Cablevisión Holding S.A.

Annual Report and Consolidated Financial Statements
For the year ended December 31, 2022,
presented on a comparative basis

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

Contents

Consolidated Financial Statements for the year ended December 31, 2022, presented on a comparative basis English free translation of the Financial Statements and Reports originally issued in Spanish.

GLOSSARY OF TERMS

The Company / Cablevisión Holding	Interchangeably, Cablevisión Holding S.A.
Telecom Argentina/Telecom	Interchangeably, Telecom Argentina S.A.
The Group	Cablevisión Holding S.A. and its direct and indirect subsidiaries
Micro Sistemas/Pem//Cable Imagen/AVC Continente Audiovisual/Inter Radios/Personal Smarthome//Personal Smart Security/NYSSA	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., Personal Smart Security S.A.U., and Negocios y Servicios S.A.U.
Management Trust Agreement with TMF / TMF Trust	Management Trust - Refinancing Plan executed by Telecom Argentina S.A. and TMF Trust Co.
Fintech	Fintech Telecom LLC, shareholder of Telecom.
Telecom USA/Núcleo/Personal Envíos/Tuves Paraguay / Televisión Dirigida / Adesol / Opalker	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.
La Capital Cable / Ver TV / TSMA	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.
Fixed Assets	PP&E, Intangible Assets, Right-of-Use Assets, and Goodwill
AFIP	Argentine Federal Revenue Service (*Administración Federal de Ingresos Públicos*)
AMBA	The Metropolitan Area of Buenos Aires (*Area Metropolitana de Buenos Aires*), comprising the City of Buenos Aires and its surrounding area.
BYMA/NYSE	Bolsas y Mercados Argentinos and the New York Stock Exchange, respectively.
BCRA	Central Bank of Argentina (*Banco Central de la República Argentina*).
Cablevisión	Cablevisión S.A., absorbed by Telecom effective as from January 1, 2018, which activities are currently carried out by Telecom.
CAPEX	Capital expenditures.
CNC	Argentine Communications Commission (*Comisión Nacional de Comunicaciones*).
CNDC	National Antitrust Commission (*Comisión Nacional de Defensa de la Competencia*).
CNV	Argentine Securities Commission (*Comisión Nacional de Valores*).
CONATEL	Paraguayan Telecommunications Commission (*Comisión Nacional de Telecomunicaciones del Paraguay*).
CPCECABA	Professional Council in Economic Sciences of the City of Buenos Aires (*Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires*)
CPP	Calling Party Pays. Charges for calls from fixed phones to mobile phones.
D&A	Depreciation and Amortization.
ED	Emergency Decree
ENACOM	National Communications Regulatory Agency (*Ente Nacional de Comunicaciones*)
ENTel	National Telecommunication company (*Empresa Nacional de Telecomunicaciones*)
SU Fund	Universal Service Trust Fund (*Fondo Fiduciario del Servicio Universal*)
IASB	International Accounting Standards Board.
IDEN	Integrated Digital Enhanced Network (*Red Mejorada Digital Integrada*)
NDF	Non-Deliverable Forward: Derivatives.
IGJ	Argentine Superintendency of Legal Entities (*Inspección General de Justicia*)
INDEC	National Institute of Statistics and Census (*Instituto Nacional de Estadística y Censos*)
VAT	Value Added Tax
LAD	Digital Argentina Law (*Ley Argentina Digital*) No. 27,078.
LGS	General Associations Law No. 19,550, as amended (*Ley General de Sociedades*).
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards, issued by IASB.
PCS	Personal Communications Service. A mobile communications service with systems that operate in a manner similar to cellular systems.
PEN	National Executive Branch (*Poder Ejecutivo Nacional*)
PP&E	Property, Plant and Equipment.
PPP	Share Ownership Plan (*Programa de Propiedad Participada*)
PSP	Payment Service Provider
Gain (Loss) on Net Monetary Position	Results from changes in the purchasing power of the currency ("RECPAM", for its Spanish acronym)
RMB	Official currency of the People's Republic of China
Roaming	Charges for the use of network availability to customers of other national and foreign carriers.

GLOSSARY OF TERMS

TR/FACPCE	Technical Resolutions issued by the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas*).
RT 26	Technical Resolution No. 26, amended by Technical Resolutions Nos. 29 and 43, among others.
SBT	Basic Telephony Service (*Servicio Básico Telefónico*).
SC	Argentine Secretariat of Communications (*Secretaría de Comunicaciones*).
SCMA	Advanced Mobile Communications Service (*Servicio de Comunicaciones Móviles Avanzadas*).
SEC	Securities and Exchange Commission.
SEFyC	Superintendence of Financial and Foreign Exchange Institutions
ICT Services	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.
SRCE	Radio electric trunking services (*Servicio Radioeléctrico de Concentración de Enlaces*).
SRMC	Cellular Mobile Radiocommunications Service (*Servicio de Radiocomunicaciones Móvil Celular*).
SRS	Physical and/or radio-electric link subscription broadcasting services (*Servicio de Radiodifusión por Suscripción por vínculo físico y/o radioeléctrico*).
STM	Mobile Telephony Services (*Servicio de Telefonía Móvil*).
SU	Universal Service *(Servicio Universal*) The availability of fixed telephony service at an affordable price to all persons within a country or specified area.
Telefónica	Telefónica de Argentina S.A.
UIF	Financial Information Unit
UPP	Unit of purchasing power, an index developed and published by the BCRA.
VLG	VLG S.A.U., previously VLG Argentina LLC.
VPP	Equity Method *(Valor Patrimonial Proporcional*)

CABLEVISIÓN HOLDING S.A.
Registration number with the IGJ: 1,908,463

Consolidated Financial Statements as of December 31, 2022 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 01, 2016

Date of registration with the Public Registry of Commerce:
- Of the by-laws: April 27, 2017

Business start date: May 01, 2017

Registration number with the IGJ: 1,908,463

Expiration of Articles of Incorporation: April 27, 2116

Information on Controlling 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, 2022		180,642,580
Total as of December 31, 2021		180,642,580

See our report dated
March 10, 2022
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Rubén Suárez
Supervisory Committee

Ignacio Rolando Driollet
Chair

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, 2022 AND 2021

(in millions of Argentine pesos)

	Note	December 31, 2022	December 31, 2021
Sales Revenues	**24**	**729,182**	**828,831**
Employee benefit expenses and severance payments	**25**	(182,764)	(178,992)
Interconnection and Transmission Costs		(22,455)	(29,729)
Fees for Services, Maintenance, Materials, and Supplies	**25**	(88,940)	(96,719)
Taxes and Fees with the Regulatory Authority	**25**	(55,993)	(63,783)
Commissions and Advertising		(44,166)	(47,514)
Cost of Equipment and Handsets	**25**	(34,540)	(40,830)
Programming and Content Costs		(45,741)	(56,391)
Bad Debt Expenses	**6**	(18,342)	(15,550)
Other Operating Costs	**25**	(36,445)	(41,257)
Operating Income before Depreciation, Amortization, and Impairment		**199,796**	**258,066**
Depreciation, amortization, and impairment of Fixed Assets	**25**	(456,124)	(264,033)
Operating Loss		**(256,328)**	**(5,967)**
Equity in Earnings from Associates	**5**	819	769
Financial Expenses on Debts	**26**	29,744	55,906
Other Financial Results, net	**26**	30,517	34,171
(Loss) / Income before Income Tax Expense		**(195,248)**	**84,879**
Income Tax	**16**	26,491	(64,909)
Net (Loss) / Income		**(168,757)**	**19,970**
Other Comprehensive Income			
To be subsequently reclassified to profit or loss			
Currency Translation Adjustments (no effect on Income Tax)		(6,740)	(12,447)
Effect of NDF classified as hedges		607	666
Tax Effect of NDF classified as hedges and other		(278)	(249)
Not to be subsequently reclassified to profit or loss			
Actuarial Results		28	(68)
Tax Effect		(10)	23
Other Comprehensive Income, net of Taxes		**(6,393)**	**(12,075)**
Total Comprehensive Income/ (Loss)		**(175,150)**	**7,895**
Net Income (Loss) attributable to:			
Shareholders of the Controlling Company		(100,704)	7,203
Non-Controlling Interest		(68,053)	12,767
Total Comprehensive Income (Loss) Attributable to:			
Shareholders of the Controlling Company		(102,652)	3,629
Non-Controlling Interest		(72,498)	4,266
Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in Argentine Pesos)	**27**	(557.48)	39.87

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

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

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Certified Public Accountant (UM)
C.P.C.E.C.A.B.A. Vol. 286 Fol. 136

Rubén Suárez
Supervisory Committee

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Chair

CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021
(in millions of Argentine pesos)

ASSETS	Note	December 31, 2022	December 31, 2021
CURRENT ASSETS			
Cash and Cash Equivalents	**5**	41,781	40,710
Investments	**5**	8,373	22,806
Trade Receivables	**6**	37,616	43,934
Other Receivables	**7**	19,693	17,445
Inventories	**8**	6,448	6,068
Assets Available for Sale	**3.j**	954	-
Total Current Assets		**114,865**	**130,963**
NON-CURRENT ASSETS			
Trade Receivables	**6**	118	141
Other Receivables	**7**	2,518	5,159
Deferred Income Tax Assets	**16**	2,620	1,434
Investments	**5**	6,444	6,284
Goodwill	**9**	494,757	699,300
Property, Plant and Equipment (“PP&E”)	**10**	792,203	878,248
Intangible Assets	**11**	253,931	279,826
Right-of-Use Assets	**12**	62,932	65,090
Total Non-Current Assets		**1,615,523**	**1,935,482**
Total Assets		**1,730,388**	**2,066,445**
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	**13**	89,305	95,934
Financial Debt	**14**	134,361	126,361
Salaries and Social Security Payables	**15**	37,676	43,409
Income Tax Liabilities		314	27,129
Taxes Payable	**17**	9,932	7,720
Dividends Payable	**30.1**	-	1,796
Lease Liabilities	**18**	9,202	11,941
Other Liabilities	**19**	4,960	5,951
Provisions	**20**	2,634	4,180
Total Current Liabilities		**288,384**	**324,421**
NON-CURRENT LIABILITIES			
Accounts Payable	**13**	319	2,135
Financial Debt	**14**	334,828	393,583
Salaries and Social Security Payables	**15**	2,747	3,012
Deferred Income Tax Liabilities	**16**	256,213	263,423
Taxes Payable	**17**	44	-
Lease Liabilities	**18**	19,695	24,906
Other Liabilities	**19**	2,610	2,435
Provisions	**20**	11,654	18,650
Total Non-Current Liabilities		**628,110**	**708,144**
Total Liabilities		**916,494**	**1,032,565**
EQUITY (as per the corresponding statement)			
Attributable to Shareholders of the Controlling Company		313,088	431,734
Attributable to Non-Controlling Interests		500,806	602,146
TOTAL EQUITY		**813,894**	**1,033,880**
TOTAL LIABILITIES AND EQUITY		**1,730,388**	**2,066,445**

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

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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, 2022 AND 2021

(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Controlling Company											
	Shareholders' Contribution				Other Items		Retained Earnings					
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	Total Equity of Controlling Company	Equity Attributable to Non-Controlling Interests	Total Equity
Balances as of January 1, 2021	181	25,263	59,832	85,276	(8,751)	317,126	5,088	369,636	(308,312)	460,063	646,820	1,106,883
Reversal of Reserves (Note 30.1)	-	-	-	-	-	-	-	(8,857)	8,857	-	-	-
Dividend Distribution (Note 30.1)	-	-	-	-	-	-	-	(32,100)	-	(32,100)	-	(32,100)
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(49,117)	(49,117)
Adjustment to the value of the Irrevocable Call and Put Option on the Shares of AVC Continente Audiovisual	-	-	-	-	-	142	-	-	-	142	177	319
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	7,203	7,203	12,767	19,970
Other Comprehensive Income	-	-	-	-	(3,574)	-	-	-	-	(3,574)	(8,501)	(12,075)
Balances as of December 31, 2021	181	25,263	59,832	85,276	(12,325)	317,268	5,088	328,679	(292,252)	431,734	602,146	1,033,880
Set-up of Reserves (Note 30.1)	-	-	-	-	-	-	-	7,203	(7,203)	-	-	-
Dividend Distribution (Note 30.1)	-	-	-	-	-	-	-	(15,994)	-	(15,994)	-	(15,994)
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(28,842)	(28,842)
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	(100,704)	(100,704)	(68,053)	(168,757)
Other Comprehensive Income	-	-	-	-	(1,948)	-	-	-	-	(1,948)	(4,445)	(6,393)
Balances as of December 31, 2022	181	25,263	59,832	85,276	(14,273)	317,268	5,088	319,888	(400,159)	313,088	500,806	813,894

(1) Voluntary Reserve for Illiquid Results.

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

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(in millions of Argentine pesos)

	Note	December 31, 2022	December 31, 2021
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net (Loss) / Income		(168,757)	19,970
Adjustments to Reconcile Net Income to net Cash Flows Provided by Operating Activities			
Allowances Deducted from Assets and Provisions for Lawsuits and Other Contingencies		19,128	18,412
Depreciation of PP&E	**10**	198,770	211,103
Amortization of Intangible Assets	**11**	28,626	30,305
Amortization of Right-of-Use Assets	**12**	21,749	20,122
Impairment of Goodwill		204,808	-
Equity in Earnings from Associates	**5.a**	(819)	(769)
Net Book Value of Fixed Assets and Consumption of Materials		4,834	5,310
Financial Results and Other		(47,121)	(94,453)
Income Tax Expense	**16**	(26,491)	64,909
Income Tax Paid		(10,128)	(4,422)
Net Increase in Assets	**5.b**	(51,671)	(35,956)
Net Decrease in Liabilities	**5.b**	40,712	18,377
Net Cash Flows provided by Operating Activities		**213,640**	**252,908**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
PP&E Acquisitions		(117,255)	(143,341)
Intangible Assets Acquisition		(5,220)	(4,948)
Acquisition of Equity Interests		(407)	-
Collection of Dividends	**5.b**	615	456
Income from Sale of PP&E and Intangible Assets		358	306
Investments not considered as cash and cash equivalents		(43,780)	(76,558)
Net Cash Flows used in Investing Activities		**(165,689)**	**(224,085)**
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Proceeds from Financial Debt	**5.b**	85,215	125,088
Payment of Financial Debt	**5.b**	(68,313)	(97,973)
Payment of Interest and Related Expenses	**5.b**	(46,212)	(52,238)
Payment of Lease Liabilities		(15,260)	(12,849)
Transaction with a Non-Controlling Shareholder		-	(115)
Payment of Cash Dividends to Non-Controlling Interests	**5.b**	(1,229)	(1,449)
Net Cash Flows used in Financing Activities		**(45,799)**	**(39,536)**
NET INCREASE / (DECREASE) IN CASH FLOW		**2,152**	**(10,713)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:		**40,710**	**57,240**
EFFECTS OF EXCHANGE RATE CHANGES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS		**(1,081)**	**(5,817)**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**41,781**	**40,710**

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.

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CABLEVISIÓN HOLDING S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022,
(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 merged with Telecom Personal. As from that 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").

Lastly, through its controlled company Micro Sistemas, it provides fintech services related to the use of electronic payment methods, transfers and / or electronic use of money.

Information on Telecom's licenses and on the regulatory framework is described under Note 2 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 (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.

The activities carried out by Telecom, through Micro Sistemas, in the fintech industry in Argentina are not analyzed as a separate segment by the CEO, who reviews consolidated information of the subsidiaries in Argentina, due to the fact that, as of December 31, 2022, the fintech activities are not significant and do not exceed any of the quantitative thresholds identified in the standard to qualify as reportable segments. The CEO will continue to monitor the evolution of this business to assess its eventual consideration as a separate reportable segment if it meets the requirements established by the IFRS for this purpose.

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.

Set out below is the segment information as assessed by the Executive Director for the years ended December 31, 2022 and 2021:

- ***Consolidated Income Statement for the year ended December 31, 2022***

	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
Sales Revenues	**504,432**	**178,550**	**682,982**	**36,528**	**12,718**	**49,246**	**(3,046)**	**729,182**
Operating Costs (Not Including Depreciation, amortization, and impairment PP&E, Intangible Assets and Rights of Use)	(370,736)	(132,515)	(503,251)	(21,661)	(7,520)	(29,181)	3,046	(529,386)
Operating Income before Depreciation and Amortization	**133,696**	**46,035**	**179,731**	**14,867**	**5,198**	**20,065**	**-**	**199,796**

Depreciation, amortization, and impairment of Fixed Assets	(456,124)
Operating Loss	(256,328)
Equity in Earnings from Associates	819
Financial Expenses on Debts	29,744
Other Financial Results, net	30,517
Loss before Income Tax Expense	**(195,248)**
Income Tax	26,491
Net Loss	**(168,757)**
Attributable to:	
Shareholder of the Controlling Company	(100,704)
Non-Controlling Interest	(68,053)
	(168,757)

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

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Supervisory Committee

❑ ***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
Sales Revenues	**332,816**	**438,992**	**771,808**	**26,215**	**34,719**	**60,934**	**(3,911)**	**828,831**
Operating Costs (Not Including Depreciation, amortization, and impairment PP&E, Intangible Assets and Rights of Use)	(229,756)	(308,635)	(538,391)	(15,514)	(20,771)	(36,285)	3,911	(570,765)
Operating Income before Depreciation and Amortization	**103,060**	**130,357**	**233,417**	**10,701**	**13,948**	**24,649**	**-**	**258,066**
Depreciation, amortization, and impairment of Fixed Assets								(264,033)
Operating Loss								**(5,967)**
Equity in Earnings from Associates								769
Financial Expenses on Debts								55,906
Other Financial Results, net								34,171
Income (Loss) before Income Tax Expense								**84,879**
Income Tax								(64,909)
Net Income								**19,970**
Attributable to:								
Shareholder of the Controlling Company								7,203
Non-Controlling Interest								12,767
								19,970

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

	December 31,	
	2022	**2021**
Sales revenues from customers located in Argentina	680,369	769,006
Sales revenues from foreign customers	48,813	59,825
CAPEX corresponding to the segment “Services rendered in Argentina”	114,572	153,094
CAPEX corresponding to the segment “Other foreign segments”	11,697	13,552
Fixed Assets corresponding to the segment “Services rendered in Argentina”	1,545,981	1,856,998
Fixed Assets corresponding to the segment “Other foreign segments”	57,842	65,466
Financial Debt corresponding to the segment “Services rendered in Argentina”	457,123	505,300
Financial Debt corresponding to the segment “Other foreign segments”	12,066	14,644

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, 2022 (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, 2021 and for the year ended December 31, 2021 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, 2022. 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;

- 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. 1269/02, 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, 2022.

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:

	As of December 31, 2020	**As of December 31, 2021**	**As of December 31, 2022**
General Price Index (December 2016=100)	385.88	582.46	1,134.59
Variation of Prices			
Annual	36.1%	50.9%	94.8%
Accumulated over 3 years	209.2%	216.1%	300.3%

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, 2022. 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, 2022.

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 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.

NOTE 2 – REGULATORY FRAMEWORK

a) REGULATORY AUTHORITY

The activities carried out by the Group, provider of Information and Communication 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 a Payment Service Provider (PSP) in the Interoperable Digital Wallet Registry and in the Non-Financial Credit Providers Registry. Therefore, it is subject to certain regulations established by the BCRA and the Financial Information Unit for this type of transactions.

b) LICENSES

✓ **Under the *Licencia Única Argentina Digital*, Telecom is empowered to provide 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). 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,
- SRS and
- SRCE.

✓ **The Paraguayan subsidiaries own the following licenses:**

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 - LAD, 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 the Company and the Bidding Terms and Conditions and their respective general rules.
- The general rules applicable to our services. The main general rules (governing Licenses, Interconnection, Universal Service, and Spectrum) are detailed in paragraphs d), e), and f) of this Note.

LAD, AS AMENDED

The LAD maintains the single country-wide license scheme for rendering ICT services and the individual registration of the services to be rendered.

Among the main amendments to the LAD, 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 the Audiovisual Communication Services Law.

✓ Any subscription broadcasting license (such as cable television) is 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.

✓ A 15-year term (until January 02, 2032) was established for the disaggregation of the local network of ICT service licensees (protection of last-mile fixed next-generation networks for broadband services).

It should be noted that until the enactment of a law that will unify the fee regime provided under the LSCA 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 the LSCA (included under "Taxes and Fees with the Regulatory Authority" in the Statement of Income). Therefore, they shall not be subject to the investment contribution, or the payment of the Control, Oversight and Verification Fee provided under the LAD.

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

On August 22, 2020, the Executive Branch issued Decree No. 690/20 ("Emergency Decree No. 690/20"), which 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, whereby:

- It declared that ICT Services and the access to telecommunications networks for and between licensees are deemed "essential and strategic public Services subject to competition", and their effective availability shall be guaranteed by ENACOM;
- It provided that the prices of: i) essential and strategic public ICT Services subject to competition, ii) the services provided under the Universal Service, and iii) those determined by ENACOM based on reasons of public interest, shall be regulated by said agency;
- ENACOM established the price and characteristics of each ICT service under the Mandatory Universal Basic Provision;
- It also provided for the suspension of price increases or modifications established or announced from July 31 to December 31, 2020 by ICT licensees.
- It allowed ICT Services Licensees to 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 the LAD.

Since January 2021, Telecom decided to adjust its prices in order to match the increase in its costs due to inflation. Notwithstanding the foregoing, part of the inflation accumulated during the period March-December 2020 could not be transferred to the price of its services 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 Executive Branch was served notice of said legal action on October 7, 2021.

In this regard, Telecom requested an injunction ordering the suspension of their application. On April 30, 2021, the Court of Appeals on Federal Administrative Matters decided by majority of votes to grant the requested injunction, ordering the suspension of the effects of Emergency Decree No. 690/20 and of the resolutions issued in connection with such Decree and the consequent inapplicability to Telecom. This injunction had been initially granted for a six-month period, but it was extended on several occasions for six-month periods. The last two extensions were granted on September 29, 2022 and on March 8, 2023.

On December 2, 2022, the National Court of Appeals on Federal Administrative Matters - Chamber II ratified the decision rendered by the Court of First Instance on September 29, 2022.

Under the protection of the injunctions granted by the Court of Appeals, Telecom increased once again its prices in order to match the increase in its costs due to inflation.

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.

On June 29, 2021, the National Government and the ENACOM filed direct appeals before the Supreme Court of Argentina, which were dismissed on November 15, 2022.

Consequently, the injunction is in full force and effect as of the date of these consolidated financial statements through the extensions granted for six-month periods.

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.

d) UNIVERSAL SERVICE REGULATION ("RGSU", for its Spanish acronym)

On September 3, 2020, the ENACOM approved a new RGSU through Resolution No. 721/20.

The new regulation maintains the obligation to contribute 1% of total accrued revenues from ICT Services net of applicable taxes and charges (included under "Taxes and Fees with the Regulatory Authority" in the Statement of Income). 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 next generation networks (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 above in paragraphs c) i)."

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.

However, several years after the market's liberalization and the effectiveness of the first SU regulations, as amended, 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. 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, 2022 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.

Between 2011 and 2012, the SC issued a series of resolutions through which it notified the Company that investments associated with "High-Cost Areas", the "Special Information Service 110", the "Discounts for Retired People, Pensioners, and Low Consumption Households", the "Social Public Telephony and Loss-Making Public Telephony", the "Services and Discounts relating to the Information Society Program :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)", did not qualify as Initial SU Programs or different services involving a SU provision and cannot be financed with SU Funds.

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.

In November 2019, the ENACOM notified Telecom that the appeals filed by that company against the SC 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 court of appeals 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.

In July 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. 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 requesting its nullity. As of the date of these consolidated financial statements, this appeal is still pending resolution.

In October 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, reserving its right to take all actions it may deem appropriate to claim its reimbursement, as informed to the SC and the CNC. Since August 2012, Personal (and after the merger, Telecom) is paying such concepts under protest in its monthly affidavits.

As of December 31, 2022, Telecom had not recorded any receivables in this regard.

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 services originally provided by Cablevisión (merged in 2018).**

Cablevisión (and after the merger, Telecom) 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, 83/14, and 25/15, Telecom 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 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. In particular, for the new spectrum to provide SCMA, both the term of the authorization for the use of frequencies and that of the corresponding deployment obligations were counted as from February 27, 2018, pursuant to Resolution No. 528/18.

Upon the expiration of term for the use of the frequencies, 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 said authority.)

Spectrum Incorporated into Telecom under the Corporate Reorganizations of Telecom and the Merger with Cablevisión

In December 2017, Telecom was served notice of Resolution No. 5,644-E/2017, whereby the ENACOM decided, among other things, to authorize the transfer in favor of Telecom Argentina of the authorizations and frequency use permits and allocations of numbering and sign-posting resources to provide the services held by Cablevisión, pursuant to effective regulations and the agreement executed by Nextel Communications Argentina S.R.L on April 12, 2017 (IF-2017-08818737-APN-ENACOM#MCO), whereby Telecom Argentina had to return, within a term of two years as from the date the merger had been approved by the National Antitrust Commission and the ENACOM, the radio electric spectrum that exceeded the limit set under Article 5 of Resolution No. 171-E/17 issued by the Ministry of Communications (80Mhz exceeded the limit).

During 2019, Telecom Argentina returned a portion of the radio electric spectrum (40 Mhz) and returned the remaining portion during March 2022 (another 40 Mhz).

On March 15, 2022, through Resolution No. 419/2022, the ENACOM notified Telecom of the acceptance of the return of the spectrum within the framework of the provisions of ENACOM Resolution No. 5,644/2017.

The accounting impact generated as of December 31, 2022 is detailed in Notes 3.m and 10.

i) ENACOM Resolution No. 798/2022 – On-Demand Allocation of Spectrum Blocks

Through Resolution No. 798/2022 published in the Official Gazette on May 19, 2022, the ENACOM began the process for the on-demand allocation of spectrum blocks of the 2500-2570 MHz and 2620-2690 MHz frequencies for the provision of SCMA services. Through said Resolution, the ENACOM also approved the bidding terms and conditions and the list of locations for which there is spectrum available for the provision of SCMA services. Article 12 of the bidding terms and conditions allowed to settle the allocated frequencies through the return of portions of the spectrum.

On May 31, 2022, Telecom made a filing requesting the allocation of spectrum blocks under this process. Through Resolution No. 1,729/2022 published in the Official Gazette on August 31, 2022, the ENACOM allocated to Telecom the spectrum blocks in the locations requested and accepted, as a partial settlement, the return of spectrum blocks proposed by Telecom.

f) OTHER RELEVANT REGULATORY MATTERS

i) 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 that Resolution, said Ministry also approved the implementation schedule for the portability of these services, among other provisions.

On September 20, 2022, the first phase of the process was implemented, enabling Fixed Portability in La Plata, Mar del Plata, and Salta. Subsequently, on October 4, 2022, the second phase was implemented, incorporating 20 medium-teledensity locations. Finally, on October 18, 2022, the third and final phase was implemented, which incorporated the rest of the country.

ii) General Rules Governing the Reliable and Intelligent Telecommunications Services (STeFI, for its Spanish acronym)

On December 28, 2022, ENACOM Resolution N° 2,385/2022 was published in the Official Gazette, which approved the "General Rules Governing the Reliable and Intelligent Telecommunications Services (STeFI, for its Spanish acronym)" to regulate the use of Fifth Generation (5G) technology in Argentina, with the aim of establishing the conditions under which the service must be rendered, the essential services, and the minimum technological guidelines to guarantee their quality and efficiency.

The General Rules defines the “Reliable and Intelligent Telecommunications” as: The fixed and mobile wireless ICT service, which, through the use of high spectral efficiency digital access technologies and flexible network architectures, supports enhanced mobile broadband applications, high-reliability and low-latency communications, and massive machine-type communications, among others.

On December 29, 2022, ENACOM issued Resolution No. 2,386/2022, whereby it allocated the 3300-3600 MHz frequency band to the Fixed Service and the Terrestrial Mobile Service. It also provided for the migration, within a period of 2 years, of the Fixed Data Transmission and Value Added Service systems that operate in the 3300-3700 MHz frequency band, to the 3600-3700 MHz frequency bands, and the 10.15-10.65 GHz frequency bands. The Television Program Transport (TPTV) Systems and Video Signal Transport (STSV) Systems operating in the 3300-3400 MHz band must be migrated to bands above 6 GHz. The Resolution also stated that the ENACOM would issue regulations within 30 days to establish the migration parameters, but they have not been published yet.

As of the date of these consolidated financial statements, Telecom is analyzing the possible impacts of the general rules governing the service.

✓ REGULATORY SITUATION OF MICRO SISTEMAS AS PAYMENT SERVICE PROVIDER (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 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.

The customers' funds must be deposited in checking accounts in 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".

- Interoperable Digital Wallets Registry

In February 2022, the BCRA issued Communication "A" 7,462, which established the creation of the "Interoperable Digital Wallets Registry" and provided that all Payment Service Providers (PSPs) seeking to provide a digital wallet service allowing payments via QR code scans must be registered in the aforementioned registry.

On August 3, 2022, Telecom was registered in the Interoperable Digital Wallets Registry under number 36,530. As a result of this registration, Telecom will be required to comply with the regulations provided for

Interoperable Digital Wallets, which include, but are not limited to, the provisions of Communication "A" 7,462, as well as those contained in the Transferencias 3.0 scheme established by the BCRA pursuant to Communication "A" 7,153, as amended, or as replaced, supplemented, or amended in the future.

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

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

In addition, Telecom 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 to the specific regulatory framework governing the activities carried out by the Company, it should be noted that it is also subject to various general regulations established by the Financial Information Unit (UIF). 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.

- **Other Non-Financial Credit Providers Registry**

Recently, Telecom was registered in the "Other Non-Financial Credit Providers Registry," governed by the Superintendency of Financial and Foreign Exchange Institutions (SEFyC, for its Spanish acronym) of the BCRA. As a result, Telecom is required to comply with the regulations provided for Non-Financial Credit Providers.

Additionally, Telecom is required to comply with the provisions of the consolidated text of the Protection of Financial Services Users, as supplemented, issued by the BCRA.

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, 2022 and 2021 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 is the respective legal currency of each country, except for Opalker, whose functional currency is the US dollar and is domiciled in Uruguay.

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.

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, 2022.

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) Acquisition of shares of AVC Continente Audiovisual

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 non-controlling shareholders of such company 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 $48 million adjustment to the non-controlling interest balance as of December 31, 2021 and the difference of $131 million arising from the total purchase price was recorded in "Other Comprehensive Income" under Equity attributable to controlling shareholders as of that date, as provided under IFRS 10.

d.1.b) Acquisition of shares of NYSSA

On June 1, 2022, Telecom entered into an assignment agreement, whereby it acquired 100% of the shares of NYSSA (represented by 10,000 shares, with a nominal value of $ 1,000 pesos each and entitled to one vote per share). The corporate purpose of NYSSA is the provision of Internet access services in the province of Mendoza, through a license granted by ENACOM. On August 24, 2022, at the General Ordinary and Extraordinary Shareholders' Meeting the Shareholders of NYSSA decided: i) to change the legal standing of the company to a "Limited Liability Corporation"; and ii) to change the closing date of the fiscal year from June 30 to December 31 of each year, for the purpose of consolidation with its controlling company. These changes were registered with the Directorate of Legal Entities and the Public Registry of the province of Mendoza, pursuant to the resolution issued by said agency on December 26, 2022.

The base price of the transaction was set at US$ 3.4 million, based on the number of NYSSA's customers, and is subject to certain adjustments set out in the contract. In the event that liabilities are identified in the acquisition process and Telecom effectively settles them ("Indemnification assets"), they may be deducted from the base price.

Telecom paid US$ 1.4 million (equivalent to $ 284.3 million at the time of payment), accounting for 40% of the base price. The outstanding balance net of the potential Indemnification assets will be settled in four consecutive equal annual installments with a 6% annual interest rate in US dollars. Said balance may be settled, at Telecom's discretion, by paying an amount of Argentine pesos to be determined according to the variation between the price of certain government securities in foreign currency and Argentine pesos stipulated in the contract.

As of December 31, 2022, Telecom recognized indemnification assets for an aggregate of $69 million, associated with certain identified liabilities, which are expected to be deducted from the payment of the first installment. Currently, the debt held by Telecom amounts to $ 715 million ($ 197 million is current and $ 518 million is non-current).

Telecom's Management made an assessment of the fair value of the assets acquired and liabilities undertaken (net assets) as of June 1, 2022, which, consequently, affects the measurement of goodwill.

Telecom's acquisition costs were recorded as expenses.

The following is a detail of the purchase, the estimate of the net assets acquired, and goodwill in constant currency in millions of Argentine pesos:

Purchase Price	(In constant currency as of June 1, 2022)	(In constant currency as of December 31, 2022)
Amount paid	284	407
Amount payable	426	609
Indemnification Assets	(63)	(90)
Total price	**647**	**926**

The assets and liabilities recognized as a result of the acquisition are the following (in millions of Argentine pesos):

	(In constant currency as of June 1, 2022)	(In constant currency as of December 31, 2022)
Cash and Cash Equivalents	1	2
Trade Receivables	45	68
PP&E (2)	397	598
Intangible Assets (1)	291	438
	(In constant currency as of June 1, 2022)	**(In constant currency as of December 31, 2022)**
Rights of Use	26	40
Lease Liabilities	(24)	(36)
Accounts Payable	(43)	(65)
Other Taxes Payable	(33)	(50)
Other Assets / (Liabilities), net	(204)	(357)
Net Identified Assets	**456**	**638**
Goodwill	191	288
Total	**647**	**926**

(1) Corresponds to the Brand and Customer Portfolio, which were calculated using the "income approach," the "Relief from Royalty" methodology, and the "Multiperiod Excess Earnings Method."

(2) The fair value of PP&E was calculated using the "cost approach," which reflects the amount that would be currently required to replace the service capacity of an asset adjusted for physical deterioration, functional and economic obsolescence.

Impact of the Acquisition of NYSSA on the Operations of the Period

The acquired business generated revenues from ordinary activities in the amount of $ 406 million and a net gain of $ 129 million for the period from June 1, 2022 to December 31, 2022.

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* ("UT"), 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 ("UTE"), which is engaged in the provision of data and order channel transmission services required to integrate the public administration agencies of the Province of Buenos Aires and the municipal agencies in a single provincial data communication network.

On July 27, 2022, the Under-Secretariat of Digital Government, which is under jurisdiction of the Ministry of the Chief of Cabinet of the Province of Buenos Aires, informed the UTE of the termination of the agreement. As a result of the termination of the agreement, the members of the UTE began the dissolution process. The Company believes that this process will not have a significant impact on its financial statements.

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 l) 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 are made, where necessary, to the non-accounting information provided by the associates 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, 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).

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 Company 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, 2022 and 2021, the Company recognized revenues from construction contracts in the amount of $ 1,937 million and $ 1,338 million, respectively.

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 and online recharges, 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 (mainly related to high-speed service subscriptions - broadband and non-dedicated internet-).

- *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 on-demand 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 transmission services for corporate customers, among others. private networks, dedicated transit, radio, and television broadcasting signal transport, and IoT solutions.

- *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.).

For the purpose of disclosure in the Consolidated Statement 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.

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.

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 and certain indemnification assets, 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.

Regarding the call options included in Other Receivables, on December 29, 2021, the subsidiary Micro Sistemas received from two shareholders of Open Pass S.A. (a company that renders 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 4, 2022, Micro Sistemas accepted those offers through the payment of US$ 0.7 million as consideration for granting those call options.
Telecom, at its sole discretion, may exercise the call options at any time, until April 30, 2023. The call options include, together with the shares, the assignment and transfer of all the economic and political rights inherent to such shares. If the options are exercised, the price to be paid for those shares was set at US$ 7.5 million.

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.

With regard to 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 collectibility 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, financial debt, dividends payable and certain liabilities included in Other Liabilities.

Financial liabilities (except for the NDFs and the Debt Arising from the Acquisition of NYSSA) are initially recognized at fair value and subsequently measured, in general, at amortized cost.

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 "Other Liabilities" correspond to the amounts payable to the customers of the subsidiary Micro Sistemas. 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.

The debt arising from the acquisition of NYSSA was measured at fair value, considering that, pursuant to the terms of the contract, it will be settled in an amount of Argentine pesos to be determined according to the variation between the price of certain government securities in foreign currency and Argentine pesos stipulated in the contract. It was recognized under "Other liabilities" and the effects of the change in fair value will be reflected in "Financial discounts on assets, debts and other" under "Other financial income and expense, net".

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

The Group uses NDFs to manage its exposure to exchange rate and interest rate risks.

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; 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 hedge is expected to fulfill the efficacy requirements, i.e.:

- 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 is the relationship between the amount of the hedging instrument (that the entity actually uses to hedge the item) and the item being hedged.

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.

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:

	Estimated Useful Life (in years)
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

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.

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

Telecom's management has concluded that the licenses have a finite useful life and, therefore, they are amortized under the straight-line method over 15 years.

- 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

PCS licenses are amortized over a term of 5 years.

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

It includes contracts with Telecom's customers that were incorporated as a result of the merger between Telecom and Cablevisión and contracts with customers identified upon the acquisition of NYSSA. The customer portfolio is amortized over the estimated term of the relationship with the acquired customers.

In the case of contracts with Telecom's 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. In the case of the customer portfolio recognized upon the acquisition of NYSSA, the useful life was estimated at 14 years.

- Brands

The brands Telecom and Personal were incorporated as a result of the merger between Telecom and Cablevisión. Foptik, which provides fiber-optic internet services, was incorporated as a result of the acquisition of NYSSA.

These brands are not amortized because they have been classified as having indefinite useful life. They are subject to a recoverability assessment, at least on an annual basis.

The brand Flow is also included, which has been fully amortized, and the brands Cablevisión and Arnet, which have been fully provisioned.

- Other

It includes the mobile app of the digital wallet, exclusivity rights, and software use rights, among others, with useful lives of between 2 and 28 years.

Exchange of Intangible Assets

Pursuant to IAS 38, in order to recognize an intangible asset through an exchange, the transaction must have commercial substance. In this case, the cost of the intangible asset received will be measured at its fair value.

The process used for the allocation and return of spectrum (see Note 2 "ENACOM Resolution No. 798/2022 - On-demand allocation of spectrum blocks") falls within the guidelines of IAS 38 regarding the exchange of non-monetary assets, and therefore, the cost of the intangible asset received is measured at fair value. The fair value of the allocated spectrum was set by ENACOM at US$ 6.2 million, while the price of the spectrum to be returned was set at US$ 5.7 million, with the Company having to make a payment of US$ 0.5 million. The difference between the carrying amount and the fair value of the returned spectrum yielded a net gain of $ 411 million, recognized under “Other operating costs”.

j) Non-current assets classified as available for sale

Pursuant to IFRS 5, non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and the sale is considered highly probable. They are measured at the lower of their carrying amount and the fair value less costs to sell, with certain exceptions.

An impairment loss is recognized for any initial or subsequent reduction in the asset's fair value less costs to sell. A gain is recognized for any subsequent increase in the fair value less costs to sell of an asset, but not in excess of any previously recognized accumulated impairment loss. Any previously unrecognized gain or loss at the date of the sale of the non-current asset is recognized on the date of derecognition.

Non-current assets held for sale are not depreciated or amortized while they are classified as held for sale and are presented separately from other assets in the statement of financial position.

Sale of the Building “Costanera”

On March 21, 2022, Telecom executed a pre-sale agreement for its building “Costanera” located at Las Heras 2502, Autonomous City of Buenos Aires, Argentina, for a total of US$ 6 million.

On April 27, 2022, Telecom’s Board of Directors approved the proposal to sell the property and, on June 6, 2022, [the parties entered into] a sale agreement. Said agreement provides that the sale is subject to the condition precedent that Telecom shall obtain ENACOM's authorization to sell the property.

As of December 31, 2022, Telecom received an advance payment of US$ 2 million (equivalent to $ 350 million). The asset meets the requirements of IFRS 5 to be considered a non-current asset available for sale, as stipulated in the previous paragraphs.

In addition, considering that the carrying amount of the assets associated with the sale exceeds its recoverable value, which has been calculated based on fair value less costs to sell (classified as Level 1 in the fair value hierarchy), Telecom, as of December 31, 2022, recognized an impairment of $ 1,775 million disclosed under Depreciation, amortization, and impairment Fixed Assets.

k) 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 its own sites.

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.

The lease payments are discounted using the following real rates, which average 9.3% in Argentine pesos, 8.22% in PYG, and 6.6% in US dollars.

l) 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.

m) 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. The Group has defined, based on the characteristics of the services it provides and its fixed assets, that Telecom Argentina S.A.'s operations represent a single CGU (CGU Telecom, which as of December 31, 2022 includes goodwill for $ 494,067), and that each subsidiary and associate 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).

The breakdown of the impairment is detailed below:

	2022	2021
	Income (Loss)	
Return of radio electric spectrum (Note 2.e.i)	(2,675)	-
Brands Cablevisión and Fibertel (a)	-	(873)
Assets available for sale (Note 3.j)	(1,775)	-
Goodwill of Telecom (Note 3.v.1)	(204,744)	-
Goodwill of Subsidiaries	(64)	(1,299)
Other Minor Assets (b)	2,279	(329)
Total	**(206,979)**	**(2,501)**

a) Generated 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.

b) In 2022, it includes recoveries of provisions for $ 2.175 million related to works in progress that were completed during this year.

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 24 to these consolidated financial statements.

n) 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 must 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:

	2022	2021
Discount Rate (1)	6.0% - 11.6%	6.1% - 11.8%
Projected increase rate in compensation	52.0% - 83.1%	23.0% - 51.8%

(1) Corresponds to real discount rates.

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

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Rubén Suárez
Supervisory Committee

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

As of December 31, 2021, Telecom had a customer loyalty program measured at fair value and accounted for as deferred revenue until the award credits are redeemed or expire, whichever occurs first. As of December 31, 2022, Telecom had not completed such program.

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.

o) 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.

p) Taxes Payable

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

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. In view of the foregoing, pursuant to AFIP General Resolution No. 5,168, the current brackets for fiscal year 2022 are the following: 25% for annual taxable income of up to $7.6 million; 30% for annual taxable income exceeding $7.6 million up to $76 million; and 35% for annual taxable income exceeding $ 76 million. Telecom recognized the effects of the increase in income tax in the Statement of 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.

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 in the State of Florida was reduced from 5.5% to 4.458% for fiscal year 2020, and to 3.535% for fiscal year 2021. For the years beginning as from January 1, 2022, the rate will be 5.5%.

Therefore, for fiscal years 2021 and 2022 the statutory income tax rate is 24.5% and 26.5%, respectively.

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 effective date, 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.

The National Budget Law (N° 27,701) for fiscal year 2023 was enacted on December 1, 2022. Pursuant to this law, the taxpayers that assess a positive inflation adjustment in the first and second fiscal years beginning on or after January 1, 2022, may allocate one-third (1/3) of it in that fiscal period and the remaining two-thirds (2/3) equally in the two immediately following fiscal periods. The calculation of the positive inflation adjustment will apply to those taxpayers that invest in the purchase, construction, manufacturing, processing, or import of fixed assets (except automobiles) during each of the two immediate subsequent fiscal periods following the allocation of each third, for an amount equal to or greater than $ 30,000 million. Since Telecom expects to make investments during 2023 for more than $ 30,000 million, as of December 31, 2022, it assessed the inflation adjustment for tax purposes as stipulated in Law No. 27,701.

Other Levies and Taxes

Additionally, the Company is subject to various levies and taxes that have an impact on its activities, including, among others: a) value-added tax, b) excise taxes, c) export duties, d) tax on bank credits and debits, e) turnover tax, f) municipal taxes, g) Universal Service, h) ENACOM fee and radioelectric spectrum fees, i) tax on audiovisual communication services, among others.

q) 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.

r) 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.

s) 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 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;
- Income from Renegotiation of Financial Debt;
- gains and losses on foreign exchange and financial instruments;
- Interest on Allowances;
- Interest on Pension Benefits;
- Taxes and Bank Expenses; and

- Gain (Loss) on Net Monetary Position

t) 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.

u) 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.

v) 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:

v.1) Recoverability of Goodwill

As indicated in paragraph I) of this note, the Group monitors the goodwill 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.

Impairment of Goodwill Recognized as of September 30, 2022

As of September 30, 2022, the consequences of COVID and the war between Ukraine and Russia, coupled with the prevailing political conditions, had a negative impact on the Argentine economy in general and on the stock market in particular, causing, mainly up to that date:

i) an inflationary acceleration and further devaluation of the Argentine peso, with the accumulated inflation rate for the first 9 months of the year at 66.1% and a variance of the exchange rate established by Banco Nación $/US$ of 43.4% for the same period;

ii) Volatility in the stock markets in which the subsidiary Telecom operates; The price of the shares of Telecom in Argentine pesos listed on BYMA increased by 24.7%; while the ADR of Telecom listed in US$ on NYSE decreased by 21.4%;

iii) Greater exchange restrictions on the access to the Argentine Single and Free Exchange Market (MULC, for its Spanish acronym), which could have an impact on Telecom's ability to access said market and on the value of foreign currency in existing alternative markets. As of September 30, 2022, there was a 105.3% gap between the exchange rate prevailing in the MULC and the exchange rate prevailing in the existing alternative markets (Electronic Payment Market, known as "MEP dollar"); and

iv) An increase in country risk and a general rise of interest rates.

Consequently, as of September 30, 2022, the Company's Management decided to review the estimated recoverable value of the goodwill allocated to the CGU Telecom.

The most significant goodwill held by the Group corresponds to CGU Telecom. Said goodwill was generated by the merger between Telecom Argentina and Cablevisión (which became effective on January 1, 2018). The goodwill was measured as the difference between the fair value of the consideration transferred and the fair value of the net identifiable assets of Telecom Argentina.

Due to the fact that the merger was a business combination carried out through an exchange of equity interests, the consideration was determined based on the fair value of the shares of Telecom. It was calculated based on the market price of the ADR of Telecom prevailing on NYSE on the last business day before the effective date of the transaction, which amounted to US$ 36.63 per ADR (US$ 4.01 per ADR as of September 30, 2022).

The goodwill recorded in the Group's consolidated financial statements includes certain consolidation adjustments related to CGU Telecom.

As of September 30, 2022, Telecom assessed the recoverable value as the fair value less costs of disposal, as it was higher than the value in use.

In order to measure the fair value less the costs of disposal, which amounted to $ 1,332,931 million as of September 30, 2022 ($ 1,563,440 million in constant currency as of December 31, 2022), Telecom's Management considered the market capitalization value based on an average market price of the share of the subsidiary Telecom (which concentrates the business of CGU Telecom), which amounted to $ 265.9 per share (calculated based on market prices at BYMA weighted by the volume of transactions corresponding to the three-month period prior to September 30, 2022).

The Group's Management used this valuation method since the market price of the share is volatile and is subject to large fluctuations, mainly due to the difficult macroeconomic situation.

In order to determine the fair value of the CGU Telecom, the above-mentioned market capitalization value of Telecom 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 Telecom's Management, 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 are 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.

As a result of the calculation mentioned above, the carrying amount of the CGU Telecom exceeded its recoverable value by $ 174,558 million ($ 204,744 million in constant currency as of December 31, 2022). Consequently, as of September 30, 2022, the Company recognized an impairment of goodwill for this amount, which was recorded under “Depreciation, amortization, and impairment fixed assets” of the Statement of Income, not affecting other fixed assets owned by the Group.

a) Situation as of December 31, 2022

As of December 31, 2022, Telecom reviewed once again the estimate of the recoverable value of goodwill and determined it based on the value in use, as it was higher than the fair value less costs of disposal as of the same date.

The cash flows used as a basis for calculating the value in use correspond to the 2023 budget approved by Telecom's Management, serving as a basis for cash flow projections until 2027.

In order to determine the terminal value of the CGU, the Company considered a normalized constant cash flow taking into consideration a long-term growth rate of 2.26%, in line with the ratios prevailing in the ICT industry.

In preparing said cash flows, Telecom considered the situation of the market in which Telecom operates. Telecom's Management made estimates based on past performance and future behavior of certain variables that were sensitive in determining recoverable value, including sales, WACC, growth rate, and macroeconomic variables such as inflation rates, exchange rates, among others.

Cash flows were discounted at a WACC of 11.04%, which reflected the specific risks related to the industry and the country where the Group operates.

As a result of the calculation mentioned above, the value in use exceeds the carrying amount of the CGU Telecom by approximately 3.4%.

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

a) Reducing the growth rate to approximately 1.89%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the CGU Telecom.
b) Increasing the WACC to 11.31%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the CGU Telecom.
c) Decreasing the sales by approximately 1%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the CGU Telecom.

As of December 31, 2022, the test results were satisfactory. Therefore, no other impairments were recognized in addition to what is described in paragraph a).

b) Situation as of December 31, 2021

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

In order to determine such value, the Group'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).

In order to determine the fair value of the CGU Telecom, 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 Group, 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.

The Group's Management 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 exceeded the carrying amount of the CGU Telecom by approximately 2.2%.

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

a) A 3.5% decline in the average market price of the share, with the rest of the assumptions remaining stable, would have equated the fair value less the costs of disposal with the carrying amount of the CGU Telecom.
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 have equated the fair value less the costs of disposal with the carrying amount of the CGU Telecom.
c) A decline of 8.9 percentage points in the control premium, with the rest of the assumptions remaining stable, would have equated the fair value less the costs of disposal with the carrying amount of the CGU Telecom.

For fiscal year 2021, since the test results were satisfactory, no recoverability issues were identified as of that date. Therefore, no impairments were recorded as of that date for the assets detailed above, with the exception of those specifically identified in paragraph m) of this note.

v.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.

v.3) Income Tax recoverability assessment of deferred tax assets and other tax receivables

Income taxes (current and deferred) are calculated in the Group 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.

v.4) Uncertain Tax Positions

Management periodically evaluates the positions taken in tax returns regarding situations where the applicable tax regulation is subject to interpretation, considering the probability that the tax authority will accept each treatment, and, if applicable, records tax provisions to reflect the effect of uncertainty for each treatment based on the amount estimated to be paid to the tax authorities.

If the final tax outcome regarding uncertain treatments is different from the amounts recognized, such differences will impact income tax and deferred tax provisions in the fiscal year in which such assessment is made.

Uncertain tax positions are described in Note 15 under the headings “Income Tax – Reimbursement Claims filed with the Tax Authority” resulting from reimbursement claims filed with the AFIP to claim the full income tax overpaid for fiscal years 2009-2017 under the argument that the inability to apply income tax inflation adjustment is confiscatory and “Income Tax – Inflation adjustment for tax purposes” where the criteria followed by Telecom is described, whereby it calculated in its tax return corresponding to fiscal year 2021 the restated tax amortization of all its fixed and intangible assets pursuant to Articles 87 and 88 of the Income Tax Law and applying the tax loss carry-forwards from previous years in accordance with the restatement mechanism provided under Article 25 of such Law.

v.5) 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 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.

w) New Standards and Interpretations Issued by the IASB

w.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, 2022:

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	PP&E – Proceeds Before Intended Use	January 1, 2022
Amendments to IFRS 9 and IFRS 16.	Annual Improvements - 2018-2020 Cycle	January 1, 2022

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.

w.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, 2022:

Standards and Amendments	Description	Mandatory application date: years beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
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
Amendments to IFRS 16	Measurement of the lease liability in a sale and leaseback transaction.	January 1, 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current Subject to Covenants	January 1, 2024

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

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.

NOTE 5 – CASH AND CASH EQUIVALENTS AND INVESTMENTS. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

a) Cash and Cash Equivalents and Investments

	December 31, 2022	December 31, 2021
Cash and Cash Equivalents		
Cash and Banks (1)	17,814	27,256
Short-Term Investments	15,848	7,359
Mutual Funds (a)	3,283	6,095
Notes and Bonds at Fair Value	4,836	-
Total Cash and Cash Equivalents	**41,781**	**40,710**

(1) As of December 31, 2022, it includes restricted cash in the amount of $ 505 million corresponding to funds to be paid to customers.

Investments		
Current		
Notes and Bonds at Fair Value	8,263	22,643
Mutual Funds	110	163
Total Current Investments	**8,373**	**22,806**

	December 31, 2022	December 31, 2021
Non-Current		
Investments in Associates (a)	6,443	6,282
Trust "Complejo industrial de Telecomunicaciones 2003"	1	2
Total Non-Current Investments	**6,444**	**6,284**
Total Investments	**14,817**	**29,090**

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

Equity Information

Companies	Main Business Activity	Country	Equity participation in Capital and	Valuation as of 12.31.2022	Valuation as of 12.31.2021
Ver TV (1)	Cable Television Station	Argentina	49.00	4,132	3,915
TSMA (1) (2) (3)	Cable Television Station	Argentina	50.10	1,554	1,332
La Capital Cable (1) (2)	Closed-Circuit Television	Argentina	50.00	757	1,035
Total				**6,443**	**6,282**

(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

	December 31, 2022	December 31, 2021
Ver TV	413	607
TSMA	272	150
La Capital Cable	134	12
Total	**819**	**769**

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:

	December 31, 2022	December 31, 2021
(Increase) Decrease in Assets		
Trade Receivables	(26,143)	(25,039)
Other Receivables	(20,511)	(10,156)
Inventories	(5,017)	(761)
	(51,671)	**(35,956)**
Net Increase (Decrease) of Liabilities		
Accounts Payable	39,111	12,965
Salaries and Social Security Payables	16,380	19,501
Taxes Payable	(5,483)	(5,173)
Other Liabilities and Provisions	(9,296)	(8,916)
	40,712	**18,377**

Main Financing Activities Components

The following table presents the financing activities components:

	December 31, 2022	December 31, 2021
Bank Overdraft	-	19,783
Notes	22,512	80,886
Banks and other Financial Institutions	60,714	21,544
For Acquisition of Equipment	1,989	2,875
Proceeds from Financial Debt	**85,215**	**125,088**
Bank Overdraft	(1,171)	-
Notes	(98)	(38,417)
Banks and other Financial Institutions	(60,390)	(52,600)
For Acquisition of Equipment	(6,654)	(6,956)
Payment of Financial Debt	**(68,313)**	**(97,973)**
Bank Overdraft	(8,409)	(6,229)
Notes	(16,328)	(20,650)
Banks and other Financial Institutions	(19,012)	(20,025)
NDF, Purchase of Equipment and Other	(2,463)	(5,334)
Payment of Interest and Related Expenses	**(46,212)**	**(52,238)**

Main Non-Cash Operating Transactions

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

	December 31, 2022	December 31, 2021
Acquisitions of PP&E and Intangible Assets Financed by Accounts Payable	28,349	40,144
Initial debt for the acquisition of NYSSA	609	-
Indemnification Assets	90	
Settlement of accounts payable with financial debt	10,736	15,852
Settlement of trade receivables with government bonds	671	4,587
Settlement of salaries and social securities payables with government bonds	-	2,563
Payment of income tax offset with other tax credits	-	142
Distribution of unpaid dividends (CVH)	-	1,796
Payment of dividends with investments not considered as cash and cash equivalents	17,371	55,349
Payment of Dividends to Minority Interests with Government Bonds	27,571	47,491

Collection of Dividends

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

Fiscal Year	Company	Collection of Dividends: Historic Currency at Transaction Date	Collection of Dividends: Constant Currency as of 12/31/2022
2022	Ver TV	104	195
	TSMA	28	51
	La Capital Cable	343	369
			615
2021	Ver TV	110	298
	TSMA	57	158
			(*) 456

(*) Includes $ 27 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	Total amount distributed to the non-controlling shareholder: Historic Currency at Transaction Date	Total amount distributed to the non-controlling shareholder: Constant Currency as of 12/31/2022	Month of Settlement	Amount Settled in Constant Currency as of 12/31/22
2022	Núcleo	Apr-22	804	1,271	May-22/Aug-22	1,229
						1,229
2021	Núcleo	Apr-21	650	1,625	May-21/Oct-21	1,499
						1,499

NOTE 6 – TRADE RECEIVABLES

	December 31, 2022	December 31, 2021
Current		
Trade Receivables	52,754	62,651
Contract Asset under IFRS 15	25	8
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	225	355
Allowance for Bad Debts	(15,388)	(19,080)
	37,616	**43,934**
Non-Current		
Trade Receivables	111	129
Contract Asset under IFRS 15	7	12
	118	**141**
Total Trade Receivables, Net	**37,734**	**44,075**

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Supervisory Committee

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

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**(19,080)**	(29,667)
Increases - Bad Debts	(18,342)	(15,550)
Uses of the Allowance and Currency Translation (includes Gain (Loss) on Net Monetary Position)	22,034	26,137
Balances at year-end	**(15,388)**	**(19,080)**

NOTE 7 – OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Current		
Prepaid Expenses	5,485	9,964
Guarantee of Financial Transactions	2,415	3,730
Tax Credits	9,561	1,675
Financial NDF (Note 23)	117	-
Advances to Suppliers	2	2
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	342	444
Indemnification Assets	69	-
Trade Receivables from Customer Portfolio	-	37
Other Receivables	129	169
Other	2,322	2,143
Allowance for Other Receivables	(749)	(719)
	19,693	**17,445**
Non-Current		
Prepaid Expenses	904	3,255
Tax Credits	9	4
Financial NDF (Note 23)	201	-
Regulatory Receivables (Núcleo)	-	41
Trade Receivables from Customer Portfolio	-	1,099
Other Receivables	850	760
Other	554	-
	2,518	**5,159**
Total Other Receivables, Net	**22,211**	**22,604**

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

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	(719)	(980)
Increases	(387)	-
Decreases (including Gain (Loss) on Net Monetary Position)	357	261
Balances at year-end	**(749)**	**(719)**

NOTE 8 – INVENTORIES

	December 31, 2022	December 31, 2021
Mobile Handsets and Other	6,938	4,946
Inventories for construction projects	-	1,751
Subtotal	**6,938**	**6,697**
Allowance for Obsolescence of Inventories	(490)	(629)
	6,448	**6,068**

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

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**(629)**	**(746)**
Increases	(214)	(91)
Decreases (including Gain (Loss) on Net Monetary Position)	353	208
Balances at year-end	**(490)**	**(629)**

NOTE 9 – GOODWILL

	December 31, 2022	December 31, 2021
Business in Argentina [(1)]	493,080	697,599
Foreign Business [(2)]	1,677	1,701
Total	**494,757**	**699,300**

(1) The variation with respect to the balance as of December 31, 2021 corresponds to the addition of the goodwill corresponding to NYSSA for 288 (Note 3.d.1.c), the impairment of goodwill corresponding to the subsidiaries in Argentina for (64), and the impairment of the goodwill corresponding to the CGU Telecom for (204,744) (Note 3.v.1.a).

(2) The variation compared to the balance as of December 31, 2021 corresponds to the effects of currency translation.

NOTE 10 – PP&E

	December 31, 2022	December 31, 2021
PP&E	802,053	890,605
Allowance for Obsolescence and Impairment of Materials	(9,079)	(9,202)
Allowance for Impairment of PP&E	(771)	(3,155)
	792,203	**878,248**

The following is a detail of the items and evolution of PP&E as of December 31, 2022:

	Acquisition Cost as of December 31, 2021	Addition under the acquisition of NYSSA	CAPEX	Effect of Currency Translation	Transfers and Reclassifications	Retirements	Acquisition Cost as of December 31, 2022
Real Property	**143,281**	**-**	354	(1,159)	34	(23)	**142,487**
Switching Equipment	**44,257**	**-**	2,200	(3,678)	10,900	(88)	**53,591**
Transport and Fixed Network	**651,382**	**574**	22,939	(3,534)	30,857	(26,104)	**676,114**
Mobile Network Access	**135,212**	**-**	53	(4,410)	12,486	(492)	**142,849**
Antenna Support Structure	**37,609**	**-**	-	(1,157)	1,344	(184)	**37,612**
Power Equipment and Installations	**50,984**	**22**	1,266	(1,642)	7,068	(19)	**57,679**
Computer Equipment	**221,534**	**-**	21,407	(5,592)	5,556	(1,513)	**241,392**
Goods under Loans for Use	**79,398**	**104**	4,218	(2,108)	14,287	(30,495)	**65,404**
Vehicles	**19,169**	**-**	3,045	(129)	-	(302)	**21,783**
Machinery, Diverse Equipment and Tools	**27,337**	**5**	127	(486)	248	-	**27,231**
Other	**8,638**	**3**	826	(88)	683	-	**10,062**
Works-In-Progress	**76,295**	**-**	24,702	(332)	(41,324)	(498)	**58,843**
Materials	**88,998**	**75**	38,934	(418)	(45,623)	19	**81,985**
Total	**1,584,094**	**783**	**120,071**	**(24,733)**	**(3,484)**	**(59,699)**	**1,617,032**

	Accumulated Depreciation as of December 31, 2021	Addition under the acquisition of NYSSA	Depreciation for the year	Effect of Currency Translation	Retirements and Reclassifications	Accumulated Depreciation as of December 31, 2022	Net carrying value as of December 31, 2022
Real Property	**(24,300)**	-	(5,890)	849	**778**	**(28,563)**	113,924
Switching Equipment	**(29,177)**	-	(9,627)	3,111	**85**	**(35,608)**	17,983
Transport and Fixed Network	**(323,852)**	(166)	(76,355)	2,281	**26,090**	**(372,002)**	304,112
Mobile Network Access	**(75,483)**	-	(21,602)	2,905	**427**	**(93,753)**	49,096
Antenna Support Structure	**(15,137)**	-	(2,679)	726	**83**	**(17,007)**	20,605
Power Equipment and Installations	**(25,652)**	(7)	(5,885)	1,015	**14**	**(30,515)**	27,164
Computer Equipment	**(130,284)**	-	(41,574)	4,838	**1,502**	**(165,518)**	75,874
Goods under Loans for Use	**(27,270)**	(11)	(31,233)	1,438	**30,495**	**(26,581)**	38,823
Vehicles	**(15,447)**	-	(1,735)	95	**289**	**(16,798)**	4,985
Machinery, Diverse Equipment and Tools	**(22,717)**	(1)	(927)	366	**-**	**(23,279)**	3,952
Other	**(4,170)**	-	(1,263)	78	**-**	**(5,355)**	4,707
Works-In-Progress	**-**	-	-	-	**-**	**-**	58,843
Materials	**-**	-	-	-	**-**	**-**	81,985
Total	**(693,489)**	**(185)**	**(198,770)**	**17,702**	**59,763**	**(814,979)**	**802,053**

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The following is a detail of the items and evolution of PP&E as of December 31, 2021:

	Acquisition Cost as of December 31, 2020	CAPEX	Effect of Currency Translation	Transfers and Reclassifications	Retirements	Acquisition Cost as of December 31, 2021
Real Property	**147,377**	25	(1,030)	3,633	(6,724)	**143,281**
Switching Equipment	**35,994**	1225	(3,323)	10,482	(121)	**44,257**
Transport and Fixed Network	**624,657**	25,082	(5,575)	43,229	(36,011)	**651,382**
Mobile Network Access	**128,291**	39	(4,075)	12,021	(1,064)	**135,212**
Antenna Support Structure	**36,771**	0	(1,145)	2,355	(372)	**37,609**
Power Equipment and Installations	**48,355**	1126	(1,395)	2,912	(14)	**50,984**
Computer Equipment	**176,315**	10,749	(5,061)	39,788	(257)	**221,534**
Goods under Loans for Use	**85,600**	4,954	(1,572)	24,608	(34,192)	**79,398**
Vehicles	**19,290**	253	(117)	45	(302)	**19,169**
Machinery, Diverse Equipment and Tools	**27,450**	150	(440)	185	(8)	**27,337**
Other	**6,015**	259	(166)	2,530	-	**8,638**
Works-In-Progress	**113,859**	43,542	(557)	(79,776)	(773)	**76,295**
Materials	**79,069**	72,849	(894)	(62,012)	(14)	**88,998**
Total	**1,529,043**	**160,253**	**(25,350)**	**-**	**(79,852)**	**1,584,094**

	Accumulated Depreciation as of December 31, 2020	Depreciation for the year	Effect of Currency Translation	Retirements and Reclassifications	Accumulated Depreciation as of December 31, 2021	Net carrying value as of December 31, 2021
Real Property	**(24,817)**	(6,304)	662	6,159	**(24,300)**	**118,981**
Switching Equipment	**(23,106)**	(8,900)	2,710	119	**(29,177)**	**15,080**
Transport and Fixed Network	**(277,333)**	(85,559)	3,537	35,503	**(323,852)**	**327,530**
Mobile Network Access	**(56,350)**	(22,319)	2,419	767	**(75,483)**	**59,729**
Antenna Support Structure	**(13,032)**	(2,826)	600	121	**(15,137)**	**22,472**
Power Equipment and Installations	**(20,315)**	(6,068)	721	10	**(25,652)**	**25,332**
Computer Equipment	**(99,008)**	(35,657)	4,124	257	**(130,284)**	**91,250**
Goods under Loans for Use	**(23,418)**	(39,185)	1,143	34,190	**(27,270)**	**52,128**
Vehicles	**(13,951)**	(1,839)	78	265	**(15,447)**	**3,722**
Machinery, Diverse Equipment and Tools	**(21,599)**	(1,416)	253	45	**(22,717)**	**4,620**
Other	**(3,284)**	(1,030)	144	-	**(4,170)**	**4,468**
Works-In-Progress	**-**	-	-	-	**-**	**76,295**
Materials	**-**	-	-	-	**-**	**88,998**
Total	**(576,213)**	**(211,103)**	**16,391**	**77,436**	**(693,489)**	**890,605**

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

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**(9,202)**	**(7,655)**
Increases	102	(1,590)
Effect of Currency Translation	21	43
Balances at year-end	**(9,079)**	**(9,202)**

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

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**(3,155)**	**(2,388)**
Increases	2,384	(767)
Balances at year-end	**(771)**	**(3,155)**

NOTE 11 - INTANGIBLE ASSETS

	December 31, 2022	December 31, 2021
Intangible Assets	264,799	298,576
Allowance for Impairment	(10,868)	(18,750)
	253,931	**279,826**

The evolution of the allowance for impairment of intangible assets is as follows:

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**(18,750)**	**(18,336)**
Increases (*)	(2,675)	(414)
Allocations (*)	10,557	-
Balances at year-end	**(10,868)**	**(18,750)**

(*) In 2022, it corresponds to the return of the spectrum mentioned in Note 2.e.i).

The following is a detail of the items and evolution of Intangible Assets as of December 31, 2022:

	Acquisition Cost as of December 31, 2021	Addition under the acquisition of NYSSA	CAPEX	Effect of Currency Translation	Retirements	Acquisition Cost as of December 31, 2022
3G/4G Licenses	**136,908**	-	1,074	-	(14,784)	**123,198**
PCS and SRCE License (Argentina)	**64,891**	-	-	-	-	**64,891**
Núcleo Licenses	**15,676**	-	274	(421)	-	**15,529**
Customer Portfolio	**86,395**	396	-	(126)	-	**86,665**
Brands	**80,235**	42	-	23	-	**80,300**
Incremental Costs from the Acquisition of Contracts	**9,872**	-	3,323	(56)	(4,789)	**8,350**
Capitalization of Contents	**263**	-	480	-	-	**743**
Other	**12,375**	-	1,047	(59)	-	**13,363**
Total	**406,615**	**438**	**6,198**	**(639)**	**(19,573)**	**393,039**

	Accumulated Amortization as of December 31, 2021	Amortization for the year	Effect of Currency Translation	Retirements (1)	Accumulated Amortization as of December 31, 2022	Net carrying value as of December 31, 2022
3G/4G Licenses	**(35,880)**	(8,519)	-	3,649	**(40,750)**	**82,448**
PCS and SRCE License (Argentina)	**-**	-	-	-	**-**	**64,891**
Núcleo Licenses	**(2,620)**	(656)	6	-	**(3,270)**	**12,259**
Customer Portfolio	**(55,029)**	(13,775)	(20)	-	**(68,824)**	**17,841**
Brands	**(25)**	-	-	-	**(25)**	**80,275**
Incremental Costs from the Acquisition of Contracts	**(5,634)**	(4,200)	1	4,789	**(5,044)**	**3,306**
Capitalization of Contents	**(140)**	(222)	-	-	**(362)**	**381**
Other	**(8,711)**	(1,254)	-	-	**(9,965)**	**3,398**
Total	**(108,039)**	**(28,626)**	**(13)**	**8,438**	**(128,240)**	**264,799**

(1) Includes $ (10,556) corresponding to the return of the spectrum.

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	Retirements	Acquisition Cost as of December 31, 2021
3G/4G Licenses	**136,908**	-	-	-	**136,908**
PCS and SRCE License (Argentina)	**64,891**	-	-	-	**64,891**
Núcleo Licenses	**15,687**	569	(580)	-	**15,676**
Customer Portfolio	**86,607**	-	(136)	(76)	**86,395**
Brands	**80,235**	-	-	-	**80,235**
Incremental Costs from the Acquisition of Contracts	**15,385**	4,562	(76)	(9,999)	**9,872**
Capitalization of Contents	**-**	263	-	-	**263**
Other	**11,390**	999	(14)	-	**12,375**
Total	**411,103**	**6,393**	**(806)**	**(10,075)**	**406,615**

	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
3G/4G Licenses	**(26,523)**	(9,357)	-	-	**(35,880)**	**101,028**
PCS and SRCE License (Argentina)	**-**	-	-	-	**-**	**64,891**
Núcleo Licenses	**(1,615)**	(1,013)	8	-	**(2,620)**	**13,056**
Customer Portfolio	**(41,635)**	(13,470)	-	76	**(55,029)**	**31,366**
Brands	**-**	(25)	-	-	**(25)**	**80,210**
Incremental Costs from the Acquisition of Contracts	**(10,453)**	(5,180)	-	9,999	**(5,634)**	**4,238**
Capitalization of Contents	**-**	(140)	-	-	**(140)**	**123**
Other	**(7,577)**	(1,120)	(14)	-	**(8,711)**	**3,664**
Total	**(87,803)**	**(30,305)**	**(6)**	**10,075**	**(108,039)**	**298,576**

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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, 2022:

	Acquisition Cost as of December 31, 2021	Addition under the acquisition of NYSSA	Additions	Effect of Currency Translation	Retirements	Acquisition Cost as of December 31, 2022
Rights of Use from Leases						
Sites	**65,260**	-	13,121	(1,111)	(1,864)	**75,406**
Buildings and Other	**16,178**	29	3,507	(100)	(721)	**18,893**
Poles	**7,755**	31	2,318	(212)	-	**9,892**
Irrevocable Rights of Use	**3,679**	-	19	(64)	-	**3,634**
Asset Retirement Obligations	**8,857**	-	2,032	(16)	(954)	**9,919**
Total	**101,729**	**60**	**20,997**	**(1,503)**	**(3,539)**	**117,744**

	Accumulated Amortization as of December 31, 2021	Addition under the acquisition of NYSSA	Amortization for the year	Effect of Currency Translation	Retirements	Accumulated Amortization as of December 31, 2022	Net carrying value as of December 31, 2022
Rights of Use from Leases							
Sites	**(22,497)**	-	(13,165)	490	1,156	**(34,016)**	**41,390**
Buildings and Other	**(7,715)**	(2)	(4,215)	109	695	**(11,128)**	**7,765**
Poles	**(4,088)**	(18)	(2,812)	134	-	**(6,784)**	**3,108**
Irrevocable Rights of Use	**(1,615)**	-	(337)	42	-	**(1,910)**	**1,724**
Asset Retirement Obligations	**(724)**	-	(1,220)	16	954	**(974)**	**8,945**
Total	**(36,639)**	**(20)**	**(21,749)**	**791**	**2,805**	**(54,812)**	**62,932**

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					
Sites	**49,053**	27,544	(1,196)	(10,141)	**65,260**
Buildings and Other	**15,072**	4,410	(160)	(3,144)	**16,178**
Poles	**7,619**	1,973	(90)	(1,747)	**7,755**
Irrevocable Rights of Use	**3,498**	259	(78)	-	**3,679**
Asset Retirement Obligations	**7,787**	1,177	(21)	(86)	**8,857**
Total	**83,029**	**35,363**	**(1,545)**	**(15,118)**	**101,729**

	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	**(19,360)**	(12,577)	532	8,908	**(22,497)**	**42,763**
Buildings and Other	**(6,270)**	(4,352)	125	2,782	**(7,715)**	**8,463**
Poles	**(3,492)**	(2,355)	14	1,745	**(4,088)**	**3,667**
Irrevocable Rights of Use	**(1,288)**	(380)	53	-	**(1,615)**	**2,064**
Asset Retirement Obligations	**(368)**	(458)	16	86	**(724)**	**8,133**
Total	**(30,778)**	**(20,122)**	**740**	**13,521**	**(36,639)**	**65,090**

NOTE 13 - ACCOUNTS PAYABLE

Current	**December 31, 2022**	**December 31, 2021**
Suppliers and Trade Provisions	87,290	93,536
Funds Payable to Customers	-	10
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 29)	2,015	2,388
	89,305	**95,934**
Non-Current		
Suppliers and Trade Provisions	319	2,135
	319	**2,135**
Total Accounts Payable	**89,624**	**98,069**

NOTE 14 – FINANCIAL DEBT

	December 31, 2022	**December 31, 2021**
Current		
Bank Overdraft - Principal	7,610	23,734
Banks and other Financial Institutions - principal	40,072	63,458
Notes - principal	47,404	-
NDF (Note 23)	19	360
For Acquisition of Equipment	5,269	7,003
Interest Accrued and Related Expenses	33,987	31,806
	134,361	**126,361**

	December 31, 2022	**December 31, 2021**
Non-Current		
Notes - principal	181,071	216,929
Banks and other Financial Institutions - principal	102,588	112,482
For Acquisition of Equipment	4,455	7,630
Interest Accrued and Related Expenses	46,714	56,542
	334,828	**393,583**
Total Debt	**469,189**	**519,944**

The following table shows the changes in financial debt:

	Balances at the beginning of the year	**Cash flows**	**Accrual of interest**	**Exchange Differences, effect of currency translation and other**	**Balances as of December 31, 2022**
Bank Overdraft	23,734	(1,171)	-	(14,953)	**7,610**
Banks and other Financial Institutions - principal	175,940	324	-	(33,604)	**142,660**
Notes - principal	216,929	22,414	-	(10,868)	**228,475**
NDF	360	(5,656)	-	5,315	**19**
For Acquisition of Equipment	14,633	(4,666)	-	(243)	**9,724**
Interest and Related Expenses	88,348	(44,370)	13,070	23,653	**80,701**
Total as of December 31, 2022	**519,944**	**(33,125)**	**13,070**	**(*) (30,700)**	**469,189**
Total as of December 31, 2021	**588,637**	**(26,321)**	**30,316**	**(**) (72,688)**	**519,944**

(*) Includes $ 10,736 corresponding to loans which did not represent movements of cash.
(**) Includes $ 15,852 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, 2022, Telecom has complied with such ratios.

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

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 issued new series of Notes in the following amounts and with the following main characteristics as of December 31, 2022 and 2021:

Class	Currency	Nominal Value Issued (in millions)	Date Issued	Maturity Date	Repayment	Interest Rate	Payment of Interest	Outstanding Balance in $ as of December 31,	
								2022	2021
1	US$	400	07/2019	07/2026	In 1 installment at maturity	Fixed: 8.00%	Semi-annual	72,494	81,620
5	US$	389	08/2020	08/2025	In 4 installments of: 3% 02/2023 30% 08/2023 33% 08/2024 34% 08/2025	Fixed: 8.50%	Semi-annual	72,144	82,142
7	$	125	12/2020	12/2023	In 1 installment at maturity	Fixed UVA: 3.00%	Semi-annual	23,243	23,780
8	$	134	01/2021	01/2025	In 1 installment at maturity	Fixed UVA: 4.00%	Semi-annual	24,933	25,506
9	US$ linked	92	06/2021	06/2024	In 1 installment at maturity	Fixed: 2.75%	Quarterly	16,271	18,334
10	$	127	12/2021	06/2025	In 1 installment at maturity	UPP	N/A	23,407	23,907
11	$	2,000	12/2021	06/2023	In 1 installment at maturity	Variable: Badlar + 3.25% margin	Quarterly	2,075	3,955
12 (1)	US$ linked	23	03/2022	03/2027	In 1 installment at maturity	Fixed: 1.00%	Quarterly	19,077	-
	US$ linked	75	08/2022	03/2027	In 1 installment at maturity	Fixed: 1.00%	Quarterly		
13	$	2,348	03/2022	09/2023	In 1 installment at maturity	Variable: Badlar + 1.50% margin	Quarterly	2,435	-

(1) Class 12 Notes were issued at par on August 16, 2022. Therefore, as of the date of issuance, the Company collected US$ 86.3 million (equivalent to $ 11,621 million) net of issuance expenses for $0.05 million.

Ordinary and Extraordinary Shareholders' Meeting

At the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, the shareholders of Telecom decided, among other things, i) to extend for 5 years the term of the Global Notes Program for an aggregate amount of up to US$ 3,000 million or its equivalent in other currencies (the "Program"); and ii) to extend as from December 28, 2022 and for 5 additional years the delegation on the Board of Directors of the broadest powers to establish and amend the terms and conditions of the Program and the notes to be issued under the Program within the authorized maximum outstanding amount, being further empowered to subdelegate those powers on some of its members and/or first-line managers.

Núcleo

Global Notes Program

Within the framework of the Global Notes Program, which provides for the issuance of notes for up to PYG 500,000,000,000 (approximately $ 3,200 million as of the date of issuance), Núcleo issued new series of

Notes in the following amounts and with the following main characteristics as of December 31, 2022 and 2021:

Class	Currency	Nominal Value Issued (in millions)	Date Issued	Maturity Date	Repayment	Interest Rate	Payment of Interest	Outstanding Balance in $ as of December 31,	
								2022	2021
1	PYG	120,000	03/2019	03/2024	In 1 installment at maturity	Fixed: 9.00%	Quarterly	2,875	3,488
2	PYG	30,000	03/2019	03/2024	In 1 installment at maturity	Fixed: 9.00%	Quarterly	716	869
3	PYG	100,000	03/2020	03/2025	In 1 installment at maturity	Fixed: 8.75%	Quarterly	2,399	2,912
4	PYG	130,000	03/2021	01/2028	In 1 installment at maturity	Fixed: 7.10%	Quarterly	3,158	3,832
5	PYG	130,000	03/2021	01/2031	In 1 installment at maturity	Fixed: 8.00%	Quarterly	2,918	3,541

Banks and other Financial Institutions

Telecom Argentina

Loans with the International Finance Corporation ("IFC")

As of December 31, 2022, 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, as of the date of these consolidated financial statements, Telecom has initiated negotiations for the replacement of LIBOR with SOFR starting in June 2023 with the main creditors IFC, IBD, EDC, and Finnvera. Telecom estimates that these changes will not have a significant impact on Telecom's cash flows.

Detailed below are the main bank loans by type as of December 31, 2022 and 2021:

Entity	Currency	Residual Nominal Principal (in millions)	Maturity Date	Repayment	Interest Rate	Applicable Margin	Payment of Interest	Outstanding Balance in $ as of December 31,	
								2022	2021
International Finance Corporation (IFC)	US$	114	03/27 (1)	Semi-annual	Variable: LIBOR 6 months	between 4.00% and 6.75%	Semi-annual	21,484	29,217
	US$	208	between 08/24 and 08/25 (1)	Semi-annual	Variable: LIBOR 6 months	between 4.60% and 5.85%	Semi-annual	37,986	60,285
	US$	185	08/01/2029 (2)	Semi-annual as from 08-24	Variable: SOF 6 months	6.50%	Semi-annual	33,320	-
Inter-American Investment Corporation (IIC)	US$	35	12/24 (1)	Semi-annual	Variable: LIBOR 6 months	5.85%	Semi-annual	6,231	7,112
Inter-American Development Bank (IDB)	US$	182	06/27 (1)	Semi-annual	Variable: LIBOR 6 months	between 6.75% and 8.75%	Semi-annual	33,278	37,950
China Development Bank Shenzhen Branch (CDB) (3)	RMB	957	12/27	Semi-annual	Fixed: 4.95%	N/A	Semi-annual	23,482	14,485

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Entity	Currency	Residual Nominal Principal (in millions)	Maturity Date	Repayment	Interest Rate	Applicable Margin	Payment of Interest	Outstanding Balance in $ as of December 31,	
								2022	2021
Term Loan (4)	US$	-	10/22	16% 07/22 84% 10/22	Variable: LIBOR 3 months	5.25%	Quarterly	-	28,257
Banco Santander Argentina S.A. (Santander)	$	4,000	08/22 (5)	In 1 installment at maturity	Fixed (before): 40.50%	N/A	Monthly	4,001	7,838
			07/23 (5)	In 1 installment at maturity	Fixed (after): 55.00%	N/A	Monthly		
	$	1,500	10/22 (6)	In 1 installment at maturity	Fixed (before): 37.75%	N/A	Monthly	1,527	2,947
			10/23 (6)	In 1 installment at maturity	Fixed (after): 79.00%	N/A	Monthly		
	$	1,000	12/22	In 1 installment at maturity	Fixed: 37.75%	N/A	Monthly	-	1,981
	$	3,500	03/23	In 1 installment at maturity	Fixed: 44.50%	N/A	Monthly	3,574	-
	$	1,000	06/23	In 1 installment at maturity	Fixed: 47.00%	N/A	Monthly	1,007	-
Banco BBVA Argentina S.A. (BBVA)	$	-	08/22	In 1 installment at maturity	Fixed: 40.75%	N/A	Monthly	-	1,981
	$	1,000	03/23	In 1 installment at maturity	Fixed: 43.90%	N/A	Monthly	1,021	-
	$	1,500	05/23	In 1 installment at maturity	Fixed: 44.85%	N/A	Monthly	1,507	-
Industrial and Commercial Bank of China (Argentina) S.A.U.(ICBC)	US$	-	01/22	Semi-annual	Fixed: 6.00%	N/A	Semi-annual	-	132
Finnvera (7)	US$	61	between 11/25 and 11/26	Semi-annual	Variable LIBOR 6 months	between 1.04% and 1.20%	Semi-annual	11,113	14,109
Export Development Canada (EDC) (8)	US$	19	12/26	Semi-annual	Variable LIBOR 6 months	1.2%	Semi-annual	2,808	-
BBVA (9)	$	211	07/25	Monthly	Fixed: 47.90%	N/A	Monthly	200	-
PSA Finance Argentina (9)	$	750	07/25	Monthly	Fixed: 42.90%	N/A	Monthly	455	-
ICBC (10)	$	82	08/23	Monthly	Fixed: 4.90%	N/A	Monthly	82	-
Cisco Systems Capital Corporation (Cisco) and other (11)	US$	59	between 10/22 and 11/26	Quarterly	Fixed: 4.00%	N/A	Quarterly	9,978	15,469

(1) On December 15, 2021, Telecom refinanced some of the loans and agreed to amend mainly the payment schedule of the Loans: a) IFC Tranche B: 75% of all principal payments maturing in 2022 and 2023 are deferred for a period of between 24 and 60 months, with the remaining 25% being pre-paid together with accrued interest and other related expenses; b) IDB/IIC, 75% of principal payments are deferred and a new repayment schedule is established, which will end in December 2024 and June 2027, prepaying the remaining 25% of the outstanding principal and accrued interest and related expenses. As a consequence of this renegotiation, during fiscal year 2021, Telecom recognized a loss of $4,192 million, which is included in Income from Renegotiation of Financial Debt under Financial Expenses on Debt under the item Financial Results.

(2) On June 28, 2022, Telecom submitted a proposal to IFC for a credit facility to finance the expansion of its fixed and mobile network coverage for an aggregate amount of up to US$ 184.5 million, as requested by Telecom. On July 15, 2022, Telecom received a disbursement of an aggregate US$ 184.5 million (US$ 181.5 million was credited because debt issuance expenses in the amount US$ 3 million were deducted from the initial disbursement).

(3) During 2022 and 2021, Telecom subscribed new tranches for a total amount of RMB 488 million (equivalent to $9.535 million) and RMB449 million (equivalent to $6.814 million), respectively. In February 2023, Telecom received new tranches for a total amount of RMB49 million (equivalent to $1.348 million).

(4) On July 18, 2022, Telecom made a prepayment of the outstanding principal under the Term Loan agreement executed on October 8, 2018 for US$ 142.2 million (US$ 140 million in principal and US$ 2.2 million in interest). The prepayments made by Telecom during the term of the agreement did not generate penalties. As a result of this prepayment, during fiscal year 2022, Telecom recognized a loss of $ 38 million, which is included in Renegotiation of Financial Debt under Financial Expense on Debt, under the item Financial Results.

(5) On July 27, 2022 Telecom executed an addendum to the loan granted on August 18, 2021 for a total of $ 4,000 million, whereby the parties agreed to modify the principal repayment plan that was due on August 18, 2022, deferring the same until July 27, 2023. In addition, the parties agreed on a new annual nominal fixed interest rate from 40.5% to 55% effective as from July 27, 2022. Such addendum was recognized as a debt cancellation and, as a result of this cancellation, during fiscal year 2022, Telecom recognized a loss of $ 2 million, which is included in Renegotiation of Financial Debt under Financial Expense on Debt, under the item Financial Results.

(6) On October 17, 2022 Telecom executed an addendum to the loan granted on October 15, 2021 for a total of $ 1,500 million, whereby the parties agreed to modify the principal repayment plan that was due on October 17, 2022, deferring the same until October 17, 2023. In addition, the parties agreed on a new annual nominal fixed interest rate from 37.75% to 79%.

On October 17, 2022, the Company paid the interest due as of that date for $ 49.6 million.

(7) 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.

During 2021, Telecom received disbursements for a total amount of US$ 18.6 million (US$16 million was credited because of the deduction of the premium in the amount of US$ 2.6 million).

During 2022, Telecom received disbursements for an aggregate amount of US$ 11.4 million (US$ 9.7 million was credited because US$ 1.7 million was deducted from the disbursement corresponding to the premium equivalent to 14.41% of the total amount committed by the lenders under the credit facility). With this disbursement, Telecom received the aggregate amount committed by the lenders under this credit facility.

(8) 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.

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.

In June and October 2022, Telecom received disbursements for an aggregate amount of US$ 17 million, of which US$ 14.1 million was credited after deduction of debt issuance expenses, equivalent to $ 1,733.1 million, and US$ 6.3 million, of which US$ 5.4 million was credited after deduction of debt issuance expenses, equivalent to $ 809 million, thus reaching the full amount committed by the lenders under this credit facility.

(9) On June 10, 2022, Telecom and Peugeot executed a proposal for a credit facility to finance the purchase of 350 utility vehicles for $1,042.7 million plus VAT. For each acquisition, Telecom agreed to make an advance payment of 40% of the aggregate amount, and the remaining 60% will be financed in 36 monthly consecutive installments at the rate agreed-upon at the time of each acquisition through PSA Finance Argentina and/or BBVA.

(10) On August 30, 2022, Telecom and Ford executed a proposal for a credit facility to finance the purchase of 43 utility vehicles for $ 222 million plus VAT. As a result of this acquisition, Telecom made an advance payment of 50% of the aggregate amount, and the remaining 50% equivalent to $ 122.6 million will be financed in 12 monthly consecutive installments at an annual nominal rate of 4.9% through ICBC.

(11) During 2022 and 2021, Telecom received disbursements for an aggregate amount of US$ 17 million (equivalent to $ 1,911 million) and US$ 25.2 million (equivalent to $ 1,782 million), respectively. In February 2023, Telecom received disbursements for an aggregate amount of US$ 0.8 million (equivalent to $ 154 million).

NOTE 15 - SALARIES AND SOCIAL SECURITY PAYABLES

	December 31, 2022	December 31, 2021
Current		
Salaries, annual supplementary salary, vacations, bonuses and employers' contributions	35,090	40,649
Termination Benefits	2,586	2,760
	37,676	**43,409**
Non-Current		
Termination Benefits	2,747	3,012
	2,747	**3,012**
Total Salaries and Social Security Payables	**40,423**	**46,421**

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:

	December 31, 2022	December 31, 2021
Tax Loss Carryforwards	(30,407)	(386)
Allowance for Bad Debts	(8,982)	(10,190)
Provisions for Lawsuits and Other Contingencies	(3,014)	(5,441)
PP&E and Intangible Assets	213,975	235,348
Dividends from Foreign Companies	2,437	2,698
Effect of Income Tax Inflation Adjustment	82,242	45,181
Other Deferred Tax Liabilities (Assets), Net	(1,770)	(3,489)
Total Deferred Tax Liabilities, Net	**254,481**	**263,721**
Tax Receivables Related to Reimbursement Claims	(888)	(1,732)
Net Deferred Tax Liability	**(*) 253,593**	**261,989**
Deferred Tax Assets, Net	**(2,620)**	**(1,434)**
Deferred Tax Liabilities, Net	**256,213**	**263,423**

(*) Includes 35 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 $ 5,847 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
2024	3,577
2025	2,270

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 12.31.2022	Expiration year
Telecom	2022	82,721	2027
Telemás	2019	675	2024
Microsistemas	2021	240	2026
Microsistemas	2022	3,432	2027
AVC	2021	3	2026
AVC	2022	50	2027
		87,121	

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

	December 31, 2022 Income (loss)	December 31, 2021 Income (loss)
Tax	17,521	(36,290)
Deferred Tax	8,979	(28,613)
Valuation Allowance	(9)	(6)
Income Tax	**26,491**	**(64,909)**

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:

	December 31, 2022 Income (loss)	December 31, 2021 Income (loss)
(Loss) / Income before Income Tax Expense	(195,248)	84,879
Permanent Differences - Equity in Earnings from Associates	(819)	(769)
Permanent Differences - Impairment of Goodwill	204,808	-
Permanent Differences - other	2,207	(686)
Restatement of Equity and Goodwill and Other in Constant Currency	253,204	199,353
Subtotal	**264,152**	**282,777**
Effective Tax Rate	34.37%	34.27%
Income Tax Assessed at the Tax Rate Applicable to Each Company	**(90,781)**	**(96,908)**
Restatement at Constant Currency of Deferred Income Tax Liabilities and Other	216,524	114,866
Tax loss carryforwards not recognized as deferred tax assets	320	516
Effect of Income Tax Inflation Adjustment	(98,510)	(81,646)
Tax Reimbursement Claim	(1)	14
Income Tax on Dividends from Foreign Companies	(1,052)	(1,745)
Income Tax	**26,500**	**(64,903)**

(*) In 2022, it includes 18,590 corresponding to the adjustment made in the tax return for fiscal year 2021, which includes, among others, the effects related to the mechanisms used for the full application of the inflation adjustment for tax purposes detailed in "Income Tax - Inflation Adjustment for Tax Purposes". In 2021, it includes approximately $ (114,662) corresponding to the effect of the change in the income tax rate provided under Law No. 27,630 generated by the recalculation of the tax effect on opening balances and on net income (loss) for the year.

Income Tax – Inflation Adjustment for Tax Purposes

Given the judicial precedents detailed under Note 16 to the consolidated financial statements as of December 31, 2022 (section "Income tax – Reimbursement Claims filed with the Tax Authority") related to the different mechanisms used to recognize the effect of inflation in the assessment of income tax, on May 6, 2022, Telecom filed the income tax return corresponding to fiscal year 2021, taking into account the restatement of the tax amortization of all its fixed and intangible assets pursuant to Articles 87 and 88 of the Income Tax Law and applying the tax loss carry-forwards from previous years in accordance with the restatement mechanism provided under Article 25 of such Law.

Taxes were so assessed because failure to apply the above-mentioned inflation adjustment mechanisms for tax purposes would result in actual taxable income that would yield an effective tax rate for fiscal year 2021 that qualifies as confiscatory. If Telecom had not fully applied the inflation adjustment mechanisms for tax purposes, the income tax due would have absorbed 100% of Telecom's taxable income and would have even absorbed part of the equity value that generates said taxable income, yielding an effective tax rate of 146.6%. This would have exceeded any reasonable limits to the burden of taxation, thus qualifying as confiscatory and seriously infringing Telecom's constitutional guarantees and rights.

Therefore, together with its income tax return for the 2021 fiscal period 2021, Telecom made a filing with the AFIP, protected by tax secrecy procedural regulations, in order to safeguard its rights, in the spirit of transparency that guides Telecom's actions.

As a consequence of the foregoing, the income tax due for the period includes a decrease of $ 7,517 million ($12,616 million in constant currency as of December 31, 2022), assessed taking into account the weighted probability of occurrence, based on the above-mentioned judicial precedents.

It should be noted that, if new information became available, Telecom may modify its decisions in relation to recognized tax liabilities, in which case such changes would impact on the income tax due for the period in which the re-assessment is made.

Telecom's Management, with the assistance of its legal and tax advisors, believes that the arguments presented by the Company in its filing with the AFIP follow the same criteria as those disclosed under "Income Tax – Reimbursement Claims filed with the Tax Authority" which were considered by the Argentine Supreme Court in the precedents cited above, among others. Therefore, the Company believes that it has strong grounds to defend the criteria applied.

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", 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, said company brought reimbursement claims with the AFIP to claim the full tax overpaid for fiscal years 2009 -

2017 for a total estimated amount of $2,039 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.

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, the Company 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 $888 million as of December 31, 2022. 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 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

	December 31, 2022	December 31, 2021
Current		
Other National Taxes	8,170	6,506
Provincial Taxes	939	219
Municipal Taxes	823	995
	9,932	**7,720**
Non-Current		
Provincial Taxes	44	-
	44	**-**
Total Taxes Payable	**9,976**	**7,720**

NOTE 18 - LEASE LIABILITIES

	December 31,	
Current	**2022**	**2021**
Business in Argentina	8,978	10,794
Foreign Business	224	1147
	9,202	**11,941**
Non-Current		
Business in Argentina	17,186	22,588
Foreign Business	2,509	2318
	19,695	**24,906**
Total Lease Liabilities	**28,897**	**36,847**

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Rubén Suárez
Supervisory Committee

The following table shows the changes in lease liabilities:

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**36,847**	**30,289**
Addition under the acquisition of NYSSA	40	-
Additions (*)	18,946	33,927
Financial Results, net (**)	7,688	5,662
Payments	(15,260)	(12,849)
Decreases (including Gain (Loss) on Net Monetary Position)	(19,364)	(20,182)
Balances at year-end	**28,897**	**36,847**

(*) Included under Acquisitions of Right-of-Use.
(**) Included under Other Exchange Differences and Other Interest, Net, and Other Income from Investments.

NOTE 19 – OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Deferred revenues on prepaid credit	2,619	3,354
Deferred revenues on connection fees and international capacity rental	1,349	1,882
Debt for the Acquisition of NYSSA	197	-
Other	795	715
	4,960	**5,951**
Non-Current		
Deferred revenues on connection fees and international capacity rental	836	1,159
Pension Benefits (Note 3.m)	879	1,260
Debt for the Acquisition of NYSSA	518	-
Advances received under assets available for sale	350	-
Other	27	16
	2,610	**2,435**
Total Other Liabilities	**7,570**	**8,386**

The changes in the pension benefits are as follows:

	December 31, 2022	December 31, 2021
Balances at the beginning of the year	**1,260**	**1,241**
Service cost (*)	53	60
Interest cost (**)	407	438
Actuarial Results (***)	(28)	68
Allocations (including Gain (Loss) on Net Monetary Position)	(813)	(547)
Balances at year-end	**879**	**1,260**

(*) 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.

Provisions consist of the following:

	Balances as of December 31, 2021	Increases		Reclassifications	Payments	Gain (Loss) on Net Monetary Position and Effect of Currency Translation	Balances as of December 31, 2022
		Capital (i)	Interest (ii)				
Current							
Lawsuits and Contingencies	4,180	7,751	-	6,668	(15,701)	(264)	2,634
Total Current Provisions	**4,180**	**7,751**	**-**	**6,668**	**(15,701)**	**(264)**	**2,634**
Non-Current							
Lawsuits and Contingencies	11,901	4,150	1,897	(6,668)	-	(4,774)	6,506
Asset Retirement Obligations	6,749	1,078	-	-	-	(2,679)	5,148
Total Non-Current Provisions	**18,650**	**5,228**	**1,897**	**(6,668)**	**-**	**(7,453)**	**11,654**
Total Provisions	**22,830**	**12,979**	**1,897**	**-**	**(15,701)**	**(7,717)**	**14,288**

	Balances as of December 31, 2020	Increases		Reclassifications	Payments	Gain (Loss) on Net Monetary Position and Effect of Currency Translation	Balances as of December 31, 2021
		Capital (iii)	Interest (ii)				
Current							
Lawsuits and Contingencies	4,755	11,477	-	4,710	(15,809)	(953)	4,180
Total Current Provisions	**4,755**	**11,477**	**-**	**4,710**	**(15,809)**	**(953)**	**4,180**
Non-Current							
Lawsuits and Contingencies	13,172	3,904	2,795	(4,710)	-	(3,260)	11,901
Asset Retirement Obligations	8,768	1,090	390	-	-	(3,499)	6,749
Total Non-Current Provisions	**21,940**	**4,994**	**3,185**	**(4,710)**	**-**	**(6,759)**	**18,650**
Total Provisions	**26,695**	**16,471**	**3,185**	**-**	**(15,809)**	**(7,712)**	**22,830**

(i) 11,892 charged to Other Operating Costs, 9 to Other Current Receivables, and 1,078 to Right-Of-Use Assets.
(ii) Charged to Other Financial Results, net - Other interest, net and other income from investments
(iii) 15,381 charged to Other Operating Costs, and 1,090 to Right-Of-Use Assets.

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:

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.

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 rendered a decision on a case similar to the above-referred legal actions, "Domínguez v. Telefónica de Argentina S.A." In said case, the Argentine Supreme Court overturned a lower court ruling which 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."*

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 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 was the one with the defendants and the failure to renew such contract caused its insolvency. In August 2018, the Company 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.

During this fiscal year, the case was dismissed in the first instance due to failure to prosecute within the legal time limits, and it is currently pending resolution by the Court of Appeals.

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.

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 radioeléctrico* 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, 2022.

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.

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.

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.

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's claim relates to the manner in which content and trivia games are contracted, requesting the application of punitive damages to Personal.

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.

Based on the advice of its legal counsel, the Company’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.

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 FOEESITRA, SITRATEL, SILUJANTEL, SOEESIT, 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. Telecom answered all the claims.

In the action brought by FOEESITRA, 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.

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. 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 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 services provided under the brands Cablevisión and Fibertel), plus interest accrued until the effective 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 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 during fiscal year 2021, 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) <u>CNV Resolution No. 16,765</u>

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) <u>CNV Resolution No. 17,769</u>

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.

In January 2016, the preliminary hearing was held in accordance with the requirements of the CNV's regulations.

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.

3. <u>Remote Contingencies</u>

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.

Since 2012, and in compliance with its contractual obligations, Telecom has made investments and incurred expenses.

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 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.

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 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.

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 million, 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 Plus Project agreement.

NOTE 21 – PURCHASE COMMITMENTS

As of December 31, 2022, there were outstanding purchase commitments with local and foreign providers for approximately $183,722 million (of which $35,963 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, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of $ 1 each and entitled to five votes per share.

- 117,077,867 Class B book-entry common shares, with nominal value of $ 1 each and entitled to one vote per share.

- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of $ 1 each and entitled to one vote per share.

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

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

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

Registration number with the IGJ: 1,908,463

The Company's capital stock as of December 31, 2022 is of $ 180,642,580 and is represented by:

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

22.2 – Telecom Argentina

(a) Capital Stock

As of December 31, 2022 and 2021, 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 27, 2022, the shareholders of Telecom decided, among other things:

I. To approve the Annual Report and financial statements of Telecom as of December 31, 2021;

II. To approve the Board of Directors' proposal stated in constant currency as of March 31, 2022 using the National Consumer Price Index pursuant to CNV Resolution No. 777/18 in connection with the Retained Earnings as of December 31, 2021 for $ 10,056,956,479 ($ 16,878 million in constant currency as of December 31, 2022). The Board proposed: i) to appropriate $ 502,847,824 ($ 796 million in constant currency as of December 31, 2022) to the "Legal Reserve"; ii) to appropriate $ 9,554,108,655 ($ 16,082 million in constant currency as of December 31, 2022) to the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and iii) to reclassify $ 18,817,248,927 ($ 29,779 million in constant currency as of December 31, 2022) 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".

III. to delegate on the Board of Directors the power to reverse before June 30, 2022 the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" in an amount that will allow to distribute a combination of the 2030 Global Bonds and 2035 Global Bonds as dividends in kind with a market value prevailing as of the date its value is fixed of up to $ 41,000 million. For more information on the distribution of dividends, see Note 2.b "Dividends paid - Distribution of dividends in kind".

(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.

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.

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, 2022 and 2021, 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.

		Fair Value		
As of December 31, 2022	**Amortized cost**	**accounted through profit or loss**	**accounted through other comprehensive Income**	**Total**
Assets				
Cash and Cash Equivalents	33,527	8,254	-	**41,781**
Investments	-	8,373	-	**8,373**
Trade Receivables	37,734	-	-	**37,734**
Other Receivables (1)	2,799	2,450	318	**5,567**
Total	**74,060**	**19,077**	**318**	**93,455**
Liabilities				
Accounts Payable	89,624	-	-	**89,624**
Financial Debt	469,170	381	(362)	**469,189**
Salaries and Social Security Payables	24	-	-	**24**
Lease Liabilities	28,897	-	-	**28,897**
Other Liabilities and Dividends Payable (1)	788	715	-	**1,503**
Total	**588,503**	**1,096**	**(362)**	**589,237**

As of December 31, 2021	Amortized cost	Fair Value accounted through profit or loss	Fair Value accounted through other comprehensive Income	Total
Assets				
Cash and Cash Equivalents	34,233	6,477	-	**40,710**
Investments	-	22,806	-	**22,806**
Trade Receivables	44,075	-	-	**44,075**
Other Receivables (1)	4,299	3,730	-	**8,029**
Total	**82,607**	**33,013**	**-**	**115,620**
Liabilities				
Accounts Payable	98,069	-	-	**98,069**
Financial Debt	519,584	171	189	**519,944**
Lease Liabilities	36,847	0	0	**36,847**
Other Liabilities and Dividends Payable (1)	2039	0	0	**2039**
Total	**656,539**	**171**	**189**	**656,899**

(1) Includes only financial assets and liabilities that are within the scope of IFRS 7.

Financial Income and Expense by Category – year 2022

	Net Income (expense)	Of which interest
Financial assets at amortized cost	4,097	4,561
Financial liabilities at amortized cost	20,359	(16,621)
Financial Assets at Fair Value with Changes in Net Income	(9,585)	(733)
Financial Liabilities at Fair Value with Changes in Net Income	(5,534)	-
Total	**9,337**	**(12,793)**

Financial Income and Expense by Category – year 2021

	Net Income (expense)	Of which interest
Financial assets at amortized cost	11,104	2,595
Financial liabilities at amortized cost	51,477	(43,116)
Financial Assets at Fair Value with Changes in Net Income	1,377	183
Financial Liabilities at Fair Value with Changes in Net Income	(5,499)	-
Total	**58,459**	**(40,338)**

c) 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, 2022 and 2021, 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 $ 3,393 million and $ 6,258 million as of December 31, 2022 and 2021, 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 $ 13,099 million and $ 22,643 million as of December 31, 2022 and 2021, 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, 2022 and 2021, 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.

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, 2022 and 2021 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.

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, 2022:

	Book Value	Fair Value
Notes	268,145	271,933
Other Financial Debt	201,044	196,769
	469,189	**468,702**

Below is a detail of the fair value and the carrying amount of financial debt as of December 31, 2021:

	Book Value	Fair Value
Notes	273,889	269,572
Other Financial Debt	246,055	227,109
	519,944	**496,681**

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.
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.

d) 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.

Detailed below are the position of the NDFs in the statement of financial position and the impact on the income statement and on the statement of comprehensive income:

	December 31,	
	2022	2021
Other Current Receivables - NDFs: SOF Rate	117	-
Other Non-Current Receivables - NDFs: SOF Rate	201	-
Total assets	**318**	**-**
Current Financial Debt - NDFs: Exchange rate	19	39
Current Financial Debt - NDFs: LIBO Rate	-	321
Total Liabilities	**19**	**360**

	2022	2021
	Income (Loss)	
Exchange Differences on Financial Debt	(1,555)	(3,567)
Financial Debt Interest Expense	(147)	(736)
Financial Results	**(1,702)**	**(4,303)**
NDFs Classified as Hedges	608	666
Other Comprehensive Income	**608**	**666**

During fiscal years 2022 and 2021

- **Hedge of Interest Rate Fluctuations**

In order to reduce the effect of changes in interest rates, Telecom entered into various agreements:

- During the fiscal year ended December 31, 2017, Telecom Argentina entered into several NDF agreements to hedge the fluctuation of LIBO rate from the IFC loan for US$ 400 million and from the IIC loan for US$ 100 million, due in September 2022. The agreements hedged an aggregate amount of US$ 440 million. Those NDFs allowed Telecom to fix the value of the variable nominal annual rate within a range from 2.085% and 2.4525%.
- During September 2022, Telecom Argentina entered into three NDF agreements to hedge the fluctuation of the SOF rate under the IFC loan executed on June 28, 2022, for its aggregate amount, for the period from February 15, 2023 to August 15, 2025. The amounts hedged by each agreement are: Two for an aggregate amount of US$ 60 million each and one for an aggregate amount of US$ 64.5 million. Interest rates were set at 3.605%, 3.912%, and 3.895%, respectively.

- **Hedge of Exchange Rate Fluctuations**

During 2022, Telecom entered into several NDF agreements to hedge the fluctuation of the exchange rate under its loan portfolio of US$ 262 million, fixing the average exchange rate at $ 166.1 per US$ and expiring between February 2022 and June 2023. In December 2022, the Company entered into an NDF agreement for RMB 15 million, fixing the average exchange rate at $27.8 per RMB, due in January 2023 to hedge its loan in said currency.

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 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.

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, 2022 and 2021 is as follows:

	As of December 31, 2022			
	Trade Receivables	**Other Receivables**	**Accounts Payable**	**Other Liabilities**
Current and non-current assets (liabilities) - Gross value	40,171	6,023	(92,061)	(1,959)
Offsetting	(2,437)	(456)	2,437	456
Current and Non-Current Assets (Liabilities) – Book value	**37,734**	**5,567**	**(89,624)**	**(1,503)**

	As of December 31, 2021			
	Trade Receivables	**Other Receivables**	**Accounts Payable**	**Other Liabilities**
Current and non-current assets (liabilities) - Gross value	47,505	8,699	(101,499)	(2,709)
Offsetting	(3,430)	(670)	3,430	670
Current and Non-Current Assets (Liabilities) – Book value	**44,075**	**8,029**	**(98,069)**	**(2,039)**

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

	For the years ended December 31, 2022	2021
Mobile Services	293,112	313,872
Internet Services	161,740	176,810
Cable Television Services	130,904	160,802
Fixed Telephony and Data Services	89,023	114,792
Other Services	5,782	4,514
Subtotal Service Revenues	680,561	770,790
Sales of Devices	48,621	58,041
Total Revenues	**729,182**	**828,831**

NOTE 25 – OPERATING EXPENSES

Operating expenses disclosed by nature of expense amounted to $ 985,510 million and $ 834,798 million for the years ended December 31, 2022 and 2021, respectively. The main components of the operating expenses are the following:

	For the years ended December 31,	
	2022	**2021**
	Income (loss)	
Employee benefit expenses and severance payments		
Salaries, Social Security Payables and Bonuses	(157,363)	(162,641)
Severance Payments	(21,772)	(12,697)
Other Labor Costs	(3,629)	(3,654)
	(182,764)	**(178,992)**
Fees for Services, Maintenance, Materials, and Supplies		
Maintenance and Materials	(46,197)	(55,539)
Fees for services	(42,072)	(40,083)
Directors' and Supervisory Committee Members' Fees	(671)	(1,097)
	(88,940)	**(96,719)**
Taxes and Fees with the Regulatory Authority		
Turnover Tax	(26,962)	(30,803)
Fees with the Regulatory Authority	(13,982)	(15,317)
Municipal Taxes	(7,664)	(8,812)
Other Taxes and Charges	(7,385)	(8,851)
	(55,993)	**(63,783)**
Cost of Equipment and Handsets		
Inventory Balances at the beginning of the year	(6,698)	(11,690)
Plus:		
Purchase of Equipment	(37,733)	(38,478)
Other	2,953	2,641
Less:		
Inventory Balances at year-end	6,938	6,697
	(34,540)	**(40,830)**
Other Operating Costs		
Lawsuits and Contingencies	(11,892)	(15,381)
Rentals and Internet Capacity	(4,160)	(5,359)
Electricity, water supply and other utilities	(13,207)	(13,618)
Postage, Freight, and Travel Expenses	(5,132)	-
Other	(2,054)	(6,899)
	(36,445)	**(41,257)**
Depreciation, amortization, and impairment Fixed Assets		
Depreciation of PP&E	(198,770)	(211,103)
Amortization of Intangible Assets	(28,626)	(30,305)
Amortization of Right-of-Use Assets	(21,749)	(20,122)
Impairment of Fixed Assets	(206,979)	(2,503)
	(456,124)	**(264,033)**

Operating Expenses disclosed by function are as follows:

Item	Operating Costs	Administrative Expenses	Selling Expenses	Impairment of Fixed Assets	Total as of December 31, 2022	Total as of December 3 2021
Employee benefit expenses and severance payments	(103,185)	(38,699)	(40,880)	-	**(182,764)**	**(178,992)**
Interconnection and Transmission Costs	(22,455)	-	-	-	**(22,455)**	**(29,729)**
Fees for Services, Maintenance, Materials and Supplies	(39,732)	(16,934)	(32,274)	-	**(88,940)**	**(96,719)**
Taxes and Fees with the Regulatory Authority	(55,107)	(368)	(518)	-	**(55,993)**	**(63,783)**
Commissions and Advertising	(144)	-	(44,022)	-	**(44,166)**	**(47,514)**
Cost of Equipment and Handsets	(34,540)	-	-	-	**(34,540)**	**(40,830)**
Programming and Content Costs	(45,741)	-	-	-	**(45,741)**	**(56,391)**
Bad Debt Expenses	-	-	(18,342)	-	**(18,342)**	**(15,550)**
Other Operating Costs	(18,870)	(4,006)	(13,569)	-	**(36,445)**	**(41,257)**
Depreciation, amortization, and impairment Fixed Assets	(190,192)	(36,609)	(22,344)	(206,979)	**(456,124)**	**(264,033)**
Total as of December 31, 2022	**(509,966)**	**(96,616)**	**(171,949)**	**(206,979)**	**(985,510)**	
Total as of December 31, 2021	**(574,135)**	**(81,184)**	**(179,479)**	**-**		**(834,798)**

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Rubén Suárez
Supervisory Committee

Operating Leases

Future minimum lease payments from of non-cancellable operating lease agreements as of December 31, 2022 and 2021 at historical currency as of the transaction date are as follows:

	Less than 1 year	1 to 5 years	Total
2022	653	133	**786**
2021	849	277	**1,126**

For more information, see Note 3.k) to these consolidated financial statements.

NOTE 26 – FINANCIAL INCOME AND EXPENSE

	For the years ended December 31,	
	2022	**2021**
	Income (loss)	
Financial Debt Interest Expense (*)	(13,217)	(31,052)
Exchange Differences on Financial Debt (**)	43,001	91,150
Income from Renegotiation of Financial Debt	(40)	(4,192)
Total Financial Expenses on Debt	**29,744**	**55,906**
Results from Operations with Notes and Bonds	(14,199)	4,558
Other Exchange Differences (***)	(5)	12,730
Other interest, net, and other income from investments	2,057	(3,181)
Taxes and Bank Expenses	(6,977)	(8,349)
Interest on Pension Benefits	(407)	(438)
Financial Discounts on Assets, debt and Other	(3,191)	(4,753)
Gain (Loss) on Net Monetary Position	53,191	33,450
Other	48	154
Total Other Financial Income and Expense, net	**30,517**	**34,171**
Total Financial Income and Expense, net	**60,261**	**90,077**

(*) Includes (147) and (736) of foreign currency exchange losses, net, generated by NDFs for the years ended December 31, 2022 and 2021, respectively.
(**) Includes (1,555) and (3,567) of foreign currency exchange losses, net, generated by NDF for the years ended December 31, 2022 and 2021, respectively.
(***) Includes 214 corresponding to gains from the derecognition of financial assets measured at amortized cost for fiscal years ended December 31, 2021.

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:

	December 31, 2022	**December 31, 2021**
Net Income used in the Calculation of Basic Earnings per Share (loss / gain):		
from Continuing Operations (in millions of Argentine pesos)	(100,704)	7,203
	(100,704)	7,203
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	180,642,580	180,642,580
Earnings per Share (in pesos)	(557.48)	39.87

The weighted average of outstanding shares for the years ended December 31, 2022 and 2021 was 180,642,580. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

	December 31, 2022	**December 31, 2021**
Basic and Diluted Earnings per Share	(557.48)	39.87
Total Earnings per Share	(557.48)	39.87

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 with regard to 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:

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 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.

The continuous devaluation of the Argentine peso over the last few years has had and still has a negative impact on the payment of debts denominated in foreign currency. The devaluation can also have a negative impact on the Company since we depend mainly on the domestic market with revenues usually collected in Argentine pesos. Consequently, any further devaluation may have a negative effect on our financial situation and the results of our operations.

In addition, it should be noted that over the last few years the Argentine peso continued to depreciate against the US dollar and other currencies. As a result of the increased volatility of the Argentine peso, the Argentine Central Bank (BCRA, for its Spanish acronym) implemented several measures to stabilize its value, including, among others, restrictions on the access to the Argentine Single and Free Exchange Market (MULC, for its Spanish acronym).

One of the main measures implemented by the BCRA was Communication "A" 7,106, as amended, which provides that private sector companies with scheduled principal maturities between October 15, 2020 and March 31, 2021 under any financial debt with an offshore creditor other than a related party, may access the MULC if they file with the BCRA a refinancing plan that meets the following requirements: a) the net amount for which the exchange market will be accessed in the original terms must not exceed 40% of the principal amount becoming due in that period, and b) the remaining principal must be refinanced with new offshore debt with an average life of at least 2 years.

The foregoing shall not be applicable in the following cases: (a) indebtedness with international organizations or their associated agencies or guaranteed by them; (b) indebtedness granted by official credit agencies or guaranteed by them; (c) new indebtedness incurred on or after January 1, 2020, which proceeds have been repatriated and settled in the exchange market; (d) new indebtedness, incurred on or after January 1, 2020, which allowed prior refinancing plans to be achieved; (e) the remaining portion of refinanced maturities to the extent that refinancing has allowed for meeting the parameters established above; and f) the amount that would allow the debtor to access the exchange market for the repayment of principal under these types of indebtedness does not exceed an amount equivalent to US$ 2 million per calendar month.

As a result of the requirements established by the BCRA, the Group's ability to purchase foreign currency may be limited, which would have an adverse effect on its financial situation and its ability to comply with obligations denominated in foreign currency, since certain restrictions on the transfer of funds abroad imposed by the government could affect our ability to pay dividends or make payments (principal or interest) in relation to the Group’s financial debt denominated in US dollars, as well as to comply with any other obligation denominated in foreign currency.

Pursuant to BCRA Communication 7,106, the Group is allowed to access the MULC under current regulations because it refinanced its financial debt in previous years.

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, 2022 and 2021:

	2022	**2021**
	(in millions of converted Argentine pesos)	
Assets	49,540	42,166
Liabilities	(443,099)	(455,787)
Net Liabilities	**(393,559)**	**(413,621)**

In order to reduce this net liability position in foreign currency, Telecom holds, as of December 31, 2022, NDFs for US$ 85 million. Therefore, the net debt that is not covered by these instruments amounts to approximately US$ 2,151 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, 2022, which is a net liability position not covered by derivatives of approximately US$ 2,136 million, Management estimates that any increase in the exchange rate of around 20% against the U.S. dollar would generate a variation of approximately $ 75,662 million of the 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.

The loans held by the Group at variable rates, mainly BADLAR, SOFR, and LIBOR, amounted to approximately $ 158,370 million as of December 31, 2022. Regarding the replacement of LIBOR after June 30, 2023, the Group believes that it will not have a significant impact on the cash flows arising from the loans.

The Company manages its exposure to interest rate variation risk by using different hedge NDFs, which, as of December 31, 2022, amounted to $ 32,649 million. They allow the Company to convert variable rates into fixed rates.

Therefore, the total debt subject to variable interest rate taking into consideration the derivatives amounts to approximately $ 125,721 million as of December 31, 2022.

Therefore, the total debt subject to variable interest rate taking into consideration the derivatives amounts to approximately $ 125,721 million as of December 31, 2022.

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, 2022, the total value of investments in fair value recognized in net income amounted to $8,373 million.

Management estimates that any 10% variation in the market price would yield a result of $826 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 and 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	-	-	23,546	52	23,598
Total not due	41,781	8,373	14,188	5,515	69,857
Total as of December 31, 2022	**41,781**	**8,373**	**37,734**	**5,567**	**93,455**

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 $ 23,546 million as of December 31, 2022 ($ 24,501 million as of December 31, 2021).

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.

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:

	2022	2021	Changes
Trade Receivables	37,616	43,934	(6,318)
Other receivables (not considering financial NDF)	17,161	13,715	3,446
Inventories	6,448	6,068	380
Current Liabilities (without considering financial debt)	(153,902)	(196,149)	42,247
Operative working capital - negative	**(92,677)**	**(132,432)**	**39,755**
On Sales			
Cash and Cash Equivalents	41,781	40,710	1,071
Financial NDF	2,532	3,730	(1,198)
Investments	8,373	22,806	(14,433)
Current Financial Debt	(134,361)	(126,361)	(8,000)
Current Financial Liabilities, net	**(81,675)**	**(59,115)**	**(22,560)**
Assets Available for Sale	954	-	954
Negative operating working capital (current assets – current liabilities)	**(173,398)**	**(191,547)**	**18,149**
Liquidity Ratio	**0.40**	**0.41**	**(0.01)**

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 $ 173,519 million as of December 31, 2022 (a decrease of $18,062 million compared to December 31, 2021.)

Telecom has an excellent credit rating and has several financing sources, with several instruments and offers from first-class institutions to diversify its current funding structure, which includes access to capital markets and competitive bank-loan terms and financial expenses on debt. In all cases, both at the national and international level.

Telecom's Management evaluates the national and international macroeconomic context (including regulatory and exchange restrictions) 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 through its usual operations, investing in highly liquid short-term instruments. As of December 31, 2022 and 2021, cash and cash equivalents amounted to $ 40,052 million (US$ 226 million) and $ 38,665 million (US$ 198 million), respectively.

During fiscal years ended December 31, 2022 and 2021, 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).

Maturities	Accounts Payable	Financial Debt	Lease Liabilities	Other Liabilities	Total
Matured	5,412	-	-	-	**5,412**
January 2023 through December 2023	83,900	143,026	9,975	984	**237,885**
January 2024 through December 2024	240	115,436	6,341	173	**122,190**
January 2025 through December 2025	66	130,074	5,897	173	**136,210**
January 2026 onwards	14	164,477	9,523	173	**174,187**
	89,632	**553,013**	**31,736**	**1,503**	**675,884**

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	December 31, 2022	December 31, 2021
Trade Receivables		1	1
Ver TV S.A.	Associate	**1**	**1**
Other Receivables			
La Capital Cable S.A.	Associate	336	432
Ver T.V. S.A.	Associate	2	4
		338	**436**
CURRENT LIABILITIES			
Accounts Payable			
TSMA	Associate	1	-
		1	**-**

- **Related Parties**

CURRENT ASSETS	Type of related party	December 31, 2022	December 31, 2021
Trade Receivables			
Other Related Parties	Related company	224	354
		224	**354**
Other Receivables			
Other Related Parties	Related company	4	8
		4	**8**
CURRENT LIABILITIES			
Accounts Payable			
Other Related Parties	Related company	2,014	2,388
		2,014	**2,388**

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**

	Transaction	Type of related party	December 31, 2022	December 31, 2021
			Income (loss) Sales and Other Revenues	Income (loss) Sales and Other Revenues
La Capital Cable S.A.	Sales of services	Associate	70	90
Ver TV	Sales of services	Associate	-	12
			70	**102**
			Operating Costs	
La Capital Cable S.A.	Fees for services	Associate	(178)	(175)
			(178)	**(175)**

Related Parties (2)

	Transaction	Type of related party	December 31, 2022	December 31, 2021
			Income (loss) Sales and Other Revenues	Income (loss) Sales and Other Revenues
Other Related Parties	Sales of Services and Advertising	Related company	497	617
			497	**617**
			Operating Costs	Operating Costs
Other Related Parties	Programming Costs	Related company	(6,977)	(8,234)
Other Related Parties	Publishing and distribution of magazines	Related company	(1,235)	(1,660)
Other Related Parties	Advisory Services	Related company	(892)	(1,030)
Other Related Parties	Purchase of Advertising	Related company	(725)	(1,087)
Other Related Parties	Other purchases and commissions	Related company	(307)	(376)
Other Related Parties	Fees for services	Related company	(311)	(335)
			(10,447)	**(12,722)**

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

iv. Key Management

The remuneration of the Group's Board of Directors, for technical and administrative functions, and Key Management includes a fixed and variable scheme, retention plans, social security, and, in some cases, termination payments. The remuneration accrued by the Group for the years ended December 31, 2022 and 2021 amounted to $ 3,799 million and $ 2,811 million (stated at the rate prevailing on the transaction date), respectively, and are included as operating costs under the item "Employee Benefit Expenses and Severance Payments."

As of December 31, 2022, an amount of $ 1,315 million remained unpaid.

The estimated fees paid to the directors of Telecom Argentina for the years ended December 31, 2022 and 2021 amounted to $ 627 million and $ 1,017 million (stated at the rate prevailing on the transaction date), respectively.

NOTE 30 - RESERVES, RETAINED EARNINGS, AND DIVIDENDS

1. Cablevisión Holding

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 ($ 8,857 million in constant currency as of December 31, 2022) 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 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 ($32,100 million in constant currency as of December 31, 2022). In March 2022, the Company settled the full amount of the outstanding balance of dividends as of December 31, 2021.

At the Annual Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2022, the shareholders of the Company decided, among other things, to appropriate Retained Earnings recorded as of December 31, 2021 in the amount of $ 3,698 million ($ 7,203 million in constant currency as of December 31, 2022) to increase the Voluntary Reserve for Illiquid Results.

At the Extraordinary Shareholders' Meeting held on July 8, 2022, the shareholders of Cablevisión Holding decided, among other things, 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$ 160,676,879, 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$ 40,586,407 at a ratio of US$ 0.88947399888 of 2030 Global Bonds and US$ 0.22467796352 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 $ 12,007,050,521, corresponding to the valuation in Argentine Pesos as of July 7, 2022 of the dividends in kind ($ 15,994 million in constant currency as of December 31, 2022).

2. Telecom Argentina

At the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, the shareholders of Telecom decided, among other things:

(i) To approve the Annual Report and financial statements of Telecom as of December 31, 2021;

(ii) To approve the Board of Directors' proposal stated in constant currency as of March 31, 2022 using the National Consumer Price Index pursuant to CNV Resolution No. 777/18 in connection with the Retained Earnings as of December 31, 2021 for $ 10,056,956,479 ($ 16,878 million in constant currency as of December 31, 2022). The Board proposed: i) to appropriate $ 502,847,824 ($ 796 million in constant currency as of December 31, 2022) to the "Legal Reserve"; ii) to appropriate $ 9,554,108,655 ($ 16,082 million in constant currency as of December 31, 2022) to the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and iii) to reclassify $ 18,817,248,927 ($ 29,779 million in constant currency as of December 31, 2022) 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".

(iii) to delegate on the Board of Directors the power to reverse before June 30, 2022 the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" in an amount that will allow to distribute a combination of the 2030 Global Bonds and 2035 Global Bonds as dividends in kind with a market value prevailing as of the date its value is fixed of up to $ 41,000 million. For more information on the distribution of dividends, see Note 2.b "Dividends paid - Distribution of dividends in kind".

Pursuant to the powers delegated by the shareholders of Telecom Argentina at the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, on June 2, 2022, the Board of Directors of Telecom decided to distribute dividends in kind through the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars for a nominal value of US$ 515,000,000: 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$ 411,145,986, 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$ 103,854,014.

Consequently, and taking into consideration the valuation of those bonds as of the date of distribution decided by the Board of Directors, the value of dividends in kind was set at $ 31,634 million, with the partial reversal for such amount of the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level".

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).

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

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company was 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 obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price was 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 had 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 decided 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 sought to obtain a declaration that CVH was 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 fell 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 Supreme Court of Argentina 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).

On February 22, 2022, 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.

NOTE 33 – SUBSEQUENT EVENTS AS OF DECEMBER 31, 2022

Issuance of Notes

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 a new series of Notes in the following amount and with the following main characteristics:

Class 14 Notes

Issuance Date: February 10, 2023.
Amount Issued: US$ 62.4 million payable in Argentine pesos at the applicable exchange rate (equivalent to $11,845 million as of the issuance date.)
Maturity Date: February 10, 2028.
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.

NOTE 34 - 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, 2023.

Cablevisión Holding S.A.
SUPPLEMENTARY FINANCIAL INFORMATION
As of December 31, 2022

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 2022, revenues in the amount of $ 729,182 million, compared to $ 828,831 million in 2021. Operating costs (considering the costs of CVH) - excluding depreciation, amortization, and impairment fixed assets - totaled $ 529,386 million as of December 31, 2022 (a decrease of $ 41,379 million or 7.2% compared to the same period of 2021.) Operating income before depreciation and amortization amounted to $199,796 million - equivalent to 27.4% of consolidated revenues -, compared to $258,066 million and 31.1% in the same period of 2021.

As of September 30, 2022, the Management of our subsidiary Telecom Argentina, considering the difficult macroeconomic situation, and, in particular, the fluctuation of the price of the stock as a result of the volatility in the stock markets in which it operates, decided to review the estimate of the recoverable value of the goodwill allocated to the cash generating unit (CGU) of Argentina. Based on the review, it was concluded that the carrying amount of the CGU exceeded its recoverable value. Therefore, Telecom recognized an impairment of goodwill which, stated in constant currency as of December 31, 2022, amounted to $ 204,744 million. Consequently, it recorded under Operating income a loss of $ 256,328 million (compared to a loss of $ 5,967 million in 2021), while net income for the period yielded a loss of $ 168,757 million, compared to a profit of $ 19,970 million in 2021. The variation is mainly explained by the impairment of goodwill described above and by lower sales in real terms in a context of high inflation which cannot be fully passed on to the prices of the services provided, lower positive financial results (including borrowing costs and other financial results); partially offset by a positive income tax charge (compared to a negative charge in 2021) and lower operating costs.

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.

	December 31, 2022	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**	**December 31, 2018**
Current Assets	114,865	130,963	186,818	209,284	**211,877**
Non-Current Assets	1,615,523	1,935,482	2,015,663	2,071,799	**2,044,008**
Total Assets	1,730,388	2,066,445	2,202,482	2,281,083	**2,255,884**
Current Liabilities	288,384	324,421	339,281	344,593	**380,314**
Non-Current Liabilities	628,110	708,144	756,080	729,818	**550,380**
Total Liabilities	916,494	1,032,565	1,095,361	1,074,411	**930,695**

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Ignacio Rolando Driollet
Chair

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Equity of the Controlling Company	313,088	431,734	460,156	500,562	515,647
Equity of Non-Controlling Interests	500,806	602,146	646,965	706,110	809,543
Total Equity	813,894	1,033,880	1,107,121	1,206,672	1,325,190
Total Equity and Liabilities	1,730,388	2,066,445	2,202,482	2,281,083	2,255,884

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.

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Operating income/loss from continuing operations (1)	(256,328)	(5,967)	58,993	62,088	129,086
Financial Results	60,261	90,077	(53,457)	(25,189)	(136,369)
Equity in Earnings from Associates	819	769	1,459	(750)	1,449
Income/loss from continuing operations before income tax and tax on assets	(195,248)	84,879	6,995	36,150	(5,834)
Income tax and tax on assets	26,390	(64,909)	(24,265)	(56,905)	17,374
Net Income (Loss) for the Year	(168,757)	19,970	(17,270)	(20,755)	11,540
Other Comprehensive Income (Loss) for the Year	(6,393)	(12,075)	(5,357)	(8,606)	8,117
Total Comprehensive Income (Loss) for the Year	(175,150)	7,895	(22,627)	(29,361)	19,657

(1) Defined as net sales less cost of sales and expenses.

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.

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Cash flows provided by operating activities	213,640	252,908	297,595	326,647	259,065
Cash Flows used in Investment Activities	(165,689)	(224,085)	(244,210)	(173,270)	(192,645)
Cash Flows used in Financing Activities	(45,799)	(39,536)	(108,186)	(102,529)	(90,287)
Exchange rate differences and net and gain (loss) on net monetary position on cash and cash equivalents	(1,081)	(5,817)	3,711	11,573	25,419
Total Cash (used in) provided for the Year	1,071	/16,530)	(51,090)	62,420	1,553

See our report dated
March 10, 2023
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Chair

5. STATISTICAL DATA

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Cable Television Service Subscribers (i)	99.50%	102.00%	101.50%	100.70%	101.10%
Internet Access (i)	102.60%	104.60%	102.40%	101.50%	101.90%
Fixed Telephony Service Lines (ii)	79.00%	82.40%	83.20%	86.70%	93.70%
Personal Mobile Service Lines (ii)	106.70%	106.10%	97.10%	99.70%	96.50%
Núcleo Customers (iii)	100.20%	98.50%	96.00%	96.90%	98.30%

(i) Base December 2013= 100
(ii) Base December 2015= 100

6. RATIOS

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Liquidity (current assets / current liabilities)	0.40	0.40	0.55	0.61	0.56
Solvency (equity / total liabilities)	0.89	1.00	1.01	1.12	1.42
Fixed asset-to-equity capital ratio (non-current assets / total assets)	0.93	0.94	0.92	0.91	0.03
Return on equity (Comprehensive income for the year / Average shareholders' equity)	(0.19)	0.01	(0.04)	(0.05)	0.91

7. OUTLOOK

The world scenario changed dramatically during the first months of the year, marked by the war in Eastern Europe. Beyond the humanitarian and international politics implications, Russia's prolongation of war on Ukraine generates economic and financial turmoil worldwide due to the shortage of raw materials that are essential for agricultural and industrial production, which may lead to delays in the provision of inputs. Moreover, the economic scenario in Argentina includes a marked inflationary process, exchange rate fluctuations, and a growing unpredictability. 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 sustain the high levels of investments required not only to grow but also to maintain the quality of the services provided to its over 30 million customers, thus reaffirming its commitment to the development of the country through a strong and ongoing investment plan.

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 and, subsequently, for another 6 months in April and October 2022, until the courts decide on the merits of the claim. In addition, in November 2022, the Supreme Court of Argentina dismissed the direct appeals filed by the National Executive Branch and the ENACOM on June 29, 2021. In this way, the courts have ratified that the whole ICT industry shall be empowered to set their own business practices and prices.

Our subsidiary Telecom maintains its vision of developing an ecosystem of platforms built upon connectivity and underpinned by a digital and cultural transformation process, focused on customer experience. Our subsidiary Telecom continues to develop 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.

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, incorporating the latest technologies in the market, such as the 5G standard.

In this sense, 2023 may be a pivotal year, with the prospect of an upcoming 5G spectrum bidding process in Argentina. This technology will not only generate an exponential evolution concerning the connectivity experience, but will also be a key factor for the competitiveness and economic development of the country.

Autonomous City of Buenos Aires, March 10, 2023.

Cablevisión Holding S.A.

Ratification of Printed Signatures

We hereby ratify our signatures appearing in printed form on the preceding sheets from page 1 to 97 in Cablevisión Holding S.A.'s consolidated financial statements for the year ended December 31, 2022.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17

Dr. Alejandro J. Rosa Certified Public Accountant (UM) C.P.C.E.C.A.B.A. Vol. 286 Fol. 136	Rubén Suárez Supervisory Committee	Ignacio Rolando Driollet Chair

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Cablevisión Holding S.A.

Separate Financial Statements
For the year ended December 31, 2022,
presented on a comparative basis

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

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Separate Financial Statements

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CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(in millions of Argentine pesos)

	Notes	December 31, 2022	December 31, 2021
Equity in Earnings from Associates	**4.4**	(79,521)	6,613
Fees for services	**4.1**	(476)	(430)
Taxes, Duties and Contributions	**4.1**	(2)	(2)
Salaries and Social Security Payables	**4.1**	(107)	(127)
Other expenses	**4.1**	(19)	(21)
Other Operating Income		21	25
Other Financial Results, net	**4.2**	(1,717)	1,155
Income (Loss) before Income Tax		(81,821)	7,213
Income Tax	**4.3**	(13)	(10)
Net Income (Loss) for the Year		**(81,834)**	**7,203**
Other Comprehensive Income			
Items which can be reclassified to Net Income (Loss)			
Equity in Earnings from Associates		(1,948)	(3,574)
Total Comprehensive Income (Loss) for the Year		**(83,782)**	**3,629**

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

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

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Rubén Suárez
Supervisory Committee

Ignacio Rolando Driollet
Chair

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021
(in millions of Argentine pesos)

	Notes	December 31, 2022	December 31, 2021
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	**4.5**	1,729	2,045
Other Investments	**11.1**	-	1,796
Other Receivables	**4.6**	155	212
Total Current Assets		**1,884**	**4,053**
NON-CURRENT ASSETS			
Other Receivables	**4.6**	850	1,099
Deferred Tax Assets	**4.3**	148	152
Investments in Unconsolidated Affiliates	**4.4**	310,944	410,100
Total Non-Current Assets		**311,942**	**411,351**
Total Assets		**313,826**	**415,404**
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	**4.7**	48	36
Salaries and Social Security Payables		24	43
Dividends Payable	**11.1**	-	1,796
Taxes Payable		1	-
Total Current Liabilities		**73**	**1,875**
Total Liabilities		**73**	**1,875**
EQUITY (as per the corresponding statement)			
Shareholders’ Contribution		85,276	85,276
Other Items		(14,665)	(12,717)
Retained Earnings		243,142	340,970
Total Equity		**313,753**	**413,529**
Total Equity and Liabilities		**313,826**	**415,404**

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

See our report dated
March 10, 2023
PRICE WATERHOUSE & CO. S.R.L.

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CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Controlling Company									
	Shareholders' Contribution				Other Items		Retained Earnings			
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	Total Equity of Controlling Company
Balances as of January 1, 2021	181	25,263	59,832	85,276	(8,751)	(392)	5,088	369,636	(8,857)	442,000
Reversal of Reserve (Note 11.1)	-	-	-	-	-	-	-	(8,857)	8,857	-
Distribution of Dividends	-	-	-	-	-	-	-	(32,100)	-	(32,100)
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	7,203	7,203
Other Comprehensive Income	-	-	-	-	(3,574)	-	-	-	-	(3,574)
Balances as of December 31, 2021	181	25,263	59,832	85,276	(12,325)	(392)	5,088	328,679	7,203	413,529
Reversal of Reserves (Note 11.1)	-	-	-	-	-	-	-	7,203	(7,203)	-
Distribution of Dividends	-	-	-	-	-	-	-	(15,994)	-	(15,994)
Net Income (Loss) for the Year	-	-	-	-	-	-	-	-	(81,834)	(81,834)
Other Comprehensive Income	-	-	-	-	(1,948)	-	-	-	-	(1,948)
Balances as of December 31, 2022	181	25,263	59,832	85,276	(14,273)	(392)	5,088	319,888	(81,834)	313,753

(1) Voluntary Reserve for Illiquid Results.

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

See our report dated
March 10, 2023
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Chair

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(in millions of Argentine pesos)

	December 31, 2022	December 31, 2021
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net (Loss) / Income for the year	(81,834)	7,203
Income Tax	13	10
Accrued Interest, net	(122)	(10)
Adjustments to reconcile Net (Loss) / Income for the Year to Cash used in Operating Activities:		
Financial Income, except Interest	1,849	(1,136)
Other Revenues	(21)	-
Equity in Earnings from Associates	79,521	(6,613)
Gain (Loss) on Net Monetary Position	(27)	(18)
Changes in Assets and Liabilities:		
Other Receivables	190	199
Trade and Other Payables	53	31
Taxes Payable	(3)	-
Salaries and Social Security Payables	(3)	18
Other Liabilities	-	(76)
Net Cash Flows used in Operating Activities	**(384)**	**(392)**
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES		
Transactions with Securities and Bonds, Net	177	158
Net Cash Flows provided by Investment Activities	**177**	**158**
FINANCING RESULTS PROVIDED BY CASH (INCLUDING GAIN (LOSS) ON NET MONETARY POSITION)	(109)	(487)
Net Decrease in Cash Flow	(316)	(721)
Cash and Cash Equivalents at the Beginning of the Year	2,045	2,766
Cash and Cash Equivalents at the Closing of the Year (Note 4.5)	**1,729**	**2,045**

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)	17,371	30,466
Settlement of dividends with investments not considered as cash and cash equivalents (Note 11.1)	17,687	55,349

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

See our report dated
March 10, 2022
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CABLEVISIÓN HOLDING S.A.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022,
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.

In preparing these separate financial statements of the Company for the year ended December 31, 2022, 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, 2023, 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. 1269/2002, 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.

Therefore, through Resolution No. 777/18 (published in the Official Gazette on December 28, 2018), the CNV, the local regulator, provided that issuers under its oversight must apply the method to restate financial statements in constant currency 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, 2022.

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:

	As of December 31, 2020	As of December 31, 2021	As of December 31, 2022
General Price Index	385.88	582.46	1,134.59
Variation of Prices			
Annual	36.1%	50.9%	94.8%
Accumulated over 3 years	209.2%	216.1%	300.3%

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, 2022. Consequently, the Company restated the Investments in unconsolidated affiliates (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, 2022.

The comparative figures are presented at historical currency as of December 2022.

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."

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, 2022:

Standards and Amendments	Description	Mandatory application date: years beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
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
Amendments to IFRS 16	Measurement of the lease liability in a sale and leaseback transaction.	January 1, 2024
Amendments to IAS 1	Classification of Liabilities as Current or Non-current Subject to Covenants	January 1, 2024

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, 2022:

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

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.

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.

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.

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 Associates".

2.8. Taxes Payable

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

Income Tax

The Company records income taxes in accordance with IAS 12.

Income tax is recognized in the separate 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, 2022.

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.

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 effective date, 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 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, with regard to 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.

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 include 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 collectibility 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.

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 derivate 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 unconsolidated affiliates on a regular basis or when events or changes in circumstances indicate that their recoverable value (the higher 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 unconsolidated affiliates 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.

As of September 30, 2022, the consequences of COVID and the war between Ukraine and Russia, coupled with the prevailing political conditions, had a negative impact on the Argentine economy in general and on the stock market in particular, causing, mainly up to that date:

i) an inflationary acceleration and further devaluation of the Argentine peso, with the accumulated inflation rate for the first 9 months of the year at 66.1% and a variance of the exchange rate established by Banco Nación $/US$ of 43.4% for the same period;

ii) Volatility in the stock markets in which the subsidiary Telecom operates; The price of the shares of Telecom in Argentine pesos listed on BYMA increased by 24.7%; while the ADR of Telecom listed in US$ on NYSE decreased by 21.4%;

iii) Greater exchange restrictions on the access to the Argentine Single and Free Exchange Market (MULC, for its Spanish acronym), which could have an impact on Telecom's ability to access said market and on the value of foreign currency in existing alternative markets. As of September 30, 2022, there was a 105.3% gap between the exchange rate prevailing in the MULC and the exchange rate prevailing in the existing alternative markets (Electronic Payment Market, known as "MEP dollar"); and

iv) An increase in country risk and a general rise of interest rates.

Consequently, as of September 30, 2022, the Company's Management decided to review the estimated recoverable value of the goodwill allocated to the CGU Telecom.

As of September 30, 2022, since the value in use was lower than the fair value less the costs of disposal, the latter was considered to be the recoverable value. Consequently, as of September 30, 2022, Telecom recognized an impairment of goodwill, not affecting other fixed assets of Telecom (see Note v.r.1 to the consolidated financial statements).

The Company records the direct and indirect interest in Telecom using the equity method, as established by IFRS. The value of the investment includes the goodwill generated by any excess of the acquisition cost over the Company's share in the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities measured at the acquisition date. Based on the situation of Telecom as of September 30, 2022, the Company's Management assessed the recoverability of the investment from the direct and indirect interest in Telecom and concluded that the goodwill recognized in the investment is not recoverable. Consequently, as of September 30, 2022, the Company recognized an impairment of the investment in associates for $ 30,057 million ($ 35,251 million in constant currency as of December 31, 2022), recorded under "Equity in Earnings from Associates" in the Statement of Comprehensive Income.

As of December 31, 2022, the recoverable value of the investment held by the Company in Telecom was determined based on its value in use, since it was higher than the fair value less the costs of disposal as of the same date. The cash flows used as the basis for calculating the value in use correspond to the 2023 business plan approved by Telecom's Management for a period of 5 years (see Note v.r.1.a) to the consolidated financial statements). As of December 31, 2022, the test results were satisfactory. Therefore, no other impairments were recognized in addition to what was described above.

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 CGU. From the analysis conducted as of such date 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.

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, 2022	Administrative Expenses December 31, 2021
Fees for services [(1)]	476	430
Salaries and Social Security Payables [(2)]	107	127
Taxes, Duties and Contributions	2	2
Other expenses	19	21
Total	**604**	**580**

(1) Includes Directors' fees for the year 2022 in the amount of $ 44 million.
(2) Includes fees for technical and administrative services to Directors in the amount of $ 38 million for the year 2022.

4.2 – Other Financial Results, net

	December 31, 2022	December 31, 2021
Exchange Differences	(381)	(803)
Gain (Loss) on Net Monetary Position	27	18
Financial Result from Assets	48	152
Other Taxes and Expenses	(17)	(14)
Income from Securities and Bonds	(1,516)	1,792
Interest Income	122	10
	(1,717)	**1,155**

4.3 – Deferred Tax Asset and Income Tax.

The balance of the item deferred income tax is broken down as follows:

	December 31, 2022	December 31, 2021
Other	148	152
Net Deferred Tax Assets	**148**	**152**

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 $ 5,847 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
2024	3,577
2025	2,270

The following table shows the reconciliation between the income taxes charged to net income (loss) for the years ended December 31, 2022 and 2021 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, 2022	December 31, 2021
Income Tax Assessed at the Current Tax Rate (25%) as of December 31, 2022 and December 31, 2021 on Income (Loss) before Income Tax	20,455	(1,804)
Permanent Differences:		
Equity in Earnings from Associates	(19,880)	1,654
Gain (Loss) on Net Monetary Position	(730)	(312)
Other	(169)	(58)
Tax loss carryforwards not recognized as deferred tax assets	320	516
Income Tax	(4)	(4)
Deferred Taxes for the Year	(4)	(4)
Valuation Allowance	(9)	(6)
Income Tax and Tax on Assets	(13)	(10)

4.4 - Investments in Associates

(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 12.31.2022 [1]	Valuation as of 12.31.2021 [1]	Interest (%)
Non-Current Investments:							
Telecom Argentina [2]	Argentina	Common	$ 1	406,757,183	150,272	181,156	18.89%
Telecom Argentina – Goodwill					-	31,564	
VLG [3]	Argentina	Common	$ 1	19,172,000,000	160,672	193,693	100%
VLG – Goodwill					-	3,687	
Total					**310,944**	**410,100**	

(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.

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

Companies	Main Business Activity	Date	Capital Stock	Net Income	Equity
Telecom	Provision of Information and Communications Technology Services ("ICT Services")	December 31, 2022	2,154	(207,833)	798,042
VLG	Investing and financing	December 31, 2022	19,172	(41,438)	161,172

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

	December 31, 2022	December 31, 2021
Balance at the beginning of the year:	410,100	437,525
Equity in Earnings for the year from subsidiaries (*)	(79,521)	6,613
Interest in the dividends distributed by subsidiaries	(17,687)	(30,464)
Other Comprehensive Income	(1,948)	(3,574)
Balance at year-end	**310,944**	**410,100**

(*) Included in the item "Equity in Earnings from Associates" of the separate statement of comprehensive income.

Equity in Earnings from Associates

	December 31, 2022	December 31, 2021
Telecom	(52,959)	3,196
VLG	(26,562)	3,417
	(79,521)	**6,613**

4.5 - Cash and Cash Equivalents

	December 31, 2022	December 31, 2021
Banks in Local Currency	2	2
Banks in Foreign Currency (Note 4.8)	1,554	1,617
Interest-bearing accounts (Note 4.8)	135	381
Mutual Funds	38	45
Total	**1,729**	**2,045**

4.6 – Other Receivables

	December 31, 2022	December 31, 2021
Current		
Advances to Suppliers	2	-
Tax Credits	41	59
Other Receivables	129	171
Prepaid Expenses	8	19
Valuation Allowance (Note 4.10)	(25)	(37)
Total	**155**	**212**
Non-Current		
Other Receivables	850	1,099
Income Tax Credit	22	43
Valuation Allowance (Note 4.10)	(22)	(43)
Total	**850**	**1,099**

4.7 Accounts Payable

	December 31, 2022	December 31, 2021
Current		
Suppliers and Trade Provisions	20	7
Related Parties (Note 5)	28	29
Total	**48**	**36**

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Rubén Suárez
Supervisory Committee

4.8 - Assets and Liabilities in Foreign Currency

Items	As of December 31, 2022 Amount in Foreign Currency (1)	Prevailing Exchange Rate (2)	Amount In local Currency (3)	As of December 31, 2021 Amount in Foreign Currency (1)	Amount In local Currency (3)
			$		$
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	10	176.96	1,689	10	1,998
Other Receivables	1	176.96	129	1	171
Total Current Assets	**11**		**1,818**	**11**	**2,169**
NON-CURRENT ASSETS					
Other Receivables	5	176.96	850	5	1,099
Total Non-Current Assets	**5**		**850**	**5**	**1,099**
Total Assets	**16**		**2,668**	**16**	**3,268**

(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, 2022 in the following categories:

	Investments (1)	Receivables (2)	Other Liabilities (3)
	In millions of Argentine pesos		
Without any established term	173	7	28
Due:			
Within three months	-	52	25
More than three months and up to six months	-	32	1
More than six and up to nine months	-	32	19
More than nine months and up to twelve months	-	32	-
More than 1 year	-	850	-
Total with upcoming maturity	**-**	**998**	**45**
Total	**173**	**1,005**	**73**

(1) Includes US$ 1 which accrues interest at a variable rate. Included in the item "Cash and Cash Equivalents."
(2) Includes US$ 6 million which does not accrue any interest.
(3) Does not accrue any interest. Includes accounts payable, salaries and social security payables, and taxes payable.

4.10 Changes in Allowances

Items	Balances as of December 31, 2021	Increases	Decreases (1)	Balances as of December 31, 2022
Deducted from Assets				
Valuation Allowance	80	9	(42)	47
Total	**80**	**9**	**(42)**	**47**

(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, 2022 and 2021.

Company	Item	December 31, 2022	December 31,
Other Related Parties			
Grupo Clarín	Accounts Payable	(28)	(29)

The following table details the transactions carried out by the Company with related parties for the years ended December 31, 2022 and 2021:

Company	Item	December 31, 2022	December 31, 2021
Other Related Parties			
Grupo Clarín	Fees for services	(284)	(306)
Gestión Compartida	Fees for services	(27)	(29)

The fees paid to the Board of Directors and the Upper Management of the Company for the years ended December 31, 2022 and 2021 amounted to approximately $ 77 million and $ 72 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 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 Communication 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 a Payment Service Provider (PSP) in the Interoperable Digital Wallet Registry and in the Non-Financial Credit Providers Registry. Therefore, it is subject to certain regulations established by the BCRA and the Financial Information Unit 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.

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 general rules applicable to our services. The main general rules (governing Licenses, Interconnection, Universal Service, and Spectrum) are detailed in paragraphs d), e), and f) of this Note.

- ✓ **LAD, AS AMENDED**

The LAD maintains the single country-wide license scheme for rendering ICT services and the individual registration of the services to be rendered.

Among the main amendments to the LAD, 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 the Audiovisual Communication Services Law.

- ✓ Any subscription broadcasting license (such as cable television) is 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.

- ✓ A 15-year term (until January 02, 2032) was established for the disaggregation of the local network of ICT service licensees (protection of last-mile fixed next-generation networks for broadband services).

It should be noted that until the enactment of a law that will unify the fee regime provided under the LSCA 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 the LSCA (included under "Taxes and Fees with the Regulatory Authority" in the Statement of Income). Therefore, they shall not be subject to the investment contribution or the payment of the Control, Oversight and Verification Fee provided under the LAD.

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

On August 22, 2020, the Executive Branch issued Decree No. 690/20 ("Emergency Decree No. 690/20"), which 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, whereby:

- It declared that ICT Services and the access to telecommunications networks for and between licensees are deemed "essential and strategic public Services subject to competition", and their effective availability shall be guaranteed by ENACOM;
- It provided that the prices of: i) essential and strategic public ICT Services subject to competition, ii) the services provided under the Universal Service, and iii) those determined by ENACOM based on reasons of public interest, shall be regulated by said agency;
- ENACOM established the price and characteristics of each ICT service under the Mandatory Universal Basic Provision;
- It also provided for the suspension of price increases or modifications established or announced from July 31 to December 31, 2020 by ICT licensees.
- It allowed ICT Services Licensees to 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 the LAD.

Since January 2021, Telecom decided to adjust its prices in order to match the increase in its costs due to inflation. Notwithstanding the foregoing, part of the inflation accumulated during the period March-December 2020 could not be transferred to the price of its services 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 Executive Branch was served notice of said legal action on October 7, 2021.

In this regard, Telecom requested an injunction ordering the suspension of their application. On April 30, 2021, the Court of Appeals on Federal Administrative Matters decided by majority of votes to grant the requested injunction, ordering the suspension of the effects of Emergency Decree No. 690/20 and of the resolutions issued in connection with such Decree and the consequent inapplicability to Telecom. This injunction had been initially granted for a six-month period, but it was extended on several occasions for six-month periods. The last two extensions were granted on September 29, 2022 and on March 8, 2023.

On December 2, 2022, the National Court of Appeals on Federal Administrative Matters - Chamber II ratified the decision rendered by the Court of First Instance on September 29, 2022.

Under the protection of the injunctions granted by the Court of Appeals, Telecom increased once again its prices in order to match the increase in its costs due to inflation.

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.

On June 29, 2021, the National Government and the ENACOM filed direct appeals before the Supreme Court of Argentina, which were dismissed on November 15, 2022.

Consequently, the injunction is in full force and effect as of the date of these consolidated financial statements through the extensions granted for six-month periods.

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.

d) UNIVERSAL SERVICE REGULATION ("RGSU", for its Spanish acronym)

On September 3, 2020, the ENACOM approved a new RGSU through Resolution No. 721/20.

The new regulation maintains the obligation to contribute 1% of total accrued revenues from ICT Services net of applicable taxes and charges (included under "Taxes and Fees with the Regulatory Authority" in the Statement of Income). 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 next generation networks (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 above in paragraphs c) i)."

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.

However, several years after the market's liberalization and the effectiveness of the first SU regulations, as amended, 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. 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, 2022 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.

Between 2011 and 2012, the SC issued a series of resolutions through which it notified the Company that investments associated with "High-Cost Areas", the "Special Information Service 110", the "Discounts for Retired People, Pensioners, and Low Consumption Households", the "Social Public Telephony and Loss-Making Public Telephony", the "Services and Discounts relating to the Information Society Program :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)", did not qualify as Initial SU Programs or different services involving a SU provision and cannot be financed with SU Funds.

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.

In November 2019, the ENACOM notified Telecom that the appeals filed by that company against the SC 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 court of appeals 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.

In July 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. 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 requesting its nullity. As of the date of these consolidated financial statements, this appeal is still pending resolution.

In October 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 (and after the merger, Telecom) is paying such concepts under protest in its monthly affidavits.

As of December 31, 2022, Telecom had not recorded any receivables in this regard.

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 services originally provided by Cablevisión.**

Cablevisión (and after the merger, Telecom) 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, Telecom 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 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. In particular, for the new spectrum to provide SCMA, both the term of the authorization for the use of frequencies and that of the corresponding deployment obligations were counted as from February 27, 2018, pursuant to Resolution No. 528/18.

Upon the expiration of term for the use of the frequencies, 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 said authority.)

Spectrum Incorporated into Telecom under the Corporate Reorganizations of Telecom and the Merger with Cablevisión

In December 2017, Telecom was served notice of Resolution No. 5,644-E/2017, whereby the ENACOM decided, among other things, to authorize the transfer in favor of Telecom Argentina of the authorizations and frequency use permits and allocations of numbering and sign-posting resources to provide the services held by Cablevisión, pursuant to effective regulations and the agreement executed by Nextel Communications Argentina S.R.L on April 12, 2017 (IF-2017-08818737-APN-ENACOM#MCO), whereby Telecom Argentina had to return, within a term of two years as from the date the merger had been approved by the National Antitrust Commission and the ENACOM, the radio electric spectrum that exceeded the limit set under Article 5 of Resolution No. 171-E/17 issued by the Ministry of Communications (80Mhz exceeded the limit).

During 2019, Telecom Argentina returned a portion of the radio electric spectrum (40 Mhz) that exceeded the limit set and returned the remaining portion during March 2022 (another 40 Mhz).

On March 15, 2022, through Resolution No. 419/2022, the ENACOM notified Telecom of the acceptance of the return of the spectrum within the framework of the provisions of ENACOM Resolution No. 5,644/2017.

ENACOM Resolution No. 798/2022 – On-Demand Allocation of Spectrum Blocks

Through Resolution No. 798/2022 published in the Official Gazette on May 19, 2022, the ENACOM began the process for the on-demand allocation of spectrum blocks of the 2500-2570 MHz and 2620-2690 MHz frequencies for the provision of SCMA services. Through said Resolution, the ENACOM also approved the bidding terms and conditions and the list of locations for which there is spectrum available for the provision of SCMA services. Article 12 of the bidding terms and conditions allowed to settle the allocated frequencies through the return of portions of the spectrum.

On May 31, 2022, Telecom made a filing requesting the allocation of spectrum blocks under this process. Through Resolution No. 1,729/2022 published in the Official Gazette on August 31, 2022, the ENACOM allocated to Telecom the spectrum blocks in the locations requested and accepted, as a partial settlement, the return of spectrum blocks proposed by Telecom.

f) OTHER RELEVANT REGULATORY MATTERS

i) 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 that Resolution, said Ministry also approved the implementation schedule for the portability of these services, among other provisions.

On September 20, 2022, the first phase of the process was implemented, enabling Fixed Portability in La Plata, Mar del Plata, and Salta. Subsequently, on October 4, 2022, the second phase was implemented, incorporating 20 medium-teledensity locations. Finally, on October 18, 2022, the third and final phase was implemented, which incorporated the rest of the country.

ii) General Rules Governing the Reliable and Intelligent Telecommunications Services (STeFI, for its Spanish acronym)

On December 28, 2022, ENACOM Resolution N° 2,385/2022 was published in the Official Gazette, which approved the "General Rules Governing the Reliable and Intelligent Telecommunications Services (STeFI, for its Spanish acronym)" to regulate the use of Fifth Generation (5G) technology in Argentina, with the aim of establishing the conditions under which the service must be rendered, the essential services, and the minimum technological guidelines to guarantee their quality and efficiency.

The General Rules defines the “Reliable and Intelligent Telecommunications” as: The fixed and mobile wireless ICT service, which, through the use of high spectral efficiency digital access technologies and flexible network architectures, supports enhanced mobile broadband applications, high-reliability and low-latency communications, and massive machine-type communications, among others.

On December 29, 2022, ENACOM issued Resolution No. 2,386/2022, whereby it allocated the 3300-3600 MHz frequency band to the Fixed Service and the Terrestrial Mobile Service. It also provided for the migration, within a period of 2 years, of the Fixed Data Transmission and Value Added Service systems that operate in the 3300-3700 MHz frequency band, to the 3600-3700 MHz frequency bands, and the 10.15-10.65 GHz frequency bands. The Television Program Transport (TPTV) Systems and Video Signal Transport (STSV) Systems operating in the 3300-3400 MHz band must be migrated to bands above 6 GHz. The Resolution also stated that the ENACOM would issue regulations within 30 days to establish the migration parameters, but they have not been published yet.

As of the date of these consolidated financial statements, Telecom is analyzing the possible impacts of the general rules governing the service.

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 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 during fiscal year 2021, 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

	December 31, 2022	December 31, 2021
Financial Assets		
At amortized cost		
Cash and Cash Equivalents	1,556	1,619
Other Receivables	1,010	1,311
At fair value with an impact on net income		
Cash and Cash Equivalents	173	426
Other Investments	-	1,796
Total Financial Assets	**2,739**	**5,152**
Financial Liabilities		
At amortized cost		
Accounts Payable and Other payables [(1)]	78	1,875
Total Financial Liabilities	**78**	**1,875**

[(1)] Includes debt with related parties in the amount of $ 28 million and $ 29 million as of December 31, 2022 and 2021, respectively; and dividends payable for $ 1,796 as of December 31, 2021.

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, 2022 and 2021:

	US$ December 31, 2022	US$ December 31, 2021
ASSETS		
CURRENT ASSETS		
Other Receivables	1	1
Cash and Cash Equivalents	10	10
Total Current Assets	**11**	**11**
NON-CURRENT ASSETS		
Other Receivables	5	5
Total Non-Current Assets	**5**	**5**
Total assets	**16**	**16**

Applicable bid/offered exchange rates as of December 31, 2022 and 2021 were of $ 176.96 / $ 177.16 and $ 102.52 / $ 102.72; 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.

	Effect in $ (million) December 31, 2022	Effect in $ (million) December 31, 2021
Gain	561	654

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, 2021 is restated for inflation as of December 31, 2022.

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:

	December 31, 2022	December 31, 2021
Investments valued at quoted prices at closing (Level 1)	38	1,841

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 $ 4 million and $ 184 million as of December 31, 2022 and 2021, 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 $ 27 million and $ 76 million as of December 31, 2022 and 2021, 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, 2022 and 2021. The amounts disclosed in the table are the undiscounted contractual cash flows.

	December 31, 2022	December 31, 2021
Without any established term	-	2,058
Due		
Within three months	60	88
More than three months and up to six months	35	47
More than six months and up to nine months	35	47
More than nine months and up to twelve months	35	47
More than 1 year	2,377	2,854
	2,542	**5,141**

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, 2022. The amounts disclosed in this table represent undiscounted cash flows (principal plus contractual interest):

	Accounts Payable and Other Payables	Total as of December 31, 2022
Without any established term	28	34
Due		
Up to three months	25	24
More than three months and up to six months	1	1
More than six months and up to nine months	19	19
	73	78

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, 2022 and 2021:

	December 31, 2022	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	172	38	135

	December 31, 2021	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	2,222	1,841	381

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, 2022 and 2021, 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, represented by:

- 47,753,621 Class A common, registered, non-endorsable shares, with nominal value of $ 1 each and entitled to five votes per share.

- 117,077,867 Class B book-entry common shares, with nominal value of $ 1 each and entitled to one vote per share.

- 15,811,092 Class C common, registered, non-endorsable shares, with nominal value of $ 1 each and entitled to one vote per share.

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

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

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company 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, 2022 is of $ 180,642,580 and is represented by:

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

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, RETAINED EARNINGS, 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, 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 ($ 8,857 million in constant currency as of December 31, 2022) 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 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 ($32,100 million in constant currency as of December 31, 2022). In March 2022, the Company settled the full amount of the outstanding balance of dividends as of December 31, 2021.

At the Annual Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2022, the shareholders of the Company decided, among other things, to appropriate Retained Earnings recorded as of December 31, 2021 in the amount of $ 3,698 million ($ 7,203 million in constant currency as of December 31, 2022) to increase the Voluntary Reserve for Illiquid Results.

At the Extraordinary Shareholders' Meeting held on July 8, 2022, the shareholders of Cablevisión Holding decided, among other things, 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$ 160,676,879, 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$ 40,586,407 at a ratio of US$ 0.88947399888 of 2030 Global Bonds and US$ 0.22467796352 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 $12,007,050,521, corresponding to the valuation in Argentine Pesos as of July 7, 2022 of the dividends in kind. ($ 15,994 million in constant currency as of December 31, 2022).

2. Telecom Argentina

At the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, the shareholders of Telecom decided, among other things:

1. To approve the Annual Report and financial statements of Telecom as of December 31, 2021;

2. To approve the Board of Directors' proposal stated in constant currency as of March 31, 2022 using the National Consumer Price Index pursuant to CNV Resolution No. 777/18 in connection with the Retained Earnings as of December 31, 2021 for $ 10,056,956,479 ($ 16,878 million in constant currency as of December 31, 2022). The Board proposed: i) to appropriate $ 502,847,824 ($ 796 million in constant currency as of December 31, 2022) to the "Legal Reserve"; ii) to appropriate $ 9,554,108,655 ($ 16,082 million in constant currency as of December 31, 2022) to the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level"; and iii) to reclassify $ 18,817,248,927 ($ 29,779 million in constant currency as of December 31, 2022) 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 delegate on the Board of Directors the power to reverse before September 30, 2022 the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" in an

amount that will allow to distribute a combination of the 2030 Global Bonds and 2035 Global Bonds as dividends in kind with a market value prevailing as of the date its value is fixed of up to $ 41,000 million;

Pursuant to the powers delegated by the shareholders of Telecom Argentina at the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, on June 2, 2022, the Board of Directors of Telecom decided to distribute dividends in kind through the delivery of Global Bonds of the Argentine Republic amortizable in US Dollars for a nominal value of US$ 515,000,000: 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$ 411,145,986, 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$ 103,854,014.

Consequently, and taking into consideration the valuation of those bonds as of the date of distribution decided by the Board of Directors, the value of dividends in kind was set at $ 31,634 million, with the partial reversal for such amount of the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level".

3. VLG

At the General Extraordinary Shareholders' Meeting held on June 2, 2022, the shareholders of VLG decided, among other things: i) to reverse the Voluntary Reserve for Future Dividend Distribution of $ 6,387,994,704 ($ 9,139 million in constant currency as of December 31, 2022) in order to distribute dividends, and ii) instruct Telecom Argentina S.A. to transfer to the Company, on behalf and by order of, the payment of the corresponding dividends in kind through the delivery of 2030 Global Bonds for a nominal value of US$ 83,025,621, 2035 Global Bonds for a nominal value of US$ 20,971,976, and the balance, of approximately $ 49.49, in cash.

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 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).

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

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company was 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 obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price was 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 had 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 decided 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 sought to obtain a declaration that CVH was 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 fell 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 Supreme Court of Argentina 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).

On February 22, 2022, 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.

NOTE 14 - 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, 2023.

Cablevisión Holding S.A.

Ratification of Printed Signatures

We hereby ratify our signatures appearing in printed form on the preceding sheets from page 1 to 37 in Cablevisión Holding S.A.'s separate financial statements for the year ended December 31, 2022.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Vol. 1 Fol. 17
Dr. Alejandro J. Rosa
Certified Public Accountant (UM)
C.P.C.E.C.A.B.A. Vol. 286 Fol. 136

Rubén Suárez
Supervisory Committee

Ignacio Rolando Driollet
Chair