Cablevisión Holding S.A.

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

CABLEVISIÓN HOLDING S.A.

2022 ANNUAL REPORT

To the Shareholders of

Cablevisión Holding S.A.

We hereby submit for your consideration the Annual Report and Exhibit, the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and Notes to the consolidated financial statements of Cablevisión Holding S.A. (hereinafter, "the Company", "Cablevisión Holding" or "CVH") for fiscal year No. 6 ended December 31, 2022.

The main subsidiary of the Company is Telecom Argentina S.A. ("Telecom"), a provider of ICT services.

1. MACROECONOMIC ENVIRONMENT DURING 2022

The performance of the Argentine economy throughout 2022 was once again conditioned by sustained uncertainty generated by fiscal imbalance, growing indebtedness of the consolidated public sector (Treasury and Central Bank), the weak reserves position of the Central Bank, inflationary acceleration with strong dispersion of relative prices, and the gap between the official exchange rate and financial rates.

This uncertainty was further worsened by the Russian invasion of Ukraine in late February. Disruptions in the supply chains of inputs had a strong impact on international prices, mainly in energy and food. As a result, there was a significant increase in global inflation. This resulted in the beginning of a new global economic cycle characterized by an increase in the reference interest rates set by central banks. The local economy accelerated its inflationary dynamics and further accentuated its fragility.

When analyzing 2022 at the local level, two relevant facts must be considered. The first of them is the 30-month arrangement with the International Monetary Fund under the Extended Fund Facility for an amount equivalent to US$44 billion. Its stated objective was to promote the introduction of policies that contribute to correcting the economy's imbalances and begin a process of accumulating international reserves.

However, various factors, including collateral effects derived from the aforementioned war conflict, affected this roadmap. The increased global inflationary pressure raised questions about the fulfillment of the program, which proved to be very sensitive to external shocks. This accelerated the loss of reserves, which made it difficult to achieve the targets stipulated in the agreement and generated a break in the access to financing for the Treasury in pesos.

In July, the second relevant event of the year occurred: Two changes of authorities in the economic cabinet. Silvina Batakis initially replaced Martín Guzmán. Subsequently, Sergio Massa, which at that time was the President of the Lower House of Congress, replaced her. This change signaled a shift towards more restrictive policies, among which the following stand out:

• temporary exchange rate splits aimed at incentivizing the supply of foreign currency and disincentivizing demand;

• generation of signals on the fiscal front that sought to generate greater certainty regarding the course of economic policies and compliance with the commitments undertaken with the IMF;

• Intention to define a monthly price adjustment path through various agreements with leading sectors of the economy in order to curb inflationary inertia.

In 2022, the economy exhibited an inflation rate close to three digits (a record high since 1991), which meant a virtual doubling of the percentage registered in 2021. This acceleration took place without correlation with the official exchange rate and with lagging relative prices (utility tariffs, monetary base, and salaries/pensions adjusting below the price index).

Despite the acceleration of prices, the GDP closed the year with a growth of around +5.5-6%, marking two consecutive years of recovery. This growth level, impacted by a significant statistical carryover, shows clear signs of slowdown in recent months.

Argentina was able to meet the targets agreed with the IMF: lower fiscal deficit at the primary level, lower direct assistance from the Central Bank to the Treasury, and accumulation of net reserves. However, the issue of pesos was significant despite the agreed limit on monetary financing to the Treasury. The monetary authority issued - in the form of interest on its remunerated liabilities, direct and indirect financing to the Treasury, and purchase of foreign currency from the private sector - an amount close to $ 8,000 million. The sterilization of such a significant issuance of pesos, which showed a decreasing demand, caused the stock of remunerated liabilities of the Central Bank (mainly Liquidity Bills (LELIQs, for its Spanish acronym)) to close the year at around $ 10.0 trillion (~12% of GDP). This represents more than twice the monetary base, more than double the amount at the end of 2021, and 8.5 times the amount at the beginning of the administration (end of 2019).

Finally, the external front showed a significant deterioration in its surplus position despite registering the best terms of trade in its history. It should be noted that the trade surplus of goods would close the year at around US$ 7,000 million, which is 53% below the almost US$ 15,000 million observed in 2021. This compression is partly explained by the significant increase in energy imports (+120% compared to 2021) and paradoxically occurs despite the new record that would be reached in the value of goods exports (close to US$ 89,000 million, +13% compared to 2021).

1.2 PERSPECTIVES FOR THE UPCOMING YEAR

In an election year, Argentina will have to deal jointly with the likely weakening of the main developed economies, the impacts of a persistent drought that will negatively affect both the supply of foreign exchange from the agricultural sector and revenue from export taxes, and a profile of high maturities of sovereign debt in pesos that will be difficult to refinance.

Argentina also has to face the greater political and economic uncertainty that comes with an election year, as well as the challenge of continuing to meet the quarterly targets committed with the IMF for fiscal correction (from 2.5% of GDP in 2022 to 1.9% in 2023 at the primary level), lower direct monetary financing from the Central Bank to the Treasury (from 1.0% of GDP in 2022 to 0.6% in 2023), and greater accumulation of net reserves (+US$ 4.8 billion throughout the year).

Private projections for 2023 are once again less optimistic than official ones. They forecast a significant slowdown in activity to barely positive levels or even negative levels in the worst-case scenario, and a similar or even higher inflationary trend compared to that observed in 2022 (partly fueled by ongoing adjustments in certain relative prices such as utility tariffs and transport fares). In this complex outlook for the economy, the continuation of current policies seems to be primarily aimed at meeting the targets with the IMF and managing the new inflationary regime.

The restoration of purchasing power will likely be an objective in an election year. It is worth noting that attempts to coordinate prices and wages have shown limitations and, at best, an impact in the short term. Reversing the current dynamics of high inflation, the growing surplus of pesos (which are increasingly less demanded in a bimonetary economy), and the shortage of reserves in the Central Bank are still necessary conditions, although not sufficient, for the process of stabilization of the Argentine economy.

2. REGULATORY FRAMEWORK IN 2022

Telecom, the main subsidiary of CVH, is subject to Argentine regulations as a provider of ICT services.

The regulatory framework and the Enforcement Authority in each of the jurisdictions where Telecom and/or its subsidiaries operate are detailed below.

Argentina

Regulatory Authority

Information and Communications Technology ("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 (National Communications Regulatory Agency), which is under the jurisdiction of the Secretariat of Public Innovation under the Chief of the Cabinet of Ministers.

Micro Sistemas S.A.U., a subsidiary of Telecom, 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 Central Bank of the Argentine Republic (BCRA) and the Financial Information Unit for these types of transactions.

Laws and Agreements

In Argentina, the provision of ICT services is highly regulated, and the regulatory framework is constantly evolving. The regulatory framework applicable to our business includes:

- 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 telecommunication services licenses granted to Telecom and its subsidiaries and the Bidding Terms and Conditions and their respective general rules.
- The applicable general rules governing our services.
- Decree No. 690/20 – Amendments to the Digital Argentina Law (LAD) - Controversy

The Argentine Executive Branch issued Emergency Decree No. 690/20, whereby it declared ICT Services as essential and strategic public services subject to competition. Subsequently, Telecom requested an injunction ordering the suspension of its application.

During 2021, the Federal Court on Administrative Litigation Matters No. 8 extended the effectiveness of the injunctions for another six months, as requested by Telecom. The injunction is currently in full force and effect through extensions that were granted for the same periods.

During 2022, the National Court of Appeals on Federal Administrative Matters - Chamber II ratified the injunctions granted by the courts of first instance.

During November 2022, the Supreme Court of Argentina dismissed the direct appeals filed by the National Executive Branch and the ENACOM.

As of the date of this annual report Telecom has an injunction ordering against Decree No. 690/20 valid until September 2023.

- Other Regulations

ICT Services licensees are also subject to other relevant regulations in Argentina, such as the ICT Service Licenses Regulation, the ICT Services Customer Regulation, Number Portability Regulation, Interconnection and Access Regulation, Quality Rules for ICT Services, National General Rules on Contingencies, Regulations on International Roaming between Argentina and Chile, the Infrastructure Sharing Regulation, the Subscription Television Services Regulation, and Sanctions Regulations, among others.

United States of America

Telecom Argentina USA, INC. operates in the United States of America. In that country, the regulatory oversight agency is the Federal Communications Commission (FCC).

Paraguay

Through Núcleo S.A.E., Telecom holds a license to provide mobile telephony services and personal communication services throughout Paraguay. In addition, the subsidiary holds a license for the installation and exploitation of Internet and data services throughout Paraguay.

Tuves Paraguay S.A. holds a license for the provision of direct-to-home subscription audio and television services.

The Enforcement Authority that regulates the services provided by Núcleo S.A.E. and Tuves Paraguay S.A. is the National Telecommunications Commission.

Personal Envíos S.A. is authorized by the Central Bank of Paraguay to operate as an Electronic Payment Company, and its corporate purpose is restricted to such service.

Uruguay

Through Adesol S.A., Telecom maintains contracts with several licensees that provide subscription television services through various systems in Uruguay, under the jurisdiction of the Communication Services Regulatory Authority (URSEC).

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

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

CVH focuses its investments on the telecommunications sector through the distribution of video, voice, and data under the global technological convergence process, which aims to provide integrated ICT services.

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

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

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

4. CABLEVISIÓN HOLDING AND ITS BUSINESS AREAS IN 2022

During 2022, the Company focused its businesses on the cable television services, fixed and mobile telephony and Internet access sectors, through the operations of its subsidiary Telecom.

Consolidated net sales stood at $ 729,182 million and the consolidated gross financial debt of CVH (including sellers financing, accrued interest, and fair value adjustments) decreased to $ 469,189 million in 2022 from $ 519,944 million in 2021 in constant currency as of December 31, 2022.

4.1 Telecom

4.1.1 Digital Business

Telecom seeks to offer an ecosystem of digital services, leveraging connectivity, based on a digital and cultural transformation process, with a focus on customer experience.

4.1.1.1 Products and Services

The trademarks Telecom, Personal, and Flow consolidate an ecosystem of platforms, and new businesses, a comprehensive and convergent experience for individuals, companies, and institutions across the country.

Connectivity	Entertainment	Fintech	B2B [(1)]
Fixed and mobile Internet: 4G, 4.5G and 5G.	Comprehensive offering of live and on-demand content.	Digital Wallet	Cybersecurity, Cloud, IoT, and AgTech solutions.

[(1)] Business to Business

1. PERSONAL - Connection Inside and Outside

Mobile Services

Voice communications and high-speed mobile internet through 3G and 4G networks, downloading of online contents and applications, streaming, and sale of mobile communication devices (cellphones, modems, smartwatches) to prepaid, postpaid, or fixed payment customers.

20.2 million mobile subscribers in Argentina

Internet

Internet access services provide speeds of 100MB, 300MB, 500MB, and up to 1000MB. Services are delivered through four technologies: Cable modem (HFC), ADSL, fiber optic (FTTC and FTTH), and wireless.

During 2022, Telecom continued to deploy its FTTH network to provide more customers with access to ultra-high-speed internet. The number of customers with access to this technology grew by 84%.

4.1 million customers

Personal WiFi Zone

This is the new connectivity experience available for free to customers subscribed to Personal internet service at their home. It is expected to be the largest WiFi network in Argentina and is available today for customers to use whenever and wherever they want, both inside and outside the home.

Currently, Personal WiFi Zone has a coverage composed of more than 650,000 points distributed mainly in the City of Buenos Aires and its surrounding areas. The service is used by 30,000 customers per month.

Data and Fixed Services

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

1.9 million fixed lines

2. FLOW - Entertainment Hub

Telecom continues to boost Flow as an entertainment hub. It is the most innovative live and streaming content platform in the region, integrating series, movies, TV shows, gaming, and music.

- More than 5.7 million Flow devices registered.
- More than 26,000 hours of on demand content.
- 45 exclusive titles of national production.
- 189 digital channels and 123 HD signals in TV and in the app.
- 4 new channels in the gaming category with HD format.

In 2022, Telecom launched Flow Flex, a new 100% digital contract option that offers customers the possibility of enjoying Flow's services for a fixed period of time. It offers packages of 3, 7, 15, and 30 days or a monthly subscription. It is a version of Flow that does not require decoders or technical installation and is available to all subscription TV customers.

Additionally, Telecom continued to invest in Argentine production. In partnership with the main local players and industry talents, it launched eight new original Flow productions. In addition, its customers can directly access the following streaming platforms, integrated into Flow: *Netflix, Prime Video, Star+, Disney+, Youtube, and Paramount+.*

During the year, through Flow Music, Telecom broadcast exclusive live streams of festivals such as Lollapalooza and Primavera Sound for the entire country, and offered on-demand content. Furthermore, regarding gaming, Telecom supported the schedule of competitions of different professional leagues and provided its users with live streaming.

Signals "Somos"

Our signals Somos are media of reference that sustain plurality and independence. The programming is based on a commitment to the community and guarantees the representation of all social actors. They have high quality standards, comparable to those of major international media.

- 76 local signals
- 25 Somos signals
- 780 locations covered
- 16 provinces of Argentina and the City of Buenos Aires

The signals "Somos" continued to expand and generate communication with the audience of different locations, as well as with local authorities. This year, Telecom launched "Somos Tucumán" and regionalized some of its channels, unifying signals with the aim of improving the product quality. All of them have their own newsroom and generate local news programs.

3. PERSONAL PAY – Digital Wallet

With this digital wallet, Personal aims to become the main transactional method for Telecom customers' payments and collections, and one of the largest digital wallets in Argentina. Users can create a 100% digital, free, and easy-to-use account, deposit money through transfers or physical collection networks, send and receive money to other banks and/or digital wallets, recharge mobile phones or transportation cards, pay bills, make payments through QR codes, and create personalized savings goals, among other functionalities.

Additionally, Personal Pay users can request an international prepaid Visa card to make purchases online and in physical stores, subscribe to entertainment services, and withdraw money from ATMs. The card also allows access to daily benefits in supermarkets, gas stations, and movie tickets, among others.

4. TELECOM – Business to Business (B2B) Segment

Telecom offers solutions and services to accompany the digital evolution process of companies through the following products:

Telecommunications

- Connectivity
- Mobile and fixed voice
- Video & media

Digital solutions

- Cloud
- Datacenter
- Cybersecurity
- IoT Solutions

Over 170k companies and public agencies as customers.

In 2022, Telecom consolidated its multicloud strategy, expanding the ecosystem of partners to provide public cloud solutions and data center infrastructure, and improved private cloud products. In this sense, Telecom formed strategic alliances with IBM, AWS, Google, Microsoft, Huawei, and Oracle.

Regarding cybersecurity, Telecom worked on developing solutions that ensure the security, integrity, and availability of IT systems to protect confidential corporate information.

Telecom also offers a portfolio of flexible and scalable IoT solutions tailored to the needs of each customer, guided by technological advancements and innovation.

Wholesale Services

During 2022, Telecom remained one of the main wholesale telecommunications solutions providers for different national and international market providers and operators (including cable operators, internet service provider cooperatives, and others) with services such as internet, mobile operations infrastructure, value-added services (servers, security, IoT), and international long-distance service.

4.1.1.2 Customer Experience

Telecom strives to generate the best experience for its customers through a simple, agile, and customer-centric service model focused on digitization. In 2022, Telecom worked on various projects with this goal.

Self-Management

During 2022, Telecom conducted campaigns for its customers to download the "Mi Personal" app with new features, allowing users to change ownership or the mobile line plan in a few steps and with the highest security. Additionally, the app allows for purchasing packages, managing services, and paying bills.

Streamlined Deliveries

In 2022, Telecom decentralized the preparation of SIM Card orders for portability in the cities of Buenos Aires and Córdoba, which reduced by half the time between sales management and delivery.

Mood Score

Telecom incorporated the mood score in the customer service Contact Center, which allowed to organize contact centers and change the service model to provide a specific solution for each customer. This initiative had an impact on customer satisfaction.

Onboarding-To-Be

This is an initiative that projects the growth of the customer service channel via WhatsApp. It will bring together all contact numbers under a single line, refining customer service, incorporating intelligence, and improving customer experience in the home internet segment.

Customer Service Channels

Telecom's customer service operations related to various services are provided through a contact center, which includes specialized call centers and customer service representatives staffed with employees and third-party personnel, available 24 hours a day, 365 days a year.

Customers can also contact the Company via email and chat through the websites and social media. Telecom also offers self-management tools, simplifying the process and providing alternatives.

Telecom has customer service presence in all the provinces of Argentina, through 171 convergent customer service locations.

Assistance to People with Hearing Impairment

Telecom enabled the contact email address asistenciahipoacusicos@teco.com.ar in order to promote integration and communication for people with hearing impairment. They send their inquiry and then a representative contacts them.

4.1.1.3 Network Reliability

Telecom is transforming its network infrastructure, introducing new access technologies that allow for higher speeds, contributing to the optimization of service quality.

During 2022, Telecom made the following investments in infrastructure:

Investments in infrastructure (in millions of $)	2022	2021
Transport and Fixed Network	22,939	25,082
Mobile Network Access	53	39
Switching Equipment	2,200	1,225
Power Equipment and Installations	1,266	1,126
Computer Equipment	21,407	10,749
Works-In-Progress	24,702	43,542
Materials	38,934	72,849
Goods under Loans for Use	4,218	4,954
Other	4,352	687

Mobile Network

As a result of its infrastructure investments, Telecom continued to increase and modernize its mobile sites, allowing it to offer the fastest 4G network in the country.

Telecom wants innovation to also reach low population density areas, and that is why it is deploying physical infrastructure in towns and rural areas with less than 500 inhabitants.

5G is not just the evolution of 4G; it poses a different scenario for society as an enabler of industries and a competitiveness factor for the development of world economies.

Telecom was a pioneer in deploying the first 5G network in Argentina using the Dynamic Spectrum Sharing (DSS) mode. Telecom has 143 active sites in the main cities of the country, of which 123 were incorporated in 2022.

Fixed Network

Telecom continued to make progress in the conversion of its fixed internet network, with the goal of extending FTTH (Fiber To The Home) networks, which are more robust and allow for faster connections, over the existing copper or HFC (Hybrid Fiber Coaxial) one-way networks.

78,000 km covered with hybrid and complementary networks

49,000 FTTH blocks

FLOW and FTTH Reach the Interior of Argentina

Telecom deployed fiber optic technology to the home in more than 15 locations, enabling residents to access high-speed internet service with Personal and to add a new television and streaming experience with Flow.

Maintenance of the Mobile Telephony System

The mobile telephony system consists of customers' devices and phones and the network infrastructure, which are antennas that can be seen in the public thoroughfare and must be close to people for communications to be possible.

Telecom performed preventive and corrective maintenance on the entire antenna support structure plant, following Cirsoc 306 standards.

Monitoring of Non-Ionizing Radiations (NIR)

Telecom monitors non-ionizing radiation: Every time a site goes on air or a new band is added, it performs this measurement to ensure proper operation within the range allowed by regulations.

Control of the Specific Absorption Rate (SAR)

Telecom also controls the Specific Absorption Rate. All its sites are below the electromagnetic field exposure thresholds allowed by Resolution 202/95 of the Ministry of Health in Argentina and the World Health Organization in terms of radiation.

Mobile Devices and International Regulations

Telecom only sells mobile devices that comply with international standards to guarantee that they do not exceed the radio wave exposure parameters and that their use is not harmful to the health of human beings.

Contingencies in the Face of Emergency Situations

To cover energy contingencies in emergency situations, Telecom has 28 full radiobases. It also has 40 portable generators assigned to secure mobile network access, with a capacity greater than 20KVA.

Risk Management and Business Continuity

Telecom ensures the continuity of the services provided by Flow and Personal. By adopting the Disaster Recovery Institute International methodology aligned with ISO 22301, Telecom identified the critical processes and assets of the organization that are crucial for the network's operation. On an annual basis, it focuses on mitigating emerging risks.

Digital Transformation Projects

On the path towards becoming a tech-co, Telecom focuses on accelerating the full reconversion of its systems. Thus, all its digital transformation projects are aimed at supporting the evolution of the company as well as that of its customers.

To move forward in this direction, Telecom leverages various enablers, such as:

- Digitization
- Cloudification
- APIfication
- Virtualization
- Unification of systems
- Shutdown of legacy applications, platforms, and servers

Program #FAN

It is a comprehensive program for the renewal of customer relationship management (CRM) platforms, including the provision, billing, and collection of our services.

Data Phoenix Project

It aims to enable a data platform that is available when required. It evolves the different data repositories of Telecom, integrating them into a cleaner, functional, and consistent one.

Open Digital Architecture

Under the simplified and open digital architecture strategy, Telecom has made progress in the implementation of the APIfication model, initiating the availability of embedded services in APIs (Application Programming Interfaces) that allow their reuse, accelerating developments, and delivering value to its customers.

Cloudification

Towards the end of 2022, Telecom began to deepen its Hybrid Multicloud model, which provides the elasticity to sustainably scale the services that it requires with a 100% digital customer-focused approach.

DC4

Through Datacenter 4 ("DC4"), Telecom develops an infrastructure model to achieve a shared and convergent vision of the services, processes, and operations of its infrastructure. The platform is based on three main pillars: NPS, efficiency, and evolution. It was designed to maximize value delivery and eliminate transactionality, based on automation, allowing the company to continue its progression towards self-service. It operates 100% on an agile model, demonstrating great adaptability to changes in context.

Cloud Valley

This is Telecom's collaborative self-service portal for managing infrastructure and services through a single catalog, complementing its enabling platforms with a self-service portal that enhances the experience of developers and all infrastructure users.

4.1.1.5. Cybersecurity and Data Privacy

Telecom's Privacy Policy refers to the principles of personal data protection that guide management and how the collected information is used.

Telecom strictly complies with Personal Data Protection Law No. 25,326, as supplemented, meeting the requirements provided by law in order to protect the privacy of personal data.

Privacy Policy:

https://www.personal.com.ar/content/dam/teco-cms-ecosystem/pdfs/tyc/tyc-generales/Politica-de-Privacidad-de-Telecom-Argentina.pdf

To protect customers and safeguard information, in 2022, Telecom evaluated new technologies, implemented those already acquired, and incorporated use cases, configurations, and add-ons to mitigate and contain threats to the various assets and information contained or processed in them.

In addition, Telecom added new endpoint and host protection technologies to prevent or mitigate malware actions; incorporated a new MFA solution; renewed and updated the DDoS attack mitigation platform; acquired threat intelligence solutions, and incorporated new micro-segmentation technologies.

It also started a complete and comprehensive review of its credit card data processing environment, in accordance with the PCI DSS (Payment Card Industry - Data Security Standard), and the corresponding certification will be obtained during 2023.

To safeguard information in the context of home office, remote access is provided through means that include the use of two-factor authentication and geolocation restrictions. In addition, the company updated the information leakage prevention process in case of termination of employment. And it continued to use the DLP (Data Loss Prevention) tool with the required updates.

4.1.2 Human Capital

Telecom is committed to developing work teams focused on diversity and a culture based on innovation, agility, and digital transformation. It supports the development of its employees and promotes safe and healthy working conditions.

- Talent Management
- Diversity and Inclusion
- Training and Development
- Health and Safety

4.1.2.1 A Team without Barriers

Telecom's employees are the main actors of the cultural and digital change the company is undergoing. Telecom seeks to build a safe and diverse work environment to drive their personal and professional growth.

Highlights

- 21,699 employees
- This year, Telecom received the *Great Place to Work* certification.

Employees by region

- AMBA (City of Buenos Aires and its surrounding areas) - 11,351
- Litoral (northeastern region) - 3,942
- NOA (northwestern region) - 1,030
- MEDI (central region) -2,691
- Prov. of Bs As and Patagonia (southern region) - 2,087
- Paraguay - 441
- Uruguay - 155
- USA - 2

28% of our employees are women

10% of leadership positions are filled by women

27% of digital positions are filled by women

67% of our employees are unionized

69% of our employees are between 31 and 50 years old

52% of our employees work remotely

4.1.2.2 Cultural Transformation, Agility, and Leadership

The culture of Telecom evolves alongside its trademarks. It seeks to consolidate a working experience with new networking opportunities based on its cultural principles, to achieve a more horizontal organizational model linked to agility, and to foster the development of leaders that can adapt to the needs of the digital era.

Teco XP Work Experience

Telecom seeks to ensure that its employees can achieve a balance between their professional, family, and personal life. To this end, Telecom lets them choose between different work modalities: In-person, home office, or a combination of both. In 2022, the hybrid work modality was key to evolving in terms of social reconnection, collaborative work, federalization, and seeking greater employee satisfaction, efficient use of buildings, experience at homes, along with greater talent retention and attraction.

Business Agility

Telecom aims to consolidate its digital mindset and become increasingly agile, involving leaders, change agents, and employees as protagonists and enablers of the path towards business agility.

Leadership

Telecom is going through a cultural transformation that is leveraged by a change of mindset and the way things are done. Based on the need to strengthen a new leadership model aligned with this transformation, Telecom is boosting the “Teco Attitude”, which puts its Cultural Purpose and Principles into action.

4.1.2.3 Talent Management

Talent Attraction

In 2022, Telecom continued to boost its image as a benchmark and aspirational company for new talents. In this sense, it worked on its social media presence, showcasing the experience and achievements of its employees, business projects, current programs, and Telecom culture. Additionally, it sponsored different events within the technological ecosystem to raise awareness on the Telecom transformation and to stay close to IT talent.

Talent in Action

This program is aimed at young professional graduates or university students in the early stages of their professional career who want to gain a comprehensive understanding of how Telecom works.

Telecom supports participants in discovering skills to enhance their professional development, incorporating learnings, and generating value in the projects they participate in. Young professionals are exposed to topics that exceed their areas of expertise and are provided with tools for better interaction with different areas of the company.

Compensation and Benefits

- **Remuneration**

The compensation policy for non-unionized employees is determined based on the relative weight of the position of each employee, the performance, market information, and the country's macroeconomic context. Telecom sets new salary bands for these employees with the advice of external consultants and through total compensation surveys.

It increases the salaries of the unionized employees in accordance with the wage negotiations held with trade unions.

In addition, once a year, the non-unionized employees have access to the “bonus ranking”, based on individual performance. Middle management, managers, and directors receive a bonus based on defined objectives and/or business performance, according to the category.

For individuals included in the 'Digital+ Program', Telecom offers a bonus program with a more aggressive target, directly associated with objectives of the department or team, either individually and/or collectively, for shorter periods than a year, at the discretion of each area.

- **Value Proposition**

Telecom offers benefits for the well-being of its employees and their families: Discounts on Company-related services, banks, support program, learning, sustainability, automobiles, well-being, tourism, home appliances, and gastronomy.

In addition, Telecom leave policies exceed legal requirements for: Parental, adoption, extension of breastfeeding and marriage leaves. Private health insurance and medical coverage are provided to all the employees and their families.

4.1.2.4. Diversity and Inclusion

Telecom incorporated diversity management as part of its strategy, convinced of the importance of promoting a culture of respect, equity, and inclusion.

Promoting a comprehensive view of diversity is key to the cultural development and evolution of the company, as well as to the sustainability of the business.

In connection with the Diversity Commitment undertaken by the CEO in 2021, Telecom is currently in the process of building a Diversity and Inclusion Policy. It continued to participate in different local and international diversity initiatives:

- **Gender Equality**

8M

This year, within the framework of International Women's Day, Telecom generated different spaces of learning and reflection.

- Roundtable "Talent from a Gender Perspective"
- Workshop *"*Leadership with a Gender Perspective*",* designed to rethink and eliminate gender-based biases and evolve towards a mindset of more inclusive leadership.
- A talk on personal branding, with tools to enhance career storytelling and make a difference.
- "Domestic Calculator", an interactive activity that encouraged participants to explore the distribution and use of time spent in daily household tasks.
- + 2,500 employees attended the event.

2nd edition of *En Perspectiva*

A series of meetings aimed at women who work in technology and connectivity to address topics related to career development and opportunities with a forward-looking approach.

Interdisciplinary Working Table with a Focus on Gender

The objective is to identify practices that promote female leadership and the participation of women in positions traditionally filled by men.

Procedure for Ensuring Access to Gender Identity

Telecom updated the procedure that establishes guidelines, responsibilities, and steps to follow for rectifying the registered sex and changing the first name and photo when they do not match the individual's self-perceived gender identity. It was launched on June 28, LGBTIQ+ Pride Day and disseminated throughout Telecom.

Household Tasks Program with a Focus on Shared Responsibility

The objective is to design work environments and schemes that facilitate work-life balance and boost women's careers. Telecom seeks to promote practices that favor shared responsibility in household tasks.

- Breastfeeding rooms: 9 breastfeeding rooms in different cities across the country.
- Extended parental leave: 15 additional days.
- Awareness-raising spaces, to continue enhancing the importance of shared responsibility.
- Interdisciplinary Working table on Conciliation: It seeks to identify and design practices that promote balance and shared responsibility in household tasks.

- **Disabilities**

During 2022, one-on-one meetings were held with employees with disabilities, using a comprehensive and inclusive approach. Then, Telecom developed an interdisciplinary working table on disability to identify needs and, if necessary, make adjustments.

Additionally, Telecom designed and implemented the procedure for employees to upload their Unique Certificate of Disability (CUD, for its Spanish acronym) through our Smart tool.

4.1.2.5. Training and Development

Telecom seeks to boost the upskilling and reskilling of employees through segmented experiences tailored to each employee's position, function, and specialty.

Universo Telecom

In 2022, "*Universo Telecom*" was added to Telecom virtual campus, featuring disruptive formats that stimulate online learning. Highlights include escape rooms, fishbowls, internal certifications, and hackathons, in addition to previously implemented proposals.

The activities are focused on the following topics: leadership, sustainability, digital, tools and power skills, agility, business, priority talent, technological learning, functional training, and well-being.

Alliances with Universities and Educational Institutions

Telecom has various agreements with educational institutions offering exclusive discounts of up to 25% to all its employees, for undergraduate and graduate programs at different institutions, including UCA, Universidad Austral, UCEMA, Siglo 21, Blas Pascal, among others.

Teco Station

With a view to developing new ways of learning, relating, and creating value, this year, Telecom continued to develop Teco Station, an ecosystem of learning and development experiences focused on the strategic capabilities required to enhance business challenges and customer experience. TECO Station articulates different critical capabilities: Agile Station, Tech Station, Digital Station, and Leadership Station.

Leadership Station

Telecom's learning experience ecosystem for leaders aimed at enhancing their leadership, promoting the use of methodologies and tools to build an agile mindset, identifying the potential of new digital transformation technologies for new businesses, and transforming data into valuable information.

Performance Management

Conexión Feedback

This tool allows Telecom to enhance development by promoting a culture where valuable conversations take place, where leaders and employees share the spotlight.

New Development Programs

	"RED L" Program: Reflecting on the Leadership Survey	**Advanced Level Career Path**	**Self-management of development**
Purpose	To promote the triple management of development by providing tools to evolve leadership roles, with the purpose of enhancing Teco leadership, thus building a new network of relationships.	To support leaders who are in the transition stage toward a new management role within the framework of constant evolution.	To support leaders in the self-management of their development, designing a plan for their evolution in their current position and for the future
Overview	It is based on continuous learning, resilience, and the ability to change, which includes multiple proposals to encompass the diversity of leaders.	It encourages new leaders to share experiences with peers who are also experiencing a new role, to reflect on new management modalities, to define a personal approach strategy, and to make resources available to enhance leadership with a "Teco Attitude."	Telecom accompanies its employees along their journey, with tools to promote self-knowledge and feedback.
Target Audience	All the leaders who obtained results in the 2021 Leadership Survey. **1,920 participants**	Leaders who transition to a new management role (middle management) **25 participants**	Targeted at all the members of Upper Management and heads (first half of 2023) and then at the management team, as the resources can be made available to the entire company.

"*Un aplauso para vos*"

In 2022, Telecom worked on the redesign of its recognition program with a focus on the following aspects: Recognition badges, case submissions, and customized experiences to promote a culture of recognition that allows to adapt to the changes and needs of each work team.

4.1.2.6 Health and Safety

Health and Safety Management System

Telecom has an Occupational Health and Safety Management System. Regarding Occupational Safety, the information disclosed includes employees and contractors, focused on those who work in Regional and Commercial Operations (COO), CTO Technical Operations, and Logistics Services (CPO), because they are more exposed to risks. The system reaches 14,407 employees (representing 68% of the company's payroll) and 23,269 contractors (representing 77% of said group) from Argentina.

The management system is based on the continuous improvement cycle proposed by Deming and follows the guidelines of OHSAS 18001:2007. Its fundamental pillars are Preventive Observation and Behavior-Based Safety. Within this framework, Telecom follows risk control measures, including document control, field control, statistical analysis, remediation actions, and opportunities for improvement resulting from interactions.

Comprehensive Health Program

Telecom continued to implement the Comprehensive Health Program which provides for an advisory and follow-up plan for those employees whose clinical exams show values outside normal parameters. Currently 1,168 employees are included in this Program.

On the other hand, Telecom carries out various health promotion actions, including campaigns promoting healthy habits, vaccination campaigns, and ergonomics initiatives, and data cell work modality to manage absenteeism levels. It also runs various awareness campaigns through internal communication channels.

Health and Safety Training

During 2022, Telecom continued with health, hygiene, and safety training in both e-learning and in-person formats. The topics addressed included: First aid, CPR, prevention of road accidents, electrical risk, and safe operation, among others with a higher level of specificity.

4.1.2.7 Digital Inclusion

Telecom's social investment strategy promotes the use of technology as a tool for education and social inclusion, contributing to the development of individuals and communities. Telecom carries out programs developed by Telecom, managed in coordination with strategic partners and with a presence throughout the country.

Technology for Digital Inclusion

To achieve digital inclusion, access to connectivity is necessary, but not sufficient. People must have the skills and abilities necessary to make safe, positive, and responsible use of the service. And that is the focus of Telecom's social investment strategy. Telecom develops programs with a national reach to promote community access to the essential digital competencies and skills necessary for individual and collective growth in an increasingly digital world.

Promotion of Digital Skills

Training of Digital Talent	Inclusion of Women in Technology	Responsible Use of Technology
digit@lers	Chicas digit@lers	*Nuestro Lugar*

Digit@lers

Purpose: To connect young people with their digital vocation for inclusion and integration into the labor market.

In 2022, the sixth edition of digit@lers was held 100% in virtual format together with our strategic partner Educación IT and with the endorsement granted by the Chamber of the Argentine Software Industry (CESSI).

Overall, 951 young people over 18 years old graduated from various courses with training in programming and other digital trades, and acquired soft skills to advance in the search for IT employment. Among the courses offered, the following stand out: .NET Web Development, Java Web Development, Node JS Web Development, Python Web Development, React Front-End Development, UX/UI Design, Digital Marketing, Data Analytics, and QA Testing.

In addition, Telecom continued with the talks "*Charlas de Expert@s*", at which technology specialists share how projects are designed, created, developed, and implemented in the Company's digital world.

Chicas digit@lers

Purpose: To reduce the gender gap in the IT sector.

Chicas digit@lers offers free workshops to girls aged 13 to 17 who seek to awaken their digital vocation and consider technology as a space for future development. Once again, Telecom worked in partnership with the organization Chicas Programadoras.

Nuestro Lugar

Purpose: To discuss the use of technology in schools and at home in order to reflect together on its advantages, risks, and opportunities.

“*Nuestro Lugar*” is a website with exclusive content for teachers and families where Telecom encourages them to reflect on the use of technology.

The Association Chicos.net worked with Telecom once again this year collaborating with program content and implementing activities.

4.1.3 Collaboration with Local Communities

Telecom continued to establish spaces for seamless and constructive dialog with the community through different communication channels, recognizing the particularities of each location and understanding that connectivity is the indispensable engine of economic and social development for the future of any country. Telecom holds regular meetings with local authorities, but also with representatives from each community, in order to make headway in the resolution of conflicts and in the coordination with all parties involved.

4.1.4 Contribution to the Community

Corporate Volunteer Program: *Conectamundos*

Conectamundos is our volunteer program. It encourages employees to participate in actions aimed at the community and the environment. In 2022, the program reached more than 1,900 hours of activities.

“Potenciá una ONG”

For the third consecutive year, Telecom held “*Potenciá una ONG”*, whereby it encourages its employees to present civil society organizations that contribute to the development and social transformation of the community. After a pre-selection, ten finalist NGOs reached the voting stage. The employees, through their vote, chose the winners, who received a monetary recognition for the development of their activity.

Innovatón social

With “*Innovatón social*”, Telecom provides solutions, using agile methodologies, to the day-to-day challenges that social organizations face in the development of their activities.

Telecom carried out six editions in 2022. Volunteers visited the organizations, learned about their challenge to be addressed, conducted interviews with people who work at the organization, and created prototypes of solutions to be subsequently validated. The organizations that participated were the following: Fundación Pilares (City of Buenos Aires), Todavía es Tiempo y Manos verdes (Province of Buenos Aires), Mujeres a la Obra (Santa Fe), Señas en Acción (National), and Fundación Jane Goodall Argentina.

Tree-Planting Events

In 2022, Telecom started with tree-planting events and organized two in-person volunteer activities focused on planting trees to promote the growth of native forests and mitigate the effects of climate change.

One of the events took place at Telecom's Bosque Alegre Ground Station in Córdoba. In recent years, forest fires and a prolonged drought have wreaked havoc on much of the provincial territory, affecting thousands of hectares and disrupting biodiversity. For this reason, in partnership with “BAUM -fábrica de árboles-”, Telecom planted white carob trees to contribute to the recovery of the ecosystem.

The second event took place in the San Miguel Natural Reserve in Buenos Aires, where an old judicial junkyard used to operate until a few years ago. Various species of trees and shrubs were planted there in partnership with Asociación Civil Un Árbol.

Puente Digital

Puente Digital is a program that allows Telecom to provide free connectivity to different community institutions with the aim of promoting digital inclusion, facilitating access to content, and boosting community development processes. In Argentina, Telecom has 17,000 active cable and internet connections free of charge.

Segundos para Todos

Telecom makes available to different civil society organizations a certain number of seconds of air for free in our signals “Somos” for the dissemination of institutional messages or campaigns. In this way, Telecom aims to contribute to disseminating and raising awareness in society regarding the causes that drive these organizations. In 2022, it disseminated campaigns from four different organizations. UNICEF, Luchemos por la Vida, Fundación Leer, and Cáritas.

Patronage

In 2022, Telecom provided patronage to Fundación Urunday for the contemporary art event XII International Sculpture Biennial, in Chaco, which featured national and international artists and the community in a cultural event that is a global benchmark.

Donations

Telecom manages donations of technological equipment and materials that are no longer in use, for schools, boroughs, and social organizations throughout the country. With this action, it streamlines resources, optimize spaces, and reaffirms its commitment to provide technology for social transformation.

5. TRANSPARENCY AND ETHICS

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

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

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

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

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

6. RISK FACTORS

As an Argentine corporation whose only significant assets currently are shares of Telecom S.A. (“Telecom”)—another Argentine corporation—Cablevisión Holding S.A. (the “Company”) is exposed to a wide range of risks related to the country and to its operations. The Company relies on a strong internal control system and its control of Telecom, which is the result of its ownership interest and the provisions of a shareholders’ agreement that entitles the Company to designate a majority of the members of the board of directors of Telecom. The identification of risk and its assessment is part of Telecom’s business plans and is also addressed by a corporate based control department and by the Company’s board on a regular basis.

Risks Relating to Argentina

Overview

A substantial majority of Telecom’s property, operations and customers are located in Argentina, and a portion of its assets and liabilities are denominated in foreign currencies. Accordingly, our financial condition, results of operations and cash flows depend to a significant extent on economic and political conditions prevailing in Argentina and on the exchange rates between the Argentine Peso and foreign currencies. In the recent past, Argentina has experienced severe recessions, political crises, periods of high inflation and significant currency devaluation. The Argentine economy has been volatile since 2011, with years of economic growth and others with recession. Several factors have impacted negatively on the Argentine economy in the recent past, and may continue to impact it in the future, including among others, the COVID-19 pandemic, inflation rates, exchange rates, commodity prices, level of Argentine Central Bank (“BCRA”) reserves, public debt, tax pressures, trade and fiscal balances, government policy, the international context and the military conflict between Russia and the Ukraine.

Devaluation of the Argentine Peso and foreign exchange controls may adversely affect our results of operations, our capital expenditures and our ability to service our liabilities and pay dividends.

Since we generate a substantial portion of our revenues in Argentine Pesos (our functional currency), any devaluation may negatively affect the U.S. dollar value of our earnings while increasing, in Peso terms, our expenses and capital expenditures denominated in foreign currency. The Argentine Peso has been subject to significant devaluation against the U.S. dollar in the past and may be subject to fluctuations in the future. The value of the Peso compared to other currencies is dependent, among other factors, on the level of international reserves maintained by the BCRA, which have also shown significant fluctuations in recent years. The Argentine macroeconomic environment, in which we operate, was affected by the continued devaluation of the Peso, which in turn had and could continue to have a direct impact on our financial and economic position.

The value of the Peso has fluctuated significantly since 2011. In 2022, the Argentine Peso continued to depreciate against the U.S. dollar and other major foreign currencies. According to Communication "A" 3500 of the BCRA, the Peso/dollar exchange rate stood at Ps. 177.16 per US$ 1.00 as of 31 December 2022, evidencing a devaluation of the Peso of approximately 72.5% from its value of 102.72 Pesos per dollar at 31 December 2021 (compared to 22.1% and 40.5% in the years ended 31 December 2021 and 2020, respectively). As a result of the Argentine Peso's increased volatility, the Argentine government and the BCRA implemented several measures to stabilise its value, including, among others, stronger exchange regulations, an increase in short term interest rates and the sale of foreign currency reserves made by the BCRA. The continued devaluation of the Argentine Peso during the past years has had and continues to have a negative impact on the payment of foreign currency denominated debts by local private sector debtors to unrelated foreign entities, and has also led to an increase in inflation, which in turn has a direct impact on real wages. The devaluation has also negatively impacted businesses whose success is dependent on domestic market demand, and adversely affected the Argentine government's ability to honour its foreign debt commitments.

Higher restrictions to access the official FX markets were imposed during 2020, in an attempt to reduce the loss of international reserves generated by a greater demand of US dollars by individuals and companies. These restrictions have resulted in the creation of multiple reference exchange rates, such as the "blue chip swap" rate (*contado con liquidación*), dollar MEP, and soybean dollar (*dólar soja*), among others. Some of these rates are only available to certain market participants, or in the activities in which the currency is held. In addition, dealing with certain of these reference rates might directly affect the access of Telecom to the official exchange rate market (*Mercado Único y Libre de Cambio*, or "MULC"). The requirements to access these different exchange rates, as well as the actual exchange rate of each option, vary significantly from one another. Pursuant to Communication "A" 7106 (as amended and supplemented from time to time), the BCRA established certain requirements to access the local exchange market for purposes of repayment of cross-border financial debts, in particular, for the payment of principal outstanding amounts in loans and securities having amortisation payments scheduled between 15 October 2020 and 31 December 2021 for principal amounts exceeding US$2,000,000 by the non-financial private sector and financial entities. Particularly, the payment of principal amounts pertaining to loans and securities subject to the regulation should be part of a refinancing plan that must be previously filed with the BCRA, which must provide that (i) only 40% of the principal amount owed and payable shall be paid through the local foreign exchange market on or prior to 31 March 2021; and (ii) the remaining 60% must be refinanced so the average life of the debt is increased for a minimum of two years. Pursuant to Communication "A" 7621, the BCRA requirements set forth by Communication “A” 7106 are also applicable to amortisation payments of principal outstanding amounts in loans and securities scheduled until 31 December 2023. It is not possible to guarantee that the period covered by Communication “A” 7621 will not be extended or reinstated in the future by the BCRA or that other regulations with similar effects will be issued that would require Telecom to refinance its obligations, which in turn could have a negative impact on Telecom and, in particular, in Telecom’s ability to meet its debt obligations.

Any further depreciation of the Argentine Peso or our inability to acquire foreign currency could have a material adverse effect on our financial condition and results of operations. We cannot predict whether, and to what extent, the value of the Argentine Peso could depreciate against the U.S. dollar and the way in which any such fluctuations could affect Telecom’s business. Furthermore, no assurance can be given that, in the future, no additional currency or foreign exchange restrictions or controls will be imposed. Existing and future measures may negatively affect Argentina’s international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business and results of operations. We cannot predict how these conditions will affect the consumption of services provided by Telecom or our ability to meet our liabilities denominated in currencies other than the Argentine Peso. Any restrictions on transferring funds abroad imposed by the government could undermine our ability to pay dividends on our GDSs or make payments (of principal or interest) under our outstanding indebtedness in U.S. dollars, as well as to comply with any other obligation denominated in foreign currency.

Depreciation of the Argentine Peso against major foreign currencies may also have an adverse impact on our subsidiaries’ capital expenditure program and increase the Argentine Peso amount of their trade liabilities and financial debt denominated in foreign currencies. As of 31 December 2022, approximately P$443,099 million of Telecom’s liabilities were denominated in foreign currencies. Telecom seeks to manage the risk of devaluation of the Argentine Peso, by entering from time to time into certain DFI agreements and futures contracts in order to hedge some of its exposure to foreign currency fluctuations. However, Telecom remains highly exposed to risks associated with the fluctuation of the Argentine Peso.

Economic and political developments in Argentina, and future policies of the Argentine government may affect the economy as well as the operations of the telecommunications industry, including Telecom.

The Argentine government has historically exercised significant influence over the economy, and telecommunications companies in particular, have operated in a highly regulated environment. The Argentine government may promulgate numerous, far-reaching regulations affecting the economy and telecommunications companies in particular.

Since assuming office on 10 December 2019, the current administration has announced a range of economic and policy reforms. As of the date hereof, the long-term impact of these measures and any future measures taken by the current administration on the Argentine economy remains uncertain.

In August 2020, Decree No. 690/20 declared ICT services as an essential public service and imposed tariff regulations on such services. Decree No. 690/20 has been subject to several legal proceedings challenging its constitutionality and, as of the date hereof, the federal judiciary has suspended its effects until 8 September 2023.

On 13 March 2020, the Minister of Economy addressed a letter to the Paris Club members expressing Argentina's decision to postpone until 5 May 2021 the US$2.1 billion payment originally due on 5 May 2020, in accordance with the terms of the settlement agreement the Republic had reached with the Paris Club members on 29 May 2014 (the "Paris Club 2014 Settlement Agreement").

On 22 June 2021, the Minister of Economy announced that Argentina had obtained a "time bridge" within the framework of the Paris Club negotiations, consequently avoiding default. In October 2022, the Argentine government and the Paris Club agreed to reschedule 100% of the total amounts of principal and interest due by Argentina (estimated at US$1,972 billion) and reduce the applicable interest rates.

During the first quarter of 2022, the Argentine government reached a new agreement with the International Monetary Fund ("IMF") in order to renegotiate the principal maturities of the US$ 44.1 billion disbursed between 2018 and 2019 under a SBA, originally planned for the years 2021, 2022 and 2023. On 28 January 2022, the IMF and the Argentine authorities reached an understanding on key policies as part of their ongoing discussions on an IMF-supported program. On 4 March 2022, the Argentine government reached a staff-level agreement with the IMF and a bill was sent to the Argentine Congress. On 11 March 2022, the lower house of the Argentine Congress passed and sent to the Senate the bill that supports the agreement between Argentina and the IMF under the extended fund facility arrangement. On 17 March 2022, the Senate approved the agreement. On 19 September and 2 December 2022, the IMF staff and the Argentine authorities reached a staff-level agreement on the second and third reviews, respectively, under the extended fund facility arrangement. After that, on 7 October and 22 December 2022, the IMF Executive Board completed the second and third reviews, respectively, of the extended arrangement under the extended fund facility. We cannot assure the Argentine government will be successful in future negotiations with the IMF, which could affect the Argentine economy's ability to implement reforms and public policies and boost economic growth or the impact the result of such negotiations will have in Argentina's ability to access international capital markets (and indirectly in our ability to access those markets). Moreover, the long-term impact of these measures and any future measures taken by the Argentine government on the Argentine economy, as a whole and in the telecommunication sector in particular, remains uncertain. It is possible that such reforms could be disruptive to the economy and adversely affect the Argentine economy and the telecommunications industry, and consequently, our business, results of operations and financial condition. We are also unable to predict the measures that the Argentine government may adopt in the future, and how they will impact on the Argentine economy and our results of operations and financial condition.

In the event of any economic, social, or political crisis, companies operating in Argentina may face the risk of strikes, expropriation, nationalisation, mandatory amendment of existing contracts, and changes in taxation policies including tax increases and retroactive tax claims. In addition, Argentine courts have sanctioned modifications on rules related to labour matters, requiring companies to assume greater responsibility for the assumption of costs and risks associated with sub-contracted labour and the calculation of salaries, severance payments and social security contributions. Since we operate in a context in which the governing law and applicable regulations change frequently, also as a result of changes in government administrations, it is difficult to predict if and how our activities will be affected by such changes.

Further, presidential and federal congressional elections in Argentina will be held in October 2023, and their impact on the future economic and political environment is uncertain. No assurances can be made as to the policies that may be implemented by a new Argentine administration, or that political developments in Argentina, will not adversely affect the Argentine economy or our business, financial condition, or results of operations. In addition, we cannot assure you that future economic, regulatory, social, and political developments in Argentina will not impair our business, financial condition or results of operations, or cause the market value of our shares to decline.

We cannot assure that future economic, regulatory, social, and political developments in Argentina will not adversely affect our business, financial condition or results of operations, or cause the decrease of the market value of our securities.

Inflation could accelerate, causing adverse effects on the economy and negatively impacting Telecom's margins and/or ratios.

Pursuant to IAS 29, Argentina has a hyperinflationary economy. Inflation has continuously increased since 2005. There can be no assurance that inflation rates will not be higher in the future. Furthermore, the National Institute of Statistics and Census ("INDEC") has experienced periods of political interventionism that raised serious concerns about the reliability of the data published by that agency. Future political intervention in the INDEC could jeopardise the agency's autonomy and therefore affect the reliability of the statistics it publishes.

In addition, various factors in the international economic and financial context, such as COVID-19 pandemic, the military conflict between Russia and Ukraine and the turbulence in international financial markets caused by rising inflation, particularly in the United States and Europe, had a negative impact on emerging economies such as Argentina. The National Consumer Price Index ("CPI") variation was of 94.8% in 2022, 50.9% in 2021 and 36.1% in 2020. Efforts made by the Argentine government to contain and reduce inflation have not achieved the desired results and inflation remains a significant problem for the Argentine economy. If the value of the Argentine Peso cannot be stabilised through fiscal and monetary policies, an increase in inflation rates could be expected.

Because the majority of our revenues are denominated in Pesos, any further increase in the inflation rate not accompanied by a parallel increase in Telecom's prices would decrease our revenues in real terms and adversely affect our results of operations. Further, higher inflation rates generally lead to a reduction in the purchasing power, thus increasing the likelihood of a lower level of demand for Telecom's fixed and mobile telecommunications, cable television and Internet services in Argentina.

The Argentine government may exercise greater intervention in private sector companies, including Telecom

In November 2008, Argentina nationalised its private pension and retirement system and appointed the National Social Security Administration ("ANSES") as its administrator, which affected the access to financing in capital markets for publicly traded companies as well as the liquidity of their securities within the market. Argentina's nationalisation of its pension and retirement system constituted a significant change in the Argentine government's approach towards Argentina's main publicly traded companies. A significant portion of the public float of certain Argentine publicly traded companies is currently owned by the Argentine government through ANSES-FGS, including Telecom. The Argentine government exercised in the past, and may exercise in the future, influence over corporate governance decisions of companies in which it owns shares by combining its ability to exercise its shareholder voting rights to designate board and supervisory committee members with its ability to dictate tax and regulatory matters.

The Argentine government exercised in the past, and may exercise in the future, decisions to intervene private companies in financial distress. We cannot predict whether the current administration or future administrations will take similar or further measures, including nationalisation, expropriation and/or increased Argentine governmental intervention in companies. Government intervention in the industries in which we operate could create uncertainties for investors in public companies in Argentina, including Telecom and CVH, as well as have a material adverse effect on our business, financial condition, and results of operations.

Although Argentina's economy grew during 2022 and 2021, it experienced contractions in the past and may contract in the future due to international and domestic conditions, which may adversely affect our operations.

The Argentine economy has experienced significant volatility in the past few years and recent decades, characterised by periods of low or negative GDP growth, high and variable levels of inflation and currency devaluation. Argentina's economy grew during the last two years, but experienced a marked contraction during 2020 and the country's economy remains unstable notwithstanding the efforts by the Argentine government to address inflation and the constraints on the country's foreign exchange reserves and related pressure on the value of the Peso. Substantially all of Telecom's operations, properties and customers are located in Argentina, and, as a result, our business is, to a large extent, dependent upon economic and legal conditions prevailing in Argentina. If economic conditions in Argentina were to further deteriorate, they could have an adverse effect on our results of operations, financial condition, and cash flows.

Global financial instability, any further economic global downturn due to COVID-19, the international conflict between Russia and the Ukraine or global economic conditions, any future increases in the interest of the United States and other developed countries and any other global economic events may impact the Argentine economy and prevent Argentina from returning to a path to growth, or could aggravate the current recession with consequences in the trade and fiscal balances and in the unemployment rate. Although Argentina's economy has recovered during 2021 and 2022, Argentina's economic growth was impacted by this deterioration of the global macroeconomic situation.

Argentina's economy may be negatively affected in the future by several domestic factors such as an appreciation of the real exchange rate which could affect its competitiveness, reductions and even reversion of a positive trade balance, which, combined with capital outflows could reduce the levels of consumption and investment resulting in greater exchange rate pressure. Additionally, abrupt changes in monetary and fiscal policies or foreign exchange regime could rapidly affect local economic output, while lack of appropriate levels of investment in certain economy sectors could reduce long-term growth. Access to the international financial markets could be limited. Consequently, an increase in public spending not correlated with an increase in public revenues could affect Argentina's fiscal results and generate uncertainties that might affect the economy's growth level.

In February 2022, Russian troops invaded the Ukraine. The severity and duration of the ongoing military conflict are highly unpredictable, and the conflict has led to sanctions being levied by the United States, the European Union and other countries against Russia, with additional potential sanctions threatened and/or proposed. Russia's military incursion and the resulting market volatility could adversely affect the global economy and financial markets and, therefore, our business, financial condition or results of operations. The extent and duration of the military conflict, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks described herein and may result in compliance and operational challenges for the Company. In particular, we maintain telecommunications agreements with certain international carriers that may deliver traffic between the Company's networks, Russia and the Ukraine, including potentially certain sanctioned territories within Ukraine. Although U.S. sanctions authorise the receipt or transmission of telecommunications with such sanctioned territories, to the extent that any activities involving those international carriers are outside the scope of such authorization, or sanctions relating to Russia and the Ukraine are expanded, such activity may potentially result in regulatory or enforcement actions against the Company.

In addition to the severe social and market disruption at a global scale during 2020 caused by the COVID 19 outbreak, in recent years, several trading partners of Argentina (such as Brazil, Europe and China) have experienced significant slowdowns or recession periods in their economies. These slowdowns intensified during 2020. While the vast majority of economies recovered during 2022, if such slowdowns or recessions were to recur, this may impact the demand for products coming from Argentina and hence affect its economy. Additionally, there is uncertainty as to how the trade relationship between the Mercosur member States will unfold, in particular between Argentina and Brazil. We cannot predict the effect on the Argentine economy and our operations if trade disputes arise between Argentina and Brazil, or in case either country decided to exit the Mercosur.

In addition, the global macroeconomic environment is facing challenges. There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States, Europe and China. Some of these monetary measures have impacted negatively on financial markets during 2022. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Iran, the Ukraine, Russia, Syria and North Korea. Moreover, political and social crises arose in several countries of Latin America during 2019, as the economy in much of the region has slowed down after almost a decade of sustained growth, among other factors. There have also been concerns on the relationship among China and other Asian countries, which may result in or intensify potential conflicts in relation to territorial disputes, and the possibility of a trade war between the United States and China.

If international and domestic conditions for Argentina were to worsen due to the aforementioned factors, the Argentine economy could be negatively affected as a result of lower international demand and lower prices for its products and services, higher international interest rates, lower capital inflows and higher risk aversion, which may also adversely affect our business, results of operations, financial condition and cash flows.

Public Health crises and measures that may be implemented by the Argentine government in response, could have an adverse effect on our business operations.

We are subject to risks related to public health crises, such as the COVID-19 pandemic, which had an adverse effect on the operating results of our subsidiary mainly in 2020 and 2021. As a result, our business, financial condition and results of operations could be materially affected by a crisis, like the COVID-19 pandemic, that could significantly impact the way customers use and pay for our products and services, the way our employees provide services to our customers, and the ways that our partners and suppliers provide products and services to us. For example, in response to the COVID-19 pandemic, there were public and private sector policies and initiatives to reduce the transmission of COVID-19, including the initiatives we took to promote the health and safety of our employees and provide critical infrastructure and connectivity to our customers, all of which occurred in the context of a related global slowdown in economic activity. In addition, such a crisis could significantly increase the probability or consequences of the risks our business faces in ordinary circumstances, such as risks associated with our supplier and vendor relationships, risks of an economic slowdown, regulatory risks, and the costs and availability of financing.

Argentina's ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and sustain economic growth.

Argentina has experienced financial distress since its default on certain debt payments in 2001, 2014 and 2020. During 2020, the Argentine government entered into negotiations with its creditors to restore the sustainability of its external public debt. By August of that year, the Argentine government restructured approximately US$66.5 billion of its U.S. Dollar-denominated global bonds.

On 28 January 2022, the Argentine government and the IMF announced that they had reached an understanding on key policies as part of their ongoing discussions relating to an IMF-supported program. Later, on 3 March 2022, the IMF and the Argentine government reached a staff-level agreement on the economic and financial policies to be supported by a 30-month extended fund facility arrangement (the "EFF Agreement"), which was approved by the Argentine Congress through Law No. 27,668 on 17 March 2022, and enacted by Decree No. 130/22. Subsequently, the executive board of the IMF approved the EFF Agreement for an amount equivalent to US$44 billion, including an immediate disbursement of US$9.6 billion. On 19 September 2022, IMF staff and the Argentine authorities reached a staff-level agreement on an updated macroeconomic framework and associated policies needed to complete the second review under Argentina's 30-month EEF Agreement. On 17 October 2022, the IMF Executive Board approved the EEF Agreement, enabling disbursements of an amount of up to US$3.9 billion.

On 28 October 2022, the Minister of Economy announced a new agreement with the Paris Club, which is an addendum to the Paris Club 2014 Settlement Agreement. This new agreement recognises a principal amount of US$1.971 billion, extending the repayment period to thirteen semi-annual instalments, starting in December 2022 to be repaid in full in September 2028. As part of the agreement, the interest rate applicable to the first three instalments was reduced from 9% to 3.9%, with subsequent gradual increases to 4.5%. The payment profile implies semi-annual payments averaging US$170 million (principal and interest included). Over the next two years, Argentina will repay 40% of the principal amount outstanding.

We cannot assure you that the EFF Agreement will not affect Argentina's ability to implement reforms and public policies and boost economic growth. In addition, the long-term impact of these measures and any future measures taken by the current government on the Argentine economy remains uncertain.

Despite the restructuring of Argentina's public debt carried out between 2020 and 2022, international markets remain cautious about Argentina's debt sustainability and, as a result, country risk indicators remain high. There can be no assurance that Argentina's credit ratings will remain in place or otherwise be downgraded, suspended or cancelled. Any downgrade, suspension or cancellation of Argentina's sovereign debt rating may have an adverse effect on the Argentine economy and our business.

Without renewed access to financial markets the Argentine government may not have the financial resources to implement reforms and drive growth. Argentina's inability to obtain credit in international markets could have a direct impact on our ability to access those markets to finance our operations and our growth, including the financing of capital expenditures, which would adversely affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. Telecom has investments in Argentine sovereign bonds in the amount of P$8,263 million as of 31 December 2022. Any new event of default by the Argentine government could adversely affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

The Argentine banking system may be subject to instability, which may affect our operations.

In recent years, the Argentine financial system grew significantly with a marked increase in loans and private deposits, showing a recovery of credit activity. Such recovery has been severely impacted by the COVID-19 pandemic. Although the financial system's deposits continue to grow in nominal terms, they are mostly short-term deposits and the sources of medium and long-term funding for financial institutions are currently limited. In 2022, nominal private deposits in Pesos increased 96.5% year-over-year (fuelled by the growth of nominal time deposits, with a 123.8% increase). During the same period, loans in foreign currency (composed mainly of corporate loans) evidenced a decrease of 11.8%. In 2022, private deposits in U.S. dollars increased by 3.64%.

Financial institutions are particularly subject to significant regulation from multiple regulatory authorities, all of which may, among other things, establish limits on commissions and impose sanctions on the financial institutions. The lack of a stable regulatory framework, or changes to such regulatory framework by the government, could impose significant limitations on the activities of the financial institutions and could induce uncertainty with respect to the financial system stability.

The persistence of the current economic crisis or the instability of one or more of the larger banks, public or private, could have a material adverse effect on the prospects for economic growth and political stability in Argentina, resulting in a loss of consumer confidence, lower disposable income and fewer financing alternatives for consumers. These conditions would have a material adverse effect on us by resulting in lower usage of Telecom's services, lower sales of devices and the possibility of a higher level of uncollectible accounts or an increase in the credit risk of the counterparties regarding Telecom's investments in local financial institutions.

In addition, exchange controls and restrictions on transfers abroad and capital inflows limit the availability of international credit.

We are subject to Argentine and international anti-corruption, anti-bribery and anti-money laundering laws and may be subject to compliance with economic and trade sanctions programs. Our failure to comply with these laws and programs could result in penalties, which could harm our reputation and have an adverse effect on our business, financial condition and results of operations.

The United States Foreign Corrupt Practices Act of 1977, the Organisation for Economic Co-Operation and Development Anti-Bribery Convention, the Argentine Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*) and other applicable anti-corruption laws prohibit companies and their intermediaries from offering or making improper payments (or giving anything of value) to government officials and/or persons in the private sector for the purpose of influencing them or obtaining or retaining business and require companies to keep accurate books and records and maintain appropriate internal controls. In particular, the Argentine Corporate Criminal Liability Law provides for the criminal liability of corporate entities for criminal offences against public administration and transnational bribery committed by, among others, its attorneys-in-fact, directors, managers, employees or representatives. Relatedly, Telecom may be subject to compliance with economic and trade sanctions programs, including certain programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), which prohibit or restrict transactions or dealings with certain territories, governments, organizations, and individuals. Although these programs differ from one sanctions regime to another, to be subject to sanctions compliance requirements, such activities generally need to occur within the jurisdiction of the sanctioning authority. Failure to comply with any anti-corruption, anti-bribery or anti-money laundering laws or economic and trade sanctions programs could subject Telecom and/or us to legal and reputational consequences, including civil and criminal penalties.

It may be possible that, in the future, there may emerge in the press allegations of instances of misbehaviour on the part of former agents, current or former employees or others acting on our behalf or on the part of public officials or other third parties doing or considering business with us. We will endeavour to monitor such press reports and investigate matters that we believe warrant an investigation in keeping with the requirements of compliance programs, and, if necessary, make disclosure and notify the relevant authorities. However, any adverse publicity that such allegations attract may have a negative impact on our reputation and lead to increased regulatory scrutiny of our business practices.

Telecom's subsidiary Micro Sistemas is subject to Argentine anti-money laundering laws and administrative regulations that conform to the international standards established by the Financial Action Task Force (FATF-GAFI) (the "Anti-Money Laundering Laws"), which prohibit, among other things, any involvement in receiving and/or transferring the proceeds of criminal activities, and impose obligations to identify the users and beneficial ownership and request certain information and documentation that, under certain circumstances, must be shared with regulators or government institutions. Failure to comply with Anti-Money Laundering Laws could result in significant administrative and/or criminal sanctions as provided under such regulations.

We believe that our past and present activities are in compliance with applicable anti-corruption, anti-bribery and anti-money laundering laws and economic and trade sanctions programs. However, such laws and programs are complex and subject to significant discretion by the relevant authorities. As a result, we cannot provide any guarantees that our and our subsidaries' activities will not be challenged in the future, which could have a material adverse effect on our results of operations. If we or individuals or entities that are or were related to us are found to be liable for violations of applicable anti-corruption, anti-bribery or anti-money laundering laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others) or of economic and trade sanctions programs, we or other individuals or entities could face civil and criminal penalties or other sanctions, which in turn could have a material adverse impact on our reputation, business, financial condition and results of operations.

Risks Relating to Telecom and its Operations

Telecom may become subject to burdensome regulations, ordinances and laws affecting the services it offers, which could adversely affect its operations.

Activities in the fixed and mobile telephony, cable television and Internet businesses are subject to risks associated with the adoption and implementation of laws and governmental regulations that reflect changing governmental policies over time. The Argentine government has historically exercised significant influence over the economy, and telecommunications companies in particular have operated in a highly regulated environment. In the past, the Argentine government promulgated numerous, far-reaching regulations affecting the economy and telecommunications companies in particular. Existing regulations could further increase penalties that may be imposed by the regulatory authorities. In addition, local municipalities in the regions where Telecom operates have also introduced regulations and proposed various taxes and fees for the installation of infrastructure, equipment and expansion of fixed line and mobile networks. For example, municipalities usually restrict areas where antennas may be deployed, negatively impacting Telecom's mobile service coverage, which in turn affects the quality of its services. Municipal and provincial tax authorities have also brought an increasing number of claims against Telecom, which Telecom is replying. If changes to existing laws and regulations lead to negative consequences for Telecom, our business, financial condition, results of operations and cash flows may be adversely affected.

After the deregulation of Argentina's telecommunications and media industries, the Broadcasting Law No. 26,522, the LAD and their implementing regulations have been amended on a number of occasions, modifying requirements to hold or transfer broadcasting licenses.

In March 2020, in response to the COVID-19 outbreak, the Argentine government introduced emergency measures in the telecommunications sector in order to alleviate the financial burden of the pandemic on individuals and companies. Decree No. 311/20 issued by the Argentine Executive Branch on 24 March 2020, determined that services related to fixed and mobile telephony, Internet and cable TV would not be interrupted for defaults in payment by a certain group of customers defined therein. In August 2020, Decree No. 690/20 declared ICT services as an essential public service and imposed tariff regulations on such services.

We can offer no assurances that Telecom will not be subject to similar regulations in the future, which could force it to modify the prices of subscription services and have a material adverse effect on the revenues generated by Telecom's activities. Regulatory authorities have imposed increasing burdens and new regulations on companies that could increase the penalties they can impose for breaches of the regulatory framework.

In certain municipalities, regulations have been adopted requiring Telecom to upgrade and/or modify its cable television systems. Telecom will seek to continue to upgrade its existing cable systems, including any network upgrades or modifications required by regulatory or local authorities if it has sufficient cash flow and financing is available at commercially attractive rates. Although currently applicable local ordinances provide that certain penalties may be imposed, including the suspension of the right to use the air space, municipalities have generally not imposed penalties on non-compliant cable systems operators. As of the date of the Company's Annual Report, no fines have been imposed to Telecom in relation to this matter.

The Auction Terms and Conditions approved by Resolution SC No. 38/14 established strict coverage and network deployment commitments that will require significant capital expenditures from Telecom. Additionally, many municipal governments have issued regulations that, in our view, exceed their authority, which frequently limit, hinder or restrict the installation of the infrastructure required to comply with such commitments. Therefore, such legislation negatively impacts the obligations that Telecom and its competitors assumed in the mobile telephony business pursuant to the requirements set out in the Regulation for the Quality of Telecommunications Services.

Telecom may also be subject to additional and unexpected governmental regulations in the future.

Additionally, SCI Resolution No. 50/10 approved certain rules governing pay television services. These rules provide that cable television operators must apply a formula to calculate their monthly 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*), requiring cable television operators to adjust such amount semi-annually and inform the result of such adjustment to that Office. Telecom challenged Resolution No. 50/10 and requested the suspension of its effects and its nullity.

On 1 August 2011, the Federal Court of Appeals of the City of Mar del Plata, *in re* "La Capital Cable S.A. v. Ministerio de Economía-Secretaría de Comercio Interior de la Nación", ordered the SCI to suspend the application of Resolution No. 50/10 with respect to all cable television licensees represented by ATVC, including Telecom. The injunction was notified to the SCI and the Ministry of Economy on 12 September 2011 and became fully effective. The Executive Branch filed an appeal against the decision issued by the Court of Appeals of Mar del Plata. Such appeal was dismissed. The Executive Branch therefore filed a direct appeal before the Supreme Court, which was also dismissed.

Notwithstanding the foregoing, between March 2011 and October 2014 certain resolutions were adopted based on Resolution No. 50/10, in an attempt to regulate the prices that Cablevisión could charge its customers during that period. These resolutions were challenged and suspended.

In September 2014, a decision was rendered in a case brought by the Municipality of Berazategui against Cablevisión ordering the submission of all cases related to these resolutions to the jurisdiction of the Federal Courts of Mar del Plata, which had issued the decision on the class action in favour of ATVC.

In April 2019, La Capital Cable S.A. was notified of the resolution issued by the Federal Court of First Instance No. 2 of Mar del Plata declaring the unconstitutionality of certain articles of a law that had served as the legal basis of Resolution No. 50/10 and its subsequent supplementary resolutions. The declaration of unconstitutionality implied that these resolutions would not apply to ATVC's member companies, including Telecom. The Executive Branch filed an appeal against the decision of the Mar del Plata court.

On 26 December 2019, the Federal Court of Appeals of Mar del Plata rejected the grievances of the Argentine government and upheld the ruling issued by the Court of Mar del Plata. The National Government and ENACOM filed extraordinary appeals, which were granted during 2021, but are still pending approval by the Supreme Court of Justice.

Telecom's management, with the assistance of its legal advisors, is analysing the potential impact of this new appeal. Even though Telecom's position is based on solid legal grounds, an adverse outcome in the aforementioned cases would have a negative effect on its results of operations and financial condition.

Telecom faces substantial and increasing competition in the Argentine fixed and mobile telephony, cable television and Internet businesses.

The fixed and mobile telephony, cable television and Internet businesses in Argentina are competitive. Telecom's competitors may consummate transactions that result in a further consolidation and convergence. Therefore, Telecom may lose a portion of its market share, which may create additional risks and adversely impact our financial condition and results of operations.

Telecom competes with other cable television operators that have built networks in the areas in which Telecom operates, providers of other pay television services, including direct broadcasting, direct-to-home satellite and multi-channel multi-point distribution system services, licensed suppliers of Basic Telephone Services and cooperative entities providing utility services and also with free broadcasting services which are currently available to the Argentine population in certain areas from four privately-owned television networks and their local affiliates and one state-owned national public television network. We expect competition to increase in the future due to a number of factors, including the development of new technologies. In relation to mobile services, we anticipate that Telecom will have to devote significant resources to the refurbishment and maintenance of its existing network infrastructure to comply with regulatory obligations and to remain competitive with respect to the quality of its services. In addition, Telecom must comply with the obligations arising from the acquisition of the 4G spectrum. We also expect Telecom to continue to devote resources to customer retention and loyalty in such services. Technological innovation relating to fixed and mobile telephony, cable television and Internet transmission increases the level of competition that Telecom faces and requires Telecom to make frequent investments to develop new and innovative programming services and products to attract and retain fixed and mobile telephony, cable television and Internet customers. We cannot assure you that Telecom will be able to make the investments necessary to remain competitive, or that Telecom will be able to attract new and retain its current customers. A substantial loss of customers to competitors would have a material adverse effect on our business and results of operations.

Additionally, Telecom's ability to successfully invest in, and implement, new technologies, coverage and its wireless network may be impaired if Telecom fails to obtain certain municipal authorisations, as well as by an adverse macroeconomic condition in Argentina. If Telecom is not successful in making such investments, the growth of its business and quality of its services would be adversely affected. Further, if Telecom is unable to make these capital expenditures, or if its competitors are able to invest in their businesses to a greater degree and/or faster than Telecom, Telecom's competitive position will be adversely impacted.

Telecom also faces competition from other cable television and Internet service providers. Certain competitors of the cable television and Internet business have well-established name recognition, larger customer bases, and significant financial, technical and marketing resources. This may allow them to devote significant resources to the development and promotion of their business. These competitors may also engage in more extensive research and development, adopt more aggressive pricing policies and make more attractive offers to advertisers. Competitors may develop products and services that are equal or superior to Telecom's offers or that achieve greater market acceptance. As a result, competition may have a material adverse effect on Telecom's operations.

Moreover, the products and services that Telecom offers may fail to generate revenues or attract and retain customers. If Telecom's competitors present similar or better responsiveness, functionality, services, speed, plans or features, Telecom's customer base and revenues may be materially affected.

Competitiveness is and will continue to be affected by the business strategies and alliances deployed by Telecom's competitors. Telecom may face additional pressure on the prices that it charges for its services or experience a loss of market share in the services it provides. In addition, the general business and economic climate in Argentina may affect Telecom and its competitors differently; thus, Telecom's ability to compete in the market could be adversely affected.

Additionally, if in the future licensees of ICT services are allowed to register and provide subscription broadcasting service by satellite link, it will ease the entry of new competitors into the market. As a result, Telecom may face additional pressure with respect to prices it charges for its services or experience a loss of participation in the subscription broadcasting market.

Given the range of regulatory, business and economic uncertainties we face, it is difficult to predict with precision and accuracy Telecom's future market share in relevant geographic areas and customer segments, or to anticipate a decrease in demand for the products that Telecom offers that could result in a reduction of its revenues and market share, or the speed with which such change in Telecom's market share or prevailing prices for services may occur or the effects of competition. Those effects could be material and adverse to our overall financial condition, results of operations and cash flows.

Telecom's revenues may vary depending upon the condition of the Argentine economy.

Revenues generated by Telecom's fixed and mobile telephony, cable television and Internet operations have in the past been impacted by Argentina's unstable macroeconomic environment and have been dependent on the general economic conditions in Argentina. In the past, a general economic downturn in Argentina has had, and would be expected to have in the future, a negative effect on our revenues and a material adverse effect on our results of operations. Historically, for example, increases in losses of cable television subscribers have corresponded with general economic downturns and regional and local economic recessions.

Price regulations may adversely affect Telecom's revenues.

The LAD established that licensees of ICT services may freely set their prices, which shall be fair and reasonable, to offset the costs of exploitation and to tend to the efficient supply and reasonable margin of operations.

However, on 22 August 2020, the Argentine Executive Branch issued Decree No. 690/20 amending the LAD. Decree No. 690/20 declared ICT services (which includes fixed and mobile telephony services, cable television and Internet) as well as access to telecommunications networks for and between licensees as "essential and strategic competition public services," and empowered ENACOM to ensure accessibility. Decree No. 690/20 further established that (i) the prices of the Essential and Strategic Competition Public ICT Services, (ii) the prices of those services provided in accordance with the Universal Service, and (iii) the prices of those services determined by ENACOM for public interest reasons, shall be regulated by ENACOM. Moreover, Decree No. 690/20 established that ENACOM is the agency responsible for the enactment of any regulation related to the ICT's Basic Universal Services ("PBUs," for its Spanish acronym), and also suspended any price increases or changes set or announced by the ICT's licensees from 31 July 2020 to 31 December 2020. Decree No. 690/20 has been ratified by the Argentine Congress under Law No. 26,122 and has been regulated through ENACOM Resolutions Nos. 1,466/20 and 1,467/20.

Resolution No. 1,466/20, among other things, allows ICT licensees providing Internet access services, subscription broadcasting services through physical, radio-electric or satellite link, fixed telephony services and mobile telecommunications services to increase retail prices for services up to 5% during January 2021. In order to establish the percentages approved, licensees must consider the prices effective as of 31 July 2020 as the price of reference. Such Resolution also provides that ICT Services Licensees may request a higher increase, on an exceptional basis in accordance with the provisions of Section 48 of the LAD.

Resolution No. 1,467/20 regulated the PBU provided by Decree No. 690/20 for the different services provided by ICT licensees, establishing the price and the characteristics of each service plan. The Resolution also defines the beneficiaries of this PBU, among other matters.

Telecom began to implement an increase in prices as from January 2021, in order to match the increase in its costs due to the inflation. Nevertheless, it failed to transfer to the price of its services the inflation accumulated in the period March-December 2020, as a result of different measures provided by the PEN. Additionally, Telecom initiated legal proceedings before the Federal Court of Appeals on Administrative Litigation Matters challenging the constitutionality of Decree No. 690/20 and the aforementioned ENACOM Resolutions, which was notified to the Executive Branch on 7 October 2021. Telecom, with the assistance of its legal advisors, is analysing the actions that may be necessary in order to protect its rights.

If the ENACOM imposes further restrictions on Telecom's prices, its operating margins may be adversely affected. Telecom's ability to comply with the conditions in its license, as well as the relevant provisions in applicable regulations and laws, may be affected by events or circumstances outside of our control, and therefore we cannot predict whether such events or circumstances result in an adverse effect on our financial condition, our operations and cash flows. Telecom, with the assistance of its legal advisors, is analysing the actions that may be necessary in order to protect its rights.

Technological advances and replacement of Telecom's equipment may require Telecom to make significant expenditures to maintain and improve the competitiveness of the services that it offers.

Our industry is subject to significant changes in technology and the introduction of new products and services. We cannot predict the effect of technological changes on our business. New services and technological advances related to the telecommunications, cable television and Internet industries are likely to offer additional opportunities to compete against Telecom on the basis of cost, quality or functionality. It may not be practicable or cost-effective for Telecom to replace or upgrade its installed technologies in response to its competitors' actions. Responding to such change may require us to devote substantial capital to the development, procurement or implementation of new technologies, and may depend on the final cost in local currency of imported technology and our ability to obtain additional financing. No assurance can be given that Telecom will have the funds to make the capital expenditures to improve its systems, compete with others in the market or replace equipment used in connection with its businesses.

Moreover, Internet, cable television and mobile telephony services are characterised by rapidly changing technology, evolving industry standards, changes in customer preferences and the frequent introduction of new services and products. To remain competitive, Telecom must invest in network, constantly upgrade its access technology and software for the internet service market, improve the commercial offers and the user experience and continue to enhance its mobile networks by expanding its network. Future technological developments may result in decreased customer demand for certain of Telecom's services or even render them obsolete. In addition, as new technologies develop, equipment may need to be replaced or upgraded or network facilities (in particular, mobile and Internet network facilities) may need to be rebuilt in whole or in part, at substantial cost, to remain competitive. These enhancements and the implementation of new technologies will continue requiring increased capital expenditures.

The media industry is a dynamic and evolving industry, and if it does not develop and expand as we currently expect, Telecom's results and operations relating to its cable television and Internet businesses may suffer.

We expect to derive an increasing amount of revenues from Telecom's activities in the cable television and Internet industries, but we may not do so if these non-traditional media operations do not develop and expand as we currently expect. The role of cable television in Argentina became increasingly important in the past. More recently, non-traditional technologies, including "Over-The-Top" services (which are services provided by a telecommunications provider through Internet Protocol ("IP") networks not necessarily owned by the provider, including communications, content and cloud-based offerings), such as technologies used by Netflix or other IP operators, have come to play a larger role in the Argentine telecommunications industry. These companies take advantage of the deregulation of the sector to bring their services through third-party networks without paying any fee or right to use it. These technology and new services areas are in the early stages of development, and growth may be inhibited for a number of reasons, including:

- the cost of connectivity;
- concerns about security, reliability, and privacy;
- unexpected changes in the regulatory framework;
- the appearance of technological innovations;
- the ease of use; and
- the quality of service.

Our business, financial condition and results of operations will be materially and adversely affected if these markets do not continue to grow or grow more slowly than we anticipate.

In addition, unlike the Argentine cable television industry, which has traditionally been dominated by companies located in Argentina, competitors in other services provided by Telecom may be based outside of Argentina and enjoy certain competitive advantages such as scale and access to financial resources on terms that are better than those available to us.

Telecom may not be able to renew programming contracts on favourable terms.

Telecom purchases basic and premium programming from approximately 58 programming suppliers. Several programming suppliers agreed to offer volume discount pricing structures because of the growth and market share shown by Telecom's cable television operations. Participants in the cable television industry negotiate the terms of a majority of the respective programming contracts that had originally been denominated in U.S. dollars to provide for Peso-denominated pricing formulas generally linked to the number of subscribers and without minimum purchase requirements. As a consequence, contract terms are generally shortened and pricing provisions are adjusted in order to transfer the benefit of increases in the monthly fee for basic cable television services to the programming companies. The new contracts also provide for automatic termination upon the occurrence of major macroeconomic disruptions. We cannot assure you that Telecom will be able to regularly negotiate renewals of its programming contracts at current cost levels, particularly since many of its suppliers have U.S. dollar-based costs. Additionally, suppliers are expected to seek price increases as a reflection of economic conditions in Argentina. There can similarly be no assurances that Telecom will be able to obtain volume discounts in the future.

Telecom may not be able to renew some leases of the facilities for the installation of its fixed and mobile telephony, cable television and Internet systems.

Telecom's fixed and mobile telephony, cable television and Internet services are distributed through networks installed in facilities leased from third parties, either through the lease of space on roofs or on utility poles. Telecom regularly renegotiates the renewal of short-term lease contracts for the use of poles in different areas of the country in the ordinary course of its business. If Telecom is not able to renew some of those lease contracts, its operations in such areas may be suspended if alternative third-party facilities are not promptly obtained on a cost-efficient basis. Underground distribution of Telecom's wire network would require additional governmental authorisations and significant capital expenditures that Telecom may not be able to afford or that Telecom may be restricted from making pursuant to the terms and conditions of its indebtedness and existing covenants. There can be no assurance that such renewals of lease contracts will be granted.

Our revenues may be adversely affected by an increase in churn rates, with respect to mobile telephony, cable television and Internet services, or reductions in fixed telephony lines in service, with respect to fixed telephony services.

Our revenues depend significantly on Telecom's ability to retain customers by limiting churn rates, with respect to mobile telephony, cable television and Internet services, or net reductions in fixed telephony lines in service, with respect to fixed telephony services. Any substantial increase in churn rates, with respect to mobile telephony, cable television and Internet services, or reductions in lines in service, with respect to fixed telephony services, may have a material adverse effect on our revenues and results of operations.

Actual or perceived health risks or other problems relating to mobile handsets or transmission masts could lead to litigation or decreased mobile communications usage.

The effects of, and any damage caused by, exposure to an electromagnetic field were and are the subject of careful evaluations by the international scientific community, but until now there is no scientific evidence of harmful effects on health. We cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets will not be identified as a health risk in the future.

Telecom complies with the international security standards established by the World Health Organisation ("WHO") and Argentine regulations, which are similar to WHO requirements and mandatory for all Argentine mobile operators. Telecom's mobile business may be harmed as a result of any future alleged health risk. For example, the perception of these health risks could result in a lower number of customers, reduced usage per customer or potential consumer liability, all of which could have a material adverse effect on our financial condition and results of operations.

Our operations and financial condition could be affected by future union negotiations, Argentine labour regulations and governmental measures requiring private companies to increase salaries or otherwise provide workers with additional benefits.

In Argentina, labour organisations have substantial support and considerable political influence. In recent years, the demands of Telecom's labour organisations have increased mainly as a result of the increase in the cost of living, which was affected by increased inflation, higher tax pressure over salaries and the consequent decline in the population's purchasing power.

In addition, in the absence of a union agreement concerning convergent services, if we are unable to reach an agreement with the unions on work conditions, or in case of a lack of recognition among union associations, we may be adversely affected by individual labour claims, class actions, higher union contributions expenses, impacts to our operations, impairment of services due to inefficient processes, union conflicts, direct action measures and social impacts which may also affect the quality and continuity of our services to our customers and our reputation.

Certain labour and telecommunications unions have initiated claims against Telecom alleging non-compliance of certain conditions provided for in the collective bargaining agreements that could allow them to negotiate the inclusion of some suppliers' employees in their collective bargaining agreements. If labour organisation claims continue or are sustained, this could result in increased costs, greater conflict in the negotiation process and strikes (including general strikes and strikes by Telecom's employees and the contractors and subcontractors' employees) that may adversely affect our operations.

Moreover, the Argentine government has enacted laws and regulations requiring private sector companies to maintain certain salary levels and provide their employees with additional benefits. On 13 December 2019, the Argentine government declared a labour emergency for a 180-day term. In this context, the Argentine government doubled the amount of the statutory severance payments payable to employees hired before 13 December 2019 and dismissed between 13 December 2019 and 13 June 2020. The layoff prohibition was extended pursuant to Decree No. 528/20 and Decree No. 961/20. Decree No. 39/21, in effect until 27 April 2021, extended the prohibition of dismissals without just cause or based on lack or reduction of work and force majeure, as well as the prohibitions to suspensions for economic reasons, except for suspensions made under the terms of Section 223 *bis* of the Labour Contract Law (agreements between employers and employees later approved by the Ministry of Labour, made either individually or collectively with the purpose of suspending employment for lack or reduction of work due to no fault from the employer), which are not affected by the prohibition.

Likewise, Decree No. 39/21 extended the occupational emergency until 31 December 2023, but dismissals are no longer prohibited and the obligation to pay double severance has expired.

In September 2022, the National Labour Court of Appeals in Buenos Aires issued Resolution No. 2764, changing the way the National Labour Courts of the Federal Capital (*Justicia Nacional del Trabajo de la Capital Federal*) calculates interest on labour claims. Pursuant to Resolution No. 2764, interest on labour claims shall be capitalised every twelve months, starting on the date such claim is filed and until the date of its final settlement. Resolution No. 2764 is not binding on lower courts and, therefore, it has been applied inconsistently.

The Argentine government may adopt new measures that determine salary increases or additional benefits for workers, and workers and their unions may pressure employers to comply with such measures. Any salary increase or additional benefit could result in an increase in costs and a decrease in the results of the operations of Argentine companies, including those of Telecom. Further, future extensions of the prohibition of layoffs and dismissals due to *force majeure* or lack of or decreased work or the duplication of the statutory severance payments to dismissed employees may affect the efficiency of Telecom's employees and therefore its costs and results of operations.

Telecom is or may be involved in legal and regulatory proceedings that could result in unfavourable decisions and financial penalties for Telecom.

Telecom is a party to a number of legal and regulatory proceedings, some of which have been pending for several years. We cannot be certain that these claims will be resolved in our favour. Responding to the demands of litigation claims and responding to, or initiating proceedings against, regulatory bodies may divert management's time attention and financial resources.

For example, Argentine law incentivises individuals to pursue employment-related litigation and certain judicial rulings have created a negative precedent in these matters and could increase our labour costs. Telecom is also exposed to employment-related claims of employees of suppliers, contractors and commercial agents claiming direct or indirect responsibility of Telecom based on a broad interpretation of the rules of labour law.

Further, customers and consumers' trade unions have in the past initiated different claims against us regarding alleged improperly billed charges. Although we have taken certain actions to reduce risks in connection with these claims, we cannot assure that new claims will not be filed against us in the future.

Telecom has in the past been subject to technical sanctions from regulatory bodies, mainly related to the delay in repairing defective lines, installing new lines and/or service failures. Although sanctions are appealed in the administrative stage, if the appeals are not resolved in our favour in administrative or judicial stage or if they are resolved for amounts larger than those recorded, these proceedings could have an adverse effect on our financial condition, results of our operations and cash flows.

As of 31 December 2021, Telecom recorded provisions that we estimate are sufficient to cover contingencies considered probable. However, Telecom may face increased risk of employment, commercial, regulatory, tax, consumer trade union and customers' proceedings, among others. If this occurs, we cannot guarantee that those proceedings will not have an adverse effect on our results of operations and financial condition.

The enforcement of the Law for the Promotion of Registered Labour and Prevention of Labour Fraud may have a material adverse effect on us.

The Law for the Promotion of Registered Labour and Prevention of Labour Fraud (*Ley de Promoción del Trabajo Registrado y Prevención del Fraude Laboral)*, among other things, establishes a Public Record of Employers subject to Labour Sanctions ("Repsal") and defines a series of labour and social security infringements as a result of which an employer shall be included in the Repsal.

The employers included in the Repsal are subject to sanctions, such as: the inability to access public programs, benefits, subsidies or credit from state-owned banks, the inability to enter into contracts and licenses of property owned by the Argentine government, or the inability to participate in the awarding of concessions of public services and licenses. Employers that commit the same infringement for which they were added to the Repsal within a 3-year period after the final first decision imposing sanctions cannot deduct from the Income Tax the expenses related to their employees while such employer continues to be included in the Repsal. This new regulation applies to both Telecom and its contractors and subcontractors, whose employees could initiate claims against Telecom for direct or indirect responsibility.

As of the date of the Company's Annual Report, Telecom has no sanctions registered in the Repsal. However, if sanctions are applied in the future, they could have a significant impact on Telecom's financial position, result of operations and cash flows.

A cyberattack, could adversely affect our business, balance sheet, results of operations and cash flow.

Information security risks have increased in recent years as a result of the proliferation of new and more sophisticated technologies and also due to cyberattack activities. As part of our ongoing development and initiatives, more equipment and systems have been connected to the Internet. We also rely on digital technology, including information systems to process financial and operational information. Due to the nature of our business and the greater accessibility allowed through the Internet connection, we could face an increased risk of cyberattacks. In the event of a cyberattack, Telecom could experience an interruption of its commercial operations, material damage and loss of customer information; a substantial loss of income, suffering response costs and other economic losses; and it could subject us to more regulation and litigation, affecting our reputation. As a result, a cyberattack could adversely affect our business, results of operations and financial condition.

Also, during 2022, we and our subsidiary Telecom have continued to apply a hybrid work mode for our employees. This new working methodology and the exponential growth of the digital collection channels, requires the implementation of several new measures in order to grant security in both virtual and on-premises operations, which were all implemented successfully. Although Telecom has adopted all required measures to ensure the proper functioning of its operating systems, as well as to ensure its customers' information, no assurance can be given that it will not be subject to any cyberattacks that could adversely affect our business and result of operations.

As of the date of the Company's Annual Report, Telecom's insurance policy does not cover damages caused by cyberattacks and other similar events.

Environmental risks and climate change legislation or regulations restricting emissions of greenhouse gases ("GHGs") and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our business and result in increased operating costs.

Extreme weather events precipitated by long-term climate change have the potential to directly damage network facilities, disrupt Telecom's ability to build and maintain portions of its network, disrupt suppliers' ability to provide products and services required to provide reliable network coverage or cause Telecom to incur significant expenditures to improve the climate resiliency of its infrastructure and otherwise prepare for, respond to and mitigate the effects of climate change. Any such disruption or preventive or remedial response could delay network deployment plans, interrupt service for Telecom's customers, increase its costs and have a negative effect on its operating results. In the context of long-term climate change, compliance with legal and regulatory changes relating to such climate change, including those resulting from the implementation of international treaties, may in the future increase Telecom's costs to operate and maintain its facilities, install new emission controls in its facilities or administer and manage any GHG emissions program.

In December 1993, Argentina approved the United Nations Framework Convention on Climate Change ("UNFCCC") through Law No. 24,295. The UNFCCC, which became effective on 21 March 1994, deals with the stabilisation of GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

On 16 February 2005, the Kyoto Protocol to the UNFCCC ("Protocol") entered into force. This Protocol, which deals with the reduction of certain GHGs (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride) in the atmosphere, was effective until 2020 as a consequence of the ratification of the Doha Amendment to the Protocol.

Argentina approved the Protocol through Law No. 25,438 on 20 June 2001, and the Doha Amendment through Law No. 27,137 on 29 April 2015.

The 2015 United Nations Climate Change Conference adopted by consensus the Paris Agreement, which is known to be the successor of the Protocol. The Paris Agreement deals with GHG emission reduction measures, targets to limit global temperature increases and requires countries to review and "represent a progression" in their intended nationally determined contributions. Countries agreed they will aim to achieve the long-term goal to limit global warming to below 2°C above pre-industrial levels, and pursue efforts to further limit the temperature increase to 1.5°C. On 5 October 2016, the country adherence threshold for the entry into force of the Paris Agreement was achieved. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions. Under Federal Law No. 27,270, dated 1 September 2016, Argentina approved the Paris Agreement.

Furthermore, Argentine Law No. 26,190, as amended and supplemented by Law No. 27,191 and its implementing decrees, established a legal framework which promotes an increase in the participation of energies from renewable sources in Argentina's electricity market.

Pursuant to Law No. 27,191, by 31 December 2017, 8% of the electric energy consumed in Argentina must come from renewable sources. By 31 December 2025 the required percentage is 20%. The law sets five stages to achieve the final goal: (i) 8% by 31 December 2017; (ii) 12% by 31 December 2019; (iii) 16% by 31 December 2021; (iv) 18% by 31 December 2023; and (v) 20% by 31 December 2025. Within this framework, the Argentine government launched the RenovAr programs. As of 31 December 2020, 2021 and 2022, electric energy originated from renewable sources represented 9.7%, 13% and 13.9% of the total demand, respectively, according to the data released by the Argentine government.

More stringent environmental regulations can result in the imposition of costs associated with GHG emissions, either through environmental agency requirements relating to mitigation initiatives or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase Telecom's operating costs. Revenue generation and strategic growth opportunities may also be adversely affected. Any long-term material adverse effect on the telecommunications industry due to environmental risks and climate change or climate change legislation or regulations could adversely affect the financial and operational aspects of our business, which we cannot predict with certainty as of the date hereof.

Telecom and/or its managers are subject to environmental and safety regulations whose non-compliance could result in increased costs and/or penalties for its managers.

Some of the goods and facilities used in Telecom's operation are subject to federal, provincial and municipal environmental and safety regulations. If such rules are not adequately complied, they could result in fines, potential delays or inability to obtain authorization for Telecom's facilities and operations which could have an adverse effect in our business, but also could result in penalties for Telecom's managers. In addition, according with global trends, new and stricter standards may be issued, or authorities may enforce or construe existing laws and regulations in a more restrictive manner, which may force Telecom to make expenditures or incur increased costs to comply with such new rules.

The Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, known as the Escazú Agreement, was signed by Argentina on 27 September 2018 and became effective in April 2021. It sets regional standards and provides guidance on the right of access to information about the environment, public participation in environmental decision-making and legal protection and recourse concerning environmental matters. The Agreement provides that each party shall ensure that guidance and assistance is provided to the public—particularly those persons or groups in vulnerable situations, including indigenous peoples and ethnic groups—in order to facilitate the exercise of their access rights, preparing requests and obtaining responses. It also seeks to ensure the public's participation in environmental decision-making processes, including land-use planning, policies, strategies, plans, programmes, rules and regulations, which have or may have a significant impact on the environment. To guarantee the right of access to justice in environmental matters, the Agreement imposes on its parties, among other obligations, the enactment of measures to facilitate the production of evidence of environmental damage, when appropriate and as applicable, such as the reversal of the burden of proof and the dynamic burden of proof.

Moreover, in certain cases, the duty to provide information falls directly on private organizations that receive public funds or benefits (directly or indirectly) or that perform public functions and services, imposing terms of 30 business days to respond or deliver relevant information.

The effects of the Escazú Agreement on Telecom's operations may include:

- a slowdown of authorizations and work permits in public organisms.
- possible conflicts with the public when laying out new networks.
- possible conflicts with masts that are already in place because of the impact of non-ionizing radiation.
- possible requests from the public concerning company processes, such as waste treatment, waste from electrical and electronic equipment (WEEE), recycling and packaging.

Operational risks could adversely affect our reputation and our profitability.

Telecom faces operational risks inherent in its business, including those resulting from inadequate internal processes; fraud; employee errors or misconduct; failure to comply with applicable laws and regulations; the loss, lack of security in the treatment of, or improper use of confidential information; improper access to corporate systems; lack of sufficient skilled resources to support the evolutions of the business; failure to document transactions properly; systems failures (including our systems and the implementation of corporate systems); errors or failures not foreseen in the foundational projects that Telecom is carrying out for updating its core systems, such as turnoff legacy delays and stabilisation of deployments; inadequate management of goods and materials in disuse that could become hazardous waste; failure to preserve the secrecy and content of telecommunications required by law; excessive dependence on certain providers with which a large number of operations are concentrated due to the exclusivity of the technology or service they provide, economic convenience or for strategic reasons; among others. Moreover, certain assets of the Company could be damaged by acts of vandalism or theft of components or by works of third parties on public thoroughfare that damage infrastructure that do not have a second safety path to provide the service. These events could result in direct or indirect losses, inaccurate information for decision making, adverse legal and regulatory proceedings, technical failures in the Company's ability to provide its services, damages to third parties, shortcomings in the creation of more respectful and plural environments, inadequate management of new business developments and harm our reputation and operational effectiveness, among others.

Telecom maintains insurance policies to cover its main assets, particularly its properties. If economic and financial conditions in Argentina were to deteriorate (i.e. devaluation, inflation, etc.), the insurance coverage may not be representative of the market value of the properties which could result in losses for the Company.

Telecom's suppliers of goods and services are contractually obliged to comply with laws and regulations (including tax, labour, social security, anti-corruption, money laundering standards, etc.). Additionally, such suppliers shall comply with a set of conduct standards, such as the Code of Ethics and Conduct for Third Parties, established by Telecom, and must require similar compliance by their employees and subcontractors. Despite these legal safeguards and monitoring efforts made by Telecom in relation to its suppliers, we cannot assure you that they will comply with all applicable regulations. As a result, Telecom could be adversely affected despite our contractual rights to claim for compensations for damages that suppliers could cause to Telecom.

Telecom has risk management practices at the highest levels including a Risk Management Committee designed to detect, manage and monitor the evolution of risks. However, we can give no assurances that these measures will be successful for effectively mitigating the operational risks that Telecom faces and such failures could have a material adverse effect on its results of operations and could harm its reputation.

Any failure by a strategic supplier to comply with its legal and contractual obligations could adversely affect Telecom's operations and any action or restriction by a foreign government against a strategic supplier could adversely affect Telecom's reputation.

Telecom relies on strategic suppliers of equipment and materials to provide it with equipment and materials that it needs in order to expand and to operate its business. As a result, Telecom is exposed to risks associated with these suppliers, including restrictions of production capacity for equipment and materials, availability of equipment and materials, delays in delivery of equipment, materials or services, and price increases. If these suppliers or vendors fail to provide equipment, materials or services to Telecom on a timely basis or otherwise in compliance with the terms of Telecom's contracts with these suppliers, Telecom could experience disruptions or declines in the quality of its services, which could have an adverse effect on our revenues and results of operations.

Telecom's suppliers of goods and services are contractually obliged to comply with applicable laws and regulations (including tax, labour, social security, anti-corruption, money laundering standards, etc.). Despite these legal safeguards, as well as monitoring efforts by Telecom, we cannot ensure that Telecom's suppliers will comply with all applicable standards. As a result, our financial condition and reputation could be adversely affected.

The U.S. Congress and certain regulatory agencies have raised concerns about American companies purchasing equipment and software from Chinese telecommunications companies such as Huawei, one of our strategic suppliers, including concerns relating to alleged violations of intellectual property rights and potential security risks. The U.S. Government is likewise urging other countries to avoid the operations of Chinese companies in their territory, citing concerns regarding potential use of the equipment for espionage. Our reputation could be adversely affected if such actions or restrictions were imposed on Huawei or if the equipment and materials Telecom purchases from Huawei are thought to pose a security risk for Telecom's network.

We cannot predict whether additional restrictions targeting Huawei, including restrictions that would prevent Telecom from acquiring supplies from Huawei in the future, will be adopted directly or the impact that such restrictions might have on Telecom's operations.

Restrictive covenants in Telecom's outstanding indebtedness may restrict its ability to pursue its business strategies.

Telecom has outstanding financial debt that contains a number of restrictive covenants that impose significant operating and financial restrictions and may limit Telecom's ability to engage in acts that may be in its long-term best interests. These agreements governing its indebtedness include covenants restricting, among other things, Telecom's ability to:

- incur or guarantee additional debt;
- enter into sale and leaseback transactions;
- create liens on its assets to secure debt; and
- merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets.

A breach of any covenant contained in the indentures governing Telecom's notes or the agreements governing any of its other indebtedness could result in a default under those agreements. If any such default occurs, the holders of such indebtedness may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding amounts, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. If any of Telecom's debt, including its notes, were to be accelerated, its assets may not be sufficient to repay in full that debt or any other debt that may become due as a result of that acceleration.

We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined or fluctuations in interest rates.

In 2017, the United Kingdom Financial Conduct Authority (the "FCA"), which regulates the London Interbank Offered Rate ("LIBOR"), announced its intention to phase out LIBOR by the end of 2021. On 5 March 2021, the FCA announced that all LIBOR tenors will cease to be published or will no longer be representative after 30 June 2023. The FCA's announcement coincides with the 5 March 2021 announcement of LIBOR's administrator, the ICE Benchmark Administration Limited (the "IBA") indicating that as a result of not having access to input data necessary to calculate LIBOR tenors on a representative basis after 30 June 2023, it would have to cease publication of such LIBOR tenors after 30 June 2023. These announcements imply that any of Telecom's LIBOR-based borrowings that extend beyond 30 June 2023 will need to be converted to a replacement rate. In the United States, the Alternative Reference Rates Committee (the "ARRC"), a committee of private sector entities with ex-officio official sector members convened by the Federal Reserve Board and the Federal Reserve Bank of New York, recommended the Secured Overnight Financing Rate ("SOFR") plus a recommended spread adjustment as LIBOR's replacement. There are significant differences between LIBOR and SOFR, such as (i) LIBOR being an unsecured lending rate and SOFR a secured lending rate, and (ii) SOFR being an overnight rate while LIBOR reflects term rates at different maturities. A transition away from and/or changes to the LIBOR benchmark interest rate could adversely affect our business, financial condition, liquidity and results of operations. If Telecom's or our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for Telecom or us.

As of 31 December 2022, P$112,900 million of Telecom's outstanding debt was indexed to the LIBOR, and is set to mature after June 30, 2023, the proposed LIBOR cessation date. While certain of Telecom's debt agreements do contain language for the determination of interest rates if LIBOR is not available, should LIBOR become permanently unavailable Telecom may need to enter into negotiations with certain of its creditors to agree on an alternative interest rate or an alternative basis for determining the interest rate in its credit facilities.

On 28 June 2022, Telecom executed a proposal for a new credit line with IFC for a total amount of up to US$184.5 million (the "IFC Loan"). As of the date hereof, Telecom is engaged in negotiations with the IFC, IDB, Finnvera and EDC to replace LIBOR with SOFR starting in June 2023. Although these changes do not generate a significant effect on Telecom's cash flows, it is not yet possible to predict the magnitude of LIBOR's end on Telecom's or our borrowing costs given the remaining uncertainty about which rates will replace LIBOR. Any of these proposals or consequences could have a material adverse effect on Telecom's or our financing costs.

Additionally, we are exposed to the fluctuations of the interest rates applicable to our and Telecom's indebtedness indexed to variable interest rates. We or Telecom may also incur additional variable-rate debt in the future. Increases in interest rates on variable-rate debt would increase the Company's interest expense, which would negatively affect our financial costs.

Telecom may be unable to refinance its outstanding indebtedness, or the refinancing terms may be materially less favourable than their current terms, which would have a material adverse effect on our business, financial condition and results of operations.

During 2022, Telecom cancelled a term loan agreement for a total amount of US$ 140 million and entered into the IFC Loan for a total amount of US$ 184.5 million, among other transactions. In addition, Telecom successfully completed the issuances of class 12 and class 13 notes for a total amount of US$119.4 million.

There is no assurance that Telecom will be able to extend the maturity or otherwise refinance its outstanding indebtedness, or that it may be required to agree to refinancing terms that may be materially less favourable than the terms of its current loans and notes. Any amendment to or refinancing of Telecom's indebtedness could result in higher interest rates and may require Telecom to comply with more burdensome restrictive covenants, which may have a material adverse effect on our business, the ability of Telecom to meet its payment obligations, its financial condition, and results of operations.

If Telecom is unable to refinance its debt in favourable terms, it may be forced to reduce or delay capital expenditures or research and development expenditures, seek additional equity capital, restructure its debt, curtail or eliminate its cash dividend to stockholders, or sell assets. Non-payment of Telecom's obligations or any other default under any of Telecom's debt instruments could, in turn, result in a default and acceleration of its other outstanding debt obligations, which would have a further material adverse effect on Telecom's business, the ability to meet its payment obligations, financial condition, and results of operations.

Risks Relating to Our Shares and GDSs

The U.K. Listing Authority ("UKLA"), the London Stock Exchange ("LSE") and/or the Buenos Aires Stock Exchange (by delegated authority of BYMA) may suspend trading and/or delist our GDSs and Class B common shares, respectively, upon occurrence of certain events relating to our financial situation or compliance with ongoing regulatory obligations.

The UKLA, the LSE and/or the BYMA may suspend and/or cancel the listing of our GDSs and Class B common shares, respectively, in certain circumstances, including upon the occurrence of certain events relating to our financial situation or compliance with ongoing regulatory obligations.

The UKLA and the LSE may in their sole discretion determine the suitability for continued listing and admission to trading of our GDSs in the light of all pertinent facts. Some of the factors that may subject a company to suspension and potential delisting procedures, include, *inter alia*, (i) failure to comply with continuing obligations set out in the U.K. Listing Rules (such as the requirement to maintain a "free float" of at least 10 per cent), and (ii) an inability to accurately assess the financial position of the company and inform the market accordingly. The UKLA and the LSE may also suspend and ultimately cancel a company's listing if they determine that such action is necessary to protect investors with a view to maintaining a proper functioning of the market.

We cannot assure you that the UKLA, the LSE and/or the BYMA will not commence any suspension or delisting procedures in light of our financial situation or failure to comply with ongoing regulatory obligations. A delisting or suspension of trading of our GDSs or Class B common shares by the UKLA, the LSE and/or the BYMA, respectively, could adversely affect our results of operations and financial conditions and cause the market value of our GDSs and Class B common shares to decline.

In addition, a delisting or suspension of trading of Telecom's ADSs or Class B common shares by the New York Stock Exchange and/or the BYMA, respectively, could also adversely affect our results of operations and financial conditions and cause the market value of our GDSs and Class B common shares to decline.

Under Argentine corporate law, shareholder rights may be fewer or less well defined than in other jurisdictions.

Our corporate affairs are governed by our bylaws and by Argentine corporate law, which differ from the corporate regulatory framework that would apply if we were incorporated in a jurisdiction in the United Kingdom or in other jurisdictions outside Argentina. Thus, your rights under Argentine corporate law that protect shareholders' interests, especially in relation to actions by our Board of Directors may be fewer and less well defined than under the laws of those other jurisdictions. Although insider trading and price manipulation are illegal under Argentine law, the Argentine securities markets may not be as highly regulated or supervised as the U.K. securities markets or markets in other jurisdictions. In addition, rules and policies against self-dealing and regarding the preservation of shareholder interests may be less well defined and enforced in Argentina than in the United Kingdom, or other jurisdictions outside Argentina, putting holders of our Class B Shares and GDSs at a potential disadvantage.

Changes in Argentine tax laws may adversely affect the tax treatment of our Shares and/or the GDSs.

In September 2013, the Argentine income tax law was amended by Law No. 26,893 (the "Argentine Income Tax Law"). The Argentine Income Tax Law provides that the sale, exchange or other transfer of shares and other securities is subject to a capital gain tax at a rate of 15% for Argentine resident individuals and foreign beneficiaries. In addition, Pursuant to Law No. 26,893, capital gains obtained by non-Argentine residents from the sale, exchange or other disposition of shares and other equity interests, bonds and other securities of Argentine companies were subject to capital gains tax until 30 December 2017, even if those transactions were entered into between non-residents.

Until the enactment of Law No. 27,430, in force since fiscal year 2018, there was an exemption for Argentine resident individuals if certain requirements were met. However, there was no such exemption for non-Argentine residents. For transactions made until 31 December 2017, many aspects of the Argentine Income Tax Law as they apply to the holding and sale of GDSs still remain unclear and they were subject to further regulation and interpretation which may adversely affect the tax treatment of our Shares underlying GDSs and/or GDSs. The income tax treatment of income derived from the sale of GDSs or exchanges of shares from the GDS facility may not be uniform under the revised Argentine Income Tax Law. The possibly varying treatment of the source of income could impact both Argentine resident holders as well as non-Argentine resident holders.

Law No. 27,430 requires the capital gains tax to be paid for transactions carried out between September 2013 (when taxation on the sale of shares for non-residents was introduced) and the effective date of the tax reform, providing that no tax, however, will be due for stock exchange transactions as long as the tax has not yet been paid due to the lack of regulations for the withholding or collection by the stock exchange agents or intermediaries.

Consequently, holders of our Class B Shares, including in the form of GDSs, are encouraged to consult their tax advisors as to the particular Argentine income tax consequences of owning our Shares or the GDSs.

Our shareholders may be subject to liability under Argentine law for certain votes of their securities.

Under Argentine law, a shareholder's liability for losses of a company is limited to the value of his or her shareholdings in the company. However, shareholders who have a conflict of interest with us and who do not abstain from voting at the respective shareholders' meeting may be liable for damages to us, but only if the transaction would not have been approved without such shareholders' votes. Furthermore, shareholders who wilfully or negligently vote in favour of a resolution that is subsequently declared void by a court as contrary to the law or our bylaws may be held jointly and severally liable for damages to us or to other third parties, including other shareholders.

The price of our Class B Shares and the GDSs may fluctuate substantially, and your investment may decline in value.

The trading price of our Class B Shares is likely to be highly volatile and may be subject to wide fluctuations in response to various factors, many of which are beyond our control. Price fluctuations have been largely attributed to Argentina's most recent macroeconomic crisis and the impact of the COVID 19.

The stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that trading prices and valuations will be sustained. These broad market and industry factors may materially adversely affect the market price of our Shares and the GDSs, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our Shares and the GDSs, as well as those of Telecom, which would also affect our estimates of recoverability of Telecom's long live assets. In particular, currency fluctuations could impact the value of an investment in us or in

Telecom. Although our GDSs listed on the London Stock Exchange are GBP-denominated securities and Telecom's ADSs listed on the New York Stock Exchange are U.S. dollar-denominated securities, they do not eliminate the currency risk associated with an investment in an Argentine company.

Future sales of substantial amounts of our Class B Shares and GDSs, or the perception that such future sales may occur, may depress the price of our Class B Shares and GDSs.

Following periods of volatility in the market price of a company's securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management's attention and resources, which would have a material adverse effect on our business, results of operations and financial condition.

Restrictions on transfers of foreign exchange and the repatriation of capital from Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, the Class B Shares underlying the GDSs.

On 1 September 2019, the Argentine government issued Executive Decree No. 609/19 (as amended) which, inter alia, reinstated certain foreign currency exchange restrictions, most of which had been progressively repealed as from 2015. Decree No. 609/19 was further regulated, amended and complemented by several regulations issued by the BCRA (included, but not limited to, Communication "A" 6844, as further amended, supplemented and restated). Since then, the Argentine government implemented monetary and foreign exchange control measures that included restrictions on the transfer of funds abroad, including dividends, without prior approval by the BCRA or fulfilment of certain requirements.

In line with the restrictions that were in place in the past, the BCRA issued new regulations setting forth certain limitations on the flow of foreign currency into and from the Argentine foreign exchange market, aimed both at generating economic stability and supporting the country's economic recovery.

On 30 April 2020, the BCRA issued Communication "A" 7001 (as amended by Communication "A" 7030 and Communication "A" 7042 and as further amended and supplemented from time to time) Communication "A" 7001 setting forth certain limitations on the transfer of securities into and from Argentina. Pursuant to Communication "A" 7001 access to the Argentine foreign exchange market for the purchase or transfer of foreign currency abroad (for any purpose) shall be subject to BCRA's prior approval, if the individual or entity seeking access to the Argentine foreign exchange market has sold securities which settled in foreign currency or transferred any such securities to foreign depositaries during the immediately preceding 90 calendar days. Further, Communication "A" 7001 sets forth that the individual or entity must undertake not to perform any such sale or transfer during the succeeding 90 days after such access. In these cases, the Depositary for the GDSs may hold GDS holders' Argentine Pesos and may cannot convert them into foreign currency.

In addition, Communication "A" 7106 placed certain restrictions on foreign exchange transactions carried out by individuals, specifically with regards to payments with credit cards in foreign currency or with debit cards made abroad. Under Communication "A" 7106, it was also established that non-residents are not allowed to sell securities executed abroad in the local stock market in exchange for foreign currency.

We cannot predict how the current restrictions on foreign transfers of funds may change after the date hereof and whether they may impede our ability to fulfil our commitments in general and, in particular, our obligations underlying the GDSs. In addition, any future adoption by the Argentine government of restrictions to the movement of capital out of Argentina may affect the ability of our foreign shareholders and holders of GDSs to obtain the full value of their Class B Shares and GDSs, and may adversely affect the market value of the GDSs.

Trading of the Company's Class B Shares in the Argentine securities markets is limited and could experience further illiquidity and price volatility.

Argentine securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United Kingdom. In addition, Argentine securities markets may be materially affected by developments in other emerging markets, particularly other countries in Latin America. Our Class B Shares underlying the GDSs are less actively traded than securities in more developed countries and, consequently, a GDS holder may have a limited ability to sell the Class B Shares underlying GDSs upon withdrawal from the GDSs facility in the amount and at the price and time that it may desire. This limited trading market may also increase the price volatility of the Class B Shares underlying the GDSs.

Holders of GDSs may be adversely affected by currency devaluations and foreign exchange fluctuations.

If the Peso exchange rate falls relative to the U.S. dollar, the value of the GDSs and any distributions made thereon from the depositary could be adversely affected. Cash distributions made in respect of the GDSs may be received by the depositary (represented by the custodian bank in Argentina) in Pesos, which will be converted into U.S. dollars and distributed by the depositary to the holders of GDSs if in the judgment of the depositary such amounts may be converted on a reasonable basis into U.S. dollars and transferred to GDS holders on a reasonable basis, subject to such distribution being impermissible or impracticable with respect to certain GDS holders. In addition, the depositary will incur foreign currency conversion costs (to be borne by the holders of the GDSs) in connection with the foreign currency conversion and subsequent distribution of dividends or other payments with respect to the GDSs.

The relative volatility and illiquidity of the Argentine securities markets may substantially limit your ability to sell the shares underlying the GDSs on the BYMA at the price and time desired by the shareholder.

Investing in securities that trade in emerging markets, such as Argentina, often involves greater risk than investing in securities of issuers in the United Kingdom, and such investments are generally considered to be more speculative in nature. The Argentine securities market is substantially smaller, less liquid, more concentrated and can be more volatile than major securities markets in the United Kingdom, and is not as highly regulated or supervised as some of these other markets. There is also significantly greater concentration in the Argentine securities market than in major securities markets in the United Kingdom. The ten largest companies in terms of market capitalisation represented approximately 65.9% of the aggregate market capitalisation of the BYMA as of 31 December 2022. Accordingly, although shareholders are entitled to withdraw the shares underlying the GDSs from the depositary at any time, the ability to sell such shares on the BYMA at a price and time shareholders might elect may be substantially limited.

We are traded on more than one market and this may result in price variations; in addition, investors may not be able to easily move shares for trading between such markets.

The shares underlying GDSs trade on the Buenos Aires Stock Exchange (BYMA) and the GDSs trade on the London Stock Exchange and "Over-The-Counter" in New York, with substantial differences in trading volumes. In addition, the shares and GDSs trade in different currencies and transactions take place at different times (resulting from different trading platforms, different time zones, different trading days and different public holidays in the United States, the United Kingdom and Argentina). The trading prices of the shares underlying GDSs and the GDSDs on these markets differ mainly due to substantially different trading volumes, exchange rate fluctuations and other factors.

Any decrease in the price of the shares underlying GDSs on the BYMA could cause a decrease in the trading price of the GDSs on the LSE. Investors could seek to sell or buy the shares underlying GDSs to take advantage of any price differences between the markets through a practice referred to as "arbitrage." Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the GDSs available for trading on the other exchange. In addition, holders of GDSs will not be immediately able to surrender their GDSs and withdraw the underlying shares for trading on the other market without effecting necessary procedures with the depositary. This could result in time delays and additional cost for holders of GDSs.

If we do not file or maintain a registration statement and no exemption from the Securities Act of 1933 ("Securities Act") registration is available, U.S. holders of GDSs may be unable to exercise pre-emptive rights granted to our holders of shares underlying GDSs.

Under the GCL, if we issue new shares as part of a capital increase, our shareholders may have the right to subscribe to a proportional number of shares of the same class to maintain their existing ownership percentage. Rights to subscribe for shares in these circumstances are known as pre-emptive rights. In addition, shareholders are entitled to the right to subscribe for the unsubscribed shares remaining at the end of a pre-emptive rights offering on a pro rata basis, known as accretion rights.

Upon the occurrence of any future increase in our class B shares, U.S. persons (as defined in Regulation S under the Securities Act) holding our shares underlying GDSs or our GDSs may be unable to exercise pre-emptive and accretion rights granted to our holders of shares underlying GDSs in connection with any future issuance of our shares underlying GDSs unless a registration statement under the Securities Act is effective with respect to both the pre-emptive rights and the new shares underlying GDSs, or an exemption from the registration requirements of the Securities Act is available.

We are not obligated to file or maintain a registration statement relating to any pre-emptive rights offerings with respect to our shares underlying GDSs, and we cannot assure that we will file or maintain any such registration statement or that an exemption from registration will be available. Unless those shares underlying GDSs or GDSs are registered or an exemption from registration applies, a U.S. holder of our shares underlying GDSs or our GDSs may receive only the net proceeds from those pre-emptive rights and accretion rights if those rights can be assigned by the GDS depositary. If the rights cannot be sold, they will be allowed to lapse. Furthermore, the equity interest of holders of shares or GDSs located in the U.S. may be diluted proportionately upon future capital increases.

We are organised under the laws of Argentina and holders of the GDSs may find it difficult to enforce civil liability claims against us, our directors, officers and certain experts.

We are organised under the laws of Argentina. A significant portion of our and our subsidiaries' assets are located in Argentina. Furthermore, almost all of our directors, officers and advisors reside in Argentina. Investors may not be able to effect service of process in England upon such persons or to enforce judgments predicated upon the civil liability provisions of English law against them or us in English courts. Likewise, it may also be difficult for an investor to enforce in English courts judgments obtained against us or these persons in courts located in jurisdictions outside England, including judgments predicated upon the civil liability provisions of English law. It may also be difficult for an investor to bring an original action in an Argentine court predicated upon the civil liability provisions of English law against us or these persons.

Prior to any enforcement in Argentina, a judgment issued by an English court will be subject to the requirements of Article 517 through 519 of the Argentine Federal Civil and Commercial Procedure Code if enforcement is sought before federal courts or courts with jurisdiction in commercial matters of the City of Buenos Aires. Those requirements are: (1) the judgment, which must be valid and final in the jurisdiction where rendered, was issued by a competent court in accordance with the Argentine principles regarding international jurisdiction and resulted from a personal action, or an in rem action with respect to personal property which was transferred to Argentine territory during or after the prosecution of the foreign action; (2) the defendant against whom enforcement of the judgment is sought was personally served with the summons and, in accordance with due process of law, was given an opportunity to defend against foreign action; (3) the judgment must be valid in the jurisdiction where rendered, and its authenticity must be established in accordance with the requirements of Argentine law; (4) the judgment does not violate the principles of public policy of Argentine law; and (5) the judgment is not contrary to a prior or simultaneous judgment of an Argentine court. Any document in a language other than Spanish, including, without limitation, the foreign judgment and other documents related thereto, requires filing with the relevant court of a duly legalised translation by a sworn public translator into the Spanish language.

7. ENVIRONMENTAL DISCLOSURES AND TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Since Cablevisión Holding S.A is a holding company whose main operating subsidiary is Telecom, the environmental and climate-related disclosures contained in Telecom's Integrated Annual Report for the financial year ended December 31, 2022 (the "Telecom FY2022 Annual Report") also apply to the Company. Investors should review Telecom's climate-related disclosures, which discuss aspects of Telecom's climate-related governance, strategy, risk management and related metrics and targets, which can be found under the Section "The Environment" of the Telecom FY2022 Annual Report, available at the following link: https://inversores.telecom.com.ar/en/integrated-report.html. Telecom's climate strategy is a matter under ongoing review by its board's executive committee and Telecom acknowledges that further work is required to enhance the identification, impact and reporting for climate-related risks and opportunities and is working on making its climate-related disclosures consistent with all of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The Company and Telecom support the TCFD and its recommendations and are committed to assessing the impacts of climate risks in the coming financial years and to identify opportunities arising from our climate change adaptation efforts that can benefit our business operations and supply chains.

8. CORPORATE GOVERNANCE, ORGANIZATION, AND INTERNAL CONTROL SYSTEM

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

Members of the Board of Directors

As decided at the Annual Ordinary General and Special Shareholders' Meeting of Class "A", "B" and "C" Shares held on April 28, 2022, at the Special Ordinary Shareholders' Meeting held on December 6, 2022, and at the Board of Directors' Meetings held on the same date, the Board of Directors is composed of the following members:

Ignacio Rolando Driollet	Chair
Sáenz Valiente, Ignacio José María	Vice Chair
Whamond, Alan[1]	Permanent Director
Salaber, Sebastián[1]	Permanent Director
Pozzoli, Nelson Damián[1]	Permanent Director
Blaquier, Gonzalo[1]	Permanent Director
Pagliaro, Lucio Andrés	Permanent Director
Aranda, Antonio Román	Permanent Director
Magnetto, Marcia Ludmila	Permanent Director
Noble Herrera, Marcela	Permanent Director
Domenech, Fernando[1]	Alternate Director
Rio, Alejandro[1]	Alternate Director
Oria, Jorge[1]	Alternate Director
Colombres, Gervasio[1]	Alternate Director

Cassino, Damián Fabio	Alternate Director
Novoa, Nicolás Sergio	Alternate Director
Olivieri, Samantha Lee	Alternate Director
Ostergaard, Claudia Irene	Alternate Director
Romero, Maria Lucila	Alternate Director
Diez Monnet, Leandro	Alternate Director

[1] *Independent members of the Board of Directors.*

Supervisory Committee

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

As appointed at the Annual Ordinary General Shareholders' Meeting and at the Special Meeting of Class "A" shares, Class "A" and "B" Shares (voting as a single class) and Class "C" shares held on April 28, 2022, the Company's Supervisory Committee is composed of the following members:

Gonzalez Rosas, Guillermo Raúl	Permanent Member of the Supervisory Committee
Calcagno, Lorenzo	Permanent Member of the Supervisory Committee
San Martín, Pablo Gabriel	Permanent Member of the Supervisory Committee
Rios, Martin Guillermo	Alternate Member of the Supervisory Committee
Suarez, Rubén	Alternate Member of the Supervisory Committee
Cartamil, María Celina	Alternate Member of the Supervisory Committee

Audit Committee

The Audit Committee is composed as follows:

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

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

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

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

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

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

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

Dividend Policy

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

Set-up of Reserves

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

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

Code of Corporate Governance

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

9. BUSINESS PROJECTIONS AND PLANNING

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

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

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

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

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

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

10. FINANCIAL POSITION AND RESULTS OF ITS OPERATIONS

As mentioned in Note 1 to the Company's consolidated financial statements, 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.

As of December 31, 2022 and 2021, the most significant subsidiary included in the consolidation process and the respective direct and indirect equity interest is Telecom Argentina S.A. The Company holds an economic interest of 39.08% in the outstanding capital stock of Telecom Argentina.

Information per geographical area required under IFRS 8 (Operating Segments) is disclosed below (amounts in constant currency as of December 31, 2022):

1. Sales revenues from customers located in Argentina amounted to $ 680,369 million and $ 769,006 million during the years ended December 31, 2022 and 2021, respectively; while sales revenues from foreign customers amounted to $ 48,813 million and $ 59,825 million for the years 2022 and 2021, respectively;

2. PP&E, goodwill, intangible assets, and right-of-use assets corresponding to the segment “Services rendered in Argentina” amounted to $ 1,545,981 million and $ 1,856,998 million as of December 31, 2022 and 2021, respectively; while PP&E, goodwill, intangible assets and right-of-use assets, and corresponding to the segment “Other Foreign Segments” amounted to $ 57,842 million and $ 65,466 million as of December 31, 2022 and 2021, respectively.

3. The CAPEX corresponding to the segment “Services rendered in Argentina” amounted to $ 114,572 million and $ 153,094 million during the years ended December 31, 2022 and 2021, respectively; while the CAPEX corresponding to the segment “Other Foreign

Segments" amounted to $ 11,697 million and $ 13,552 million during fiscal years 2022 and 2021, respectively.

4. The total amount of Financial Debt corresponding to the segment "Services rendered in Argentina" amounted to $ 457,123 million and $ 505,300 million as of December 31, 2022 and 2021, respectively; while the total amount of Financial Debt corresponding to the segment "Other Foreign Segments" amounted to $ 12,066 million and $ 14,644 million as of December 31, 2022 and 2021, respectively.

Cablevisión Holding S.A. is controlled by GC Dominio S.A., which holds 64.2% of its voting rights. Balances and transactions with related parties are detailed in Note 29 to the Consolidated Financial Statements.

11. REVIEW OF THE FINANCIAL REPORTING COUNCIL

The Financial Reporting Council's Audit Review team carried out a review of the external audit firm of our consolidated financial statements for the fiscal year ended 31 December 2021 (PWC), as part of their routine processes. The Audit Committee received a full copy of the findings and met with PWC to close out the points raised by the review. There were no significant findings resulting from the review.

12. PROPOSAL OF THE BOARD OF DIRECTORS

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

The separate financial statements of the Company as of December 31, 2022 show a loss of $81,834 million. This was mainly generated by negative balances of equity in earnings from subsidiaries, mainly as a consequence of the recognition of an impairment of goodwill as disclosed in Note 3.v.1 to the Consolidated Financial Statements; and to a lesser extent, by negative financial results from the holding of securities that were received as dividends from its subsidiaries and paid as dividends to the shareholders of the Company during 2022.

The Board of Directors proposes to absorb the net loss for the year by making a partial reversal of the Voluntary Reserve for Illiquid Results.

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

The Board of Directors

Buenos Aires, April 20th, 2023.

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

ROLE OF THE BOARD OF DIRECTORS

Principles

I. The company shall be led by a professional and qualified Board of Directors in charge of laying the foundations for the company's sustainable success. The Board of Directors is the guardian of the company and the rights of all its shareholders.

II. The Board of Directors shall be responsible for determining and promoting the corporate culture and values. The Board of Directors' performance shall guarantee the observance of the highest standards of ethics and integrity, based on the best interest of the company.

III. The Board of Directors shall be in charge of ensuring a strategy inspired by the company's vision and mission, aligned with its values and culture. The Board of Directors shall engage constructively with management to ensure the correct development, execution, monitoring, and revision of the company's strategy.

IV. The Board of Directors shall control and supervise on an ongoing basis the direction of the company, ensuring that management takes actions aimed at the implementation of the strategy and the business plan approved by the Board of Directors.

V. The Board of Directors must have the necessary mechanisms and policies in order to efficiently and effectively fulfill the role of the Board and each of its members.

Recommended Practices

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

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

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

and taking into consideration the best interest of the Company and the rights of all its shareholders.

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

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

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

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

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

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

The Company applies the recommended practice. The personal and professional backgrounds of the members of CVH's Board of Directors make them highly qualified to perform their duties in the board. Additionally, they have sufficient time to carry out their duties on the Board of Directors, and the majority of the Directors perform their duties exclusively by regularly attending all the meetings to which they are called. In addition, the directors provide advice to the Company's management areas about issues commissioned by the Chair or the Board of Directors. The directors receive the relevant information well in advance to support the decisions they have to make as members of the Board of Directors. The Board of Directors does not have an internal regulation since its actions, roles, functions, and responsibilities comply with the law and the Bylaws that are published in the Financial Information Highway and on the Company's website. The Audit Committee composed of members of the Board of Directors has a Rules of Procedure, which was filed with the CNV.

CHAIR OF THE BOARD OF DIRECTORS AND COMPANY SECRETARY

Principles

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

Recommended Practices

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

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

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

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

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

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

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

    The Company does not apply the recommended practice through the formal implementation of a Company Secretary. However, the Company applies the principles that underlie the practice, since the Chair of the Board of Directors, which is in charge of the effective administration of the Board, has external advisors on administrative and support matters such as the preparation and distribution of information packages to be considered at meetings, meeting minute-taking, induction for new members, assistance with the communication among the members of the Board of Directors and of the latter with Management, among others. In addition, the Company also has external legal advisors that assist the Chair of the Board of Directors in matters that, given their legal nature, require such assistance.

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

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

COMPOSITION, NOMINATION, AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

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

Recommended Practices

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

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

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

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

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

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

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

    The Company applies the recommended practice. The Company assists new members of the Board of Directors through an induction process aimed at covering all the necessary aspects to have a thorough understanding of the company's operations, regulatory and legal framework in which it operates, structure, policies, and processes, provided by the Company's executives and legal advisors. Additionally, they receive training as indicated in point 8 above.

<u>REMUNERATION</u>

Principles

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

Recommended Practices

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

    The Company does not apply the recommended practice in the terms set out therein. The Board does not have in place a Remuneration Committee. However, the Company hires independent professional human resources consultants that advise the Company regarding the remuneration of the Board of Directors. In addition, the Audit Committee provides an opinion - before the Annual Shareholders' Meeting is held- on the reasonableness of the fees paid to the members of the Board of Directors pursuant to the Capital Markets Law taking into consideration their professional background and reputation, tasks performed, responsibilities, and the amount of time devoted to the performance of their duties. As regards the supervision of the remunerations of the Executive Management, which includes the competitiveness of their remuneration practices and policies, the Company also receives the advice of independent human resources professionals, in order to monitor that the remuneration is in line with the short and long-term returns and interests of the Company, according to its management goals and within market parameters.

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

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

CONTROL ENVIRONMENT

Principles

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

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

Recommended Practices

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

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

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

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

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

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

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

    The Company applies the recommended practice. The Board of Directors has an Audit Committee that acts in accordance with the law, the bylaws and its internal rules which detail its purpose and functions. Those rules are reviewed on an annual basis. The Committee is mostly composed of independent directors. All the members have professional experience in financial and/or accounting areas. The Audit Committee issues on an annual basis an action plan and the report that discloses the treatment given to those the matters that are within its competence. Notwithstanding the foregoing, the current chair of the Audit Committee is the Company's CEO, who, consequently, is a non-independent director.

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

    The Company applies the recommended practice. The Shareholders' Meeting appoints the external auditor after the Audit Committee has issued an opinion on them. The Audit Committee has in place a policy that sets out the guidelines to be followed in the assessment of the work performed by the external auditor, in order to issue its opinion on the proposal of the Board of Directors for the appointment of the external auditor, to ensure its independence and to perform a comprehensive assessment of its work. The guidelines available to the Audit Committee include the capacity, experience, and knowledge of the partner in charge of the audit, as well as the members of the audit team, in the industry in which the Company's subsidiary operates.

ETHICS, INTEGRITY, AND COMPLIANCE

Principles

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

Recommended Practices

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

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

36. The Board of Directors sets out and periodically reviews an Ethics and Integrity Program based on risks, size and economic capacity. The plan is clearly and unequivocally supported by management, which designates an internal officer responsible for developing, coordinating, supervising and reviewing on an ongoing basis the efficacy of the program. The program provides for: (i) periodic training for directors, administrators and employees about ethics, integrity, and compliance matters; (ii) internal channels to report irregularities, open to third parties and adequately disseminated; (iii) a policy for the protection of whistleblowers from retaliation; and an internal investigation system that

respects the rights of those under investigation and imposes effective sanctions on violations of the Code of Ethics and Conduct; (iv) integrity policies in bidding procedures; (v) mechanisms for periodic analysis of risks, monitoring and evaluation of the Program; and (vi) procedures to verify the integrity and background of relevant third parties or business partners (including due diligence during corporate transformation and acquisitions processes to evaluate potential irregularities, illegal actions or vulnerabilities), including suppliers, distributors, service providers, agents and intermediaries.

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

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

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

ENGAGEMENT OF SHAREHOLDERS AND STAKEHOLDERS

Principles

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

Recommended Practices

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

    The Company applies the recommended practice. The Company has a website in which it publishes financial and non-financial information, thus allowing all the investors to have relevant information required to analyze the situation. The Company also has a department devoted to investor relations. Said department organizes conference calls on a quarterly basis ensuring investors worldwide the possibility of connecting for free. At these calls, the Company provides information about its results, its goals and answers questions and/or inquiries made by investors. These conference calls are announced in the daily bulleting of the Buenos Aires Stock Exchange, in the reporting service of the London Stock Exchange, and on the Company's website. The Company maintains communication channels with the minority shareholders through the disclosure of relevant information in the stock exchanges where its shares and GDSs are listed and through information disclosed in the Company's website. In addition, the Company's shareholders and investors can communicate with the department via email at IR@cvh.com.ar or by telephone at +54 11 4309 3417, as detailed on the Company's website.
    As regards non-financial information, as the first Argentine holding company of convergent communications, in its website, under the Sustainability section, visitors can learn about the purpose pursued by the Company, its strategy, digital inclusion and social innovation, employment and productive development, infrastructure and environment.

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

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

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

    The Company applies the recommended practice. The Company makes available to its shareholders information packages before each Shareholders' Meeting. In addition, the Company uploads to CNV's Financial Information Highway all the information requests made the Company's shareholders before Shareholders' Meetings are held, regarding the items of the agendas to be considered at those meetings, together with the answers provided by the Company to each of the requests, so that all the investors have access to the same information thus ensuring equitable treatment and access to information. Such information is provided in English for the foreign investors through the reporting service of the London Stock Exchange. In addition, as explained in practices 25 and 26, the Company has a Department of Investor Relations that keeps the investing public informed, inviting them to quarterly conference calls -

ensuring that investors from all over the world can connect for free - and presenting a report on the Company's results, its objectives, and answering any questions or inquiries they may have.

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

    The Company applies the recommended practice. The Company's Extraordinary Shareholders' Meeting amended the Bylaws to provide for the possibility of holding exclusively in-person, exclusively remote, and/or mixed Shareholders' Meetings, with shareholders being able to participate, in the last two cases, through the use of electronic communication means that allow for the simultaneous transmission of sound, images, and words in order to guarantee equal treatment of participants. The Company will communicate, when calling for Shareholders’ Meetings, the way in which the Shareholders' Meeting will be held and the communication platform through which it will be held in the case of remote and/or mixed Shareholders' Meetings. The Company provides through virtual media, such as the Financial Information Highway and its own website, the information to be considered at the Shareholders’ Meeting in order to ensure equitable access to information by all the shareholders. In addition, the Company sends, through the Depositary, to the shareholders that do not reside in Argentina the items of the agenda so that they can grant a power of attorney to the Depositary, who attends the Shareholders’ Meetings in its name and representation, voting as instructed by them.

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

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

Contents

CONSOLIDATED FINANCIAL STATEMENTS

CABLEVISIÓN HOLDING S.A.

Consolidated Financial Statements for the year ended December 31, 2022, presented on a comparative basis.

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.
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*).
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*)
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.
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.
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.

Consolidated Financial Statements for the year ended December 31, 2022, presented on a comparative basis.

GLOSSARY OF TERMS

FACPCE	Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas*).
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*).
SEFyC	Superintendence of Financial and Foreign Exchange Institutions (Superintendencia de Entidades Financieras y Cambiarias).
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 (Unidad de Información FInanciera)
UPP	Unit of purchasing power, an index developed and published by the BCRA.
VLG	VLG S.A.U., previously VLG Argentina LLC.

CABLEVISIÓN HOLDING S.A.

Consolidated Financial Statements as of December 31, 2022 presented on a comparative basis

Amounts stated in Argentine Pesos - Note 1.c).

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.

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

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
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 Loss, net of Taxes		**(6,393)**	**(12,075)**
Total Comprehensive (Loss) / Income		**(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.

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.

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										Equity Attributable to Non-Controlling Interests	Total Equity
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Company		
	Capital Stock	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves (1)	Retained Earnings			
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 / (Loss)	-	-	-	-	(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 / (Loss)	-	-	-	-	(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.

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 (Loss) 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 Non-Controlling Interests		-	(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 of cash flows.

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

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, Telecom 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 S.A. 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, 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").

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 the Group's licenses and on the regulatory framework is described under Note 2.

As of December 31, 2022 and 2021, the most significant subsidiary included in the consolidation process and the respective direct and indirect equity interest is:

Company	Country	Interest as of December 31, 2022 (2)	Interest as of December 31, 2021 (2)
Telecom Argentina (1)	Argentina	39.08%	39.08%

(1) See Note 32.
(2) As mentioned in Note 4 to these consolidated financial statements, on April 15, 2019, the Voting Trust created under the trust agreement (the "Trust Agreement") was formalized. Pursuant to said Trust Agreement, Fintech Telecom LLC and VLG S.A.U., a subsidiary of the Company, each contributed the bare ownership -including the voting rights- of 235,177,350 shares of Telecom Argentina representing 10.92% of the outstanding capital stock of Telecom Argentina (the "Shares in Trust") to a voting trust (the "Voting Trust"), reserving for themselves the usufruct of the contributed shares. Consequently, the Company holds an economic interest of 39.08% in the outstanding capital stock of Telecom Argentina.

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

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

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 Telecom 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 Executive Director, 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 Executive Director 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.

The Group 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
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, Amortization and Impairment	**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)

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
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, Amortization and Impairment	**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 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

In preparing these consolidated financial statements for the year ending December 31, 2022, and for the purposes of presentation to the London Stock Exchange (LSE), the Company’s consolidated financial statements have been prepared in accordance with 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 consolidated 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).

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 this date 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 (loss) 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 / (loss) 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 (loss) 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.

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 consolidated 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

- ✓ **Telecom holds a *Licencia Única Argentina Digital*, which allows it 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 hold 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 to provide 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 to render 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 Audiovisual Communication Services Law (LSCA, for its Spanish acronym) 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 consolidated statement of comprehensive 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 National Executive Branch issued Decree No. 690/20 ("Emergency Decree No. 690/20"), which was ratified by the Argentine Congress pursuant to Law No. 26,122 and was regulated through ENACOM Resolutions Nos. 1,466/20 and 1,467/20. Emergency Decree No. 690/20 and its implementing Resolutions:

- 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;
- 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;
- Established, through ENACOM, the price and characteristics of each ICT Service under the Mandatory Universal Basic Provision;
- Provided for the suspension of price increases or modifications established or announced from July 31 to December 31, 2020 by ICT licensees.
- 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 National Court of Appeals on Federal Administrative Matters decided by majority vote 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 was subsequently extended for several additional 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 made several price adjustments in order to match the increase in its costs.

The National Executive Branch and the ENACOM filed extraordinary appeals against the decision rendered by the above-mentioned National Court of Appeals on Federal Administrative Matters, which were dismissed on June 18, 2021.

On June 29, 2021, the National Executive Branch 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 consolidated statement of comprehensive 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 Telecom 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 Telecom Personal S.A.**

In compliance with SC Resolution No. 80/07 and No. 154/10 and CNC Resolution No. 2,713/07, since July 2007 Telecom Personal S.A. 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.

Telecom Personal S.A. 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, Telecom Personal S.A. deposited under protest the equivalent amount in the SU Fund, corresponding to the assessment of the SU services provided by Telecom Personal S.A., 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, Telecom Personal S.A. (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 permits for the use of frequencies, and number and sign-posting resource allocations necessary to provide the services held by Cablevisión, pursuant to effective regulations. Said Resolution also authorized the transfer of the agreement executed by Nextel Communications Argentina S.R.L on April 12, 2017 (IF-2017-08818737-APN-ENACOM#MCO). In addition, pursuant to the Resolution, Telecom Argentina, as surviving company of the merger with Cablevisión, had to return, within a term of two years as from the approval date of the merger 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 (the limit was exceeded by 80Mhz).

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 licensees to pay for their allocated frequencies by returning portions of the spectrum that they previously held.

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 No. 2,385/2022 was published in the Official Gazette. Said Resolution approved the "General Rules Governing the Reliable and Intelligent Telecommunications Services (STeFI, for its Spanish acronym)", which govern 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 “Reliable and Intelligent Telecommunications” as the fixed and mobile wireless ICT Service that, 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)**

  - **<u>Communications issued by the Central Bank of Argentina (BCRA)</u>**

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, Micro Sistemas was registered in the Interoperable Digital Wallets Registry under number 36,530. As a result of this registration, Micro Sistemas 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**

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

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

In addition to the specific regulatory framework governing the activities carried out by Micro Sistemas, 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, Micro Sistemas 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, Micro Sistemas is required to comply with the regulations provided for Non-Financial Credit Providers.

Additionally, Micro Sistemas is required to comply with the provisions of the restated text of the Protection of Financial Services Users and supplementary regulations 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 a 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, upon the exercise of a put option on such shares by the non-controlling shareholders of such company and paid the balance owed to the sellers.

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 Argentine 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 resolved: i) to change the company's entity type to a "Single Shareholder 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 Superintendency of Legal Entities and the Corporate 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 income statement 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 information related to accounting records 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 income statement.

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

e) <u>Revenues</u>

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

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

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

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

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

Regarding construction contracts, as of December 31, 2022 and 2021, the Group recognized revenues from construction contracts in the amount of $ 1,937 million and $ 1,338 million, respectively.

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

- *Mobile Services*

The Group 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 the Group 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 (including call waiting, itemized billing, and voicemail), interconnection services, capacity leases and data transmission services for corporate customers, including private networks, dedicated transit, radio, and television broadcasting signal transport, and IoT —internet of things— 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 income statement (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 / (Loss) for the year with the cash flows generated by its operations.

Bank overdrafts are disclosed in the consolidated 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.

Micro Sistemas, 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, Notes 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 Group 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 Group 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 Group 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 (OCI). 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.

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 Group 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 Group 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) <u>Intangible Assets</u>

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 Group expects to recover those costs and provided they are costs that the Group 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. In addition, it includes Foptik Internet por fibra óptica, 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 Telecom 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 consolidated 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 of 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.

The Group 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 amortization 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 the Group 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 Group 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 (Telecom CGU, 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 25.

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.

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 Group 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 Telecom 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 Telecom 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 Group 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 the Group 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 statements of financial position.

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 Group 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 year 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. The Group recognized the effects of the increase in income tax in the consolidated statement of comprehensive income as of December 31, 2021.

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

Cash dividends received from a foreign subsidiary are computed on the statutory income tax rate, under the “worldwide income” principle. As per Argentinian Tax Law, the taxes paid abroad by Telecom can be recognized as a tax credit, which includes the income tax paid abroad, as well as any withholdings on dividends.

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 3.535% and 5.5% for fiscal year 2022.

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 and its Argentinean subsidiaries 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 (No. 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 Group 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 Income and Expense, net

Financial expenses on debt and other financial income and expense, 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 Notes and Bonds
- Results from Credit Losses Risk;
- Income from Renegotiation of Financial Debt;
- gains and losses on foreign exchange and financial instruments;
- Interest on Provisions;
- 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 consolidated statement of comprehensive income.

u) Net Earnings per Share

Basic earnings per share are calculated by dividing the net income or loss attributable to shareholders of the controlling company 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, Telecom Management decided to review the estimated recoverable value of the goodwill allocated to the Telecom CGU.

The most significant goodwill held by the Group corresponds to Telecom CGU. 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 consolidated financial statements includes certain consolidation adjustments related to Telecom CGU.

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 Telecom (which concentrates the business of Telecom CGU), 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).

Telecom 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 Telecom CGU, 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 Telecom CGU 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 Group recognized an impairment of goodwill for this amount, which was recorded under “Depreciation, amortization, and impairment of fixed assets” of the consolidated statement of comprehensive 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, Telecom considered a normalized constant cash flow taking into consideration a long-term growth rate of normalized constant cash flow 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 revenues, the discount rate (WACC), long-term growth rate of normalized constant cash flow, and certain 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 Telecom operates.

As a result of the calculation mentioned above, the value in use exceeds the carrying amount of the Telecom CGU 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 long-term growth rate of normalized constant cash flow to approximately 1.89%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the Telecom CGU.
b) Increasing the WACC to 11.31%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the Telecom CGU.
c) Decreasing the revenues by approximately 1%, while keeping the remaining assumptions constant, the value in use equals the carrying amount of the Telecom CGU.

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 Telecom CGU, 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, Telecom 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 Telecom CGU, 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 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 could be directly associated with the disposal of the CGU. Therefore, the fair value qualifies as level 2 of fair value hierarchy in accordance with IFRS 13.

Telecom 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 Telecom CGU 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 Telecom CGU.
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 Telecom CGU.
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 Telecom CGU.

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 Group 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 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 Group'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) 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 income tax asset / 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 16 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 Group'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 the Company 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 Group

The Group 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 Group.

w.2) New Standards, Amendments and Interpretations Issued by the IASB Not Yet Effective and Not Early Adopted by the Group

As of the date of these consolidated financial statements, the Group 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 Group'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	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	December 31, 2022	December 31, 2021
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 Votes	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 information related to accounting records.
(2) Direct and Indirect Interest.
(3) Even though the Telecom has an interest of more than 50%, it does not exercise control or significant power in accordance with the requirements of IFRS.

Information on Income

	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 Group applies the indirect method to reconcile the net income/(loss) 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 consolidated 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 consolidated statements of cash flows are the following:

	December 31,	
	2022	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:

		Collection of Dividends	
Fiscal Year	**Company**	**Historic Currency at Transaction Date**	**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 subsidiaries.

Fiscal Year	Paying Company	Month of Distribution	Total amount distributed to the non-controlling shareholder		Month of Settlement	Amount Settled in Constant Currency as of 12/31/22
			Historic Currency at Transaction Date	**Constant Currency as of 12/31/2022**		
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**

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 million (Note 3.d.1.b), the impairment of goodwill corresponding to the subsidiaries in Argentina for ($ 64 million), and the impairment of the goodwill corresponding to the Telecom CGU for ($ 204,744 million) (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 – PROPERTY, PLANT AND EQUIPMENT

	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**

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 (1)	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) million 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**

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**
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 Financial 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 million corresponding to loans which did not represent movements of cash.
(**) Includes $ 15,852 million corresponding to loans which did not represent movements of cash.

Most of the financial debt executed by Telecom has ratio covenants that are normal for this type of agreements. As of December 31, 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	Outstanding Balance in $ as of December 31, 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 UPP: 3.00%	Semi-annual	23,243	23,780
8	$	134	01/2021	01/2025	In 1 installment at maturity	Fixed UPP: 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, Telecom 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

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	Outstanding Balance in $ as of December 31, 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.

(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.

(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.

(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, Telecom 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 million 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
Micro Sistemas	2021	240	2026
Micro Sistemas	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 (loss) 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 million 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) million 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 below (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 fiscal year 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 year 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 Telecom 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, Telecom 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, Telecom should obtain a favorable resolution to such claims.

Consequently, the income tax assessed in excess qualifies as a tax credit under IAS 12 and Telecom recorded a non-current tax credit of $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 consolidated 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

Current	December 31, 2022	December 31, 2022
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**

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.n)	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 Income and Expenses.
(***) 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 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 million charged to Other Operating Costs, $ 9 million to Other Current Receivables, and $ 1,078 million to Right-Of-Use Assets.
(ii) Charged to Other Financial Income and Expenses, net - Other interest, net and other income from investments
(iii) $ 15,381 million charged to Other Operating Costs, and $ 1,090 million to Right-Of-Use Assets.

1. *Probable Contingent Liabilities*

Below is a summary of the most significant claims and legal actions for which the Telecom'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 Telecom 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 Telecom Personal S.A. and Nextel Communication Argentina S.R.L.

Former sales representatives of Telecom Personal S.A. and Nextel Communication Argentina S.R.L. 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 S.A., 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, Telecom answered the claims rejecting the compensation claimed and requesting that the punitive damages claimed be declared unconstitutional.

Telecom counterclaimed for labor items already paid to third parties. In addition, it filed a claim for any amounts that it may eventually have to pay in this regard in the future. That estimate could vary according to the evidence submitted in connection therewith.

In December 2018, Task Solutions was declared bankrupt.

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, Telecom Personal S.A. 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 Telecom Personal S.A.

In March 2017, the ENACOM demanded Telecom Personal S.A. 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, Telecom Personal S.A. 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, Telecom Personal S.A. was notified of a lawsuit filed by the "*Consumidores Financieros Asociación Civil para su Defensa*" claiming that Telecom Personal S.A. made allegedly abusive charges to its customers by implementing per-minute billing and setting an expiration date for prepaid telecommunication cards.

Telecom Personal S.A. 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, Telecom Personal S.A. 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 Telecom Personal S.A.

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, Telecom’s Management believes to have strong arguments for its defense. However, given the absence of any case law, the final outcome of these claims cannot be assured.

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 Telecom Personal S.A., 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 Telecom Personal S.A. 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, Telecom 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. Telecom 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) CNV Resolution No. 17,769

In August 2015, Cablevisión was served notice of Resolution No. 17,769 dated August 13, 2015 whereby the CNV ordered the initiation of summary proceedings against Cablevisión and its directors, members of the Supervisory Committee and the Head of Market Relations for an alleged delay in the submission of the required documentation regarding the registration with the IGJ of the appointment of the officers approved at the Ordinary General Shareholders' Meeting of Cablevisión held on April 30, 2000 and the update of the registered office in the Financial Information Highway.

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. Remote Contingencies

The Group faces other legal, fiscal, and regulatory proceedings considered normal in the development of its activities. The 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. Telecom 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 Telecom 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.

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) 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.

As of December 31, 2022	Amortized cost	Fair Value		Total
		accounted through profit or loss	accounted through other comprehensive Income	
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		Total
		accounted through profit or loss	accounted through other comprehensive Income	
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	-	-	**36,847**
Other Liabilities and Dividends Payable (1)	2039	-	-	**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)**

b) Fair value hierarchy and other disclosures

IFRS 13 establishes a hierarchy of fair value, based on the information used to measure the financial assets and liabilities and also establishes different valuation techniques. According to IFRS 13, valuation techniques used to measure fair value shall maximize the use of observable inputs.

The measurement at fair value of the financial instruments of the Group 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 the Company 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 Group 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)

The Company 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.

c) Hedge Accounting

The Company 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 the Group 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 consolidated statement of financial position and the impact on the consolidated 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, Telecom 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 Receiva bles**	**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 the Company 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
Equipment Revenues	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 of 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 31, 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 of 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)**

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).

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) million and $ (736) million of foreign currency exchange losses, net, generated by NDFs for the years ended December 31, 2022 and 2021, respectively.
(**) Includes $ (1,555) million and $ (3,567) million of foreign currency exchange losses, net, generated by NDF for the years ended December 31, 2022 and 2021, respectively.
(***) Includes $ 214 million 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 Argentine 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 the Group;
- 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 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 dollar 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.

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. Devaluation can also have a negative impact on the Group 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 a cross-border 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 cross-border debt with an average life of at least 2 years.

The foregoing shall not apply 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 such refinancing allowed the borrower to meet the parameters set forth above; and f) the amount that would allow the borrower 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, US$, RMB, and PYG that accrue interest at a floating and fixed rates. For more information, see Note 14.

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 Group 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 Group 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.

Price Risk – Sensitivity Analysis

The Group' 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 Group 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 the Group 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.

The Group has a wide range of customers, including individuals, businesses - medium-and-large-sized companies - and governmental agencies. Therefore, the Group'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 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.)

The Group 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.

The 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.

The Group 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, the Group 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.

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

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) Revenues and Other Income	Income (loss) Revenues and Other Income
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

	Transaction	Type of related party	December 31, 2022	December 31, 2021
			Income (loss) Revenues and Other Income	Income (loss) Revenues and Other Income
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

Compensation 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. Compensation 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 is 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, 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 National Court on Federal 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. National 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. National 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. National 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. National 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 National 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 National 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 National Court of Appeals on Federal Administrative Matters. The decision rendered by Chamber V of the National Court of Appeals on Federal Administrative 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.

These consolidated financial statements for the year ended December 31, 2022, and for the purposes of their filing with the LSE, have been approved by Cablevisión Holding’s Board of Directors on April 20th , 2023

Independent auditor's report

To the Shareholders, President and Directors of
Cablevisión Holding S.A.

Opinion

We have audited the consolidated financial statements of Cablevisión Holding S.A. ("the Company") and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Argentina. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires
T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar

Key audit matter	How our audit addressed the key audit matter
Recoverability of goodwill	
At December 31, 2022, the consolidated carrying amount of goodwill is $494,757 million, of which $494,067 million accounts for the goodwill allocated to the cash generating unit (CGU) Telecom Argentina S.A. (hereinafter, Telecom CGU). During fiscal year 2022, the Group has recognized an impairment of the goodwill allocated to the Telecom CGU, within the Argentine business, for $204,744 million, included under Depreciation, amortization, and impairment of fixed assets. As detailed in Notes 3.l), 3.m) and 3.v.1) to the consolidated financial statements, the Management monitors the recoverability of the goodwill of the Telecom CGU at the end of each fiscal year, or more frequently, if events or circumstances indicate that it may be impaired. In determining the recoverable value of that CGU, the higher of its fair value less costs of disposal and its value in use is considered. The fair value less costs of disposal is calculated using the market capitalization value of Telecom Argentina S.A. and the value in use is estimated through a discounted cash flows model. As mentioned in Note 3.v.1), at September 30, 2022 the Management identified certain indicators that the goodwill recognized might be impaired; accordingly, it performed the impairment test. At September 30, 2022, the recoverable value of the Telecom CGU was determined through fair value less costs of disposal, as this amount was higher than the value in use. As a result of the tests, it was determined that the recoverable value of this CGU was below its carrying amount; therefore, the Group recorded an impairment for $204,744 million (stated in constant currency as of December 31, 2022), which was fully allocated to the goodwill included in that CGU.	We have performed audit procedures over Management's process for determining the recoverable value of the Telecom CGU, which included: • testing the effectiveness of controls over the recoverability of the CGU, including Management's process for estimating the recoverable value; • testing the proper definition of the identified CGU, as well as the reasonableness of the carrying amounts allocated to it, and verifying the comparison between the recoverable value and the carrying amount; • reviewing the sensitivity analysis performed by the Management on the recoverable value of the CGU; • reviewing the information and mathematical calculations used by the Management to determine fair value less costs of disposal, including the source of information used to determine market capitalization value and the related adjustments; • assessing the model and the significant assumptions used by the Management to determine value in use, as well as testing the completeness, accuracy and validity of the underlying data used in the model, including discount rate, long-term growth rate of normalized constant cash flow, projected revenues and certain macroeconomic variables such as inflation and projected exchange rates; • assessing the significant assumptions used by the Management to determine fair value less costs of disposal; and • evaluating the appropriateness of the disclosures included in the financial statements regarding the impairment of assets.

Key audit Matter (Contd.)	How our audit addressed the key audit matter (Contd.)
At December 31, 2022, the recoverable value of the Telecom CGU was determined through value in use, as this amount was higher than its fair value less costs of disposal. As a result of the impairment test performed at that date, it was not considered necessary to record any additional charges for impairment. This area is key to our audit procedure due to the materiality of the balances involved and because it involves the exercise of Management's judgment to determine the recoverable value of the Telecom CGU, which is subject to uncertainty and future events. Dealing with this matter involves a high degree of professional judgment by the auditor and effort in the performance of the procedures, considering the nature of the associated asset.	

Other information

The other information comprises the Annual Report. Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors and Audit Committee for the consolidated financial statements

Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Company’s Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Autonomous City of Buenos Aires, April 20th, 2023.

PRICE WATERHOUSE & CO. S.R.L
Alejandro Javier Rosa
Partner