Other Comprehensive Income</b>			
<u>To be subsequently reclassified to profit or loss</u>			
Currency Translation Adjustments (no effect on Income Tax)		(6,390)	(2,513)
Effect of NDF classified as hedges		342	(411)
Tax Effect of NDF classified as hedges and other		(128)	32
<u>Not to be subsequently reclassified to profit or loss</u>			
Actuarial Results		(35)	204
Tax Effect		12	(62)
<b>Other Comprehensive Income / (Loss), net of Taxes</b>		<b>(6,199)</b>	<b>(2,750)</b>
<b>Total Comprehensive Income/ (Loss)</b>		<b>4,053</b>	<b>(11,616)</b>
<b>Net Income (Loss) attributable to:</b>			
Shareholders of the Controlling Company		3,698	(4,545)
Non-Controlling Interest		6,554	(4,321)
<b>Total Comprehensive Income (Loss) Attributable to:</b>			
Shareholders of the Controlling Company		1,863	(5,420)
Non-Controlling Interest		2,190	(6,196)
<b>Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in Argentine pesos)</b>	<b>27</b>	<b>20.47</b>	<b>(25.16)</b>

Additional information on costs by function is provided in Note 25.

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

See our report dated  
March 10, 2022

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

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17  
Dr. Alejandro J. Rosa  
Public Accountant (UM)  
C.P.C.E.C.A.B.A. V° 286 F° 136Pablo San Martín  
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 DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

<b>ASSETS</b>	<b>Note</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	20,899	29,385
Investments	5	11,708	21,829
Trade Receivables	6	22,554	28,612
Other Receivables	7	8,956	10,462
Inventories	8	3,115	5,618
<b>Total Current Assets</b>		<b>67,232</b>	<b>95,906</b>
<b>NON-CURRENT ASSETS</b>			
Trade Receivables	6	72	89
Other Receivables	7	2,648	3,220
Deferred Income Tax Assets	16	736	702
Investments	5	3,226	3,248
Goodwill	9	359,118	360,135
Property, Plant and Equipment ("PP&E")	10	450,862	483,994
Intangible Assets	11	143,653	156,558
Right-of-Use Assets	12	33,415	26,825
<b>Total Non-Current Assets</b>		<b>993,730</b>	<b>1,034,771</b>
<b>Total Assets</b>		<b>1,060,962</b>	<b>1,130,677</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	13	49,249	59,414
Financial Debt	14	64,869	62,795
Salaries and Social Security Payables	15	22,285	21,659
Income Tax Liabilities		13,927	100
Taxes Payable	17	3,963	5,544
Dividends Payable	30.1	922	14,025
Lease Liabilities	18	6,130	5,035
Other Liabilities	19	3,055	3,162
Provisions	20	2,146	2,441
<b>Total Current Liabilities</b>		<b>166,546</b>	<b>174,175</b>
<b>NON-CURRENT LIABILITIES</b>			
Accounts Payable	13	1,096	3,695
Financial Debt	14	202,052	239,390
Salaries and Social Security Payables	15	1,546	1,268
Deferred Income Tax Liabilities	16	135,232	120,261
Taxes Payable	17	-	8
Lease Liabilities	18	12,786	10,515
Other Liabilities	19	1,250	1,745
Provisions	20	9,574	11,263
<b>Total Non-Current Liabilities</b>		<b>363,536</b>	<b>388,145</b>
<b>Total Liabilities</b>		<b>530,082</b>	<b>562,320</b>
<b>EQUITY (as per the corresponding statement)</b>			
Attributable to Shareholders of the Controlling Company		221,685	236,228
Attributable to Non-Controlling Interests		309,195	332,129
<b>TOTAL EQUITY</b>		<b>530,880</b>	<b>568,357</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,060,962</b>	<b>1,130,677</b>

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

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Controlling Company									Equity Attributable to Non-Controlling Interests	Total Equity	
	Shareholders' Contribution			Other Items		Retained Earnings			Total Equity of Controlling Company			
	Capital Stock	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 01, 2020	181	12,881	30,716	43,778	(3,618)	162,827	2,612	211,287	(159,916)	256,970	362,491	619,461
Reversal of Reserves (Note 30.1)	-	-	-	-	-	-	-	(6,187)	6,187	-	-	-
Dividend Distribution (Note 30.1)	-	-	-	-	-	-	-	(15,342)	-	(15,342)	-	(15,342)
Sale of Treasury Stock	-	-	-	-	-	2	-	-	(2)	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(24,198)	(24,198)
Adjustment to the value of the Irrevocable Call and Put Option on the Shares of AVC Continente Audiovisual	-	-	-	-	-	20	-	-	-	20	32	52
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	(4,545)	(4,545)	(4,321)	(8,866)
Other Comprehensive Income / (Loss)	-	-	-	-	(875)	-	-	-	-	(875)	(1,875)	(2,750)
Balances as of December 31, 2020	181	12,881	30,716	43,778	(4,493)	162,849	2,612	189,758	(158,276)	236,228	332,129	568,357
Reversal of Reserves (Note 30.1)	-	-	-	-	-	-	-	(4,547)	4,547	-	-	-
Dividend Distribution (Note 30.1)	-	-	-	-	-	-	-	(16,479)	-	(16,479)	-	(16,479)
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(25,215)	(25,215)
Adjustment to the value of the Irrevocable Call and Put Option on the Shares of AVC Continente Audiovisual	-	-	-	-	-	73	-	-	-	73	91	164
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	3,698	3,698	6,554	10,252
Other Comprehensive Income / (Loss)	-	-	-	-	(1,835)	-	-	-	-	(1,835)	(4,364)	(6,199)
Balances as of December 31, 2021	181	12,881	30,716	43,778	(6,328)	162,922	2,612	<sup>(1)</sup> 168,732	(150,031)	221,685	309,195	530,880

(1) Voluntary Reserve for Illiquid Results.

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

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

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	<u>Note</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b><u>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</u></b>			
Net Income / (Loss)		10,252	(8,866)
<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		9,452	17,165
Depreciation of PP&E	10	108,373	99,176
Amortization of Intangible Assets	11	15,558	16,041
Amortization of Rights of Use	12	10,330	8,860
Equity in Earnings from Associates	5	(395)	(749)
Net Book Value of Fixed Assets and Consumption of Materials		2,726	996
Financial Results and Other		(48,489)	39,577
Income Tax Expense	16	33,322	12,457
Income Tax Paid		(2,270)	(2,866)
Net (Increase) Decrease in Assets	5.b	(18,459)	(12,178)
Net Decrease in Liabilities	5.b	9,434	(16,838)
<b>Net Cash Flows provided by Operating Activities</b>		<b><u>129,834</u></b>	<b><u>152,775</u></b>
<b><u>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</u></b>			
PP&E Acquisitions		(73,586)	(78,924)
Intangible Assets Acquisition		(2,540)	(3,128)
Collection of Dividends	5.b	234	121
Income from Sale of PP&E and Intangible Assets		157	80
Investments not considered as cash and cash equivalents		(39,302)	(43,518)
<b>Net Cash Flows used in Investing Activities</b>		<b><u>(115,037)</u></b>	<b><u>(125,369)</u></b>
<b><u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</u></b>			
Proceeds from Financial Debt	5.b	64,216	84,570
Payment of Financial Debt	5.b	(50,296)	(98,705)
Payment of Interest and Related Expenses	5.b	(26,817)	(31,473)
Payment of Lease Liabilities		(6,596)	(7,896)
Payment of Dividends		-	(1,481)
Acquisition of Equity Interests		(59)	-
Payment of Cash Dividends to Non-Controlling Interests	5.b	(744)	(554)
<b>Net Cash Flows used in Financing Activities</b>		<b><u>(20,296)</u></b>	<b><u>(55,539)</u></b>
<b>NET (DECREASE) / INCREASE IN CASH FLOW</b>		<b>(5,499)</b>	<b>(28,133)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:</b>		<b>29,385</b>	<b>55,613</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS</b>		<b>(2,987)</b>	<b>1,905</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b><u>20,899</u></b>	<b><u>29,385</u></b>

See Note 5.b for additional information on the consolidated statement of cash flows.

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

See our report dated  
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**CABLEVISIÓN HOLDING S.A.**

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**CABLEVISIÓN HOLDING S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021,**  
(in millions of Argentine pesos)

**NOTE 1 – GENERAL INFORMATION AND BASIS FOR THE PRESENTATION OF THE 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.

In November 2017, Telecom executed a merger agreement with Telecom Personal. As from its effective date, Telecom directly provides mobile telecommunication services. In addition, as a consequence of the merger between Telecom and Cablevisión (recorded as a reverse acquisition), Telecom develops, as from fiscal year beginning January 1, 2018, the operations that Cablevisión developed until December 31, 2017, which mainly consisted in the provision of subscription television services through the operation of the networks installed in different locations of Argentina and Uruguay.

Therefore, the Company mainly provides fixed and mobile telephony, cable television, data transmission, and Internet services in Argentina. It also provides other ICT services through its subsidiaries in Uruguay, Paraguay and the United States of America ("USA").

Information on Telecom's licenses and on the regulatory framework is described under Note 2 to these consolidated financial statements.

On July 15, 2020, Telecom entered into a management trust agreement with TMF Trust Company (with a 100% interest) effective until November 5, 2020, date on which it was terminated. Consequently, the consolidated operations of Telecom for fiscal year 2020 also incorporate those operations carried out by the trust during its effectiveness. For more information, see Note 14 to these consolidated financial statements.

b) **Segment information.**

An operating segment is defined as a component of an entity that may earn revenues and incur expenses, and whose financial information is 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

See our report dated  
March 10, 2022

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**CABLEVISIÓN HOLDING S.A.**

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(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 in Argentina 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.

Telecom 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 exceed the quantitative thresholds set out in the standard to qualify as reportable segments, they are grouped under the category "Other foreign segments."

The Executive Director assesses the performance of the operating segments based on the measurement of the operating income before depreciation, amortization and impairment.

See our report dated  
March 10, 2022

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**CABLEVISIÓN HOLDING S.A.**

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Set out below is the segment information as assessed by the Executive Director for the years ended December 31, 2021 and 2020:

**□ Consolidated income statement for the year ended December 31, 2021**

	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>	332,816	63,403	396,219	26,215	5,067	31,282	(2,008)	425,493
Operating Costs (Not Including Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use)	(229,756)	(46,635)	(276,391)	(15,514)	(3,114)	(18,628)	2,008	(293,011)
<b>Operating Income before Depreciation and Amortization</b>	<b>103,060</b>	<b>16,768</b>	<b>119,828</b>	<b>10,701</b>	<b>1,953</b>	<b>12,654</b>	<b>-</b>	<b>132,482</b>
Depreciation, Amortization and Impairment of Fixed Assets								(135,545)
<b>Operating Loss</b>								<b>(3,063)</b>
Equity in Earnings from Associates								395
Financial Expenses on Debts								28,700
Other Financial Results, net								17,542
<b>Income before Income Tax Expense</b>								<b>43,574</b>
Income Tax								(33,322)
<b>Net Income</b>								<b>10,252</b>
<b>Attributable to:</b>								
Shareholder of the Controlling Company								3,698
Non-Controlling Interest								6,554
								<b>10,252</b>

**□ Consolidated income statement for the year ended December 31, 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>	240,325	185,042	425,367	18,183	13,811	31,994	(2,127)	455,234
Operating Costs (Not Including Depreciation, Amortization and Impairment of PP&E, Intangible Assets and Rights of Use)	(159,103)	(123,197)	(282,300)	(11,419)	(8,712)	(20,131)	2,127	(300,304)
<b>Operating Income before Depreciation and Amortization</b>	<b>81,222</b>	<b>61,845</b>	<b>143,067</b>	<b>6,764</b>	<b>5,099</b>	<b>11,863</b>		<b>154,930</b>
Depreciation, Amortization and Impairment of Fixed Assets								(124,645)
<b>Operating Income</b>								<b>30,285</b>
Equity in Earnings from Associates								749
Financial Expenses on Debts								(37,280)
Other Financial Results, net								9,837
<b>Income before Income Tax Expense</b>								<b>3,591</b>
Income Tax								(12,457)
<b>Net Loss</b>								<b>(8,866)</b>
<b>Attributable to:</b>								
Shareholder of the Controlling Company								(4,545)
Non-Controlling Interest								(4,321)
								<b>(8,866)</b>

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

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Sales revenues from customers located in Argentina	356,623	423,580
Sales revenues from foreign customers	30,712	31,654
CAPEX corresponding to the segment "Services rendered in Argentina"	78,593	75,599
CAPEX corresponding to the segment "Other foreign segments"	6,957	8,524
Fixed Assets corresponding to the segment "Services rendered in Argentina"	974,315	987,629
Fixed Assets corresponding to the segment "Other foreign segments"	33,608	39,882
Financial Debt corresponding to the segment "Services rendered in Argentina"	259,403	293,562
Financial Debt corresponding to the segment "Other foreign segments"	7,518	8,623
	<b>394,781</b>	<b>423,580</b>

**c) 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) issued by FACPCE, adopted by the CPCECABA, which adopted the IFRS as issued by the IASB. IFRS also include International Accounting Standards or "IAS"; IFRS Interpretations Committee or "IFRIC", IAS interpretations or "SIC" and the conceptual framework.

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. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant are disclosed under Note 3.u). to these consolidated financial statements.

These consolidated financial statements (except for the statement of cash flows) were prepared in constant currency as of December 31, 2021 (see item e) on an accrual basis of accounting. Under this basis, the effects of transactions are recognized when they occur. Therefore, income and expenses are initially 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.

The figures as of December 31, 2020 and for the year ended December 31, 2020 that are disclosed in these consolidated financial statements for comparative purposes, arise from the restatement of the financial statements as of those dates in constant currency as of December 31, 2021. This is due to the restatement of the financial information described in item e). Where appropriate, we made certain reclassifications for comparative purposes.

**d) Consolidated Financial Statements Formats**

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

- the consolidated statements of financial position have 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 year-end;
- the consolidated statements of comprehensive income include the net income for the year as shown in the consolidated income statements and all components of other comprehensive income, and have been prepared by classifying operating expenses by nature of expense as this form of presentation represents the way that the business is monitored by the Executive Director, and, additionally, is in line with the usual presentation of expenses in the ICT Services industry;

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- the consolidated statements of changes in equity have been prepared showing separately (i) net income for the year, (ii) other comprehensive income (loss) for the year, and (iii) transactions with shareholders (owners and non-controlling interest), where appropriate;
- the consolidated statements of cash flows have been prepared by applying the indirect method to reconcile the net income for the year with the cash flows generated by its operations, as permitted by IAS 7.

These consolidated financial statements contain all the disclosures required under IFRS. Some additional disclosures required by the LGS and/or by the CNV have also been included.

### **e) 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. 107/18.

In addition, Law No. 27,468 amended Section 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 Section 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/02, as amended, and delegated on the National 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 / periods ended on or after December 31, 2018. Therefore, these financial statements have been restated in constant currency as of December 31, 2021.

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).

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The following table shows the evolution of the National IPC over the last three fiscal years, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18, as well as the devaluation of the Argentine peso against the US dollar for the same years:

	<u>As of</u> <u>December</u> <u>31, 2019</u>	<u>As of</u> <u>December</u> <u>31, 2020</u>	<u>As of</u> <u>December</u> <u>31, 2021</u>
General Price Index (December 2016=100)	284.44	385.88	582.46
<b><u>Variation of Prices</u></b>			
Annual	53.8%	36.1%	50.9%
Accumulated over 3 years	183.2%	209.2%	216.1%

The following is a summary of the effects of the application of IAS 29:

### Restatement of the Statement of Financial Position and of the Statement of Changes in Equity

The Company restated all the non-monetary items in order to reflect the impact of the inflation adjustment, reporting in terms of the measuring unit current as of December 31, 2021. Consequently, the main items restated were PP&E, Intangible assets, Right-of-Use Assets, Goodwill, Inventories, certain Investments in associates and the Equity items. Each item must be restated since the date of the initial recognition in the Company's Equity or since the last revaluation. Monetary items have not been restated because they are stated in terms of the measuring unit current as of December 31, 2021.

### Restatement of the Statement of Comprehensive Income and of the Statement of Cash Flows

In the Statement of Comprehensive Income, the items must be restated in terms of the measuring unit current at the closing date of the reporting year, applying the variations in a monthly general price index.

The financial results from exchange differences, as well as the interest accrued, are calculated in real terms, excluding the corresponding inflationary effect.

The effect of inflation on the monetary position is included in the Statement of Comprehensive Income under Other financial results, net.

The items of the Statement of Cash Flows must also be restated in terms of the measuring unit current at the closing date. The total cash and cash equivalents at the beginning of the year must be restated to constant currency as of the closing date, while cash and cash equivalents at the end of the year must be stated in nominal values. The restatement has an impact on the net income / (loss) of the year and must be eliminated from the statement of cash flows because it is not considered as cash or cash equivalents.

### Investments in Foreign Companies

The subsidiaries, associates and companies under common control that use functional currencies other than the Argentine peso (mainly foreign companies with economies that are not considered to be hyperinflationary), shall not make the inflation adjustment to their financial statements, in accordance with IAS 29.

However, and only for reporting and consolidation purposes, the comparative figures presented in Argentine pesos in the Statement of Comprehensive Income corresponding to the current year and the previous year must be stated at historical currency. In addition, the initial items of the Statement of Changes in Equity must be reported at historical currency without modifying the total figure due to the fact that it is translated into the closing exchange rate, which implies qualitative variations in its breakdown affecting mainly Retained Earnings and Other Comprehensive Income.

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### **NOTE 2 – REGULATORY FRAMEWORK**

#### **a) REGULATORY AUTHORITY**

The activities carried out by the Group, provider of Information and Communications Technology Services ("ICT" Services), are governed by a set of regulations that make up the regulatory framework applicable to the sector.

The Regulatory Authority for ICT services in Argentina is ENACOM, which is currently under the jurisdiction of the Secretariat of Public Innovation under the Chief of the Cabinet of Ministers.

Núcleo, with operations in the Republic of Paraguay, is under the oversight of the CONATEL (like TUVES), and Personal Envíos is under the oversight of the Central Bank of the Republic of Paraguay.

Telecom USA, which operates in the United States of America, is under the oversight of the Federal Communications Commission ("FCC").

Adesol, a company incorporated in Uruguay, has contractual relationships with several licensees that provide subscription television services through various systems in said country and are under the oversight of the Communication Services Regulatory Agency ("URSEC", for its Spanish acronym).

Micro Sistemas is registered as PSP and is subject to the regulations issued by the BCRA and the FIU for this type of transactions.

#### **b) LICENSES**

✓ **Under the *Licencia Única Argentina Digital*, Telecom currently provides the following services:**

- Local fixed telephony,
- Public telephony,
- Domestic and international long-distance telephony,
- Domestic and international point-to-point link services,
- Value added, data transmission, videoconferencing, transportation of broadcasting signals, and Internet access,
- STM, SRMC, PCS and SCMA, also called mobile communications services ("SCM", for its Spanish acronym),
- SRS and
- SRCE.

The licenses for rendering SCM services had been originally granted to Personal and were subsequently transferred to Telecom under the merger with Personal pursuant to ENACOM Resolution No. 4,545-E/17. Such licenses were granted for the provision of STM in the Northern Region of Argentina, of SRMC in the AMBA area, and of PCS and SCMA throughout the country.

Within the framework of the merger with Cablevisión pursuant to ENACOM Resolution No. 5,644-E/17, Telecom also acquired licenses and authorizations to render SRCE services and the Registration to render Physical and Radio-Electric Link Subscription Television Services and the corresponding authorizations.

✓ Licenses held by subsidiaries in Paraguay

**Núcleo** holds a license to provide mobile telecommunication services - STMC and PCS throughout Paraguay. In addition, Núcleo holds a license for the installation and exploitation of Internet and data services throughout Paraguay. All these licenses were granted for renewable five-year periods.

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**Personal Envíos** was authorized by the Central Bank of the Republic of Paraguay to operate as an Electronic Payment Company (“EMPE”, for its Spanish acronym) through Resolution No. 6 issued on March 30, 2015, and its corporate purpose is restricted to such service.

**Tuves Paraguay** holds a license for the provision of direct-to-home subscription audio and television services (“DATDH”). This license was granted for renewable five-year periods.

### **c) REGULATORY FRAMEWORK OF THE SERVICES PROVIDED BY TELECOM.**

Among the main regulations that govern the services rendered by Telecom, the following stand out:

- Law No. 27,078 - Digital Argentina Law (“LAD”, for its Spanish acronym), as amended.
- Law No. 19,798 to the extent it does not contradict the LAD.
- The Privatization Regulations, which regulated that process.
- The Transfer Agreement.
- The licenses for providing telecommunication services granted to Telecom and the Bidding Terms and Conditions and their respective general rules.

The exploitation of physical and/or radio electric link subscription broadcasting services held by Telecom, originally granted under Law No. 22,285, are currently governed by the LAD since Emergency Decree No. 267/15 was issued.

#### **✓ LAW NO. 27,078 – DIGITAL ARGENTINA LAW**

Enacted in December 2014, the LAD maintained the single country-wide license scheme and the individual registration of the services to be rendered but replaced the name telecommunication services with ICT Services and added several changes to the regulatory framework of these services.

Law No. 19,798, the Telecommunications Act (passed in 1972), as amended, continues in effect only with respect to those provisions that do not contradict the provisions of the LAD (among them, for example, Article 39 of Law No. 19,798 regarding the exemption from all taxes on the use of soil, subsoil and airspace for telecommunications services).

The LAD also revoked Decree No. 764/00, as amended, but the provisions of the decree that do not contradict the LAD will remain in effect during the time it takes the Regulatory Authority to issue new licensing, interconnection services, SU and spectrum regulations (see paragraph f), section “Other Regulations” in this note).

#### **✓ DECREE No. 267/15 – AMENDMENTS TO THE LAD**

On January 4, 2016, Emergency Decree No. 267/15 was published in the Official Gazette, amending Law No. 26,522 (“the Audiovisual Communication Services Law or the Media Law”) and Law No. 27,078 (LAD), and creating the ENACOM as the Enforcement Authority for these laws. On April 8, 2016, the House of Representatives voted in favor of the validity of Emergency Decree No. 267/15. Thus, such Decree acquired the status of Law.

Among the main amendments to the LAD relating to the Subscription Broadcasting Service, the following stand out:

- ✓ The incorporation of Subscription Broadcasting Services (physical or radio electric link, such as cable TV) as an ICT Service within the scope of the LAD and excluding it from Law No. 26,522. Satellite subscription television services (known as satellite TV) shall remain within the scope of Law No. 26,522. Furthermore, Decree No. 267/15 states that the ownership of a satellite subscription television license is incompatible with having any other kind of audiovisual communication or ICT Service license.

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- ✓ Any subscription broadcasting license (such as cable television) granted before the application of Emergency Decree No. 267/15 will be considered, for all purposes, a *Licencia Única Argentina Digital*, with a registration for such service. Furthermore, the Decree provides for a 10-year extension counted as from January 1, 2016 for the use of spectrum frequencies by radio electric link subscription broadcasting services licensees.
- ✓ Decree No. 267/15 replaces article 95 of the LAD and provides several obligations for fixed telephony licensees granted by Decree No.264/98 and mobile service providers with licenses granted by Decree No.1,461/93, which choose to provide subscription broadcasting services. This provision was subsequently amended by Decree No. 1,340/16.

It should be noted that pursuant to Article 21 of Emergency Decree No. 267/15 and until the enactment of a law that will unify the fee regime provided under the LSCA (Audiovisual Communication Services Law) and the LAD, the physical link and radio-electric link subscription broadcasting services will continue to be subject only to the fee regime provided under Law No. 26,522. Therefore, they shall not be subject to the investment contribution or the payment of the Control, Oversight and Verification Fee provided under Articles 22 and 49 of the LAD.

### ✓ **DECREE NO. 1,340/16 - AMENDMENTS TO EMERGENCY DECREE No. 267/15**

Decree No. 1,340/16 issued by PEN and published in the Official Gazette on January 2, 2017 provides the rules for achieving a greater convergence of networks and services under competitive conditions, promoting the deployment of next generation networks and the penetration of Broadband Internet access throughout the national territory, in accordance with the provisions of the LSCA and the LAD.

Among the most relevant provisions, it establishes:

- That a 15-year-term, as from the publication of the Decree, be fixed as differential condition pursuant to article 45 of the LAD, for the protection of last-mile fixed new generation networks for Broadband deployed by ICT licensees for Broadband regarding the regulations of open access to Broadband and infrastructure to be issued, notwithstanding the provisions of article 56 of the LAD.
- That the Ministry of Communications or the ENACOM, as appropriate, shall establish the rules for the administration, management, and control of the radio spectrum.
- That ICT licensees and Satellite Link Subscription Broadcasting licensees that as of December 29, 2016 simultaneously provided both services, may retain ownership of both types of licenses.

This Decree also sets out some principles on interconnection matters contemplated in the General Rules on Services and Networks Interconnection, approved through Resolution No. 286/18. (see “Other Regulations” in this Note).

### ✓ **DECREE No. 690/20 – AMENDMENTS TO THE LAD - CONTROVERSY**

On August 22, 2020, the National Executive Branch issued Decree No. 690/20 (“Emergency Decree No. 690/20”), whereby it amended the Digital Argentina Law and declared that ICT Services – fixed and mobile telephony, cable television and Internet – and the access to telecommunications networks for and between licensees are now deemed “essential and strategic public services subject to competition”, and their effective availability shall be guaranteed by ENACOM.

The prices of essential and strategic public ICT services subject to competition, the prices of the services provided under the Universal Service and of those determined by ENACOM based on reasons of public interest, shall be regulated by said agency.

The Decree also provides that ENACOM shall establish, in the respective regulations, the Mandatory Universal Basic Provision of ICT services.

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It also provided for the suspension of price increases or modifications established or announced from July 31 to December 31, 2020 by ICT licensees.

The Decree was ratified by the Argentine Congress under the terms of Law No. 26,122 and was regulated through ENACOM Resolutions Nos. 1,466/20 and 1,467/20.

Resolution No. 1,466/20 provided that ICT Services Licensees that render Internet access, subscription broadcasting services by physical, radio-electric or satellite link, and fixed and mobile telephony services - in all cases in their different and respective modalities- may increase up to 5% their retail prices as from January 2021, taking as reference the prices effective as of July 31, 2020. Said Resolution also provided that ICT Services Licensees may request on an exceptional basis price increases exceeding 5% in accordance with the provisions of Article 48 of the LAD.

Resolution No. 1,467/20 regulated the Mandatory Universal Basic Service set forth by Emergency Decree No. 690/20 for the different services provided by ICT Services Licensees, namely:

- PBU-SBT: Mandatory Universal Basic Provision of Basic Fixed Telephony Service;
- PBU-SCM: Mandatory Universal Basic Provision of Mobile Communication Service;
- PBU-I: Mandatory Universal Basic Provision of Internet Access Value Added Service;
- PBU-TP: Mandatory Universal Basic Provision of subscription television services by physical or radioelectric or satellite link;

Since January 2021, Telecom started a path to increase prices in order to match the increase in its costs due to inflation. Notwithstanding the foregoing, it failed to transfer to the price of its services the accumulated inflation in the period March-December 2020 as a consequence of several measures implemented by the National Executive Branch. Telecom brought a legal action before the Federal Court on Administrative Litigation Matters against Emergency Decree No. 690 and against the above-mentioned Resolutions, grounded on the unconstitutionality of said regulations. The National Government was served notice of said legal action on October 7, 2021.

In this regard, Telecom requested an injunction ordering the suspension of their application. Such request for injunction was dismissed on January 29, 2021. Telecom filed an appeal against such decision.

On April 30, 2021, the Court of Appeals on Federal Administrative Matters admitted the appeal filed by Telecom, revoked the decision rendered by the court of first instance and, consequently, granted the requested injunction, ordering the suspension of the effects of Articles 1, 2, 3, 4, 5 and 6 of Emergency Decree No. 690/20 and of the resolutions issued in connection with such Decree and the consequent inapplicability to Telecom for a period of six months. Under the protection of the injunction granted by the Court of Appeals, Telecom increased once again its prices in June, September and December 2021.

In its decision, the Court considered, among other grounds, that the "circumstances prima facie lead to serious and founded concerns to challenge the reasonability and legitimacy of Decree 690/2020 and of the resolutions adopted by ENACOM as a consequence thereof, due to the direct adverse effects they have on Telecom Argentina's property rights, which derive from ICT services provision under a free competition system as regulated, authorized and granted (as the case may be) by the National Government itself."

The National Executive Branch and the ENACOM filed extraordinary appeals against the decision rendered by the above-mentioned Court of Appeals on Federal Administrative Matters, which were dismissed on June 18, 2021 pursuant to the decision rendered by Chamber No. II of the Court of Appeals on Federal Administrative Matters.

On June 29, 2021, the National Executive Branch and the ENACOM filed direct appeals before the Supreme Court of Argentina. As of the date of these consolidated financial statements, both appeals are still pending resolution.

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On October 21, 2021, Telecom was served notice of a decision rendered by Federal Court on Administrative Litigation Matters No. 8, whereby it decided to extend for a term of six months the effectiveness of the injunction that had been granted.

Telecom, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

Telecom and its legal advisors believe that it has strong arguments in its favor that are very likely to prevail in court, however, it cannot assure at this time the final outcome of this legal dispute.

### Innovative injunction requested by “Asociación Civil de Usuarios Bancarios Argentinos (“ACUBA”, for its Spanish acronym)

On January 27, 2021, the Company was notified of an injunction granted by the Court on Civil and Commercial Matters No. 10 of Mar del Plata. The court granted the innovative injunction requested by ACUBA, ordering Telecom to revert the value of its subscription broadcasting, Internet access, fixed telephony and mobile communication services to the prices that were in force as of December 2020, to which it may add a maximum of five percent (5%), as authorized by the regulatory authority ENACOM, and maintain those values until the court decides otherwise. Telecom claimed that the provincial court lacks jurisdiction to render a decision on the case and requested the nullity of the decision because it was rendered by a judge who lacks jurisdiction over the matter. Telecom claimed that the injunction granted to an industry representative in Córdoba before a Federal Court of that province expressly suspended the application of Emergency Decrees Nos. 690/20 and 311/20 and ordered the ENACOM to refrain from issuing further resolutions.

On December 6, 2021, the Court ordered the joinder of the file with the one in re “Asociación de Consumidores de Argentina UCA v. AMX Argentina and other on Proceeding leading to a declaratory judgment”, pending before Federal Court on Administrative Litigation Matters No. 6 of the Autonomous City of Buenos Aires.

Telecom, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

### Injunction requested by an industry representative in Córdoba

On February 2, 2021, the Argentine Cable Television Association (ATVC, for its Spanish acronym) notified Telecom that an injunction, requested by an industry representative in the Province of Córdoba, had been granted by a Federal Court of that province, ordering the suspension of Emergency Decree No. 690/20, of Emergency Decree No. 311/20, and of all measures adopted as a result of those Decrees. In addition, the court ordered the National Executive Branch and the ENACOM to refrain from issuing or pursuing any measure based on said Decrees, until a final decision is rendered on the matter.

ATVC also informed Telecom that in accordance with the court’s decision, the regulatory agency is not empowered to continue issuing regulations based on Emergency Decree No. 690/20 or enforcing those previously issued, which are suspended in general terms.

### Injunction issued in re “Catrie Televisora Color S.R.L. v. National Government re: Action seeking only a declaration of unconstitutionality”

On March 31, 2021, Telecom received a communication from the Argentine Cable Television Association (ATVC, for its Spanish acronym) informing that, in re “Catrie Televisora Color S.R.L. v. National Government re: Action seeking only a declaration of unconstitutionality” (File No. 858/21) brought before Federal Court No. 1 of the Province of Córdoba, ATVC had requested joint litigation, pursuant to Article 90, subsection 2 of the Argentine Code of Civil and Commercial Procedure, invoking the legal standing for a collective claim, on behalf of the member companies, and that the injunction granted on said file be extended.

On the same date, ATVC was notified of the resolution issued by Federal Court No. 1 of the Province of Córdoba dated March 30, 2021 in re File No. 858/21, whereby said court decided: 1) to grant ATVC’s

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request for joint litigation; 2) to transform the proceeding into a collective claim; 3) to determine that the collective claim encompasses the cable television and ICT services companies that are members of ATVC; and 4) to order the National Government to suspend the application and enforcement of Emergency Decree No. 690/20 and of all regulations issued in connection with and based on said decree. In addition, said court ordered the National Executive Branch and the ENACOM to refrain from issuing or pursuing any measure based on said Decree until a final decision is rendered with respect to all the companies included in the certified class under this proceeding.

### **d) UNIVERSAL SERVICE REGULATION**

- **Decree No. 764/00**

Annex III of Decree No. 764/00 required providers of telecommunications services to contribute 1% of their total accrued revenues, net of applicable taxes and charges, to the SU Fund. The regulation adopted a “pay or play” mechanism for compliance with the mandatory SU contribution. The regulation also established the exemption from contributions in the following cases: (i) for local services provided in areas with teledensity lower than 15%, and ii) when, in the case of Telecom Argentina and Telefónica, the conditions of an algorithm that combines loss of revenues and the market share of other operators which provide local telephony services, are met. Additionally, the regulation created an Executive Committee responsible for the management of the SU Fund and the development of specific SU programs.

Resolution No. 80/07, issued by the SC, provided that until the SU Fund was effectively created, telecommunication service providers were required to open an account at Banco de la Nación Argentina to deposit the corresponding amounts on a monthly basis. Resolution No. 2,713/07, issued by the former CNC in August 2007, established clarifications about the items that fall within this regulation and those that are deductible for the purposes of the calculation of the obligation to contribute to the SU Fund.

- **Amendment of Universal Service Regulation**

After several decrees and laws that approved and amended the General Regulation of the Universal Service (“RGSU”, for its Spanish acronym), which replaced Annex III of Decree No. 764/00, the ENACOM approved a new RGSU through Resolution No. 721/20, whereby it replaced the General Regulation of the Universal Service approved under ENACOM Resolution No. 2,642/16.

The new regulation maintains the obligation to contribute 1% of total revenues, as provided in the previous resolution. Among the most relevant aspects, the new regulation provides:

- (i) That the ENACOM may deem that the monthly obligation of the Contributors has been partially settled for up to 30% of their contributions, based on the reporting of computable investments made in projects approved by the ENACOM;
- (ii) That the licensees may submit Projects to the ENACOM for their review and assessment;
- (iii) That the deployment of last mile fixed NGNs for the provision of broadband Internet services that are the subject matter of the Projects shall not fall within the scope of the protection described in Article 3 of Decree No. 1,340/16.

Lastly, within the framework of the new regulation, universal service programs were issued involving the deployment of fixed broadband, the deployment of access networks for mobile communication services and for services rendered to public institutions, among others

- **SU Fund - Impact on Telecom with respect to its original license to provide SBT**

Within the framework of SC Resolutions Nos. 80/07 and 154/10 and CNC Resolution No. 2,713/07, Telecom started to file its affidavits including the deductible amounts based on the services that should be considered as SU services.

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However, several years after the market's liberalization and the effectiveness of the first SU regulations, which were replaced with Decree No. 558/08 and the LAD, incumbent operators have still not received any set-offs for providing services with the characteristics set forth under the SU regime.

As of the date of these consolidated financial statements, Telecom filed its monthly SU affidavits related to the services associated with its original license to render SBT, which resulted in a receivable of approximately \$ 18,069 million (unaudited). The programs and the valuation methodology used to estimate this receivable are pending approval by the Regulatory Authority. This receivable has not yet been recorded in these consolidated financial statements as of December 31, 2021 since it is subject to the approval of the SU Programs and the review of those affidavits by the Regulatory Authority and the confirmation of the existence of sufficient contributions to the SU Trust so as to compensate the incumbent operators.

On April 8, 2011, the SC issued Resolution No. 43/11 notifying Telecom that investments associated with "High-Cost Areas" (amounting to approximately \$ 18,739 million and which are included in the above-mentioned receivable) did not qualify as an Initial Indicative Program.

Through SC Resolutions No. 53, 54, 59, 60, 61, 62, 69 and 70/12, Telecom was notified that: the "Special Information Service 110", the "Discounts for Retired People, Pensioners and Low Consumption Households", the services of "Social Public Telephony and Loss-Making Public Telephony", the "Services and Discounts relating to the Information Society Program [argentin@internet.todos](mailto:argentin@internet.todos)", the "Services for Deaf-Mute People", the "Free Access to Special Emergency Services and Special Community Services", the "Value Added Service 0611 and 0612" and the "Long Distance Semipublic Service (SSPLD)" (valued at approximately \$ 1,682 million and included in the above-mentioned receivable), respectively, did not qualify as Initial SU Programs, pursuant to the terms of Article 26 of Annex III of Decree No. 764/00, and that, they did not constitute different services involving a SU provision, and therefore, cannot be financed with SU Funds, pursuant to the terms of Article 2 of Decree No. 558/08.

Telecom's Management, with the advice of its legal counsel, has filed appeals against the above-mentioned resolutions, presenting the legal arguments based on which such resolutions should be revoked.

In September 2012, the CNC ordered Telecom to deposit approximately \$ 208 million. Telecom has filed a claim refusing the CNC's order on the grounds that the appeals against the SC Resolutions are still pending resolution.

On November 28, 2019, the ENACOM notified Telecom that the appeals filed by that company against the above-mentioned resolutions had been rejected, and that the file had been submitted to the Court of Appeals. As of the date of these consolidated financial statements, the appellate court has not yet issued a decision.

Although it cannot be assured that these issues will be favorably resolved at the administrative stage, Telecom's Management, with the assistance of its legal advisors, considers that it has solid legal and factual arguments to support the position of Telecom Argentina.

- **SU Fund - Impact on Telecom with respect to the SCMs originally provided by Personal**

In compliance with SC Resolution No. 80/07 and No. 154/10 and CNC Resolution No. 2,713/07, since July 2007 Personal has filed its affidavits and deposited the corresponding contributions.

On January 26, 2011, the SC issued Resolution No. 9/11 establishing the "Infrastructure and Facilities Program." The Resolution provided that telecommunication service providers could only allocate to investment projects under this program the amounts corresponding to outstanding investment contribution obligations arising from Annex III of Decree No. 764/00 before the effective date of Decree No. 558/08.

On July 5, 2012, the SC issued Resolution No. 50/12 pursuant to which it notified that the services declared by the SCM Providers as High Cost Areas or services provided in non-profitable areas, services provided

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to clients with physical limitations (deaf-mute and blind people), rural schools, and requests relating to the installation of radio-bases and/or investment in infrastructure development in various localities, did not constitute items that could be discounted from the amount of SU contributions pursuant to the last part of Article 3 of Resolution No. 80/07, or Article 2 of Decree No. 558/08. It also provided that certain amounts already deducted could be used for investment projects within the framework of the Program created under SC Resolution No. 9/11, or deposited in the SU Fund, as applicable.

Personal filed an administrative appeal against SC Resolution No. 50/12 requesting its nullity. As of the date of these consolidated financial statements, this appeal is still pending resolution.

On October 1, 2012, in response to the order issued by the SC, Personal deposited under protest the equivalent amount in the SU Fund, corresponding to the assessment of the SU services provided by Personal since the effectiveness of Decree No. 558/08, reserving its right to take all actions it may deem appropriate to claim its reimbursement, as informed to the SC and the CNC on October 15, 2012. Since August 2012, Personal is paying such concepts under protest in its monthly affidavits.

Telecom's Management cannot assure that this issue will be resolved in its favor at the administrative stage.

- **SU Fund - Impact on Telecom with respect to the services originally provided by Cablevisión.**

Cablevisión has complied with its investment contribution obligations. The Regulatory Authority has not yet approved the Project filed by Cablevisión on June 21, 2011, within the framework of SC Resolution No. 9/11, in order to fulfill the SU contribution obligation for the amounts accrued since January 2001 until the effectiveness of Decree No. 558/08.

### **e) SPECTRUM**

Pursuant to SC Resolution No. 79/14 and Resolutions Nos. 80/14, 81/14, 82/14 and 83/14, Personal was awarded Lots 2, 5, 6 and 8 of the remaining frequencies to provide Personal Communication Services ("PCS") and Cellular Mobile Radiocommunication Services ("SRMC"), as well as those of the new spectrum to provide Advanced Mobile Communications Services ("SCMA"). Pursuant to SC Resolution No. 25/15, issued on June 11, 2015, the Secretary of Trade awarded the rest of frequency bands in Lot 8, completing such lot.

Pursuant to the terms of the Auction, the authorizations for the use of the frequencies under the Auction are granted for a term of fifteen (15) years counted as from the notice of the administrative act that awards such frequencies. Upon the expiration of said term, the Regulatory Authority may extend the effectiveness at the express request of the awardee (which will be for consideration, under the conditions and price to be determined by the Regulatory Authority).

Subsequently, pursuant to Decree No. 1,340/16, the Ministry of Communications provided that the term of the authorizations for the use of frequencies of the SCMA, as well as the corresponding deployment obligations, shall be counted as from the effective migration of the services currently operating in these bands within Area II (AMBA). On August 30, 2018, the Ministry of Modernization issued Resolution No. 528/18, whereby it stated that the effective migration of those services had been verified on February 27, 2018.

### **f) OTHER RELEVANT REGULATORY MATTERS**

#### **✓ REGULATORY SITUATION IN URUGUAY**

- **Uruguayan Audiovisual Communication Services Law**

Law No. 19,307 was published in the Official Gazette of the Republic of Uruguay on January 14, 2015. This Law governs radio, television, and other audiovisual communication services (hereinafter, the "Audiovisual

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Communications Law”). Article 202 of this law provides that the National Executive Branch shall issue its implementing regulations within a 120-day term, counted as from the day following publication of the Audiovisual Communications law in the Official Gazette. As of the date of these consolidated financial statements, Decrees Nos. 45/015 and 160/019 were issued. Decree No. 45/015 provides that the concession for the use and allocation of the radio-electric spectrum for non-satellite audiovisual communication services shall be granted for a term of 15 years, while Decree No. 160/019 regulates several provisions of the Audiovisual Communications Law.

Article 54 of the Audiovisual Communications Law provides that an individual or legal entity cannot be allocated the full or partial ownership of more than 6 authorizations or licenses to render television services to subscribers throughout the national territory of Uruguay. Such limit is reduced to 3 if one of the authorizations or licenses includes the department of Montevideo. Article 189 of this law provides that in the cases where such limits were exceeded as of the entry into force of the Law, the owners of those audiovisual communication services shall transfer the necessary authorizations or licenses so as not to exceed the limits mentioned above within a term of 4 years as from the date of entry into force of the Audiovisual Communications Law. Such term expired in January 2019.

Adesol is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain articles of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court of Uruguay in those proceedings may be favorable to the position of Adesol in the future. As of the date of these consolidated financial statements, the Supreme Court declared the unconstitutionality of Articles 39, subsection 3, 55, 56, subsection 1, article 60 item C, 98 subsection 2, 117 item F subsection 2, 143 and 149 subsection 2 of Law No. 19,307, and in another decision rendered in this respect, the Supreme Court dismissed the unconstitutionality claim filed by the claimant with respect to Article 54 of that Law.

It should be noted that under the decision rendered regarding the unconstitutionality claim brought against Articles 54 and 189 of Law No. 19,307, on November 22, 2019 by Audomar S.A., Dolfycor S.A., Reiford S.A., Space Energy Tech S.A., Tracel S.A., Bersabel S.A., and Visión Satelital S.A., together with the majority shareholder of those companies, in October 2020, the Supreme Court declared that the Legislative Branch could not be sued by the claimant and dismissed the unconstitutionality claim, stating that those companies do not fall within the scope of Article 54, subsection 1.

In accordance with the decision rendered by the Supreme Court, within the legal framework currently in effect, the limits established under Article 54, subsection 1, do not apply to those companies since they hold authorizations or licenses “together” while the regulation provides for limits to individuals or legal entities considered individually.

In April 2020, the National Executive Branch submitted to Congress a media bill, that would result, if passed, in the repeal of the current audiovisual communications law (Law No. 19,307) and, consequently, of the respective implementing decrees. As of the date of these consolidated financial statements, said media bill is still being reviewed by Congress.

### ✓ **OTHER RELEVANT REGULATIONS**

#### ○ **General Rules Governing ICT Service Licenses**

On January 2, 2018, the Ministry of Modernization issued Resolution No. 697/17, whereby it approved the new General Rules Governing ICT Service Licenses. This Resolution repealed the General Rules approved pursuant to Annex I of Decree No. 764/00, as from the date the resolution became effective (February 1, 2018), and it also repealed ENACOM Resolutions No. 2,483/16 and No. 1,394/16 (except for Section 12 of its Annex I, which will remain in effect). Telecom has filed an appeal against certain aspects of this Resolution, which is still pending resolution.

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### ○ **General Rules Governing ICT Service Customers**

On January 4, 2018, the Ministry of Modernization issued Resolution No. 733/17, whereby it approved the new General Rules Governing ICT Service Customers. This Resolution became effective on March 5, 2018, repealing SC Resolutions No.490/1997, and Annexes I and III of SC Resolution No. 10,059/1999 and its supplementing regulations. Annex II of SC Resolution No. 10,059/1999 shall remain in effect, to the extent applicable, until the enactment of the penalty regime provided under Article 63 of the LAD.

Said New General Rules repealed the general rules governing mobile and basic telephony service customers, thus becoming the only general rules that govern ICT Service customers, including Internet access services and subscription broadcasting services.

Telecom made a filing with the Ministry of Modernization regarding some regulations that infringe its right to sell its services (such as the 180-day prepaid credit; Article 56, which provides for compensation in favor of the customer, and Article 79, which establishes the obligation to replace any channels eliminated from the programming grid with other channels of similar quality).

Through Resolution No. 363/18, published in the Official Gazette on June 27, 2018, the Ministry of Modernization provided for amendments to the General Rules. Some of those amendments were related to the provisions challenged by Telecom in its filing. As of the date of these consolidated financial statements, this appeal is still pending resolution. Subsequently, through Resolutions Nos. 1,150/19 and 1,522/19, the Secretariat of Modernization introduced amendments, among which the most relevant is the term of 30 business days to report in advance material changes in the services rendered to customers.

### ○ **Number Portability Regulation**

On April 4, 2018, the Ministry of Modernization issued Resolution No. E-203/18, whereby it approved the new Number Portability Regulation, including the portability of fixed telephony service lines. Through said Resolution, said Ministry also approved the implementation schedule for the portability of these services and revoked SC Resolutions Nos. 98/10, 67/11 and 21/13 and Resolution No. E-170/17 issued by the Ministry of Communications, as supplemented. Through Resolution No. 401/18, published on July 11, 2018, the Ministry of Modernization provided that the ENACOM shall determine the way in which the Number Portability Committee will be constituted and implemented.

Through Resolution No. 4,950 issued on August 14, 2018, the Board of the ENACOM delegated on the head of the first operational level of the National Administration of Planning and Convergence the powers to: (i) approve the Processes and Operational and Technical Specifications of Number Portability, (ii) approve the Bidding Terms for the selection of the Database Administrator for the contract to be executed between the Portable Services Providers and the Database Administrator and propose any relevant changes to the Number Portability Committee, and (iii) intervene on a binding basis in the procedure to procure the services of the Database Administrator.

Through said Resolution, the ENACOM also set out that the Number Portability Committee shall be composed of two representatives, one permanent and one alternate, and approved the work schedule in order to properly implement the Number Portability.

On December 31, 2020, the ENACOM issued Resolution No. 1,509/20, whereby it replaced the work schedule for the implementation of Number Portability that had been approved as an Annex to Resolution No. 4,950/18. In addition, the ENACOM approved the new model of the Bidding Terms and Conditions for the selection of the centralized Number Portability Database Administrator (DA) for the Mobile Communication Service and the Fixed Telephony Service, and also approved the Network Technical Specifications. This Resolution was ratified by ENACOM Resolution No. 185/2021.

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Pursuant to Resolution No. 32/2022, published in the Official Gazette on January 25, 2022, the ENACOM decided to postpone for one hundred and twenty (120) days the launch of the operations and implementation of the Numeric Portability for Fixed Telephony Services in order to better implement number portability.

### ○ **General Rules Governing Interconnection and Access**

On May 18, 2018, Ministry of Modernization Resolution No. 286/18 was published in the Official Gazette. Said Resolution approves the new General Rules Governing Interconnection and Access, effective as from July 3, 2018, repealing the General Rules that had been approved under Decree No. 764/00.

Pursuant to the new General Rules, the interconnection and access terms, conditions and prices may be freely established by mutual agreement between the parties. The ENACOM shall set provisional interconnection charges, as established under Decree No. 1,340/16.

In addition, the providers of ICT Services shall be under the obligation to provide interconnection at the request of another provider of ICT Services, on no less favorable technical and economic conditions than those applied by the requested ICT Service provider to itself or to third parties. They shall also guarantee the quality of the services, as well as transparency in compensation, and shall refrain from charging the requesting ICT Service Providers for functions or services that are not needed to render their services.

On August 14, 2018, the ENACOM issued Resolution No. 4,952/18, whereby it set a provisional charge equivalent to US\$ 0.0108 per minute of communication, without considering taxes and charges that may be applicable to local origination or termination services over mobile communication service networks. In addition, said Resolution provides that for the purposes of the application of the charge, the measuring unit will be per second. Through Resolution No. 1,161/18 dated November 27, 2018, the ENACOM set the same charge for SRCE network termination.

On that same date, Resolution No. 1,160/18 was also published in the Official Gazette. Pursuant to said Resolution, the ENACOM set: (i) a provisional charge equivalent to forty-five ten-thousandths US dollars (US\$ 0.0045) for local origination or termination services over fixed telephony service networks per minute of communication (ii) a provisional charge equivalent to ten ten-thousandths US dollars (US\$ 0.0010) for local transit service per minute of communication (iii) a provisional charge equivalent to twenty-seven ten-thousandths US dollars (US\$ 0.0027) for long distance transport service per minute of communication (iv) the second as the measuring unit for the purposes of applying the charges set under this Resolution.

Telecom filed an appeal with the ENACOM challenging those charges with the respective legal grounds to request the review of the above-mentioned Resolution by that agency. As of the date of these consolidated financial statements, this appeal is still pending resolution.

Pursuant to Resolution No. 4,266/19, published in the Official Gazette on October 8, 2019, the ENACOM decided, on a provisional and exceptional basis, that the reference exchange rate applicable to the interconnection charges in effect established under ENACOM Resolutions Nos. 4,952/18, 1,160/18 and 1,161/18, for calls made as from August 1, 2019, will be of forty-five pesos and twenty-five cents \$ 45.25 per US dollar. In subsequent months, the exchange rate to be applied may not exceed six percent (6%) of the exchange rate established for the previous month and in no case may it exceed the selling exchange rate set by Banco de la Nación Argentina on the last business day of the month in which the services are rendered. This Resolution was applicable to services provided up to and including December 31, 2019.

Through Resolution No. 1,510/20, which was published in the Official Gazette on December 29, 2020, the ENACOM decided, on a provisional and exceptional basis, that the reference exchange rate applicable to calls made as from January 1, 2021, will be of eighty-three point thirty six Argentine Pesos (\$ 83.36) per US dollar. This Resolution was applicable to services provided up to and including June 30, 2021, and was subject to the approval of ENACOM's Board. This Resolution was ratified by ENACOM Resolution No. 181/2021.

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- **Quality Rules for ICT Services.**

Through Resolution No. 580/2018, published in the Official Gazette on September 6, 2018, the Ministry of Modernization approved the Quality Rules for ICT Services, which came into effect on January 4, 2019.

The Ministry of Modernization ordered the ENACOM to issue the implementing regulations within a term of 90 calendar days. Even though the term has expired, as of the date of these consolidated financial statements, such regulations have not been issued yet.

- **National Rules for Contingencies.**

Through Resolution No. 51/18, published in the Official Gazette on November 6, 2018, the Secretariat of Modernization approved the National Rules for Contingencies and ordered the ENACOM to issue the implementing procedures or Contingency Plan (emergency situations) within a term of 90 calendar days as from its publication in the Official Gazette.

Even though the term has expired, as of the date of these consolidated financial statements, such procedure has not been issued yet.

- **Regulations on International Roaming between Argentina and Chile**

ENACOM issued Resolution No. 927/20, which was published in the Official Gazette on August 31, 2020, whereby said agency approved the Regulations on International Roaming between Chile and Argentina. Among other matters, under those Regulations, it was established that Argentine mobile communication service providers, including Virtual Mobile Operators, shall offer customers who use international Roaming services with Chile the same prices that they offer in their own country for voice communications, messaging and mobile data during their stay in that country.

- **Infrastructure Sharing Regulation**

On December 16, 2020, the Office of the Chief of the Cabinet of Ministers - Secretariat of Public Innovation, issued Resolution No. 105/20, whereby it approved the Passive Infrastructure Sharing Regulation and established the terms and procedures regarding the access, availability and shared use of passive infrastructure owned by, controlled by or otherwise available to an ICT Services Licensee.

The most relevant provisions of the Regulation are the obligation to grant access to other ICT Services Licensees to available passive infrastructure; the obligation to reserve capacity in the installation of new ducts or structures for access by other ICT Services Licensees; the prohibition to agree on exclusive use; among other obligations.

- **Subscription Television Services Regulation**

On December 24, 2020, ENACOM Resolution No. 1,491/20 was published in the Official Gazette, whereby said agency approved the "General Regulation of Subscription Television Services by Physical and/or Radio-electric and Satellite Link". Among other aspects, the Regulation provides for the arrangement of signals in programming grids so that the signals that correspond to the same genre are arranged consecutively; the obligation to submit an annual affidavit that sets forth the programming grid, the inclusion of signals of broadcast television Licensees; the list of mandatory signals, and, in case of disagreement regarding whether or not it is mandatory to include a given signal in the programming grid, be it broadcast television signals or those included in the Public Registry of Signals, any of the parties may resort to the ENACOM. In addition, said Resolution provides that the commercialization of one or several signals may not be conditional on the acquisition of other signals. In the event licensees offer a package of signals, they must include a breakdown of the price of each signal. Telecom made a spontaneous appearance before the ENACOM to state its full adherence to the appeal filed by the Argentine Cable Television Association

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(ATVC, for its Spanish acronym) against the provisions of such resolution on the grounds that it is illegitimate and should therefore be revoked.

### ○ **Sanctions Regime Applicable to Information and Communication Technology Services.**

On March 3, 2021, through Resolution No. 221/21, the ENACOM approved the “Sanctions Regime applicable to Information and Communication Technologies”, which is subject to the approval of ENACOM's Board. Such resolution, among other aspects, provides for: i) the price of the PBU-SBT (Mandatory Universal Basic Telephony Service) in effect at the time of payment as a unit of reference to set the amount of fines; ii) a maximum fine equivalent to 50,000 PBU-SBT and a minimum of 50 PBU-SBT; iii) the publication of the sanctions imposed in the media and/or the institutional website; and iv) the possibility of imposing daily fines for each day of non-compliance. Said Resolution was ratified by ENACOM's Board on April 28, 2021 through Resolution No. 581/21.

As of the date of these consolidated financial statements, Telecom is evaluating the impact of the obligations imposed under this new Regulation.

### ✓ **COMPRE ARGENTINO (Buy Argentine)**

Pursuant to Law No. 27,437, Telecom Argentina- in its capacity as public fixed telephony service licensee, and its respective direct subcontractors, shall give preference to the acquisition or lease of goods of national origin, under the terms of such law, for the procurement of supplies and public works and services.

Said law provides that preference shall be given to goods of national origin when the price of identical or similar goods, under cash payment conditions, is equal to or lower than the price of foreign goods increased by 15% when the offerors qualify as micro, small and medium-sized enterprises – (MSMEs), and by 8% for any other company. In the comparison, the price of foreign goods shall contemplate applicable import duties and all the taxes and expenses required for their nationalization.

Said law sets out that a good is considered to be of national origin when it has been produced or extracted in the Argentine Republic, provided that the cost of nationalized imported raw materials, inputs or supplies does not exceed 40% of its gross production value.

The procurement of services is subject to Law No. 18,875, which sets out the obligation to contract exclusively the services of domestic companies, consulting firms and professionals, as defined in said law. Any exception shall have to be previously approved by the competent ministry.

Through Resolution No. 2,350/04, the former CNC approved the “Procedure for the fulfillment of the Compre Trabajo Argentino Regime”, which includes the obligation to file semi-annual affidavits regarding the fulfillment of these rules.

The rules provide for economic, administrative and criminal sanctions for failure to fulfill the obligations established under the Compre Argentino regime.

It should be noted that this regulation reduces the operating flexibility of Telecom due to, among other reasons, the request for authorizations prior to the completion of acquisitions, the time spent in preparing the publications and the required filings with respect to the obligation to file semi-annual affidavits regarding fulfillment of the Compre Argentino regime and the related administrative expenses.

### ✓ **REGULATORY SITUATION OF MICRO SISTEMAS AS PSP**

#### • **Communications issued by the Central Bank of Argentina (BCRA)**

In January 2020, the BCRA issued Communication “A” 6,859 and Communication “A” 6,885, whereby it established the rules for the operation of the payment accounts offered by PSPs. Among other obligations, it was provided that PSPs must be registered in the “Registry of Payment Service Providers that Offer

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Payment Accounts” managed by the Superintendency of Financial and Exchange Institutions (SEFyC, for its Spanish acronym).

In addition, pursuant to said regulations, PSPs must comply with the reporting regime established by the BCRA.

During fiscal years 2020 and 2021, the Central Bank of Argentina issued several Communications, whereby, among other things, it extended financial entity rules to legal entities that, without being financial entities, perform, as payment service providers, at least one function normally performed by financial entities, and therefore compete with financial entities.

The most important provisions of the effective legislation are detailed below:

a) Offering of Accounts and Funds Management: PSPs can offer the necessary accounts for debits and credits within the payment scheme. The accounts offered by PSPs are called payment accounts. Payment accounts are unrestricted accounts offered by PSPs to their customers to order and/or receive payments.

Customer funds credited to the payment accounts offered by PSPs must be available at all times (immediately upon demand by the customer) for an amount at least equivalent to that credited to the payment account. To this end, the systems implemented by PSPs must be able to identify and individualize the funds of each customer.

100% of the customers’ funds must be deposited (at all times) in checking accounts in Argentine pesos held with Argentine financial institutions. Notwithstanding the foregoing, at the express request of the customer, the funds credited to payment accounts can be applied to investments in ‘mutual funds’ in Argentina. Such funds shall be debited from the relevant payment account, in which case the amounts invested in mutual funds must be reported separately from the balance of the payment account.

For transactions on their own account (payment to suppliers, payment of salaries, etc),, PSPs must use an ‘operational’ bank account (unrestricted) separate from the bank account in which the PSP customers’ funds are deposited.

The balances in Argentine pesos held by PSP customers in the accounts shall be subject to a minimum cash requirement of 100%.

b) Oversight and Reporting Regime: PSPs shall comply with the reporting regime provided for in different communications issued by the BCRA and give access to their facilities and documentation to SEFyC personnel designated for this purpose, and make available to the BCRA such real time inquiry and reporting tools as the Deputy General Manager of Payment Methods may determine for each type of payment service provider according to the volume of its operations.

c) Transparency: Advertisements made through any media and any documentation issued by PSPs must clearly and expressly state that: a) they only offer payment services and are not authorized by the BCRA to operate as financial entities, and b) funds deposited in payment accounts do not constitute deposits in a financial institution or have any of the guarantees that such deposits may enjoy pursuant to applicable laws and regulations governing deposits in financial institutions.

d) Transfers of funds sent and received in payment accounts. PSPs must comply with the obligations set out in the “National Payment System - Transfers Rules” and in the “National Payment System – Transfers – Supplementary Rules”.

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- **Law No. 25,246 and Resolution No. 76/2019 FIU**

Micro Sistemas is an Obligated Subject (OS) pursuant to Article 20 of Law No. 25,246 (as amended).

In addition, Micro Sistemas is subject to the terms of FIU Resolution No. 76/2019, which sets out the guidelines for the management of asset laundering and terrorist financing risks, as well as minimum compliance standards to be applied and adopted by credit and purchase card operators and issuers of traveler checks, in accordance with their policies, procedures and controls, in order to manage the risk of being used by third parties for criminal purposes of asset laundering and terrorist financing.

In addition, Micro Sistemas S.A. is subject to several FIU rules that are generally applicable to all persons. Among them, FIU Resolution No. 134/2018 (as amended), which sets forth the list of politically exposed persons (PEPs) and establishes the special actions for the control of transactions that must be applied to this type of customers; and FIU Resolution No. 112/2021, which amended the system to identify and verify the ultimate beneficial owners of customers that are legal entities or other legal structures.

### **NOTE 3 - MAIN ACCOUNTING POLICIES**

These consolidated financial statements have been prepared by applying the criteria for the restatement of financial statements set forth in IAS 29. For more information, see Note 1.e).

#### **a) Going Concern**

The consolidated financial statements as of December 31, 2021 and 2020 have been prepared on a going concern basis as there is a reasonable expectation that the Company and its subsidiaries will continue its operational activities in the foreseeable future (and in any event with a time horizon of more than twelve months).

#### **b) Foreign Currency Translation**

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Argentine pesos, which is the functional currency of all Group companies located in Argentina. The functional currency for the foreign subsidiaries of the Group is the respective legal currency of each country.

The assets and liabilities of foreign subsidiaries are translated using the exchange rates in effect at the reporting date, while income and expenses are translated at the average exchange rates for the year reported. Exchange differences resulting from the application of this method are recognized under Other Comprehensive Income. The cash flows of foreign consolidated subsidiaries expressed in foreign currencies included in the consolidated financial statements are translated at the average exchange rates for each year.

#### **c) Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate prevailing at the reporting date. Exchange differences are recognized as foreign currency exchange gains or losses in the consolidated statement of comprehensive income and are included under the items related to Financial Results, net.

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### **d) Consolidation**

These consolidated financial statements include the line-by-line consolidation of the assets, liabilities, results and cash flows of the Company and its subsidiaries (companies in which it exercises control (see paragraph d.1)), as well as the line-by-line consolidation in its financial statements of the assets, liabilities and results under joint control, according to the percentage of its interest in the agreements and joint ventures (paragraph d.2) jointly controlled by it; and, the interest owned by the Company in associates is recognized in one item (companies in which it exercises significant influence (see paragraph d.3)). These consolidated financial statements include the line-by-line consolidation between Telecom and structured entities with the specifications mentioned in paragraph d.4).

#### **d.1) Control**

Control exists when the investor has significant power over the investee; has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power to affect the amount of the returns. Subsidiaries are fully consolidated as from the date on which control is transferred to the controlling company and shall be deconsolidated from the date that control ceases.

In the preparation of these consolidated financial statements, assets, liabilities, revenues and expenses of the subsidiaries are consolidated on a line-by-line basis. Shareholders' equity and net income attributable to non-controlling interest are disclosed under the Group's shareholders' equity and comprehensive income, but separately from the respective portions attributable to the Controlling Company, both in the consolidated statement of changes in equity and in the consolidated statement of comprehensive income.

All intercompany accounts and transactions have been eliminated in the preparation of these consolidated financial statements.

The subsidiaries' financial statements cover the same periods and are prepared as of the same closing date and in accordance with the same accounting policies as those of the Company.

Note 1 a) details the consolidated subsidiaries, together with the interest percentages held directly or indirectly in each subsidiary's capital stock and votes, main activity and country of origin as of December 31, 2021.

The Company considers any transactions executed with non-controlling shareholders that do not result in a loss of control, as transactions among shareholders. A change in the equity interests held by the Company is considered as an adjustment in the book value of controlling and non-controlling interests to reflect the changes in its relative interests. The differences between the amount for which non-controlling interests are adjusted and the fair value of the consideration paid or received and attributed to the shareholders of the controlling company will be directly recognized in "Other Comprehensive Income" under in the equity attributed to the controlling company.

#### **d.1.a) Accounting treatment of the acquisition of the remaining equity interest (30%) in the controlled company Tuves**

On September 4, 2019, Núcleo acquired 30% of the shares of Tuves Paraguay, which were held by TUVES Chile.

This operation represents a transaction between controlling and non-controlling shareholders in the consolidated financial statements. Therefore, the Company recorded a \$ 193 million adjustment to the non-controlling interest balance as of December 31, 2019 and the difference arising from the purchase price of \$ 71 million was recorded in "Other Comprehensive Income" under Equity attributable to controlling shareholders as of that date, as provided under IFRS 10.

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### **d.1.b) Offer for Irrevocable Call and Put Option on the Shares of AVC Continente Audiovisual**

On September 25, 2019, Telecom Argentina and the non-controlling shareholders of AVC Continente Audiovisual (the "Assignors") executed an Offer for an Irrevocable Call and Put Option on all the shares of AVC Continente Audiovisual held by the Assignors, i.e. 497,479 shares representing 40% of the capital stock of AVC Continente Audiovisual. The call and put option may be exercised by Telecom Argentina and the Assignors, respectively, from October 1, 2019 to September 30, 2024. The call and put options include, together with the shares, the assignment and transfer of all the equity and political rights inherent to them.

On October 27, 2021, Telecom Argentina acquired 497,479 common book-entry shares with nominal value of \$ 1 each and entitled to one (1) vote per share representing 40% of the capital stock and votes of AVC Continente Audiovisual, as the Assignors exercised the put option on such shares, settling the remaining balance.

This operation represents a transaction between controlling and non-controlling shareholders in the consolidated financial statements. Therefore, the Company recorded a \$ 24 million adjustment to the non-controlling interest balance as of December 31, 2021 and the difference arising from the total purchase price of \$ 164 million was recorded in "Other Comprehensive Income" under Equity attributable to controlling shareholders as of that date, as provided under IFRS 10.

In addition, Telecom recorded goodwill for \$ 122 million in connection with the acquisition of the additional 40% equity interest.

### **d.1.c) Purchase of one (1) share of PEM. Merger between Telecom, Ultima Milla, CV Berazategui and the Spin-off Equity of PEM**

On June 27, 2019, Telecom acquired a registered non-endorsable common share, with nominal value of \$ 1 and entitled to one vote per share, representing 0.00000738% of the capital stock and votes of PEM for a total amount of \$ 10,000 (ten thousand Argentine pesos). Upon this acquisition, Telecom became the direct holder of 100% of the capital stock of PEM.

On October 01, 2019, Telecom absorbed Última Milla and CV Berazategui (the "Absorbed Companies") and the Spun-off Equity of PEM (the "Corporate Reorganization"), generating the corresponding operational, accounting and tax effects, unifying the operations of the above-mentioned companies and Telecom, thus enhancing efficiency, synergy and streamlining costs and optimizing the use of the companies' technical, administrative and financial structures. The Absorbed Companies were dissolved without liquidation and PEM spun off a portion of its equity and its capital stock was reduced pro rata as of October 1, 2019.

Such Corporate Reorganization was carried out in accordance with the provisions of articles 82 and 83 of the General Associations Law, with the provisions of Articles 77 and related Articles of Income Tax Law No. 20,628, as amended and supplemented, with CNV Rules, with the Listing Rules and other provisions issued by the BYMA, with IGJ Rules and with other applicable laws and regulations. The Corporate Reorganization was approved by the shareholders at the General Extraordinary Shareholders' Meeting and the Special Shareholders' Meetings of Class "A" and Class "D" shares of Telecom Argentina held on October 24, 2019 and the respective Shareholders' Meetings of Última Milla, CV Berazategui and PEM held on the same date.

As a result of the Corporate Reorganization, as of October 1, 2019, Telecom Argentina assumed all the existing activities, receivables, property and all the rights and obligations of Ultima Milla, CV Berazategui and the Spun-off Equity of PEM, as well as any that may come into existence or arise due to prior or subsequent acts or activities. The Final Merger Commitment was executed on November 25, 2019 and, on November 29, 2019, Telecom filed with the CNV the request for administrative approval, which was granted through a resolution issued on February 19, 2020.

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### **d.1.d) Irrevocable contribution in cash to Micro Sistemas**

On November 10, 2020, Telecom made an irrevocable contribution in cash on account of the future subscription of shares of Micro Sistemas, for \$ 60 million (\$ 94 million in constant currency as of December 31, 2021). At the Unanimous General Extraordinary Shareholders' Meeting of Micro Sistemas held on December 21, 2020, its shareholders decided to increase the capital stock by \$ 60 million through the capitalization of said irrevocable contributions paid in cash by Telecom and issue, representing such increase, a total of 60,000,000 non-endorsable, registered common shares, with nominal value of one Peso (\$ 1) each and entitled to one vote per share, to be delivered to Telecom.

On January 11, 2021, Telecom Argentina made an irrevocable contribution in cash on account of the future subscription of shares of Micro Sistemas for \$ 62 million (\$ 90 million in constant currency as of December 31, 2021), which was capitalized by Micro Sistemas pursuant to a resolution adopted by the shareholders at the Unanimous General Extraordinary Shareholders' Meeting held on January 19, 2021.

On September 22, 2021, Telecom Argentina made an irrevocable contribution in cash on account of the future subscription of shares of Micro Sistemas for \$ 260 million (\$ 287 million in constant currency as of December 31, 2021), which was capitalized by Micro Sistemas pursuant to a resolution adopted by the shareholders at the Unanimous General Extraordinary Shareholders' Meeting held on November 16, 2021.

### **d.1.e) Incorporation of Personal Smarthome S.A.**

On December 30, 2020, Telecom and PEM incorporated Personal Smarthome S.A., in which they hold an interest of 90% and 10%, respectively. Telecom subscribed 90,000 shares and PEM subscribed 10,000 shares, all common book-entry shares with nominal value of \$ 1 peso each and entitled to 5 votes per share. In addition, on that date, the shareholders paid 25% of their respective subscriptions.

Personal Smarthome S.A. is mainly engaged in the provision of services, solutions and/or goods that allow and/or contribute to automation, monitoring, security, digital interconnection and home automation (IoT) for the integration of technology into the design of homes, buildings, cities, and/or public or private entities.

As of the date of these consolidated financial statements, the subsidiary had not carried out any business activities.

### **d.1.f) Acquisition of shares of Opalker S.A.**

On July 27, 2021, Telecom Argentina acquired all the shares representing the subscribed capital stock of the Uruguayan company Opalker S.A. Telecom Argentina intends to commercialize cybersecurity products and services and / or related services through this company.

As of the date of these consolidated financial statements, the subsidiary had not carried out any business activities.

## **d.2) Interests in Joint Operations**

A joint operation is a contractual arrangement whereby two or more companies undertake an economic activity that is subject to joint control, i.e., when the financial strategy and the operating decisions related to the company's activities require the unanimous consent of the parties sharing control.

In the cases of joint business arrangements executed through *Uniones Transitorias de Empresas* ("UTE"), considered joint operations under IFRS 11, the Company recognizes in its financial statements on a line-by-line basis the assets, liabilities and net income subject to joint control in proportion to its share in such arrangements.

Telecom holds a 50% interest in the UTE Ertach – Telecom Argentina, which is engaged in the provision of data and order channel transmission services required to integrate the public administration agencies of

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the Province of Buenos Aires and the municipal agencies in a single provincial data communication network.

The UTE had an agreement with the Ministry of the Cabinet Chief of the Province of Buenos Aires, which had been approved pursuant to Decree No. 2017-166-E-GDEBA-GPBA. It was in the "Termination of Services Phase", which implied the continuity of operations until the Government of the Province of Buenos Aires elected another supplier for these services.

In view of the technical impossibility of having a supplier render this service immediately and since the UTE is the only supplier that can provide the service under the current conditions, the Ministry of the Cabinet Chief of the Province of Buenos Aires, through Resolution No. 3,046/2021, approved the direct engagement of the UTE for the continuity of the service for a term of 12 months, counted as from July 29, 2021, the date on which the corresponding administrative act was approved, which may be extended for another term of 12 months, if so requested by that Ministry.

### **d.3) Investments in Associates**

An associate is an entity over which the Company has significant influence, without exercising control, generally accompanied by equity holdings of between 20% and 50% of voting rights.

The associates' assets and liabilities and net income are disclosed in the consolidated financial statements using the equity method. Under the equity method, the investment in an associate is to be initially recorded at cost and the book value will be increased or decreased to recognize the investor's share in the statement of income for the year or in other comprehensive income obtained by the associate, after the acquisition date. The distribution of dividends received from the associate will also reduce the book value of the investment.

The Company's investment in associates includes the goodwill identified at the time of the acquisition, net of any impairment losses. For more information on the impairment of fixed assets, see paragraph I) of this Note.

Unrealized gains or losses on transactions between the Company (and its subsidiaries) and associates are eliminated considering the Company's interest in the associates.

The associates' financial statements cover the same periods and are prepared as of the same closing date as those of the Company. Adjustments were made, where necessary, to the associates' financial statements so that their accounting policies are in line with those used by the Company.

### **d.4) Consolidation of structured entities**

Telecom, through one of its subsidiaries in Uruguay, has executed certain agreements with other companies for the purpose of rendering on behalf of and by order of such companies certain selling and installation services, collections, administration of subscribers, marketing and technical assistance, financial and general business advising, with respect to cable television services in Uruguay. In accordance with IFRS 10 "Consolidated Financial Statements", these consolidated financial statements include the assets, liabilities and results of these companies. Since Telecom does not hold an equity interest in these companies, the offsetting entry of the net effect of the consolidation of the assets, liabilities and results of these companies is disclosed under the line items "Equity attributable to non-controlling interests" and "Net Income attributable to non-controlling interests."

### **d.5) Business Combinations**

The Company applies the acquisition method of accounting for business combinations. The consideration for each acquisition is measured at the fair value of the assets to be delivered (cost of acquisition).

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The identifiable assets and liabilities assumed of the acquired company that meet the conditions for recognition under IFRS 3 are recognized at fair value at the acquisition date, except for certain particular cases provided by such standard.

Any excess between the sum of the consideration transferred, plus the amount of any non-controlling interest (valued at fair value or measuring the net identifiable assets under the equity method), plus the fair value of the acquirer's previously held equity interest (if any) in the entity, over the fair value of the acquired identifiable assets and liabilities of the acquiree assumed, determined on the acquisition date, is recognized as goodwill. Otherwise, the impact is immediately recognized in the statement of income.

The direct costs related to the acquisition are expensed as incurred.

### **e) Revenues**

Revenues are recognized (net of discounts and returns) to the extent the sales agreement has commercial substance, provided it is considered probable that economic benefits will flow to the Group and their amount can be measured reliably.

The Group discloses its revenues into two large groups: Services and equipment (mainly includes mobile handsets). Revenues from sales of services are recognized at the time services are rendered to the customers. Revenues from sales of mobile equipment are recognized at the time control of the good is transferred and the contractual obligation is fulfilled.

Revenues from transactions that include more than one item have been recognized separately to the extent they have commercial substance on their own. In those cases, in which payment is deferred in time, such as construction contracts, the effect of the time value of money must be accounted for. Non-refundable up-front connection fees (one-time revenues), generated at the beginning of the relationship with the customers, are deferred and charged to income over the term of the contract or, in the case of indefinite period contracts, over the average period of the customer relationship.

Subscription fees paid in advance are disclosed net of trade receivables until the service is rendered.

Revenues on construction contracts are recognized based on the stage of completion (percentage of completion method). Said method provides an accurate representation of the transfer of goods in construction contracts because revenues are recognized based on the progress of the construction. When the outcome of a construction contract can be estimated reliably, the revenues and costs associated with the construction contract are recognized as revenues and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenues, the expected losses are immediately recognized as expenses.

Regarding construction contracts, as of December 31, 2021, the Group recognized revenues from construction contracts in the amount of \$ 687 million.

The main services (performance obligations) provided by Telecom and its subsidiaries are:

- *Mobile Services*

Telecom provides mobile services in Argentina and Paraguay.

Service revenues mainly consist of monthly basic fees, revenues on prepaid calling cards, airtime usage charges, roaming and interconnection charges, VAS charges, and other services.

- *Internet Services*

Internet service revenues mainly consist of fixed monthly fees received from residential and corporate customers for data transmission (including private networks, dedicated lines, broadcasting signal transport

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and videoconferencing services) and Internet connectivity services (mainly high-speed subscriptions - broadband-).

- *Cable Television Services*

The cable television services provided by Telecom comprise the operation of television networks installed in different locations of Argentina and Uruguay. In addition, Tuves holds a license for the provision of DATDH services in Paraguay. Cable television services mainly consist of monthly fees and certain variable consumption fees related to ondemand services.

- *Fixed Telephony and Data Services*

These services mainly consist of monthly fees for voice services, measured service and monthly fees for additional services (among others: call waiting, itemized billing and voicemail), interconnection services, capacity leases and data services, among others.

- *Other Services*

Revenues from other services mainly include billing and collection services for the account and by order of third parties, administrative and financial service revenues, and advertising revenues.

### **f) Financial Instruments**

A financial asset or liability is measured initially at fair value plus or minus, in the case of an item not measured at fair value with an impact on net income, the costs of the transaction directly attributable to its acquisition or issuance.

#### **f.1) Financial Assets**

In accordance with IFRS 9, upon initial recognition, financial assets are subsequently measured at either amortized cost, (represents the initial amount net of principal repayments made, adjusted by the amortization of any differences between the initial amount and the maturity amount using the effective interest method), fair value with changes in other comprehensive income or fair value with changes in the statement of income (the fair value of a financial instrument is the price at which the instrument could be purchased or sold in an orderly transaction between market participants in the main or most profitable market), on the basis of:

- (a) The Company's business model for managing the financial assets; and
- (b) The contractual cash flow characteristics of the financial asset.

Financial assets include:

#### **Cash and Cash Equivalents**

Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value and their original maturity or the remaining maturity at the date of purchase does not exceed three months.

Cash and cash equivalents are recorded according to their nature, at fair value or amortized cost (for example, short-term investments at amortized cost, investments in mutual funds at fair value with an impact on Other Financial Results, net, etc)..

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### Trade and Other Receivables

Trade and other receivables classified as either current or non-current assets, except for deposits held in guarantee of financial transactions, are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowances for uncollectability.

Occasionally, mobile telephony customers pay for the handset the price net of the discount. The discount applied to the handset is allocated between handset sale revenues and service revenues, and a contractual asset is initially recognized. Contractual assets, either current or non-current, are initially recognized at fair value and subsequently measured at amortized cost, less allowances for bad debts, if any.

Deposits held in guarantee of financial transactions are carried at fair value. The gains and losses generated are included in Other Financial Results, net.

### Investments

Notes and Bonds include the Bonds issued by National, Provincial and Municipal Governments. Depending on the business model adopted by Management, Securities and Bonds may be valued at amortized cost or at fair value and its results are recognized under Other Financial Results, net.

Investments in mutual funds are carried at fair value. The gains and losses generated are included in Other Financial Results, net.

The share in the trust "Complejo Industrial de las Telecomunicaciones 2003" was recognized at fair value.

Other Investments are valued at their amortized cost.

### Impairment of Financial Assets

At the time of initial recognition of financial assets (and at each closing), the Group estimates the expected losses, with an early recognition of a provision, pursuant to IFRS 9.

Regarding trade receivables, and using the simplified approach provided by said standard, the Company measures the allowance for bad debts for an amount equal to the lifetime expected credit losses.

The expected losses to be recognized are calculated based on a percentage of uncollectability per maturity ranges of each financial asset. For such purposes, the Company analyzes the performance of the financial assets grouped by type of market. Said historical percentage must contemplate the future collectability expectations regarding those financial assets and, therefore, those estimated changes in performance.

### Derecognition of Financial Assets

The Group derecognizes a financial asset when the contractual rights to the cash flows of such assets expire or when it transfers the financial asset and, therefore, all the risks and benefits inherent to the ownership of the financial asset are transferred to another entity.

## **f.2) Financial Liabilities**

Financial liabilities comprise accounts payable (excluding Derivatives, if applicable), financial debt, dividends payable and certain liabilities included in Other Liabilities.

Financial liabilities are initially recognized at fair value and subsequently measured, in general, at amortized cost.

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In the event of renegotiations of loans, if the exchange of debt instruments between the financial creditor and the Company is executed under substantially different terms or with a substantial change in the current terms of the existing financial liabilities, taking into consideration both quantitative and qualitative factors, such exchanges are recorded as a settlement of the original liabilities and as a recognition of new liabilities. Otherwise, the original liabilities shall not be canceled, but deemed refinanced, changing its valuation in accordance with the new terms and conditions.

It should be noted that the funds to be paid to customers disclosed under "Accounts Payable" correspond to the amounts payable to the customers of the subsidiary Micro Sistemas as described in Note 2.f). The funds, net of any amount owed by the user to the subsidiary, are held in the user's account until the user withdraws them.

### *Derecognition of Financial Liabilities*

The Group derecognizes a financial liability (or part of it) when it has been extinguished, i.e., when the obligation specified in the corresponding agreement is discharged, canceled or expires.

### **f.3) Derivatives**

Derivatives are used by the Group to manage its exposure to exchange rate and interest rate risks and to diversify the parameters of debt so that costs and volatility can be reduced to pre-established operational limits.

All derivative financial instruments are measured at fair value in accordance with IFRS 9. Derivative financial instruments qualify for Hedge Accounting if and only if all of the following conditions are met:

- a) The hedging relation consists only of hedging instruments and eligible hedged items;
- b) The hedging relation and the risk management strategy and purpose are formally designated and documented since its inception; and
- c) the hedge is expected to fulfill the efficacy requirements described under Note 23.c – Hedge Accounting.

When a derivative financial instrument is designated as a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in Other Comprehensive Income. The cumulative gain or loss is removed from OCI and recognized in the consolidated statement of comprehensive income at the same time as the hedged transaction affects the consolidated income statement. The gain or loss associated with the ineffective portion of a hedge is immediately recognized in the consolidated statement of comprehensive income. If the hedged transaction is no longer probable, the cumulative gains or losses included in OCI are immediately recognized in the consolidated statement of comprehensive income.

If the hedged item is a prospective transaction that results in the recognition of a non-financial asset or liability or a firm commitment, the cumulative gain or loss that was initially recognized in OCI is reclassified to the carrying amount of such asset or liability.

If Hedge Accounting is not appropriate, gains or losses arising from the fair value measurement of derivative financial instruments are immediately recognized in the consolidated statement of comprehensive income.

For additional information on NDFs, see Note 23 to these consolidated financial statements.

### **f.4) Specific aspects of the valuation of receivables and payables**

Receivables and payables valued at amortized cost are initially recorded at their fair value, which is generally determined by using a discounted cash flow valuation method. The fair value under this method is estimated as the present value of all future cash flows discounted using an estimated discount rate, especially for long term receivables and payables. The discount rates for receivables denominated in PYG were of 8.22% and 12.4% for the years 2021 and 2020.

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Measurement of the fair value of certain financial instruments If there is a quoted market price available for an instrument in an active market, the fair value is calculated based on that price. If there is not a quoted market price available for a financial instrument, its fair value is estimated based on the price established in recent transactions involving the same or similar instruments and, if not, based on valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions based on market conditions at closing. For more information on the determination of those values, see Note 23 to these consolidated financial statements.

### g) Inventories

Inventories are measured at the lower of the cost restated for inflation and net realizable value. The cost is determined under the weighted average price method. The net realizable value represents the estimated selling price in the ordinary course of business less the applicable variable sale costs. In addition, the Company estimates and records allowances for obsolete and slow-moving inventories.

The value of inventories does not exceed its recoverable value at the end of the year.

### h) PP&E

PP&E is stated at acquisition or construction cost plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, restated for inflation less accumulated depreciation and impairment losses, if any. Subsequent expenditures are capitalized only when they represent an improvement, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The other subsequent expenditures are recognized as expenses for the period in which they were incurred. When PP&E comprises major components having different useful lives, these components are accounted for as separate items if they are significant.

Depreciation of PP&E owned is calculated on a straight-line basis over the ranges of estimated useful lives of each class of assets. The ranges of the estimated useful lives of the main classes of PP&E are the following:

	<u>Estimated Useful Life (in years)</u>
Real Property	5 – 50
Transport and Fixed Network	4 – 20
Mobile Network Access	3 – 7
Antenna Support Structure	10 – 20
Switching Equipment	2 – 7
Computer Equipment	3 – 5
Vehicles	5
Goods under Loans for Use	2 – 4
Power Equipment and Installations	2 – 12
Machinery, Equipment and Tools	5 – 10

The depreciation rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously taking into account, among others, technological obsolescence, maintenance and condition of the assets and different intended use from previous estimates. The effect of such changes is recognized prospectively in the income statement in the corresponding period.

### i) Intangible Assets

Intangible assets are recognized if and only if: The asset is separately identifiable, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

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Intangible assets are valued at their cost restated for inflation, less accumulated amortization (in the case of intangible assets with a finite useful life) and impairment losses, if any.

Intangible assets comprise the following:

### *- Incremental Costs from the Acquisition of Contracts*

Certain direct incremental costs incurred for the acquisition of new subscribers are capitalized as intangible assets to the extent the conditions for the recognition of an intangible asset are met, pursuant to IFRS 15, i.e. provided the Company expects to recover those costs and provided they are costs that the Company would not have incurred if the contract had not been successfully obtained.

Subsequently, said assets will be amortized under the straight-line method over the contractual relationship of the related transferred service. Those costs are amortized over a term of two years.

### *- 3G/4G licenses*

It includes 3G and 4G frequencies awarded by the SC to Personal in November 2014 and June 2015 and the licenses that had been previously awarded to Nextel.

Telecom's management has concluded that the licenses have a finite useful life and, therefore, they are amortized under the straight-line method over 180 months.

### *- PCS and SRCE License (Argentina)*

Telecom's Management, based on an analysis of the relevant characteristics of these licenses, has considered that the licenses have an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for Telecom. Therefore, these licenses are subject to a recoverability assessment, at least on an annual basis.

### *- Núcleo Licenses*

The PCS Licenses are amortized under the straight-line method over 60 months.

The 700 MHz- band spectrum licenses are amortized over a term of 10 years.

Internet and data transmission licenses are amortized over a term of 5 years.

### *- Customer Portfolio*

Customer portfolio comprises mainly contracts with Telecom's customers that were incorporated as a result of the merger between Telecom and Cablevisión. They are amortized over the estimated term of the relationship with the acquired customers. For fixed-telephony customers said term was estimated at 10 years. For mobile telephony customers in Argentina, it was estimated at 6 years and for mobile telephony customers in Paraguay, it was estimated at 5 years.

### *- Brands*

The brands include Telecom and Personal, which were incorporated as a result of the merger between Telecom and Cablevisión. These brands are not amortized because they are deemed to have an indefinite useful life. The brand Flow is also included, which has been fully amortized.

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- Other

It includes exclusivity rights and software use rights, among others, with useful lives of between 2 and 28 years.

### **j) Right-of-Use Assets and Liabilities**

IFRS 16 provides that the lessee shall recognize a right of use asset and a liability at present value for the lease payments that were not settled on that date, with respect to those contracts that meet the definition of leases. In addition, the right-of-use assets shall contemplate in their initial cost the lease payments already settled, initial costs and estimated dismantling expenses. According to the standard, a lease is a contract that provides the right to control the use of an identified asset for a specified time period. For a company to have control over the use of an identified asset:

- a. It must have the right to obtain substantially all the economic benefits of the identified assets and
- b. it must have the right to direct the use of the identified asset.

Telecom has several agreements that qualify as leases pursuant to IFRS 16. The following is a summary of those agreements: a) leases of sites to place antennas; b) leases of buildings for customer service locations and for other purposes; c) leases of posts for cable-laying; d) rights of use of dark fiber for data transmission, and e) leases of locations for installing antennas.

The average useful life is estimated at 1-6 years and the depreciation of the right-of-use assets is calculated on a straight-line basis over the lease term of each agreement, except in the cases where Telecom will exercise a call option that will be depreciated based on the asset's useful life.

### **k) Goodwill**

Goodwill is recognized when the fair value of the consideration paid and the amount of the non-controlling interest, and prior equity interests at fair value, if any, exceed the fair value of the net assets identified in each business combination. Goodwill has indefinite useful life and its recoverable value must be assessed at least once a year.

### **l) Impairment of Fixed Assets**

The Group assesses whether there are any indicators of impairment in the value of the assets that are subject to amortization, contemplating both internal and external factors. Internal factors include, among others, obsolescence or physical damage of the asset, and significant changes in the extent to which, or manner in which, an asset is used or expected to be used and internal reports that may indicate that the economic performance of the asset is, or will be, worse than expected. External sources include, among others, the market value of the asset, significant changes in the legal, economic, technological or market environment, increases in market interest rates and the cost of capital used to evaluate investments, and an excess of the carrying amount of the net assets of the Group over market capitalization.

Intangible assets with an indefinite useful life and goodwill are not subject to amortization and are tested annually for impairment at the closing of each year, or more frequently when there is any event or circumstance that may indicate impairment.

The carrying value of an asset is considered impaired by the Company when it is higher than its recoverable value, which is the higher of the fair value (less direct selling costs) or its value in use. In this case, a loss shall be immediately recognized in the consolidated statement of comprehensive income.

In order to assess if there are any impairment losses, the Group groups the assets into cash-generating units, which represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Based on the characteristics of the

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services it renders and of its fixed assets, the Group has considered the operations in Argentina as a single cash-generating unit (CGU), and that each of the Company's operations represents a separate CGU. The net carrying amount of each cash-generating unit includes goodwill, intangible assets with an indefinite useful life and assets with a definite useful life (PP&E, intangible assets, and right-of-use assets).

During 2019, an impairment was recorded for \$ 4,403 million related to the addition of spectrum to Telecom's assets under the merger by acquisition between Telecom and Cablevisión, and other fixed assets for \$ 866 million. During 2020, the Company recorded an impairment of minor assets for \$ 568 million.

During this year, Telecom recorded an impairment of the brands Cablevisión and Fibertel for a total amount of \$ 448 million as a result of Telecom's decision to discontinue the use of those brands, unifying all the customers of those services under the brands Flow and Personal in order to simplify the brand portfolio and to consolidate a new visual identity as an institution and for its products and services. In addition, Telecom recorded an impairment of goodwill of Argentine subsidiaries for \$ 89 million and foreign subsidiaries for a total amount of \$ 578 million and other minor assets, net of recoveries for \$ 169 million.

Except for the items mentioned above, no other significant impairments were identified in the assessments made by Telecom.

The possible reversal of impairment losses related to PP&E, intangible assets and right-of-use assets is assessed as of all the dates on which financial statements are presented. The net effects of the constitution and recovery of the above-mentioned impairments are recorded under "Impairment of Fixed Assets", which is described under Note 25 to these consolidated financial statements.

For more information on the assessment of the recoverable value of goodwill, see paragraph v.1) "Recoverability of Goodwill" in this note.

### **m) Other Liabilities**

#### Pension Benefits

Pension benefits shown under Other liabilities represent accrued benefits under collective bargaining agreements for employees who retire upon reaching normal retirement age, or earlier due to disability in Telecom. Benefits consist of the payment of a single lump sum equal to the salary of one month for each five years of service at the time of retirement due to retirement age or disability. The collective bargaining agreements do not provide for other post-retirement benefits such as life insurance, health care, and other welfare benefits.

The net periodic pension costs are recognized in the income statement, segregating the financial component, as employees render the services necessary to earn pension benefits. However, actuarial gains and losses should be presented in the statements of comprehensive income. Actuarial assumptions and demographic data, as applicable, were used to measure the benefit obligation as required by IAS 19, as amended. Telecom does not make plan contributions or maintain separate assets to fund such benefits.

The actuarial assumptions used are based on market interest rates, past experience and the Group's best estimate of future economic conditions. Changes in these assumptions may impact future benefit costs and obligations. The main assumptions used in determining expense and benefit obligations are the following:

	2021	2020
<b>Discount Rate (1)</b>	6.1% - 11.8%	6.3% - 12.7%
<b>Projected increase rate in compensation</b>	23.0% - 51.8%	22.1% - 50.9%

(1) Corresponds to real discount rates.

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Additional information on pension benefits is provided in Note 19 to these consolidated financial statements.

### Deferred revenues on prepaid credit

Revenues from unused traffic and data packs for unexpired prepaid credit are deferred and recognized as revenue when the minutes and the data are used by customers or when such credit expires, whichever happens first.

### Deferred revenues on connection fees

Non-refundable up-front connection or installation fees for fixed telephony, data, cable and Internet services are deferred over the term of the contract, or in the case of indefinite period contracts, over the average period of customer relationship.

### Deferred Revenues related to Customer Loyalty Programs

Telecom's customer loyalty program is measured at fair value and is accounted for as deferred revenue until the award credits are redeemed or expire, whichever occurs first.

### Deferred Revenues on International Capacity Leases

Under certain network capacity purchase agreements, the Group sells excess purchased capacity to other carriers. Revenues are deferred and recognized as services are provided.

### Grants for the Acquisition of PP&E

Government grants for the acquisition of PP&E must be recognized as income to match them with the costs for which they are intended to compensate, on a systematic basis. Pursuant to IAS 20, grants related to assets may be disclosed as deferred income or deducted from the carrying amount of the asset. The Company chose, as an accounting policy, the first alternative provided under IAS 20 in the understanding that the recognition as deferred income reflects more properly the economic reality of the transaction. Therefore, the related assets are recognized taking into consideration the cost incurred in the construction of the asset, while the grant is recognized as deferred income under other liabilities and is charged to income as from the time the infrastructure is operational and during its useful life.

## **n) Salaries and Social Security Payables**

These include unpaid salaries, vacation and bonuses and their related social security contributions, as well as termination benefits, and are valued at amortized cost.

Termination benefits represent severance indemnities that are payable when employment is terminated in accordance with labor regulations and current practices, or whenever an employee accepts voluntary redundancy in exchange for these benefits. In the case of severance compensations resulting from agreements with employees leaving the Company upon acceptance of voluntary redundancy, the compensation is usually comprised of a special cash bonus paid upon signing the severance agreement, and in certain cases may include a deferred compensation, which is payable in monthly installments calculated as a percentage of the prevailing wage at the date of each payment ("*prejubilaciones*"). The employee's right to receive the monthly installments mentioned above starts on the date they leave the Company and ends either when they reach the legally mandatory retirement age or upon the decease of the beneficiary, whichever occurs first.

The Company and its subsidiaries do not have stock option plans for their employees.

## **o) Taxes Payable**

The main taxes that have an impact on net income for the Company are the following:

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### Income Tax

The Group records income taxes in accordance with IAS 12.

Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that they relate to items recognized in Other comprehensive income or in equity, in which case they will also be recognized under said items. The income tax expense for the year comprises current and deferred tax.

In addition, if the income tax payments and withholdings in Argentina exceed the amount payable for the current tax, the excess shall be recognized as a tax credit, only if it is recoverable.

Both for tax law effective in Argentina and in the rest of the countries in which Telecom operates through its subsidiaries, income taxes payables are computed on a separate return basis, i.e., the Company is not allowed to prepare a consolidated income tax return.

Deferred taxes are recognized using the liability method, which provides for the assessment of net deferred tax assets or liabilities based on temporary differences. Temporary differences arise when the tax base of an asset or liability differs from its carrying amount in the statement of financial position and its reversal in the future will have an impact on taxable income. The deferred tax asset / liability is disclosed under a separate item of the consolidated financial statements.

Deferred tax assets relating to unused tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Tax loss carryforwards may be computed against future taxable income for a maximum of 5 years. Deferred tax assets that may arise from investment in subsidiaries are recognized when it is probable that the temporary differences will be reversed in the foreseeable future and when future taxable income would be sufficient to apply those temporary differences.

The recoverable value of deferred tax assets must be examined at the end of each accounting reporting period. The company must reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available before it lapses to allow for the computing of the deductions of the deferred tax asset. Any such reduction may be reversed in future periods to the extent that it becomes probable that sufficient taxable profit will be available to compute these deductions.

Pursuant to Law No. 27,430, amended by Law No. 27,541, the statutory income tax rate in Argentina for fiscal years 2019 and 2020 was 30%, and 25% for fiscal years beginning on or after January 1, 2021.

However, such law was repealed by Law No. 27,630, published in the Official Gazette on June 16, 2021, which provides for a tiered tax rate structure based on the taxable income of each taxpayer: 25% for annual taxable income of up to \$ 5 million; 30% for annual taxable income exceeding \$ 5 million up to \$ 50 million; and 35% for annual taxable income exceeding \$ 50 million. The amounts established for each bracket will be adjusted once a year as from 2022 based on the National IPC corresponding to October of the year prior to the year in which the adjustment is made compared to the same month of the previous year. Telecom recognized the effects of the increase in income tax in the Statement of Comprehensive Income as of December 31, 2021.

In addition, Law No. 27,430, amended by Law No. 27,541, establishes a withholding tax regime on distributed dividends at a rate of 7% for distributions of profits generated during fiscal years beginning on or after January 1, 2018 up to and including December 31, 2020, and at a rate of 13% for distributions of profits generated during fiscal years beginning on or after January 1, 2021. Law No. 27,630 amended such law, establishing a rate of 7% also for fiscal years beginning on or after January 1, 2021. The new withholding on dividends applies only to distributions made to shareholders who are Argentine resident individuals and to nonresident shareholders.

Cash dividends received from a foreign subsidiary are computed on the statutory income tax rate, under the "worldwide income" principle. As per Argentinian Tax Law, the taxes paid abroad by Telecom can be

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recognized as a tax credit, which includes the income tax paid abroad, as well as any withholdings on dividends.

The statutory income tax rate in Uruguay was 25% for all years presented.

The statutory income tax rate in Paraguay was 10% for all years presented. Pursuant to Law No. 125/91, until December 31, 2019, dividends paid were computed with an additional income tax rate of 5%, representing an effective tax rate of 14.5%. Pursuant to the tax reform provided under Law No. 6,380/19 and effective as from January 1, 2020, the additional rate is revoked and an 8% tax rate is established on dividends and earnings when the recipient of the profits is an individual or legal entity resident in Paraguay, and 15% when the beneficiary of these profits is a nonresident. Transitorily, dividends distributed during 2020 were subject to a 5% rate for residents and 10% for non-residents. Telecom Argentina recognized a deferred tax liability arising from the effect of the difference in the income tax rates between Argentina and Paraguay on the accumulated profits because it is probable that these accumulated profits will flow in the form of dividends subject to tax.

On January 1, 2018, a new Income Tax Law came into effect in the United States, which changed the federal flat rate to 21%. The tax rate of the State of Florida was reduced from 5.5% to 4.458% for fiscal periods beginning as from January 01, 2019 until December 31, 2021. For the years beginning as from January 01, 2022, the rate will be 5.5%.

Therefore, for fiscal years 2019, 2020 and 2021 the statutory income tax rate is 25.458%.

### **Income Tax Inflation Adjustment**

Laws Nos. 27,430, 27,468 and 27,541 amended the Income Tax Law with respect to the inflation adjustment for tax purposes.

Effective as from fiscal years beginning on or after January 1, 2018, the inflation adjustment procedure set out in Title VI of the income tax law shall be applicable in fiscal years in which the variation of IPC price index, accumulated in the 36 months immediately preceding the end of the relevant fiscal year, is higher than 100%.

In the first, second and third year as from its effectiveness, this procedure was applicable as long as the accumulated variation of the IPC, calculated from the beginning to the end of each of those years was higher than 55%, 30% and 15%, respectively, for the first, second and third years.

In view of the foregoing, the Company applies the inflation adjustment provided for in Title VI of the tax law as from 2019 since, as from that year, the percentages of variation of IPC price index are within those established by the law.

It was provided that in order to calculate inflation adjustments corresponding to the first and second fiscal year beginning as from January 1, 2019, one-sixth of the inflation adjustment shall be computed in that fiscal year, and the remaining five-sixths shall be computed in equal parts, in the five immediately following fiscal periods. The adjustment for inflation corresponding to fiscal years beginning on or after January 1, 2021 is fully recognized in this fiscal year.

Notwithstanding the foregoing, the law also established, on a general basis, the adjustment for inflation of the cost of several assets -in case of transfers- and the adjustment for inflation of the depreciation of property, plant and equipment and buildings, for all the acquisitions or investments made in fiscal years beginning on or after January 1, 2018 based on the variation of the IPC.

### Other National Taxes

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### **Tax on assets**

In Argentina, the tax on assets (*impuesto a la ganancia mínima presunta*), effective until the fiscal year ended December 31, 2018, was supplementary to income tax. The Company assessed this tax at the effective rate of 1% on the taxable assets at year-end. The Company's tax liability for each year was equal to the higher of the tax on assets assessment or the income tax liability assessed at the legally effective rate on the estimated taxable income for the year. However, if the tax on assets exceeded the income tax liability in any given fiscal year, the excess could be creditable against any excess of income tax liability over the tax on assets in any of the following ten fiscal years.

In 2018, Telecom was subject to the Tax on assets and has recognized accounting profits and tax losses.

The balance of the tax on assets has been capitalized in the consolidated financial statements for the amounts paid for this tax estimated to be recoverable within the statute of limitations, based on the current business plans.

### **Tax on Personal Assets, Shares and Interests**

Argentine companies shall pay the tax applicable to their shareholders who are Argentine individuals and non-resident individuals. Said tax is calculated based on the equity value of the shares according to the latest financial statements of the Argentine entity prepared in accordance with effective local professional accounting standards and without considering the effect arising from the changes in the purchasing power of the currency.

In accordance with the Law, Argentine companies are entitled to request the refund of said tax paid to their shareholders.

Pursuant to Law No. 27,260, Argentine companies that have properly fulfilled their tax obligations during the two fiscal years preceding fiscal year 2016 and comply with other requirements, may qualify for an exemption from the personal assets tax for fiscal years 2016, 2017 and 2018. The request for this tax exemption should be filed before March 31, 2017. Telecom Argentina and Cablevisión have already filed this request related to the payment of personal assets tax as substitute taxpayer (on behalf of its shareholders). Notwithstanding the above, it cannot be assured that in the future the companies will satisfy such requirements and maintain the referred exemption.

Pursuant to Law No. 27,541, the rate applicable as from fiscal year 2019 for this tax is 0.50%.

### **Tax on Bank Credits and Debits**

Law No. 25,413, as amended, provided for the creation of a tax on deposits to and withdrawals from bank accounts to be levied on: (i) debits and credits in accounts held in financial institutions located in Argentina; (ii) the debits and credits referred to in (i) in which no bank accounts with Argentine financial institutions are used, whatever their denomination, the mechanisms used to carry out such transactions (including cash) and/or legal instrument involved; and (iii) other transactions or transfers and deliveries of funds regardless of the individual or entity that performs them and the mechanism used.

Law No. 27,541 provided that the debits generated by cash withdrawals in any form shall be deemed taxable transactions, except for those made from accounts whose holders are physical or legal persons that qualify as micro and small-sized enterprises and provide evidence thereof under the terms of Article 2 of Law No. 24,467.

Pursuant to Decree No. 380/01 (as amended), the following transactions shall be subject to Law No. 25,413: (i) certain transactions carried out by financial institutions in which open accounts are not used; and (ii) any movement or delivery of funds, even in cash, that any person, including Argentine financial institutions, makes in its own name or on behalf of a third party, whatever the means used for its execution. Resolution

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No. 2,111/06 (AFIP) provides that “movements or deliveries of funds” are those made through organized payment systems replacing the use of bank accounts.

In addition, pursuant to Decree No. 311/21, regarding movements of funds in payment accounts, Payment Service Providers or companies engaged in electronic payment services and/or collections on behalf of third parties, as appropriate, will act as collection-at-source and paying agents, and the account holders shall bear the applicable taxes.

On May 7, 2018, Decree No. 409/18 was issued, which provided that, for transactions subject to the general tax rate, up to 33% of the taxes payable arising from both credited and debited amounts and the other taxable events subject to this tax may be creditable against income tax. In the case of transactions subject to a lower rate, only 20% may be creditable against income tax.

### **Excise Taxes**

Pursuant to Law No. 27,430, the effective excise tax rate applicable to mobile telephony services is 5.26%.

In addition, pursuant to Decree No. 979/17, as from November 15, 2017, for fiscal year 2018, the effective excise tax rate on the sale of imported mobile phones and other wireless network equipment was reduced from 20.48% to 11.73%. Said rate, pursuant to Law No. 27,430, would decrease gradually until its complete phase out as from January 1, 2024 (for 2019 the rate was 9.89% and for 2020 the rate was 7.53%). In the case of goods manufactured in the province of Tierra del Fuego, the rate is set at 0% as from November 15, 2017. Notwithstanding the foregoing, National Budget Law No. 27,591 for the year 2021, effective as from January 1, 2021, revoked the gradual decrease of tax rates established under Law No. 27,430 and the provisions of Decree No. 979/17. Law No. 27,591 set at 20.48% the effective tax rate on the sale of imported mobile phones and other wireless network equipment. In the case of goods manufactured in the province of Tierra del Fuego, the rate was set at 7.009% as from January 1, 2021. This tax shall be applicable until December 31, 2025.

### **Export Duties**

The National Budget Law for fiscal year 2019 (Law No. 27,467), published in the Official Gazette on December 4, 2018, granted the National Executive Branch, until December 31, 2020, the power to apply export duties on services rendered in Argentina that are effectively used or exploited abroad, with a rate of up to 30% of the value of those services.

Decree No. 1,201/18, published in the Official Gazette on January 2, 2019, provided that such services are subject to an export duty of 12% with a cap of \$ 4 for each dollar of the taxable value of the above-mentioned transaction.

Law No. 27,541 amended the foregoing and granted the National Executive Branch, until December 31, 2021, the power to apply export duties on services rendered in Argentina that are effectively used or exploited abroad, with a rate of up to 5% of the value of those services. Decree No. 99/19 published on December 28, 2019 established, effective as from January 1, 2020, an export duty of 5% on the above-mentioned services.

As from 2022, since the effectiveness of the Decree was not extended, said export duties are no longer in effect.

### **Social Security**

Law No. 27,430 gradually reduces the percentage of employers' social security contributions paid by large companies from 21% to 19.5% by 2022. In addition, the law establishes an incremental amount of the non-taxable base that shall be restated for inflation annually in accordance with the consumer price index.

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However, Law No. 27,541 set the percentage of employers' social security contributions paid by large companies at 20.4% and the non-taxable base at \$ 7,003.68.

The National Budget Law for the year 2019 (Law No. 27,467) provides that entities that provide broadcast television or physical link and/or radio electric link subscription television services, audio broadcasting, cable television signals, newspaper, magazine or periodical publishing companies or companies engaged in digital journalism, and the distributors of those publishing companies, may all allocate employer's contributions on the payroll for the personnel engaged in said activities as a tax credit against VAT. These contributions must have been accrued in the fiscal period and effectively paid at the moment of submitting the VAT return. As provided above, when the salaries that give rise to the employer's contributions that may be allocated as a tax credit against VAT are also related to other activities outside the scope of this benefit, they will be subject to the apportionment procedure.

### **VAT and Excise Taxes - Injunction**

On June 10, 2020, Telecom brought a claim before the National Court of First Instance on Federal Administrative Matters No. 11 of the City of Buenos Aires to request an injunction ordering the suspension of the payment of VAT and Excise Taxes on all those services billed to the users that fall within the scope of Decree No. 311/2020 (see Note 33 regarding COVID-19), and related regulations, until those bills have been effectively settled in whole or in part by the customers, provided those amounts have not been effectively paid by Telecom to the National Tax Authority in order to avoid any distorting consequences generated by said Decree arising from the intrinsic complexities of the payment of taxes. On July 15, 2020, the National Court of First Instance on Federal Administrative Matters No. 11 of the City of Buenos Aires denied the injunction requested by Telecom, which filed an appeal before Chamber I of the Court of Appeals on Federal Administrative Matters. On December 23, 2020, said Court of Appeals revoked the decision rendered by the Court of First Instance, and granted the injunction requested by Telecom for a term of 6 months or until the exceptional legal grounds that gave rise to the request for injunction have ceased, whichever occurs first.

Since this injunction was granted on December 23, 2020 and the provisions of Decree No. 311/20 were in effect until December 31, 2020, Telecom did not apply the provisions of such regulation.

### Provincial Taxes

#### **Turnover Tax**

This tax is levied on companies based in Argentina for the activities carried out in each province of the country. Rates differ depending on the jurisdiction where business is carried out and on the nature of such business (for example, sale of services or equipment).

Regarding this tax, on January 2, 2018, Law No. 27,429 - "Tax Consensus" was published in the Official Gazette. Said Law approves the Tax Consensus signed between the National Executive Branch and the representatives of the Provinces and the Autonomous City of Buenos Aires, which provides that the rates shall not exceed certain limits, among other issues. For the communications sector, the maximum rate effective for 2019 is 4% and 6.5% for mobile telephony. Cable television activities are exempt in some jurisdictions. However, on December 17, 2019, a new fiscal consensus, approved under Law No. 27,542, published in the Official Gazette on February 12, 2020, was signed whereby the gradual reduction of the rates provided under Law No. 27,429 was suspended until December 31, 2020. In addition, on December 4, 2020, a new fiscal consensus was signed whereby the gradual reduction of the rates provided under Law No. 27,429 was once again suspended until December 31, 2021.

In this sense, on December 28, 2021, the National Government signed the 2022 Fiscal Consensus with the representatives of all the provinces, except for the Autonomous City of Buenos Aires. This new Consensus provides for the release of the obligations previously assumed on provincial tax matters that had been

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imposed under prior fiscal consensuses, and for the enforceability of only those obligations that had been fulfilled as of the date the 2022 consensus was signed.

### **Other Taxes and Charges**

Since the beginning of 2001, telecommunication service companies have been required to make a SU contribution to fund SU requirements. For more information, see Note 2.d). General Rules on Universal Service.

Audiovisual Communication Services Law No. 26,522 established a tax on audiovisual communication services. According to the law, the holders of those services must pay a tax proportional to the amount of gross revenues from the sale of traditional and non-traditional advertising, programs, signals, contents, subscriptions and any other item that arises from the exploitation. In the case of cable operators, the tax rate varies between 2% and 5% based on the number of inhabitants in the area where the service is rendered. In the case of licensees, permit holders, authorized entities and owners of the registered title of signals who are registered VAT payers and are also subject to the tax established by Law No. 26,522, 100% of the amounts effectively paid under the tax established by the new law may be creditable against VAT.

In addition, Telecom pays for copyrights to several institutions such as AADI-CAPIF, SADAIC, ARGENTORES. Those rights are calculated on similar bases as those indicated in the previous paragraph and the rates range between 0.1% and 1%.

### **p) Provisions**

The Group records provisions when it has a present, legal or constructive obligation, to a third party, as a result of a past event, when it is probable that an outflow of resources will be required to satisfy the obligation and when the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, and the payment date of the obligations can be reasonably estimated, provisions to be accrued are the present value of the expected cash flows, taking into account the risks associated with the obligation. The increase in the provision due to the passage of time is recognized as finance expenses. For more information, see Note 20 to these financial statements.

Provisions also include the expected costs of dismantling the asset and restoring the corresponding site if a legal or constructive obligation exists. The accounting estimates for dismantling costs, including discount rates, and the dates on which such costs are to be incurred are reviewed annually, at each fiscal year-end.

### **q) Dividends**

Dividends payable are reported as a change in equity in the year in which they are approved by the shareholders at a Shareholders' Meeting.

In the case of dividends in kind, the liabilities recognized for the distribution of dividends shall be valued at the fair value of the assets to be distributed.

### **r) Financial Expenses on Debts and Other Financial Results, net**

Financial expenses on debt and other financial results, net, are recorded as incurred and may include, among others:

- interest accrued on the related financial assets and liabilities using the effective interest rate method;
- Financial Discounts on Assets and Liabilities;
- changes in fair value of derivatives and other financial instruments measured at fair value through profit or loss;
- Income from Securities and Bonds
- Results from Credit Losses Risk;

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- o Income from Renegotiation of Financial Debt;
- o gains and losses on foreign exchange and financial instruments;
- o Interest on Allowances;
- o Interest on Pension Benefits;
- o Taxes and Bank Expenses; and
- o Gain (Loss) on Net Monetary Position

### s) Acquisition of Treasury Shares

The Treasury Shares Acquisition Process shall follow the guidelines of IAS 32, which provides, consistently with the CNV Regulations, that any instruments of its own equity acquired by the Company must be recorded at the acquisition cost and must be deducted from Equity under the caption "Treasury shares acquisition cost". No profit or loss resulting from holding such instruments of own equity shall be recognized in the income statement.

### t) Net Earnings per Share

Basic earnings per share are calculated by dividing the net income or loss attributable to owners of the Parent by the average of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the net income for the year by the weighted average number of common shares issued and dilutive potential common shares at the closing of the year. Since the Company has no dilutive potential common stock outstanding, there are no dilutive earnings per share amounts.

### u) Use of Estimates

The preparation of consolidated financial statements and related disclosures in conformity with IFRS requires the Company's Management to make estimates and assumptions based also on subjective judgments, past experience and hypotheses considered reasonable and realistic in relation to the information known at the time of the estimate.

Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements as well as the amount of revenues and costs during the year. Actual results could differ, even significantly, from those estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically.

The most important accounting estimates which require a significant degree of subjective assumptions that may affect the amount of assets and liabilities are addressed below:

#### u.1) Recoverability of Goodwill

As indicated in paragraph I) of this note, the Group monitors the goodwill allocated to the cash-generating unit (CGU) of Argentina and, in order to determine its recoverable value, it considers the higher of the fair value (less costs of disposal) or its value in use.

Detailed below are the carrying amounts of the CGU of Argentina subject to the recoverability test:

CGU of Argentina	Goodwill	PP&E	Intangible Assets	Right-of-Use Assets	Total
Balances as of December 31, 2021	358,245	430,296	134,644	31,277	954,462
Balances as of December 31, 2020	358,223	458,536	146,889	24,893	988,541

As of December 31, 2021, the recoverable value of the CGU of Argentina, which includes goodwill, amounted to \$ 995,945 and was determined using the fair value less the costs of disposal.

In order to determine such value, Telecom's Management considered the market capitalization value based on an average market price of the share, which amounted to \$ 214.52 (calculated based on market prices at BYMA weighted by the volume of transactions corresponding to the three-month period before year-end, which is classified as level 2 of fair value hierarchy in accordance with IFRS 13).

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In order to determine the fair value of the CGU of Argentina, the above-mentioned market capitalization value was adjusted by (i) the estimated fair value of other CGUs, (ii) the effect of the net liabilities that are not subject to this recoverability test at its estimated fair value, (iii) the effect of a control premium of 28.6% (determined by the Company, with the advice of independent advisors, based on the observable values of market transactions corresponding to the period May 2015 - June 2021 for the ICT services industry; and (iv) the estimated costs of disposal for an orderly transaction, which include costs such as legal and advisory fees that could be directly associated with the disposal of the CGU. Therefore, the fair value qualifies as level 2 of fair value hierarchy in accordance with IFRS 13.

Telecom used this valuation method since the market price of the share is volatile and is subject to large fluctuations, mainly due to the difficult general macroeconomic situation, which started to slightly recover but not enough to reach pre-pandemic levels, and to the political conditions prevailing in Argentina, which worsened in 2021 with high inflation rates and fluctuations of the foreign exchange rates. In addition, the Argentine stock market is limited, highly concentrated and with low liquidity, which contributes to the high volatility of the above-mentioned market price of the share. As of December 31, 2021, the National Government was engaged in negotiations with the International Monetary Fund to renegotiate the maturities on its sovereign debt and, by the end of January 2022, the parties reached an understanding on key policies as part of their ongoing discussions on a new program. This uncertain scenario had a negative impact on the Argentine economy in general and on the stock market in particular as of that date.

As a result of the calculation mentioned above, the fair value less the costs of disposal exceeds the carrying amount of the CGU of Argentina by approximately 4.3%.

The Company has considered the following sensitivity analysis of the recoverability test, assessing the possible reasonable changes in key assumptions:

- a) A 6.9% decline in the average market price of the share, with the rest of the assumptions remaining stable, would equate the fair value less the costs of disposal with the carrying amount of the CGU of Argentina.
- b) Any change in interest rates or in the market valuation of our loans that could decrease the fair value of net liabilities by 10.3%, with the rest of the assumptions remaining stable, would equate the fair value less the costs of disposal with the carrying amount of the CGU of Argentina.
- c) A decline of 8.9 percentage points in the control premium, with the rest of the assumptions remaining stable, would equate the fair value less the costs of disposal with the carrying amount of the CGU of Argentina.

As of December 31, 2020, the recoverable value of the CGU of Argentina, which includes goodwill, was determined using the fair value less the costs of disposal. As of that date, the market capitalization value of Telecom was determined based on the market price of the share of \$ 196.65 (source: BYMA 12/30/20, level 1 of fair value hierarchy in accordance with IFRS 13).

In order to determine the fair value of the CGU of Argentina, the above-mentioned market capitalization value was adjusted by (i) the estimated fair value of other CGUs, (ii) the effect of the net liabilities that are not subject to this recoverability test at its estimated fair value, and (iii) the estimated costs of disposal for an orderly transaction, which include costs such as legal and advisory fees that could be directly associated with the disposal of the CGU. Therefore, the fair value qualified as level 2 of fair value hierarchy in accordance with IFRS 13.

As a result of the initial calculation mentioned above, the fair value less the costs of disposal calculated at the time of issuing the financial statements as of December 31, 2020 exceeded the carrying amount of the CGU of Argentina by approximately 4%. Consequently, Telecom's Management did not make adjustments for that year corresponding to the recognition of the effect of a control premium on the market price of the

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share, which would have increased even more the margin between the recoverable value and the carrying amount of the CGU of Argentina.

The Company considered the following sensitivity analysis of the recoverability test, assessing the possible reasonable changes in key assumptions: A 6.3% decline in the market price of the share, with the rest of the assumptions remaining stable, would equate the fair value less the costs of disposal with the carrying amount of the CGU of Argentina.

For the years presented in these consolidated financial statements, the test results were satisfactory. Therefore, no recoverability problems were observed and, accordingly, no impairment has been recorded for the assets detailed above, except for those specifically identified in point I) of this note.

### **u.2) Useful lives and residual value (non-amortizable) of PP&E and Intangible assets**

PP&E and intangible assets with definite useful lives, are depreciated or amortized on a straight-line basis over their estimated useful lives. The determination of the depreciable amount of the assets and their useful lives involves significant judgment. The Company periodically reviews, at least at each fiscal year-end, the estimated useful lives and the residual value of PP&E and amortizable intangible assets.

### **u.3) Income Tax recoverability assessment of deferred tax assets and other tax receivables**

Income taxes (current and deferred) are calculated in the Company and its subsidiaries according to a reasonable interpretation of the tax laws in effect in each jurisdiction where the companies operate. The recoverability assessment of deferred tax assets sometimes involves complex estimates to determine taxable income and deductible and taxable temporary differences between the carrying amounts and the taxable amounts. In particular, deferred tax assets are recognized to the extent that future taxable income will be available against which they can be utilized. The measurement of the recoverability of deferred tax assets considers the estimate of future taxable income based on the Company's projections and on conservative tax planning.

The recoverability assessment of the tax receivable related to tax reimbursement claims filed by Telecom in connection with income tax inflation adjustment (Note 16 to these consolidated financial statements) is based on the existing legal arguments on this matter and the behavior of the courts and the National Tax Authority in revising the claims filed by Telecom.

For the measurement of deferred tax, the fiscal year of future reversals of temporary differences that originate deferred tax/liability has been estimated applying the income tax rate of each reversal period. The actual moment of the future taxable revenues and deductions may differ from those estimated, and may produce an impact on future income.

### **u.4) Provisions**

- **Provisions for Lawsuits and Other Contingencies:** The Group is subject to proceedings, lawsuits and other claims related to labor, civil, tax, regulatory and other matters. In order to determine the proper level of provisions, Management assesses the likelihood of any adverse judgments or outcomes related to these matters as well as the range of probable losses that may result from the potential outcomes. Internal and external legal counsels are consulted on these matters. A determination of the amount of provisions required, if any, is made after analysis of each individual issue. The determination of the required provisions may change in the future due to new developments in each matter, changes in case law and court decisions or changes in the Company's method of resolving such matters, such as changes in settlement strategy.
- **Allowance for Bad Debts:** The recoverability of trade receivables is measured by considering the aging of the accounts receivable balances, unsubscription of customers, historical write-offs, public sector and corporate customer creditworthiness and changes in the customer payment terms, as

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well as the estimates regarding future performance, assessing the expected credit loss in accordance with IFRS 9. If the financial condition of the customers were to deteriorate, the actual write-offs could be different from expected.

In the absence of an accounting Standard or Interpretation that specifically applies to a particular transaction, the Company's Management considers the IFRS general framework and valuation techniques generally applied in the telecommunication industry and uses its judgment to evaluate the accounting methods to adopt with a view to providing financial statements that faithfully represent the financial position, the results of operations and the cash flows of Telecom and its subsidiaries, reflect the economic substance of the transactions, are neutral, are prepared on a prudent basis and are complete in all material respects.

**v) New Standards and Interpretations issued by the IASB****v.1) New Accounting Standards, Amendments and Interpretations Issued by the IASB, Which Have Been Adopted by the Company**

Telecom has applied the following standards and/or amendments for the first time as from January 1, 2021:

<b>Standards and Amendments</b>	<b>Description</b>	<b>Mandatory application date: years beginning on or after</b>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16.	Interest Rate Benchmark Reform (Phase 2)	January 1, 2021

The application of the amendments detailed above did not generate any impact on the results of the operations or the financial position of the Company.

**v.2) New Standards, Amendments and Interpretations Issued by the IASB Not Yet Effective and Not Early Adopted by the Company**

As of the date of these consolidated financial statements, the Company has not applied the following new standards and/or amendments to existing standards that are of mandatory application for periods beginning after December 31, 2021:

<b>Standards and Amendments</b>	<b>Description</b>	<b>Mandatory application date: years beginning on or after</b>
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16	Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
Amendments to IFRS 9 and IFRS 16.	Annual Improvements - 2018-2020 Cycle	January 1, 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 1	Information on material or significant accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimate	January 1, 2023
Amendments to IAS 12	Deferred tax – recognition of assets and liabilities arising from a single transaction	January 1, 2023

Even though Management is analyzing the potential impacts of those standards, according to the preliminary analysis of said standards, they would not have a significant impact on the Company's consolidated financial statements.

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### NOTE 4 - TELECOM ARGENTINA SHAREHOLDERS' AGREEMENT AND VOTING TRUST

On July 7, 2017, the Company, together with VLG Argentina LLC, currently, after its nationalization, VLG S.A.U., Fintech Media LLC, Fintech Advisory Inc., GC Dominio S.A. and Fintech Telecom LLC executed a shareholders' agreement that governs their relationship as shareholders of Telecom Argentina (the "Agreement"). All the provisions of said Agreement became effective on the Effective Date of the Merger between Telecom Argentina and Cablevisión (January 1, 2018). Under such Agreement, the parties agreed on:

- representation in corporate bodies, establishing that, subject to the fulfillment of certain conditions set therein and provided Cablevisión Holding complies with certain minimum participation requirements in the Merged Company, it may appoint the majority of the members of the Board of Directors, the Executive Committee, the Audit Committee and the Supervisory Committee;
- a scheme of special majority requirements for the approval by the Board of Directors and/or the Shareholders, as applicable, of certain issues, such as: i) the Business Plan and the Annual Budget of the Merged Company, ii) the amendment of the bylaws, iii) the change of external auditors, iv) the creation of committees of the Board of Directors, v) the hiring of Key Employees as defined under the Agreement, vi) the merger or consolidation of Telecom or any Controlled Company, vii) acquisitions of certain assets, viii) sales of certain assets, ix) increases of capital stock, x) incurring indebtedness above certain limits, xi) capital investments in infrastructure, plant and equipment above certain amounts, xii) related party transactions, xiii) contracts that impose restrictions on the distribution of dividends, xiv) new lines of business or the discontinuation of existing ones, and xv) actions to be taken in insolvency situations, among others; and
- The appointment of management, establishing that, subject to the fulfillment by the Company and Fintech Telecom LLC of certain ownership thresholds regarding the shares of Telecom Argentina, the Company will be entitled to appoint the general manager and other key employees of Telecom Argentina and Fintech Telecom LLC will be entitled to appoint the chief financial officer and the internal auditor, respectively.

Pursuant to the Agreement, Fintech Telecom LLC and the Company provided for the execution of a Voting Trust (the "Voting Trust") undertaking to (i) each contribute to the trust certain shares of Telecom which, upon incorporating the shares held by the Company in Telecom Argentina, exceed fifty percent (50%) of the outstanding shares after the Merger becomes effective, and (ii) each appoint a co-trustee who will vote the shares under the terms of the Voting Trust. The shares under the Voting Trust shall be voted as per the instructions of the co-trustee appointed by the Company, except in the case of certain issues subject to veto under the agreement, in which case the co-trustee of Fintech Telecom LLC will determine the vote with respect to the shares under the Voting Trust.

On April 15, 2019, the Voting Trust was formalized. Pursuant to said Voting Trust, Fintech Telecom LLC and VLG S.A.U. (i) each contributed 235,177,350 shares of Telecom which, upon incorporating the shares in Telecom held by Cablevisión Holding (directly and indirectly), exceed fifty percent (50%) of the outstanding shares of Telecom, and (ii) the Company and Fintech Telecom LLC each appointed a co-trustee. The shares contributed to the Voting Trust shall be voted by the co-trustee appointed by Cablevisión Holding as voted by Cablevisión Holding or as instructed by Cablevisión Holding, except in the case of certain matters subject to veto under the Shareholders' Agreement, in which case they shall be voted by the co-trustee appointed by Fintech Telecom LLC as voted by Fintech Telecom LLC or as instructed by Fintech Telecom LLC.

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**NOTE 5 – CASH AND CASH EQUIVALENTS AND INVESTMENTS. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS****a) Cash and Cash Equivalents and Investments**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b><u>Cash and Cash Equivalents</u></b>		
Cash and Banks	13,992	7,531
Short-Term Investments	3,778	6,250
Mutual Funds (b)	3,129	13,281
Notes and Bonds at Fair Value	-	2,323
<b>Total Cash and Cash Equivalents</b>	<b><u>20,899</u></b>	<b><u>29,385</u></b>
<b><u>Investments</u></b>		
<b><u>Current</u></b>		
Notes and Bonds at Fair Value	11,624	21,653
Notes and Bonds at Amortized Cost	-	190
Mutual Funds	84	106
Allowance for Credit Losses (a)	-	(120)
<b>Total Current Investments</b>	<b><u>11,708</u></b>	<b><u>21,829</u></b>
<b><u>Non-Current</u></b>		
Notes and Bonds at Amortized Cost	-	516
Investments in Associates (b)	3,225	3,058
Trust "Complejo industrial de Telecomunicaciones 2003"	1	2
Allowance for Credit Losses (a)	-	(328)
<b>Total Non-Current Investments</b>	<b><u>3,226</u></b>	<b><u>3,248</u></b>
<b>Total Investments</b>	<b><u>14,934</u></b>	<b><u>25,077</u></b>

(a) 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.

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

**Equity Information**

<u>Companies</u>	<u>Main business activity</u>	<u>Country</u>	<u>Equity participation in Capital and</u>	<u>Valuation as of 12.31.2021</u>	<u>Valuation as of 12.31.2020</u>
Ver TV <sup>(1)</sup>	Cable Television Station	Argentina	49.00	2,010	1,840
TSMA <sup>(1) (2) (3)</sup>	Cable Television Station	Argentina	50.10	684	685
La Capital Cable <sup>(1) (2)</sup>	Closed-Circuit Television	Argentina	50.00	531	525
Other minor investments valued under the equity method				-	8
<b>Total</b>				<b><u>3,225</u></b>	<b><u>3,058</u></b>

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

(2) Direct and Indirect Interest.

(3) Even though the Company 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>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Ver TV	312	562
TSMA	77	166
La Capital Cable	6	21
<b>Total</b>	<b><u>395</u></b>	<b><u>749</u></b>

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

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(120)</b>	<b>(131)</b>
Increases - Exchange Differences	(12)	(75)
Increases - Results from Transactions with Securities and Bonds	-	(24)
Reclassifications	(75)	(759)
Allocations (including Gain (Loss) on Net Monetary Position)	207	869
<b>Balances at year-end</b>	<b><u>-</u></b>	<b><u>(120)</u></b>

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(328)</b>	<b>(2,012)</b>
Increases - Exchange Differences	(25)	(332)
Increases - Results from Transactions with Securities and Bonds	-	(63)
Reclassifications	75	759
Allocations (including Gain (Loss) on Net Monetary Position)	278	1,320
<b>Balances at year-end</b>	<b>-</b>	<b>(328)</b>

**b) Additional Information on the Consolidated Statements of Cash Flows.**

The Company applies the indirect method to reconcile the net income for the year 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>December 31, 2021</u>	<u>December 31, 2020</u>
<b>(Increase) Decrease in Assets</b>		
Trade Receivables	(12,854)	(11,038)
Other Receivables	(5,214)	(843)
Inventories	(391)	(297)
	<u><b>(18,459)</b></u>	<u><b>(12,178)</b></u>
<b>Net Increase (Decrease) of Liabilities</b>		
Accounts Payable	6,656	(10,623)
Salaries and Social Security Payables	10,011	723
Taxes Payable	(2,656)	1,713
Other Liabilities and Provisions	(4,577)	(8,651)
	<u><b>9,434</b></u>	<u><b>(16,838)</b></u>

**Main Financing Activities Components**

The following table presents the financing activities components:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Bank Overdraft	10,156	-
Notes	41,524	42,377
Banks and other Financial Institutions	11,060	37,478
For Acquisition of Equipment	1,476	4,715
<b>Proceeds from Financial Debt</b>	<u><b>64,216</b></u>	<u><b>84,570</b></u>
Bank Overdraft	-	(10,427)
Notes	(19,722)	(14,522)
Banks and other Financial Institutions	(27,003)	(70,374)
For Acquisition of Equipment	(3,571)	(3,382)
<b>Payment of Financial Debt</b>	<u><b>(50,296)</b></u>	<u><b>(98,705)</b></u>
Bank Overdraft	(3,198)	(5,988)
Notes	(10,601)	(8,605)
Banks and other Financial Institutions	(10,280)	(13,642)
NDF, Purchase of Equipment and Other	(2,738)	(3,238)
<b>Payment of Interest and Related Expenses</b>	<u><b>(26,817)</b></u>	<u><b>(31,473)</b></u>

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**Main Non-Cash Operating Transactions**

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Acquisitions of PP&E and Intangible Assets Financed by Accounts Payable	20,609	29,663
Settlement of accounts payable with financial debt	8,138	376
Settlement of trade receivables with government bonds	2,355	39
Settlement of salaries and social securities payables with government bonds	1,316	706
Payment of income tax offset with other tax credits	73	23,643
Distribution of unpaid dividends (CVH)	922	14,025
Payment of dividends with investments not considered as cash and cash equivalents	28,414	-
Payment of Dividends to Minority Interests with Government Bonds	24,380	23,644

**Collection of Dividends**

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

Fiscal Year	Company	<u>Collection of Dividends</u>	
		Historic Currency at Transaction Date	Constant Currency as of 12/31/2021
2021	Ver TV	109	153
	TSMA	57	81
			(*) 234
2020	Ver TV	50	86
	TSMA	21	35
			<u>121</u>

(\*) Includes \$ 14 million corresponding to dividends distributed in fiscal year 2020.

**Distribution of Cash Dividends**

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

Fiscal Year	Paying Company	Month of Distribution	<u>Total amount distributed to the non-controlling shareholder</u>		Month of Settlement	Amount Settled in Constant Currency as of 12/31/21
			Historic Currency at Transaction Date	Constant Currency as of 12/31/2021		
2021	Núcleo	Apr-21	650	834	May-21/Oct-21	744
				<u>834</u>		<u>744</u>
2020	Núcleo	Apr-20	295	556	May-20/Oct-20	554
				<u>556</u>		<u>554</u>

**NOTE 6 – TRADE RECEIVABLES**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b><u>Current</u></b>		
Trade Receivables	32,163	43,524
Contract Asset under IFRS 15	4	69
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	182	249
Allowance for Bad Debts	(9,795)	(15,230)
	<u>22,554</u>	<u>28,612</u>
<b><u>Non-Current</u></b>		
Trade Receivables	66	80
Contract Asset under IFRS 15	6	9
	<u>72</u>	<u>89</u>
<b>Total Trade Receivables, Net</b>	<u>22,626</u>	<u>28,701</u>

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín  
Supervisory Committee

C.P.C.E.C.A.B.A. V° 1 F° 17

**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

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

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(15,230)</b>	<b>(9,863)</b>
Increases - Bad Debts	(7,983)	(16,309)
Uses of the Allowance and Currency Translation (includes Gain (Loss) on Net Monetary Position)	13,418	10,942
<b>Balances at year-end</b>	<b>(9,795)</b>	<b>(15,230)</b>

**NOTE 7 – OTHER RECEIVABLES**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Current</b>		
Prepaid Expenses	5,115	2,347
Guarantee of Financial Transactions	1,915	2,071
Tax Credits	860	4,193
Financial NDF (Note 23)	-	3
Advances to Suppliers	1	-
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	228	226
Trade Receivables from Customer Portfolio	19	43
Sundry Receivables	87	41
Other	1,100	2,041
Allowance for Other Receivables	(369)	(503)
	<b>8,956</b>	<b>10,462</b>
<b>Non-Current</b>		
Prepaid Expenses	1,671	251
Tax Credits	2	1,297
Trade Receivables from Customer Portfolio	21	62
Sundry Receivables	564	806
Other	390	804
	<b>2,648</b>	<b>3,220</b>
<b>Total Other Receivables, Net</b>	<b>11,604</b>	<b>13,682</b>

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

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(503)</b>	<b>(77)</b>
Increases	-	(448)
Decreases (including Gain (Loss) on Net Monetary Position)	134	22
<b>Balances at year-end</b>	<b>(369)</b>	<b>(503)</b>

**NOTE 8 – INVENTORIES**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Mobile Handsets and Other	2,539	4,107
Inventories for construction projects	899	1,894
<b>Subtotal</b>	<b>3,438</b>	<b>6,001</b>
Allowance for Obsolescence of Inventories	(323)	(383)
	<b>3,115</b>	<b>5,618</b>

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

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(383)</b>	<b>(478)</b>
Increases	(47)	(26)
Decreases (including Gain (Loss) on Net Monetary Position)	107	121
<b>Balances at year-end</b>	<b>(323)</b>	<b>(383)</b>

**NOTE 9 – GOODWILL**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Business in Argentina <sup>(1)</sup>	358,245	358,223
Foreign Business <sup>(2)</sup>	873	1,912
<b>Total</b>	<b>359,118</b>	<b>360,135</b>

(1) The variation in comparison to the balance as of December 31, 2020 arises from the acquisition of equity interests (Note 3.d.1.b) and impairment of fixed assets.

(2) The decrease in comparison to the balance as of December 31, 2020 arises from the effects of currency translation and impairment of fixed assets (Note 3.I).

**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
PP&E	457,206	489,150
Allowance for Obsolescence and Impairment of Materials	(4,724)	(3,930)
Allowance for Impairment of PP&E	(1,620)	(1,226)
	<b>450,862</b>	<b>483,994</b>

The following is a detail of the items and evolution of PP&amp;E as of December 31, 2021:

	Acquisition Cost as of December 31, 2020	CAPEX	Effect of Currency Translation	Transfers and Reclassifications	Retirement s	Acquisition Cost as of December 31, 2021
Real Property	75,658	13	(529)	1,865	(3,452)	73,555
Switching Equipment	18,478	629	(1,706)	5,381	(62)	22,720
Transport and Fixed Network	320,677	12,876	(2,862)	22,192	(18,487)	334,396
Mobile Network Access	65,860	20	(2,092)	6,171	(546)	69,413
Antenna Support Structure	18,877	-	(588)	1,209	(191)	19,307
Power Equipment and Installations	24,824	578	(716)	1,495	(7)	26,174
Computer Equipment	90,514	5,518	(2,598)	20,426	(132)	113,728
Goods under Loans for Use	43,944	2,543	(807)	12,633	(17,553)	40,760
Vehicles	9,903	130	(60)	23	(155)	9,841
Machinery, Diverse Equipment and Tools	14,092	77	(226)	95	(4)	14,034
Other	3,088	133	(85)	1,299	-	4,435
Works-In-Progress	58,451	22,353	(286)	(40,954)	(397)	39,167
Materials	40,591	37,398	(459)	(31,835)	(7)	45,688
<b>Total</b>	<b>784,957</b>	<b>82,268</b>	<b>(13,014)</b>	<b>-</b>	<b>(40,993)</b>	<b>813,218</b>

	Accumulated Depreciation as of December 31, 2020	Depreciation for the year	Effect of Currency Translation	Retirements and Reclassification s	Accumulated Depreciation as of December 31, 2021	Net carrying value as of December 31, 2021
Real Property	(12,740)	(3,236)	340	3,162	(12,474)	61,081
Switching Equipment	(11,862)	(4,569)	1,391	61	(14,979)	7,741
Transport and Fixed Network	(142,373)	(43,923)	1,816	18,226	(166,254)	168,142
Mobile Network Access	(28,928)	(11,458)	1,242	394	(38,750)	30,663
Antenna Support Structure	(6,690)	(1,451)	308	62	(7,771)	11,536
Power Equipment and Installations	(10,429)	(3,115)	370	5	(13,169)	13,005
Computer Equipment	(50,827)	(18,305)	2,117	132	(66,883)	46,845
Goods under Loans for Use	(12,022)	(20,116)	587	17,552	(13,999)	26,761
Vehicles	(7,162)	(944)	40	136	(7,930)	1,911
Machinery, Diverse Equipment and Tools	(11,088)	(727)	130	23	(11,662)	2,372
Other	(1,686)	(529)	74	-	(2,141)	2,294
Works-In-Progress	-	-	-	-	-	39,167
Materials	-	-	-	-	-	45,688
<b>Total</b>	<b>(295,807)</b>	<b>(108,373)</b>	<b>8,415</b>	<b>39,753</b>	<b>(356,012)</b>	<b>457,206</b>

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## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

The following is a detail of the items and evolution of PP&E as of December 31, 2020:

	Acquisition Cost as of December 31, 2019	CAPEX	Effect of Currency Translation	Transfers and Reclassifications	Retirements	Acquisition Cost as of December 31, 2020
Real Property	73,497	9	(288)	2,762	(322)	75,658
Switching Equipment	17,787	657	(1,211)	1,260	(15)	18,478
Transport and Fixed Network	292,502	14,732	(1,724)	24,080	(8,913)	320,677
Mobile Network Access	63,868	2	(691)	2,792	(111)	65,860
Antenna Support Structure	18,664	-	(331)	645	(101)	18,877
Power Equipment and Installations	23,077	446	(341)	1,642	-	24,824
Computer Equipment	71,626	4,133	(1,866)	16,859	(238)	90,514
Goods under Loans for Use	32,223	8,272	(495)	17,393	(13,449)	43,944
Vehicles	9,888	74	(36)	-	(23)	9,903
Machinery, Diverse Equipment and Tools	12,613	854	(77)	702	-	14,092
Other	2,503	199	(53)	439	-	3,088
Works-In-Progress	73,377	20,907	(140)	(35,396)	(297)	58,451
Materials	43,548	30,381	(160)	(33,178)	-	40,591
<b>Total</b>	<b>735,173</b>	<b>80,666</b>	<b>(7,413)</b>	<b>-</b>	<b>(23,469)</b>	<b>784,957</b>

	Accumulated Depreciation as of December 31, 2019	Depreciation for the year	Effect of Currency Translation	Retirements and Reclassifications	Accumulated Depreciation as of December 31, 2020	Net carrying value as of December 31, 2020
Real Property	(9,885)	(3,265)	235	175	(12,740)	62,918
Switching Equipment	(9,296)	(3,698)	1,121	11	(11,862)	6,616
Transport and Fixed Network	(107,581)	(44,389)	746	8,851	(142,373)	178,304
Mobile Network Access	(21,224)	(8,735)	971	60	(28,928)	36,932
Antenna Support Structure	(5,371)	(1,601)	235	47	(6,690)	12,187
Power Equipment and Installations	(7,358)	(3,327)	256	-	(10,429)	14,395
Computer Equipment	(37,926)	(14,800)	1,695	204	(50,827)	39,687
Goods under Loans for Use	(9,023)	(16,875)	427	13,449	(12,022)	31,922
Vehicles	(6,057)	(1,147)	28	14	(7,162)	2,741
Machinery, Diverse Equipment and Tools	(10,222)	(913)	47	-	(11,088)	3,004
Other	(1,312)	(426)	49	3	(1,686)	1,402
Works-In-Progress	-	-	-	-	-	58,451
Materials	-	-	-	-	-	40,591
<b>Total</b>	<b>(225,255)</b>	<b>(99,176)</b>	<b>5,810</b>	<b>22,814</b>	<b>(295,807)</b>	<b>489,150</b>

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(3,930)</b>	<b>(3,093)</b>
Increases	(816)	(848)
Effect of Currency Translation	22	11
<b>Balances at year-end</b>	<b>(4,724)</b>	<b>(3,930)</b>

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(1,226)</b>	<b>(1,648)</b>
Increases	(394)	(1,360)
Allocations	-	1,782
<b>Balances at year-end</b>	<b>(1,620)</b>	<b>(1,226)</b>

## NOTE 11 - INTANGIBLE ASSETS

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Intangible Assets	153,278	165,971
Allowance for Impairment	(9,625)	(9,413)
	<b>143,653</b>	<b>156,558</b>

The following is a detail of the items and evolution of Intangible Assets as of December 31, 2021:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>(9,413)</b>	<b>(9,537)</b>
Increases	(212)	(325)
Decreases	-	449
<b>Balances at year-end</b>	<b>(9,625)</b>	<b>(9,413)</b>

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The following is a detail of the items and evolution of Intangible Assets as of December 31, 2021:

	Acquisition Cost as of December 31, 2020	CAPEX	Effect of Currency Translation	Retirem ents	Acquisition Cost as of December 31, 2021
3G/4G Licenses	70,284	-	-	-	70,284
PCS and SRCE License (Argentina)	33,313	-	-	-	33,313
Núcleo Licenses	8,053	292	(298)	-	8,047
Customer Portfolio	44,461	-	(70)	(39)	44,352
Brands	41,190	-	-	-	41,190
Incremental Costs from the Acquisition of Contracts	7,898	2,342	(39)	(5,133)	5,068
Capitalization of Contents	-	135	-	-	135
Other	5,847	513	(7)	-	6,353
<b>Total</b>	<b>211,046</b>	<b>3,282</b>	<b>(414)</b>	<b>(5,172)</b>	<b>208,742</b>

	Accumulated Amortization as of December 31, 2020	Amortization for the year	Effect of Currency Translation	Retirem ents	Accumulated Amortization as of December 31, 2021	Net carrying value as of December 31, 2021
3G/4G Licenses	(13,616)	(4,804)	-	-	(18,420)	51,864
PCS and SRCE License (Argentina)	-	-	-	-	-	33,313
Núcleo Licenses	(829)	(520)	4	-	(1,345)	6,702
Customer Portfolio	(21,374)	(6,915)	-	39	(28,250)	16,102
Brands	-	(13)	-	-	(13)	41,177
Incremental Costs from the Acquisition of Contracts	(5,366)	(2,659)	-	5,133	(2,892)	2,176
Capitalization of Contents	-	(72)	-	-	(72)	63
Other	(3,890)	(575)	(7)	-	(4,472)	1,881
<b>Total</b>	<b>(45,075)</b>	<b>(15,558)</b>	<b>(3)</b>	<b>5,172</b>	<b>(55,464)</b>	<b>153,278</b>

The following is a detail of the items and evolution of Intangible Assets as of December 31, 2020:

	Acquisition Cost as of December 31, 2019	CAPEX	Effect of Currency Translation	Retirem ents	Acquisition Cost as of December 31, 2020
3G/4G Licenses	70,284	-	-	-	70,284
PCS and SRCE License (Argentina)	33,313	-	-	-	33,313
Núcleo Licenses	8,171	-	(118)	-	8,053
Customer Portfolio	44,523	-	(30)	(32)	44,461
Brands	41,190	-	-	-	41,190
Incremental Costs from the Acquisition of Contracts	7,580	2,663	(24)	(2,321)	7,898
Other	5,058	795	(6)	-	5,847
<b>Total</b>	<b>210,119</b>	<b>3,458</b>	<b>(178)</b>	<b>(2,353)</b>	<b>211,046</b>

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	Accumulated Amortization as of December 31, 2019	Amortization for the year	Effect of Currency Translation	Retirements	Accumulated Amortization as of December 31, 2020	Net carrying value as of December 31, 2020
3G/4G Licenses	(8,812)	(4,804)	-	-	(13,616)	56,668
PCS and SRCE License (Argentina)	-	-	-	-	-	33,313
Núcleo Licenses	(574)	(264)	9	-	(829)	7,224
Customer Portfolio Brands	(14,354)	(7,058)	6	32	(21,374)	23,087
Brands	-	-	-	-	-	41,190
Incremental Costs from the Acquisition of Contracts	(4,346)	(3,346)	5	2,321	(5,366)	2,532
Other	(3,333)	(569)	12	-	(3,890)	1,957
<b>Total</b>	<b>(31,419)</b>	<b>(16,041)</b>	<b>32</b>	<b>2,353</b>	<b>(45,075)</b>	<b>165,971</b>

**NOTE 12 – RIGHT-OF-USE ASSETS**

The following is a detail of the items and evolution of right-of-use assets as of December 31, 2021:

	Acquisition Cost as of December 31, 2020	Additions	Effect of Currency Translation	Retirements	Acquisition Cost as of December 31, 2021
Rights of Use from Leases <sup>(a)</sup>					
Sites	25,182	14,140	(614)	(5,206)	33,502
Buildings and Other	7,737	2,264	(82)	(1,614)	8,305
Poles	3,911	1,013	(46)	(897)	3,981
Irrevocable Rights of Use	1,796	133	(40)	-	1,889
Asset Retirement Obligations	3,998	604	(11)	(44)	4,547
<b>Total</b>	<b>42,624</b>	<b>18,154</b>	<b>(793)</b>	<b>(7,761)</b>	<b>52,224</b>

(a) In order to calculate the figures mentioned above, the Company used real discount rates of 11.25% on average in Argentine Pesos, 8.22% in PYG, and of 6.4% in US\$.

	Accumulated Amortization as of December 31, 2020	Amortization for the year	Effect of Currency Translation	Retirements	Accumulated Amortization as of December 31, 2021	Net carrying value as of December 31, 2021
Rights of Use from Leases						
Sites	(9,938)	(6,457)	273	4,573	(11,549)	21,953
Buildings and Other	(3,219)	(2,234)	64	1,428	(3,961)	4,344
Poles	(1,792)	(1,209)	7	896	(2,098)	1,883
Irrevocable Rights of Use	(661)	(195)	27	-	(829)	1,060
Asset Retirement Obligations	(189)	(235)	8	44	(372)	4,175
<b>Total</b>	<b>(15,799)</b>	<b>(10,330)</b>	<b>379</b>	<b>6,941</b>	<b>(18,809)</b>	<b>33,415</b>

The following is a detail of the items and evolution of right-of-use assets as of December 31, 2020:

	Acquisition Cost as of December 31, 2019	Additions	Effect of Currency Translation	Retirements	Acquisition Cost as of December 31, 2020
Rights of Use from Leases <sup>(b)</sup>					
Sites	18,077	7,689	(121)	(463)	25,182
Buildings and Other	5,197	2,708	(29)	(139)	7,737
Poles	1,226	2,712	(27)	-	3,911
Irrevocable Rights of Use	1,701	109	(14)	-	1,796
Asset Retirement Obligations	687	3,413	2	(104)	3,998
<b>Total</b>	<b>26,888</b>	<b>16,631</b>	<b>(189)</b>	<b>(706)</b>	<b>42,624</b>

(b) In order to calculate the figures mentioned above, the Company used real discount rates of 11% on average in Argentine Pesos, 8.22% in PYG, and 6.4% in US\$.

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	Accumulated Amortization as of December 31, 2019	Amortization for the year	Effect of Currency Translation	Retirem ents	Accumulated Amortization as of December 31, 2020	Net carrying value as of December 31, 2020
Rights of Use from Leases						
Sites	(4,486)	(5,695)	33	210	(9,938)	15,244
Buildings and Other	(1,454)	(1,861)	8	88	(3,219)	4,518
Poles	(780)	(1,016)	4	-	(1,792)	2,119
Irrevocable Rights of Use	(475)	(193)	7	-	(661)	1,135
Asset Retirement Obligations	(174)	(95)	2	78	(189)	3,809
<b>Total</b>	<b>(7,369)</b>	<b>(8,860)</b>	<b>54</b>	<b>376</b>	<b>(15,799)</b>	<b>26,825</b>

**NOTE 13 - ACCOUNTS PAYABLE**

<b>Current</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Suppliers and Trade Provisions	48,018	58,036
Funds Payable to Customers	5	-
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	1,226	1,378
	<b>49,249</b>	<b>59,414</b>
<b>Non-Current</b>		
Suppliers and Trade Provisions	1,096	3,695
	<b>1,096</b>	<b>3,695</b>
<b>Total Accounts Payable</b>	<b>50,345</b>	<b>63,109</b>

**NOTE 14 – FINANCIAL DEBT**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Current</b>		
Bank Overdraft - Principal	12,184	5,967
Banks and other Financial Institutions - principal	32,577	11,499
Notes - principal	-	20,813
NDF (Note 23)	185	779
For Acquisition of Equipment	3,595	3,707
Interest Accrued and Related Expenses	16,328	20,030
	<b>64,869</b>	<b>62,795</b>
<b>Non-Current</b>		
Notes - principal	111,364	85,331
Banks and other Financial Institutions - principal	57,745	110,858
NDF (Note 23)	-	17
For Acquisition of Equipment	3,916	6,279
Interest Accrued and Related Expenses	29,027	36,905
	<b>202,052</b>	<b>239,390</b>
<b>Total Debt</b>	<b>266,921</b>	<b>302,185</b>

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The following table shows the changes in financial debt:

	<u>Balances at the beginning of the year</u>	<u>Cash flows</u>	<u>Accrual of interest</u>	<u>Exchange Differences, effect of currency translation and other</u>	<u>Balances as of December 31, 2021</u>
Bank Overdraft	5,967	10,156	-	(3,939)	12,184
Banks and other Financial Institutions - principal	122,357	(15,943)	-	(16,092)	90,322
Notes - principal	106,144	21,802	-	(16,582)	111,364
NDF	796	(2,959)	-	2,348	185
For Acquisition of Equipment	9,986	(2,095)	-	(380)	7,511
Interest and Related Expenses	56,935	(24,473)	15,563	(2,670)	45,355
<b>Total as of December 31, 2021</b>	<b>302,185</b>	<b>(13,512)</b>	<b>15,563</b>	<b>(*) (37,315)</b>	<b>266,921</b>
<b>Total as of December 31, 2020</b>	<b>312,340</b>	<b>(45,872)</b>	<b>21,093</b>	<b>(**) 14,624</b>	<b>302,185</b>

(\*) Includes \$ 6,992 million under Banks and other Financial Institutions - principal, and \$ 1,446 million under Loans for Acquisition of Equipment which did not represent movements of cash.

(\*\*) Includes \$ 376 million corresponding to loans which did not represent movements of cash.

Most of the financial debt executed by Telecom has ratio covenants that are normal for this type of agreements. As of December 31, 2021, Telecom has complied with such ratios.

As of December 31, 2021, Telecom holds loans based on US\$ LIBOR, which are detailed below and extend beyond June 30, 2023, the date on which the publication of said reference rate will be suspended. Therefore, Telecom will discuss with its creditors to establish another rate to be applied as from such date.

The following is a detail of the main loan agreements in effect as of the date of these consolidated financial statements.

**Telecom Argentina****Global Notes Programs**

On December 28, 2017, Telecom Argentina held an Ordinary General Shareholders' Meeting at which its shareholders approved a Global Notes Program for an aggregate amount of up to US\$ 3,000 million or its equivalent in other currencies. The shareholders also vested in the Board of Directors the power to determine and amend the terms and conditions of the Program as well as to decide on the time of each issuance. On April 19, 2018, the CNV authorized the Program through Resolution No. 19,481.

Within the framework of the above-mentioned Program, Telecom Argentina has issued several series of notes (Notes), which are described below.

- ***Class 1 Notes in US dollars***

In July 2019, Telecom informed the CNV about the resumption of the Notes placement period for a nominal value of US\$ 300 million, which may be extended to US\$ 500 million. The funds thus obtained were used to refinance liabilities, including the use of up to US\$ 250 million to refinance the Class "A" Notes due in 2021 (See "Class 5 Notes- Renegotiation of Financial Debt in Foreign Currency").

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

**Issuance Date:** July 18, 2019.

**Amount Issued:** US\$ 400 million (approximately \$ 17,148 million as of the issuance date).

**Maturity Date:** July 18, 2026.

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

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**Interest Rate:** the notes accrue interest on a semi-annual basis as from the Issuance Date until the Maturity Date, at a fixed annual rate of 8.00%.

**Interest Payment Date:** Interest will be paid on a semi-annual basis as from the Issuance Date. The last interest payment date will be the Maturity Date.

Telecom received a disbursement of US\$ 392.36 million (because US\$ 2.4 million was deducted from such amount due to debt issuance expenses and US\$ 5.24 million corresponding to below par issuance), equivalent to \$ 16,820 million as of the date of disbursement. It used US\$ 34.2 million to repurchase the Class "A" Notes due in 2021 (See "Class 5 Notes - Renegotiation of Financial Debt in Foreign Currency") and US\$ 100 million for the partial prepayment of the Term Loan, which was settled on July 25, 2019.

The outstanding balance under the above-mentioned Notes as of December 31, 2021 amounts to US\$ 408 million equivalent to \$ 41,901 million.

- **Class 3 and Class 4 Notes in Argentine Pesos**

On January 23, 2020, Telecom informed the CNV about the resumption of the placement period of the Notes in two series for an aggregate nominal value of \$ 1,500 million, which may be extended to \$ 5,000 million. The following is a detail of the amount of Notes actually issued and their main characteristics:

- ✓ **Class 3 Notes**

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

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

**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 Argentine pesos.

**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 (figures stated at the rate prevailing on the transaction date).

During 2020, Telecom repurchased approximately \$ 86.0 million (nominal value) and, in January 2021, it repurchased approximately \$ 150 million (nominal value) corresponding to Class 3 Notes. These transactions were executed at the quoted market price prevailing on each repurchase date, which did not significantly differ from the book value as of that date.

On the maturity date of Class 3 Notes, Telecom settled \$ 3,249 million (\$ 2,961 million corresponds to principal and \$ 288 million corresponds to interest accrued thereon).

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At maturity, Telecom repaid the outstanding balance under the Class 4 Notes of \$ 1,322 million (\$ 1,200 million in principal and \$ 122 million in interest).

- **Class 5 Notes - Renegotiation of Financial Debt in Foreign Currency**

Within the framework of its ongoing policy of optimizing the terms, rates and structure of its financial liabilities, on August 6, 2020, Telecom refinanced a portion of its financial debt through the issuance of Class 5 Notes. Their main characteristics are detailed below:

**a) Class 5 Notes**

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

**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 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 the Class 5 Notes were allocated to the repayment 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.

The outstanding balance as of December 31, 2021 amounts to US\$ 411 million, equivalent to \$ 42,169 million.

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

On April 20, 2016, at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión, the shareholders approved, among other matters, the extension of the authorization of the Global Program [for the Issuance of] Notes, which had been granted at the Annual General Ordinary and Extraordinary Shareholders' Meeting of Cablevisión on April 28, 2014, increasing the maximum amount of the outstanding notes that may be issued under this Program from a nominal value outstanding at any time of US\$ 500,000,000 (or its equivalent in other currencies) to US\$ 1,000,000,000 (or its equivalent in other currencies), granting broad powers to the Board of Directors.

On June 1, 2016, the Board of Directors of Cablevisión authorized the issuance of Class "A" Notes for a nominal value of US\$ 500,000,000, at a fixed annual nominal interest rate of 6.50%, payable semi-annually, with final maturity in June 2021.

As a result of the merger between Telecom and Cablevisión, the Notes were assumed by Telecom on January 1, 2018. To such effect, Telecom Argentina as successor of Cablevisión, Deutsche Bank Trust Company Americas, as Residuary Beneficiary of the trust and Banco Comafi S.A., as the representative of the Residuary Beneficiary in Argentina, entered into a supplement to the Indenture formalizing the absorption of the Class "A" Notes by Telecom Argentina.

On July 10, 2019, Telecom made a repurchase offer of the Class "A" Notes for up to US\$ 200 million subject to certain terms and conditions. The total consideration offered for each US\$ 1,000 of nominal value under the offer was of US\$ 997.50 plus accrued interest. The call option ended on August 9, 2019. As a result of the offer, Telecom repaid an aggregate amount of US\$ 34.2 million of Class "A" Notes (US\$ 30.4 million on July 25, 2019 and US\$ 3.8 million on August 14, 2019).

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Until December 31, 2019, Telecom had repurchased approximately US\$0.5 million (nominal value) of the Class "A" Notes. These transactions were executed at the quoted market price prevailing on each repurchase date, which did not significantly differ from the book value as of that date.

On July 7, 2020, Telecom started the public placement process of the Class 5 Notes, for the purpose of refinancing the Class "A" Notes and the loan executed with Deutsche Bank AG, London Branch, mentioned in point c) below, together with a consent solicitation for the amendment of certain terms and conditions of the 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 (see Agreement with TMF Trust Company in this note). 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 (approximately 77.74% of the total outstanding Class "A" Notes at that time), which were settled and retired.

On June 15, 2021, Telecom repaid the outstanding balance under the Class A Notes of US\$ 106.6 million (US\$ 103.2 million in principal and US\$ 3.4 million in interest).

### **c) 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 for up to US\$ 200 million (which could be increased up to US\$ 300 million). On November 14, 2018, Telecom was informed that Deutsche Bank AG, London Branch, had approved the increase of the loan offer by US\$100 million.

The loan has a term of 42 months as from the date of the initial disbursement and will accrue interest at an initial annual rate equivalent to LIBOR + 4.5%, payable in arrears on a quarterly basis. Principal shall be repaid in 6 equal consecutive semi-annual installments equivalent to 12.5% of the amount of disbursed principal and a final payment on the maturity date equivalent to 25% of the original disbursement.

The funds from the loan were solely used by Telecom for the partial repayment of the Syndicated Loan.

On August 6, 2020, Telecom repaid in full the bank loan executed with Deutsche Bank AG, London Branch, which had an outstanding principal amount of approximately US\$ 187.5 million, including interest accrued as of that date and related expenses, with the cash proceeds from the subscription of Class 5 Notes mentioned above and the payment in cash made by the Trust (see "Agreement with TMF Trust Company" in this Note).

As a consequence of this renegotiation of debt, in fiscal year 2020, Telecom recognized a loss of \$ 4,029 million, which is included in Income from Renegotiation of Financial Debt under Financial Expenses on Debt under the item Financial Results.

### **• Class 6 and Class 7 Notes in Argentine Pesos**

On December 02, 2020, Telecom offered the subscription of Notes in two series for an aggregate nominal value of \$ 1,500 million, which may be extended to \$ 10,000 million. The following is a detail of the amount of Notes actually issued and their main characteristics:

#### **✓ Class 6 Notes**

**Issuance Date:** December 10, 2020.

**Amount Issued:** \$ 1,928,950,000 Argentine pesos.

**Maturity Date:** December 10, 2021.

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

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**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 2.25% per annum. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

### ✓ **Class 7 Notes**

**Issuance Date:** December 10, 2020.

**Amount Issued:** 125,248,683 UPP (Unit of purchasing power), equivalent to \$ 7,787 million as of the issuance date.

**Maturity Date:** December 10, 2023.

**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 fixed annual rate of 3%. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

Telecom received a disbursement of \$ 9,671 million because debt issuance expenses in the amount \$ 45 million were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

At maturity, Telecom repaid the outstanding balance under the Class 6 Notes of \$ 2,104 million (\$ 1,929 million in principal and \$ 175 million in interest).

The outstanding balance under the Class 7 Notes as of December 31, 2021 amounts to \$ 12,208 million.

### • **Class 8 Notes**

Telecom offered the subscription of Notes, as from January 14, 2021, for a nominal value denominated in UPP equivalent to up to \$ 1,500 million, expandable to \$ 12,000 million. The following is a detail of the amount of Notes actually issued and their main characteristics:

**Issuance Date:** January 20, 2021.

**Amount Issued:** 133,628,950 UPP (equivalent to \$ 8,708 million as of the issuance date).

**Maturity Date:** January 20, 2025.

**Repayment:** Principal will be repaid in 1 (one) installment 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 fixed annual rate of 4%. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

Telecom received a disbursement of \$ 8,664 million because debt issuance expenses in the amount \$ 45 million were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

The outstanding balance as of December 31, 2021 amounts to \$ 13,094 million.

### • **Class 9 Notes**

Telecom offered the subscription of Notes, as from June 1, 2021, for a nominal value denominated in US\$ of up to US\$15 million, expandable to US\$ 120 million payable in Argentine pesos at the applicable exchange rate. The following is a detail of the amount of Notes actually issued and their main characteristics:

**Issuance Date:** June 7, 2021.

**Amount Issued:** US\$ 91.8 million payable in Argentine pesos at the applicable exchange rate (equivalent to \$ 8,699 million as of the issuance date).

**Maturity Date:** June 7, 2024.

**Repayment:** Principal will be repaid in 1 (one) installment at maturity.

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**Interest Rate and Payment Date:** The notes accrue interest on a quarterly basis as from the Issuance Date until the Maturity Date, at a fixed annual rate of 2.75%. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

Telecom received a disbursement of \$ 8,655 million because debt issuance expenses in the amount \$ 44 million were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

The outstanding balance as of December 31, 2021 amounts to \$ 9,412 million.

- **Class 10 and Class 11 Notes in Argentine Pesos**

On December 03, 2021, Telecom offered the subscription of Notes in two series for an aggregate nominal value of \$ 3,000 million, which may be extended to \$ 14,000 million. The following is a detail of the amount of Notes actually issued and their main characteristics:

- ✓ **Class 10 Notes**

**Issuance Date:** December 10, 2021.

**Amount Issued:** 126,568,927 UPP (equivalent to \$ 12,000 as of the issuance date).

**Initial UPP value:** 94.81.

**Maturity Date:** June 10, 2025.

**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:** Does not accrue any interest.

- ✓ **Class 11 Notes**

**Issuance Date:** December 10, 2021.

**Amount Issued:** \$ 2,000,000,000 Argentine pesos.

**Maturity Date:** June 10, 2023.

**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 3.25% 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 \$ 13,928 million because debt issuance expenses in the amount \$ 72 million were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

The outstanding balance as of December 31, 2021 amounts to \$ 12,273 million in the case of Series 10 Notes, and \$ 2,030 million in the case of Series 11 Notes.

## Banks and other Financial Institutions

### Telecom Argentina

### Loans with the International Finance Corporation (“IFC”)

On July 5, 2016, Personal, a company absorbed by Telecom, accepted an offer from the IFC (member of World Bank Group) for the assessment and transfer of funds to finance investment needs, working capital and debt refinancing. On October 5, 2016, Personal and the IFC signed the loan agreement (“IFC Loan”) for an amount of US\$ 400 million and for a six-year period, payable in eight equal semi-annual installments starting on the 30th month, with a six-month LIBOR + 4 percentage points. This loan was used to deploy the 4G network and refinance short-term financial liabilities. The loan terms include standard affirmative and negative covenants for this type of financial transactions.

On March 4, 2019, Telecom executed a new loan agreement with IFC for up to US\$ 450 million, as requested by Telecom in one or more disbursements (the “Loan”). The Loan has a tranche “A”, a tranche “B-1”, a tranche “B-2”, a tranche “B-3” and a tranche “B-4”, which will accrue interest payable in arrears on

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a semi-annual basis at an annual rate equivalent to LIBOR over 6 months plus the following margins: 4.85 percentage points in the case of Tranche A, Tranche B-2 and Tranche B-4, and 4.60 percentage points in the case of Tranche B-1 and Tranche B-3. The principal disbursed will be repaid as follows: Tranche A, Tranche B-2, and Tranche B-4 payable in 8 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2024 and Tranche B-1 and Tranche B-3 payable in 6 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2023. The funds from the loan were used to finance capital expenditures in 2019.

On March 18, 2019, Telecom received a disbursement for a total of US\$ 290 million (US\$ 285.5 million was credited because debt issuance expenses in the amount US\$ 4.5 million were deducted from the initial disbursement), under the loan agreement executed on March 4, 2019 with the IFC for an aggregate amount of up to US\$ 450 million. The US\$ 290 million disbursement is divided in two Tranches: a) a US\$ 160 million disbursement, which accrues interest payable in arrears on a semi-annual basis at an annual rate equivalent to LIBOR plus 4.85 percentage points payable in 8 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2024; and b) a US\$ 130 million disbursement that accrues interest payable in arrears on a semi-annual basis at an annual rate equivalent to LIBOR plus 4.60 percentage points payable in 6 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2023.

On April 25, 2019, Telecom received an additional disbursement for a total of US\$ 20 million that accrues interest payable in arrears on a semi-annual basis at an annual rate equivalent to LIBOR plus 4.85 percentage points payable in 8 equal and consecutive semi-annual installments as from February 2021, with final maturity in August 2024.

On September 22, 2020, Telecom refinanced the above-mentioned loans and agreed to amend mainly the payment schedule of all payments of principal that fell due during the last quarter of 2020 and throughout 2021, deferring 85% of such payments for a period between 24 and 48 months, and prepaying the remaining 15% together with accrued interest and other related expenses (see Agreement with TMF Trust Company of this Note). As a consequence of this renegotiation, Telecom recognized a loss of \$ 792 million, which is included in Income from Renegotiation of Financial Debt under Financial Expenses on Debt under the item Financial Results.

On December 15, 2021, Telecom refinanced once again the above-mentioned loans and agreed to amend mainly the payment schedule of Tranche B. Pursuant to this agreement, Telecom deferred 75% of all the payments of principal that were due in 2022 and 2023 for a term of between 24 and 60 months, and prepaid the remaining 25% together with accrued interest and other related expenses.

As a consequence of this renegotiation, Telecom recognized a loss of \$ 885 million, which is included in Income from Renegotiation of Financial Debt under Financial Expenses on Debt under the item Financial Results.

The outstanding balance as of December 31, 2021 under those agreements amounts to US\$ 447 million, equivalent to \$ 45,947 million.

### **Loans with the Inter-American Development Bank (“IDB”)**

On April 7, 2017, Personal and the Inter-American Investment Corporation (“IIC”, member of the IDB Group), signed a loan agreement for an amount of US\$ 100 million maturing in September 2022, payable in eight equal semi-annual installments starting on the 24th month, with a six-month LIBOR + 4 percentage points. The funds of this loan were allocated to deploy the 4G network and to finance working capital and other financial needs. The loan terms include standard affirmative and negative covenants for this type of financial transactions.

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 June 7, 2019, Telecom received a

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disbursement of an aggregate US\$ 75 million (US\$ 74.15 million was credited because debt issuance expenses in the amount US\$ 0.85 million were deducted from the initial disbursement). The loan, which accrues interest, is payable in arrears on a semi-annual basis at an annual rate equivalent to LIBOR over 6 months plus 4.90 percentage points payable in 10 equal and consecutive semi-annual installments as from November 2021, with final maturity in May 2026.

On July 11, 2019, Telecom received an additional disbursement for a total of US\$ 25 million (US\$ 24.55 million was credited because debt issuance expenses in the amount US\$ 0.45 million were deducted from the initial disbursement). that accrues interest payable in arrears on a semi-annual basis at an annual rate equivalent to LIBOR over 6 months plus 4.60 percentage points payable in 6 equal and consecutive semi-annual installments as from May 2021, with final maturity in November 2023.

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 over 6 months 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 over 6 months 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.

On September 22, 2020, Telecom refinanced the above-mentioned loans and agreed to amend mainly the payment schedule of all payments of principal that fell due during the last quarter of 2020 and throughout 2021, deferring 85% of such payments for a period between 24 and 66 months, and prepaying the remaining 15% together with accrued interest and other related expenses (see Agreement with TMF Trust Company in this Note). As a result of this refinancing, Telecom recognized a loss of \$ 377 million, which is included in Renegotiation of Financial Debt under Financial Expense on Debt, under the item Financial Results.

On December 15, 2021, Telecom refinanced once again the above-mentioned loans and agreed to amend mainly the payment schedule of all payments of principal due in 2022 and 2023, deferring 75% of those maturities with a new repayment schedule that will end in December 2024 and June 2027, and prepaying the remaining 25% together with accrued interest and other related expenses.

As a consequence of this renegotiation, Telecom recognized a loss of \$ 1,267 million, which is included in Income from Renegotiation of Financial Debt under Financial Expenses on Debt under the item Financial Results.

The outstanding balance as of December 31, 2021 under those agreements amounts to US\$ 225 million, equivalent to \$ 23,133 million.

### **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.

In accordance with the above, towards the end of July 2020, Telecom disbursed to the trust an aggregate amount of US\$ 273 million. The Trust made the following cash payments during the third quarter of 2020:

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- a. US\$ 120.2 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 with Deutsche Bank AG, London Branch, including interest accrued as of the repayment date and related expenses
- c. US\$ 30.9 million in accordance with the terms of the amendments of the loans executed with IFC including accrued interest, prepayment premiums, and other related expenses
- d. US\$ 13.4 million in accordance with the terms of the amendments of the loans executed with IDB including accrued interest, prepayment premiums, and other related expenses

On November 5, 2020, the Trust’s Management Committee notified the Trustee that, since the purpose of the Trust had been fulfilled, its objectives had been accomplished and the outstanding expenses borne by the trust had been paid, the Trust was deemed terminated. In addition, pursuant to the terms of the agreement, the Trustee was instructed to transfer the remaining Trust Assets in accordance with the instructions provided by the Trust’s Management Committee, after deducting a minimum amount to pay for future expenses to be incurred in connection with the termination and settlement of the Trust. On that date, the Trust transferred the remaining Trust Assets: US Treasury Bills in the amount of US\$ 45.5 million to the subsidiary Televisión Dirigida in compliance with pre-existing obligations.

### **Term Loan**

On October 8, 2018, Telecom entered into an agreement (“Term Loan”) with Citibank, N.A., HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, JPMorgan Chase Bank, N.A. and Banco Santander, S.A., in their capacity as lenders, Citibank, N.A., HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, JPMorgan Chase Bank, N.A. and Banco Santander, S.A., as arrangers, Citibank N.A., as administrative agent, and the branch of Citibank N.A. established in Argentina, as local collateral agent, for up to US\$ 500 million (which may be increased pursuant to the terms and conditions of said agreement) for a 48-month term.

On October 17, 2018, Telecom requested a disbursement of US\$ 500 million. Disbursed principal accrues compensatory interest at an annual rate equivalent to LIBOR over 3 months plus the following margin: 4.50 percentage points during the first year counted as from disbursement, 5.00 percentage points during the second year, and 5.25 percentage points from the second anniversary of the disbursement date until the Maturity Date; and shall be payable in arrears on a quarterly basis.

The following is a detail of the partial prepayments made by Telecom under the “Term Loan” during 2019 and 2020:

- ✓ On March 25, 2019, Telecom settled US\$ 101.4 million (US\$ 100 million principal amount and US\$ 1.4 million corresponding to interest);
- ✓ On July 25, 2019, Telecom settled US\$ 100.15 million (US\$ 100 million principal amount and US\$ 0.15 million corresponding to interest);
- ✓ On December 09, 2019, Telecom settled US\$ 50.5 million (US\$ 50 million principal amount and US\$ 0.5 million corresponding to interest);
- ✓ On February 12, 2020, Telecom settled US\$ 50.3 million (US\$ 50 million principal amount and US\$ 0.3 million corresponding to interest); and
- ✓ In addition, on March 30, 2020, Telecom settled US\$ 60.8 million (US\$ 60 million principal amount and US\$ 0.8 million corresponding to interest).

The outstanding balance as of December 31, 2021 amounts to US\$ 141 million, equivalent to \$ 14,506 million.

### **Loan with China Development Bank Shenzhen Branch (“CDB”)**

On December 14, 2020, Telecom and CDB entered into a committed credit facility agreement for an amount of up to RMB 700 million (equivalent to approximately US\$ 100 million), expandable up to RMB 1,400

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million, to be structured in several tranches. The increase in the amount shall be subject to the granting of an insurance policy by China Export & Credit Insurance Corporation.

The proceeds from the loan will be used by Telecom to finance its investment plan related to the acquisition of telecommunications equipment.

On December 24, 2020, Telecom subscribed the first tranche for a total amount of RMB 19.6 million and, during 2021, it subscribed from the second to the ninth tranches for a total amount of RMB 449 million. The loan accrues interest at an annual rate of 6.8%, payable on a semi-annual basis, and principal will be repaid in 11 consecutive semi-annual installments from May 2023 to December 2027.

The outstanding balance as of December 31, 2021 amounts to RMB 461 million, equivalent to \$ 7,436 million.

On January 21, 2022, Telecom subscribed the tenth tranche for a total of RMB 25.9 million, equivalent to \$ 428 million.

### **Loans with Banco Industrial and Commercial Bank of China (Argentina) S.A.U. ("ICBC")**

As a consequence of the merger between Telecom and Cablevisión, Telecom entered into a loan agreement with ICBC to finance imports for US\$ 5,2 million, which accrues interest at an annual rate of 6% payable on a semi-annual basis. Principal is payable in 8 semi-annual installments. The first installment was due in July 2018 and the last one is due in January 2022.

The outstanding balance as of December 31, 2021 amounts to US\$ 0.6 million, equivalent to \$ 68 million.

During January 2022, Telecom repaid the outstanding amount under a loan agreement with ICBC of \$ 69 million (\$ 67 million in principal and \$ 2 million in interest).

### **Loans with Banco Santander Río**

On August 18, 2021, Telecom executed a loan agreement with Banco Santander Río S.A. for an aggregate amount of \$ 4,000 million. Principal will be repaid in a lump sum at its maturity on August 18, 2022. The loan accrues interest that will be paid on a monthly basis from its issuance date until its maturity date at an annual fixed rate of 40.50%.

The outstanding balance as of December 31, 2021 amounts to \$ 4,024 million.

On October 14, 2021, Telecom executed a loan agreement with Banco Santander Río S.A. for an aggregate amount of \$ 1,500 million. Principal will be repaid in a lump sum at its maturity on October 17, 2022. The loan accrues interest that will be paid on a monthly basis from its issuance date until its maturity date at an annual fixed rate of 37.5%.

The outstanding balance as of December 31, 2021 amounts to \$ 1,513 million.

On December 6, 2021, Telecom executed a loan agreement with Banco Santander Río S.A. for an aggregate amount of \$ 1,000 million. Principal will be repaid in a lump sum at its maturity on December 6, 2022. The loan accrues interest that will be paid on a monthly basis from its issuance date until its maturity date at an annual nominal fixed rate of 37.75%.

The outstanding balance as of December 31, 2021 amounts to \$ 1,017 million.

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### **Loan with Banco BBVA**

On August 10, 2021, Telecom executed a loan agreement with Banco BBVA Argentina S.A. for an aggregate amount of \$ 1,000 million. Principal will be repaid in a lump sum at its maturity on August 05, 2022. The loan accrues interest that will be paid on a monthly basis at an annual fixed rate of 40.75%.

The outstanding balance as of December 31, 2021 amounts to \$ 1,017 million.

### **Other Bank Loans**

As of December 31, 2021, Telecom repaid the following bank loans:

- a) On April 13, 2021, Telecom made a full repayment of the loan executed with ICBC in the amount of \$ 1,011 million (\$ 975 million principal amount and \$ 36 million corresponding to interest).
- b) On April 29, 2021, Telecom made a full repayment of the loan executed with Banco Galicia in the amount of \$ 2,209 million (\$ 2,000 million principal amount and \$ 209 million corresponding to interest).
- c) On September 16, 2021, Telecom repaid the outstanding amount under a loan agreement with Banco Macro S.A. of \$ 4,412 million (\$ 4,000 million in principal and \$ 412 million in interest).

### **Loans for Acquisition of Equipment**

#### **Cisco Systems Capital Corporation**

Telecom holds loan agreements for acquisition of Cisco Systems Capital Corporation equipment for a total amount of US\$ 76.8 million (of which it received US\$ 25.2 million in 2021 and US\$ 51.6 million in 2020). 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 December 31, 2021 amounts to US\$ 77 million, equivalent to \$ 7,924 million.

During January and February 2022, Telecom recorded additions for US\$ 8 million, equivalent to \$ 842.1 million, due in February and March 2026.

### **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, (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 Credit 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.

The funds will be used to finance up to 85% of the value of certain imported goods and services, the value of certain national goods and services, and the total payment of the applicable premium payable to Finnvera equivalent to 7.82% of the total amount committed by the lenders under the credit facility.

Between May 2019 and December 2020, Telecom received disbursements for an aggregate amount of US\$ 95.9 million. This credit facility accrues interest at an annual rate equivalent to LIBOR over 6 months plus 1.04 percentage points payable in consecutive semi-annual installments due in November 2025 and November 2026.

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On May 14, 2021, Telecom submitted a new proposal for an export credit facility for an aggregate amount of up to US\$ 30 million to the following entities: (i) JPMorgan Chase Bank, NA, as initial lender, mandated lead arranger and residual risk guarantor, (ii) JPMorgan Chase Bank, NA, London Branch, as facility agent, and (iii) JPMorgan Chase Bank, NA, Buenos Aires branch, as onshore custody agent, which was accepted on the same date.

The Credit 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.

The funds of the loans under this credit facility will be used to finance up to 85% of the value of certain imported goods and services, the value of certain national goods and services, and the total payment of the applicable premium payable to Finnvera equivalent to 14.41% of the total amount committed by the lenders under the credit facility.

On July 27, 2021, Telecom received a disbursement of US\$ 5.1 million (US\$ 4.4 million was credited because of the deduction of the premium in the amount of US\$ 0.7 million).

On December 29, 2021, Telecom received a disbursement of US\$ 13.5 million (US\$ 11.6 million was credited because of the deduction of the premium in the amount of US\$ 1.9 million).

The outstanding balance as of December 31, 2021 amounts to US\$ 71 million, equivalent to \$ 7,243 million.

### **Núcleo**

#### **Global Notes Program**

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 PYG 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.

Under such Program, Núcleo issued the following Series of Notes:

#### **Series I**

**Issuance Date:** March 12, 2019.

**Amount Issued:** PYG 120,000,000,000 (approximately \$ 841 million as of the issuance date).

**Maturity Date:** March 11, 2024.

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

**Interest Rate:** the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 9.00 %.

**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.

#### **Series II**

**Issuance Date:** March 28, 2019.

**Amount Issued:** PYG 30,000,000,000 (approximately \$ 210 million as of the issuance date).

**Maturity Date:** March 26, 2024.

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

**Interest Rate:** the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 9.00 %.

**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.

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**Series III****Issuance Date:** March 12, 2020.**Amount Issued:** PYG 100,000,000,000 (approximately \$ 948 million as of the issuance date).**Maturity Date:** March 11, 2025.**Repayment:** Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity.**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.**Series IV****Issuance Date:** March 10, 2021.**Amount Issued:** PYG 130.000.000.000 (approximately \$ 1,771 million as of the issuance date).**Maturity Date:** February 2, 2028.**Repayment:** Principal will be repaid in 1 (one) installment at maturity.**Interest Rate:** the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 7.10 %.**Interest Payment Date:** Interest will be paid on a semi-annual basis in arrears as from the Issuance Date.

Núcleo received a disbursement of PYG 129,057 million (equivalent to \$ 1,758 million) because debt issuance expenses in the amount PYG 943 million (equivalent to \$ 13 million) were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

**Series V****Issuance Date:** March 10, 2021.**Amount Issued:** PYG 120.000.000.000 (approximately \$ 1,635 million as of the issuance date).**Maturity Date:** January 17, 2031.**Repayment:** Principal will be repaid in 1 (one) installment at maturity.**Interest Rate:** the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 8.00 %.**Interest Payment Date:** Interest will be paid on a semi-annual basis in arrears as from the Issuance Date.

Núcleo received a disbursement of PYG 119,122 million (equivalent to \$ 1,623 million) because debt issuance expenses in the amount PYG 878 million (equivalent to \$ 12 million) were deducted from the initial disbursement (figures stated at the rate prevailing on the transaction date).

The funds obtained under the Series IV and V Notes were used to repay bank loans and to finance working capital.

The outstanding balance under the Notes as of December 31, 2021 amounts to PYG 708,122 million, equivalent to \$ 7,518 million.

**NOTE 15 - SALARIES AND SOCIAL SECURITY PAYABLES**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b><u>Current</u></b>		
Salaries, annual supplementary salary, vacations, bonuses and employers' contributions	20,868	20,599
Termination Benefits	1,417	1,060
	<u>22,285</u>	<u>21,659</u>
<b><u>Non-Current</u></b>		
Termination Benefits	1,546	1,268
	<u>1,546</u>	<u>1,268</u>
<b>Total Salaries and Social Security Payables</b>	<u>23,831</u>	<u>22,927</u>

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The compensation paid to the Key Senior Management for the fiscal years ended December 31, 2021 and 2020 is detailed in Note 29 iv).

**NOTE 16 – INCOME TAX LIABILITIES AND DEFERRED INCOME TAX ASSETS / LIABILITIES**

The breakdown of income tax liabilities, net is detailed below:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Tax Loss Carryforwards	(198)	(17,309)
Allowance for Bad Debts	(5,231)	(4,391)
Provisions for Lawsuits and Other Contingencies	(2,793)	(2,222)
PP&E and Intangible Assets	120,819	111,854
Dividends from Foreign Companies	1,385	888
Effect of Income Tax Inflation Adjustment	23,194	32,211
Other Deferred Tax Liabilities (Assets), Net	(1,791)	(141)
<b>Total Deferred Tax Liabilities, Net</b>	<b>135,385</b>	<b>120,890</b>
Tax Receivables Related to Reimbursement Claims	(889)	(1,331)
<b>Net Deferred Tax Liability</b>	<b>134,496</b>	<b>119,559</b>
<b>Deferred Tax Assets, Net</b>	<b>(736)</b>	<b>(702)</b>
<b>Deferred Tax Liabilities, Net</b>	<b>135,232</b>	<b>120,261</b>

(\*) Includes 82 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 \$ 5,663 million, which may be offset against future taxable profits. The following is a detail of the expiration of those unrecognized tax loss carryforwards:

Expiration year	Amount of Tax Loss Carryforward
2023	3,773
2024	1,781
2025	109

The following is a detail of the expiration dates corresponding to the estimated tax loss carryforwards:

Company	Year in which the tax loss was generated	Amount of the tax loss as of 12.31.2021	Expiration year
Inter Radios	2018	1	2023
Telemás (*)	2019	454	2024
Microsistemas	2020	230	2026
Cable Imagen	2018	6	2026
Televisión Dirigida	2019	20	2026
AVC Continente Audiovisual	2020	5	2026
		<b>716</b>	

(\*) Includes the effect of the change to the income tax rate established by Law No. 27,630.

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

	<u>December 31, 2021</u> <u>Income (loss)</u>	<u>December 31, 2020</u> <u>Income (loss)</u>
Tax	(18,630)	(364)
Deferred Tax	(14,689)	(12,092)
Valuation Allowance	(3)	(1)
<b>Income Tax</b>	<b>(33,322)</b>	<b>(12,457)</b>

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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>December</u> <u>31, 2021</u> <u>Income</u> <u>(loss)</u>	<u>December</u> <u>31, 2020</u> <u>Income</u> <u>(loss)</u>
Income before Income Tax	43,574	3,591
Permanent Differences - Equity in Earnings from Associates	(395)	(749)
Permanent Differences – difference in the valuation of the cost of investments in foreign subsidiaries	-	(9,917)
Permanent Differences - other	(352)	(2,185)
Restatement of Equity and Goodwill and Other in Constant Currency	102,341	95,091
<b>Subtotal</b>	<b>145,168</b>	<b>85,831</b>
Average effective tax rate	34.27%	24.60%
<b>Income Tax at the Average Effective Tax Rate</b>	<b>(49,747)</b>	<b>(21,112)</b>
Restatement at Constant Currency of Deferred Income Tax Liabilities and Other	58,968	31,241
Tax loss carryforwards not recognized as deferred tax assets	265	42
Effect of Income Tax Inflation Adjustment	(41,919)	(22,403)
Tax Reimbursement Claim	7	18
Income Tax on Dividends from Foreign Companies	(896)	(243)
<b>Income Tax</b>	<b>(*) (33,322)</b>	<b>(12,457)</b>

(\*) Includes approximately (42,800) corresponding to the effect of the change to the income tax rate established by Law No. 27,630.

**Income Tax - Reimbursement Claims filed with the Tax Authority**

Article 10 of Law No. 23,928 and Article 39 of Law No. 24,073 suspended the application of the provisions of Title VI of the Income Tax Law relating to the income tax inflation adjustment since April 1, 1992.

Accordingly, Telecom Argentina assessed its income tax liabilities pursuant to such laws, without considering the income tax inflation adjustment.

After the economic crisis of 2002, many taxpayers began to challenge the legality of the provisions suspending the income tax inflation adjustment. The Argentine Supreme Court issued its decision on the "Candy" case (07/03/2009) in which it stated that particularly for fiscal year 2002 and considering the serious state of disturbance of that year, the taxpayer could demonstrate that not applying the income tax inflation adjustment resulted in confiscatory income tax rates.

More recently, the Argentine Supreme Court applied a similar criterion to the 2010, 2011, 2012 and 2014 fiscal years in the cases brought by "Distribuidora Gas del Centro" (10/14/2014, 6/2/2015, 10/4/2016 and 6/25/2019), among others, enabling the application of income tax inflation adjustment for periods not affected by a severe economic crisis such as the one that took place in 2002.

According to the above-mentioned new judicial precedents of which Telecom learned during 2015, Telecom filed during fiscal years 2015 - 2021, reimbursement claims with the AFIP to claim the full tax overpaid for fiscal years 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016 for a total estimated amount of \$ 1,593 million plus interest, under the argument that the inability to apply income tax inflation adjustment is confiscatory.

On September 24, 2019, Telecom was served notice of the decisions rendered by AFIP on September 12, 2019 and August 30, 2019, whereby it rejected the reimbursement claims corresponding to fiscal years 2009 and 2010, respectively. In this sense, on November 11, 2019, Telecom was served notice of the decisions rendered by AFIP on October 29, 2019, whereby it rejected the reimbursement claims corresponding to fiscal years 2011 and 2012. For the reasons mentioned above, on October 15, 2019 and on December 3, 2019, Telecom filed four tax reimbursements claims before the National Court of First Instance.

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On July 28, 2021, Telecom was served notice of the decision rendered by AFIP on July 26, 2021, whereby it rejected the reimbursement claim corresponding to fiscal year 2013. On August 23, 2021, Telecom filed a tax reimbursement claim before the National Court of First Instance.

Telecom's Management, with the assistance of its tax advisors, considers that the arguments presented in such reimbursement claims follow the same criteria as the Argentine Supreme Court's precedent cited above, among others. Therefore, Telecom should obtain a favorable resolution to such claims.

Consequently, the income tax assessed in excess qualifies as a tax credit under IAS 12 and Telecom recorded a non-current tax credit of \$ 889 million as of December 31, 2021. For the measurement and adjustment of the tax credit, Telecom has estimated the amount of the tax assessed in excess for fiscal years 2009 to 2017 by weighing the likelihood of the occurrence of certain variables according to the judicial precedents known as of the date of these financial statements. Telecom's Management will evaluate the Tax Authority's responses to the reimbursement claims filed by Telecom, as well as the evolution of case law on the matter at least on an annual basis, in order to re-assess the tax credit recorded.

**NOTE 17 - TAXES PAYABLE**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b><u>Current</u></b>		
Other National Taxes	3,340	4,358
Provincial Taxes	112	614
Municipal Taxes	511	572
	<u>3,963</u>	<u>5,544</u>
<b><u>Non-Current</u></b>		
Provincial Taxes	-	8
	<u>-</u>	<u>8</u>
<b>Total Taxes Payable</b>	<u><u>3,963</u></u>	<u><u>5,552</u></u>

**NOTE 18 - LEASE LIABILITIES**

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b><u>Current</u></b>		
Business in Argentina	5,541	4,631
Foreign Business	589	404
	<u>6,130</u>	<u>5,035</u>
<b><u>Non-Current</u></b>		
Business in Argentina	11,596	9,237
Foreign Business	1,190	1,278
	<u>12,786</u>	<u>10,515</u>
<b>Total Lease Liabilities</b>	<u><u>18,916</u></u>	<u><u>15,550</u></u>

The following table shows the changes in lease liabilities:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>15,550</b>	<b>12,968</b>
Additions (*)	17,417	13,109
Financial Results, net (**)	2,906	2,929
Cash flows	(6,596)	(7,896)
Decreases (including Gain (Loss) on Net Monetary Position)	(10,361)	(5,560)
<b>Balances at year-end</b>	<u><u>18,916</u></u>	<u><u>15,550</u></u>

(\*) Included under Acquisitions of Right-of-Use.

(\*\*) Included under Other Exchange Differences and Other Interest, Net, and Other Income from Investments.

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**NOTE 19 – OTHER LIABILITIES**

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Current</b>		
Deferred revenues on prepaid credit	1,722	1,678
Deferred revenues on connection fees and international capacity rental	966	617
Customer Loyalty Program	-	6
Directors' and Supervisory Committee Members' Fees	-	21
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	-	5
Other	367	835
	<u>3,055</u>	<u>3,162</u>
<b>Non-Current</b>		
Deferred revenues on connection fees and international capacity rental	595	604
Pension Benefits (Note 3.m)	647	637
Other (*)	8	504
	<u>1,250</u>	<u>1,745</u>
<b>Total Other Liabilities</b>	<u>4,305</u>	<u>4,907</u>

The changes in the pension benefits are as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>Balances at the beginning of the year</b>	<b>637</b>	<b>673</b>
Service cost (*)	31	54
Interest cost (**)	225	356
Actuarial Results (***)	35	(204)
Allocations (including Gain (Loss) on Net Monetary Position)	(281)	(242)
<b>Balances at year-end</b>	<u>647</u>	<u>637</u>

(\*) Included in Employee Benefit Expenses and Severance Payments.

(\*\*) Included in Other Financial Results, net

(\*\*\*) Included in Other Comprehensive Income.

**NOTE 20 – PROVISIONS**

The Group is a party to several civil, tax, commercial, labor and regulatory proceedings and claims that have arisen in the ordinary course of business. In order to determine the proper level of provisions for these contingencies, the Group's Management, based on the opinion of its legal counsel, assesses the likelihood of any adverse judgments or outcomes related to these matters as well as the range of probable losses that may result from the potential outcomes. A determination of the amount of provisions required, if any, is made after careful analysis of each individual case.

The determination of the required provisions may change in the future due to, among other reasons, new developments or unknown facts at the time of the evaluation of the claims or changes as a matter of law or legal interpretation.

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Provisions consist of the following:

	Balances as of December 31, 2020	Increases		Reclassifications	Decreases (iii)	Balances as of December 31, 2021
		Capital (i)	Interest (ii)			
<b>Current</b>						
Lawsuits and Contingencies	2,441	5,892	-	2,418	(8,605)	2,146
<b>Total Current Provisions</b>	<b>2,441</b>	<b>5,892</b>	<b>-</b>	<b>2,418</b>	<b>(8,605)</b>	<b>2,146</b>
<b>Non-Current</b>						
Lawsuits and Contingencies	6,762	2,004	1,435	(2,418)	(1,673)	6,110
Asset Retirement Obligations	4,501	604	200	-	(1,841)	3,464
<b>Total Non-Current Provisions</b>	<b>11,263</b>	<b>2,608</b>	<b>1,635</b>	<b>(2,418)</b>	<b>(3,514)</b>	<b>9,574</b>
<b>Total Provisions</b>	<b>13,704</b>	<b>8,500</b>	<b>1,635</b>	<b>-</b>	<b>(iv) (12,119)</b>	<b>11,720</b>

- (i) 7,896 charged to Other Operating Costs, and 604 to Right-Of-Use Assets.  
(ii) Charged to Other Financial Results, net - Other interest, net and other income from investments  
(iii) Includes Gain (Loss) on Net Monetary Position.  
(iv) Includes (8,116) corresponding to payments of contingencies.

	Balances as of December 31, 2019	Increases		Reclassifications	Decreases (vii)	Balances as of December 31, 2020
		Capital (v)	Interest (vi)			
<b>Current</b>						
Lawsuits and Contingencies	2,448	3,470	-	1,093	(4,570)	2,441
<b>Total Current Provisions</b>	<b>2,448</b>	<b>3,470</b>	<b>-</b>	<b>1,093</b>	<b>(4,570)</b>	<b>2,441</b>
<b>Non-Current</b>						
Lawsuits and Contingencies	8,211	1,074	1,014	(1,093)	(2,444)	6,762
Asset Retirement Obligations	1,300	3,413	368	-	(580)	4,501
<b>Total Non-Current Provisions</b>	<b>9,511</b>	<b>4,487</b>	<b>1,382</b>	<b>(1,093)</b>	<b>(3,024)</b>	<b>11,263</b>
<b>Total Provisions</b>	<b>11,959</b>	<b>7,957</b>	<b>1,382</b>	<b>-</b>	<b>(viii) (7,594)</b>	<b>13,704</b>

- (v) 4,533 charged to Other Operating Costs, 3,413 to Right-Of-Use Assets, and 11 to Other Comprehensive Income.  
(vi) Charged to Other Financial Results, net - Other interest, net and other income from investments  
(vii) Includes Gain (Loss) on Net Monetary Position.  
(viii) Includes (4,549) corresponding to payments of contingencies.

**1. Probable Contingent Liabilities**

Below is a summary of the most significant claims and legal actions for which the Company's Management, with the assistance of its legal advisors and the background in each case, has recorded provisions as deemed sufficient:

**a) Profit sharing bonds**

Various legal actions are brought, mainly by former employees of Telecom Argentina against the Argentine government and Telecom Argentina, requesting that Decree No. 395/92 – which expressly exempted Telefónica and Telecom Argentina from issuing the profit sharing bonds provided in Law No. 23,696 – be struck down as unconstitutional. The plaintiffs also claim the compensation for damages they suffered because such bonds have not been issued.

In August 2008, the Argentine Supreme Court found Decree No. 395/92 unconstitutional when resolving a similar case against Telefónica.

Following the Argentine Supreme Court's decision on this matter, several Courts of Appeals have ruled that Decree No. 395/92 is unconstitutional. As a result, in the opinion of Telecom Argentina's counsel, there is an increased probability that Telecom Argentina will have to face certain contingencies, notwithstanding the reimbursement right to which Telecom Argentina would be entitled against the National Government.

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The Supreme Court's decision not only found the above-mentioned Decree unconstitutional, but also ordered that the proceedings be remanded to the court of origin so that such court shall decide which defendant must pay—the licensee and/or the Argentine government—and set the parameters that are to be taken into account in order to quantify the remedies requested (percent of profit sharing, statute of limitations criteria, distribution method between the program beneficiaries, etc). There are no uniform criteria among the Courts in relation to each of these concepts.

On June 9, 2015, in re “Ramollino Silvana c/Telecom Argentina S.A.”, the Argentine Supreme Court ruled that the profit sharing bonds do not apply to employees who joined Telecom Argentina after November 8, 1990 and who were not members of the PPP.

This judicial precedent is consistent with the criterion followed by Telecom Argentina for estimating provisions for these claims, based on the advice of its legal counsel, which considered remote the chances of paying compensation to employees who were not included in the PPP.

### **Statute of limitations criteria applied to claims: Argentine Supreme Court ruling “Dominguez v. Telefónica de Argentina S.A.”**

In December 2013, the Argentine Supreme Court decided a case similar to the above-referred legal actions, “Domínguez v. Telefónica de Argentina S.A”, overturning a lower court ruling that had barred the claim as having exceeded the applicable statute of limitations because ten years had passed since the issuance of Decree No. 395/92.

The Argentine Supreme Court's decision states that the Court of Appeals on Federal Civil and Commercial Matters must hear the case again to consider statute of limitations arguments raised by the appellants that, in the opinion of the Argentine Supreme Court, were not considered by the lower court and are relevant to the resolution of the case.

On December 30, 2021, the Court of Appeals on Federal Civil and Commercial Matters issued a decision in plenary session, whereby it acknowledged, interpreting the doctrine developed by the Argentine Supreme Court in its ruling, that the statute of limitations must be applied periodically—as from the date of each balance sheet- but limited to 5 years, applying the specific regulations on the statute of limitations for periodical liabilities.

### **Criteria for determining the relevant profit to calculate compensation: ruling of the Court of Appeals on Federal Civil and Commercial Matters in Plenary Session “Parota c/ Estado Nacional y Telefónica de Argentina S.A.”**

On February 27, 2014, the Court of Appeals on Federal Civil and Commercial Matters issued its decision in plenary session in the case “Parota, César c/ Estado Nacional”, as a result of a claim filed against Telefónica. In its ruling, the Court held “that the amount of profit-sharing bonds corresponding to former employees of Telefónica de Argentina should be calculated based on the taxable income of Telefónica de Argentina S.A. on which the income tax liability is to be assessed”.

The Court stated that *“it is necessary to clarify that “taxable income” (pre-tax income) means the amount of income subject to the income tax that the company must pay, which generally means gross income, including all revenue obtained during the fiscal year (including contingent or extraordinary revenue), minus all ordinary and extraordinary expenses accrued during such fiscal year.”*

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**Federación Argentina de las Telecomunicaciones and Other v. Telecom Argentina S.A. on profit sharing**

In June 2013, Telecom was served notice of the claim entitled “Federación Argentina de las Telecomunicaciones and Other v. Telecom Argentina S.A. on profit sharing.” The lawsuit was filed by four unions claiming the issuance of profit sharing bonds (hereinafter “the bonds”) for future periods and for periods for which the statute of limitations is not expired. To enforce this claim, the plaintiffs have requested that the court declare that Decree No. 395/92 is unconstitutional.

This collective lawsuit is for an unspecified amount. The plaintiffs presented the criteria that should be applied for the determination of the percentage of participation in the Company’s profit. The lawsuit requiring the issuance of a profit sharing bond represents an obligation with potential future economic impact for Telecom.

Telecom filed its response to the claim, arguing that labor courts lack jurisdiction over the matter. In October 2013, the judge rejected the lack of jurisdiction plea, established a ten-year period as statute of limitation and deferred ruling on the defenses of res judicata, lis pendens and on the third-party citation required after a hearing is held by the court. Telecom appealed the judge’s ruling.

In December 2013, the hearing took place and the intervening court deferred its decision on the defense filed by Telecom on the basis of the application of statutes of limitations to the moment of the final ruling, among other matters. It also ordered the plaintiff to provide evidence on the mandates granted by each individual to bring the claim against Telecom and suspended the proceeding until such evidence is filed with the court. The plaintiff appealed the decision and the judge deferred this issue to the time of sentencing.

In December 2017, the Court of First Instance dismissed the claim on the grounds that the claimant lacks standing because the claim is individual and not collective. The claimant filed an appeal, which is pending before Chamber 7 of the Court of Appeals. In June 2019, the Court of Appeals revoked the decision rendered by the Court of First Instance, returned the file, and ordered discovery proceedings.

Telecom, based on the advice of its legal counsel, believes that there are strong arguments to defend its position in this claim, based, among other things, on the application of the statutes of limitations to the claim relating to the unconstitutionality of Decree No. 395/92, the lack of active legal standing for a collective claim relating to the issuance of bonds —due to the existence of individual claims— in addition to arguments based on plaintiff’s lack of active legal standing.

**b) Claims filed by former sales representatives of Personal and Nextel**

Former sales representatives of Personal and Nextel brought legal actions for alleged improper termination of their contracts and have submitted claims for payment of different items, such as commission differences, value of the customers’ portfolio and lost profit, among other matters. Telecom’s Management believes, based on the advice of its legal counsel, that certain items included in these claims should be dismissed, while other items could be admitted by the court, albeit for amounts that are lower than those claimed. As of the date of issuance of these consolidated financial statements, some legal actions are in the discovery phase and with expert opinions in progress.

**c) Task Solutions v. Telecom Personal S.A. on Ordinary proceeding and Task Solutions v. Telecom Argentina S.A. on Ordinary proceeding**

Task Solutions S.A., a company devoted to providing contact centers, brought claims against Telecom Argentina and Telecom Personal, claiming \$ 408,721,835 for damages that it alleges to have suffered during the contractual relationship with those companies, as well as for the failure to renew those contracts at the end of their term. Task Solution S.A. argues that the only contractual relationship it had

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was the one with the defendants and the failure to renew such contract caused its insolvency. In August 2018, Telecom answered the claims rejecting the compensation claimed and requesting that the punitive damages claimed be declared unconstitutional.

Telecom counterclaimed for labor items already paid to third parties. In addition, it filed a claim for any amounts that it may eventually have to pay in this regard in the future. That estimate could vary according to the evidence submitted in connection therewith.

In December 2018, Task Solutions was declared bankrupt.

Based on the advice of its legal counsel, Telecom's Management believes to have strong arguments for its defense.

### **d) Sanctions Imposed by the Regulator**

Telecom is subject to various sanction procedures, in most cases promoted by the Regulatory Authority, for delays in repairs and service installations to fixed-line customers. Although generally a sanction considered on an individual basis does not have a material effect on Telecom's equity, there is a significant disproportion between the amounts of the sanctions imposed by the Regulatory Authority and the revenue that the affected customer has generated to Telecom Argentina.

## **2. Possible Contingencies**

In addition to the possible contingencies related to regulatory matters described in Note 2.d), the following is a summary of the most significant claims and legal actions for which no provisions have been established, although the final outcome of these lawsuits cannot be assured.

### **a) Radioelectric Spectrum Fees**

In October 2016, Personal modified the criteria used for the statement of some of its commercial plans ("Abono fijo") for purposes of paying the radioelectric spectrum fees (derecho de uso de espectro radioel ctrico or "DER"), taking into account certain changes in such plans' composition. This meant a reduction in the amount of fees paid by Personal.

In March 2017, the ENACOM demanded Personal to rectify its statements corresponding to October 2016, requiring that such plans' statements continue to be prepared based on the previous criteria. The ENACOM issued a similar order in September 2018 for the subsequent periods. Telecom's Management believes that it has solid legal arguments to defend its position. Such arguments were actually confirmed in the recitals of Resolution ENACOM No. 840/18. Therefore, Telecom filed the corresponding administrative responses.

In August 2017, Personal received the notice of charge for the differences in the amounts owed in connection with the payment made in October 2016. Notwithstanding the grounds disclosed in its response, in April 2019, ENACOM imposed a sanction on Telecom due to the non-compliance alleged for that period. Telecom filed the corresponding administrative response. However, the company cannot assure that its arguments will be accepted by the ENACOM.

The difference resulting from both criteria since October 2016 is of approximately \$ 717 million plus interest as of December 31, 2021.

On February 27, 2018, ENACOM Resolutions Nos. 840/18 and 1,196/18 were published in the Official Gazette. Through these Resolutions, the ENACOM updated the value of the Radioelectric Spectrum Fee per Unit and, in addition, established a new regime for mobile communication services, which substantially increased the amounts to be paid for such service.

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Telecom filed the restated returns for March and April 2018 (due in April and May 2018) and paid (under protest) the corresponding amounts. It also started to comply, as from September 2018, with the filing and payment (under protest) of the corresponding returns.

Through Resolution No. 4,266/19, dated October 8, 2019, the ENACOM changed the basis of calculation of Radioelectric Spectrum Fees to be paid for the provision of Mobile Communication Services (SRMC, STM, PCS and SCMA) starting as from the filing of the returns due after the publication date of the Resolution. Said change represents a reduction of the rate applicable to the radioelectric spectrum fees to be paid for those services.

### **b) “Consumidores Financieros Asociación Civil para su Defensa” claim**

In November 2011, Personal was notified of a lawsuit filed by the “*Consumidores Financieros Asociación Civil para su Defensa*” claiming that Personal made allegedly abusive charges to its customers by implementing per-minute billing and setting an expiration date for prepaid telecommunication cards.

The plaintiff requested that Personal: i) cease such practices and bill its customers only for the exact time of telecommunication services used; ii) reimburse the amounts collected in excess in the ten years preceding the date of the lawsuit; iii) credit its customers for unused minutes on expired prepaid cards in the ten years preceding the date of the lawsuit; iv) pay an interest equal to the lending rate charged by the Banco de la Nación Argentina; and v) pay punitive damages provided by article 52 bis of Law No. 24,240.

Personal rejected the claim, with emphasis on the regulatory framework that explicitly endorses its practices, now challenged by the plaintiff in disregard of such regulations.

The proceeding is now in the discovery stage. However, the judge has ordered the accumulation of this claim with two other similar claims against Telefónica Móviles Argentina S.A. and América Móvil S.A. (“Claro”). So, the three legal actions will continue within the Federal Civil and Commercial Court No. 9.

The plaintiffs are seeking damages for an unspecified amount. Although Telecom believes there are strong defenses that should result in a dismissal of the claim, in the absence of judicial precedents on the matter, Telecom’s Management (with the advice of its legal counsel) has classified the claim as possible until a judgment is rendered.

### **c) Proceedings related to value added services - Mobile contents**

In October 2015, Personal was notified of a claim brought by the consumer association “Cruzada Cívica para la defensa de los consumidores y usuarios de Servicios públicos”. The plaintiff invokes the collective representation of an undetermined number of Personal customers.

The plaintiff’s claim relates to the manner in which content and trivia games are contracted, in particular the allegedly improper billing of messages sent to solicit such services and of their subscription. Additionally, it proposes the application of punitive damages to Personal.

This claim is substantially similar to other claims made by the consumer association Proconsumer where collective representation of customers is also invoked. As of the date of these consolidated financial statements, this claim for an unspecified amount is in its preliminary stages because notice of the claim has not been served on all interested parties.

Personal has responded the claims and filed legal and factual defenses, requesting that the court summon third parties involved in the provision of VAS. Based on the advice of its legal counsel, Telecom’s Management believes to have strong arguments for its defense. However, given the absence of any case law, the final outcome of these claims cannot be assured.

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**d) “Asociación por la Defensa de Usuarios y Consumidores c/Telecom Personal S.A.” claim**

In 2008, the “Asociación por la Defensa de Usuarios y Consumidores” sued Personal, seeking damages for an unspecified amount, in connection with the billing of calls to the automatic answering machine and the collection system called “send to end”, in collective representation of an undetermined number of Personal customers. The court has to render judgment on this claim.

In 2015, Telecom learned of an adverse court ruling in a similar lawsuit, promoted by the same consumers association against another mobile operator. The court has to render judgment on this claim.

Based on the advice of its legal counsel, the Company’s Management believes to have strong arguments for its defense. However, the final outcome of this claim cannot be assured.

**e) Claims filed by unions in connection with union contributions**

The unions FOESITRA, SITRATEL, SILUJANTEL, SOESIT, FOETRA, SUTTACH, and the Union of Telephone Workers and Employees of Tucumán brought 7 legal actions against Telecom claiming unpaid union contributions set forth in their respective collective bargaining agreements, corresponding to employees of third-party companies that provide services to Telecom, for a 5-year term for which the statute of limitations has not expired, plus damages caused by the failure to pay said contributions. The items claimed are “Fondo Especial” (special fund) and “Contribución Solidaria” (solidarity contribution).

The above-mentioned unions argue that Telecom is jointly and severally liable for the payment of the above-mentioned contributions, based on Articles 29 and 30 of the Employment Contract Law and on the breach of Telecom's obligation to inform the Union about third-party contracts under their collective bargaining agreements. Telecom answered all the claims.

In the action brought by FOESITRA, the judge of first instance rejected the summons to third parties made by Telecom. An appeal has been filed against that decision.

In the action brought by FOETRA, the Court of Appeals revoked the decision rendered by the court of first instance that had declared the incompetence. The judge of first instance must render a decision on the exceptions filed by Telecom

The other claims have been suspended at the request of the parties.

The unions are seeking damages for an unspecified amount.

Even though Telecom's Management believes that there are sound grounds for the favorable resolution of these claims, given the lack of judicial precedents, the final outcome of these claims cannot be assured.

**f) Asociación por la Defensa de Usuarios y Consumidores v. Cablevisión on expedited summary proceeding**

In November 2018, Telecom was served notice of a claim brought by Asociación por la Defensa de Usuarios y Consumidores. The Claimant requested that the defendant: 1) cease its practice of preventing customers from terminating Internet and cable television services when customers request such termination; 2) reimburse to each user the amounts collected for the period of 5 years and until the date on which the defendant ceases the above-mentioned practice; and 3) pay punitive damages for each of the affected customers.

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In December 2018, Telecom filed a response, alleging the application of statutes of limitation (two-year term) as well as the lack of standing of the Association to file the lawsuit. Telecom also argued that the class to be represented had not been established and that it had not contravened the Consumer Defense Law. It also gave a detailed description of the termination procedure used by Cablevisión, highlighting its compliance with Articles 10 ter and 10 quater of said law. It also challenged the application of the punitive damages claimed by the plaintiff and produced documentary evidence. It requested that the claim be rejected in its entirety, and that the legal costs be borne by the plaintiff.

The plaintiffs are seeking damages for an unspecified amount.

Based on the advice of its legal counsel, Telecom believes to have strong arguments for its defense. However, the final outcome of this claim cannot be assured.

### **g) Claim “Unión de Usuarios y Consumidores and Other v. Telecom Argentina S.A.”**

On September 3, 2019, Telecom (as surviving company of Cablevisión) was served notice of a class action brought by “Unión de Usuarios y Consumidores” and “Consumidores Libres Cooperativa Ltda. De Provisión de Servicios de Acción Comunitaria”, pending before the Commercial Court of First Instance No. 9, Clerk’s Office No. 17, for an unspecified amount.

Claimants seek to obtain an order against Telecom for the reimbursement of the price increases collected from its subscribers in September and October 2018 and in January 2019 and of any price increase that may be collected for the duration of the proceedings, for Internet, subscription television and other information and communication technology services and other supplementary services (all of those services are provided under the brands Cablevisión and Fibertel), plus interest accrued until the actual reimbursement date. Claimants allege that the defendant infringed certain provisions set forth under the General Rules Governing ICT and Communication Services Customers and Law No. 24,240 related to the terms and form of notice to subscribers of changes in the prices of such services.

Based on the advice of its legal counsel, Telecom believes to have strong arguments for its defense. However, the final outcome of this claim cannot be assured.

### **h) 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 calculate 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

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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 and the ENACOM, respectively, filed direct appeals that, even though admitted, are still pending before the Supreme Court of Argentina.

Telecom, with the assistance of its legal advisors, is evaluating the potential impacts in light of those developments. Notwithstanding the foregoing, it believes that, considering the case law, it has strong grounds for the favorable resolution of this lawsuit.

### **i) CNV Resolution No. 16,765**

In March 2012, CNV issued Resolution No. 16,765 whereby it ordered the initiation of summary proceedings against Cablevisión, its directors and members of the Supervisory Committee for an alleged failure to comply with the duty to inform. The CNV considers that this deprived the investor community of its right to become fully aware of the Decision rendered by the Supreme Court of Argentina in re "Application for judicial review brought by the National Government Ministry of Economy and Production of the case Multicanal S.A. and other v/CONADECO Decree No. 527/05" and other (this case has concluded to date), and also considers that Cablevisión had not disclosed certain issues related to the information required by the CNV in connection with its Class 1 and 2 Noteholders' Extraordinary Meetings held on April 23, 2010.

In April 2012, Cablevisión filed a response petitioning that its defenses be sustained and all charges dismissed. The discovery stage has been closed and the company submitted the legal brief. The file was submitted to the Legal area.

Telecom and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure the outcome of the said summary proceedings.

### **j) CNV Resolution No. 17,769**

In August 2015, Cablevisión was served notice of Resolution No. 17,769 dated August 13, 2015 whereby the CNV ordered the initiation of summary proceedings against Cablevisión and its directors, members of the Supervisory Committee and the Head of Market Relations for an alleged delay in the submission of the required documentation regarding the registration with the IGJ of the appointment of the officers approved at the Ordinary General Shareholders' Meeting of Cablevisión held on April 30, 2000 and the update of the registered office in the Financial Information Highway.

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In January 2016, the preliminary hearing was held pursuant to Article 138 of Law No. 26,831 and Article 8, Subsection b.1. of Section II, Chapter II, Title III of the Regulations (TR 2013).

Telecom and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, Cablevisión cannot assure the outcome of the said summary proceedings.

### **k) Additional Rate for the Tax on Commercial, Industrial or Service Revenues or "IRACIS"**

In April 2017, a subsidiary of Cablevisión received a notification from the Under-Secretary of State for Taxation of the Treasury of the Republic of Paraguay, whereby that subsidiary was informed that it had failed to determine the additional IRACIS rate on the accumulated results of the companies merged in 2014.

The Telecom's subsidiary considers that it **has solid arguments to support its position**. However, the final outcome of this claim cannot be assured to date.

### **3. Remote Contingencies**

Telecom faces other legal, fiscal and regulatory proceedings considered normal in the development of its activities. The Company's Management and its legal advisors estimate that these will not generate an adverse impact on their financial position and the result of its operations, or its liquidity. In accordance with IAS 37 provisions, it has not set up a provision or disclosed additional information in a note in connection with the resolution of these matters.

### **4. Active Contingencies**

#### **"AFA Plus Project" Claim**

On July 20, 2012, Telecom entered into an agreement with the Argentine Football Association ("AFA"), for the provision of services for a system called "Argentine Football System Administration" ("AFA Plus Project") related to the secure access to first division football stadiums whereby Telecom Argentina would provide the infrastructure and systems to enable AFA to manage the aforementioned project. The recovery of investments and expenses incurred by Telecom Argentina and its profit margin would come from charging AFA a reference price of 20% of the "popular" ticket price per football fan who attended stadiums during the term of the agreement, so the recoverability of Telecom's assets related to the Project depended on AFA implementing the "AFA Plus Project".

From 2012 and in compliance with its contractual obligations, Telecom made investments and incurred expenses amounting to \$ 182 million (stated at the rate prevailing on the transaction date), a portion of which are included in PP&E for the provision and installation of equipment and the execution of civil works for improving the football stadiums, registration center equipment, inventories and material storage and incurred other expenses directly associated with AFA Plus Project.

For several specific reasons relating to the Project itself, the football environment and the country's context, the AFA Plus system was not implemented by AFA, not even partially. Accordingly, Telecom Argentina has not been able to begin collecting the agreed price. Finally, throughout the agreement, Telecom Argentina received no compensation from AFA for the services rendered and the work performed.

In September 2014, AFA notified Telecom of its decision to terminate the agreement with Telecom Argentina, modifying the AFA Plus Project, and also informed that it will assume the payment of the investments and expenditures incurred by Telecom. Accordingly, negotiations between the parties have started.

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In February 2015, AFA made a proposal to compensate the investments and expenditures incurred by Telecom through advertising barter transactions exclusively related to the AFA Plus Project (or the one that replaces this Project in the future), in the amount of US\$ 12.5 million. The proposal considered that if the advertising compensation was not realized in one year, AFA would pay to Telecom the agreed amount. The Company analyzed the quality of the assets offered by AFA in its offer of advertising spaces, and rejected the offer as insufficient. New negotiations were conducted in 2015 to improve the mentioned offer (requiring a combination of cash payments and advertising) but a satisfactory agreement was not reached. Subsequently, negotiations were suspended due to internal affairs of AFA.

In October 2015, Telecom formally demanded that AFA pay the amounts due (\$ 179.2 million plus interest from its implementation). AFA rejected the claim but agreed to resume the negotiation of a settlement agreement. negotiations were subsequently suspended by the AFA due to its electoral process.

In January 2016, both parties resumed conciliatory negotiations, while Telecom reserved its right to exercise legal claims for amounts due.

In June 2016 the Company initiated a mandatory pre-judicial mediation procedure. The first hearing, held on July 12, 2016, was attended by both parties. A second hearing was held on August 3, 2016, and a third and last hearing was held on August 23, 2016, resulting in no agreement between the parties.

Telecom initiated a new pre-judicial mediation procedure which was finished without agreement. On December 19, 2018, Telecom brought a claim against AFA for \$ 353,477,495 Argentine pesos, plus interest and court costs.

At this time, the judge has ordered discovery proceedings.

Telecom's Management, with the assistance of its external advisor, believes that the company has solid legal arguments to support its claim and is evaluating the necessary actions to recover the investments made and expenses incurred.

We note that, to the sole effect of complying with effective accounting standards, Telecom recorded a provision derived from the uncertainties related to the recoverable value of the assets related to the AFA Plus Project and in no way implies that Telecom has waived or limited its rights as a genuine creditor under the AFA Project agreement.

## **NOTE 21 – PURCHASE COMMITMENTS**

As of December 31, 2021, there were outstanding purchase commitments with local and foreign providers for approximately \$ 125,124 million (of which \$ 26,758 million corresponded to PP&E acquisition commitments).

## **NOTA 22 – EQUITY**

### **22.1 – 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 Argentine pesos, 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.

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- 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 held 1,578 treasury shares. During 2020, the Company sold all those shares, and does not have any treasury shares as of the date of these financial statements.

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-GE #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 December 31, 2021 is of \$ 180,642,580 Argentine pesos 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.
- 11,782,877 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

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### 22.2 – Telecom Argentina

The breakdown of equity is as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Attributable to the Controlling Company	541,423	577,285
Attributable to Non-Controlling Shareholders	8,572	9,659
<b>Total Shareholders' Equity</b>	<b>549,995</b>	<b>586,944</b>

#### (a) Capital Stock

As of December 31, 2021 and 2020, 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 consolidated 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.

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

At the Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2021, the shareholders of Telecom decided, among other things:

- I. To approve the Annual Report and financial statements of Telecom as of December 31, 2020;
- II. To approve the Board of Directors' proposal stated in constant currency as of March 31, 2021 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/18. The Board proposed: i) to absorb the accumulated deficit as of December 31, 2020 of \$ 6,455,431,747 (\$ 8,626 million in constant currency as of December 31, 2021) through the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and ii) to reclassify \$ 13,776,401,012 (\$ 17,688 million in constant currency as of December 31, 2021) 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) Share Ownership Plan ("PPP", for its Spanish acronym)

Under the PPP (an employee share ownership program sponsored by the Argentine government) established by the Argentine Government, in December 1992, the Argentine Government transferred to the employees that fell within the PPP (employees of the former ENTel, Startel and Telintar and employees of the former Compañía Argentina de Teléfonos that had been transferred to Telecom) 10% of the capital stock of Telecom, then represented by 98,438,098 Class "C" shares. Decree No. 1,623/99 authorized the early availability of PPP shares, but excluded from said availability the shares held by the PPP Guarantee and Repurchase Fund, which were subject to an injunction. In March 2000, at the Shareholders' Meeting of Telecom, the shareholders approved the conversion of 52,505,360 Class "C" shares into Class "B" shares (these shares didn't belong to the Guarantee and Repurchase Fund), most of which were sold in a secondary public offering in May 2000.

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At the request of the PPP Executive Committee, at the Shareholders' Meeting of Telecom Argentina held on April 27, 2006, the shareholders approved the delegation on the Board of Directors of the power to decide on the additional conversion of up to 41,339,464 Class "C" shares into Class "B" shares. The delegation of powers on the Board of Directors to decide on the conversion of the shares did not include 4,593,274 Class "C" shares of the Guarantee and Repurchase Fund that fell within an injunction issued in re "Garcías de Vicchi, Amerinda y otros c/ Sindicación de Accionistas Clase C del Programa de Propiedad Participada s/nulidad de acto jurídico" (hereinafter, Garcías de Vicchi). With respect to such shares, at the Shareholders' Meeting, the shareholders stated that there were legal restrictions to approve said delegation of powers for their conversion into Class "B" shares. As of December 31, 2011, said 41,339,464 Class "C" shares had been converted into Class "B" shares in eleven tranches.

Since the injunction issued in re Garcías de Vicchi was revoked, the Board of Directors of Telecom called an Ordinary and Extraordinary General Shareholders' Meeting and a Special Shareholders' Meeting of Class "C" Shares, which were held on December 15, 2011, at which the shareholders approved the delegation of powers on the Board of Directors for the conversion, in one or more tranches, of up to 4,593,274 Class "C" Shares into Class "B" Shares. As of December 31, 2021, 4,486,540 Class "C" Shares were converted into Class "B" Shares in 13 tranches.

As of the date of these consolidated financial statements, 106,734 Class "C" shares have not yet been converted.

### **(d) Capital Markets Law – Law No. 26,831, as amended**

On December 28, 2012, Capital Markets Law No. 26,831 was published in the Official Gazette. This law eliminated the self-regulation of the capital market, granted new powers to the CNV, and repealed Law No. 17,811 and Decree No. 677/01, among other regulations. Law No. 26,831 became effective on January 28, 2013. As from its effective date, the Public Tender Offer regime applies to all listed companies.

#### **Productive Financing Law**

On May 11, 2018, Productive Financing Law No. 27,440 was published in the Official Gazette. This law introduced several amendments to the Capital Markets Law No. 26,831 regarding the extent of the powers of the CNV; the exercise of preemptive rights on shares offered through public offering in the case of capital increases; private placements; public tender offers; the jurisdiction of the federal commercial courts of appeals to review the resolutions issued or sanctions imposed by the CNV, among other amendments.

With respect to public tender offers, under the previous regime, the offeror was obliged to formulate a "fair" price to be set by weighing the results of different company valuation methods, with a minimum floor related to the average market price for the six-month period immediately preceding the date of the agreement. Pursuant to the amendments introduced by Law No. 27,440 to the Capital Markets Law, the obligation is objective and consists in offering the higher of two existing prices: the price paid or agreed by the offeror during the 12 months immediately preceding the first day of the public tender offer period, and the average price of the securities subject to the offer during the semester immediately preceding the date of the announcement of the transaction under which the change of control is agreed upon.

On December 28, 2018, General Resolution No. 779/18, whereby the CNV established the regulatory framework applicable to public tender offers, was published in the Official Gazette.

### **(e) Acquisition of Treasury Shares**

At a meeting held on May 22, 2013, the Board of Directors approved a Program for the Acquisition of Treasury Shares of Telecom in the market in Argentine pesos (the "Treasury Shares Acquisition Program") so as to avoid any possible damages to Telecom and its shareholders derived from fluctuations and imbalances between the price of the shares and Telecom's solvency.

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Within the framework of that Program, Telecom acquired, between May 28 and November 05, 2013, 15,221,373 treasury shares.

Pursuant to article 67 of Capital Markets Law No. 26,831, Telecom had to sell its treasury shares within a maximum term of three years as from the date of acquisition, unless the shareholders decided to extend said term. Pursuant to Section 221 of the LGS, the rights of treasury shares shall be suspended until such shares are sold, and such shares shall not be considered to determine the quorum or the majority of votes at Shareholders' Meetings. There were no restrictions regarding Retained Earnings because a specific reserve was set up to this end under the name "Voluntary Reserve for Capital Investments."

At the General Ordinary and Extraordinary Shareholders' Meeting held on April 29, 2016, the shareholders of Telecom approved an extension of the term for the sale of treasury stock for 3 additional years pursuant to article 67 of Law No. 26,831.

Pursuant to Article 67 of Law No. 26,831, between May 28, 2019 and November 05, 2019, Telecom Argentina in three tranches statutorily reduced its capital stock by a total nominal amount of \$ 15,221,373, through the full cancellation of 15,221,373 Class "B" common shares of Telecom, with nominal value of \$ 1 each and entitled to 1 vote per share, held as treasury stock. All the tranches of the statutory capital reduction were duly registered with the IGJ.

As a consequence of the equity reduction mentioned in the previous paragraphs, Telecom recognized in 2019 a decrease in its treasury stock of \$ 15 million, a decrease in the Comprehensive Adjustment of \$ 1,976 million and a decrease in the Cost of treasury stock of \$ 5,674 million with an offsetting entry in Accumulated Results of \$ 3,683 million.

As of the date of these consolidated financial statements, Telecom does not have any treasury stock.

### **(f) Law No. 27,260 "Historic Reparation for Retirees and Pensioners"**

On July 22, 2016, Law No. 27,260 "Historic Reparation for Retirees and Pensioners" was published in the Official Gazette. Article 35 of said law repealed Law No. 27,181 on the "Declaration of public interest concerning the protection of the National Government's equity interests that make up the investment portfolio of the Guaranty Fund of the Argentine Integrated Social Security System ("FGS", for its Spanish acronym). Moreover, Article 30 of Law No. 27,260 provides that the transfer of shares

of national corporations authorized by the CNV for public offering and owned by the FGS is forbidden without prior express authorization of the National Congress when, as a consequence of such a transfer, the aggregate participation of all shares owned by the FGS would fall below 7% FGS's total assets, except in the following cases: *"1. public tender offers addressed to all holders of those assets and at an equitable price authorized by the CNV pursuant to the provisions of Chapters II, III, and IV, Title III of Law No. 26,831. 2. Exchanges of shares for other shares of the same or another company in the context of a merger, spin-off or corporate reorganization processes."*

### **(g) Decree No. 894/16: corporate, political and economic rights to be exercised by ANSES**

On July 28, 2016, Decree No. 894/16 was published in the Official Gazette, whereby the Government provided that the corporate, political, and economic rights pertaining to the shares of companies that are part of FGS' investment portfolio shall be exercised by Argentina's National Social Security Administration ("ANSES", for its Spanish acronym), and not by the Secretariat of Economic Policy and Development Planning.

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**NOTE 23 – FINANCIAL INSTRUMENTS****a) Categories of financial assets and liabilities.**

The following tables show, for financial assets and liabilities recorded as of December 31, 2021 and 2020, the supplementary disclosures on financial instruments required by IFRS 7 and the detail of gains and losses by category of financial instrument established by IFRS 9.

As of December 31, 2021	Amortized cost	Fair Value		Total
		accounted through profit or loss	accounted through other comprehensive Income	
<b>Assets</b>				
Cash and Cash Equivalents	17,574	3,325	-	20,899
Investments	-	11,708	-	11,708
Trade Receivables	22,626	-	-	22,626
Other Receivables (1)	2,207	1,915	-	4,122
<b>Total</b>	<b>42,407</b>	<b>16,948</b>	<b>-</b>	<b>59,355</b>
<b>Liabilities</b>				
Accounts Payable	50,345	-	-	50,345
Financial Debt	266,736	88	97	266,921
Lease Liabilities	18,916	-	-	18,916
Other Liabilities and Dividends Payable (1)	1,047	-	-	1,047
<b>Total</b>	<b>337,044</b>	<b>88</b>	<b>97</b>	<b>337,229</b>

As of December 31, 2020	Amortized cost	Fair Value		Total
		accounted through profit or loss	accounted through other comprehensive Income	
<b>Assets</b>				
Cash and Cash Equivalents	13,412	16,832	-	30,244
Investments	258	7,734	-	7,992
Trade Receivables	28,701	-	-	28,701
Other Receivables (1)	2,787	2,074	-	4,861
<b>Total</b>	<b>45,158</b>	<b>26,640</b>	<b>-</b>	<b>71,798</b>
<b>Liabilities</b>				
Accounts Payable	63,109	-	-	63,109
Financial Debt	301,389	257	539	302,185
Lease Liabilities	15,550	-	-	15,550
Other Liabilities and Dividends Payable (1)	849	-	-	849
<b>Total</b>	<b>380,897</b>	<b>257</b>	<b>539</b>	<b>381,693</b>

(1) Includes only financial assets and liabilities that are within the scope of IFRS 7.

**Financial Income and Expense by Category – year 2021**

	Net Income (expense)	Of which interest
Financial assets at amortized cost	5,701	1,314
Financial liabilities at amortized cost	26,426	(22,134)
Financial assets at fair value through profit or loss	1,629	94
Financial liabilities at fair value through profit or loss	(2,823)	-
<b>Total</b>	<b>30,933</b>	<b>(20,726)</b>

**Financial Income and Expense by Category – year 2020**

	Net Income (expense)	Of which interest
Financial assets at amortized cost	16,419	2,027
Financial liabilities at amortized cost	(49,141)	(29,302)
Financial assets at fair value through profit or loss	530	586
Financial liabilities at fair value through profit or loss	(2,243)	-
<b>Total</b>	<b>(34,435)</b>	<b>(26,689)</b>

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### **b) Fair value hierarchy and other disclosures**

IFRS 13 establishes a hierarchy of fair value, based on the information used to measure the financial assets and liabilities and also establishes different valuation techniques. According to IFRS 13, valuation techniques used to measure fair value shall maximize the use of observable inputs.

The measurement at fair value of the financial instruments of Telecom is classified according to the three levels set out in IFRS 13.

- Level 1: Fair value determined by quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value determined based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value determined by unobservable inputs where the reporting entity is required to develop its own assumptions and premises.

Financial assets and liabilities measured at fair value as of December 31, 2021 and 2020, their inputs, valuation techniques and the level of hierarchy are listed below:

**Mutual Funds:** included in the item Cash and Cash Equivalents, Investments and Other Receivables (Guarantee of Financial Transactions). The Company and its subsidiaries hold mutual funds in the amount of \$ 3,213 million and \$ 13,387 million as of December 31, 2021 and 2020, respectively. The fair value is based on information obtained from active markets, measuring each share at quoted market prices as of each year-end; therefore, its valuation is classified as Level 1.

**Government Notes and Bonds:** Included in the item Cash and Cash Equivalents and Investments. The Company and its subsidiaries hold government notes and bonds in the amount of \$ 11,624 million and \$ 23,976 million as of December 31, 2021 and 2020, respectively. The fair value is based on information obtained from active markets, measuring each security at quoted market prices as of each year-end; therefore, its valuation is classified as Level 1.

**Derivative financial instruments (Forward contracts to purchase US dollars at fixed exchange rates and interest rate swap):** The fair value of the NDF contracts executed by Telecom and its subsidiaries, disclosed in the chapter "Hedge Accounting", was classified as Level 2 and its valuation was determined as follows:

- a) NDF for forward contracts to purchase US dollars, corresponds to the difference between the market price prevailing at year-end and at the time of execution of the transaction and;
- b) NDF for interest rate swap corresponds to the present value of estimated future cash flows based on the observable yield curves in the market.

During fiscal years ended December 31, 2021 and 2020, there were no transfers between the levels of the fair value hierarchy.

According to IFRS 7, companies are also required to disclose fair value information about financial instruments regardless of whether or not they are recognized at fair value in the statement of financial position, as long as it is feasible to estimate such fair value. The financial instruments discussed in this section include, among others, cash and cash equivalents, investments at amortized cost, accounts receivable, accounts payable and other instruments.

Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instrument. Also, because of differences in methodologies and assumptions used to estimate fair value, the Company's fair values should not be compared to those of other companies.

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The methods and assumptions used to estimate the fair values of each class of financial instrument falling under the scope of IFRS 13 as of December 31, 2021 and 2020 are as follows:

### Cash and Banks

Carrying amounts approximate their fair value.

### Short-Term Investments and Other Investments at Amortized Cost (included in Cash and cash equivalents)

Telecom and its subsidiaries consider as cash and cash equivalents all short-term and highly liquid investments that are readily convertible to cash, subject to an insignificant risk of changes in value and their original maturity or the remaining maturity at the date of purchase does not exceed three months. Carrying amounts approximate their fair value.

### Current and Non-Current Investments Valued at Amortized Cost

As of December 31, 2020, the fair value of these investments amounted to \$ 266 million, with a book value of \$ 258 million. For investments at amortized cost, the fair value is based on information obtained from active markets, measuring each security at quoted market prices; therefore, its valuation is classified as Level 1.

### Trade Receivables, Net

The book value is considered to approximate fair value due to the short-term nature of these accounts receivable. Non-current trade receivables have been recognized at their amortization cost, using the effective interest method and are not significant. An allowance was set up for all doubtful receivables.

### Accounts Payable and Lease Liabilities

The carrying amount of accounts payable and lease liabilities reported in the consolidated statement of financial position approximates their fair value due to the short-term nature of these accounts payable. Non-current accounts payable and lease liabilities have been discounted.

### Financial Debt

Below is a detail of the fair value and the carrying amount of financial debt as of December 31, 2021:

	<u>Book Value</u>	<u>Fair Value</u>
Notes	140,605	138,389
Other Financial Debt	126,316	116,590
	<u>266,921</u>	<u>254,979</u>

Below is a detail of the fair value and the carrying amount of financial debt as of December 31, 2020:

	<u>Book Value</u>	<u>Fair Value</u>
Notes	143,843	133,266
Other Financial Debt	158,342	148,531
	<u>302,185</u>	<u>281,797</u>

The fair value of the loans was assessed as follows:

1. The fair value of the listed Notes was measured at the market price published at each year-end. As a result, its valuation classifies as Level 1.
2. The fair value of the unlisted Notes was measured based on information obtained from the most representative financial institutions. As a result, its valuation classifies as Level 2.

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3. The other loans were measured based on discounted cash flows, using as reference the market rates prevailing at year-end. As a result, their valuation classifies as Level 3.

### Other receivables, net (except for NDF) and other liabilities

The carrying amount of other receivables, net and other liabilities reported in the consolidated statement of financial position approximates their fair value.

### **c) Hedge Accounting**

Telecom and its subsidiaries believe that a hedging relationship qualifies under IFRS 9 for hedge accounting if all of the following conditions established by the rule are met:

- (a) The hedging relationship consists only of eligible hedging instruments and hedged items;
- (b) At the beginning of the hedge relationship, there is a formal designation and documentation of the hedging relationship and objective and strategy for risk management of Telecom and its subsidiaries for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity assesses whether the hedging relationship meets the requirements of hedge effectiveness (including analysis of sources of hedge ineffectiveness and how to determine the hedge ratio); and
- (c) The hedging relationship satisfies the following requirements of hedge effectiveness:
- (i) there is an economic relation between the hedged item and the hedging instrument;
  - (ii) the effect of credit risk is not predominant in respect of changes of value coming from this economic relation, and
  - (iii) the coverage ratio of the hedging relationship is the same as that provided by the amount of the hedged item for which the entity is really covering and the amount of the hedging instrument that the entity actually used to cover that amount of the hedged item.

### **During fiscal years 2021 and 2020**

#### • **Hedge of LIBOR Fluctuations**

As of December 31, 2020, Telecom recognized a liability of \$ 696 million included under Financial Debt (\$ 679 million current and \$ 17 million non-current). Likewise, during 2020, Telecom recognized losses amounting to \$ 443 million in connection with these contracts which are included in Interest on Financial debt under Financial Results.

As of December 31, 2021, Telecom recognized a liability of \$ 165 million included under Current Financial Debt. Likewise, during this year, the Group recognized losses amounting to \$ 378 million in connection with these contracts which are included in Interest on Financial debt under Financial Results.

#### • **Hedge of Exchange Rate Fluctuations**

During the year ended December 31, 2020, Telecom entered into several NDF agreements to hedge the fluctuation of the exchange rate under its loan portfolio of US\$ 477 million, fixing the average exchange rate at \$ 87.54 and expiring between February 2020 and February 2021. During 2020, Telecom recognized losses related to these agreements for \$ 2,299 million, which are included in Exchange Differences under Financial Results.

During the year ended 2021, Telecom entered into NDF agreements to hedge the fluctuation of the exchange rate under its loan portfolio of US\$ 473 million, fixing the average exchange rate at \$ 102.49 per US dollar, with maturities between March 2021 and September 2022. During 2021, Telecom recognized losses related to these agreements for \$ 1,831 million, which are included in Exchange Differences under

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Financial Results. As of December 31, 2021, Telecom held NDF agreements for an aggregate amount of US\$ 89 million, for which it recognized liabilities in the amount of \$ 20 million included under Current Financial Debt.

**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 December 31, 2021 and 2020 is as follows:

	<b>As of December 31, 2021</b>			
	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Accounts Payable</b>	<b>Other Liabilities</b>
Current and non-current assets (liabilities) - Gross value	24,387	4,466	(52,106)	(9,793)
Offsetting	(1,761)	(344)	1,761	344
<b>Current and Non-Current Assets (Liabilities) – Book value</b>	<b>22,626</b>	<b>4,122</b>	<b>(50,345)</b>	<b>(9,449)</b>
	<b>As of December 31, 2020</b>			
	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Accounts Payable</b>	<b>Other Liabilities</b>
Current and non-current assets (liabilities) - Gross value	30,039	2,926	(64,447)	(985)
Offsetting	(1,338)	(136)	1,338	136
<b>Current and Non-Current Assets (Liabilities) – Book value</b>	<b>28,701</b>	<b>2,790</b>	<b>(63,109)</b>	<b>(849)</b>

The Group offsets financial assets and liabilities to the extent that such setoff is contractually permitted and provided that the Group has 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 24 – REVENUES**

	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Mobile Services	161,131	171,089
Internet Services	90,768	96,954
Cable Television Services	82,550	89,934
Fixed Telephony and Data Services	58,930	68,825
Other Services	2,318	1,863
<b>Subtotal Service Revenues</b>	<b>395,697</b>	<b>428,665</b>
Sales of Handsets	29,796	26,569
<b>Total Revenues</b>	<b>425,493</b>	<b>455,234</b>

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**NOTE 25 – OPERATING EXPENSES**

Operating expenses disclosed by nature of expense amounted to \$ 428,556 million and \$ 424,949 million for the years ended December 31, 2021 and 2020, respectively. The main components of the operating expenses are the following:

	<b>For the years ended December</b>	
	<b>2021</b>	<b>2020</b>
	<b>Income (loss)</b>	
<b><u>Employee benefit expenses and severance payments</u></b>		
Salaries, Social Security Payables and Bonuses	(83,494)	(82,149)
Severance Payments	(6,518)	(3,751)
Other Labor Costs	(1,876)	(2,420)
	<b><u>(91,888)</u></b>	<b><u>(88,320)</u></b>
<b><u>Fees for Services, Maintenance, Materials and Supplies</u></b>		
Maintenance and Materials	(28,512)	(28,413)
Fees for services	(20,577)	(21,417)
Directors' and Supervisory Committee Members' Fees	(563)	(231)
	<b><u>(49,652)</u></b>	<b><u>(50,061)</u></b>
<b><u>Taxes and Fees with the Regulatory Authority</u></b>		
Turnover Tax	(15,813)	(16,496)
Fees with the Regulatory Authority	(7,863)	(8,503)
Municipal Taxes	(4,524)	(4,727)
Other Taxes and Charges	(4,544)	(5,024)
	<b><u>(32,744)</u></b>	<b><u>(34,750)</u></b>
<b><u>Cost of Equipment and Handsets</u></b>		
Inventory Balances at the beginning of the year	(6,001)	(7,079)
Plus:		
Purchase of Equipment	(19,754)	(17,711)
Other	1,356	1,986
Less:		
Inventory Balances at year-end	3,438	6,001
	<b><u>(20,961)</u></b>	<b><u>(16,803)</u></b>
<b><u>Other Operating Costs</u></b>		
Lawsuits and Contingencies	(7,896)	(4,533)
Rentals and Internet Capacity	(2,751)	(3,022)
Electricity, water supply and other utilities	(6,991)	(8,181)
Other	(3,542)	(4,855)
	<b><u>(21,180)</u></b>	<b><u>(20,591)</u></b>
<b><u>Depreciation, Amortization and Impairment of Fixed Assets</u></b>		
Depreciation of PP&E	(108,373)	(99,176)
Amortization of Intangible Assets	(15,558)	(16,041)
Amortization of Right-of-Use Assets	(10,330)	(8,860)
Impairment of Fixed Assets	(1,284)	(568)
	<b><u>(135,545)</u></b>	<b><u>(124,645)</u></b>

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Operating Expenses disclosed by function are as follows:

Item	Operating Costs	Administrative Expenses	Selling Expenses	Total as of	Total as of
				December 31, 2021	December 31, 2020
Employee benefit expenses and severance payments	(52,999)	(17,101)	(21,788)	<b>(91,888)</b>	<b>(88,320)</b>
Interconnection and Transmission Costs	(15,262)	-	-	<b>(15,262)</b>	<b>(16,987)</b>
Fees for Services, Maintenance, Materials and Supplies	(26,465)	(8,221)	(14,966)	<b>(49,652)</b>	<b>(50,061)</b>
Taxes and Fees with the Regulatory Authority	(32,271)	(232)	(241)	<b>(32,744)</b>	<b>(34,750)</b>
Commissions and Advertising	(299)	(121)	(23,972)	<b>(24,392)</b>	<b>(26,040)</b>
Cost of Equipment and Handsets	(20,961)	-	-	<b>(20,961)</b>	<b>(16,803)</b>
Programming and Content Costs	(28,949)	-	-	<b>(28,949)</b>	<b>(30,443)</b>
Bad Debt Expenses	-	-	(7,983)	<b>(7,983)</b>	<b>(16,309)</b>
Other Operating Costs	(9,818)	(2,078)	(9,284)	<b>(21,180)</b>	<b>(20,591)</b>
Depreciation, Amortization and Impairment of Fixed Assets	(107,717)	(13,924)	(13,904)	<b>(135,545)</b>	<b>(124,645)</b>
<b>Total as of December 31, 2021</b>	<b>(294,741)</b>	<b>(41,677)</b>	<b>(92,138)</b>	<b>(428,556)</b>	
<b>Total as of December 31, 2020</b>	<b>(283,873)</b>	<b>(47,227)</b>	<b>(93,849)</b>		<b>(424,949)</b>

**Operating Leases**

Future minimum lease payments from of non-cancellable operating lease agreements as of December 31, 2021 and 2020 at historical currency as of the transaction date are as follows:

	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>2021</b>	436	142	-	<b>578</b>
<b>2020</b>	341	148	-	<b>489</b>

For more information, see Note 3.j) to these consolidated financial statements.

**NOTE 26 – FINANCIAL INCOME AND EXPENSE**

	For the years ended December 31,	
	2021	2020
	<b>Income (loss)</b>	
Financial Debt Interest Expense (*)	(15,941)	(21,687)
Exchange Differences on Financial Debt (**)	46,793	(10,395)
Income from Renegotiation of Financial Debt	(2,152)	(5,198)
<b>Total Financial Expenses on Debt</b>	<b>28,700</b>	<b>(37,280)</b>
Results from Operations with Notes and Bonds (***)	2,340	206
Other Exchange Differences	6,535	7,547
Other interest, net and other income from investments	(1,633)	(1,083)
Taxes and Bank Expenses	(4,286)	(4,130)
Interest on Pension Benefits	(225)	(356)
Financial Discounts on Assets, debt and Other	(2,440)	(1,090)
Gain (Loss) on Net Monetary Position	17,172	8,515
Other	79	228
<b>Total Other Financial Income and Expense, net</b>	<b>17,542</b>	<b>9,837</b>
<b>Total Financial Income and Expense, net</b>	<b>46,242</b>	<b>(27,443)</b>

(\*) Includes (378) and 443 of foreign currency exchange gains (losses), net generated by NDF for the years ended December 31, 2021 and 2020, respectively.

(\*\*) Includes (1,831) and (2,299) of foreign currency exchange gains (losses), net generated by NDF for the years ended December 31, 2021 and 2020, respectively.

(\*\*\*) Includes 110 and 1,005 corresponding to gains (losses) from the derecognition of financial assets measured at amortized cost for the years ended December 31, 2021 and 2020, respectively.

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### NOTE 27 – EARNINGS PER SHARE

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Net Income used in the Calculation of Basic Earnings per Share (gain):		
from Continuing Operations (in millions of Argentine pesos)	3,698	(4,545)
	<u>3,698</u>	<u>(4,545)</u>
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	180,642,580	180,641,317
Earnings per Share (in Argentine pesos)	20.47	(25.16)

The weighted average of outstanding shares for the years ended December 31, 2021 and 2020 was 180,642,580 and 180,641,317, respectively. 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>December 31, 2021</u>	<u>December 31, 2020</u>
Basic and Diluted Earnings per Share	20.47	(25.16)
Total Earnings per Share	20.47	(25.16)

### NOTE 28 – FINANCIAL RISKS MANAGEMENT

#### FINANCIAL RISK FACTORS

The Group is exposed to the following financial risks in the ordinary course of its business operations:

- Market Risk: Stemming from changes in exchange rates, market prices, and interest rates in connection with financial assets that have been originated and financial liabilities that have been assumed;
- Credit Risk: Representing the risk of the non-fulfillment of the obligations undertaken by the counterparty regarding the operations of Telecom;
- Liquidity Risk: Related to the need to meet short-term financial commitments.

These financial risks are managed by:

- The definition of guidelines for directing operations;
- The activity of the Board of Directors and Management which monitors the level of exposure to the above-mentioned risks consistently with prefixed general objectives;
- The identification of the most suitable financial instruments, including derivatives, to reach prefixed objectives;
- The monitoring of the results achieved.

The policies to manage and the sensitivity analyses of the above financial risks by the Telecom Group are described below:

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### Market Risk

One of the main market risks faced by the Group is its exposure to changes in foreign currency exchange rates in the markets in which it operates.

Foreign currency risk is the risk that the future fair values or cash flows of a financial instrument may fluctuate due to exchange rate changes.

The Group has part of its commercial debt denominated in US\$ and in other currencies. Additionally, a large portion of its financial debt is denominated in US dollars.

The financial risk management policies of the Group are directed towards diversifying market risks by the acquisition of goods and services in the functional currency and minimizing interest rate exposure by an appropriate diversification of the portfolio. This may also be achieved by using carefully selected derivative financial instruments to mitigate long-term positions in foreign currency and/or adjustable by variable interest rates. For more information, see Note 23 to these consolidated financial statements.

Additionally, the Group has cash and cash equivalents and investments mostly denominated in foreign currency that are also sensitive to changes in exchange rates and contribute to reduce the exposure to commercial and financial obligations in foreign currency.

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

The following table shows the financial assets and liabilities denominated in foreign currency as of December 31, 2021 and 2020:

	2021	2020
	(in millions of converted Argentine pesos)	
<b>Assets</b>	21,647	33,415
<b>Liabilities</b>	(233,985)	(311,362)
<b>Net Liabilities</b>	<b>(212,338)</b>	<b>(277,947)</b>

In order to reduce this net liability position in foreign currency, the Group holds, as of December 31, 2021, derivatives for US\$ 89 million. Therefore, the net debt that is not covered by these instruments amounts to approximately US\$ 1,994 million as of that date.

### **Exchange rate risk – Sensitivity analysis**

Based on the composition of the consolidated statement of financial position as of December 31, 2021, which is a net liability position not covered by derivatives of approximately US\$ 1,994 million, Management estimates that any increase in the exchange rate of around 20% against the U.S. dollar would generate a variation of approximately \$ 40,964 million of the consolidated amounts of foreign currency position.

### **Interest Rate Risk – Sensitivity Analysis**

Within its structure of financial debt, the Group has bank overdrafts denominated in Argentine pesos accruing interest at rates that are reset at maturity, notes and loans with banks and other financial institutions denominated in Argentine pesos, USD, RMB, and PYG that accrue interest at a floating and fixed rates. For more information, see Note 14 to these consolidated financial statements.

As of December 31, 2021, the Group had a debt at variable rate of approximately \$ 104,919 million. In order to reduce the effect of changes in interest rates, the Group holds as of December 31, 2021 derivatives for an aggregate principal amount of US\$ 11,299 million, which convert variable rates into fixed rates. Therefore, the total debt subject to variable interest rate taking into consideration the derivatives amounts

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to approximately \$ 93,620 million as of December 31, 2021. Management believes that any variation of 100 annual bps in the agreed interest rates would result in a variation of approximately \$ 936 million.

### Price Risk – Sensitivity Analysis

The Company's and its subsidiaries' investments in financial assets with changes in fair value recognized in net income are susceptible to the risk of changes in market prices arising from fluctuations in the future value of these assets. The Company conducts an ongoing monitoring of the evolution of these assets' prices.

As of December 31, 2021, the total value of investments in fair value recognized in net income amounted to \$ 11,708 million.

Management estimates that any 10% variation in the market price would yield a result of \$ 1,171 million.

Sensitivity analyses showed only a limited, point-in-time view of the market risk sensitivity of certain of the financial instruments. The actual impact of changes in financial instruments may differ significantly from this estimate.

### Credit Risk

Credit risk represents the Group's exposure to possible losses arising from the failure of commercial or financial counterparties to fulfill their assumed obligations. That risk stems mainly from economic and/or financial factors that may affect debtors.

The credit risk affects cash and cash equivalents, deposits held at banks and financial institutions, as well as credit granted to clients, including outstanding accounts receivable and committed transactions.

The maximum theoretical credit risk exposure of the Group is represented by the book value of net financial assets, disclosed in the consolidated statement of financial position.

Maturities	Cash and Cash Equivalents	Investments	Trade Receivables	Other Receivables	Total
Total Due	-	-	12,578	26	12,604
Total not due	20,899	11,708	10,048	4,096	46,751
Total as of December 31, 2021	20,899	11,708	22,626	4,122	59,355

The allowance for bad debts is recorded: (i) for an exact amount on credit positions that present an element of individual risk (bankruptcy, customers under legal proceedings with Telecom); and (ii) for credit positions that do not present such characteristics allowances are recorded by customer segment considering the aging of the accounts receivable balances, the expected uncollectability, customer creditworthiness and changes in the customer payment terms. Total overdue balances not covered by the allowance for bad debts amount to \$ 12,578 million as of December 31, 2021 (\$ 14,576 million as of December 31, 2020).

Regarding the credit risk relating to the assets included under "Net financial debt" or "net financial asset", it should be noted that Telecom evaluates the outstanding credit of the counterparty and the levels of investment, based, among other things, on their credit rating and the equity size of the counterparty.

In order to minimize credit risk, the Group also pursues a diversification policy for its investments by making deposits with reputable financial institutions and, generally, for short periods. Consequently, there are no significant positions with any one single counterparty.

Telecom has a wide range of customers, including individuals, businesses - medium-and-large-sized companies - and governmental agencies. Therefore, Telecom's receivables are not subject to credit risk concentration.

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### Liquidity Risk

Liquidity risk represents the risk that the Group shall have no funds to fulfill its obligations of any nature (labor, commercial, fiscal and financial, among others).

The Group's working capital breakdown and its main variations are disclosed below:

	2021	2020	Changes
Trade Receivables	22,554	28,612	(6,058)
Other receivables (not considering financial NDF)	7,041	8,389	(1,348)
Inventories	3,115	5,618	(2,503)
Current Liabilities (without considering financial debt)	(100,774)	(97,324)	(3,450)
<b>Operative working capital - negative</b>	<b>(68,064)</b>	<b>(54,705)</b>	<b>(13,359)</b>
<i>On Sales</i>			
Cash and Cash Equivalents	20,899	30,331	(9,432)
Financial NDF	0	3	(3)
Other Receivables	1,915	2,071	(156)
Investments	11,708	22,098	(10,390)
Current Financial Debt	(64,887)	(62,801)	(2,086)
<b>Current Financial Liabilities, net</b>	<b>(30,365)</b>	<b>(8,298)</b>	<b>(22,067)</b>
<b>Negative operating working capital (current assets – current liabilities)</b>	<b>(98,429)</b>	<b>(63,003)</b>	<b>(35,426)</b>
<b>Liquidity Ratio</b>	<b>0.40</b>	<b>0.61</b>	

The Telecom Group has a typical working capital structure for a company with intensive capital that obtains spontaneous financing from its suppliers (especially PP&E) for longer terms than those it grants to its customers. The negative working capital was of \$ 100,433 million as of December 31, 2021 (an increase of \$ 20,755 million compared to December 31, 2020).

Telecom has an excellent credit rating and has several financing sources, with several instruments and offers from first-class international institutions to diversify its current funding structure, which includes access to domestic and international capital markets and competitive bank-loan terms and financial expenses on debt.

Telecom's Management evaluates the national and international macroeconomic context to take advantage of market opportunities to preserve its financial health for the benefit of its investors.

Telecom manages its cash and cash equivalents and, in general, its financial assets, trying to match the term of investments with those of its obligations. Its cash and cash equivalents position is invested in highly liquid, short-term instruments.

Telecom maintains a liquidity policy that results in a significant volume of available cash in the ordinary course of business. Telecom and its subsidiaries have consolidated cash and cash equivalents of \$ 19,849 million (equal to US\$ 193 million) as of December 31, 2021 (as of December 31, 2020, it had US\$ 220 million). During fiscal years ended December 31, 2021 and 2020, Telecom continued to obtain financing from the financial and capital markets to cover capital expenditures, working capital and other general corporate purposes and to refinance a portion of its financial debt within the framework of its ongoing policy, aimed at optimizing the term, rate and structure of its financial debt. For more information on the loans obtained, repaid and restructured, see Note 14 to these consolidated financial statements.

The following table shows the breakdown of financial liabilities by relevant groups of maturities based on the remaining period as from the date of the consolidated statement of financial position through the contractual maturity date. The amounts disclosed in this table represent undiscounted cash flows (principal plus contractual interest).

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Maturities	Accounts Payable	Financial Debt	Dividends Payable	Lease Liabilities	Other Liabilities	Total
Matured	2,717	-	-	-	-	2,717
January 2022 through December 2022	46,537	68,437	922	6,724	123	122,743
January 2023 through December 2023	900	58,941	-	4,009	2	63,852
January 2024 through December 2024	166	58,489	-	3,036	-	61,691
January 2025 onwards	35	128,108	-	6,958	-	135,101
	<b>50,355</b>	<b>313,975</b>	<b>922</b>	<b>20,727</b>	<b>125</b>	<b>385,164</b>

**Capital Management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments considering the evolution of its business and changes in macroeconomic conditions. To maintain or adjust its capital structure, the Company may adjust dividend payments to shareholders and the level of indebtedness.

The Company does not have to comply with regulatory capital adequacy requirements.

**NOTE 29 - 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 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 year presented, the Group has not conducted any transactions with Key Managers and/or persons related to them, except as set forth under iv) below.

**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**

CURRENT ASSETS	Type of related party	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Trade Receivables</b>			
Ver TV S.A.	Associate	<u>1</u>	<u>3</u>
		<u>1</u>	<u>3</u>
<b>Other Receivables</b>			
La Capital Cable S.A.	Associate	222	159
Teledifusora San Miguel Arcángel S.A.	Associate	-	4
Ver T.V. S.A.	Associate	<u>2</u>	<u>15</u>
		<u>224</u>	<u>178</u>
<b>CURRENT LIABILITIES</b>			
<b>Other Liabilities</b>			
Televisora Privada del Oeste S.A.	Associate	-	5
		<u>-</u>	<u>5</u>

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- Related Parties**

<b>CURRENT ASSETS</b>	<b>Type of related party</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Trade Receivables</b>			
Other Related Parties	Related company	181	246
		<b>181</b>	<b>246</b>
<b>Other Receivables</b>			
Other Related Parties	Related company	4	48
		<b>4</b>	<b>48</b>
<b>CURRENT LIABILITIES</b>			
<b>Accounts Payable</b>			
Other Related Parties	Related company	1,226	1,378
		<b>1,226</b>	<b>1,378</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>Type of related party</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
			<b><u>Income (loss) Sales and Other Revenues</u></b>	<b><u>Income (loss) Sales and Other Revenues</u></b>
La Capital Cable S.A.	Sales of services	Associate	46	66
La Capital Cable S.A.	Other Sales	Associate	6	2
			<b>52</b>	<b>68</b>
			<b><u>Operating Costs</u></b>	
La Capital Cable S.A.	Fees for services	Associate	(53)	(80)
			<b>(53)</b>	<b>(80)</b>
			<b><u>Financial Results</u></b>	
Ver TV S.A.	Interests		33	50
Teledifusora San Miguel Arcángel S.A.	Interests		15	23
			<b>48</b>	<b>73</b>

- Related Parties (2)**

	<b>Transaction</b>	<b>Type of related party</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
			<b><u>Income (loss) Sales and Other Revenues</u></b>	<b><u>Income (loss) Sales and Other Revenues</u></b>
Other Related Parties	Sales of Services and Advertising	Related company	317	320
			<b>317</b>	<b>320</b>
			<b><u>Operating Costs</u></b>	<b><u>Operating Costs</u></b>
Other Related Parties	Programming Costs	Related company	(4,227)	(4,797)
Other Related Parties	Publishing and distribution of magazines	Related company	(852)	(1,134)
Other Related Parties	Advisory Services	Related company	(529)	(726)
Other Related Parties	Purchase of Advertising	Related company	(558)	(747)
Other Related Parties	Other purchases and commissions	Related company	(193)	(231)
Other Related Parties	Fees for services	Related company	(172)	(173)
			<b>(6,531)</b>	<b>(7,808)</b>

(2) Includes mainly operations with the following companies related through GC Dominio S.A.: Arte Radiotelevisivo Argentino S.A., Arte Gráfico Editorial Argentino S.A., Unir S.A., Impropost S.A., Tele Red Imagen S.A., GC Gestión Compartida S.A. and Compañía De Medios Digitales S.A.

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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### iv. Key Management

Compensation for the Group's Directors and Key Managers for the years ended December 31, 2021 and 2020, including social security contributions, amounted to \$ 1,443 million and \$ 2,595 million, respectively, and was recorded as an expense under the line item "Employee benefits expenses and severance payments".

As of December 31, 2021, an amount of \$ 371 million remained unpaid.

The estimated fees paid to the directors of the Group for the years ended December 31, 2021 and 2020 amounted to approximately \$ 522 million and \$ 182 million, respectively.

## NOTE 30 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS

### 1. Cablevisión Holding

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 (\$ 6,187 million in constant currency as of December 31, 2021) 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 (\$ 37,910 million in constant currency as of December 31, 2021) and to allocate \$ 162,348 million (\$ 309,476 million in constant currency as of December 31, 2021) 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. In May 2020, the Company paid all the distributed dividends.

At the General Extraordinary Shareholders' Meeting held on December 15, 2020, the shareholders decided 1) to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2030, code GD30, (the "2030 Global Bonds") for a nominal value of US\$ 61,607,237 with a market price as of December 14, 2020 of \$ 3,610,184,088, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2035, code GD35 (the "2035 Global Bonds") for a nominal value of US\$ 106,257,704, with a market price as of December 14, 2020 of \$ 5,557,277,919, at a ratio of US\$ 0.34104493525 of 2030 Global Bonds and US\$ 0.58822069525 of 2035 Global Bonds per share of the Company and to settle in cash the resulting fractions of less than US\$ 1, with the holders of all classes of shares of the Company entitled to receive the dividends with the same pro rata combination of bonds as mentioned above, and 2) to partially reverse the "Voluntary Reserve for Illiquid Results" in the amount of \$ 9,167,462,007, corresponding to the valuation in Argentine Pesos as of December 14, 2020 of the dividends in kind. The valuation of those bonds as of December 31, 2020 amounted to \$ 9,292 million (\$ 14,025 million in constant currency as of December 31, 2021). In January 2021, the Company settled all the dividends.

On April 29, 2021, at the General Ordinary and Extraordinary Shareholders' Meeting, the shareholders of the Company decided, among other things, to absorb the accumulated deficit of \$ 3,012 million (\$ 4,547 million in constant currency as of December 31, 2021) as of December 31, 2020 through the partial reversal of the Voluntary Reserve for Illiquid Results.

At the General Extraordinary Shareholders' Meeting held on August 31, 2021, the shareholders decided 1) to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2030, code GD30, (the "2030 Global Bonds") for a nominal value of US\$ 144,747,958, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2035, code GD35 (the "2035 Global Bonds") for a nominal value of US\$ 72,932,173 at a ratio of US\$ 0.80129478886 of 2030 Global Bonds and US\$ 0.40373744108 of 2035 Global Bonds per share of the Company and to settle in cash the resulting fractions of less than US\$ 1, with the holders of all

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classes of shares of the Company entitled to receive the dividends with the same pro rata combination of bonds as mentioned above, and 2) to partially reverse the “Voluntary Reserve for Illiquid Results” in the amount of \$ 14,440,508,999.45, corresponding to the valuation in Argentine Pesos as of July 31, 2021 of the dividends in kind (\$ 16,479 million in constant currency as of December 31, 2021). The outstanding balance as of December 31, 2021 is \$ 922 million.

### 2. Telecom Argentina

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. 830/20, due to the fact that the free movement of people in general was restricted, limited or banned, as a result of the state of health emergency introduced by Emergency Decree No. 297/20 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:

1. To approve the Annual Report and financial statements of Telecom as of December 31, 2019;
2. 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 (\$ 12,646 in constant currency as of December 31, 2021). The Board proposed: (i) to absorb \$ 1,931,029,240 (\$ 3,681 in constant currency as of December 31, 2021) of the “Voluntary reserve for capital investments”; (ii) to absorb \$ 4,702,684,657 (\$ 8,964 in constant currency as of December 31, 2021) 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 (\$ 20,756 in constant currency as of December 31, 2021) 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”.
3. 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 (\$ 6,752 in constant currency as of December 31, 2021), increasing the “Voluntary reserve for future cash dividends” with the amount of said reversal.

At the General Extraordinary Shareholders’ Meeting held on November 13, 2020, the shareholders of Telecom decided to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 09, 2030 (the “2030 Global Bonds”), for a nominal value of US\$ 157,642,897, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 09, 2035 (the “2035 Global Bonds”) for a nominal value of US\$ 271,896,177.

Consequently, the valuation in Argentine Pesos of the dividends in kind was set at \$ 24,723,374,678 (\$ 38,809 million in constant currency as of December 31, 2021), fully reversing the “Voluntary Reserve for Future Cash Dividends,” which in constant currency as of December 31, 2021 amounts to \$ 9,963 million, and partially reversing the “Voluntary reserve to maintain the Company’s level of capital expenditures and its current solvency level” in the amount of \$ 28,846 million in constant currency as of December 31, 2021.

At the Ordinary and Extraordinary Shareholders’ Meeting held on April 28, 2021, the shareholders of Telecom decided, among other things:

1. To approve the Annual Report and financial statements of Telecom as of December 31, 2020;
2. To approve the Board of Directors’ proposal stated in constant currency as of March 31, 2021 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/18. The Board proposed: i) to absorb the accumulated deficit as of December 31, 2020 of \$ 6,455,431,747 (\$ 8,626 million in constant currency as of December 31, 2021) through the “Voluntary reserve to maintain the Company’s level of capital expenditures and its current solvency level”; and ii) to reclassify \$ 13,776,401,012 (\$ 17,688 million in constant currency as of December 31, 2021) from the

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“Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level” and appropriate it to the “Merger Surplus”.

At the General Extraordinary Shareholders' Meeting held on August 11, 2021, the shareholders of Telecom decided to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 9, 2030 (the “2030 Global Bonds”), for a nominal value of US\$ 370,386,472, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 9, 2035 (the “2035 Global Bonds”) for a nominal value of US\$ 186,621,565.

Consequently, the valuation of the dividends in kind was set at \$ 35,068,340,043 (\$ 40,020 million in constant currency as of December 31, 2021), partially reversing the “Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level” for said amount.

### **2.1 Amendment of Telecom's Bylaws**

At the General Extraordinary Shareholders' Meeting and the Special Shareholders' Meetings of Class “A” and Class “D” shares held on October 10, 2019, the shareholders approved the amendment of articles 4, 5, and 6 of the Bylaws so that Class “A” and Class “D” shares, currently book-entry shares, may be represented as certificated securities or book-entry securities, as determined by a Special Shareholders' Meeting of Class “A” or Class “D” shares. The shareholders approved the delegation of powers on the Board of Directors to determine and establish the time, form and conditions for the issuance of the certified securities, if so decided in the future by the shareholders at Special Shareholders' Meetings of Class “A” and Class “D” shares.

Subsequently, at the Extraordinary General Shareholders' Meeting and the Special Shareholders' Meetings of Class “A” and Class “D” shares held on December 11, 2020, the shareholders approved the amendment of Article 10 of the Bylaws, whereby it was provided that all Board of Directors' meetings shall be called with no less than a five-day notice to deal with ordinary matters and with no less than a 1-day notice for urgent matters. In addition, the amendment provides for new means of communication to be used for notifying the calls for said Board of Directors' meetings.

On April 14, 2021, the IGJ notified Telecom that both amendments of the Bylaws had been duly registered.

### **NOTE 31 - RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS**

Pursuant to the Argentine General Associations Law and CNV regulations, CVH is required to set up a Legal Reserve of no less than 5% of each year's retained earnings derived from the algebraic sum of net income for the year, adjustments to prior years and accumulated losses from previous years until such reserve reaches 20% of its outstanding capital stock plus the balance of the item Comprehensive adjustment of capital stock.

### **NOTE 32 - MANDATORY PUBLIC TENDER OFFER (“PTO”) DUE TO CHANGE OF CONTROL**

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 Note 4 to the consolidated financial statements, 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 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).

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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 regarding 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. 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. Executive Branch-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).

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) was confirmed by Chamber V of the Court of Appeals on Federal Administrative Matters pursuant to the decision rendered on September 8, 2020. The CNV filed an extraordinary appeal against this decision. The Company was served notice of the decision rendered by Chamber V of the Court of Appeals on Federal Administrative Matters, whereby it dismissed the extraordinary appeal filed by the CNV, which may file an appeal with the Supreme Court against said decision (see Note 34).

### **NOTE 33 - IMPACT OF CORONAVIRUS**

Since the beginning of 2020, given the extent of the spread of COVID-19, various governments across the world have implemented several measures aimed at reducing the movement of people and curbing the spread of the virus.

In Argentina, the National Government ordered 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, the provision of telecommunication services.

On November 9, 2020, the National Government ordered the Mandatory and Preventive Social Distancing and maintained the declaration of telecommunication services as essential services.

By the end of 2020, Argentina rolled out the national vaccination campaign under the direct management of the national and provincial governments and of the government of the Autonomous City of Buenos Aires. During the first quarter of 2021, the national vaccination campaign was initially targeted at the high-risk population (the elderly), health workers and teachers. During the second and third quarter of 2021, the campaign started to reach the rest of the adult population. Finally, in October 2021, the vaccination campaign added children aged 3 and up, prioritizing those with pre-existing comorbidities.

The vaccination schedule is being completed with the application of a booster dose, which favors a lower severity in Covid-19 infections in Argentina with the new strains that are spreading worldwide (Delta and Omicron). Like the rest of the world, Argentina does not escape the exponential rise in infections that since the end of 2021 and early 2022 has been strongly affecting all age groups.

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During 2021, together with the progress of the vaccination schedule, the National Government conducted several actions according to the evolution of the spread, both during the Covid-19 new outbreak stages and the slowdown stages of the spread of the virus. The measures implemented by the National Government did not directly affect the operations of the Group because telecommunication services are still deemed essential.

Telecom provides critical services for the development of society by connecting people, homes, businesses, and governments, which become a priority in times of pandemic. The services provided by Telecom enable the continuity of the operations of large, medium and small companies that continue working, helping sustain the economy of the country. In this context, the services rendered by Telecom enable people to stay connected, entertain themselves, work, and stay informed from their homes.

### ✓ 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. Under its ongoing commitment to the community and in response to the COVID-19 emergency, the Group, through Telecom, has implemented several initiatives with high social value. Among those initiatives, the following stand out: connectivity for field hospitals and discount in services for educational and health institutions, which are still in effect, and benefits granted to customers to enable them to take further advantage of connection possibilities and to access valuable information and educational and entertainment contents.

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

In addition, the Group, through Telecom, 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. Among those measures, it created a Crisis Committee (which regularly monitors the epidemiological situation in order to take immediate action), it initially provided for home office for more than 70% of its employees and enhanced its infrastructure to ensure the capacity of the networks so that they continue to operate seamlessly.

With the evolution of the pandemic, Telecom implemented a new hybrid working modality for all the personnel whose position allows them to work remotely, with experience centers for face-to-face meetings under health and care protocols; in combination with remote work.

For those tasks that cannot be performed remotely, we continued to enhance cleaning and disinfection at workspaces and environments, including the vans used by technical support teams, to provide hygiene and hand sanitizing methods, and to distribute personal care kits in accordance with the protocol established by the Superintendency of Labor Risks.

In addition, among other measures, we expanded by 40% the capacity for international outgoing Internet traffic, we executed agreements to boost the links with international suppliers and IP networks, we carried out the early execution of infrastructure works, we enhanced data centers and hubs, we increased the capacity of Flow's content distribution network, we expanded the capacity of the mobile network in certain locations in the provinces, and we continued with preventive maintenance tasks in all the networks.

In addition, from the beginning of the health situation, a campaign was launched promoting all the digital contact channels, encouraging customers to request support through those channels. We also 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.

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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 at the beginning of the lockdown or 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, during this year, the Group's Management 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 Telecom's future cash-flow-generating capacity because the volume of operations is expected to remain stable.

### - *Liquidity Risk:*

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 Telecom as from March 20, 2020. This situation gradually evolved during the second quarter of 2020 with the strengthening of the digital channels, the reopening of the in-person collection channels, and the different debt collection actions conducted by Telecom that allowed the recovery of doubtful receivables. Therefore, this situation does not represent a liquidity risk.

The Company 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, the Group, through 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 (see Note 28 to these consolidated financial statements).

The ultimate effects of COVID-19 and its impact on the global and local economy are still unknown. Governments may issue more stringent measures, which cannot be predicted at this stage.

The Group'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 Group's Board of Directors and the Crisis Committee continue to closely monitor the evolution of the situation and to take the necessary measures aimed at preserving human life and the sustainability of Telecom's businesses.

## NOTE 34 – SUBSEQUENT EVENTS AS OF DECEMBER 31, 2021

### 1) Loans for Acquisition of Equipment

#### Export Development Canadá (EDC)

On January 3, 2022, Telecom submitted a proposal for an export credit facility for an aggregate amount of up to US\$ 23.4 million to the following entities: (i) JPMorgan Chase Bank, NA, as initial lender, residual risk guarantor and facility agent; (ii) JPMorgan Chase Bank, NA, Buenos Aires Branch, as onshore custody agent, and (iii) JPMorgan Chase Bank, NA and EDC as the main co-arrangers.

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The credit facility is guaranteed by EDC, the official export credit agency of Canada.

The funds of the loans under this credit facility will be used to finance up to 85% of the value of certain imported goods and services, up to 50% of the value of certain national goods and services, and the total payment of the applicable premium payable to EDC equivalent to 14.41% of the total amount committed by the lenders under the credit facility.

As of the date of these consolidated financial statements, Telecom has not received any disbursements under the above-mentioned facility.

### **2) Offers from Open Pass S.A. for an Irrevocable Call Option on a minority interest**

On December 29, 2021, the subsidiary Micro Sistemas received from two shareholders of Open Pass S.A. (a company that provides IT services related to the development and maintenance of software, with which Micro Sistemas holds an agreement for the use and development of the e-wallet platform) offers for irrevocable call options for the purchase of 6,999,580 shares, (representing 15% of the capital stock of Open Pass S.A). On January 04, 2022, Micro Sistemas accepted those offers through the payment of US\$ 700,000 as consideration for granting those call options.

Micro Sistemas may exercise the call options, at its sole discretion, at any time, during a term of twelve (12) months counted as from the date of acceptance. The call options include, together with the shares, the assignment and transfer of all the economic and political rights inherent to them. In case the options are exercised, the price to be paid for those shares was set at US\$ 7,500,000.

### **3) “BURGUEÑO, DANIEL FERNANDO V. EXECUTIVE BRANCH - ARGENTINE SECURITIES COMMISSION RE: PROCEEDING LEADING TO A DECLARATORY JUDGMENT” (File No. 33,763/2019)**

On February 22, 2022, as described in Note 32, the Supreme Court of Argentina dismissed the direct appeal filed by the Argentine Securities Commission in the file mentioned above against the decision rendered by Chamber V of the Federal Court of Appeals on Administrative Litigation Matters. The decision rendered by Chamber V of the Federal Court of Appeals on Administrative Litigation Matters confirmed that the Company no longer falls within the obligation to conduct a Public Tender Offer (PTO) due to the change of control in Telecom Argentina S.A., pursuant to the terms of Article 32, paragraph k). of General Resolution No. 779/18, and ordered the CNV to deem the proceedings initiated by the Company with the CNV concluded. In its ruling, the Supreme Court of Argentina also ordered the Company to cease the proceeding initiated in connection with the PTO.

### **4) Payment of Dividends**

On March 02, 2022, the Company settled the dividends distributed at the General Extraordinary Shareholders' Meeting held on August 31, 2021 which were pending settlement (see Note 30.1).

### **5) Collection of Dividends from Associates**

During January 2022, Telecom collected dividends from Ver TV and TSMA for \$ 131.4 million - \$ 130.8 million directly and \$0.6 million indirectly through the controlled company Inter Radios.

### **6) Global Notes Programs**

#### **Telecom Argentina**

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, Telecom offered the subscription of new series of Notes, in the following amounts and with the following main characteristics:

See our report dated  
March 10, 2022

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Pablo San Martín  
Supervisory Committee

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## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

### ✓ **Class 12 Notes**

**Issuance Date:** March 9, 2022.

**Amount Issued:** US\$ 22.7 million payable in Argentine pesos at the applicable exchange rate (equivalent to \$ 2,458 million as of the issuance date).

**Maturity Date:** March 9, 2027.

**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 fixed annual nominal rate of 1 %. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

### ✓ **Class 13 Notes**

**Issuance Date:** March 9, 2022.

**Amount Issued:** \$ 2,347,500,000 Argentine pesos.

**Maturity Date:** September 9, 2023.

**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 1.5% per annum. Interest will be paid on a quarterly basis and the last interest payment date will be the maturity date.

### **7) Loans with Banco Santander Río**

On March 09, 2022, Telecom executed a loan agreement with Banco Santander Río S.A. for an aggregate amount of \$ 3,500 million. Principal will be repaid in a lump sum at its maturity on March 09, 2023. The loan accrues interest on a monthly basis at a fixed rate of 44.50%.

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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**NOTE 35 - APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Directors of Cablevisión Holding has approved these consolidated financial statements and authorized their issuance for March 10, 2022.

See our report dated  
March 10, 2022

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(Partner)

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C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair

**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**Cablevisión Holding S.A.**  
**SUPPLEMENTARY FINANCIAL INFORMATION**  
As of December 31, 2021**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 2021, revenues in the amount of \$ 425,493 million, compared to \$ 455,234 million in 2020. Operating costs (considering the costs of CVH) - including depreciation, amortization and impairment of fixed assets - totaled \$ 428,556 million for the year (an increase of \$ 3.6 million or 0.8% compared to the same period of 2020). Operating income before depreciation and amortization amounted to \$ 132,482 million -equivalent to 31.1% of consolidated revenues -, compared to \$ 154,930 million and 34.0% in the same period of 2020. The Company recorded under Operating income a loss of \$ 3,063 million (compared to a gain of \$ 30,285 million in 2020), while net income for the year yielded a profit of \$ 10,252 million, compared to a loss of \$ 8,866 million in 2020. The variations are mainly explained by a decrease in revenues, a decrease in equity in earnings from associates and an increase in income tax expense in the amount of \$ 33,322 million, compared to \$ 12,457 million recorded in 2020, mainly as a result of the change in the tax rate provided by Law No. 27,630, partially offset by lower operating costs, a decrease in depreciation and amortization, and financing gains (including borrowing costs and other financial results) equivalent to \$ 46,249 million, compared to the financing loss of \$ 27,443 million recorded in 2020, mainly as a result of exchange gains and restatement gains in terms of the measuring unit as of December 31, 2021.

See our report dated  
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Sebastián Bardengo  
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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**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 year, prepared under IFRS.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current Assets	67,232	95,906	107,439	108,770
Non-Current Assets	<u>993,730</u>	<u>1,034,771</u>	<u>1,063,589</u>	<u>1,049,322</u>
Total Assets	<u>1,060,962</u>	<u>1,130,677</u>	<u>1,171,028</u>	<u>1,158,092</u>
Current Liabilities	166,546	174,175	176,902	195,240
Non-Current Liabilities	<u>363,536</u>	<u>388,145</u>	<u>374,663</u>	<u>282,546</u>
Total Liabilities	<u>530,082</u>	<u>562,320</u>	<u>551,565</u>	<u>477,786</u>
Equity of the Controlling Company	221,685	236,228	256,971	264,715
Equity of Non-Controlling Interests	<u>309,195</u>	<u>332,129</u>	<u>362,492</u>	<u>415,591</u>
Total Equity	<u>530,880</u>	<u>568,357</u>	<u>619,463</u>	<u>680,306</u>
Total Equity and Liabilities	<u>1,060,962</u>	<u>1,130,677</u>	<u>1,171,028</u>	<u>1,158,092</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 year, prepared under IFRS.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Operating income/loss from continuing operations <sup>(1)</sup>	(3,063)	30,285	31,874	66,268
Financial Results	46,242	(27,443)	(12,931)	(70,007)
Equity in Earnings from Associates	<u>395</u>	<u>749</u>	<u>(385)</u>	<u>744</u>
Income/loss from continuing operations before income tax and tax on assets	43,574	3,591	18,558	(2,995)
Income tax and tax on assets	<u>(33,322)</u>	<u>(12,457)</u>	<u>(29,213)</u>	<u>8,919</u>
Net Income (Loss) for the Year	10,252	(8,866)	(10,655)	5,924
Other Comprehensive Income (Loss) for the Year	<u>(6,199)</u>	<u>(2,750)</u>	<u>(4,418)</u>	<u>4,167</u>
Total Comprehensive Income (Loss) for the Year	<u>4,053</u>	<u>(11,616)</u>	<u>(15,073)</u>	<u>10,091</u>

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

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Sebastián Bardengo  
Chair

## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

### 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 year, prepared under IFRS.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash flows provided by operating activities	129,834	152,775	167,689	132,995
Cash Flows used in Investment Activities	(115,037)	(125,369)	(88,951)	(98,897)
Cash Flows used in Financing Activities	(20,296)	(55,539)	(52,635)	(46,350)
Exchange rate differences and net and gain (loss) on net monetary position on cash and cash equivalents	<u>(2,987)</u>	<u>1,905</u>	<u>5,941</u>	<u>13,049</u>
Total Cash (used in) provided for the Year	<u>(8,486)</u>	<u>(26,228)</u>	<u>32,044</u>	<u>797</u>

### 5. STATISTICAL DATA

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cable Television Service Subscribers (i)	101.5%	100.7%	101.1%	101.1%
Internet Access (i)	103.2%	101.5%	101.9%	101.9%
Fixed Telephony Service Lines (iii)	84.9%	86.7%	93.7%	93.7%
Personal Mobile Service Lines (iii)	98.5%	99.7%	96.5%	96.5%
Núcleo Customers (iii)	96.0%	96.9%	98.3%	98.3%

(i) Base December 2013= 100

(ii) Base December 2015= 100

(iii) Base December 2017= 100 (the variation corresponds to the information arising from the merger with Telecom Argentina)

### 6. RATIOS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Liquidity (current assets / current liabilities)	0.40	0.55	0.61	0.56
Solvency (equity / total liabilities)	1.00	1.01	1.12	1.42
Capital assets (non-current assets / total assets)	0.94	0.92	0.91	0.91
Return on equity (Comprehensive income for the year / Average shareholders' equity)	0.02	(0.01)	(0.02)	0.01

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## CABLEVISIÓN HOLDING S.A.

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### 7. OUTLOOK

During 2021, society as a whole at the local and international levels had to face serious difficulties due to the extent of the spread of COVID-19, which continues to pose great challenges on the economic and health fronts during this year. While in Argentina COVID cases began to decline and progress has been made in health policy and vaccination plans, the persistence of the pandemic - due to the threat of new variants of the virus and potential new outbreaks - creates an uncertain scenario, worsened by the recessionary effects of the economic paralysis brought about by social isolation, the effects of which began to reverse only during the last months of 2021. In this context of economic crisis, characterized by a marked inflationary process and exchange rate fluctuations, the year 2022 is expected to pose challenges to the local economy and to the sustainability of businesses in general.

The economic and financial results of our subsidiary Telecom, as well as those of other companies operating in the country, are not impervious to the impact of inflation and of exchange rate fluctuations, especially considering that the main source of our revenues is in Argentine pesos, while we need to invest, with dollarized inputs, in the deployment of infrastructure and systems. In this sense, our subsidiary Telecom is strongly focusing its management on achieving operational efficiencies to maintain growth levels in line with its investment commitments, not only to grow but also to maintain the quality of the services provided to its over 29 million customers, and remains committed to the development of the country through a strong and ongoing investment plan, which reached US\$ 5,000 million over the last five years.

In addition to the complex macroeconomic context in Argentina, there is greater uncertainty for ICT companies arising from the issuance of Emergency Decree No. 690/20, whereby the National Executive Branch declared ICT services as public services subject to competition.

Over the last months, Courts have issued decisions ordering the suspension of Decree No. 690/20 and of all the administrative decisions subsequently issued based on this Decree. The injunctions issued in several locations of the country virtually apply to the whole ICT industry, both large and small-and-medium sized companies. In the case of our subsidiary Telecom, the Court of Appeals on Federal Administrative Matters - Chamber II decided by majority of votes to grant the appeal and issued an injunction. By the end of October 2021, Telecom was served notice of a decision rendered by the Federal Court on Administrative Litigation Matters No. 8, whereby it extended the effectiveness of the injunction that had been granted in connection with above for a term of 6 (six) months until the courts decide on the merits of the claim. In this way, the courts have ratified that the whole ICT industry shall be empowered to set their own business practices and prices. However, we believe it is key to further the path towards cooperation between private and public sectors and civil society organizations in order to maintain and foster competition and to allow all users to have better access to more and better services.

Telecom maintains its vision of continuing to consolidate itself as an ecosystem of platforms that leverages connectivity, and are based on a process of digital and cultural transformation, focused on its customers' experience, to which it has given an extraordinary boost during the pandemic. In addition, the boundaries between digital and face-to-face interaction have faded and Telecom was also part of that transformation process, supporting and boosting the lives of Argentines, and promoting the country's digital economy. Our subsidiary Telecom has transformed its institutional visual identity, as well as its trademarks, to reflect the technological evolution it is promoting in order to facilitate the digital development of its customers and of society as a whole.

See our report dated  
March 10, 2021

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Sebastián Bardengo  
Chair

## **CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

From now on, all customers have full connectivity with Personal, both in and out of their homes, with the best service experience, thanks to its fixed and mobile networks. Flow is positioned as a meeting point for all entertainment, integrating content from the most important platforms on the market. And, under the Telecom brand, we provide an ecosystem of solutions and businesses for companies and governments.

Our subsidiary Telecom is building an employment brand to attract new digital talents, who are key to the development of the services related to the digital economy, using agile methodologies and fostering a collaborative leadership model, which allows it to generate a change of mindset that fits the company it is building, and which is also reflected in new digital business products and services, primarily with IoT, smarthome and fintech solutions. Telecom Argentina has managed to implement a new work experience for its employees, with a hybrid scheme of remote and in-person schedules, and a focus on welfare and a greater personal, family and work balance. It is creating Experience Centers throughout the country, with more welcoming and sustainable spaces.

From a financial point of view, during 2021, our subsidiary Telecom issued new notes denominated in Argentine Pesos for approximately \$ 31,408 million in the local market and refinanced several loans with multilateral agencies. Telecom managed to achieve this improvement thanks to the trust of the national and international market in the Company's sound credit standing and its business strategy. During the period, it also repaid the outstanding balance under the Class A Notes for US\$ 106 million and Class 3, Class 4 and Class 6 Notes due during this year. Telecom's subsidiary Núcleo, in Paraguay, also issued two series of Notes due in 2028 and 2031, for an approximate aggregate of \$ 3,406 million. These measures have allowed to considerably improve the capital structure.

Now more than ever, the Company reinforces its commitment to ensure the continuity and quality of all the services, and to continue with its transformation plan, strengthening our operational model and achieving new transformation milestones on our path toward the full digitization of our operations to become more efficient, agile and digital, to drive the growth of the digital economy in our country and to generate value for our customers.

Autonomous City of Buenos Aires, March 10, 2022.

See our report dated  
March 10, 2021

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Free translation from the original in Spanish for publication in Argentina

## *Independent auditor's report*

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

### **Report on the Audit of the Consolidated Financial Statements**

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#### **Opinion**

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We have audited the consolidated financial statements of Cablevisión Holding S.A. (the Company) and its subsidiaries (the Group) which comprise the consolidated statement of financial position at December 31, 2021, the consolidated statement of comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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#### **Basis for opinion**

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We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards have been adopted as auditing standards in Argentina by Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with requirements that are relevant to our audit of the financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.





## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p><b><i>Recoverability of goodwill</i></b></p> <p>At December 31, 2021, the consolidated carrying amount of goodwill is \$ 359,118 million, of which \$ 358,245 million accounts for the goodwill of the Argentine business recorded by the Company.</p> <p>As detailed in Notes 3.l) and 3.u.1.) to the consolidated financial statements, the Company Management monitors the recoverability of the goodwill of the cash-generating unit (CGU) in Argentina at the end of each fiscal year, or more frequently, if events or circumstances indicate that it may be impaired.</p> <p>In determining the recoverable amount of that CGU, the higher of its fair value less costs of disposal and its value in use is considered. The fair value is calculated using the market capitalization value of Telecom Argentina S.A. and the value in use is estimated through a discounted cash flows method.</p> <p>At December 31, 2021, the recoverable amount of the CGU relating to the Argentine business was determined through fair value less costs of disposal.</p> <p>This area is key to our audit procedure due to the materiality of the balances involved and because it involves the exercise of Management's judgment to determine the recoverable amount of the CGU, which is subject to uncertainty and future events.</p> <p>Dealing with this matter involves a high degree of professional judgment by the auditor and effort in the performance of the procedures, considering the nature of the associated asset.</p>	<p>We have performed audit procedures over Management's process for determining the recoverable amount of the CGU relating to the Argentine business, which included:</p> <ul style="list-style-type: none"><li>• testing the effectiveness of controls over the recoverability of goodwill, including controls over the determination of fair value less costs of disposal for the CGU relating to the Argentine business;</li><li>• reviewing the information and mathematical calculations used to determine the fair value less costs of disposal, including the source of information used for the determination of the market capitalization value;</li><li>• reviewing the sensitivity analysis performed by Management on the recoverable amount of the CGU;</li><li>• evaluating the appropriateness of the disclosures included in the financial statements regarding the impairment of assets.</li></ul> <p>Considering that relatively minor changes to the assumptions used may have a material impact on the estimated recoverable amount, we have also relied on our valuation experts to help us to review the calculation of the recoverable amount of the CGU.</p>
<p><b><i>Regulatory disputes</i></b></p> <p>As described in Note 2.c) to the consolidated financial statements, the National Executive Branch has issued Decree No. 690/20, which declared communications and information technology services as "essential and strategic public services subject to</p>	<p>We have performed audit procedures over Management's process for evaluating the reasonableness of Management's assessment of contingent situations arising from the aforementioned regulatory disputes, which included:</p>



Key audit matters	How our audit addressed the key audit matter
<p>competition". Within the framework of the decree, the prices of the aforementioned services will be regulated by the National Communications Regulatory Entity ("ENACOM"). In view of this, Telecom Argentina S.A. filed a complaint with a court with jurisdiction over administrative litigation matters challenging the constitutionality of Decree No. 690/20 and the ENACOM Resolutions adopted under this decree. Additionally, Note 20.2.h) to the consolidated financial statements describes the situation arising from Resolution No. 50/10 and subsequent resolutions from the Secretariat of Domestic Trade which established that cable television operators had to apply a formula to calculate their monthly basic subscription prices. Telecom Argentina S.A. filed several administrative claims and legal actions calling for a stay of those resolutions and requesting their annulment.</p> <p>In the aforementioned notes, the Company describes the actions filed in connection with these regulatory disputes, their status at December 31, 2021 and Management's assessment of the potential impact of these regulations.</p> <p>At December 31, 2021, no liability has been recognized arising from these disputes since, after evaluating available information, Management considers that it is not probable that a loss will be incurred in any of the pending litigation lawsuits.</p> <p>This area is key to our audit procedure due to the materiality of the potential impact that these matters could have on the future business of the Company and its subsidiary Telecom Argentina S.A., and to the fact that the assessment of that impact and its probability of occurrence, based on the evolution of the pending legal proceedings, involve the exercise of significant judgment by Management. Consequently, these matters also involve the exercise of professional judgment and efforts in the performance of the procedures by the auditor, considering the nature of these contingencies.</p>	<ul style="list-style-type: none"> <li>● testing the effectiveness of controls associated with Management's assessment of claims and legal proceedings, including controls to determine whether a loss is probable and whether the amount of the loss can be reasonably estimated;</li> <li>● obtaining and evaluating confirmations from internal and external legal counsel, the reasonableness of Management's assessment, and whether an unfavorable outcome is reasonably likely or probable and can be reasonably estimated;</li> <li>● evaluating the adequacy of the disclosures included in the financial statements relating to the regulatory disputes mentioned above.</li> </ul> <p>Considering the complexity of the regulatory disputes and the potential impact they could have on the business of the Company and its subsidiary Telecom Argentina S.A., we have also relied on the internal and external advisors with specialized skills and knowledge to assist us in the evaluation.</p>

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### Other information

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The other information comprises the Annual report and Supplementary Financial Information. Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of Board of Directors and Audit Committee for the consolidated financial statements**

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The Board of Directors of Cablevisión Holding S.A. is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

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Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors of the Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.



However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Company's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

In compliance with current regulations, we report that:

- a) the consolidated financial statements of Cablevisión Holding S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the Argentine Securities Commission;
- b) the consolidated financial statements of Cablevisión Holding S.A. arise from accounting records kept in all formal respects in conformity with legal regulations, which maintain the security and integrity conditions on the basis of which they were authorized by the Argentine Securities Commission;
- c) at December 31, 2021, the debt accrued by Cablevisión Holding S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 1,414,888, none of which was claimable at that date;
- d) as required by section 21, subsection b), Chapter III, Part VI, Title II of the Argentine Securities Commission regulations, we report that total fees for auditing and related services billed to Cablevisión Holding S.A. during the fiscal year ended December 31, 2021 account for:
  - d.1) 100% of the total fees for services billed to Cablevisión Holding S.A. for all items during that fiscal year;
  - d.2) 2% of the total fees for auditing and related services billed to Cablevisión Holding S.A., its parent company, subsidiaries, and related companies during that year;



d.3) 2% of the total fees for services billed to Cablevisión Holding S.A., its parent company, subsidiaries, and related companies for all items during that year;

e) we have applied the anti-money laundering and financing of terrorism procedures for Cablevisión Holding S.A. comprised in the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 10, 2022.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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C.P.C.E.C.A.B.A. V° 1 F° 17  
Alejandro J. Rosa  
Public Accountant (UM)  
C.P.C.E.C.A.B.A. V° 286 F° 136



## **Cablevisión Holding S.A.**

### **Separate Financial Statements**

For the year ended December 31, 2021,  
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

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	Notes	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Equity in Earnings from Subsidiaries	4.4	3,395	(3,355)
Fees for services	4.1	(221)	(232)
Taxes, Duties and Contributions	4.1	(1)	(3)
Salaries and Social Security Payables	4.1	(65)	(51)
Other expenses	4.1	(11)	(24)
Other Operating Income / Expense		13	(62)
Other Financial Results, net	4.2	593	(815)
Income (Loss) before Income Tax		3,703	(4,542)
Income Tax	4.3	(5)	(3)
<b>Net Income (Loss) for the Year</b>		<u><b>3,698</b></u>	<u><b>(4,545)</b></u>
<b>Other Comprehensive Income</b>			
<b>Items which can be reclassified to Net Income (Loss)</b>			
Equity in Earnings from subsidiaries		<u>(1,835)</u>	<u>(875)</u>
<b>Total Comprehensive Income (Loss) for the Year</b>		<u><b>1,863</b></u>	<u><b>(5,420)</b></u>

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

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17

Dr. Alejandro J. Rosa  
Public Accountant (UM)  
C.P.C.E.C.A.B.A. V° 286 F° 136

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair



**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	Notes	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4.5	1,050	1,420
Other Investments	11.1	922	14,025
Other Receivables	4.6	109	65
<b>Total Current Assets</b>		<u><b>2,081</b></u>	<u><b>15,510</b></u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4.6	563	808
Deferred Tax Assets	4.3	78	80
Investments in Subsidiaries	4.4	210,531	224,610
<b>Total Non-Current Assets</b>		<u><b>211,172</b></u>	<u><b>225,498</b></u>
<b>Total Assets</b>		<u><b>213,253</b></u>	<u><b>241,008</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	4.7	18	6
Salaries and Social Security Payables		22	20
Dividends Payable	11.1	922	14,025
Other Liabilities		-	50
<b>Total Current Liabilities</b>		<u><b>962</b></u>	<u><b>14,101</b></u>
<b>Total Liabilities</b>		<u><b>962</b></u>	<u><b>14,101</b></u>
<b>EQUITY (as per the corresponding statement)</b>			
Shareholders' Contribution		43,778	43,778
Other Items		(6,529)	(4,694)
Retained Earnings		175,042	187,823
<b>Total Equity</b>		<u><b>212,291</b></u>	<u><b>226,907</b></u>
<b>Total Equity and Liabilities</b>		<u><b>213,253</b></u>	<u><b>241,008</b></u>

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

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Controlling Company									
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Company
	Capital Stock	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 01, 2020	181	12,881	30,716	43,778	(3,618)	(203)	2,612	211,287	(6,187)	
Reversal of Reserve (Note 11.1)	-	-	-	-	-	-	-	(6,187)	6,187	-
Distribution of Dividends	-	-	-	-	-	-	-	(15,342)	-	(15,342)
Sale of Treasury Shares	-	-	-	-	-	2	-	-	(2)	-
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	(4,545)	(4,545)
Other Comprehensive Income	-	-	-	-	(875)	-	-	-	-	(875)
<b>Balances as of December 31, 2020</b>	<b>181</b>	<b>12,881</b>	<b>30,716</b>	<b>43,778</b>	<b>(4,493)</b>	<b>(201)</b>	<b>2,612</b>	<b>189,758</b>	<b>(4,547)</b>	<b>226,907</b>
Reversal of Reserves (Note 11.1)	-	-	-	-	-	-	-	(4,547)	4,547	-
Distribution of Dividends	-	-	-	-	-	-	-	(16,479)	-	(16,479)
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	3,698	3,698
Other Comprehensive Income	-	-	-	-	(1,835)	-	-	-	-	(1,835)
<b>Balances as of December 31, 2021</b>	<b>181</b>	<b>12,881</b>	<b>30,716</b>	<b>43,778</b>	<b>(6,328)</b>	<b>(201)</b>	<b>2,612</b>	<b><sup>(1)</sup>168,732</b>	<b>3,698</b>	<b>212,291</b>

(1) Voluntary Reserve for Illiquid Results.

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

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17

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Chair

**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(in millions of Argentine pesos)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Net Income (Loss) for the Year	3,698	(4,545)
Income Tax	5	3
Accrued Interest, net	(5)	(14)
Adjustments to reconcile Net Income / (Loss) for the Year to Cash used in Operating Activities:		-
Financial Income, except Interest	(583)	884
Equity in Earnings from Subsidiaries	(3,395)	3,355
Gain (Loss) on Net Monetary Position	(9)	(65)
Changes in Assets and Liabilities:		
Other Receivables	102	134
Trade and Other Payables	16	(27)
Salaries and Social Security Payables	9	5
Other Liabilities	(39)	104
Net Cash Flows used in Operating Activities	<u>(201)</u>	<u>(166)</u>
<b>CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES</b>		
Transactions with Notes and Bonds, Net	81	125
Net Cash Flows provided by Investment Activities	<u>81</u>	<u>125</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Payment of Dividends	-	(1,481)
Net Cash Flows used in Financing Activities	<u>-</u>	<u>(1,481)</u>
<b>FINANCIAL RESULTS PROVIDED BY CASH (INCLUDING GAIN (LOSS) ON NET MONETARY POSITION)</b>	(250)	(101)
Net Decrease in Cash Flow	(370)	(1,623)
Cash and Cash Equivalents at the Beginning of the Year	1,420	3,043
Cash and Cash Equivalents at the Closing of the Year (Note 4.5)	<u>1,050</u>	<u>1,420</u>

The following transactions did not have an impact on cash or cash equivalents:

Collection of dividends with investments not considered as cash and cash equivalents (Note 11.2)	15,640	15,168
Settlement of dividends with investments not considered as cash and cash equivalents (Note 11.1)	28,414	-

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

See our report dated  
March 10, 2022  


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PRICE WATERHOUSE & CO. S.R.L.  
(Partner)  


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**CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

**CABLEVISIÓN HOLDING S.A.**  
**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021,**  
**PRESENTED ON A COMPARATIVE BASIS**  
(in millions of Argentine pesos)

**NOTE 1 – GENERAL INFORMATION**

The Company has been incorporated as a spun-off company from Grupo Clarín S.A. At the Extraordinary Shareholders' Meeting held on September 28, 2016, the shareholders of Grupo Clarín approved a corporate reorganization that consisted in (i) the merger of Southtel S.A., Vistone S.A., Compañía Latinoamericana de Cable S.A. and CV B Holding S.A. into Grupo Clarín and (ii) the subsequent partial spin-off of Grupo Clarín to create Cablevisión Holding S.A.

The corporate reorganization was registered with the IGJ on April 27, 2017, and the effective date of the spin-off was May 1, 2017. As from that date, Cablevisión Holding S.A. began its operations, the accounting and tax effects of the Spin-off became effective, and Grupo Clarín transferred to the Company the operations, risks and benefits.

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.

The Company holds a direct and indirect economic interest of 39.08% in the outstanding capital stock of Telecom Argentina.

Telecom mainly provides fixed and mobile telephony, cable television, data transmission, and Internet services in Argentina. It also provides other ICT services through its subsidiaries in Uruguay, Paraguay and the United States of America ("USA").

**NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE 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.

See our report dated  
March 10, 2022  
\_\_\_\_\_  
PRICE WATERHOUSE & CO. S.R.L.  
\_\_\_\_\_  
(Partner)  
C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
\_\_\_\_\_  
Supervisory Committee

## **CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

In preparing these separate financial statements of the Company for the year ended December 31, 2021, the Company has followed the guidelines provided by TR No. 43, and, therefore, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Some additional disclosures 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 Resolution No. 622/13. That information is included in the Notes to these separate financial statements, as provided by IFRS. 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").

As mentioned in Note 1, Cablevisión Holding S.A. was created as a consequence of the spin-off of Grupo Clarín S.A. Consequently, the Company's Board of Directors has used as a general rule for the initial valuation of the assets received by the Company the valuation of those assets and liabilities as of the Effective Date of the Spin-off conducted by Grupo Clarín S.A. ("Predecessor Basis of Accounting"), which issues its financial statements under IFRS.

These separate financial statements have been prepared based on historical cost restated pursuant to the guidelines 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.

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 year.

The attached information, approved by the Board of Directors of the Company at the meeting held on March 10, 2022, is presented in Argentine Pesos (\$), the Argentine legal tender, and arises from accounting records kept by the Company.

### **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 Section 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 Section 62 of the General Associations Law, as amended. In addition, it repealed Decree No. 1,269/2002, as amended, and delegated on the National 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.

See our report dated  
March 10, 2022

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PRICE WATERHOUSE & CO. S.R.L.

(Partner)

---

C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

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 December 31, 2021.

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 the National IPC over the last three fiscal years, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of</u> <u>December</u> <u>31, 2019</u>	<u>As of</u> <u>December 31,</u> <u>2020</u>	<u>As of</u> <u>December</u> <u>31, 2021</u>
General Price Index	284.44	385.88	582.46
<b><u>Variation of Prices</u></b>			
Annual	53.8%	36.1%	50.9%
Accumulated over 3 years	183.2%	209.2%	216.1%

The Company restated all the non-monetary items in order to reflect the impact of the inflation adjustment, reporting in terms of the measuring unit current as of December 31, 2021. Consequently, the Company restated the Investments in subsidiaries (including goodwill) and the Equity items. Each item must be restated since the date of the initial recognition in the Company's Equity or since the last revaluation. Monetary items have not been restated because they are stated in terms of the measuring unit current as of December 31, 2021.

The comparative figures are presented at historical currency as of December 2021.

### Restatement of the Statement of Comprehensive Income and of the Statement of Cash Flows

In the Statement of Comprehensive Income, the items must be restated in terms of the measuring unit current at the closing date of the reporting year. To this end, the Company shall apply the variations in a monthly general price index.

The effect of inflation on the monetary position is included in the Statement of Comprehensive Income under Other financial results, net.

The items of the Statement of Cash Flows must also be restated in terms of the measuring unit current at the closing date of the Statement of Financial Position. The total cash and cash equivalents at the beginning of the year must be restated to constant currency as of the closing date, while cash and cash equivalents at the end of the year must be stated in nominal values. The gain arising from the adjustment has an impact on the income statement and must be eliminated from the statement of cash flows because it is not considered as cash or cash equivalents.

### Restatement of the Statement of Changes in Equity.

All the items of the Statement of Changes in Equity, except for the retained earnings, must be restated in accordance with IAS 29. The item "Capital Stock" has been stated at nominal value. The difference between the restated value of the capital stock in accordance with IAS 29 and the nominal value is disclosed under "Inflation Adjustment on Capital Stock."

See our report dated  
March 10, 2022  
PRICE WATERHOUSE & CO. S.R.L.  
  
(Partner)  
C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

### 2.2. Standards and Interpretations issued by the IASB but not yet effective

As of the date of these financial statements, the Company has not applied the following new standards and/or amendments to existing standards that are of mandatory application for periods beginning after December 31, 2021:

Standards and Amendments	Description	Mandatory application date: years beginning on or after
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16	Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
Amendments to IFRS 9 and IFRS 16.	Annual Improvements - 2018-2020 Cycle	January 1, 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 1	Information on material or significant accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimate	January 1, 2023
Amendments to IAS 12	Deferred tax – recognition of assets and liabilities arising from a single transaction	January 1, 2023

Even though Management is analyzing the potential impacts of those standards, according to the preliminary analysis of said standards, they would not have a significant impact on the Company's separate financial statements.

### 2.3. Standards and Interpretations issued and adopted to date

The Company has applied the following standards and/or amendments for the first time as from January 1, 2021:

Standards and Amendments	Description	Mandatory application date: years beginning on or after
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16.	Interest Rate Benchmark Reform (Phase 2)	January 1, 2021

The application of the amendments detailed above did not generate any impact on the results of the operations or the financial position of the Company.

### 2.4. Interests in Subsidiaries and Associates

The Company records the interest in its subsidiaries and associates using the equity method, as established by IFRS.

A subsidiary is an entity over which the Company exercises control. Control is presumed to exist when the Company has a right to variable returns from its interest in a subsidiary and has the ability to affect those returns through its power over the subsidiary. This power is presumed to exist when it is evidenced by the voting rights, be it that the Company has the majority of voting rights or potential voting rights that are currently exercisable.

The subsidiaries' and associates' net income and the assets and liabilities are disclosed in the financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, the investment in a subsidiary or associate is to be initially recorded at the cost incurred by the surviving company in the case of the equity interests received as part of the process that comprised the creation of the Company, or that incurred by the Company in subsequent acquisitions. As from that moment, the book value will be increased or decreased to recognize the investor's share in comprehensive income for the year obtained by the subsidiary or associate, after the acquisition date. The distributions received from the subsidiary or associate will reduce the book value of the investment.

See our report dated  
March 10, 2022

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## **CABLEVISIÓN HOLDING S.A.**

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The losses incurred by an associate in excess of the Company's interest in such company are recognized to the extent the Company has undertaken any legal or implicit obligation or has made payments on behalf of the associate.

Any excess of the acquisition cost, over the Company's share in the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Goodwill is included in the book value of the investment and tested for impairment as part of the investment. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in the statement of income.

Unrealized gains or losses on transactions between the Company and its subsidiaries and the associates are eliminated considering the Company's interest in those companies.

Adjustments were made, where necessary, to the subsidiaries' and associates' financial statements so that their accounting policies are in line with those used by the Company.

### **2.5 Business Combinations**

The Company applies the acquisition method of accounting for business combinations. The consideration for each acquisition is measured at fair value (on the date of exchange) of the assets assigned, the liabilities incurred or assumed and the equity instruments issued by the Company in exchange for the control of the acquired company. The costs related to the acquisition are expensed as incurred.

The consideration for the acquisition, if any, includes any asset or liability arising from a contingent consideration arrangement, measured at fair value at the acquisition date. Subsequent changes to such fair value, identified during the measurement period, are adjusted against the acquisition cost.

The measurement period is the effective period that begins on the acquisition date and ends on the date on which the Company obtains all the information about the facts and circumstances existing on the acquisition date, which may not extend beyond one year after the acquisition date. All other changes in the fair value of the contingent consideration classified as assets or liabilities, outside the measurement period, are recognized in the statement of income. The changes in the fair value of the contingent consideration classified as equity are not recognized.

In the cases of business combinations conducted in stages, the Company's equity interest in the acquiree is remeasured at fair value on its acquisition date (i.e., the date on which the Company obtained control) and the resulting gain or loss, if any, is recognized in the statement of income or in other comprehensive income, as appropriate according to the source of the variation.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 (2008) are recognized at fair value at the acquisition date, except for certain particular cases provided by such standard.

Any excess of the acquisition cost, be it incurred by the surviving company in the case of equity interests received at the time of the creation of the Company or by the Company in subsequent acquisitions (including the interest previously held, if any, and the non-controlling interest) over the Company's share in the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in the statement of income.

The acquisition cost comprises the consideration transferred and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, if any.

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### **2.6 Goodwill**

Goodwill arises from the acquisition of subsidiaries and associates and refers to the excess of the sum of the consideration transferred, the fair value of the acquirer's previously held equity interest (if any) in the acquiree over the interest acquired in the net amount of the fair value at the date of acquisition of the identifiable assets acquired and liabilities assumed.

If, after the fair value measurement, the Company's share in the fair value of the net identifiable assets of the acquiree exceeds the amount of the transferred consideration, the amount of any non-controlling interest in such company and the fair value of the interest previously held by the acquirer in the acquiree (if any), that excess is immediately recognized in the statement of comprehensive income as income from purchase in very profitable terms.

Goodwill is not amortized but tested for impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to render benefits from the synergies of the respective business combination. Those cash-generating units to which goodwill is allocated are tested for impairment on an annual basis, or more frequently, when there is any indication of impairment. If the recoverable value of the cash-generating unit, i.e. the higher of the value in use or the fair value net of selling expenses, is lower than the value of the net assets allocated to that unit, including goodwill, the impairment loss is first allocated to reduce the goodwill allocated to the unit and then to the other assets of the unit, on a pro rata basis, based on the valuation of each asset in the unit. The impairment loss recognized against the valuation of goodwill is not reversed under any circumstance.

In case of a loss of control in a subsidiary, the amount attributable to goodwill is included in the calculation of the gain or loss for retirement.

As of December 31, 2021, goodwill has not suffered any impairment.

### **2.7 Foreign Currency and Functional Currency**

The financial statements of each of the Company's subsidiaries or associates are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the Company's separate statement of financial position, the financial position of each entity is stated in Argentine Pesos (Argentina's legal tender for all companies domiciled in Argentina), which is the Company's functional currency.

In preparing the financial statements of the individual entities, the transactions in currencies other than the entity's functional currency (foreign currency) are recorded at the exchange rates prevailing on the dates on which transactions are carried out. At the end of each reporting year, the monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such date.

The exchange differences were charged to income (loss) for the year in which they were generated.

In preparing the Company's separate financial statements, in order to measure, under the equity method, the Company's interest in the entities which functional currencies is different from the Argentine Peso, the assets and liabilities of such companies are translated to Argentine pesos at the exchange rate prevailing at the end of the year, while the net income is translated at the exchange rate prevailing on the transaction date. Translation differences are recognized under other comprehensive income as "Equity in Earnings from subsidiaries".

### **2.8. Taxes Payable**

The main taxes that have an impact on net income for the Company are the following:

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### Income Tax

The Company records income taxes in accordance with IAS 12.

Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that they relate to items recognized in Other comprehensive income or in equity, in which case they will also be recognized under said items. The income tax expense for the year comprises current and deferred tax.

In addition, if the income tax payments and withholdings exceed the amount payable for the current tax, the excess shall be recognized as a tax credit, only if it is recoverable.

Deferred taxes are recognized using the liability method, which provides for the assessment of net deferred tax assets or liabilities based on temporary differences. Temporary differences arise when the tax base of an asset or liability differs from its carrying amount in the statement of financial position and its reversal in the future will have an impact on taxable income. The deferred tax asset / liability is disclosed under a separate item of the separate financial statements.

Deferred tax assets relating to unused tax loss carry forwards are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Tax loss carryforwards may be computed against future taxable income for a maximum of 5 years. Deferred tax assets that may arise from investment in subsidiaries are recognized when it is probable that the temporary differences will be reversed in the foreseeable future and when future taxable income would be sufficient to apply those temporary differences.

The recoverable value of deferred tax assets must be examined at the end of each accounting reporting period. The company must reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available before it lapses to allow for the computing of the deductions of the deferred tax asset. Any such reduction may be reversed in future periods to the extent that it becomes probable that sufficient taxable profit will be available to compute these deductions.

Pursuant to Law No. 27,430, amended by Law No. 27,541, the statutory income tax rate in Argentina for fiscal years 2019 and 2020 was 30%, and 25% for fiscal years beginning on or after January 1, 2021.

However, such law was repealed by Law No. 27,630, published in the Official Gazette on June 16, 2021, which provides for a tiered tax rate structure based on the taxable income of each taxpayer: 25% for annual taxable income of up to \$ 5 million; 30% for annual taxable income exceeding \$ 5 million up to \$ 50 million; and 35% for annual taxable income exceeding \$ 50 million. The amounts established for each bracket will be adjusted once a year as from 2022 based on the National IPC corresponding to October of the year prior to the year in which the adjustment is made compared to the same month of the previous year. The Company recognized the effects of the increase in income tax in the Statement of Comprehensive Income as of December 31, 2021.

In addition, Law No. 27,430, amended by Law No. 27,541, establishes a withholding tax regime on distributed dividends at a rate of 7% for distributions of profits generated during fiscal years beginning on or after January 1, 2018 up to and including December 31, 2020, and at a rate of 13% for distributions of profits generated during fiscal years beginning on or after January 1, 2021. Law No. 27,630 amended such law, establishing a rate of 7% also for fiscal years beginning on or after January 1, 2021. The new withholding on dividends applies only to distributions made to shareholders who are Argentine resident individuals and to nonresident shareholders.

Cash dividends received from a foreign subsidiary are computed on the statutory income tax rate, under the "worldwide income" principle. As per Argentinian Tax Law, the taxes paid abroad by Telecom can be recognized as a tax credit, which includes the income tax paid abroad, as well as any withholdings on dividends.

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### **Income Tax Inflation Adjustment**

Laws Nos. 27,430, 27,468 and 27,541 amended the Income Tax Law with respect to the inflation adjustment for tax purposes.

Effective as from fiscal years beginning on or after January 1, 2018, the inflation adjustment procedure set out in Title VI of the income tax law shall be applicable in fiscal years in which the variation of IPC price index, accumulated in the 36 months immediately preceding the end of the relevant fiscal year, is higher than 100%.

In the first, second and third year as from its effectiveness, this procedure was applicable as long as the accumulated variation of the IPC, calculated from the beginning to the end of each of those years was higher than 55%, 30% and 15%, respectively, for the first, second and third years.

In view of the foregoing, the Company applies the inflation adjustment provided for in Title VI of the tax law as from 2019 since, as from that year, the percentages of variation of IPC price index are within those established by the law.

It was provided that in order to calculate inflation adjustments corresponding to the first and second fiscal year beginning as from January 1, 2019, one-sixth of the inflation adjustment shall be computed in that fiscal year, and the remaining five-sixths shall be computed in equal parts, in the five immediately following fiscal periods. The adjustment for inflation corresponding to fiscal years beginning on or after January 1, 2021 is fully recognized in this fiscal year.

Notwithstanding the foregoing, the law also established, on a general basis, the adjustment for inflation of the cost of several assets -in case of transfers- and the adjustment for inflation of the depreciation of property, plant and equipment and buildings, for all the acquisitions or investments made in fiscal years beginning on or after January 1, 2018 based on the variation of the IPC.

### Other National Taxes

#### **Tax on assets**

In Argentina, the tax on assets (*impuesto a la ganancia mínima presunta*), effective until the fiscal year ended December 31, 2018, was supplementary to income tax. The Company assessed this tax at the effective rate of 1% on the taxable assets at year-end. The Company's tax liability for each year was equal to the higher of the tax on assets assessment or the income tax liability assessed at the legally effective rate on the estimated taxable income for the year. However, if the tax on assets exceeded the income tax liability in any given fiscal year, the excess could be creditable against any excess of income tax liability over the tax on assets in any of the following ten fiscal years.

#### **Tax on Personal Assets, Shares and Interests**

Argentine companies shall pay the tax applicable to their shareholders who are Argentine individuals and non-resident individuals. Said tax is calculated based on the equity value of the shares according to the latest financial statements of the Argentine entity prepared in accordance with effective local professional accounting standards and without considering the effect arising from the changes in the purchasing power of the currency.

In accordance with the Law, Argentine companies are entitled to request the refund of said tax paid to their shareholders.

Pursuant to Law No. 27,260, Argentine companies that have properly fulfilled their tax obligations during the two fiscal years preceding fiscal year 2016 and comply with other requirements, may qualify for an exemption from the personal assets tax for fiscal years 2016, 2017 and 2018. The request for this tax exemption should be filed before March 31, 2017. Telecom Argentina and Cablevisión have already filed this request related to the payment of personal assets tax as substitute taxpayer (on behalf of its

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shareholders). Notwithstanding the above, it cannot be assured that in the future the companies will satisfy such requirements and maintain the referred exemption.

Pursuant to Law No. 27,541, the rate applicable as from fiscal year 2019 for this tax is 0.50%.

### **Tax on Bank Credits and Debits**

Law No. 25,413, as amended, provided for the creation of a tax on deposits to and withdrawals from bank accounts to be levied on: (i) debits and credits in accounts held in financial institutions located in Argentina; (ii) the debits and credits referred to in (i) in which no bank accounts with Argentine financial institutions are used, whatever their denomination, the mechanisms used to carry out such transactions (including cash) and/or legal instrument involved; and (iii) other transactions or transfers and deliveries of funds regardless of the individual or entity that performs them and the mechanism used.

Law No. 27,541 provided that the debits generated by cash withdrawals in any form shall be deemed taxable transactions, except for those made from accounts whose holders are physical or legal persons that qualify as micro and small-sized enterprises and provide evidence thereof under the terms of Article 2 of Law No. 24,467.

Pursuant to Decree No. 380/01 (as amended), the following transactions shall be subject to Law No. 25,413: (i) certain transactions carried out by financial institutions in which open accounts are not used; and (ii) any movement or delivery of funds, even in cash, that any person, including Argentine financial institutions, makes in its own name or on behalf of a third party, whatever the means used for its execution. Resolution No. 2,111/06 (AFIP) provides that “movements or deliveries of funds” are those made through organized payment systems replacing the use of bank accounts.

In addition, pursuant to Decree No. 311/21, regarding movements of funds in payment accounts, Payment Service Providers or companies engaged in electronic payment services and/or collections on behalf of third parties, as appropriate, will act as collection-at-source and paying agents, and the account holders shall bear the applicable taxes.

On May 7, 2018, Decree No. 409/18 was issued, which provided that, for transactions subject to the general tax rate, up to 33% of the taxes payable arising from both credited and debited amounts and the other taxable events subject to this tax may be creditable against income tax. In the case of transactions subject to a lower rate, only 20% may be creditable against income tax.

## **2.9 Financial Instruments**

Financial assets and liabilities, on initial recognition, are measured at transaction price as of the acquisition date. Financial assets are derecognized in the financial statement when the rights to receive cash flows from them have expired or have been transferred and the Company has transferred substantially all the risks and benefits of ownership.

### **2.9.1 Financial Assets**

Upon initial recognition, in accordance with IFRS 9, financial assets are subsequently measured at either amortized cost, or fair value, on the basis of:

- (a) the Company’s business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- (b) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A financial asset that is not measured at amortized cost according to the paragraphs above is measured at fair value.

Financial assets include:

### Cash and Cash Equivalents

Cash and cash equivalents includes Cash and banks and short-term and highly liquid investments that are readily convertible into cash, subject to an insignificant risk of changes in value and their original maturity or the remaining maturity at the date of purchase does not exceed three months.

Cash and cash equivalents are recorded, according to their nature, at fair value or amortized cost.

Investments in mutual funds are carried at fair value. Gains and losses are included in Other Financial Results, net.

Investments in Government Securities were valued at amortized cost or at fair value, according to the business model established by the Company.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

### Trade and Other Receivables

Trade and other receivables classified as either current or non-current assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowances for uncollectability.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

### Investments

Depending on the business model adopted by Management, Securities and Bonds may be valued at amortized cost or at fair value and its results are recognized under Other Financial Results, net.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

### Impairment of Financial Assets

At the time of initial recognition of financial assets (and at each closing), the Company estimates the expected losses, with an early recognition of a provision, pursuant to IFRS 9.

The expected losses to be recognized are calculated based on a percentage of uncollectability per maturity ranges of each financial credit. For such purposes, the Company analyzes the performance of the financial assets grouped by type of market. Said historical percentage must contemplate the future collectability expectations regarding those credits and, therefore, those estimated changes in performance.

### Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of such assets expire or when it transfers the financial asset and, therefore, all the risks and benefits inherent to the ownership of the financial asset are transferred to another entity. If the Company retains substantially all the risks and benefits inherent to the ownership of the transferred asset, it will continue to recognize it and will recognize a liability for the amounts received.

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### **2.9.2 Financial Liabilities**

Financial liabilities comprise accounts payable, bank and financial debt, salaries and social security payables, taxes payable and certain liabilities included in Other Liabilities.

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost represents the initial amount net of principal repayments made, adjusted by the amortization of any differences between the initial amount and the maturity amount using the effective interest method.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

#### Derecognition of Financial Liabilities

The Company shall derecognize a financial liability (or part of it) when it has been extinguished, i.e., when the obligation specified in the corresponding agreement is discharged, canceled or expires.

### **2.9.3 Derivatives**

Derivatives, if any, are initially recognized at fair value at the date of execution of the related contract and subsequently measured at fair value at the end of the reporting year. The resulting gain or loss is immediately recognized in the statement of income unless the derivative is designated as a hedging instrument, in which case the timing for its recognition will depend on the nature of the hedging relationship.

### **2.10 Separate Statement of Cash Flows**

For the purposes of preparing the statement of cash flows, the item "Cash and Cash Equivalents" includes cash and bank balances, certain high liquidity short-term investments (with original maturities shorter than 90 days). Bank overdrafts payable on demand are deducted to the extent they are part of the Company's cash management.

### **2.11 Distribution of Dividends**

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements for the period in which the distribution of dividends is approved by the Shareholders' Meeting.

### **2.12 Revenue Recognition**

Management fees are recognized when such services are rendered at the fair value of the consideration received or to be received. They were restated at historical currency, as mentioned in Note 2.1.1.

## **NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS**

In applying the accounting policies used in the preparation of these 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 year in which estimates are reviewed.

These estimates basically refer to:

### **3.1 Recoverability of Investments in Subsidiaries**

The Company's Management conducts recoverability assessments of its investments in subsidiaries on a regular basis or when events or changes in circumstances indicate that their recoverable value (the higher

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of the value in use or the fair value net, less costs of disposal) may be below its carrying amount. When assessing whether there is any event or circumstance that may have an impact on an investment, the Company analyzes external and internal sources of information.

Given the fact that the goodwill that is part of the carrying value of the investments in subsidiaries is not recognized separately, the Company does not assess its impairment separately in accordance with the guidelines of IAS 36 in the valuation of goodwill. Instead, the Company assesses the impairment of the whole carrying value of the investment, as an individual asset.

For the year 2021, the recoverable value of the investment held by the Company in Telecom was determined using the fair value based on the market capitalization value of Telecom, adjusted by the eventual disposal as a block, the costs of disposal and the premium over the market value. The estimated costs of disposal include costs such as legal and advisory fees that could be directly associated with the disposal of the investment.

As of December 31, 2020, the recoverable value was determined using the fair value less the costs of disposal.

From the analysis conducted by the Company, no recoverability problems were observed.

### **3.2 Recognition and Measurement of Deferred Tax Items**

As disclosed in Note 2.8, deferred tax assets are only recognized for temporary differences to the extent that it is probable that the entity will have enough future taxable income against which the deferred tax assets can be used. Deferred tax assets from unused tax loss carryforwards are only recognized when it is probable that the entity will have enough future taxable income against which they can be used.

The Company examines the recoverable value of deferred tax assets based on its business plans and books a valuation allowance, if appropriate, so that the net position of the deferred tax asset will reflect the probable recoverable value.

### **3.3 Measurement of the fair value of certain financial instruments**

The fair value of a financial instrument is the amount at which the instrument could be purchased or sold between knowledgeable, willing parties in an arm's length transaction. If there is a quoted market price available for an instrument in an active market, the fair value is calculated based on that price.

If there is no quoted market price available for a financial instrument, its fair value is estimated based on the price established in recent transactions involving the same or similar instruments and, otherwise, based on valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions based on market conditions at closing.

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**NOTE 4 – BREAKDOWN OF MAIN ITEMS****4.1 - Information Required under Article 64, Subsection b) of Law No. 19,550**

Item	Administrative Expenses December 31, 2021	Administrative Expenses December 31, 2020
Fees for services <sup>(1)</sup>	221	232
Salaries and Social Security Payables <sup>(2)</sup>	65	51
Taxes, Duties and Contributions	1	3
Other expenses	11	24
<b>Total</b>	<b>298</b>	<b>310</b>

(1) Includes Directors' fees for the year 2021 in the amount of \$ 26 million.

(2) Includes fees for technical and administrative services to Directors in the amount of \$ 16.6 million for the year 2021.

**4.2 – Other Financial Results, net**

	December 31, 2021	December 31, 2020
Exchange Differences	(412)	95
Gain (Loss) on Net Monetary Position	9	65
Financial Result from Assets	78	226
Other Taxes and Expenses	(7)	(10)
Income from Securities and Bonds	920	(1,205)
Interest Income	5	14
	<b>593</b>	<b>(815)</b>

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### 4.3 – Deferred Tax Asset and Income Tax.

The balance of the item deferred income tax is broken down as follows:

	December 31, 2021	December 31, 2020
Other	78	80
<b>Net Deferred Tax Assets</b>	<b>78</b>	<b>80</b>

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 \$ 5,663 million, which may be offset against future taxable profits. The following is a detail of the expiration of those unrecognized tax loss carryforwards:

Expiration year	Amount of Tax Loss Carryforward
2022	3,773
2023	1,781
2024	109

The following table shows the reconciliation between the income taxes charged to net income (loss) for the years ended December 31, 2021 and 2020 and the income tax liability that would result from applying the current tax rate on income (loss) before income tax and tax on assets and the income tax liability assessed for the year:

	December 31, 2021	December 31, 2020
Income Tax Assessed at the Current Tax Rate (25% as of December 31, 2021 and 30% as of December 31, 2020) on Income (Loss) before Income Tax	(926)	1,361
Permanent Differences:		
Equity in Earnings from Subsidiaries	849	(1,007)
Gain (Loss) on Net Monetary Position	(160)	(376)
Other	(30)	(24)
Tax loss carryforwards not recognized as deferred tax assets	265	44
Income Tax	(2)	(2)
Deferred Taxes for the Year	(2)	(2)
Valuation Allowance	(3)	(1)
Income Tax and Tax on Assets	(5)	(3)

### 4.4 - Investments in Subsidiaries

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

Companies	Country	Class	Nominal Value	Number	Valuation as of 12.31.2021		Valuation as of 12.31.2020		Interest (%)
					(1)	(1)	(1)	(1)	
<b>Non-Current Investments:</b>									
Telecom Argentina <sup>(2)</sup>	Argentina	Common	\$ 1	406,757,183	92,999	99,804	99,804	18.89%	
Telecom Argentina – Goodwill					16,204	16,204	16,204		
VLG <sup>(3)</sup>	Argentina	Common	\$ 1	19,172,000,000	99,435	106,709	106,709	100%	
VLG – Goodwill					1,893	1,893	1,893		
<b>Total</b>					<b>210,531</b>	<b>224,610</b>	<b>224,610</b>		

(1) 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.

(2) See Note 13.

(3) 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):

<b>Companies</b>	<b>Main business activity</b>	<b>Date</b>	<b>Capital Stock</b>	<b>Net Income</b>	<b>Equity</b>
Telecom	Provision of Information and Communications Technology Services ("ICT Services")	December 31, 2021	2,154	8,665	542,174
VLG	Investing and financing	December 31, 2021	19,172	1,750	109,170

The following is the evolution of the Investments in Subsidiaries:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Balance at the beginning of the year:	224,610	244,009
Equity in Earnings for the year from subsidiaries (*)	3,395	(3,355)
Interest in the dividends distributed by subsidiaries	(15,639)	(15,169)
Other Comprehensive Income	(1,835)	(875)
Balance at year-end	<b>210,531</b>	<b>224,610</b>

(\*) Included in the item "Equity in Earnings from Subsidiaries" of the separate statement of comprehensive income.

**Equity in Earnings from Subsidiaries**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Telecom	1,641	(1,622)
VLG	1,754	(1,733)
<b>Total</b>	<b>3,395</b>	<b>(3,355)</b>

**4.5 - Cash and Cash Equivalents**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Banks in Local Currency	1	9
Banks in Foreign Currency (Note 4.8)	830	510
Interest-bearing accounts (Note 4.8)	196	898
Mutual Funds (Note 4.8)	23	3
<b>Total</b>	<b>1,050</b>	<b>1,420</b>

**4.6 – Other Receivables**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Current</b>		
Tax Credits	30	35
Sundry Receivables	88	41
Prepaid Expenses	10	15
Valuation Allowance (Note 4.10)	(19)	(26)
<b>Total</b>	<b>109</b>	<b>65</b>
<b>Non-Current</b>		
Sundry Receivables	563	808
Income Tax Credit	22	33
Valuation Allowance (Note 4.10)	(22)	(33)
<b>Total</b>	<b>563</b>	<b>808</b>

**4.7 Accounts Payable**

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Current</b>		
Suppliers and Trade Provisions	3	6
Related Parties (Note 5)	15	-
<b>Total</b>	<b>18</b>	<b>6</b>

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

Items	As of December 31, 2021			As of December 31, 2020	
	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	10	102.52	1,026	11	1,408
Other Receivables	1	102.52	88	-	41
<b>Total Current Assets</b>	<b>11</b>		<b>1,114</b>	<b>11</b>	<b>1,449</b>
<b>NON-CURRENT ASSETS</b>					
Other Receivables	5	102.52	563	6	808
<b>Total Non-Current Assets</b>	<b>5</b>		<b>563</b>	<b>6</b>	<b>808</b>
<b>Total Assets</b>	<b>16</b>		<b>1,677</b>	<b>17</b>	<b>2,257</b>

(1) US\$.

(2) Bid/offered exchange rates, as appropriate.

(3) 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.

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

The following table shows the classification of investments, receivables and liabilities as of December 31, 2021 in the following categories:

	Investments (1)	Receivables (2)	Other Liabilities (3)
	In millions of Argentine pesos		
Without any established term Due	219	7	15
Within three months	922	35	947
More than three months and up to six months	-	23	-
More than six and up to nine months	-	22	-
More than nine months and up to twelve months	-	22	-
More than 1 year	-	563	-
<b>Total with upcoming maturity</b>	<b>922</b>	<b>665</b>	<b>947</b>
<b>Total</b>	<b>1,141</b>	<b>672</b>	<b>962</b>

(1) Bearing interest at variable rate. They include a balance of US\$ 1.91 million.

(2) Includes US\$ 6.36 million which does not accrue any interest.

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

**4.10 Changes in Allowances**

Items	Balances as of December 31, 2020	Increases	Decreases (1)	Balances as of December 31, 2021
<b>Deducted from Assets</b>				
Valuation Allowance	59	-	(28)	31
<b>Total</b>	<b>59</b>	<b>-</b>	<b>(28)</b>	<b>31</b>

(1) Corresponds to Gain (Loss) on Net Monetary Position

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**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 December 31, 2021 and 2020.

<u>Company</u>	<u>Item</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b><u>Other Related Parties</u></b>			
Grupo Clarín	Accounts Payable	(15)	-

The following table details the transactions carried out by the Company with related parties for the years ended December 31, 2021 and 2020:

<u>Company</u>	<u>Item</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b><u>Other Related Parties</u></b>			
Grupo Clarín	Fees for services	(157)	(155)
Gestión Compartida	Fees for services	(15)	(17)

The fees paid to the Board of Directors and the Upper Management of the Company for the years ended December 31, 2021 and 2020 amounted to approximately \$ 63 million and \$ 63 million, respectively.

**NOTE 6 - TELECOM ARGENTINA SHAREHOLDERS' AGREEMENT AND VOTING TRUST**

On July 7, 2017, the Company, together with VLG Argentina LLC, currently, after its nationalization, VLG S.A.U., Fintech Media LLC, Fintech Advisory Inc., GC Dominio S.A. and Fintech Telecom LLC executed a shareholders' agreement that governs their relationship as shareholders of Telecom Argentina (the "Agreement"). All the provisions of said Agreement became effective on the Effective Date of the Merger between Telecom Argentina and Cablevisión (January 1, 2018). Under such Agreement, the parties agreed on:

- representation in corporate bodies, establishing that, subject to the fulfillment of certain conditions set therein and provided Cablevisión Holding complies with certain minimum participation requirements in the Merged Company, it may appoint the majority of the members of the Board of Directors, the Executive Committee, the Audit Committee and the Supervisory Committee;
- a scheme of special majority requirements for the approval by the Board of Directors and/or the Shareholders, as applicable, of certain issues, such as: i) the Business Plan and the Annual Budget of the Merged Company, ii) the amendment of the bylaws, iii) the change of external auditors, iv) the creation of committees of the Board of Directors, v) the hiring of Key Employees as defined under the Agreement, vi) the merger or consolidation of Telecom or any Controlled Company, vii) acquisitions of certain assets, viii) sales of certain assets, ix) increases of capital stock, x) incurring indebtedness above certain limits, xi) capital investments in infrastructure, plant and equipment above certain amounts, xii) related party transactions, xiii) contracts that impose restrictions on the distribution of dividends, xiv) new lines of business or the discontinuation of existing ones, and xv) actions to be taken in insolvency situations, among others; and
- The appointment of management, establishing that, subject to the fulfillment by the Company and Fintech Telecom LLC of certain ownership thresholds regarding the shares of Telecom Argentina, the Company will be entitled to appoint the general manager and other key employees of Telecom Argentina and Fintech Telecom LLC will be entitled to appoint the chief financial officer and the internal auditor, respectively.

Pursuant to the Agreement, Fintech Telecom LLC and the Company provided for the execution of a Voting Trust (the "Voting Trust") undertaking to (i) each contribute to the trust certain shares of Telecom which, upon incorporating the shares held by the Company in Telecom Argentina, exceed fifty percent (50%) of

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the outstanding shares after the Merger becomes effective, and (ii) each appoint a co-trustee who will vote the shares under the terms of the Voting Trust. The shares under the Voting Trust shall be voted as per the instructions of the co-trustee appointed by the Company, except in the case of certain issues subject to veto under the agreement, in which case the co-trustee of Fintech Telecom LLC will determine the vote with respect to the shares under the Voting Trust.

On April 15, 2019, the Voting Trust was formalized. Pursuant to said Voting Trust, Fintech Telecom LLC and VLG S.A.U. (i) each contributed 235,177,350 shares of Telecom which, upon incorporating the shares in Telecom held by Cablevisión Holding (directly and indirectly), exceed fifty percent (50%) of the outstanding shares of Telecom, and (ii) the Company and Fintech Telecom LLC each appointed a co-trustee. The shares contributed to the Voting Trust shall be voted by the co-trustee appointed by Cablevisión Holding as voted by Cablevisión Holding or as instructed by Cablevisión Holding, except in the case of certain matters subject to veto under the Shareholders' Agreement, in which case they shall be voted by the co-trustee appointed by Fintech Telecom LLC as voted by Fintech Telecom LLC or as instructed by Fintech Telecom LLC.

## **NOTE 7 – REGULATORY FRAMEWORK**

### **a) REGULATORY AUTHORITY**

The activities carried out by Telecom and its subsidiaries, providers of Information and Communications Technology Services ("ICT" Services), are governed by a set of regulations that make up the regulatory framework applicable to the sector.

The Regulatory Authority for ICT services in Argentina is ENACOM, which is currently under the jurisdiction of the Secretariat of Public Innovation under the Chief of the Cabinet of Ministers.

Núcleo, with operations in the Republic of Paraguay, is under the oversight of the CONATEL (like TUVES), and Personal Envíos is under the oversight of the Central Bank of the Republic of Paraguay.

Telecom USA, which operates in the United States of America, is under the oversight of the Federal Communications Commission ("FCC").

Adesol, a company incorporated in Uruguay, has contractual relationships with several licensees that provide subscription television services through various systems in said country and are under the oversight of the Communication Services Regulatory Agency ("URSEC", for its Spanish acronym).

Micro Sistemas is registered as PSP and is subject to the regulations issued by the BCRA and the FIU for this type of transactions.

### **b) LICENSES**

- ✓ **Under the Licencia Única Argentina Digital, Telecom currently provides the following services:**
  - Local fixed telephony,
  - Public telephony,
  - Domestic and international long-distance telephony,
  - Domestic and international point-to-point link services,
  - Value added, data transmission, videoconferencing, transportation of broadcasting signals, and Internet access,
  - STM, SRMC, PCS and SCMA, also called mobile communications services ("SCM", for its Spanish acronym),
  - SRS and
  - SRCE.

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The licenses for rendering SCM services had been originally granted to Personal and were subsequently transferred to Telecom under the merger with Personal pursuant to ENACOM Resolution No. 4,545-E/17. Such licenses were granted for the provision of STM in the Northern Region of Argentina, of SRMC in the AMBA area, and of PCS and SCMA throughout the country.

Within the framework of the merger with Cablevisión pursuant to ENACOM Resolution No. 5,644-E/17, Telecom also acquired licenses and authorizations to render SRCE services and the Registration to render Physical and Radio-Electric Link Subscription Television Services and the corresponding authorizations.

- ✓ Licenses held by subsidiaries in Paraguay

**Núcleo** holds a license to provide mobile telecommunication services - STMC and PCS throughout Paraguay. In addition, Núcleo holds a license for the installation and exploitation of Internet and data services throughout Paraguay. All these licenses were granted for renewable five-year periods.

**Personal Envíos** was authorized by the Central Bank of the Republic of Paraguay to operate as an Electronic Payment Company ("EMPE", for its Spanish acronym) through Resolution No. 6 issued on March 30, 2015, and its corporate purpose is restricted to such service.

**Tuves Paraguay** holds a license for the provision of direct-to-home subscription audio and television services ("DATDH"). This license was granted for renewable five-year periods.

### **c) REGULATORY FRAMEWORK OF THE SERVICES PROVIDED BY TELECOM.**

Among the main regulations that govern the services rendered by Telecom, the following stand out:

- Law No. 27,078 - Digital Argentina Law ("LAD", for its Spanish acronym), as amended.
- Law No. 19,798 to the extent it does not contradict the LAD.
- The Privatization Regulations, which regulated that process.
- The Transfer Agreement.
- The licenses for providing telecommunication services granted to Telecom and the Bidding Terms and Conditions and their respective general rules.

The exploitation of physical and/or radio electric link subscription broadcasting services held by Telecom, originally granted under Law No. 22,285, are currently governed by the LAD since Emergency Decree No. 267/15 was issued.

#### **✓ LAW NO. 27,078 – DIGITAL ARGENTINA LAW**

Enacted in December 2014, the LAD maintained the single country-wide license scheme and the individual registration of the services to be rendered but replaced the name telecommunication services with ICT Services and added several changes to the regulatory framework of these services.

Law No. 19,798, the Telecommunications Act (passed in 1972), as amended, continues in effect only with respect to those provisions that do not contradict the provisions of the LAD (among them, for example, Article 39 of Law No. 19,798 regarding the exemption from all taxes on the use of soil, subsoil and airspace for telecommunications services).

The LAD also revoked Decree No. 764/00, as amended, but the provisions of the decree that do not contradict the LAD will remain in effect during the time it takes the Regulatory Authority to issue new licensing, interconnection services, SU and spectrum regulations (see paragraph f), section "Other Regulations" in this note).

#### **✓ DECREE No. 267/15 – AMENDMENTS TO THE LAD**

On January 4, 2016, Emergency Decree No. 267/15 was published in the Official Gazette, amending Law No. 26,522 ("the Audiovisual Communication Services Law or the Media Law") and Law No. 27,078 (LAD), and creating the ENACOM as the Enforcement Authority for these laws. On April 8, 2016, the House of

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Representatives voted in favor of the validity of Emergency Decree No. 267/15. Thus, such Decree acquired the status of Law.

Among the main amendments to the LAD relating to the Subscription Broadcasting Service, the following stand out:

- ✓ The incorporation of Subscription Broadcasting Services (physical or radio electric link, such as cable TV) as an ICT Service within the scope of the LAD and excluding it from Law No. 26,522. Satellite subscription television services (known as satellite TV) shall remain within the scope of Law No. 26,522. Furthermore, Decree No. 267/15 states that the ownership of a satellite subscription television license is incompatible with having any other kind of audiovisual communication or ICT Service license.
- ✓ Any subscription broadcasting license (such as cable television) granted before the application of Emergency Decree No. 267/15 will be considered, for all purposes, a Licencia Única Argentina Digital, with a registration for such service. Furthermore, the Decree provides for a 10-year extension counted as from January 1, 2016 for the use of spectrum frequencies by radio electric link subscription broadcasting services licensees.
- ✓ Decree No. 267/15 replaces article 95 of the LAD and provides several obligations for fixed telephony licensees granted by Decree No.264/98 and mobile service providers with licenses granted by Decree No.1,461/93, which choose to provide subscription broadcasting services. This provision was subsequently amended by Decree No. 1,340/16.

It should be noted that pursuant to Article 21 of Emergency Decree No. 267/15 and until the enactment of a law that will unify the fee regime provided under the LSCA (Audiovisual Communication Services Law) and the LAD, the physical link and radio-electric link subscription broadcasting services will continue to be subject only to the fee regime provided under Law No. 26,522. Therefore, they shall not be subject to the investment contribution or the payment of the Control, Oversight and Verification Fee provided under Articles 22 and 49 of the LAD.

### ✓ **DECREE NO. 1,340/16 - AMENDMENTS TO EMERGENCY DECREE No. 267/15**

Decree No. 1,340/16 issued by PEN and published in the Official Gazette on January 2, 2017 provides the rules for achieving a greater convergence of networks and services under competitive conditions, promoting the deployment of next generation networks and the penetration of Broadband Internet access throughout the national territory, in accordance with the provisions of the LSCA and the LAD.

Among the most relevant provisions, it establishes:

- That a 15-year-term, as from the publication of the Decree, be fixed as differential condition pursuant to article 45 of the LAD, for the protection of last-mile fixed new generation networks for Broadband deployed by ICT licensees for Broadband regarding the regulations of open access to Broadband and infrastructure to be issued, notwithstanding the provisions of article 56 of the LAD.
- That the Ministry of Communications or the ENACOM, as appropriate, shall establish the rules for the administration, management, and control of the radio spectrum.
- That ICT licensees and Satellite Link Subscription Broadcasting licensees that as of December 29, 2016 simultaneously provided both services, may retain ownership of both types of licenses.

This Decree also sets out some principles on interconnection matters contemplated in the General Rules on Services and Networks Interconnection, approved through Resolution No. 286/18. (see "Other Regulations" in this Note).

### ✓ **DECREE No. 690/20 – AMENDMENTS TO THE LAD - CONTROVERSY**

On August 22, 2020, the National Executive Branch issued Decree No. 690/20 ("Emergency Decree No. 690/20"), whereby it amended the Digital Argentina Law and declared that ICT Services – fixed and mobile

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telephony, cable television and Internet – and the access to telecommunications networks for and between licensees are now deemed “essential and strategic public services subject to competition”, and their effective availability shall be guaranteed by ENACOM.

The prices of essential and strategic public ICT services subject to competition, the prices of the services provided under the Universal Service and of those determined by ENACOM based on reasons of public interest, shall be regulated by said agency.

The Decree also provides that ENACOM shall establish, in the respective regulations, the Mandatory Universal Basic Provision of ICT services.

It also provided for the suspension of price increases or modifications established or announced from July 31 to December 31, 2020 by ICT licensees.

The Decree was ratified by the Argentine Congress under the terms of Law No. 26,122 and was regulated through ENACOM Resolutions Nos. 1,466/20 and 1,467/20.

Resolution No. 1,466/20 provided that ICT Services Licensees that render Internet access, subscription broadcasting services by physical, radio-electric or satellite link, and fixed and mobile telephony services - in all cases in their different and respective modalities- may increase up to 5% their retail prices as from January 2021, taking as reference the prices effective as of July 31, 2020. Said Resolution also provided that ICT Services Licensees may request on an exceptional basis price increases exceeding 5% in accordance with the provisions of Article 48 of the LAD.

Resolution No. 1,467/20 regulated the Mandatory Universal Basic Service set forth by Emergency Decree No. 690/20 for the different services provided by ICT Services Licensees, namely:

- PBU-SBT: Mandatory Universal Basic Provision of Basic Fixed Telephony Service;
- PBU-SCM: Mandatory Universal Basic Provision of Mobile Communication Service;
- PBU-I: Mandatory Universal Basic Provision of Internet Access Value Added Service;
- PBU-TP: Mandatory Universal Basic Provision of subscription television services by physical or radioelectric or satellite link;

Since January 2021, Telecom started a path to increase prices in order to match the increase in its costs due to inflation. Notwithstanding the foregoing, it failed to transfer to the price of its services the accumulated inflation in the period March-December 2020 as a consequence of several measures implemented by the National Executive Branch. Telecom brought a legal action before the Federal Court on Administrative Litigation Matters against Emergency Decree No. 690 and against the above-mentioned Resolutions, grounded on the unconstitutionality of said regulations. The National Government was served notice of said legal action on October 7, 2021.

In this regard, Telecom requested an injunction ordering the suspension of their application. Such request for injunction was dismissed on January 29, 2021. Telecom filed an appeal against such decision.

On April 30, 2021, the Court of Appeals on Federal Administrative Matters admitted the appeal filed by Telecom, revoked the decision rendered by the court of first instance and, consequently, granted the requested injunction, ordering the suspension of the effects of Articles 1, 2, 3, 4, 5 and 6 of Emergency Decree No. 690/20 and of the resolutions issued in connection with such Decree and the consequent inapplicability to Telecom for a period of six months. Under the protection of the injunction granted by the Court of Appeals, Telecom increased once again its prices in June, September and December 2021.

In its decision, the Court considered, among other grounds, that the "circumstances prima facie lead to serious and founded concerns to challenge the reasonability and legitimacy of Decree 690/2020 and of the resolutions adopted by ENACOM as a consequence thereof, due to the direct adverse effects they have on Telecom Argentina's property rights, which derive from ICT services provision under a free competition system as regulated, authorized and granted (as the case may be) by the National Government itself."

The National Executive Branch and the ENACOM filed extraordinary appeals against the decision rendered by the above-mentioned Court of Appeals on Federal Administrative Matters, which were dismissed on

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June 18, 2021 pursuant to the decision rendered by Chamber No. II of the Court of Appeals on Federal Administrative Matters.

On June 29, 2021, the National Executive Branch and the ENACOM filed direct appeals before the Supreme Court of Argentina. As of the date of these separate financial statements, both appeals are still pending resolution.

On October 21, 2021, Telecom was served notice of a decision rendered by Federal Court on Administrative Litigation Matters No. 8, whereby it decided to extend for a term of six months the effectiveness of the injunction that had been granted.

Telecom, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

Telecom and its legal advisors believe that it has strong arguments in its favor that are very likely to prevail in court, however, it cannot assure at this time the final outcome of this legal dispute.

### Innovative injunction requested by “Asociación Civil de Usuarios Bancarios Argentinos (“ACUBA”, for its Spanish acronym)

On January 27, 2021, the Company was notified of an injunction granted by the Court on Civil and Commercial Matters No. 10 of Mar del Plata. The court granted the innovative injunction requested by ACUBA, ordering Telecom to revert the value of its subscription broadcasting, Internet access, fixed telephony and mobile communication services to the prices that were in force as of December 2020, to which it may add a maximum of five percent (5%), as authorized by the regulatory authority ENACOM, and maintain those values until the court decides otherwise. Telecom claimed that the provincial court lacks jurisdiction to render a decision on the case and requested the nullity of the decision because it was rendered by a judge who lacks jurisdiction over the matter. Telecom claimed that the injunction granted to an industry representative in Córdoba before a Federal Court of that province expressly suspended the application of Emergency Decrees Nos. 690/20 and 311/20 and ordered the ENACOM to refrain from issuing further resolutions.

On December 6, 2021, the Court ordered the joinder of the file with the one in re “Asociación de Consumidores de Argentina UCA v. AMX Argentina and other on Proceeding leading to a declaratory judgment”, pending before Federal Court on Administrative Litigation Matters No. 6 of the Autonomous City of Buenos Aires.

Telecom, with the assistance of its legal advisors, is analyzing the actions that are necessary to protect its rights.

### Injunction requested by an industry representative in Córdoba

On February 2, 2021, the Argentine Cable Television Association (ATVC, for its Spanish acronym) notified Telecom that an injunction, requested by an industry representative in the Province of Córdoba, had been granted by a Federal Court of that province, ordering the suspension of Emergency Decree No. 690/20, of Emergency Decree No. 311/20, and of all measures adopted as a result of those Decrees. In addition, the court ordered the National Executive Branch and the ENACOM to refrain from issuing or pursuing any measure based on said Decrees, until a final decision is rendered on the matter.

ATVC also informed Telecom that in accordance with the court’s decision, the regulatory agency is not empowered to continue issuing regulations based on Emergency Decree No. 690/20 or enforcing those previously issued, which are suspended in general terms.

### Injunction issued in re “Catrie Televisora Color S.R.L. v. National Government re: Action seeking only a declaration of unconstitutionality”

On March 31, 2021, Telecom received a communication from the Argentine Cable Television Association (ATVC, for its Spanish acronym) informing that, in re “Catrie Televisora Color S.R.L. v. National Government re: Action seeking only a declaration of unconstitutionality” (File No. 858/21) brought before Federal Court No. 1 of the Province of Córdoba, ATVC had requested joint litigation, pursuant to Article 90, subsection 2 of the Argentine Code of Civil and Commercial Procedure, invoking the legal standing for a

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collective claim, on behalf of the member companies, and that the injunction granted on said file be extended.

On the same date, ATVC was notified of the resolution issued by Federal Court No. 1 of the Province of Córdoba dated March 30, 2021 in re File No. 858/21, whereby said court decided: 1) to grant ATVC's request for joint litigation; 2) to transform the proceeding into a collective claim; 3) to determine that the collective claim encompasses the cable television and ICT services companies that are members of ATVC; and 4) to order the National Government to suspend the application and enforcement of Emergency Decree No. 690/20 and of all regulations issued in connection with and based on said decree. In addition, said court ordered the National Executive Branch and the ENACOM to refrain from issuing or pursuing any measure based on said Decree until a final decision is rendered with respect to all the companies included in the certified class under this proceeding.

### **d) UNIVERSAL SERVICE REGULATION**

- **Decree No. 764/00**

Annex III of Decree No. 764/00 required providers of telecommunications services to contribute 1% of their total accrued revenues, net of applicable taxes and charges, to the SU Fund. The regulation adopted a "pay or play" mechanism for compliance with the mandatory SU contribution. The regulation also established the exemption from contributions in the following cases: (i) for local services provided in areas with teledensity lower than 15%, and ii) when, in the case of Telecom Argentina and Telefónica, the conditions of an algorithm that combines loss of revenues and the market share of other operators which provide local telephony services, are met. Additionally, the regulation created an Executive Committee responsible for the management of the SU Fund and the development of specific SU programs.

Resolution No. 80/07, issued by the SC, provided that until the SU Fund was effectively created, telecommunication service providers were required to open an account at Banco de la Nación Argentina to deposit the corresponding amounts on a monthly basis. Resolution No. 2,713/07, issued by the former CNC in August 2007, established clarifications about the items that fall within this regulation and those that are deductible for the purposes of the calculation of the obligation to contribute to the SU Fund.

- **Amendment of Universal Service Regulation**

After several decrees and laws that approved and amended the General Regulation of the Universal Service ("RGSU", for its Spanish acronym), which replaced Annex III of Decree No. 764/00, the ENACOM approved a new RGSU through Resolution No. 721/20, whereby it replaced the General Regulation of the Universal Service approved under ENACOM Resolution No. 2,642/16.

The new regulation maintains the obligation to contribute 1% of total revenues, as provided in the previous resolution. Among the most relevant aspects, the new regulation provides:

- (i) That the ENACOM may deem that the monthly obligation of the Contributors has been partially settled for up to 30% of their contributions, based on the reporting of computable investments made in projects approved by the ENACOM;
- (ii) That the licensees may submit Projects to the ENACOM for their review and assessment;
- (iii) That the deployment of last mile fixed NGNs for the provision of broadband Internet services that are the subject matter of the Projects shall not fall within the scope of the protection described in Article 3 of Decree No. 1,340/16.

Lastly, within the framework of the new regulation, universal service programs were issued involving the deployment of fixed broadband, the deployment of access networks for mobile communication services and for services rendered to public institutions, among others

- **SU Fund - Impact on Telecom with respect to its original license to provide SBT**

Within the framework of SC Resolutions Nos. 80/07 and 154/10 and CNC Resolution No. 2,713/07, Telecom started to file its affidavits including the deductible amounts based on the services that should be considered as SU services.

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However, several years after the market's liberalization and the effectiveness of the first SU regulations, which were replaced with Decree No. 558/08 and the LAD, incumbent operators have still not received any set-offs for providing services with the characteristics set forth under the SU regime.

As of the date of these separate financial statements, Telecom filed its monthly SU affidavits related to the services associated with its original license to render SBT, which resulted in a receivable of approximately \$ 18,069 million (unaudited). The programs and the valuation methodology used to estimate this receivable are pending approval by the Regulatory Authority. This receivable has not yet been recorded by Telecom since it is subject to the approval of the SU Programs and the review of those affidavits by the Regulatory Authority and the confirmation of the existence of sufficient contributions to the SU Trust so as to compensate the incumbent operators.

On April 8, 2011, the SC issued Resolution No. 43/11 notifying Telecom that investments associated with "High-Cost Areas" (amounting to approximately \$ 18,739 million and which are included in the above-mentioned receivable) did not qualify as an Initial Indicative Program.

Through SC Resolutions No. 53, 54, 59, 60, 61, 62, 69 and 70/12, Telecom was notified that: the "Special Information Service 110", the "Discounts for Retired People, Pensioners and Low Consumption Households", the services of "Social Public Telephony and Loss-Making Public Telephony", the "Services and Discounts relating to the Information Society Program [argentin@internet.todos](mailto:argentin@internet.todos)", the "Services for Deaf-Mute People", the "Free Access to Special Emergency Services and Special Community Services", the "Value Added Service 0611 and 0612" and the "Long Distance Semipublic Service (SSPLD)" (valued at approximately \$ 1,682 million and included in the above-mentioned receivable), respectively, did not qualify as Initial SU Programs, pursuant to the terms of Article 26 of Annex III of Decree No. 764/00, and that, they did not constitute different services involving a SU provision, and therefore, cannot be financed with SU Funds, pursuant to the terms of Article 2 of Decree No. 558/08.

Telecom's Management, with the advice of its legal counsel, has filed appeals against the above-mentioned resolutions, presenting the legal arguments based on which such resolutions should be revoked.

In September 2012, the CNC ordered Telecom to deposit approximately \$ 208 million. Telecom has filed a claim refusing the CNC's order on the grounds that the appeals against the SC Resolutions are still pending resolution.

On November 28, 2019, the ENACOM notified Telecom that the appeals filed by that company against the above-mentioned resolutions had been rejected, and that the file had been submitted to the Court of Appeals. As of the date of these separate financial statements, the appellate court has not yet issued a decision.

Although it cannot be assured that these issues will be favorably resolved at the administrative stage, Telecom's Management, with the assistance of its legal advisors, considers that it has solid legal and factual arguments to support the position of Telecom Argentina.

- **SU Fund - Impact on Telecom with respect to the SCMs originally provided by Personal**

In compliance with SC Resolution No. 80/07 and No. 154/10 and CNC Resolution No. 2,713/07, since July 2007 Personal has filed its affidavits and deposited the corresponding contributions.

On January 26, 2011, the SC issued Resolution No. 9/11 establishing the "Infrastructure and Facilities Program." The Resolution provided that telecommunication service providers could only allocate to investment projects under this program the amounts corresponding to outstanding investment contribution obligations arising from Annex III of Decree No. 764/00 before the effective date of Decree No. 558/08.

On July 5, 2012, the SC issued Resolution No. 50/12 pursuant to which it notified that the services declared by the SCM Providers as High Cost Areas or services provided in non-profitable areas, services provided to clients with physical limitations (deaf-mute and blind people), rural schools, and requests relating to the installation of radio-bases and/or investment in infrastructure development in various localities, did not constitute items that could be discounted from the amount of SU contributions pursuant to the last part of

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Article 3 of Resolution No. 80/07, or Article 2 of Decree No. 558/08. It also provided that certain amounts already deducted could be used for investment projects within the framework of the Program created under SC Resolution No. 9/11, or deposited in the SU Fund, as applicable.

Personal filed an administrative appeal against SC Resolution No. 50/12 requesting its nullity. As of the date of these separate financial statements, this appeal is still pending resolution.

On October 1, 2012, in response to the order issued by the SC, Personal deposited under protest the equivalent amount in the SU Fund, corresponding to the assessment of the SU services provided by Personal since the effectiveness of Decree No. 558/08, reserving its right to take all actions it may deem appropriate to claim its reimbursement, as informed to the SC and the CNC on October 15, 2012. Since August 2012, Personal is paying such concepts under protest in its monthly affidavits.

Telecom's Management cannot assure that this issue will be resolved in its favor at the administrative stage.

- **SU Fund - Impact on Telecom with respect to the services originally provided by Cablevisión.**

Cablevisión has complied with its investment contribution obligations. The Regulatory Authority has not yet approved the Project filed by Cablevisión on June 21, 2011, within the framework of SC Resolution No. 9/11, in order to fulfill the SU contribution obligation for the amounts accrued since January 2001 until the effectiveness of Decree No. 558/08.

### **e) SPECTRUM**

Pursuant to SC Resolution No. 79/14 and Resolutions Nos. 80/14, 81/14, 82/14 and 83/14, Personal was awarded Lots 2, 5, 6 and 8 of the remaining frequencies to provide Personal Communication Services ("PCS") and Cellular Mobile Radiocommunication Services ("SRMC"), as well as those of the new spectrum to provide Advanced Mobile Communications Services ("SCMA"). Pursuant to SC Resolution No. 25/15, issued on June 11, 2015, the Secretary of Trade awarded the rest of frequency bands in Lot 8, completing such lot.

Pursuant to the terms of the Auction, the authorizations for the use of the frequencies under the Auction are granted for a term of fifteen (15) years counted as from the notice of the administrative act that awards such frequencies. Upon the expiration of said term, the Regulatory Authority may extend the effectiveness at the express request of the awardee (which will be for consideration, under the conditions and price to be determined by the Regulatory Authority).

Subsequently, pursuant to Decree No. 1,340/16, the Ministry of Communications provided that the term of the authorizations for the use of frequencies of the SCMA, as well as the corresponding deployment obligations, shall be counted as from the effective migration of the services currently operating in these bands within Area II (AMBA). On August 30, 2018, the Ministry of Modernization issued Resolution No. 528/18, whereby it stated that the effective migration of those services had been verified on February 27, 2018.

### **f) OTHER RELEVANT REGULATORY MATTERS**

#### **✓ REGULATORY SITUATION IN URUGUAY**

- **Uruguayan Audiovisual Communication Services Law**

Law No. 19,307 was published in the Official Gazette of the Republic of Uruguay on January 14, 2015. This Law governs radio, television, and other audiovisual communication services (hereinafter, the "Audiovisual Communications Law"). Article 202 of this law provides that the National Executive Branch shall issue its implementing regulations within a 120-day term, counted as from the day following publication of the Audiovisual Communications law in the Official Gazette. As of the date of these separate financial statements, Decrees Nos. 45/015 and 160/019 were issued. Decree No. 45/015 provides that the concession for the use and allocation of the radio-electric spectrum for non-satellite audiovisual

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communication services shall be granted for a term of 15 years, while Decree No. 160/019 regulates several provisions of the Audiovisual Communications Law.

Article 54 of the Audiovisual Communications Law provides that an individual or legal entity cannot be allocated the full or partial ownership of more than 6 authorizations or licenses to render television services to subscribers throughout the national territory of Uruguay. Such limit is reduced to 3 if one of the authorizations or licenses includes the department of Montevideo. Article 189 of this law provides that in the cases where such limits were exceeded as of the entry into force of the Law, the owners of those audiovisual communication services shall transfer the necessary authorizations or licenses so as not to exceed the limits mentioned above within a term of 4 years as from the date of entry into force of the Audiovisual Communications Law. Such term expired in January 2019.

Adesol is analyzing the possible impact on its business that could be derived from the change in the regulatory framework and the eventual legal actions it may bring to safeguard its rights and those of its shareholders. That company is also monitoring the different unconstitutionality claims filed by other companies against certain articles of the above-mentioned law to consider whether the decisions to be rendered by the Supreme Court of Uruguay in those proceedings may be favorable to the position of Adesol in the future. As of the date of these consolidated financial statements, the Supreme Court declared the unconstitutionality of Articles 39, subsection 3, 55, 56, subsection 1, article 60 item C, 98 subsection 2, 117 item F subsection 2, 143 and 149 subsection 2 of Law No. 19,307, and in another decision rendered in this respect, the Supreme Court dismissed the unconstitutionality claim filed by the claimant with respect to Article 54 of that Law.

It should be noted that under the decision rendered regarding the unconstitutionality claim brought against Articles 54 and 189 of Law No. 19,307, on November 22, 2019 by Audomar S.A., Dolfycor S.A., Reiford S.A., Space Energy Tech S.A., Tracel S.A., Bersabel S.A., and Visión Satelital S.A., together with the majority shareholder of those companies, in October 2020, the Supreme Court declared that the Legislative Branch could not be sued by the claimant and dismissed the unconstitutionality claim, stating that those companies do not fall within the scope of Article 54, subsection 1.

In accordance with the decision rendered by the Supreme Court, within the legal framework currently in effect, the limits established under Article 54, subsection 1, do not apply to those companies since they hold authorizations or licenses "together" while the regulation provides for limits to individuals or legal entities considered individually.

In April 2020, the National Executive Branch submitted to Congress a media bill, that would result, if passed, in the repeal of the current audiovisual communications law (Law No. 19,307) and, consequently, of the respective implementing decrees. As of the date of these separate financial statements, said media bill is still being reviewed by Congress.

### ✓ **OTHER RELEVANT REGULATIONS**

#### ○ **General Rules Governing ICT Service Licenses**

On January 2, 2018, the Ministry of Modernization issued Resolution No. 697/17, whereby it approved the new General Rules Governing ICT Service Licenses. This Resolution repealed the General Rules approved pursuant to Annex I of Decree No. 764/00, as from the date the resolution became effective (February 1, 2018), and it also repealed ENACOM Resolutions No. 2,483/16 and No. 1,394/16 (except for Section 12 of its Annex I, which will remain in effect). Telecom has filed an appeal against certain aspects of this Resolution, which is still pending resolution.

#### ○ **General Rules Governing ICT Service Customers**

On January 4, 2018, the Ministry of Modernization issued Resolution No. 733/17, whereby it approved the new General Rules Governing ICT Service Customers. This Resolution became effective on March 5, 2018, repealing SC Resolutions No.490/1997, and Annexes I and III of SC Resolution No. 10,059/1999

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and its supplementing regulations. Annex II of SC Resolution No. 10,059/1999 shall remain in effect, to the extent applicable, until the enactment of the penalty regime provided under Article 63 of the LAD.

Said New General Rules repealed the general rules governing mobile and basic telephony service customers, thus becoming the only general rules that govern ICT Service customers, including Internet access services and subscription broadcasting services.

Telecom made a filing with the Ministry of Modernization regarding some regulations that infringe its right to sell its services (such as the 180-day prepaid credit; Article 56, which provides for compensation in favor of the customer, and Article 79, which establishes the obligation to replace any channels eliminated from the programming grid with other channels of similar quality).

Through Resolution No. 363/18, published in the Official Gazette on June 27, 2018, the Ministry of Modernization provided for amendments to the General Rules. Some of those amendments were related to the provisions challenged by Telecom in its filing. As of the date of these separate financial statements, this appeal is still pending resolution. Subsequently, through Resolutions Nos. 1,150/19 and 1,522/19, the Secretariat of Modernization introduced amendments, among which the most relevant is the term of 30 business days to report in advance material changes in the services rendered to customers.

- **Number Portability Regulation**

On April 4, 2018, the Ministry of Modernization issued Resolution No. E-203/18, whereby it approved the new Number Portability Regulation, including the portability of fixed telephony service lines. Through said Resolution, said Ministry also approved the implementation schedule for the portability of these services and revoked SC Resolutions Nos. 98/10, 67/11 and 21/13 and Resolution No. E-170/17 issued by the Ministry of Communications, as supplemented. Through Resolution No. 401/18, published on July 11, 2018, the Ministry of Modernization provided that the ENACOM shall determine the way in which the Number Portability Committee will be constituted and implemented.

Through Resolution No. 4,950 issued on August 14, 2018, the Board of the ENACOM delegated on the head of the first operational level of the National Administration of Planning and Convergence the powers to: (i) approve the Processes and Operational and Technical Specifications of Number Portability, (ii) approve the Bidding Terms for the selection of the Database Administrator for the contract to be executed between the Portable Services Providers and the Database Administrator and propose any relevant changes to the Number Portability Committee, and (iii) intervene on a binding basis in the procedure to procure the services of the Database Administrator.

Through said Resolution, the ENACOM also set out that the Number Portability Committee shall be composed of two representatives, one permanent and one alternate, and approved the work schedule in order to properly implement the Number Portability.

On December 31, 2020, the ENACOM issued Resolution No. 1,509/20, whereby it replaced the work schedule for the implementation of Number Portability that had been approved as an Annex to Resolution No. 4,950/18. In addition, the ENACOM approved the new model of the Bidding Terms and Conditions for the selection of the centralized Number Portability Database Administrator (DA) for the Mobile Communication Service and the Fixed Telephony Service, and also approved the Network Technical Specifications. This Resolution was ratified by ENACOM Resolution No. 185/2021.

Pursuant to Resolution No. 32/2022, published in the Official Gazette on January 25, 2022, the ENACOM decided to postpone for one hundred and twenty (120) days the launch of the operations and implementation of the Numeric Portability for Fixed Telephony Services in order to better implement number portability.

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### ○ **General Rules Governing Interconnection and Access**

On May 18, 2018, Ministry of Modernization Resolution No. 286/18 was published in the Official Gazette. Said Resolution approves the new General Rules Governing Interconnection and Access, effective as from July 3, 2018, repealing the General Rules that had been approved under Decree No. 764/00.

Pursuant to the new General Rules, the interconnection and access terms, conditions and prices may be freely established by mutual agreement between the parties. The ENACOM shall set provisional interconnection charges, as established under Decree No. 1,340/16.

In addition, the providers of ICT Services shall be under the obligation to provide interconnection at the request of another provider of ICT Services, on no less favorable technical and economic conditions than those applied by the requested ICT Service provider to itself or to third parties. They shall also guarantee the quality of the services, as well as transparency in compensation, and shall refrain from charging the requesting ICT Service Providers for functions or services that are not needed to render their services.

On August 14, 2018, the ENACOM issued Resolution No. 4,952/18, whereby it set a provisional charge equivalent to US\$ 0.0108 per minute of communication, without considering taxes and charges that may be applicable to local origination or termination services over mobile communication service networks. In addition, said Resolution provides that for the purposes of the application of the charge, the measuring unit will be per second. Through Resolution No. 1,161/18 dated November 27, 2018, the ENACOM set the same charge for SRCE network termination.

On that same date, Resolution No. 1,160/18 was also published in the Official Gazette. Pursuant to said Resolution, the ENACOM set: (i) a provisional charge equivalent to forty-five ten-thousandths US dollars (US\$ 0.0045) for local origination or termination services over fixed telephony service networks per minute of communication (ii) a provisional charge equivalent to ten ten-thousandths US dollars (US\$ 0.0010) for local transit service per minute of communication (iii) a provisional charge equivalent to twenty-seven ten-thousandths US dollars (US\$ 0.0027) for long distance transport service per minute of communication (iv) the second as the measuring unit for the purposes of applying the charges set under this Resolution.

Telecom filed an appeal with the ENACOM challenging those charges with the respective legal grounds to request the review of the above-mentioned Resolution by that agency. As of the date of these separate financial statements, this appeal is still pending resolution.

Pursuant to Resolution No. 4,266/19, published in the Official Gazette on October 8, 2019, the ENACOM decided, on a provisional and exceptional basis, that the reference exchange rate applicable to the interconnection charges in effect established under ENACOM Resolutions Nos. 4,952/18, 1,160/18 and 1,161/18, for calls made as from August 1, 2019, will be of forty-five pesos and twenty five cents \$ 45.25 per US dollar. In subsequent months, the exchange rate to be applied may not exceed six percent (6%) of the exchange rate established for the previous month and in no case may it exceed the selling exchange rate set by Banco de la Nación Argentina on the last business day of the month in which the services are rendered. This Resolution was applicable to services provided up to and including December 31, 2019.

Through Resolution No. 1,510/20, which was published in the Official Gazette on December 29, 2020, the ENACOM decided, on a provisional and exceptional basis, that the reference exchange rate applicable to calls made as from January 1, 2021, will be of eighty-three point thirty six Argentine Pesos (\$ 83.36) per US dollar. This Resolution was applicable to services provided up to and including June 30, 2021, and was subject to the approval of ENACOM's Board. This Resolution was ratified by ENACOM Resolution No. 181/2021.

### ○ **Quality Rules for ICT Services.**

Through Resolution No. 580/2018, published in the Official Gazette on September 6, 2018, the Ministry of Modernization approved the Quality Rules for ICT Services, which came into effect on January 4, 2019.

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The Ministry of Modernization ordered the ENACOM to issue the implementing regulations within a term of 90 calendar days. Even though the term has expired, as of the date of these separate financial statements, such regulations have not been issued yet.

- **National Rules for Contingencies.**

Through Resolution No. 51/18, published in the Official Gazette on November 6, 2018, the Secretariat of Modernization approved the National Rules for Contingencies and ordered the ENACOM to issue the implementing procedures or Contingency Plan (emergency situations) within a term of 90 calendar days as from its publication in the Official Gazette.

Even though the term has expired, as of the date of these separate financial statements, such procedure has not been issued yet.

- **Regulations on International Roaming between Argentina and Chile**

ENACOM issued Resolution No. 927/20, which was published in the Official Gazette on August 31, 2020, whereby said agency approved the Regulations on International Roaming between Chile and Argentina. Among other matters, under those Regulations, it was established that Argentine mobile communication service providers, including Virtual Mobile Operators, shall offer customers who use international Roaming services with Chile the same prices that they offer in their own country for voice communications, messaging and mobile data during their stay in that country.

- **Infrastructure Sharing Regulation**

On December 16, 2020, the Office of the Chief of the Cabinet of Ministers - Secretariat of Public Innovation, issued Resolution No. 105/20, whereby it approved the Passive Infrastructure Sharing Regulation and established the terms and procedures regarding the access, availability and shared use of passive infrastructure owned by, controlled by or otherwise available to an ICT Services Licensee.

The most relevant provisions of the Regulation are the obligation to grant access to other ICT Services Licensees to available passive infrastructure; the obligation to reserve capacity in the installation of new ducts or structures for access by other ICT Services Licensees; the prohibition to agree on exclusive use; among other obligations.

- **Subscription Television Services Regulation**

On December 24, 2020, ENACOM Resolution No. 1,491/20 was published in the Official Gazette, whereby said agency approved the "General Regulation of Subscription Television Services by Physical and/or Radio-electric and Satellite Link". Among other aspects, the Regulation provides for the arrangement of signals in programming grids so that the signals that correspond to the same genre are arranged consecutively; the obligation to submit an annual affidavit that sets forth the programming grid, the inclusion of signals of broadcast television Licensees; the list of mandatory signals, and, in case of disagreement regarding whether or not it is mandatory to include a given signal in the programming grid, be it broadcast television signals or those included in the Public Registry of Signals, any of the parties may resort to the ENACOM. In addition, said Resolution provides that the commercialization of one or several signals may not be conditional on the acquisition of other signals. In the event licensees offer a package of signals, they must include a breakdown of the price of each signal. Telecom made a spontaneous appearance before the ENACOM to state its full adherence to the appeal filed by the Argentine Cable Television Association (ATVC, for its Spanish acronym) against the provisions of such resolution on the grounds that it is illegitimate and should therefore be revoked.

- **Sanctions Regime Applicable to Information and Communication Technology Services.**

On March 3, 2021, through Resolution No. 221/21, the ENACOM approved the "Sanctions Regime applicable to Information and Communication Technologies", which is subject to the approval of ENACOM's Board. Such resolution, among other aspects, provides for: i) the price of the PBU-SBT (Mandatory Universal Basic Telephony Service) in effect at the time of payment as a unit of reference to set the amount of fines; ii) a maximum fine equivalent to 50,000 PBU-SBT and a minimum of 50 PBU-SBT; iii) the

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publication of the sanctions imposed in the media and/or the institutional website; and iv) the possibility of imposing daily fines for each day of non-compliance. Said Resolution was ratified by ENACOM's Board on April 28, 2021 through Resolution No. 581/21.

As of the date of these separate financial statements, Telecom is evaluating the impact of the obligations imposed under this new Regulation.

### ✓ **COMPRE ARGENTINO (Buy Argentine)**

Pursuant to Law No. 27,437, Telecom Argentina- in its capacity as public fixed telephony service licensee, and its respective direct subcontractors, shall give preference to the acquisition or lease of goods of national origin, under the terms of such law, for the procurement of supplies and public works and services.

Said law provides that preference shall be given to goods of national origin when the price of identical or similar goods, under cash payment conditions, is equal to or lower than the price of foreign goods increased by 15% when the offerors qualify as micro, small and medium-sized enterprises – (MSMEs), and by 8% for any other company. In the comparison, the price of foreign goods shall contemplate applicable import duties and all the taxes and expenses required for their nationalization.

Said law sets out that a good is considered to be of national origin when it has been produced or extracted in the Argentine Republic, provided that the cost of nationalized imported raw materials, inputs or supplies does not exceed 40% of its gross production value.

The procurement of services is subject to Law No. 18,875, which sets out the obligation to contract exclusively the services of domestic companies, consulting firms and professionals, as defined in said law. Any exception shall have to be previously approved by the competent ministry.

Through Resolution No. 2,350/04, the former CNC approved the "Procedure for the fulfillment of the Compre Trabajo Argentino Regime", which includes the obligation to file semi-annual affidavits regarding the fulfillment of these rules.

The rules provide for economic, administrative and criminal sanctions for failure to fulfill the obligations established under the Compre Argentino regime.

It should be noted that this regulation reduces the operating flexibility of Telecom due to, among other reasons, the request for authorizations prior to the completion of acquisitions, the time spent in preparing the publications and the required filings with respect to the obligation to file semi-annual affidavits regarding fulfillment of the Compre Argentino regime and the related administrative expenses.

## NOTE 8 – PROVISIONS AND OTHER CHARGES

In addition to the possible contingencies related to regulatory matters described in Note 7, the following is a summary of the most significant claims and legal actions for which no provisions have been established, although the final outcome of these lawsuits cannot be assured.

### **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 calculate 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

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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.

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 and the ENACOM, respectively, filed direct appeals that, even though admitted, are still pending before the Supreme Court of Argentina.

Telecom, with the assistance of its legal advisors, is evaluating the potential impacts in light of those developments. Notwithstanding the foregoing, it believes that, considering the case law, it has strong grounds for the favorable resolution of this lawsuit.

## NOTE 9 – FINANCIAL INSTRUMENTS

The relevant information about the financial assets and liabilities directly held by the Company is detailed below:

### 9.1 Financial Risks Management

The Company is a party to transactions involving financial instruments, which entail exposure to market, currency and interest rate risks. The management of these risks is based on the particular analysis of each situation, taking into account its own estimates and those made by third parties of the evolution of the respective factors.

#### 9.1.1 Categories of Financial Instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Financial Assets</b>		
At amortized cost		
Cash and Cash Equivalents	831	519
Other Receivables	672	873
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At fair value with an impact on net income

Cash and Cash Equivalents	219	901
Other Investments	922	14,025
<b>Total Financial Assets</b>	<b>2,644</b>	<b>16,318</b>

### Financial Liabilities

At amortized cost

Accounts Payable and Other payables <sup>(1)</sup>	962	14,101
<b>Total Financial Liabilities</b>	<b>962</b>	<b>14,101</b>

<sup>(1)</sup> Includes debt with related parties in the amount of \$ 15 million as of December 31, 2021 and dividends payable for \$ 922 million and \$ 14,025 million as of December 31, 2021 and 2020, respectively.

## 9.1.2 Objectives of Financial Risk Management

The Company monitors and manages the financial risks related to its operations; these risks include market risk (including exchange risk, interest rate risk and equity price risk), credit risk and liquidity risk.

The Company does not enter into financial instruments for speculative purposes as common practice.

## 9.1.3 Exchange Risk Management

The Company enters into foreign currency transactions, therefore, it is exposed to fluctuations of exchange rates.

The Company does not currently enter into foreign exchange hedging transactions to manage foreign currency fluctuation risk. In case the Company enters into such transactions, it cannot assure that those operations will protect its financial position from the eventual negative effect of exchange rate fluctuations.

The following table shows the monetary assets and liabilities denominated in foreign currency (US\$) as of December 31, 2021 and 2020:

	US\$ December 31, 2021	US\$ December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Other Receivables	1	-
Cash and Cash Equivalents	10	11
<b>Total Current Assets</b>	<b>11</b>	<b>11</b>
<b>NON-CURRENT ASSETS</b>		
Other Receivables	6	6
<b>Total Non-Current Assets</b>	<b>6</b>	<b>6</b>
<b>Total assets</b>	<b>17</b>	<b>17</b>

Applicable bid/offered exchange rates as of December 31, 2021 and 2020 were of \$ 102.52 / \$ 102.72 and \$ 83.95 / \$ 84.15; respectively.

### 9.1.3.1 Foreign Exchange Sensitivity Analysis

The Company is exposed to exchange risk, mainly with respect to the US dollar.

The following table shows the Company's sensitivity to an increase in the exchange rate of the US dollar. The sensitivity rate represents the assessment of the possible reasonable changes in exchange rates. The sensitivity analysis only includes the outstanding monetary items denominated in foreign currency and adjusts its translation at the end of the year with a 20% increase in the exchange rate, assuming that all the remaining variables remain constant.

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	<u>Effect in \$ (million)</u> <u>December 31, 2021</u>	<u>Effect in \$ (million)</u> <u>December 31, 2020</u>
Gain	336	451

The sensitivity analysis presented above is hypothetical since the quantified impact is not necessarily an indicator of the actual impact, because exposure levels may vary over time. The effect reported as of December 31, 2020 is restated for inflation as of December 31, 2021.

### 9.1.4. Equity Price Risk Management

Cablevisión Holding is exposed to equity price risk in connection with its holdings of mutual funds, securities and bonds.

Its sensitivity to the variation in the price of these instruments is detailed below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Investments valued at quoted prices at closing (Level 1)	945	14,028

The estimated impact of an eventual 10% favorable/unfavorable fluctuation of the quoted price of investments valued at closing, assuming that all the other variables remain constant, would generate an income/loss before taxes of approximately \$ 95 million and \$ 1,403 million as of December 31, 2021 and 2020, respectively.

A potential 10% favorable/unfavorable fluctuation of the quoted price of investments valued as Level 2 would generate an income/loss before taxes of approximately \$ 20 million and \$ 91 million as of December 31, 2021 and 2020, respectively.

### 9.1.6. Credit Risk Management

Credit risk is defined as the risk that one of the parties may breach its contractual obligations, generating an eventual financial loss for the Company. The Company renders services solely to companies of the same economic group. The credit risk on liquid funds is limited due to the fact that the counterparties are banks with high credit ratings issued by credit rating agencies.

The following table details the maturities of the Company's financial assets as from December 31, 2021 and 2020. The amounts disclosed in the table are the undiscounted contractual cash flows.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Without any established term</u>	1,057	15,445
<u>Due</u>		
Within three months	957	33
More than three months and up to six months	23	10
More than six months and up to nine months	22	11
More than nine months and up to twelve months	22	11
More than 1 year	563	808
	<u>2,644</u>	<u>16,318</u>

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**9.1.7. Liquidity Risk Management**

The Board of Directors is ultimately responsible for liquidity management. Accordingly, it has established an adequate framework to manage liquidity so that it can meet short, medium and long-term financing requirements, as well as the Company's liquidity management. The Company manages liquidity risk maintaining an adequate level of reserves, financial facilities and loans, monitoring on an ongoing basis projected cash flows against actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

**9.1.8. Interest Rate Risk and Liquidity Risk Table**

The following table details the maturities of the Company's financial liabilities as from December 31, 2021. The amounts disclosed in this table represent undiscounted cash flows (principal plus contractual interest):

	<b>Accounts Payable and Other Payables</b>	<b>Total as of December 31, 2020</b>
<u>Without any established term</u>	15	15
<u>Due</u>		
Up to three months	947	947
	<u>962</u>	<u>962</u>

**9.1.9. Financial Instruments at Fair Value**

The following table shows the Company's financial assets and liabilities measured at fair value as of December 31, 2021 and 2020:

	<b>December 31, 2021</b>	<b>Quoted Prices (Level 1)</b>	<b>Other Significant Observable Items (Level 2)</b>
<b><u>Assets</u></b>			
Current Investments	1,141	945	196
	<b>December 31, 2020</b>	<b>Quoted Prices (Level 1)</b>	<b>Other Significant Observable Items (Level 2)</b>
<b><u>Assets</u></b>			
Current Investments	14,926	14,028	898

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 December 31, 2021 and 2020, 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).

**NOTE 10 - 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 Argentine pesos, 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.

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- 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 held 1,578 treasury shares. During 2020, the Company sold all those shares, and does not have any treasury shares as of the date of these financial statements.

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-GE #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 December 31, 2021 is of \$ 180,642,580 Argentine pesos 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.
- 11,782,877 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

### **10.1 Capital Markets Law – Law No. 26,831, as amended**

On December 28, 2012, Capital Markets Law No. 26,831 was published in the Official Gazette. This law eliminated the self-regulation of the capital market, granted new powers to the CNV, and repealed Law No. 17,811 and Decree No. 677/01, among other regulations. Law No. 26,831 became effective on January 28, 2013. As from its effective date, the Public Tender Offer regime applies to all listed companies.

#### **Productive Financing Law**

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On May 11, 2018, Productive Financing Law No. 27,440 was published in the Official Gazette. This law introduced several amendments to the Capital Markets Law No. 26,831 regarding the extent of the powers of the CNV; the exercise of preemptive rights on shares offered through public offering in the case of capital increases; private placements; public tender offers; the jurisdiction of the federal commercial courts of appeals to review the resolutions issued or sanctions imposed by the CNV, among other amendments.

With respect to public tender offers, under the previous regime, the offeror was obliged to formulate a "fair" price to be set by weighing the results of different company valuation methods, with a minimum floor related to the average market price for the six-month period immediately preceding the date of the agreement. Pursuant to the amendments introduced by Law No. 27,440 to the Capital Markets Law, the obligation is objective and consists in offering the higher of two existing prices:

the price paid or agreed by the offeror during the 12 months immediately preceding the first day of the public tender offer period, and the average price of the securities subject to the offer during the semester immediately preceding the date of the announcement of the transaction under which the change of control is agreed upon.

### NOTE 11 - 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 (\$ 6,187 million in constant currency as of December 31, 2021) 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 (\$ 37,910 million in constant currency as of December 31, 2021) and to allocate \$ 162,348 million (\$ 309,476 million in constant currency as of December 31, 2021) 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. In May 2020, the Company paid all the distributed dividends.

At the General Extraordinary Shareholders' Meeting held on December 15, 2020, the shareholders decided to partially reverse the "Voluntary Reserve for Illiquid Results" in the amount of \$ 9,167,462,007 and to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2030, code GD30, (the "2030 Global Bonds") for a nominal value of US\$ 61,607,237 with a market price as of December 14, 2020 of \$ 3,610,184,088, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2035, code GD35 (the "2035 Global Bonds") for a nominal value of US\$ 106,257,704, with a market price as of December 14, 2020 of \$ 5,557,277,919, at a ratio of US\$ 0.34104493525 of 2030 Global Bonds and US\$ 0.58822069525 of 2035 Global Bonds per share of the Company and to settle in cash the resulting fractions of less than US\$ 1, with the holders of all classes of shares of the Company entitled to receive the dividends with the same pro rata combination of bonds as mentioned above. The valuation of those bonds as of December 31, 2020 amounted to \$ 9,292 million (\$ 14,025 million in constant currency as of December 31, 2021). In January 2021, the Company settled all the dividends.

On April 29, 2021, at the General Ordinary and Extraordinary Shareholders' Meeting, the shareholders of the Company decided, among other things, to absorb the accumulated deficit of \$ 3,012 million (\$ 4,547 million in constant currency as of December 31, 2021) as of December 31, 2020 through the partial reversal of the Voluntary Reserve for Illiquid Results.

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At the General Extraordinary Shareholders' Meeting held on August 31, 2021, the shareholders decided 1) to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2030, code GD30, (the "2030 Global Bonds") for a nominal value of US\$ 144,747,958, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US dollars maturing on July 9, 2035, code GD35 (the "2035 Global Bonds") for a nominal value of US\$ 72,932,173 at a ratio of US\$ 0.80129478886 of 2030 Global Bonds and US\$ 0.40373744108 of 2035 Global Bonds per share of the Company and to settle in cash the resulting fractions of less than US\$ 1, with the holders of all classes of shares of the Company entitled to receive the dividends with the same pro rata combination of bonds as mentioned above, and 2) to partially reverse the "Voluntary Reserve for Illiquid Results" in the amount of \$ 14,440,508,999.45, corresponding to the valuation in Argentine Pesos as of July 31, 2021 of the dividends in kind (\$ 16,479 million in constant currency as of December 31, 2021). The outstanding balance as of December 31, 2021 is \$ 922 million.

## 2. Telecom Argentina

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. 830/20, due to the fact that the free movement of people in general was restricted, limited or banned, as a result of the state of health emergency introduced by Emergency Decree No. 297/20 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:

1. To approve the Annual Report and financial statements of Telecom as of December 31, 2019;
2. 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 (\$ 12,646 in constant currency as of December 31, 2021). The Board proposed: (i) to absorb \$ 1,931,029,240 (\$ 3,681 in constant currency as of December 31, 2021) of the "Voluntary reserve for capital investments"; (ii) to absorb \$ 4,702,684,657 (\$ 8,964 in constant currency as of December 31, 2021) 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 (\$ 20,756 in constant currency as of December 31, 2021) 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".
3. 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 (\$ 6,752 in constant currency as of December 31, 2021), increasing the "Voluntary reserve for future cash dividends" with the amount of said reversal.

At the General Extraordinary Shareholders' Meeting held on November 13, 2020, the shareholders of Telecom decided to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 09, 2030 (the "2030 Global Bonds"), for a nominal value of US\$ 157,642,897, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 09, 2035 (the "2035 Global Bonds") for a nominal value of US\$ 271,896,177.

Consequently, the valuation in Argentine Pesos of the dividends in kind was set at \$ 24,723,374,678 (\$ 38,809 million in constant currency as of December 31, 2021), fully reversing the "Voluntary Reserve for Future Cash Dividends," which in constant currency as of December 31, 2021 amounts to \$ 9,963 million, and partially reversing the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" in the amount of \$ 28,846 million in constant currency as of December 31, 2021.

At the Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2021, the shareholders of Telecom decided, among other things:

1. To approve the Annual Report and financial statements of Telecom as of December 31, 2020;

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2. To approve the Board of Directors' proposal stated in constant currency as of March 31, 2021 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/18. The Board proposed: i) to absorb the accumulated deficit as of December 31, 2020 of \$ 6,455,431,747 (\$ 8,626 million in constant currency as of December 31, 2021) through the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and ii) to reclassify \$ 13,776,401,012 (\$ 17,688 million in constant currency as of December 31, 2021) 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".

At the General Extraordinary Shareholders' Meeting held on August 11, 2021, the shareholders of Telecom decided to distribute dividends in kind through: i) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 9, 2030 (the "2030 Global Bonds"), for a nominal value of US\$ 370,386,472, and ii) the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars maturing on July 9, 2035 (the "2035 Global Bonds") for a nominal value of US\$ 186,621,565.

Consequently, the valuation of the dividends in kind was set at \$ 35,068,340,043 (\$ 40,020 million in constant currency as of December 31, 2021), partially reversing the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" for said amount.

### **NOTE 12 – 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 13 - MANDATORY PUBLIC TENDER OFFER ("PTO") DUE TO CHANGE OF CONTROL**

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 Note 6 to the separate financial statements, 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 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 regarding 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

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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. 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. Executive Branch-CNV on Injunction (Autonomous)" (File 89,537/2018) mentioned 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,

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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).

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) was confirmed by Chamber V of the Court of Appeals on Federal Administrative Matters pursuant to the decision rendered on September 8, 2020. The CNV filed an extraordinary appeal against this decision. The Company was served notice of the decision rendered by Chamber V of the Court of Appeals on Federal Administrative Matters, whereby it dismissed the extraordinary appeal filed by the CNV, which may file an appeal with the Supreme Court against said decision (see Note 15).

### **NOTE 14 - IMPACT OF CORONAVIRUS**

Since the beginning of 2020, given the extent of the spread of COVID-19, various governments across the world have implemented several measures aimed at reducing the movement of people and curbing the spread of the virus.

In Argentina, the National Government ordered 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, the provision of telecommunication services.

On November 9, 2020, the National Government ordered the Mandatory and Preventive Social Distancing and maintained the declaration of telecommunication services as essential services.

By the end of 2020, Argentina rolled out the national vaccination campaign under the direct management of the national and provincial governments and of the government of the Autonomous City of Buenos Aires. During the first quarter of 2021, the national vaccination campaign was initially targeted at the high-risk population (the elderly), health workers and teachers. During the second and third quarter of 2021, the campaign started to reach the rest of the adult population. Finally, in October 2021, the vaccination campaign added children aged 3 and up, prioritizing those with pre-existing comorbidities.

The vaccination schedule is being completed with the application of a booster dose, which favors a lower severity in Covid-19 infections in Argentina with the new strains that are spreading worldwide (Delta and Omicron). Like the rest of the world, Argentina does not escape the exponential rise in infections that since the end of 2021 and early 2022 has been strongly affecting all age groups.

During 2021, together with the progress of the vaccination schedule, the National Government conducted several actions according to the evolution of the spread, both during the Covid-19 new outbreak stages and the slowdown stages of the spread of the virus. The measures implemented by the National Government did not directly affect the operations of the Group because telecommunication services are still deemed essential.

Telecom provides critical services for the development of society by connecting people, homes, businesses, and governments, which become a priority in times of pandemic. The services provided by Telecom enable the continuity of the operations of large, medium and small companies that continue working, helping sustain the economy of the country. In this context, the services rendered by Telecom enable people to stay connected, entertain themselves, work, and stay informed from their homes.

#### ✓ External Actions Taken by Telecom 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. Under its ongoing commitment to the community and in response to the COVID-19 emergency, the Group, through Telecom, has implemented several initiatives with high social value. Among those initiatives, the following stand out: connectivity for field hospitals and discount in services for educational and health institutions, which are still in effect, and benefits granted to customers to enable them to take further advantage of connection possibilities and to access valuable information and educational and entertainment contents.

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

## CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

### ✓ Internal Actions Taken by Telecom in Response to the Health Emergency

In addition, the Group, through Telecom, 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. Among those measures, it created a Crisis Committee (which regularly monitors the epidemiological situation in order to take immediate action), it initially provided for home office for more than 70% of its employees and enhanced its infrastructure to ensure the capacity of the networks so that they continue to operate seamlessly.

With the evolution of the pandemic, Telecom implemented a new hybrid working modality for all the personnel whose position allows them to work remotely, with experience centers for face-to-face meetings under health and care protocols; in combination with remote work.

For those tasks that cannot be performed remotely, we continued to enhance cleaning and disinfection at workspaces and environments, including the vans used by technical support teams, to provide hygiene and hand sanitizing methods, and to distribute personal care kits in accordance with the protocol established by the Superintendency of Labor Risks.

In addition, among other measures, we expanded by 40% the capacity for international outgoing Internet traffic, we executed agreements to boost the links with international suppliers and IP networks, we carried out the early execution of infrastructure works, we enhanced data centers and hubs, we increased the capacity of Flow's content distribution network, we expanded the capacity of the mobile network in certain locations in the provinces, and we continued with preventive maintenance tasks in all the networks.

In addition, from the beginning of the health situation, a campaign was launched promoting all the digital contact channels, encouraging customers to request support through those channels. We also 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.

### ✓ Main Accounting Impacts

As of the date of these separate 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 at the beginning of the lockdown or 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, during this year, the Group's Management 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 Telecom's future cash-flow-generating capacity because the volume of operations is expected to remain stable.

#### - *Liquidity Risk:*

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 Telecom as from March 20, 2020. This situation gradually evolved during the second quarter of 2020 with the strengthening of the digital channels, the reopening of the in-person collection channels, and the different debt collection actions conducted by Telecom that allowed the recovery of doubtful receivables. Therefore, this situation does not represent a liquidity risk.

See our report dated  
March 10, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

## **CABLEVISIÓN HOLDING S.A.**

Registration number with the IGJ: 1,908,463

The Group has 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, the Group, through 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.

The ultimate effects of COVID-19 and its impact on the global and local economy are still unknown. Governments may issue more stringent measures, which cannot be predicted at this stage.

The Group'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 Group's Board of Directors and the Crisis Committee continue to closely monitor the evolution of the situation and to take the necessary measures aimed at preserving human life and the sustainability of Telecom's businesses.

### **NOTE 15 – SUBSEQUENT EVENTS**

1. On February 22, 2022, as described in Note 13, the Supreme Court of Argentina dismissed the direct appeal filed by the Argentine Securities Commission in the file mentioned above against the decision rendered by Chamber V of the Federal Court of Appeals on Administrative Litigation Matters. The decision rendered by Chamber V of the Federal Court of Appeals on Administrative Litigation Matters confirmed that the Company no longer falls within the obligation to conduct a Public Tender Offer (PTO) due to the change of control in Telecom Argentina S.A., pursuant to the terms of Article 32, paragraph k). of General Resolution No. 779/18, and ordered the CNV to deem the proceedings initiated by the Company with the CNV concluded. In its ruling, the Court also ordered the Company to cease the proceeding initiated in connection with the PTO.
2. On March 02, 2022, the Company settled the dividends distributed at the General Extraordinary Shareholders' Meeting held on August 31, 2021 which were pending settlement (see Note 30.1).

### **NOTE 16 - APPROVAL OF SEPARATE FINANCIAL STATEMENTS**

The Board of Directors of Cablevisión Holding has approved these separate financial statements and authorized their issuance for March 10, 2022.

See our report dated  
March 10, 2022  

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PRICE WATERHOUSE & CO. S.R.L.  

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(Partner)  
C.P.C.E.C.A.B.A. V° 1 F° 17

Pablo San Martín  
Supervisory Committee

Sebastián Bardengo  
Chair



Free translation from the original in Spanish for publication in Argentina

## *Independent auditor's report*

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

### **Report on the Audit of the Separate Financial Statements**

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#### **Opinion**

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We have audited the separate financial statements of Cablevisión Holding S.A. (the "Company") which comprise the statement of financial position of the Company standing alone at December 31, 2021, comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the separate financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company at December 31, 2021, and its separate comprehensive income and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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#### **Basis for opinion**

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We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards have been adopted as auditing standards in Argentina by Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Auditor Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with requirements that are relevant to our audit of the separate financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p><b><i>Recoverability of the investment in Telecom Argentina S.A.</i></b></p> <p>At December 31, 2021, the carrying amount of Investments in subsidiaries resulting from the direct and indirect share in Telecom Argentina S.A. is \$ 109,203 million, of which \$ 16,204 million accounts for the goodwill recorded by the Company on that investment.</p> <p>As detailed in Notes 2.6 and 3.1 to the separate financial statements, the Company Management analyzes the recoverability of its investments in companies periodically or when events or changes in circumstances indicate that their recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use) may be below their carrying amount. When assessing whether there is any indication that an investment may be impaired, external and internal sources of information are tested.</p> <p>At December 31, 2021, the recoverable amount of the investment was determined through fair value less costs of disposal.</p> <p>This area is key to our audit procedure due to the materiality of the balances involved and because it involves the exercise of Management's judgment to determine the recoverable amount of the investment, which is subject to uncertainty and future events.</p> <p>Dealing with this matter involves a high degree of professional judgment by the auditor and effort in the performance of the procedures, considering the nature of the associated asset.</p>	<p>We have performed audit procedures in relation to this key matter, which included:</p> <ul style="list-style-type: none"><li>• obtaining an understanding of and evaluating controls in connection with the recoverability of investments in companies, including controls over the determination of fair value less costs of disposal;</li><li>• reviewing the information and mathematical calculations used by the Company Management to determine the fair value less costs of disposal, including the source of information used for the determination of market capitalization value;</li><li>• reviewing the sensitivity analysis performed by Management on the recoverable amount of the investment;</li><li>• evaluating the appropriateness of the disclosures included in the financial statements regarding the impairment of investments in companies.</li></ul>
<p><b><i>Regulatory disputes</i></b></p> <p>As described in Note 7.c) to the separate financial statements, the National Executive Branch has issued Decree No. 690/20, which declared communications and information technology services as "essential and strategic public services subject to competition". Within the framework of the decree, the prices of the aforementioned services will be regulated by the National Communications</p>	<p>We have performed audit procedures over Management's process for evaluating the reasonableness of Management's assessment of contingent situations arising from the aforementioned regulatory disputes, which included:</p> <ul style="list-style-type: none"><li>• testing the effectiveness of controls associated with Management's assessment</li></ul>



Key audit matters	How our audit addressed the key audit matter
<p>Regulatory Entity (“ENACOM”). In view of this, Telecom Argentina S.A. filed a complaint with a court with jurisdiction over administrative litigation matters challenging the constitutionality of Decree No. 690/20 and the ENACOM Resolutions adopted under this decree. Additionally, Note 8 to the separate financial statements describes the situation arising from Resolution No. 50/10 and subsequent resolutions from the Secretariat of Domestic Trade which established that cable television operators had to apply a formula to calculate their monthly basic subscription prices. Telecom Argentina S.A. filed several administrative claims and legal actions calling for a stay of those resolutions and requesting their annulment.</p> <p>In the aforementioned notes, the Company describes the actions filed in connection with these regulatory disputes, their status at December 31, 2021 and Management’s assessment of the potential impact of these regulations.</p> <p>At December 31, 2021, no liability has been recognized arising from these disputes since, after evaluating available information, Management considers that it is not probable that a loss will be incurred in any of the pending litigation lawsuits.</p> <p>This area is key to our audit procedure due to the materiality of the potential impact that these matters could have on the future business of the Company and its subsidiary Telecom Argentina S.A., and to the fact that the assessment of that impact and its probability of occurrence, based on the evolution of the pending legal proceedings, involve the exercise of significant judgment by Management. Consequently, these matters also involve the exercise of professional judgment and efforts in the performance of the procedures by the auditor, considering the nature of these contingencies.</p>	<p>of claims and legal proceedings, including controls to determine whether a loss is probable and whether the amount of the loss can be reasonably estimated;</p> <ul style="list-style-type: none"> <li>obtaining and evaluating confirmations from internal and external legal counsel, the reasonableness of Management’s assessment, and whether an unfavorable outcome is reasonably likely or probable and can be reasonably estimated;</li> <li>evaluating the adequacy of the disclosures included in the financial statements relating to the regulatory disputes mentioned above.</li> </ul> <p>Considering the complexity of the regulatory disputes and the potential impact they could have on the business of the Company and its subsidiary Telecom Argentina S.A., we have also relied on the internal and external advisors with specialized skills and knowledge to assist us in the evaluation.</p>

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**Other information**

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The other information comprises the Annual report. Board of Directors is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there





is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of Board of Directors and Audit Committee for the separate financial statements**

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The Board of Directors of Cablevisión Holding S.A. is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Company's financial reporting process.

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### **Auditor's responsibilities for the audit of the separate financial statements**

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Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Company's Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Company's Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

In compliance with current regulations, we report that:

- f) the separate financial statements of Cablevisión Holding S.A. are transcribed into the "Inventory and Balance Sheet" book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the Argentine Securities Commission;
  
- g) the separate financial statements of Cablevisión Holding S.A. arise from accounting records kept, in all formal respects, in conformity with legal regulations, which maintain the security and integrity conditions on the basis of which they were authorized by the Argentine Securities Commission;
  
- h) at December 31, 2021, the debt accrued by Cablevisión Holding S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 1,414,888, none of which was claimable at that date.
  
- i) as required by section 21, subsection b), Chapter III, Part VI, Title II of the Argentine Securities Commission regulations, we report that total fees for auditing and related services billed to Cablevisión Holding S.A. during the fiscal year ended December 31, 2021 account for:
  - d.1) 100% of the total fees for services billed to Cablevisión Holding S.A. for all items during that fiscal year;
  - d.2) 2% of the total fees for auditing and related services billed to Cablevisión Holding S.A., its parent company, subsidiaries, and related companies during that year;
  - d.3) 2% of the total fees for services billed to Cablevisión Holding S.A., its parent company, subsidiaries, and related companies for all items during that year;



- e) we have applied the anti-money laundering and financing of terrorism procedures for Cablevisión Holding S.A. comprised in the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 10, 2022.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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C.P.C.E.C.A.B.A. V° 1 F° 17  
Alejandro Javier Rosa  
Public Accountant (UM)  
C.P.C.E.C.A.B.A. V. 286 F. 136

*Free translation of the Report originally issued in Spanish.*

## **SUPERVISORY COMMITTEE'S REPORT**

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. REPORT ON THE FINANCIAL STATEMENTS**

In our capacity as members of Cablevisión Holding S.A.'s Supervisory Committee and pursuant to Subsection 5, Section 294, of the Argentine General Associations Law (Law No. 19,550, as amended), the regulations of the Argentine Securities Commission ("CNV", for its Spanish acronym) and the Rules of Bolsas y Mercados Argentinos S.A., we have performed a review of the documents mentioned below:

#### **Documents Subject to Review:**

- a) The attached separate financial statements of Cablevisión Holding S.A. comprising the separate statement of financial position as of December 31, 2021, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended.
- b) The attached consolidated financial statements of Cablevisión Holding S.A. and its subsidiaries comprising the consolidated statement of financial position as of December 31, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended.
- c) A summary of the material accounting policies and other explanatory information.

The balances and other relevant information for the year 2020 are an integral part of the audited financial statements mentioned above and shall be considered in connection with said financial statements.

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

The Company is responsible for the preparation and presentation of the separate and consolidated financial statements detailed in paragraph I. in accordance with the International Financial Reporting Standards (IFRS) and for the internal control as it may deem necessary to prepare the separate and consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the ability of the Company and its subsidiaries to continue operating as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or its subsidiaries, or to cease operations, or has no realistic alternative but to do so.

### **III. RESPONSIBILITY OF THE SUPERVISORY COMMITTEE**

Our responsibility is to report on the documents indicated in Section I. based on our statutory audit and the audit work carried out by the Company's external auditors. We conducted our review in accordance with 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 financial statements be conducted in accordance with effective auditing standards for the review of 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 Section I. of this report, we have reviewed the work performed by the Company's external auditor Alejandro J. Rosa, a partner of Price Waterhouse & Co. S.R.L., who issued his audit reports on March 10, 2022. He conducted his audit in accordance with International Standards on Auditing (IAS). Our work included the review of the work plan, the nature, scope and timeliness of the procedures applied and the results of the audit carried out by the external auditor.

IAS were adopted as auditing standards in Argentina through Technical Resolution No. 32 issued by the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB) and the respective adoption communications and require that the auditor comply with ethical requirements, plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain evidence supporting the amounts and other information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In making those risk assessments, the auditor must consider the internal control related to the preparation and fair presentation by the Company of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of significant estimates made by the Company's management, and the overall presentation of the financial statements.

We believe that our work and that of the Company's external auditors, detailed in their respective reports, provides a sufficient and appropriate basis to support our opinion. 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 Company's Board of Directors.

#### **IV. OPINION**

In our opinion, based on our review, within the scope described in Section III. of this report: (i) the separate financial statements mentioned in Section I, present fairly, in all material respects, the separate financial position of Cablevisión Holding S.A. as of December 31, 2021, its separate comprehensive income and separate cash flows for the year then ended, in accordance with the International Financial Reporting Standards; and (ii) the consolidated financial statements mentioned in Section I, present fairly, in all material respects, the consolidated financial position of Cablevisión Holding S.A. and its subsidiaries as of December 31, 2021, and its consolidated comprehensive income and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards.

#### **V. EMPHASIS OF MATTER PARAGRAPH - Regulatory Controversies**

Without modifying our opinion, we would like to draw attention to the information disclosed under Note 8 to the Separate Financial Statements and under Note 20.2.h. to the consolidated financial statements, which describe the situation related to the resolution issued by the Secretariat of Domestic Trade for the calculation of the monthly subscription prices payable by the users of cable television services, whose decision cannot be foreseen to date.

#### **VI. REPORT ON COMPLIANCE WITH EFFECTIVE REGULATIONS**

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

a) The attached financial statements detailed in Section I. a) and b) comply with the provisions of the General Associations Law No. 19,550, as amended, and the regulations concerning accounting documentation issued by the CNV, and have been transcribed to the "Inventory and Balance Sheet" book.

b) The attached financial statements detailed under Section I, paragraph a) arise from accounting records kept, in all formal aspects, in accordance with effective legislation, which maintain the security and integrity conditions based on which they were authorized by the Argentine Securities Commission.

c) We have reviewed the Inventory and the Board of Directors' Annual Report for the year ended December 31, 2021. In this regard, within the scope of our competence, we have no observations to make. The representations about future events included in the Annual Report are the Board of Directors' exclusive responsibility.

d) Furthermore, we report that in exercise of the legality control within our field of competence, during the year ended December 31, 2021, we have applied the procedures set forth in Article 294 of Argentine General Associations Law (Law No. 19,550, as amended), as deemed necessary based on the circumstances and we have no observations to make in that regard.

e) We have reviewed the information included in the corresponding Exhibit about the degree of compliance with the Code of Corporate Governance required under CNV Regulations and we have no observations to make in that regard.

f) As required by CNV regulations, regarding the independence of the external auditors and the quality of the audit policies applied by them and the accounting policies applied by the Company, the above-mentioned external auditor's report includes the representation concerning the application of the International Auditing Standards as they were adopted in Argentina by the FACPCE through Technical Resolution No. 32 and the respective adoption communications, which provide for independence requirements, and was issued without qualifications as to the application of such regulations or discrepancies as to the professional accounting standards applied.

g) We have applied the asset laundering and terrorist financing crimes prevention procedures provided under the professional standards issued by *Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires* (Professional Council in Economic Sciences of the City of Buenos Aires).

City of Buenos Aires, March 10, 2022

Supervisory Committee

Pablo San Martín  
Chair