



Cablevisión Holding S.A.

Interim Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2020
presented on a comparative basis

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

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CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Interim Condensed Consolidated Financial Statements for the three-month period ended March 31, 2020

GLOSSARY OF TERMS

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

See our report dated
May 19, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Interim Condensed Consolidated Financial Statements as of March 31, 2020 and for the three-month period beginning January 1, 2020 and ended March 31, 2020.

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

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

Main corporate business: Investing and financing

Date of incorporation: December 1, 2016

Date of registration with the Public Registry of Commerce:

- Of the by-laws: April 27, 2017

Business start date: May 1, 2017

Registration number with the IGJ: 1,908,463

Expiration of Articles of Incorporation: April 27, 2116

Information on Parent Company:

Name: GC Dominio S.A.

Registered office: Piedras 1743, Buenos Aires, Argentina

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

CAPITAL STOCK STRUCTURE (Note 20)

Type	Number of votes per share	Outstanding Shares	Treasury Stock	Total Subscribed, Registered and Paid-in Capital
Class "A" Common shares, \$1 par value	5	47,753,621	-	47,753,621
Class "B" Common shares, \$1 par value	1	121,104,504	1,578	121,106,082
Class "C" Common shares, \$1 par value	1	11,782,877	-	11,782,877
Total as of March 31, 2020		180,641,002	1,578	180,642,580

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(in millions of Argentine pesos)

	<u>Note</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Revenues	21	62,762	65,735
Employee benefit expenses and severance payments	22	(11,730)	(13,031)
Interconnection and Transmission Costs		(2,016)	(2,174)
Fees for Services, Maintenance, Materials and Supplies	22	(6,919)	(6,735)
Taxes and Fees with the Regulatory Authority	22	(4,778)	(5,165)
Commissions and Advertising		(3,570)	(3,734)
Cost of Equipment and Handsets	22	(2,250)	(3,236)
Programming and Content Costs		(4,726)	(5,060)
Bad Debt Expenses	3	(2,248)	(2,147)
Other Operating Income and Expense	22	(2,571)	(3,067)
Operating Income before Depreciation and Amortization		21,954	21,386
Depreciation, Amortization and Impairment of Fixed Assets	22	(16,249)	(14,825)
Operating Income		5,705	6,561
Equity in Earnings from Associates	2.a	92	153
Financial Expenses on Debts	23	(3,094)	(6,939)
Other Financial Results, net	23	1,764	6,342
Income before Income Tax Expense		4,467	6,117
Income Tax	13	(1,693)	(5,083)
Net Income		2,774	1,034
Other Comprehensive Income - to be subsequently reclassified to profit or loss			
Currency Translation Adjustments (no effect on Income Tax)		(1,004)	(724)
Effect of NDF classified as hedges		(308)	(111)
Tax Effect of NDF classified as hedges		74	31
Other Comprehensive Income, net of Taxes		(1,238)	(804)
Total Comprehensive (Loss) / Income		1,536	230
Net Income (Loss) attributable to:			
Shareholders of the Controlling Company		1,125	(258)
Non-Controlling Interest		1,649	1,292
Total Comprehensive Income (Loss) Attributable to:			
Shareholders of the Controlling Company		738	(519)
Non-Controlling Interest		798	749
Basic and Diluted Earnings per Share attributable to the Shareholders of the Controlling Company (in pesos)	24	6.22	(1.43)

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

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

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

ASSETS	Note	March 31, 2020	December 31, 2019
CURRENT ASSETS			
Cash and Cash Equivalents	2	36,768	29,174
Investments	2	807	462
Trade Receivables	3	18,986	18,288
Other Receivables	4	6,447	4,974
Inventories	5	2,991	3,463
Total Current Assets		65,999	56,361
NON-CURRENT ASSETS			
Trade Receivables	3	63	89
Other Receivables	4	2,283	2,183
Deferred Income Tax Assets	13	337	359
Investments	2	2,327	2,289
Goodwill	6	188,871	189,036
Property, Plant and Equipment ("PP&E")	7	259,713	265,010
Intangible Assets	8	87,014	88,802
Right-of-Use Assets	9	10,401	10,181
Total Non-Current Assets		551,009	557,949
Total Assets		617,008	614,310
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	10	30,854	34,467
Financial Debt	11	45,505	38,032
Salaries and Social Security Payables	12	7,126	10,726
Taxes Payable	14	2,766	3,571
Lease Liabilities	15	2,891	2,845
Other Liabilities	16	1,728	1,877
Provisions	17	1,141	1,284
Total Current Liabilities		92,011	92,802
NON-CURRENT LIABILITIES			
Accounts Payable	10	3,268	2,539
Financial Debt	11	125,624	125,819
Salaries and Social Security Payables	12	869	928
Deferred Income Tax Liabilities	13	58,220	56,651
Taxes Payable	14	12	15
Lease Liabilities	15	4,180	3,958
Other Liabilities	16	1,645	1,642
Provisions	17	4,677	4,990
Total Non-Current Liabilities		198,495	196,542
Total Liabilities		290,506	289,344
EQUITY (as per the corresponding statement)			
Attributable to Shareholders of the Parent Company		135,542	134,804
Attributable to Non-Controlling Interests		190,960	190,162
TOTAL EQUITY		326,502	324,966
TOTAL LIABILITIES AND EQUITY		617,008	614,310

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

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company											
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Interests	Equity Attributable to Non-Controlling Interests	Total Equity
	Capital Stock ⁽¹⁾	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings			
Balances as of January 1, 2019	181	6,672	16,113	22,966	(1,138)	85,463	228	15,236	16,113	138,868	218,015	356,883
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	(258)	(258)	1,292	1,034
Other Comprehensive Income	-	-	-	-	(261)	-	-	-	-	(261)	(543)	(804)
Balances as of March 31, 2019	181	6,672	16,113	22,966	(1,399)	85,463	228	15,236	15,855	138,349	218,764	357,113
Balances as of January 1, 2020	181	6,672	16,113	22,966	(1,898)	85,418	1,371	110,839	(83,892)	134,804	190,162	324,966
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	1,125	1,125	1,649	2,774
Other Comprehensive Income	-	-	-	-	(387)	-	-	-	-	(387)	(851)	(1,238)
Balances as of March 31, 2020	181	6,672	16,113	22,966	(2,285)	85,418	1,371	(2) 110,839	(82,767)	135,542	190,960	326,502

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

(2) Broken down as follows: (i) Voluntary Reserve for Illiquid Results of \$ 90,940, (ii) Voluntary Reserve for Financial Obligations of \$ 19,899.

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CABLEVISIÓN HOLDING S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(in millions of Argentine pesos)

	<u>Note</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<u>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</u>			
Net Income		2,774	1,034
Adjustments to reconcile Net Income to net Cash flows provided by Operating Activities			
Allowances Deducted from Assets and Provisions for Lawsuits and Other Contingencies		2,471	2,373
Depreciation of PP&E	7	13,012	11,637
Amortization of Intangible Assets	8	2,135	2,135
Amortization of Rights of Use	22	1,034	945
Equity in Earnings from Associates	2.a	(92)	(153)
Net Book Value of Fixed Assets and Consumption of Materials		179	90
Financial Results and Other		3,376	6,111
Income Tax Expense	13	1,693	5,083
Income Tax Paid		(427)	(516)
Net (Increase) Decrease in Assets	2.b	(5,230)	3,630
Net Decrease in Liabilities	2.b	(4,844)	(11,742)
Net Cash Flows provided by Operating Activities		<u>16,081</u>	<u>20,627</u>
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>			
PP&E Acquisitions		(10,950)	(11,489)
Intangible Assets Acquisition		(383)	(442)
Collection of Dividends	2.b	22	116
Income from Sale of PP&E and Intangible Assets		-	1
Investments not considered as cash and cash equivalents		(257)	1,617
Net Cash Flows used in Investing Activities		<u>(11,568)</u>	<u>(10,197)</u>
<u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</u>			
Proceeds from Financial Debt	2.b	21,579	18,392
Payment of Financial Debt	2.b	(12,431)	(17,872)
Payment of Interest and Related Expenses	2.b	(5,002)	(2,473)
Payment of Lease Liabilities		(1,009)	(1,224)
Increase in the Reserve Account		-	(79)
Net Cash Flows provided by (used in) Financing Activities		<u>3,137</u>	<u>(3,256)</u>
NET INCREASE IN CASH FLOWS		7,650	7,174
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:		29,173	12,266
EFFECTS OF EXCHANGE RATE DIFFERENCES AND GAIN (LOSS) ON NET MONETARY POSITION ON CASH AND CASH EQUIVALENTS		(55)	915
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>36,768</u>	<u>20,355</u>

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

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

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CABLEVISIÓN HOLDING S.A.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
(in millions of Argentine pesos)

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

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

Telecom Group

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

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

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

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

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

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

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

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

Company	Country	Interest as of March 31, 2020 ⁽²⁾	Interest as of December 31, 2019 ⁽²⁾
Telecom Argentina ⁽¹⁾	Argentina	39.08%	39.08%

(1) See Note 27.

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

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

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

Regarding the matters subject to veto under the Telecom Argentina Shareholders' Agreement, Cablevisión Holding shall be entitled to vote the shares it holds directly (18.89% of the outstanding share capital) and the shares it holds indirectly through VLG (9.27% of the outstanding share capital), together accounting for 28.16% of the outstanding share capital of Telecom Argentina as of March 31, 2020. The Shares in Trust, in these cases, shall be voted by the trustee appointed by Fintech.

b) Basis for the Presentation

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

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

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

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

These interim consolidated financial statements as of March 31, 2020, as well as the separate financial statements as of the same date, were approved by a resolution of the Board of Directors at the meeting held on May 19, 2020. Taking into consideration the current restrictions imposed by the National Executive Branch within the framework of Emergency Decree No. 297/2020, as amended, the financial statements mentioned above have not been transcribed to the Company's "Inventory and Balance Sheet" book as of the date of their approval.

c) Interim Condensed Consolidated Financial Statements Formats

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

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

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

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

d) Segment information.

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

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

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

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Set out below is the segment information for the three-month periods ended March 31, 2020 and 2019, respectively:

□ **Consolidated Statement of Income for the three-month period ended March 31, 2020**

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
Revenues	57,209	1,654	58,863	3,986	116	4,102	(203)	62,762
Operating Costs (without Depreciation, Amortization, Impairment of Fixed Assets)	(36,765)	(1,532)	(38,297)	(2,638)	(76)	(2,714)	203	(40,808)
Operating Income before Depreciation and Amortization	20,444	122	20,566	1,348	40	1,388	-	21,954
Depreciation, Amortization and Impairment of Fixed Assets	(7,280)	(7,971)	(15,251)	(924)	(74)	(998)	-	(16,249)
Operating Income	13,164	(7,849)	5,315	424	(34)	390	-	5,705

Equity in Earnings from Associates	92
Financial Expenses on Debts	(3,094)
Other Financial Results, net	1,764
Income before Income Tax Expense	4,467
Income Tax	(1,693)
Net Income	2,774
Attributable to:	
Shareholder of the Controlling Company	1,125
Non-Controlling Interest	1,649
	2,774

□ **Consolidated Statement of Income for the three-month period ended March 31, 2019**

	Services rendered in Argentina	Services rendered in Argentina - effect of restatement	Services rendered in Argentina restated at constant currency	Other foreign segments	Other foreign segments - effect of restatement	Other foreign segments restated in constant currency	Eliminations	Total
Revenues	40,035	21,953	61,988	3,986	116	4,102	(355)	65,735
Operating Costs (without Depreciation, Amortization, Impairment of Fixed Assets)	(26,713)	(15,277)	(41,990)	(2,638)	(76)	(2,714)	355	(44,349)
Operating Income before Depreciation and Amortization	13,322	6,676	19,998	1,348	40	1,388	-	21,386
Depreciation, Amortization and Impairment of Fixed Assets	(5,732)	(8,095)	(13,827)	(924)	(74)	(998)	-	(14,825)
Operating Income	7,590	(1,419)	6,171	424	(34)	390	-	6,561

Equity in Earnings from Associates	153
Financial Expenses on Debts	(6,939)
Other Financial Results, net	6,342
Income before Income Tax Expense	6,117
Income Tax	(5,083)
Net Income	1,034
Attributable to:	
Shareholder of the Controlling Company	(258)
Non-Controlling Interest	1,292
	1,034

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

- i) Sales revenues from customers located in Argentina amounted to \$ 58,668 million and \$ 61,578 million during the three-month periods ended March 31, 2020 and 2019, respectively; while sales revenues from foreign customers amounted to \$ 4,094 million and \$ 4,157 million during the three-month periods ended March 31, 2020 and 2019, respectively;
- ii) CAPEX corresponding to the segment "Services rendered in Argentina" amounted to \$ 7,976 million and \$ 10,750 million during the three-month periods ended March 31, 2020 and 2019, respectively; while CAPEX corresponding to the segment "Other foreign segments" amounted to \$ 736 million and \$ 1,176 million during the three-month periods ended March 31, 2020 and 2019, respectively.
- iii) PP&E, goodwill, intangible assets, and rights of use corresponding to the segment "Services rendered in Argentina" amounted to \$ 525,214 million and \$ 531,528 million as of March 31, 2020 and December 31, 2019, respectively; while PP&E, goodwill, rights of use assets, and intangible assets corresponding to the segment "Other Foreign Segments" amounted to \$ 20,785 million and \$ 21,501 million as of March 31, 2020 and December 31, 2019, respectively.
- iv) The total amount of Loans corresponding to the segment "Services rendered in Argentina" amounted to \$ 166,139 million and \$ 159,433 million as of March 31, 2020 and December 31, 2019, respectively; while the total amount of Loans corresponding to the segment "Other Foreign Segments" amounted to \$ 4,990 million and \$ 4,418 million as of March 31, 2020 and December 31, 2019, respectively.

e) IAS 29 (Financial Reporting in Hyperinflationary Economies)

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

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

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

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

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

The following table shows the evolution of those indexes over the last two fiscal years and as of March 31, 2020 and 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of</u> <u>December 31,</u> <u>2018</u>	<u>As of</u> <u>March 31,</u> <u>2019</u>	<u>As of</u> <u>December 31,</u> <u>2019</u>	<u>As of</u> <u>March 31,</u> <u>2020</u>
General Price Index (December 2016=100)	184.26	205.96	283.44	305.55
<u>Variation of Prices</u>				
Annual	47.6%	54.8%	53.8%	48.3%
Accumulated over 3 years	147.8%	136.4%	183.2%	187.1%
Accumulated over 3 months since December 2019 / 2020	n/a	11.8%	n/a	7.8%

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

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

a) Cash and Cash Equivalents and Investments

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

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<u>Cash and Cash Equivalents</u>		
Cash and Banks	2,599	1,862
Short-Term Investments	1,023	1,620
Mutual Funds	33,146	25,692
Total Cash and Cash Equivalents	<u><u>36,768</u></u>	<u><u>29,174</u></u>
<u>Investments</u>		
<u>Current</u>		
Notes and Bonds at Fair Value (a)	643	320
Notes and Bonds at Amortized Cost (b)	198	142
Mutual Funds	64	68
Allowance for Credit Losses (c)	(98)	(68)
Total Current Investments	<u><u>807</u></u>	<u><u>462</u></u>
<u>Non-Current</u>		
Notes and Bonds at Amortized Cost (b)	2,005	2,130
Trust “Complejo industrial de Telecomunicaciones 2003”	1	1
Investments in Associates (d)	1,311	1,213
Allowance for Credit Losses (c)	(990)	(1,055)
Total Non-Current Investments	<u><u>2,327</u></u>	<u><u>2,289</u></u>

(a) In guarantee of repurchase agreements as of March 31, 2020 and December 31, 2019, respectively.

(b) Includes \$1,222 in guarantee of repurchase agreements as of March 31, 2020.

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

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

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Financial Position Information

Companies	Main business activity	Country	Interest in Capital and Votes	Valuation at	
				March 31, 2020	December 31, 2019
Ver T.V. S.A. (1)	Cable Television Station	Argentina	49.00	741	671
Teledifusora San Miguel Arcángel S.A. (1) (2) (3)	Cable Television Station	Argentina	50.10	293	272
La Capital Cable S.A. (2)	Closed-Circuit Television	Argentina	50.00	271	264
Other minor investments valued under the equity				6	6
Total				1,311	1,213

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

(2) Direct and Indirect Interest.

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

Information on Income

	<u>Three-month periods ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Ver T.V. S.A.	66	107
Teledifusora San Miguel Arcángel S.A.	19	45
La Capital Cable S.A.	7	1
Total	92	153

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

	<u>2020</u>	<u>March 31,</u>	<u>2019</u>
Balances at the beginning of the year		(68)	-
Reclassifications		(65)	-
Allocations (including Gain (Loss) on Net Monetary Position)		35	-
Balances at period-end		(98)	-

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

	<u>2020</u>	<u>March 31,</u>	<u>2019</u>
Balances at the beginning of the year		(1,055)	-
Increases - Exchange Differences		(75)	-
Reclassifications		65	-
Allocations (including Gain (Loss) on Net Monetary Position)		75	-
Balances at period-end		(990)	-

b) Additional Information about the Consolidated Statement of Cash Flows

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

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

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Net (Increase) Decrease of Assets		
Trade Receivables	(3,058)	2,301
Other Receivables	(2,424)	1,448
Inventories	252	(119)
	<u>(5,230)</u>	<u>3,630</u>
Net Decrease of Liabilities		
Accounts Payable	(20)	(6,973)
Salaries and Social Security Payables	(3,641)	(1,022)
Taxes Payable	(459)	(3,001)
Other Liabilities and Provisions	(724)	(746)
	<u>(4,844)</u>	<u>(11,742)</u>

Main Financing Activities Components

The following table presents the financing activities components:

	<u>2020</u>	<u>March 31,</u> <u>2019</u>
Bank Overdraft	832	15
Notes	5,619	1,498
For Acquisition of Equipment	1,606	-
Banks and other Financial Institutions	13,522	16,879
Proceeds from Financial Debt	<u>21,579</u>	<u>18,392</u>
Bank Overdraft	-	(1,464)
Notes	(29)	-
Banks and other Financial Institutions	(12,023)	(16,050)
For Acquisition of Equipment	(379)	(358)
Payment of Financial Debt	<u>(12,431)</u>	<u>(17,872)</u>
Bank Overdraft	(1,641)	(142)
Banks and other Financial Institutions	(2,335)	(2,751)
Notes	(1,012)	-
NDF, Purchase of Equipment and Other	(14)	420
Payment of Interest and Related Expenses	<u>(5,002)</u>	<u>(2,473)</u>

Main Non-Cash Operating Transactions

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

	<u>2020</u>	<u>March 31,</u> <u>2019</u>
Acquisitions of PP&E and Intangible Assets Financed by Accounts Payable	14,781	11,774
	<u>14,781</u>	<u>11,774</u>

Collection of Dividends

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

Three-month period ended March 31	Paying Company	Collection of Dividends	
		Historic Currency at Transaction Date	Constant Currency as of 3/31/2020
2020	Ver TV	15	15
	TSMA	7	7
		<u>22</u>	<u>22</u>
2019	Ver TV	55	82
	TSMA	23	34
		<u>78</u>	<u>116</u>

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Additional Information Required under IAS 7

	<u>Balances as of December 31, 2019</u>	<u>Cash flows</u>	<u>Accrual of interest</u>	<u>Exchange Differences and effect of currency translation and other</u>	<u>Balances as of March 31, 2020</u>
Bank Overdraft - Principal	10,467	832	-	(551)	10,748
Repurchase Agreements - Principal	332	753	-	(55)	1,030
Banks and other Financial Institutions - principal	75,660	746	-	13	76,419
Notes - principal	43,686	5,590	-	(813)	48,463
NDF	404	(23)	-	440	821
For Acquisition of Equipment	4,517	1,227	-	(164)	5,580
Interest Accrued and Related Expenses	28,785	(5,116)	3,166	1,233	28,068
Total Current and Non-Current Financial Debt (Note 11)	163,851	4,009	3,166	103	171,129

NOTE 3 – TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Current		
Trade Receivables	24,718	23,134
Contract Asset under IFRS 15	103	130
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	131	147
Allowance for Bad Debts	(5,966)	(5,123)
	18,986	18,288
Non-Current		
Trade Receivables	48	57
Contract Asset under IFRS 15	15	32
	63	89
Total Trade Receivables, Net	19,049	18,377

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	(5,123)	(4,392)
Increases - Bad Debts (Note 22)	(2,248)	(2,147)
Uses of the Allowance and Currency Translation	1,405	1,237
Balances at period-end	(5,966)	(5,302)

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NOTE 4 – OTHER RECEIVABLES

The breakdown of Other Receivables is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Current		
Prepaid Expenses	2,649	1,276
Tax Credits	2,706	2,048
Financial NDF	4	176
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	141	124
Trade Receivables from Customer Portfolio	23	25
Sundry Receivables	24	13
Other	943	1,349
Allowance for Other Debts	(43)	(37)
	<u>6,447</u>	<u>4,974</u>
Non-Current		
Prepaid Expenses	345	235
Tax Credits	859	926
Regulatory Receivables (Núcleo)	220	224
Trade Receivables from Customer Portfolio	62	67
Sundry Receivables	521	368
Other	276	363
	<u>2,283</u>	<u>2,183</u>
Total Other Receivables, Net	<u>8,730</u>	<u>7,157</u>

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	(37)	(25)
Increases	(29)	(1)
Decreases (including Gain (Loss) on Net Monetary Position)	23	-
Balances at period-end	<u>(43)</u>	<u>(26)</u>

NOTE 5 – INVENTORIES

The breakdown of inventories is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Mobile Handsets and Other	2,073	2,423
Radio Equipment and Other	2	1
Fixed telephones and equipment	26	71
Inventories for construction projects	1,211	1,212
Subtotal	<u>3,312</u>	<u>3,707</u>
Allowance for Obsolescence of Inventories	(321)	(244)
	<u>2,991</u>	<u>3,463</u>

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	(244)	(221)
Increases	(74)	-
Decreases (including Gain (Loss) on Net Monetary Position)	(3)	22
Balances at period-end	<u>(321)</u>	<u>(199)</u>

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NOTE 6 – GOODWILL

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Business in Argentina	187,919	187,919
Foreign Business ⁽¹⁾	952	1,117
Total	<u>188,871</u>	<u>189,036</u>

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
PP&E	262,349	267,498
Allowance for Obsolescence and Impairment of Materials	(1,822)	(1,623)
Allowance for Impairment of PP&E	(814)	(865)
	<u>259,713</u>	<u>265,010</u>

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

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Balances at the beginning of the year	267,498	250,238
Acquisitions	8,330	11,484
Effect of Currency Translation	(348)	(70)
Net Book Value and Consumption of Materials	(119)	(90)
Depreciation for the Period	(13,012)	(11,637)
Balances at period-end	<u>262,349</u>	<u>249,925</u>

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

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Balances at the beginning of the year	(1,623)	(595)
Increases	(202)	(67)
Decreases (including Gain (Loss) on Net Monetary Position)	3	-
Balances at period-end	<u>(1,822)</u>	<u>(662)</u>

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

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Balances at the beginning of the year	(865)	(552)
Recovery / (Increases) (includes Gain (Loss) on Net Monetary Position))	51	(156)
Balances at period-end	<u>(814)</u>	<u>(708)</u>

NOTE 8 - INTANGIBLE ASSETS

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Intangible Assets	91,983	93,805
Allowance for Impairment	(4,969)	(5,003)
	<u>87,014</u>	<u>88,802</u>

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	93,805	101,041
Acquisitions	382	442
Effect of Currency Translation	(69)	23
Amortization for the Period	(2,135)	(2,135)
Balances at period-end	91,983	99,371

The evolution of the allowance for Impairment is as follows:

	<u>2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	(5,003)	(2,693)
Recovery (including Gain (Loss) on Net Monetary Position))	34	-
Balances at period-end	(4,969)	(2,693)

NOTE 9 – RIGHT-OF-USE ASSETS

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Rights of Use from Leases	9,532	9,325
Irrevocable Rights of Use	618	583
Asset Retirement Obligations	251	273
	10,401	10,181

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances at the beginning of the year	10,181	940
Addition upon adoption of IFRS 16	-	7,001
Acquisitions	1,273	1,520
Net Book Value	(60)	-
Effect of Currency Translation	41	(31)
Amortization for the Period	(1,034)	(945)
Balances at period-end	10,401	8,485

NOTE 10 - Accounts Payable

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Current		
Suppliers and Trade Provisions	29,962	33,511
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	892	956
	30,854	34,467
Non-Current		
Suppliers and Trade Provisions	3,268	2,539
	3,268	2,539
Total Accounts Payable	34,122	37,006

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(Partner)

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NOTE 11 – FINANCIAL DEBT

The item Financial Debt is composed as follows:

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Current		
Bank Overdraft - Principal	10,748	10,467
Repurchase Agreements - Principal	1,030	332
Banks and other Financial Institutions - principal	17,205	14,552
Notes - principal	2,360	-
NDF	782	389
For Acquisition of Equipment	1,809	1,617
Interest Accrued and Related Expenses	11,571	10,675
	<u>45,505</u>	<u>38,032</u>
Non-Current		
Notes - principal	46,103	43,686
Banks and other Financial Institutions - principal	59,214	61,108
NDF	39	15
For Acquisition of Equipment	3,771	2,900
Interest Accrued and Related Expenses	16,497	18,110
	<u>125,624</u>	<u>125,819</u>
Total Debt	<u>171,129</u>	<u>163,851</u>

Most of the financial debt executed by Telecom has ratio covenants that are normal for this type of agreements. As of March 31, 2020, Telecom has complied with such ratios. The following is a detail of the developments regarding those loans as of the date of these consolidated financial statements.

a) Prepayment of the Term Loan

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

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

The outstanding balance as of March 31, 2020 amounts to US\$140.5 million, equivalent to \$9,059 million.

b) Loan with IDB

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

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

The outstanding balance as of March 31, 2020 amounts to US\$225.9 million, equivalent to \$14,564 million.

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

c) Loan with Banco Macro

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

The outstanding balance under this loan as of March 31, 2020 amounts to \$4,019 million.

d) Other Financial Debt

- On January 7, 2020, Telecom made a full repayment of the loan executed with Banco Macro in the amount of US\$4.6 million (US\$ 4.4 million principal amount and US\$ 0.2 million corresponding to interest).
- On February 6, 2020, Telecom made a full repayment of the loan executed with Banco Itaú to finance imports in the amount of US\$1.08 million (US\$ 1.07 million principal amount and US\$ 0.01 million corresponding to interest).

e) Global Notes Programs

Telecom Argentina

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

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

Class 3 Notes

Issuance Date: January 31, 2020.

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

Maturity Date: January 31, 2021.

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

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

Class 4 Notes

Issuance Date: January 31, 2020.

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

Maturity Date: July 31, 2021.

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

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

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

Núcleo

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

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

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

Series III

Issuance Date: March 12, 2020

Amount Issued: Gs. 100.000,000,000 (approximately \$ 948 million as of the issuance date).

Maturity Date: 60 months from the Issuance Date.

Repayment: Principal will be repaid in one installment in an amount equal to 100% of the aggregate principal, at maturity (March 11, 2025).

Interest Rate: the notes accrue interest as from the Issuance Date until the Maturity Date, at a fixed annual rate of 8.75 %.

Interest Payment Date: Interest will be paid quarterly in arrears as from the Issuance Date. The last interest payment date will be the Maturity Date.

f) Loans for Acquisition of Equipment

Finnvera

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

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

The outstanding balance as of March 31, 2020 amounts to US\$62.7 million, equivalent to \$4,041 million.

Cisco Systems Capital Corporation

Telecom executed loan agreements for the acquisition of Cisco equipment. During the three-month period ended March 31, 2020, Cisco Systems Capital Corporation granted Telecom an additional loan of US\$ 25.3 million under these agreements. Said agreements have an average maturity of fifty months, with partial repayments, and accrue interest at an average annual rate of 4%.

The outstanding balance as of March 31, 2020 amounts to US\$92.6 million, equivalent to \$5,969 million.

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Fair Value of Financial Debt

As of March 31, 2020, the fair value of financial debt is as follows:

	<u>Book Value</u>	<u>Fair Value</u>
Notes	63,275	53,018
Other Financial Debt	107,854	105,850
	<u>171,129</u>	<u>158,868</u>

NOTE 12 - SALARIES AND SOCIAL SECURITY PAYABLES

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Salaries, annual supplementary salary, vacations and bonuses	4,623	7,945
Social Security Payables	1,898	2,005
Termination Benefits	605	776
	<u>7,126</u>	<u>10,726</u>
<u>Non-Current</u>		
Termination Benefits	869	928
	<u>869</u>	<u>928</u>
Total Salaries and Social Security Payables	<u>7,995</u>	<u>11,654</u>

NOTE 13 - DEFERRED INCOME TAX ASSETS / LIABILITIES

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Tax Loss Carryforwards	(6,291)	(9,260)
Allowance for Bad Debts	(1,752)	(1,631)
Provisions for Lawsuits and Other Contingencies	(1,463)	(1,648)
PP&E and Intangible Assets	55,899	55,972
Dividends from Foreign Companies	537	555
Effect of Income Tax Inflation Adjustment	12,353	13,309
Other Deferred Tax Liabilities (Assets), Net	(530)	(67)
Total Deferred Tax Liabilities, Net	58,753	57,230
Tax Receivables Related to Reimbursement Claims	(870)	(938)
Net Deferred Tax Liability	(*) 57,883	56,292
Deferred Tax Assets, Net	(337)	(359)
Deferred Tax Liabilities, Net	58,220	56,651

(*) Includes 28 corresponding to the effects of currency translation on the opening balances of the foreign subsidiaries.

Deferred tax assets from unused tax loss carryforwards are recognized to the extent their realization is probable against future taxable profits. The Company did not recognize deferred tax assets corresponding to tax loss carryforwards for \$ 4,884 million, which may be offset against future taxable profits.

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Tax	(43)	(63)
Deferred Tax	(1,650)	(5,020)
Income Tax	(1,693)	(5,083)

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

	<u>March 31, 2020</u> <u>Income (loss)</u>	<u>March 31, 2019</u> <u>Income (loss)</u>
Accounting Income (Loss) before Income Tax Expense	4,467	6,117
Permanent Differences - Equity in Earnings from Associates	(92)	(153)
Permanent Differences – difference in the valuation of the cost of investments in foreign subsidiaries	(4,338)	-
Permanent Differences - other	(543)	79
Restatement of Equity and Goodwill and Other in Constant Currency	13,883	27,443
Subtotal	<u>13,377</u>	<u>33,485</u>
Average effective tax rate (*)	25.29%	25.10%
Income Tax at the Average Effective Tax Rate	(3,343)	(8,447)
Restatement at Constant Currency of Deferred Income Tax Liabilities and Other	4,520	4,029
Tax loss carryforwards not recognized as deferred tax assets	48	(641)
Effect of Income Tax Inflation Adjustment	(2,857)	-
Income Tax on Dividends from Foreign Companies	(13)	(24)
Income Tax on the Income Statement	<u>(1,693)</u>	<u>(5,083)</u>

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

NOTE 14 - TAXES PAYABLE

The breakdown of Taxes Payable is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Current		
Income Tax (*)	70	38
Other National Taxes	2,229	2,764
Provincial Taxes	45	324
Municipal Taxes	422	445
	<u>2,766</u>	<u>3,571</u>
Non-Current		
National Taxes	12	15
	<u>12</u>	<u>15</u>
Total Taxes Payable	<u>2,778</u>	<u>3,586</u>

(*) The breakdown by company is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Núcleo	42	7
Adesol	21	29
Telecom USA	4	-
AVC Continente Audiovisual	2	1
Cable Imagen	1	1
	<u>70</u>	<u>38</u>

NOTE 15 - LEASE LIABILITIES

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Current		
Business in Argentina	2,634	2,529
Foreign Business	257	316
	<u>2,891</u>	<u>2,845</u>
Non-Current		
Business in Argentina	3,400	3,252
Foreign Business	780	706
	<u>4,180</u>	<u>3,958</u>
Total Lease Liabilities	<u>7,071</u>	<u>6,803</u>

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NOTE 16 – OTHER LIABILITIES

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Deferred revenues on prepaid calling cards	708	766
Deferred revenues on connection fees and intern. capacity rental	121	142
Deferred Revenues from Construction Projects	28	40
Customer Loyalty Program	272	309
Directors' and Supervisory Committee Members' Fees	86	83
Companies under Article 33 of General Associations Law No. 19,550, and related parties (Note 25)	3	3
Other	510	534
	<u>1,728</u>	<u>1,877</u>
<u>Non-Current</u>		
Deferred revenues on connection fees and intern. capacity rental	250	590
Pension Benefits	385	353
Customer Loyalty Program	568	508
Other (*)	442	191
	<u>1,645</u>	<u>1,642</u>
Total Other Liabilities	<u><u>3,373</u></u>	<u><u>3,519</u></u>

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

NOTE 17 – PROVISIONS

The evolution of provisions is as follows:

	Balances as of December 31, 2019	Increases		Reclassifications	Decreases (iii)	Balances as of March 31, 2020
		Capital Stock (i)	Interest (ii)			
<u>Current</u>						
Lawsuits and Contingencies	1,284	-	-	283	(426)	1,141
Total Current Provisions	1,284	-	-	283	(426)	1,141
<u>Non-Current</u>						
Lawsuits and Contingencies	4,306	52	242	(283)	(303)	4,014
Asset Retirement Obligations	684	-	58	-	(79)	663
Total Non-Current Provisions	4,990	52	300	(283)	(382)	4,677
Total Provisions	6,274	52	300	-	(iv) (808)	5,818

(i) 53 charged to other operating costs and (1) to Other Comprehensive Income.

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

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

(iv) Includes (329) corresponding to payments of contingencies

	Balances as of December 31, 2018	Increases		Reclassifications	Decreases (iii)	Balances as of March 31, 2019
		Capital Stock (i)	Interest (ii)			
<u>Current</u>						
Lawsuits and Contingencies	1,234	156	-	277	(430)	1,237
Total Current Provisions	1,234	156	-	277	(430)	1,237
<u>Non-Current</u>						
Lawsuits and Contingencies	4,928	261	329	(277)	(525)	4,716
Asset Retirement Obligations	823	-	73	-	(89)	807
Total Non-Current Provisions	5,751	261	402	(277)	(614)	5,523
Total Provisions	6,985	417	402	-	(iv) (1,044)	6,760

(i) Charged to Other Operating Costs.

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

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

(iv) Includes (312) corresponding to payments of contingencies

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Possible Contingencies

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

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

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

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

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

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

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. However, the National Government may file an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata.

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

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NOTE 18 – ADDITIONAL INFORMATION
Classification of asset and liability balances by maturity as of March 31, 2020

Maturities	Cash and Cash Equivalents	Investments	Trade Receivables	Other Receivables	Deferred Income Tax Assets
Total Due	-	-	10,814	19	-
Due					
04.2020 through 06.2020	36,768	729	7,269	4,163	43
07.2020 through 09.2020	-	13	426	497	-
10.2020 through 12.2020	-	22	327	315	-
01.2021 through 03.2021	-	43	150	1,453	-
04.2021 through 03.2022	-	763	63	1,220	-
04.2022 through 03.2023	-	64	-	188	-
04.2023 onwards	-	188	-	568	-
Without an established term	-	1	-	307	294
Total not due	36,768	1,823	8,235	8,711	337
Total	36,768	1,823	19,049	8,730	337

Interest-Bearing Balances	1,739	1,758	1,317	-	-
Non-Interest-Bearing Balances	35,029	65	17,732	8,730	337
Total	36,768	1,823	19,049	8,730	337

Average Annual Nominal Interest Rate (%)	(a)	(b)	(c)	-	-
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- (a) Assets in foreign currency that accrue interest at annual rates of between 0.05% and 2.25%.
 (b) Assets in foreign currency that accrue interest at annual rates of between 1.50% and 6.19%.
 (c) 1,105 accrues interest at 56.7%, 175 accrues interest at an annual rate of 36% and 37 accrues interest at an annual rate of 47%.

Maturities	Accounts Payable	Financial Debt	Salaries and Social Security Payables	Taxes Payable	Lease Liabilities	Other Liabilities	Deferred Income Tax Liabilities
Total Due	1,774	-	-	-	-	-	-
Due							
04.2020 through 06.2020	27,675	15,570	3,688	2,717	1,458	1,246	-
07.2020 through 09.2020	235	9,066	1,177	3	482	161	-
10.2020 through 12.2020	807	6,353	1,140	3	559	161	-
01.2021 through 03.2021	363	14,516	1,121	43	392	160	-
04.2021 through 03.2022	2,975	60,277	386	10	2,024	810	-
04.2022 through 03.2023	234	30,503	241	2	718	161	-
04.2023 onwards	59	34,844	242	-	1,438	675	-
Without an established term	-	-	-	-	-	-	58,220
Total not due	32,348	171,129	7,995	2,778	7,071	3,374	58,220
Total	34,122	171,129	7,995	2,778	7,071	3,374	58,220

Interest-Bearing Balances	-	142,240	-	22	-	-	-
Non-Interest-Bearing Balances	34,122	28,889	7,995	2,756	7,071	3,374	58,220
Total	34,122	171,129	7,995	2,778	7,071	3,374	58,220

Average Annual Nominal Interest Rate (%)	(d)	-	18.0	-	-	-
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- (d) Liabilities stated in pesos accrue interest at the following annual rates: 1,031 at 9.06%, 13 at 20% and 19,511 at between 36.25% and 49.33%. The rest corresponds to liabilities denominated in dollars that accrue interest at annual rates of between 2.99% and 8.42%, and liabilities denominated in Guarani that accrue interest at an annual average interest rate of 8.20%.

Financial Asset and Liability Balances in Foreign Currency

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

	3/31/2020	12/31/2019
	(in millions of converted Argentine pesos)	
Assets	40,360	35,872
Liabilities	(182,458)	(182,313)
Net Liabilities	(142,098)	(146,441)

In order to reduce this net liability position in foreign currency, the Group holds, as of March 31, 2020, derivatives for US\$ 105 million. Therefore, the net debt that is not covered by these instruments amounts to approximately US\$ 2,130 million as of that date.

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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 March 31, 2020 and December 31, 2019 is as follows:

	As of March 31, 2020			
	Trade Receivables	Other Receivables	Accounts Payable	Other Liabilities
Current and non-current assets (liabilities) - Gross value	19,523	1,857	(34,576)	(265)
Offsetting	(474)	(72)	474	72
Current and Non-Current Assets (Liabilities) – Book value	19,049	1,785	(34,102)	(193)

	As of December 31, 2019				
	Trade Receivables	Other Assets	Other Receivables	Accounts Payable	Other Liabilities
Current and non-current assets (liabilities) - Gross value	18,549	496	2,301	(37,225)	(471)
Offsetting	(172)	-	(55)	172	55
Current and Non-Current Assets (Liabilities) – Book value	18,377	496	2,246	(37,053)	(416)

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

NOTE 19 – PURCHASE COMMITMENTS

As of March 31, 2020, there are outstanding purchase orders with local and foreign providers for the supply of switching equipment, inventories, external wiring works, network infrastructure, and other goods and services amounting in the aggregate to approximately \$53,504 million (of which \$12,549 million corresponds to PP&E acquisition commitments).

NOTE 20 - CAPITAL STOCK**20.1 – Cablevisión Holding**

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

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

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

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

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of March 31, 2020.

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

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

The Company's capital stock as of March 31, 2020 is of \$ 180,642,580 and is represented by:

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

20.2 – Telecom Argentina

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

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

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

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NOTE 21 – REVENUES

Revenues consist of the following:

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Mobile Services	23,127	21,967
Internet Services	13,656	15,055
Cable Television Services	13,120	14,199
Fixed Telephony and Data Services	9,478	10,180
Other Services	178	171
Subtotal Service Revenues	59,559	61,572
Sale of Handsets	3,203	4,163
Total Revenues	62,762	65,735

NOTE 22 – OPERATING EXPENSES

Operating expenses disclosed by nature of expense amounted to \$ 57,057 million and \$ 59,174 million for the three-month periods ended March 31, 2020 and 2019. The main components of the operating expenses are the following:

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
	<u>Income (loss)</u>	
<u>Employee benefit expenses and severance payments</u>		
Salaries, Social Security Payables and Bonuses	(10,735)	(11,644)
Severance Payments	(766)	(1,127)
Other Labor Costs	(229)	(260)
	<u>(11,730)</u>	<u>(13,031)</u>
<u>Fees for Services, Maintenance, Materials and Supplies</u>		
Maintenance and Materials	(3,907)	(3,933)
Fees for services	(2,978)	(2,762)
Directors' and Supervisory Committee Members' Fees	(34)	(40)
	<u>(6,919)</u>	<u>(6,735)</u>
<u>Taxes and Fees with the Regulatory Authority</u>		
Turnover Tax	(2,267)	(2,389)
Municipal Taxes	(636)	(698)
Other Taxes and Charges	(1,875)	(2,078)
	<u>(4,778)</u>	<u>(5,165)</u>
<u>Cost of Equipment and Handsets</u>		
Inventory Balances at the beginning of the year	(3,707)	(4,779)
Plus:		
Purchase of Equipment	(1,920)	(3,352)
Other	65	70
Less:		
Inventory Balances at period-end	3,312	4,825
	<u>(2,250)</u>	<u>(3,236)</u>
<u>Other Operating Income and Expense</u>		
Lawsuits and Contingencies	(53)	(417)
Rentals and Internet Capacity	(528)	(1,355)
Other	(1,990)	(1,295)
	<u>(2,571)</u>	<u>(3,067)</u>
<u>Depreciation, Amortization and Impairment of Fixed Assets</u>		
Depreciation of PP&E	(13,012)	(11,637)
Amortization of Intangible Assets	(2,135)	(2,135)
Amortization of Rights of Use	(1,034)	(945)
Impairment of PP&E	(68)	(108)
	<u>(16,249)</u>	<u>(14,825)</u>

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Operating Expenses disclosed by function are as follows:

Item	Cost of services provided	Selling Expenses	Administrative Expenses	Total as of March 31, 2020	Total as of March 31, 2019
Employee benefit expenses and severance payments	(6,816)	(1,699)	(3,215)	(11,730)	(13,031)
Interconnection and Transmission Costs	(2,016)	-	-	(2,016)	(2,175)
Fees for Services, Maintenance, Materials and Supplies	(3,181)	(1,496)	(2,242)	(6,919)	(6,735)
Taxes and Fees with the Regulatory Authority	(4,735)	(18)	(25)	(4,778)	(5,165)
Commissions and Advertising	-	(221)	(3,349)	(3,570)	(3,730)
Cost of Equipment and Handsets	(2,250)	-	-	(2,250)	(3,236)
Programming and Content Costs	(4,726)	-	-	(4,726)	(5,062)
Bad Debt Expenses	-	-	(2,248)	(2,248)	(2,147)
Other Operating Income and Expense	(1,898)	(161)	(512)	(2,571)	(3,068)
Depreciation, Amortization and Impairment of Fixed Assets	(13,293)	(1,025)	(1,931)	(16,249)	(14,825)
Total as of March 31, 2020	(38,915)	(4,620)	(13,522)	(57,057)	
Total as of March 31, 2019	(40,108)	(5,288)	(13,778)		(59,174)

NOTE 23 – FINANCIAL INCOME AND EXPENSE

	March 31, 2020	March 31, 2019
	Income (loss)	
Financial Debt Interest Expense (*)	(3,208)	(2,777)
Exchange Differences on Financial Debt (**)	114	(4,162)
Total Financial Expenses on Debt	(3,094)	(6,939)
Interests	408	776
Taxes and Bank Expenses	(596)	(590)
Other Exchange Differences	978	1,018
Financial Discounts on Assets, debt and Other	39	(52)
Results from Operations with Notes and Bonds	62	83
Interest on Allowances	(300)	(402)
Interest on Pension Benefits	(52)	(42)
Gain (Loss) on Net Monetary Position	1,062	5,565
Other	163	(14)
Total Other Financial Income and Expense, net	1,764	6,342
Total Financial Income and Expense, net	(1,330)	(597)

(*) Includes (19) and 25 of foreign currency exchange (losses) gains, net generated by NDF for the three-month periods ended March 31, 2020 and 2019, respectively.

(**) Includes (170) and 233 of foreign currency exchange (losses) gains, net generated by NDF for the three-month periods ended March 31, 2020 and 2019, respectively.

NOTE 24 – EARNINGS PER SHARE

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

	March 31, 2020	March 31, 2019
Net Income used in the Calculation of Basic Earnings per Share (gain / loss):		
from Continuing Operations (in millions of Argentine pesos)	1,124	(258)
	<u>1,124</u>	<u>(258)</u>
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	180,641,002	180,641,002
Earnings per Share (in pesos)	6.22	(1.42)

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The weighted average of outstanding shares for the three-month periods ended March 31, 2020 and 2019 was 180,641,002. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Basic and Diluted Earnings per Share	6.22	(1.42)
Total Earnings per Share	6.22	(1.42)

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

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

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

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

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

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
CURRENT ASSETS		
Other Receivables		
La Capital Cable S.A.	49	39
Teledifusora San Miguel Arcángel S.A.	17	24
Ver TV S.A.	43	61
	<u>109</u>	<u>124</u>
CURRENT LIABILITIES		
Other Liabilities		
Televisora Privada del Oeste S.A.	3	3
	<u>3</u>	<u>3</u>

- **Related Parties**

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
CURRENT ASSETS		
Trade Receivables		
Other Related Parties	131	147
	<u>131</u>	<u>147</u>
Other Receivables		
Other Related Parties	32	-
	<u>32</u>	<u>-</u>
CURRENT LIABILITIES		
Accounts Payable		
Other Related Parties	892	956
	<u>892</u>	<u>956</u>

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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**

<u>Transaction</u>		<u>March 31, 2020</u>	<u>March 31, 2019</u>
		<u>Income (loss)</u>	
<u>Sales and Other Revenues</u>			
La Capital Cable S.A.	Sales of Services and Other	9	54
		<u>9</u>	<u>54</u>
<u>Operating Costs</u>			
La Capital Cable S.A.	Fees for services	(12)	(42)
		<u>(12)</u>	<u>(42)</u>

• **Related Parties**

<u>Transaction</u>		<u>March 31, 2020</u>	<u>March 31, 2019</u>
		<u>Income (loss)</u>	
<u>Sales and Other Revenues</u>			
Other Related Parties	Sales of services	45	43
		<u>45</u>	<u>43</u>
<u>Operating Costs</u>			
Other Related Parties	Programming Costs	(657)	(577)
Other Related Parties	Publishing and distribution of magazines	(144)	(185)
Other Related Parties	Advisory Services	(87)	(102)
Other Related Parties	Purchase of Advertising	(72)	(74)
Other Related Parties	Other purchases and commissions	(34)	(19)
Other Related Parties	Fees for services	(32)	(28)
		<u>(1,026)</u>	<u>(985)</u>

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

NOTE 26 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS**1. Cablevisión Holding**

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

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

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2. Telecom

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

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

NOTE 27 - MANDATORY PUBLIC TENDER OFFER ("PTO") DUE TO CHANGE OF CONTROL

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

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

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

The price offered by the Company to be paid for each share tendered by its holder for its acquisition by the Company is of \$ 110.85 per Share (less any cash dividend per Share to be paid by Telecom Argentina from the announcement date to the date the price of the PTO is paid and other expenses, such as transfer expenses, rights, fees, commissions, taxes, duties or contributions) (the "PTO Price"). The Company has

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obtained reports from two independent appraisers with respect to the method applied to determine the PTO Price. The PTO Price shall be payable in Pesos in Argentina no later than 5 business days following the expiration of the offer reception period.

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

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

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

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

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

On November 26, 2019, CVH was served notice of a claim filed by a shareholder of the Company, Daniel Burgueño, in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), pending before Federal Court on Administrative Matters No. 1, Secretariat No. 1. The claim seeks to obtain a declaration that CVH is no longer under the obligation to carry out a PTO to acquire the shares of Telecom Argentina as a result of the change of control in that company, pursuant to subsection k) of Article 32 of the New CNV Resolution, which regulates Law No. 26,831 (as amended by Law No. 27,440.) On December 27, 2019, CVH was served notice of the decision issued by the court of first instance in re "Burgueño, Daniel Fernando v. Executive Branch - Argentine Securities Commission and Other re: Proceeding leading to a declaratory judgment" (File No. 33,763/2019), whereby the Court admitted the claim brought by Mr. Burgueño, confirmed that CVH no longer falls within the obligation to conduct a PTO due to the change of control in

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Telecom Argentina, pursuant to the terms of Article 32, subsection k.) of the New CNV Resolution and ordered the CNV to deem the proceedings initiated by the Company with the CNV concluded. In its ruling, the Court also ordered CVH to cease the proceeding initiated in connection with the PTO. On May 18, 2020, the Company was served with a decision rendered on May 15, 2020, which provided for the extension of the effectiveness of the injunction.

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

NOTE 28 - IMPACT OF CORONAVIRUS

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

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

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

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

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

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

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Supervisory Committee

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CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

Hence, and in spite of the declaration of the pandemic, the Group implemented a series of measures to ensure the continuity of operations remotely, safeguarding the health of all the personnel and of those that are part of the value chain. The main measures adopted by the Company are:

- The early performance of the tasks planned for 2020 and the initiation of works to ensure the capacity required for the networks to continue operating seamlessly;
- Expansion of the capacity for international outgoing Internet traffic by 40% (with the possibility of increasing it further if the situation so requires) and reduction of the quality of video resolution;
- Execution of agreements to boost the links with international suppliers and IP networks;
- Early execution in public thoroughfare of infrastructure works on residential fixed data networks, enhancement of data centers and hubs and increase of the capacity of Flow's content distribution network;
- Expansion of the capacity of the mobile network in certain smaller locations in the provinces where there is only one network, and the continuation of preventive maintenance tasks in all our networks;
- Granting of certain benefits so that customers can take further advantage of connection options and access valuable information and educational and entertainment contents;
- Awareness campaigns with recommendations and good practices in the use of Internet to ensure a better connectivity experience;
- Launch of a campaign, since the first day of the mandatory isolation, promoting all the digital communication channels and encouraging customers to request support through those channels. Enhancement of digital support in order to handle the new flow of customers by implementing special microsites identified as "I pay from home";
- In compliance with effective regulations, Telecom has recently opened commercial offices in locations with less than 100,000 inhabitants;
- Technical support focused on preventive maintenance and repairs in public thoroughfare and on Telecom's own infrastructure, giving priority to critical cases such as hospitals and security forces, among others;
- In the case of new installations and repairs that have to be made inside of our customers' homes, Telecom provided technical teams with personal care and safety kits, which include special protective gear such as coveralls, gloves, cloth face covering and special goggles, hand sanitizer and training for the proper and safe use of those elements;
- The Crisis Committee, composed of members of Upper Management, started to hold meetings on a daily basis and added the advice of health experts in order to address the different scenarios that may arise and to be able to make quick decisions;
- Implementation of home office, prior to the declaration of the mandatory isolation, for many of our employees in business support areas with virtual private network access so that they can work remotely with the same tools and security levels they have in their workspaces at our offices. They use web and mobile applications for (i) administrative and human resources tasks, (ii) access to e-learning training and (iii) communication and collaborative workspaces, virtual rooms and access to files and documentation from anywhere, in a collaborative and safe way;
- Enhancement of cleaning and disinfection at workspaces and environments for those tasks that cannot be performed remotely, including the vans used by technical support teams, as well as provision of hand washing and sanitizing methods, in addition to the distribution of personal care kits in accordance with the protocol established by the Superintendency of Labor Risks;
- Continuation of ongoing communication with unions to agree on work protocols that allow the Company to continue providing services and, at the same time, safeguard the health of our employees; and
- Ongoing communication with our strategic partners and other international operators from the countries with greater spread of the pandemic in order to understand and foresee the potential impacts on our operations.

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

On March 24, 2020, the Executive Branch issued Decree No. 311/2020, whereby it provided for the temporary suspension of the disconnection of services deemed essential for the development of daily life,

See our report dated
May 19, 2020

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such as electricity supply, running water supply, gas supply, fixed or mobile telephony, Internet and radio electric link or satellite link subscription television, among others, in order to guarantee access to those essential services.

The Decree also provides that companies that render fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services are under the obligation to maintain a reduced service, as established in the regulations, for a term of one hundred eighty (180) calendar days. In addition, the Decree provides that if users of mobile telephony or Internet prepaid services fail to pay the corresponding recharge to have access to consumption, the companies that provide those services must provide a reduced service within the terms provided by regulations, and that this obligation shall be effective until May 31, 2020.

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

The implementing regulations provide that the users that fall within the scope of the decree are all those whose bills are due as from March 1, 2020 and those with a current notice of disconnection and, in the case of fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services, those who have registered the service under their name before March 26, 2020. In addition, the implementing regulations set forth the monthly minimum features that will be considered as reduced service. In addition, the implementing regulations also provide that the measures adopted may be extended to other individual customers, individuals registered under the simplified tax (*monotributo*) and civil associations that provide evidence of a decrease in their revenues.

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

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

Main Accounting Impacts

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

In accordance with the guidelines of IAS 36, at the end of the reporting period the Company's Management assessed whether there was any indication of impairment of any asset. Even though the pandemic may have a significant impact on economic activity in Argentina and become an indicator of impairment, based on Management's estimates, no adverse effect has been identified on the Group's future cash-flow-

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generating capacity because the volume of operations is expected to remain stable. Therefore, the Company has not deemed it necessary to estimate the recoverable value of its assets as of March 31, 2020.

The implementation of measures aimed at reducing the circulation of people included the closure of in-person collection channels, thus affecting the collections of the Group as from March 20, 2020. The Group's Management estimates that the deterioration of Argentina's economic situation represents an increase in the credit risk of trade receivables existing at the end of the period. These consolidated financial statements include an increase in the allowance for bad debts for approximately \$276 million as a result of the application of the model called "expected credit losses", as established by IFRS 9. For more information on the breakdown and maturity dates of trade receivables, see Notes 3 and 18, respectively.

- *Liquidity Risk:*

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

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

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

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

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

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

NOTE 29 – SUBSEQUENT EVENTS

Loan with Banco ICBC

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

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Decision of the Shareholders of Núcleo at the General Ordinary Shareholders' Meeting

At the General Ordinary Shareholders' Meeting held on April 23, 2020, the shareholders of Núcleo decided to distribute dividends for ¢ 90,000 million (equivalent to approximately \$909 million), payable in two installments, the first one in May 2020 and the second one in October 2020.

Restructuring of Government Bonds issued under Foreign Law

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

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

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

NOTE 30 - APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

See our report dated
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(Partner)

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

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Cablevisión Holding S.A.
SUPPLEMENTARY FINANCIAL INFORMATION

As of March 31, 2020

1. COMPANY ACTIVITIES

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

As far as business management is concerned, our subsidiary Telecom Argentina recorded during the first quarter of 2020 revenues in the amount of \$62,762 million, compared to \$65,735 million recorded in the first quarter of 2019. CVH's consolidated operating costs -including amortization, depreciation and impairment of fixed assets- amounted to \$57,057 million (a decrease of \$2,117 million compared to the same period of 2019), operating income before depreciation and amortization amounted to \$21,954 million -equivalent to 35.0% of consolidated revenues -, compared to \$21,386 million and 32.5% in the first quarter of 2019. Operating Income amounted to \$5,705 million (a 13% decrease compared to the same period in 2019) -equivalent to 9.1% of consolidated revenues- and net income recorded a profit of \$2,774 million compared to the profit recorded in the first quarter of 2019 of \$1,034 million). The increase is mainly accounted for by a decrease in income tax in the first quarter of 2020.

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Sebastián Bardengo
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2. CONSOLIDATED FINANCIAL STRUCTURE

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Current Assets	65,999	56,361
Non-Current Assets	<u>551,009</u>	<u>557,949</u>
Total Assets	<u><u>617,008</u></u>	<u><u>614,310</u></u>
Current Liabilities	92,011	92,802
Non-Current Liabilities	<u>198,495</u>	<u>196,542</u>
Total Liabilities	<u><u>290,506</u></u>	<u><u>289,344</u></u>
Equity of the Parent Company	135,542	134,804
Equity of Non-Controlling Interests	<u>190,960</u>	<u>190,162</u>
Total Equity	<u><u>326,502</u></u>	<u><u>324,966</u></u>
Total Equity and Liabilities	<u><u>617,008</u></u>	<u><u>614,310</u></u>

3. CONSOLIDATED COMPREHENSIVE INCOME STRUCTURE

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Operating income/loss from continuing operations ⁽¹⁾	5,705	6,561
Financial Results	(1,330)	(597)
Equity in Earnings from Associates	<u>92</u>	<u>153</u>
Income/loss from continuing operations before income tax	4,467	6,117
Income Tax	<u>(1,693)</u>	<u>(5,083)</u>
Net Income for the Period	2,774	1,034
Other Comprehensive Loss for the Period	<u>(1,238)</u>	<u>(804)</u>
Total Comprehensive Income for the Period	<u><u>1,536</u></u>	<u><u>230</u></u>

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

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4. CASH FLOW STRUCTURE

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Cash flows provided by operating activities	16,081	20,627
Cash Flows used in Investment Activities	(11,568)	(10,197)
Cash provided by (used in) financing activities	<u>3,137</u>	<u>(3,256)</u>
Total Cash provided for the period	7,650	7,174
Exchange rate differences, net and gain (loss) on net monetary position on cash and cash equivalents	<u>(55)</u>	<u>915</u>
Total changes in cash	<u><u>7,595</u></u>	<u><u>8,089</u></u>

5. STATISTICAL DATA

	<u>March 31, 2020</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Cable Television Service Subscribers (i)	100.1	97.6	99.8
Internet Access (ii)	100.3	101.3	100.4
Fixed Telephony Service Lines (ii)	84.9	98.6	98.6
Personal Mobile Service Lines (ii)	99.3	99.7	99.7
Núcleo Customers (ii)	98.9	98.2	98.2

(i) Base December 2013= 100

(ii) Base December 2017= 100

6. RATIOS

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Liquidity (current assets / current liabilities)	0.72	0.74
Solvency (equity / total liabilities)	1.12	1.40
Capital assets (non-current assets / total assets)	0.89	0.90

7. OUTLOOK

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

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May 19, 2020

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The implementation of these measures is expected to have a severe impact on the economic situation of the country, which already showed difficulties by the end of 2019 in the main macroeconomic variables. Even today, the ultimate effects of Covid-19 and its impact on the global and local economy are unknown.

For most of the companies in Argentina and in the world, the current environment is expected to cause a further deterioration of the economic variables and our subsidiary Telecom does not escape this situation. However, one of the most visible consequences of the current health situation is the indispensable role of telecommunications in enabling connectivity and making possible the development of essential activities in the context of this health crisis.

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

In record time, our subsidiary has strengthened its networks, adapted its systems, reconfigured its management processes and implemented different modes of work to continue with its operations and, mainly, to safeguard its working team, its most important resource.

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

Customer service and support were directed to digital and telephone channels. However, in compliance with effective regulations, Telecom has recently opened commercial offices in locations with less than 100,000 inhabitants.

As regards technical support, thanks to the reconversion of Telecom's networks and systems that is underway, several technical tasks can be conducted remotely. In those situations, the technicians provide customer support remotely, guiding customers to solve any inconveniences in their homes.

In the case of new installations and repairs that have to be made inside of our customers' homes (giving priority to cases considered to be critical), Telecom provided technical teams with personal care and safety kits, which include special protective gear such as coveralls, gloves, cloth face covering and special goggles, hand sanitizer and training for the proper and safe use of those elements.

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

Now more than ever, the Group continues to fulfill its commitment to ensure the continuity and quality of all the services, further, to support its customers in light of the challenge posed by the current context.

City of Buenos Aires, May 19, 2020.

See our report dated
May 19, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Sebastián Bardengo
Chairman

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

Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the attached interim condensed consolidated financial statements of Cablevisión Holding S.A. and its controlled subsidiaries (the "Company") which comprise the consolidated statement of financial position at March 31, 2020, the consolidated statements of comprehensive income, changes in equity and of cash flows for the three-month period ended on that date and a summary of significant accounting policies and other explanatory information.

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

Management's responsibility

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

Scope of our review

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

Conclusion

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

Emphasis of Matter

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

Report on compliance with current regulations

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

- a) except for its lack of transcription to the “Inventory and Balance Sheet” book, the interim condensed consolidated financial statements of Cablevisión Holding S.A. comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A., except for its lack of transcription to the “Inventory and Balance Sheet” book and to the “Journal” book (accounting entries corresponding to the months of January to March 2020), arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the supplementary financial information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2020, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company’s accounting records and calculations amounted to \$ 1,313,322, none of which was claimable at that date.

City of Buenos Aires, May 19, 2020.

PRICE WATERHOUSE & CO. S.R.L.

by _____ (Partner)
Dr. Carlos A. Pace



Cablevisión Holding S.A.

Interim Condensed Separate Financial Statements

For the three-month period ended March 31, 2020
presented on a comparative basis

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

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Interim Condensed Separate Financial Statements

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- Separate Statement of Financial Position.
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- Separate Statements of Cash Flows.

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4. Breakdown of main items.
5. Balances and transactions with related parties.
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9. Reserves, accumulated income and dividends.
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CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(in millions of Argentine pesos)

	<u>Note</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Equity in Earnings from Associates	4.4	1,001	783
Fees for services	4.1	(40)	(56)
Salaries and Social Security Payables	4.1	(5)	(6)
Other expenses	4.1	(4)	(3)
Other Operating Income and Expense		(23)	(48)
Financial Expenses on Debt	4.2	-	(930)
Other Financial Results, net	4.3	196	3
		<hr/>	<hr/>
Income (Loss) before Income Tax		1,125	(257)
Income Tax		-	(1)
		<hr/>	<hr/>
Income / (Loss) for the period		1,125	(258)
Other Comprehensive Income			
Items which can be reclassified to Net Income (Loss)			
Equity in Earnings from subsidiaries		(387)	(261)
		<hr/>	<hr/>
Total Comprehensive Income (Loss) for the Period		738	(519)
		<hr/> <hr/>	<hr/> <hr/>

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

See our report dated
May 19, 2020

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Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

Dr. Carlos A. Pace
Certified Public Accountant (UBA)
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CABLEVISIÓN HOLDING S.A.

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

	<u>Note</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4.5	1,563	1,597
Other Receivables		39	26
Total Current Assets		1,602	1,623
NON-CURRENT ASSETS			
Other Receivables		521	368
Deferred Tax Assets		43	43
Investments in Unconsolidated Affiliates	4.4	128,619	128,005
Total Non-Current Assets		129,183	128,416
Total Assets		130,785	130,039
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		10	11
Salaries and Social Security Payables		5	10
Other Liabilities		107	93
Total Current Liabilities		122	114
Total Liabilities		122	114
EQUITY (as per the corresponding statement)			
Shareholders' Contribution		22,966	22,966
Other Items		(2,392)	(2,003)
Retained Earnings		110,089	108,962
Total Equity		130,663	129,925
Total Equity and Liabilities		130,785	130,039

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

See our report dated
May 19, 2020

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CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
 (in millions of Argentine pesos)

	Equity attributable to Shareholders of the Parent Company									
	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Interests
	Capital Stock ⁽¹⁾	Inflation Adjustment on Capital Stock	Additional Paid-in Capital	Subtotal	Other Comprehensive Income	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings	
Balances as of January 1, 2019	181	6,672	16,113	22,966	(1,138)	(96)	228	15,236	96,743	
Loss for the period	-	-	-	-	-	-	-	-	(258)	(258)
Other Comprehensive Loss	-	-	-	-	(261)	-	-	-	-	(261)
Balances as of March 31, 2019	181	6,672	16,113	22,966	(1,399)	(96)	228	15,236	96,485	133,420
Balances as of January 1, 2020	181	6,672	16,113	22,966	(1,898)	(107)	1,371	110,839	(3,246)	129,925
Net Income (Loss) for the Period	-	-	-	-	-	-	-	-	1,125	1,125
Other Comprehensive Loss	-	-	-	-	(387)	-	-	-	-	(387)
Balances as of March 31, 2020	181	6,672	16,113	22,966	(2,285)	(107)	1,371	(2) 110,839	(2,121)	130,663

(1) Includes 1,578 treasury shares. See Note 9.

(2) Broken down as follows: (i) Voluntary Reserve for Illiquid Results of \$ 90,940, (ii) Voluntary Reserve for Financial Obligations of \$ 19,899.

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

See our report dated
 May 19, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

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

Pablo San Martín
Supervisory Committee

Sebastián Bardengo
Chairman

CABLEVISIÓN HOLDING S.A.

Registration number with the IGJ: 1,908,463

CABLEVISIÓN HOLDING S.A.
SEPARATE STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(in millions of Argentine pesos)

	March 31, 2020	March 31, 2019
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income / (Loss) for the period	1,125	(258)
Income Tax	-	1
Accrued Interest, net	(5)	552
Adjustments to reconcile Net Income (Loss) for the Period to Cash used in Operating Activities:		
Exchange Differences and Other Financial Results	(182)	365
Gain (Loss) on Net Monetary Position	(8)	(16)
Equity in Earnings from Associates	(1,001)	(783)
Changes in Assets and Liabilities:		
Other Receivables	7	34
Trade and Other Payables	(5)	(101)
Other Liabilities	22	49
Taxes Payable	(1)	83
Net Cash Flows used in Operating Activities	(48)	(74)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Reversal of Reserve Account	-	(79)
Payment of Interest	-	(500)
Net Cash Flows used in Financing Activities	-	(579)
Net Decrease in Cash Flow	(48)	(653)
FINANCING RESULTS PROVIDED BY CASH (INCLUDING GAIN (LOSS) ON NET MONETARY POSITION)	14	(8)
Cash and Cash Equivalents at the Beginning of the Year (Note 4.5)	1,597	937
Cash and Cash Equivalents at the End of the Period (Note 4.5)	1,563	276

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

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CABLEVISIÓN HOLDING S.A.
NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
PRESENTED ON A COMPARATIVE BASIS
(in millions of Argentine pesos)

NOTE 1 – GENERAL INFORMATION

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

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

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

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

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

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

2.1. Basis for the preparation

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

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

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

In preparing these interim condensed separate financial statements for the three-month period ended March 31, 2020, the Company has followed the guidelines provided by TR 43, and, therefore, these financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Some additional disclosures required by the General Associations Law and/or by the CNV have been also included, among them, supplementary information required in the last paragraph of Article 1 Chapter III Title IV of the CNV

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

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

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

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

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

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

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

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

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

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

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

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

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

The following table shows the evolution of those indexes over the last two fiscal years and as of March 31, 2020 and 2019, according to official statistics (INDEC) in accordance with the guidelines described under Resolution No. 539/18:

	<u>As of December 31,</u> <u>2018</u>	<u>As of March 31,</u> <u>2019</u>	<u>As of December 31,</u> <u>2019</u>	<u>As of March 31,</u> <u>2020</u>
General Price Index (December 2016=100)	184.26	205.96	283.44	305.55
<u>Variation of Prices</u>				
Annual	47.6%	54.8%	53.8%	48.3%
Accumulated over 3 years	147.8%	136.4%	183.2%	187.1%
Accumulated over 3 months since December 2019 / 2020	n/a	11.8%	n/a	7.8%

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

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

NOTE 4 – BREAKDOWN OF MAIN ITEMS

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

<u>Item</u>	<u>Administrative</u> <u>Expenses</u>	<u>Administrative</u> <u>Expenses</u>
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Fees for services	40	56
Salaries and Social Security Payables	5	6
Other expenses	4	3
Total	<u>49</u>	<u>65</u>

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4.2 - Financial Expenses on Debt

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Exchange Differences	-	(377)
Interests	-	(553)
	<u>-</u>	<u>(930)</u>

4.3 – Other Financial Results, net

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Exchange Differences	(3)	12
Other Taxes and Expenses	(1)	(9)
Results from Operations with Notes and Bonds	12	-
Gain (Loss) on Net Monetary Position	8	16
Restatement of Receivables	175	(17)
Interests	5	1
	<u>196</u>	<u>3</u>

4.4 - Investments in Associates

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

<u>Companies</u>	<u>Country</u>	<u>Class</u>	<u>Nominal Value</u>	<u>Number</u>	<u>Valuation as of March 31, 2020 ⁽¹⁾</u>	<u>Valuation as of December 31, 2019 ⁽¹⁾</u>	<u>Interest (%)</u>
<u>Non-Current Investments:</u>							
Telecom Argentina ⁽²⁾	Argentina	Common	\$ 1	406,757,183	57,571	57,274	18.89%
Telecom Argentina – Goodwill					8,500	8,500	
VLG ⁽³⁾	Argentina	Common	\$ 1	19,172,000,000	61,555	61,238	100%
VLG – Goodwill					993	993	
Total					128,619	128,005	

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

(2) See Note 11.

(3) Company through which an indirect interest is held in Telecom.

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

<u>Companies</u>	<u>Main business activity</u>	<u>Date</u>	<u>Capital Stock</u>	<u>Net Income</u>	<u>Equity</u>
Telecom	Provision of Information and Communications Technology Services ("ICT Services")	March 31, 2020	2,158	2,115	330,517
VLG	Investing and financing	March 31, 2020	19,172	515	66,665

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balance at the beginning of the year:	128,005	145,683
Equity in Earnings for the period from subsidiaries	1,001	783
Other Comprehensive Income	(387)	(261)
Balance at period-end	<u>128,619</u>	<u>146,205</u>

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Equity in Earnings from Associates

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Telecom	484	380
VLG	517	403
	<u>1,001</u>	<u>783</u>

4.5 - Cash and Cash Equivalents

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Banks in Local Currency	-	5
Banks in Foreign Currency (Note 4.6)	8	4
Mutual Funds (Note 4.6)	708	863
Interest-bearing accounts (Note 4.6)	847	725
Total	<u>1,563</u>	<u>1,597</u>

4.6 - Assets and Liabilities in Foreign Currency

Items	Total as of March 31, 2020			As of December 31, 2019	
	Amount in Foreign Currency (1)	Prevailing Exchange Rate (2)	Amount In local Currency (3)	Amount in Foreign Currency (1)	Amount in Local Currency (3)
			\$		\$
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	24	64.269	1,558	25	1,588
Other Receivables	-		24	-	13
Total Current Assets	<u>24</u>		<u>1,582</u>	<u>25</u>	<u>1,601</u>
NON-CURRENT ASSETS					
Other Receivables	8	64.269	521	6	368
Total Non-Current Assets	<u>8</u>		<u>521</u>	<u>6</u>	<u>368</u>
Total Assets	<u>32</u>		<u>2,103</u>	<u>31</u>	<u>1,969</u>

⁽¹⁾ US\$.⁽²⁾ Bid/offered exchange rates, as appropriate.⁽³⁾ Since the amounts in foreign currency and the equivalent amount in Argentine pesos are stated in millions, the calculation of the amount in foreign currency as per the prevailing exchange rate may not be accurate.**4.7 – Maturities of Investments, Receivables and Liabilities**

The following table shows the classification of investments, receivables and liabilities as of March 31, 2020 in the following categories:

	Investments ⁽¹⁾	Receivables	Other Liabilities ⁽²⁾
	<u>In millions of Argentine pesos</u>		
Without any established term	1,555	-	7
Due			
Within three months	-	18	112
More than three months and up to six months	-	7	-
More than six and up to nine months	-	7	-
More than nine months and up to twelve months	-	6	3
More than 1 year	-	522	-
Total with upcoming maturity	<u>-</u>	<u>560</u>	<u>115</u>
Total	<u>1,555</u>	<u>560</u>	<u>122</u>

⁽¹⁾ Includes US\$ 24 and US\$ 5 which accrue interest at a variable rate. Included in the item "Cash and Cash Equivalents."⁽²⁾ Does not accrue any interest. Includes taxes payable, accounts payable and salaries and social security payables, and other liabilities.See our report dated
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NOTE 5 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

<u>Company</u>	<u>Item</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<u>Other Related Parties</u>			
Grupo Clarín	Accounts Payable	7	6

The following table details the transactions carried out by the Company with related parties for the three-month periods ended March 31, 2020 and 2019:

<u>Company</u>	<u>Item</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<u>Other Related Parties</u>			
Grupo Clarín	Fees for services	(30)	(22)
Gestión Compartida	Fees for services	(2)	(3)

NOTE 6 – FINANCIAL INSTRUMENTS

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

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

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

	<u>US\$ March 31, 2020</u>	<u>US\$ December 31, 2019</u>
ASSETS		
Other Receivables	8	6
Cash and Cash Equivalents	24	25
Total assets	32	31

Applicable bid/offered exchange rates as of March 31, 2020 and December 31, 2019 were of \$ 64.269 / \$ 64.469 and \$ 59.69 / \$ 59.89, respectively.

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6.1.1. Financial Instruments at Fair Value

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

	<u>March 31, 2020</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
Assets			
Current Investments	1,555	708	847

	<u>December 31, 2019</u>	<u>Quoted Prices (Level 1)</u>	<u>Other Significant Observable Items (Level 2)</u>
Assets			
Current Investments	1,588	725	863

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

6.1.2. Fair Value of Financial Instruments

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

NOTE 7 - PROVISIONS AND OTHER CONTINGENCIES

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

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

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

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

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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, 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. However, the National Government may file an appeal against the decision rendered by the Federal Court of Appeals of Mar del Plata.

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

NOTE 8 - CAPITAL STOCK STRUCTURE

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

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

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

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

Having obtained all of the required regulatory authorizations to complete the spin-off process approved on September 28, 2016 by the shareholders of Grupo Clarín S.A., on August 30, 2017, Grupo Clarín and the Company exchanged the shares of Grupo Clarín S.A. pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company holds 1,578 treasury shares as of March 31, 2020.

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

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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 depository shares (GDSs) to be traded on the London Stock Exchange. Those GDSs were admitted to the official list of the UKLA on February 21, 2018.

The Company's capital stock as of March 31, 2020 is of \$ 180,642,580 and is represented by:

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

NOTE 9 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS

1. Cablevisión Holding

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

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

2. Telecom

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

- (a) To approve the Annual Report and financial statements of Telecom as of December 31, 2019;
- (b) To approve the Board of Directors' proposal stated in constant currency as of March 31, 2020 using the National Consumer Price Index (National IPC, for its Spanish acronym) pursuant to CNV Resolution No. 777/2018 in connection with the Accumulated Deficit as of December 31, 2019 (\$6,633,713,897). The Board proposed: (i) to absorb \$1,931,029,240 of the “Voluntary reserve for capital investments”; (ii) to absorb \$4,702,684,657 of the “Voluntary reserve to maintain the Company's level of capital expenditures and its

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current solvency level”; and (iii) to reclassify \$10,887,950,778 from the “Voluntary reserve to maintain the Company’s level of capital expenditures and its current solvency level” and appropriate it to “Merger Surplus”.

- (c) To approve the reversal of the balance of the “Voluntary reserve for capital investments” (in the amount of \$3,541,443,368 adjusted as of April 30, 2020 using the National Consumer Price Index (National IPC) published in due course), increasing the “Voluntary reserve for future cash dividends” with the amount of said reversal.

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

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

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

NOTE 11 - MANDATORY PUBLIC TENDER OFFER (“PTO”) DUE TO CHANGE OF CONTROL

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

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

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

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

Pursuant to Article 3, paragraph c), Chapter II, Title III of CNV Rules, on July 5, 2018, the Board of Directors of Telecom Argentina issued an opinion stating that the PTO Price had been set in accordance with the mandatory

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terms provided under applicable laws, in conformity with item I of Article 88 of the Capital Markets Law, and issued the Board of Directors' Report provided under such Rules.

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

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

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

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

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

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

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NOTE 12 - IMPACT OF CORONAVIRUS

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

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

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

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

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

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

Hence, and in spite of the declaration of the pandemic, Telecom implemented a series of measures to ensure the continuity of operations remotely, safeguarding the health of all the personnel and of those that are part of the value chain. The main measures adopted by the Company are:

- The early performance of the tasks planned for 2020 and the initiation of works to ensure the capacity required for the networks to continue operating seamlessly;
- Expansion of the capacity for international outgoing Internet traffic by 40% (with the possibility of increasing it further if the situation so requires) and reduction of the quality of video resolution;
- Execution of agreements to boost the links with international suppliers and IP networks;
- Early execution in public thoroughfare of infrastructure works on residential fixed data networks, enhancement of data centers and hubs and increase of the capacity of Flow's content distribution network;
- Expansion of the capacity of the mobile network in certain smaller locations in the provinces where there is only one network, and the continuation of preventive maintenance tasks in all our networks;

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- Granting of certain benefits so that customers can take further advantage of connection options and access valuable information and educational and entertainment contents;
- Awareness campaigns with recommendations and good practices in the use of Internet to ensure a better connectivity experience;
- Launch of a campaign, since the first day of the mandatory isolation, promoting all the digital communication channels and encouraging customers to request support through those channels. Enhancement of digital support in order to handle the new flow of customers by implementing special microsities identified as "I pay from home";
- In compliance with effective regulations, Telecom has recently opened commercial offices in locations with less than 100,000 inhabitants;
- Technical support focused on preventive maintenance and repairs in public thoroughfare and on Telecom's own infrastructure, giving priority to critical cases such as hospitals and security forces, among others;
- In the case of new installations and repairs that have to be made inside of our customers' homes, Telecom provided technical teams with personal care and safety kits, which include special protective gear such as coveralls, gloves, cloth face covering and special goggles, hand sanitizer and training for the proper and safe use of those elements;
- The Crisis Committee, composed of members of Upper Management, started to hold meetings on a daily basis and added the advice of health experts to address the different scenarios that may arise and to be able to make quick decisions;
- Implementation of home office, prior to the declaration of the mandatory isolation, for many of our employees in business support areas with virtual private network access so that they can work remotely with the same tools and security levels they have in their workspaces at our offices. They use web and mobile applications for (i) administrative and human resources tasks, (ii) access to e-learning training and (iii) communication and collaborative workspaces, virtual rooms and access to files and documentation from anywhere, in a collaborative and safe way;
- Enhancement of cleaning and disinfection at workspaces and environments for those tasks that cannot be performed remotely, including the vans used by technical support teams, as well as provision of hand washing and sanitizing methods, in addition to the distribution of personal care kits in accordance with the protocol established by the Superintendency of Labor Risks;
- Continuation of ongoing communication with unions to agree on work protocols that allow the Company to continue providing services and, at the same time, safeguard the health of our employees; and
- Ongoing communication with our strategic partners and other international operators from the countries with greater spread of the pandemic in order to understand and foresee the potential impacts on our operations.

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

On March 24, 2020, the Executive Branch issued Decree No. 311/2020, whereby it provided for the temporary suspension of the disconnection of services deemed essential for the development of daily life, such as electricity supply, running water supply, gas supply, fixed or mobile telephony, Internet and radio electric link or satellite link subscription television, among others, in order to guarantee access to those essential services.

The Decree also provides that companies that render fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services are under the obligation to maintain a reduced service, as established in the regulations, for a term of one hundred eighty (180) calendar days. In addition, the Decree provides that if users of mobile telephony or Internet prepaid services fail to pay the corresponding recharge to have access to consumption, the companies that provide those services must provide a reduced service within the terms provided by regulations, and that this obligation shall be effective until May 31, 2020.

The Ministry of Productive Development (MPD), designated as the Enforcement Authority, ordered the prohibition to disconnect services in case of late or non-payment, under the conditions established under the approved general rules. In addition, the MPD created a Coordination Unit, composed of a representative of each of the competent areas, in order to implement the provisions of the decree. The Coordination Unit shall issue, within a maximum term of fifteen calendar days, a report regarding the number of users that fall within

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the scope of the decree and the segment of users that do not fall within the scope of the decree but the Unit would deem convenient to include.

The implementing regulations provide that the users that fall within the scope of the decree are all those whose bills are due as from March 1, 2020 and those with a current notice of disconnection and, in the case of fixed or mobile telephony, Internet and radio-electric link or satellite link subscription television services, those who have registered the service under their name before March 26, 2020. In addition, the implementing regulations set forth the monthly minimum features that will be considered as reduced service. In addition, the implementing regulations also provide that the measures adopted may be extended to other individual customers, individuals registered under the simplified tax (*monotributo*) and civil associations that provide evidence of a decrease in their revenues.

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

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

Main Accounting Impacts

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

In accordance with the guidelines of IAS 36, at the end of the reporting period the Company's Management assessed whether there was any indication of impairment of any asset. Even though the pandemic may have a significant impact on economic activity in Argentina and become an indicator of impairment, based on Management's estimates, no adverse effect has been identified on the Company's future cash-flow-generating capacity because Telecom's volume of operations is expected to remain stable. Therefore, the Company has not deemed it necessary to estimate the recoverable value of its assets as of March 31, 2020.

The implementation of measures aimed at reducing the circulation of people included the closure of in-person collection channels, thus affecting the collections of Telecom as from March 20, 2020. Telecom's Management estimates that the deterioration of Argentina's economic situation represents an increase in the credit risk of trade receivables existing at the end of the period. The interim condensed financial statements of Telecom as of March 31, 2020 include an increase in the allowance for bad debts for approximately \$276 million as a result of the application of the model called "expected credit losses", as established by IFRS 9. For more information on the breakdown and maturity dates of trade receivables, see Notes 3 and 18, respectively.

The ultimate effects of Covid-19 and its impact on the global and local economy are unknown. Governments may issue more stringent measures, which cannot be predicted at this stage.

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The Company's Board of Directors is closely monitoring the situation and taking the necessary measures to preserve human life and its businesses.

NOTE 13 - APPROVAL OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

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

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Sebastián Bardengo
Chairman

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

**SEPARATE FINANCIAL STATEMENTS
AS OF MARCH 31, 2020**

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

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

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

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

4) Equity interest under Article 33 of Law No. 19,550 is detailed in Note 4.4 of the interim condensed separate financial statements. Accounts receivable from and payable to related parties are disclosed under Note 5 to the interim condensed separate financial statements. The following table summarizes the breakdown of such accounts payable and receivable as per the above points 2) and 3).

	<u>Liabilities</u>
Without any established term	7 ⁽¹⁾
Total	<u>7</u>

(1) Balances are denominated in local currency and do not accrue any interest.

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

6) The Company does not have any inventories.

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

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

9) As of March 31, 2020, the Company does not have any tangible property, plant and equipment.

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

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

11) The Company does not have any irrevocable contributions on account of future share subscriptions.

12) The Company does not have any unpaid cumulative dividends on preferred shares.

13) In Note 9.1 to the interim condensed separate financial statements reference is made to the treatment given to retained earnings.

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Free translation from the original prepared in Spanish

REPORT ON REVIEW OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

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

Introduction

We have reviewed the attached interim condensed separate financial statements of Cablevisión Holding S.A. (the "Company") which comprise the separate statement of financial position at March 31, 2020, the separate statements of comprehensive income, changes in equity and of cash flows for the three-month period ended on that date and a summary of significant accounting policies and other explanatory information.

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

Management's responsibility

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

Scope of our review

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

Conclusion

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

Emphasis of Matter

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

Report on compliance with current regulations

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

- a) except for its lack of transcription to the "Inventory and Balance Sheet" book, the interim condensed separate financial statements of Cablevisión Holding S.A. comply with the General Companies Law and pertinent resolutions of the Argentine Securities Commission, as regards those matters that are within our competence;
- b) the interim condensed separate financial statements of Cablevisión Holding S.A., except for its lack of transcription to the "Inventory and Balance Sheet" book and to the "Journal" book (accounting entries corresponding to the months of January to March 2020), arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the additional information to the Notes to the interim condensed separate financial statements required by Article 12°, Chapter III, Title IV of the regulations of the Argentine Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2020, the debt accrued in favor of the Argentine Integrated Social Security System of Cablevisión Holding S.A. according to the Company's accounting records and calculations amounted to \$ 1,313,322, none of which was claimable at that date.

City of Buenos Aires, May 19, 2020.

PRICE WATERHOUSE & CO. S.R.L.

by
(Partner)

Dr. Carlos A. Pace

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

To the Shareholders of:

Cablevisión Holding S.A.

Tax Identification Number: 30-71559123-1

Registered office: Tacuarí 1842, 4th Floor

City of Buenos Aires

I. INTRODUCTION

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

a) The attached interim condensed separate financial statements of Cablevisión Holding S.A. comprising the separate statement of financial position as of March 31, 2020, the separate statement of comprehensive income for the three-month period ended March 31, 2020, the separate statement of changes in equity and the separate statement of cash flows for the three-month period then ended, and selected explanatory notes.

b) The attached interim consolidated financial statements of Cablevisión Holding S.A. and its subsidiaries comprising the consolidated statement of financial position as of March 31, 2020, the consolidated statement of comprehensive income for the three-month period ended March 31, 2020, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three-month period then ended, and a summary of the significant accounting policies, and other explanatory information.

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

II. RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

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

III. SCOPE OF OUR REVIEW

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

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

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

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

IV. CONCLUSION

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

V. EMPHASIS OF MATTER

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

VI. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) The interim condensed financial statements detailed in Point I, paragraphs a) and b) comply with the provisions of the General Associations Law and the regulations concerning accounting documentation issued by the CNV, and have been transcribed to the Inventory and Statement of Balance Sheet Book.
- b) Except for the fact that they have not been transcribed to the Inventory and Balance Sheet Book, the interim condensed separate and consolidated financial statements of Cablevisión Holding S.A. comply, as regards those matters that are within our competence, with the General Associations Law and the pertinent resolutions issued by the Argentine Securities Commission.

Free translation from the original prepared in Spanish

- c) The interim condensed separate financial statements of Cablevisión Holding S.A., except for the fact that they have not yet been transcribed to the “Inventory and Balance Sheet” book and to the “Journal” book (accounting entries corresponding to the months of January to March 2020), arise from accounting records kept, in all formal respects, in conformity with legal provisions.
- d) Furthermore, we report that in exercise of the legality control within our field of competence, during the three-month period ended March 31, 2020 we have applied the procedures set forth in Section 294 of the General Associations Law, as deemed necessary pursuant to the circumstances and we have no observations to make in that regard.
- e) We have read the additional information to the notes to the condensed financial statements detailed in paragraph I. a) required under Article 12, Chapter III, Title IV of CNV regulations, on which, as regards those matters that are within our competence, we have no observations to make.

City of Buenos Aires, May 19, 2020

Supervisory Committee

Pablo San Martín
Chairman