Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

General Hornos 690
(C1272ACK) Autonomous city of Buenos Aires
Republic of Argentina

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Telecom Argentina S.A.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Telecom Argentina S.A. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – CGU of Telecom

As described in Notes 3.l), 3.m), 3.u), 3.u.1) and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was $ 1,543,964 million as of December 31, 2023, and the goodwill assigned to a cash generating unit related to operations carried out by the Company and its subsidiaries in Argentina ("the CGU of Telecom") was $ 1,535,508 million as of December 31, 2023. Management tests for impairment at least annually, at closing date of every year, or more frequently if events or circumstances indicate that the carrying value of the goodwill might be impaired. The carrying value of the goodwill is considered impaired by management when the carrying value of the CGU of Telecom is higher than its recoverable value. The recoverable value of the CGU of Telecom was calculated based on the fair value less the costs of disposal (hereinafter "FVLCD"). The assessment of the FVLCD of the CGU of Telecom included significant judgments by management in determining the market capitalization value of the Company adjusted for (i) the estimated fair value of other CGUs, (ii) the effect of the net liabilities not subject to this impairment test at their estimated fair value, (iii) an estimated control premium (determined by the management with the assistance of advisors, based in the values observed in market transactions) and (iv) estimated disposal costs in an orderly transaction.

The principal consideration for our determination that performing procedures relating to the goodwill impairment assessment of the CGU of Telecom is a critical audit matter is the significant judgment applied by management when developing the assessment of the recoverable value of the CGU of Telecom, which was determined using FVLCD. This, in turn, led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to assess the FVLCD of the CGU of Telecom and to evaluate adjustments made by management to the Company's market capitalization value, related to the estimated fair value of other CGUs, the effect of the net liabilities not subject to the impairment test at their estimated fair value and the estimated control premium. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the determination of the FVLCD for the CGU of Telecom. These procedures also included, among others, evaluating the appropriateness of the FVLCD determination for the CGU of Telecom; testing the completeness, accuracy, and relevance of underlying data used in the estimate; and evaluating the adjustments to the Company's market capitalization value made by management, including (i) the estimated fair value of other CGUs (ii) the estimated fair value for the net liabilities not subject to the impairment test and (iii) the estimated control premium based in the values observed in market transactions. Evaluating management' adjustments to Company's market capitalization value to determine the FVLCD of the CGU of Telecom involved evaluating whether the significant judgements used by management were reasonable considering the consistency with: (i) valuation techniques generally used to determine fair values, (ii) external market data and (iii) evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the methodology used by management to determine the FVLCD and the reasonableness of the adjustments to the Company's market capitalization value made by management.

/s/ PRICE WATERHOUSE & CO. S.R.L.

(Partner)

/s/ Alejandro Javier Rosa

Autonomous City of Buenos Aires, Argentina
March 21th, 2024

We have served as the Company's auditor since 2003.

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Glossary of terms

The following explanations are not technical definitions, but to assist the financial statement reader to understand certain terms as used in these consolidated financial statements.

Abono fijo: Under the Abono fijo plans, a subscriber pays a set monthly bill and, once the contract minutes per month have been used, the subscriber can obtain additional credit by recharging the phone card through the prepaid system.

ADR: American Depositary Receipt.

ADS: Telecom Argentina's American Depositary Share, listed on the New York Stock Exchange, each representing five Class B Shares.

AFIP (Administración Federal de Ingresos Públicos): The Argentine federal tax authority.

AMBA (Área Metropolitana de Buenos Aires): The Metropolitan Area of Buenos Aires.

BCRA (Banco Central de la República Argentina): The Central Bank of Argentina.

BYMA (Bolsas y Mercados Argentinos): Buenos Aires Stock Exchange.

Cablevisión: Company absorbed by Telecom since January 1, 2018, whose activities are continued by Telecom.

CAPEX: Capital expenditures.

CNC (Comisión Nacional de Comunicaciones): The Argentine National Communications Commission.

CNDC (Comisión Nacional de Defensa de la Competencia): The Argentine Antitrust Commission.

CNV (Comisión Nacional de Valores): The Argentine National Securities Commission.

Company/Telecom Argentina: Telecom Argentina S.A.

CONATEL (Comisión Nacional de Telecomunicaciones del Paraguay): The Regulatory Authority of Paraguay.

CPCECABA (Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires): The Professional Council of Economic Sciences of the City of Buenos Aires.

CVH: Cablevisión Holding S.A., controlling company of Telecom since January 1, 2018 (Note 27.a).

DNU (Decreto de Necesidad y Urgencia): Decree of Urgency issued by the Argentine Government.

DFI: Derivate Finantial Instrument.

DATDH (Distribución de Señales de Audio y Televisión Directa al Hogar): direct-to-home subscription audio and television services.

ENACOM (Ente Nacional de Telecomunicaciones): The Telecommunications Regulatory Authority of Argentina.

ENTel (Empresa Nacional de Telecomunicaciones): Argentine State Telecommunication Company, which was privatized in November 1990.

FACPCE (Federación Argentina de Consejos Profesionales en Ciencias Económicas): Argentine Federation of Professional Councils of Economic Sciences.

FCC: Federal Communications Commission

FFSU or SU Fund (Fondo Fiduciario del Servicio Universal): Universal Service Fiduciary Fund.

Fintech: Fintech Telecom LLC, a Telecom shareholder.

Fintech services: Financial technology services are activities that involve the use of innovation and technological developments for the design, offer and provision of financial products and services.

FIU: Financial Information Unit.

Fixed Assets: Includes PP&E, Intangible assets, Goodwill and Rights of use assets.

IAS: International Accounting Standards.

IASB: International Accounting Standards Board.

ICT Services (Information and Communication Technology services): Services to transport and distribute signals or data, such as voice, text, video and images, provided or requested by third-party users, through telecommunications networks.

IFRS Accounting Standards: International Financial Reporting Standards, as issued by the International Accounting Standards Board.

IGJ (Inspección General de Justicia): General Board of Corporations.

INDEC (Instituto Nacional de estadísticas y censos): The National Institute of statistics and censuses.

La Capital Cable/Ver TV/TSMA: Names corresponding to limited companies La Capital Cable S.A., Ver T.V. S.A. and Teledifusora San Miguel Arcángel S.A., respectively, companies that are directly or indirectly associates according to the definition of the General Corporations Law.

LAD (Ley Argentina Digital): Argentine Digital Law No. 27,078.

LGS (Ley de General de Sociedades): Argentine Corporations Law No. 19,550 as amended. Since the enforcement of the new Civil and Commercial Code its name was changed to “General Corporations Law”.

*LSCA (L*ey de Servicios de Comunicación Audiovisual o de Medios*):* Law of Audiovisual Communications Services.

Micro Sistemas/Pem/Cable Imagen/AVC Continente Audiovisual/Inter Radios/Personal Smarthome/NYS2/NYSSA: Names corresponding to limited companies or limited responsibility companies that are directly or indirectly controlled according to the definition of the General Corporations Law, or were controlled by the Company, directly or indirectly: Micro Sistemas S.A.U., Pem S.A.U., Cable Imagen S.R.L., AVC Continente Audiovisual S.A., Inter Radios S.A.U., Personal Smarthome S.A., NYS2 S.A.U., Negocios y Servicios S.A.U.

MULC (Mercado Único y Libre de Cambios): The Argentine Single and Free Exchange Market.

NYSE: New York Stock Exchange.

OCI: Other Comprehensive Income.

OPH: Name corresponding to company Open Pass Holding LLC that is a joint venture of Telecom.

PBU (Prestación Básica Universal Obligatoria): Compulsory universal telecommunication service established by Decree No. 690/20 and regulated by ENACOM Resolution No. 1,467/20.

*PCS (*Personal Communications Service): A mobile communications service with systems that operate in a similar manner to cellular systems.

PEN (Poder Ejecutivo Nacional): National Executive Power.

PPP (Programa de Propiedad Participada): Share Ownership plan.

PP&E: Property, plant and equipment.

PSP: Payment Service Providers.

RECPAM (Resultado por exposición a los cambios en el poder adquisitivo de la moneda): Inflation Adjustment Gain (Loss).

Regulatory Authority: Previously, the SC and the CNC. Since the issuance of the Decree of Need and Urgency No. 267/15, the Regulatory Authority is the National Communications Agency (ENACOM).

RMB: Official currency of Popular Republic of China.

Roaming: a function that enables mobile subscribers to use the service on networks of operators other than the one with which they signed their initial contract. The roaming service is active when a mobile device is used in a foreign country (included in the GSM network).

SBT (Servicio básico telefónico): Basic telephone service.

SC (Secretaría de Comunicaciones): The Argentine Secretary of Communications.

SCMA (Servicio de Comunicaciones Móviles Avanzadas): Mobile Advanced Communications Service.

SEFyC (Superintendencia de Entidades Financieras y Cambiarias): Superintendency of Financial and Exchange Entities.

SMS: Short message systems.

SOF: Secured Overnight Financing

SRCE (Servicio Radioeléctrico de Concentración de Enlaces): Radio-electric Service of Concentration of Links.

SRMC (Servicio de Radiocomunicaciones Móvil Celular): Cellular Mobile Radiocommunications Service.

SRS (Servicio de Radiodifusión por Suscripción por vínculo físico y/o radioeléctrico): Subscription Broadcasting Service by physical and / or radio-electric link.

STeFI (Servicios de Telecomunicaciones Fiables e Inteligentes): Reliable and Intelligent Telecommunications Service.

STM (Servicio de Telefonía Móvil): Mobile Telephone Service.

STMC (Servicio de Telefonía Móvil por Celular): Mobile Telephone Service by Cellular.

SU: The availability of Basic telephone service, or access to the public telephone network via different alternatives, at an affordable price to people within a country or specified area.

Telecom: Telecom Argentina and its consolidated subsidiaries.

Telecom USA/ Núcleo/ Personal Envíos/ Tuves Paraguay/ Televisión Dirigida/ Adesol/ Opalker/Ubiquo/ Micro Fintech Holding: Names corresponding to foreign companies Telecom Argentina USA Inc., Núcleo S.A.E., Personal Envíos S.A., Tuves Paraguay S.A., Televisión Dirigida S.A., Adesol S.A., Opalker S.A., Ubiquo Chile Spa and Micro Fintech Holding LLC, respectively, companies that are directly or indirectly controlled according to the definition of the General Corporations Law.

Telefónica: Telefónica de Argentina S.A.

URSEC (Unidad Regulatoria de Servicios de Comunicaciones): Communication Services Regulatory Agency

USA: United States of America

UVA (Unidad de Valor Adquistivo): Purchasing Value Unit, an index developed and published by the BCRA.

VAS (Value-Added Services): Services that provide additional functionality to the basic transmission services offered by a telecommunications network such as SMS, Video streaming, Personal Video, Personal Cloud, M2M (Communication Machine to Machine), Social networks, Personal Messenger, Contents and Entertainment (content and text subscriptions, games, music ringtones, wallpaper, screensavers, etc.), MMS (Mobile Multimedia Services) and Voice Mail, among others.

VAT: Value-Added Tax.

VLG: VLG S.A.U. (formerly VLG Argentina LLC), a company that was a shareholder of the Company and controlled by CVH. During 2023 it was merged and absorbed by CVH.

WACC: Weighted Average Cost of Capital, discount rate used to discount cash flows in estimating the recoverable value of the Goodwill.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Argentine pesos in current currency - Note 1.d)

		As of December 31,	
ASSETS	Note	2023	2022
Current Assets			
Cash and cash equivalents	**4**	159,774	124,725
Investments	**4**	123,969	26,074
Trade receivables	**5**	132,868	117,139
Other receivables	**6**	44,261	60,841
Inventories	**7**	31,529	20,079
Assets classified as held for sale		-	2,971
Total current assets		**492,401**	**351,829**
Non-Current Assets			
Trade receivables	**5**	252	368
Other receivables	**6**	9,407	5,198
Deferred income tax assets	**15**	13,815	7,698
Investments	**4**	23,808	20,062
Goodwill	**8**	1,543,964	1,540,713
PP&E	**9**	2,271,838	2,468,820
Intangible assets	**10**	906,426	793,489
Right of use assets	**11**	215,692	195,975
Total non-current assets		**4,985,202**	**5,032,323**
TOTAL ASSETS		**5,477,603**	**5,384,152**
LIABILITIES			
Current Liabilities			
Trade payables	**12**	356,854	277,954
Borrowings	**13**	563,478	418,411
Salaries and social security payables	**14**	91,140	117,252
Income tax payables	**15**	1,562	976
Other taxes payables	**16**	39,148	30,926
Leases liabilities	**17**	28,736	28,656
Other liabilities	**18**	20,460	15,446
Provisions	**19**	5,340	8,201
Total current liabilities		**1,106,718**	**897,822**
Non-Current Liabilities			
Trade payables	**12**	914	992
Borrowings	**13**	1,564,591	1,042,680
Salaries and social security payables	**14**	3,729	8,554
Deferred income tax liabilities	**15**	461,142	797,867
Other taxes payables	**16**	11	138
Leases liabilities	**17**	59,909	61,331
Other liabilities	**18**	9,042	8,125
Provisions	**19**	26,117	36,292
Total non-current liabilities		**2,125,455**	**1,955,979**
TOTAL LIABILITIES		**3,232,173**	**2,853,801**
EQUITY			
Equity attributable to Controlling Company		2,167,879	2,479,866
Equity attributable to non-controlling interest		77,551	50,485
TOTAL EQUITY *(See Consolidated Statements of Changes in Equity)*	**21**	**2,245,430**	**2,530,351**
TOTAL LIABILITIES AND EQUITY		**5,477,603**	**5,384,152**

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

CONSOLIDATED INCOME STATEMENTS

(In millions of Argentine pesos in current currency, except per share data in Argentine pesos in current currency - Note 1.d)

		For the years ended December 31,		
	Note	**2023**	**2022**	**2021**
Revenues	**23**	**2,059,101**	**2,270,728**	**2,581,043**
Employee benefit expenses and severance payments	**24**	(514,462)	(568,830)	(556,999)
Interconnection and transmission costs		(60,793)	(69,927)	(92,578)
Fees for services, maintenance, materials and supplies	**24**	(258,717)	(275,459)	(299,848)
Taxes and fees with the Regulatory Authority	**24**	(158,189)	(174,360)	(198,619)
Commissions and advertising		(120,602)	(137,536)	(147,962)
Cost of equipment	**24**	(111,078)	(107,560)	(127,151)
Programming and content costs		(116,172)	(142,441)	(175,606)
Bad debt expenses		(44,652)	(57,118)	(48,424)
Other operating expenses	**24**	(95,040)	(113,499)	(128,490)
Depreciation, amortization and impairment of Fixed Assets	**24**	(704,461)	(1,542,467)	(822,272)
Operating loss		**(125,065)**	**(918,469)**	**(16,906)**
Earnings (losess) from associates and joint ventures	**4.a**	(1,888)	2,550	2,398
Financial costs	**25**	(634,307)	92,625	174,096
Other financial results, net	**25**	173,316	100,379	102,811
Income (loss) before income tax		**(587,944)**	**(722,915)**	**262,399**
Income tax benefit (expense)	**15**	338,257	82,536	(202,105)
Net income (loss) for the year		**(249,687)**	**(640,379)**	**60,294**
Attributable to:				
Controlling Company		(257,730)	(647,208)	52,559
Non-controlling interest		8,043	6,829	7,735
		(249,687)	**(640,379)**	**60,294**
Earnings per share for income (loss) attributable to the Controlling Company - Basic and diluted	**3.t**	**(119.67)**	**(300.51)**	**24.40**

See Note 24 for additional information on operating expenses per function.
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Argentine pesos in current currency - Note 1.d)

	For the years ended December 31,		
	2023	2022	2021
Net income (loss) for the year	**(249,687)**	**(640,379)**	**60,294**
Other comprehensive income			
Items that may reclassified to profit or loss			
Currency translation adjustments (no effect on Income Tax)	73,145	(20,989)	(38,761)
DFI effects classified as hedges	1,313	1,893	2,074
Income Tax effects on DFI classified as hedges and others	(362)	(868)	(775)
Items that will not be reclassified to profit or loss			
Actuarial results	(420)	87	(212)
Income Tax effects	147	(31)	72
Other comprehensive income (loss), net of tax	**73,823**	**(19,908)**	**(37,602)**
Total comprehensive income (loss) for the year	**(175,864)**	**(660,287)**	**22,692**
Attributable to:			
Controlling Company	(206,952)	(662,732)	24,078
Non-controlling interest	31,088	2,445	(1,386)
	(175,864)	**(660,287)**	**22,692**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Argentine pesos in current currency - Note 1.d)

	Owners contribution		Reserves								
	Outstanding shares Capital nominal value (1)	Inflation adjustment	Contributed Surplus	Legal	Special reserve for IFRS implemen-tation	Facultative (2)	Other compre-hensive results	Retained earnings	Equity attributable to controlling company	Equity attributable to non-controlling interest	Total Equity
Balances as of January 1, 2021	**2,154**	**857,702**	**2,316,041**	**48,539**	**18,706**	**369,716**	**(58,301)**	**(52,746)**	**3,501,811**	**58,592**	**3,560,403**
Resolutions of the General Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2021:											
- Absorption of negative Retained earnings	-	-	-	-	-	(52,326)	-	52,326	**-**	-	**-**
- Reserves reallocation	-	-	(107,295)	-	-	107,295	-	-	**-**	-	**-**
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	**-**	(5,060)	**(5,060)**
Resolutions of the General Extraordinary Shareholders' Meeting held on August 11, 2021:											
- Dividends (3)	-	-	-	-	-	(242,761)	-	-	**(242,761)**	-	**(242,761)**
Exercise Irrevocable Call and Put Option on the shares of AVC Continente Audiovisual valuation adjustment	-	-	-	-	-	-	407	-	**407**	(149)	**258**
Comprehensive income:											
Net income for the year	-	-	-	-	-	-	-	52,559	**52,559**	7,735	**60,294**
Other comprehensive loss	-	-	-	-	-	-	(28,481)	-	**(28,481)**	(9,121)	**(37,602)**
Total Comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(28,481)**	**52,559**	**24,078**	**(1,386)**	**22,692**
Balances as of December 31, 2021	**2,154**	**857,702**	**2,208,746**	**48,539**	**18,706**	**181,924**	**(86,375)**	**52,139**	**3,283,535**	**51,997**	**3,335,532**
Resolutions of the General Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022:											
- Reserves constitution	-	-	-	2,479	-	50,080	-	(52,559)	**-**	-	**-**
- Reserves reallocation	-	-	(92,734)	-	-	92,734	-	-	**-**	-	**-**
Dividends (3)	-	-	-	-	-	(140,937)	-	-	**(140,937)**	-	**(140,937)**
Dividends to non-controlling shareholders	-	-	-	-	-	-	(420)	420	**-**	(3,957)	**(3,957)**
Comprehensive income:											
Net income (loss) for the year	-	-	-	-	-	-	-	(647,208)	**(647,208)**	6,829	**(640,379)**
Other comprehensive loss	-	-	-	-	-	-	(15,524)	-	**(15,524)**	(4,384)	**(19,908)**
Total Comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(15,524)**	**(647,208)**	**(662,732)**	**2,445**	**(660,287)**
Balances as of December 31, 2022	**2,154**	**857,702**	**2,116,012**	**51,018**	**18,706**	**183,801**	**(102,319)**	**(647,208)**	**2,479,866**	**50,485**	**2,530,351**

(1) See Note 21.
(2) Corresponds to the Facultative Reserve to maintain the capital investments level and the current level of solvency.
(3) See Note 4.b).

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT.)

(In millions of Argentine pesos in current currency - Note 1.d)

	Owners contribution		Reserves								
	Outstanding shares Capital nominal value (1)	Inflation adjustment	Contributed Surplus	Legal	Special reserve for IFRS implemen-tation	Facultative (2)	Other compre-hensive income (loss)	Retained earnings	Equity attributable to controlling company	Equity attributable to non-controlling interest	Total Equity
Balances as of January 1, 2023	**2,154**	**857,702**	**2,116,012**	**51,018**	**18,706**	**183,801**	**(102,319)**	**(647,208)**	**2,479,866**	**50,485**	**2,530,351**
Resolutions of the General Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2023											
- Specific loss allocation (1)	-	-	(853,028)	-	-	-	-	853,028	**-**	-	**-**
- Reserves constitution (1)	-	-	-	-	-	205,820	-	(205,820)	**-**	-	**-**
Dividends (3)	-	-	-	-	-	(104,445)	-	-	**(104,445)**	-	**(104,445)**
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	**-**	(4,020)	**(4,020)**
Subsidiary acquisition (4)	-	-	-	-	-	-	-	-	**-**	(2)	**(2)**
Subsidiary call option (5)	-	-	-	-	-	-	(590)	-	**(590)**	-	**(590)**
Comprehensive income:											
Net income (loss) for the year	-	-	-	-	-	-		(257,730)	**(257,730)**	8,043	**(249,687)**
Other comprehensive income	-	-	-	-	-	-	50,778	-	**50,778**	23,045	**73,823**
Total Comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**50,778**	**(257,730)**	**(206,952)**	**31,088**	**(175,864)**
Balances as of December 31, 2023	**2,154**	**857,702**	**1,262,984**	**51,018**	**18,706**	**285,176**	**(52,131)**	**(257,730)**	**2,167,879**	**77,551**	**2,245,430**

(1) See Note 21.
(2) Corresponds to the Facultative Reserve to maintain the capital investments level and the current level of solvency.
(3) See Note 4.b).
(4) Correspond to Ubiquo's acquisition. See Note 1.a).
(5) This operation represents a transaction between controlling and non-controlling stockholders related to the extension of the purchase option of Adesol's special purpose entities. Therefore, the payments made by the subsidiary Adesol were recognized directly in "Other comprehensive income (loss)" within equity attributable to controlling company.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Argentine pesos in current currency – Note 1.d)

	Note	For the years ended December 31, 2023	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Net income (loss) for the year		(249,687)	(640,379)	60,294
Adjustments to reconcile net income to net cash flows provided by operating activities				
Allowances deducted from assets		39,732	59,566	57,327
Depreciation of PP&E	24	544,533	619,041	657,448
Amortization of intangible assets	24	87,908	89,215	94,375
Amortization of rights of use assets	24	71,706	67,728	62,661
Impairment of Goodwill	3.m	-	759,722	4,045
Disposals of Fixed Assets and consumption of materials		388	15,053	12,491
Earnings (losses) from associates and joint ventures	4.a	1,888	(2,550)	(2,398)
Financial results and others		280,561	(199,415)	(347,414)
Income tax	15	(338,257)	(82,536)	202,105
Income tax paid (*)		(5,121)	(31,539)	(13,770)
Net increase in assets	4.b	(288,674)	(180,632)	(104,901)
Net increase in liabilities	4.b	472,721	193,212	106,533
Total cash flows provided by operating activities		**617,698**	**666,486**	**788,796**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Payments for PP&E		(263,939)	(365,141)	(446,375)
Payments for intangible asset acquisitions		(199,569)	(16,255)	(15,408)
Payment for acquisition of subsidiary, net of cash acquired and joint venture		(2,257)	(1,267)	-
Acquisition of call options agreements	3.f.1	(2,496)	-	-
Dividends from associates	4.b	1,204	1,915	1,420
Proceeds from the sale of PP&E and intangible assets		1,155	1,115	953
Net investments acquisitions not considered as cash and cash equivalents		(127,805)	(136,885)	(238,896)
Total cash flows used in investing activities		**(593,707)**	**(516,518)**	**(698,306)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Proceeds from borrowings	4.b	388,169	265,366	389,534
Payment of borrowings	4.b	(228,552)	(212,732)	(305,095)
Payment of interests and related expenses	4.b	(182,855)	(143,908)	(162,673)
Payments of leases liabilities		(44,192)	(47,521)	(40,013)
Transactions with non-controlling interests		(590)	-	(358)
Dividends paid to non-controlling interests in subsidiaries	4.b	(4,020)	(3,827)	(4,512)
Total cash flows used in financing activities		**(72,040)**	**(142,622)**	**(123,117)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(48,049)**	**7,346**	**(32,627)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**124,725**	**120,408**	**169,636**
NET FOREIGN EXCHANGE DIFFERENCES AND RECPAM ON CASH AND CASH EQUIVALENTS		**83,098**	**(3,029)**	**(16,601)**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**159,774**	**124,725**	**120,408**

(*)

	Years ended December 31, 2023	2022	2021
Corresponding to Controlling Company	(662)	(28,186)	(11,597)
Corresponding to subsidiaries	(4,459)	(3,353)	(2,173)
	(5,121)	**(31,539)**	**(13,770)**

See Note 4.b for additional information on the consolidated statements of cash flows.
The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) The Company and its Operations

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

Telecom Argentina's license, as originally granted, was exclusive to provide telephone services in the northern region of Argentina since November 8, 1990 through October 10, 1999. As of October 10, 1999, the Company also began providing telephone services in all the country.

In November 2017, the Company merged between Telecom Personal, so, since that date, it provides directly mobile telecommunications services.

As a consequence of the merger with Cablevisión (accounted for as a reverse acquisition on January 1, 2018), the Company provides cable television services through networks installed in different localities in Argentina and Uruguay.

Therefore, the Company mainly provides fixed and mobile telephony services, cable television services, data and Internet services in Argentina. Additionally, through its subsidiaries, it also provides diverse ICT Services in Uruguay, Paraguay, USA and Chile.

Moreover, through its controlled company Micro Sistemas, the Company provides fintech services related to the use of electronic means of payment, transfers and/or electronic use of money, among others.

Lastly, information on Telecom's licenses and on the regulatory framework is described under Note 2.

As of December 31, 2023, the following are the subsidiaries included in the consolidation process and the respective equity interest owned by Telecom Argentina:

Company	Main Activity	Country	Telecom Argentina's direct/indirect interest in capital stock and votes
Núcleo (a)	Mobile telecommunications Services	Paraguay	67.50%
Personal Envíos	Mobile financial services	Paraguay	67.50%
Tuves Paraguay (a)	Distribution of television and audio signals direct to home services	Paraguay	67.50%
Televisión Dirigida	Cable television services	Paraguay	100.00%
AVC Continente Audiovisual	Broadcasting services	Argentina	100.00%
Inter Radios	Broadcasting services	Argentina	100.00%
Micro Sistemas	Services related to the use of electronic payment media	Argentina	100.00%
Pem	Investment	Argentina	100.00%
Cable Imagen	Closed-circuit television	Argentina	100.00%
Personal Smarthome (b)	Security solutions and services	Argentina	100.00%
NYS2 (b) (c)	ICT Services and Audiovisual Communication Services.	Argentina	100,00%
NYSSA (d)	Provision of internet access services.	Argentina	100.00%
Adesol (e)	Holding	Uruguay	100.00%
Opalker	Cybersecurity and related services	Uruguay	100.00%
Ubiquo (f)	Cybersecurity services and products	Chile	95.00%
Telecom USA	Telecommunication services	USA	100.00%
Micro Fintech Holding (g)	Holding	USA	100.00%

(a) On October 17, 2023, Núcleo's Board of Directors approved the pre-commitment agreement for the merger by absorption with Tuves Paraguay, which was approved by the Extraordinary Shareholders' Meeting on November 2, 2023. The Definitive Merger Commitment was approved by the Extraordinary Shareholders' Meeting on December 20, 2023. The effective date of the merger will be the day after obtaining approval of the merger from the Public Registry of Commerce. As of the date of issuance of these consolidated financial statements, the approval of the merger is still pending.

(b) As of December 31, 2023 is a dormant entity.

(c) Company indirectly acquired on April 5, 2022 for a total consideration of $0.3 million in current currency of 31 December 2023 through subsidiary Personal Smarthome S.A. In May 2023, the company changed its name from "Personal Smart Security S.A.U." to "NYS2 S.A.U." and modified its main activity to ICT Services and Audiovisual Communication Services". On October 18, 2023, ENACOM granted it the "license to provide ICT Services, whether fixed or mobile, wired or wireless, domestic or international, with or without its own infrastructure.

(d) Company acquired on June 1, 2022. For further information, see Note 28.

(e) Includes the 100% interest in Telemas S.A., which holds interests in the following special-purpose entities: Audomar S.A., Bersabel S.A., Dolfycor S.A., Reiford S.A., Space Energy S.A., Tracel S.A. and Visión Satelital S.A. (See Note 3.d.6)).

(f) Company indirectly acquired by the subsidiary Opalker on June 20, 2023, for a total amount of US$0.2 million ($106 million in current currency as of December 31, 2023). A goodwill of $265 million was recognized related to this transaction. This acquisition allows the Company to move forward in its regional expansion model with cybersecurity solutions.

(g) In order to participate and invest in the capital of other companies related to the financial activity, on October 11, 2023, Telecom Argentina established the company Micro Fintech Holding LLC in the State of Delaware, USA. Telecom Argentina is the owner of 100% of the participation in such company. As of the date of issuance of these consolidated financial statements is a dormant entity.

b) Segment information

An operating segment is defined as a component of an entity that may earn revenues and incur expenses, and whose financial information is available, held separately, and evaluated regularly by the chief operating decision maker. In the case of the Company, the Executive Committee and the Chief Executive Officer ("CEO") are responsible for controlling recourses and for the economic and financial performance of Telecom.

The Executive Committee and the CEO have a strategic and operational vision of Telecom as a single business unit, according to the current regulatory context of the converged ICT Services industry (adding to the same segment both the activities related to the mobile services, internet services, cable television and fixed and data services, services governed by the same regulatory framework of ICT Services). To exercise its functions, both the Executive Committee and the CEO receive periodically the economic-financial information of Telecom Argentina and its subsidiaries (in current currency as of the date of each transaction), that is prepared as a single segment and evaluate the evolution of business as a unit of generation of results, administrating the resources in a unique way to achieve the objectives. Regarding to costs, they are not specifically appropriate to a type of service, considering that the Company has a single payroll and operating expenses that affect all services in general (non-specific). On the other hand, decisions on CAPEX affect all the types of services provided by Telecom in Argentina and not specifically to one of them. Based on what was previously described and under the accounting principles (provided by IFRS Accounting Standards), it was defined that the Company has a single segment of operations in Argentina.

Additionally, Telecom, through Micro Sistemas, develops activities in the fintech industry in Argentina, which are not analyzed as a separate segment by the Executive Committee and the CEO, taking into account that, as of December 31, 2023, activities of Micro Sistemas are not significant. In the same sense, the balances and transactions of the Micro Sistemas business do not exceed any of the quantitative thresholds identified under IFRS Accounting Standards to qualify as reportable segments.

The Executive Committee and the CEO will continue to monitor this business to evaluate the manner in which its performance is reviewed and, eventually, its consideration as a separate reportable segment provided it complies with the requirements established by IFRS Accounting Standards to that effect.

Telecom carries out activities abroad (Paraguay, United States of America, Uruguay and Chile). These operations are not analyzed as a separate segment by the Executive Committee and the CEO, who analyze the consolidated information of companies in Argentina and abroad (in current currency as of the date of each transaction), considering that the activities of foreign companies are not significant for Telecom. Operations carried out abroad by Telecom do not meet the aggregation criteria established by the standard to be grouped within the "Services rendered in Argentina" segment, and considering that they do not exceed any of the quantitative thresholds identified in the standard to qualify as reportable segments, they are grouped within the category "Other abroad segments".

The Executive Committee and the CEO evaluate the profitability for each reportable segment based on the measure of the Adjusted EBITDA. Adjusted EBITDA is defined as our net (loss) income less income tax, financial results, Earnings (losses) from associates and joint ventures, depreciation, amortization and impairment of Fixed Assets.

Presented below is the Segment financial information as it is analyzed by the Executive Committee and the CEO for the years ended December 31, 2023, 2022 and 2021.

Consolidated Income Statement as of December 31, 2023

	Services rendered in Argentina	Services rendered in Argentina – Inflation restatement	Services rendered in Argentina restated for inflation	Other abroad segments	Other abroad segments – Inflation restatement	Other abroad segments restated for inflation	Eliminations	Total
Revenues	**1,054,683**	**870,441**	**1,925,124**	**80,246**	**62,669**	**142,915**	**(8,938)**	**2,059,101**
Operating costs without depreciation, amortization and impairment of Fixed Assets	(759,759)	(645,509)	(1,405,268)	(46,821)	(36,554)	(83,375)	8,938	(1,479,705)
Adjusted EBITDA	**294,924**	**224,932**	**519,856**	**33,425**	**26,115**	**59,540**	**-**	**579,396**

Depreciation, amortization and impairment of Fixed Assets	(704,461)
Operating loss	**(125,065)**
Losses from associates and joint ventures	(1,888)
Financial cost	(634,307)
Other financial results, net	173,316
Loss before income tax	**(587,944)**
Income tax benefit	338,257
Net loss	**(249,687)**
Attributable to:	
Controlling Company	(257,730)
Non-controlling interest	8,043
	(249,687)

Consolidated Income Statement as of December 31, 2022

	Services rendered in Argentina	Services rendered in Argentina – Inflation restatement	Services rendered in Argentina restated for inflation	Other abroad segments	Other abroad segments – Inflation restatement	Other abroad segments restated for inflation	Eliminations	Total
Revenues	**504,432**	**1,622,426**	**2,126,858**	**36,528**	**116,827**	**153,355**	**(9,485)**	**2,270,728**
Operating costs without depreciation, amortization and impairment of Fixed Assets	(370,534)	(1,194,810)	(1,565,344)	(21,661)	(69,210)	(90,871)	9,485	(1,646,730)
Adjusted EBITDA	**133,898**	**427,616**	**561,514**	**14,867**	**47,617**	**62,484**	**-**	**623,998**

Depreciation, amortization and impairment of Fixed Assets	(1,542,467)
Operating loss	**(918,469)**
Earnings from associates and joint ventures	2,550
Financial cost	92,625
Other financial results, net	100,379
Loss before income tax	**(722,915)**
Income tax benefit	82,536
Net loss	**(640,379)**
Attributable to:	
Controlling Company	(647,208)
Non-controlling interest	6,829
	(640,379)

- ***Consolidated Income Statement as of December 31, 2021***

	Services rendered in Argentina	Services rendered in Argentina – Inflation restatement	Services rendered in Argentina restated for inflation	Other abroad segments	Other abroad segments – Inflation restatement	Other abroad segments restated for inflation	Eliminations	Total
Revenues	**332,816**	**2,070,653**	**2,403,469**	**26,215**	**163,537**	**189,752**	**(12,178)**	**2,581,043**
Operating costs without depreciation, amortization and impairment of Fixed Assets	(229,554)	(1,445,309)	(1,674,863)	(15,514)	(97,478)	(112,992)	12,178	(1,775,677)
Adjusted EBITDA	**103,262**	**625,344**	**728,606**	**10,701**	**66,059**	**76,760**	**-**	**805,366**

Depreciation, amortization and impairment of Fixed Assets	(822,272)
Operating loss	**(16,906)**
Earnings from associates and joint ventures	2,398
Financial cost	174,096
Other financial results, net	102,811
Income before income tax	**262,399**
Income tax expense	(202,105)
Net income	**60,294**
Attributable to:	
Controlling Company	52,559
Non-controlling interest	7,735
	60,294

Additional information per geographical area is disclosed below:

	As of December 31		
	2023	2022	2021
Sales revenues from customers located in Argentina	1,921,148	2,118,721	2,394,743
Sales revenues from foreign customers	137,953	152,007	186,300
CAPEX corresponding to the segment “Services rendered in Argentina	448,920	356,784	476,746
CAPEX corresponding to the segment “Other abroad segments”	34,278	36,425	42,202
Fixed Assets corresponding to the segment “Services rendered in Argentina”	4,685,453	4,818,873	5,909,460
Fixed Assets corresponding to the segment “Other abroad segments”	252,467	180,124	203,866
Borrowings corresponding to the segment “Services rendered in Argentina”	2,072,486	1,423,516	1,573,539
Borrowings corresponding to the segment “Other abroad segments”	55,583	37,575	45,603

c) Basis of Presentation

As required by the CNV, these consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. IFRS Accounting Standards also includes the International Accounting Standards or “IAS”; the International Financial Reporting Interpretations Committee or “IFRIC”, the Standard Interpretations Committee or “SIC” and the conceptual framework.

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards requires that the Company's Management make estimates that affect the figures disclosed in the financial statements or its supplementary information. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant are disclosed under Note 3.u).

These consolidated financial statements are expressed in millions of Argentine pesos, are prepared in current currency as of December 31, 2023 (see item d), on an accrual basis of accounting (except for the consolidated statement of cash flows) and based on historical cost, except for certain financial assets and liabilities (includes DFI) that are measured at fair value.

These consolidated financial statements contain, additionally to all disclosures required under IFRS Accounting Standards, some disclosures required by the LGS and/or by the CNV.

The figures as of December 31, 2022 and for the years ended December 31, 2022 and 2021, which are disclosed in these consolidated financial statements for comparative purposes, are a result of restating the financial statements as of such dates, according to what is described in point d). When applicable, certain reclassifications were made for comparative purposes.

These consolidated financial statements as of December 31, 2023, were approved by resolution of the Board of Directors' meeting held on March 11, 2024.

d) Financial reporting in hyperinflationary economies

Since Argentina has been considered a high-inflation economy for accounting purposes in accordance with IAS 29 since July 1, 2018, the financial information expressed in Argentine pesos is restated in current currency of December 31, 2023.

The table below shows the evolution of the indexes in the last three years according to official statistics (INDEC) in accordance with Resolution No. 539/18 of the FACPCE and the devaluation of the Argentine peso against the US dollar for the same years:

	As of December 31, 2021	As of December 31, 2022	As of December 31, 2023
National Consumer Price Index (National CPI) (December 2016=100)	582.46	1,134.59	3,533.19
Variation in Prices			
Annual	50.9%	94.8%	211.4%
Banco Nación US$/$ exchange rate	102.72	177.16	808.45
Variation in the exchange rate			
Annual	22.1%	72.5%	356.3%

Below is a summary of the effect of applying IAS 29:

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

The Company restated all the non-monetary items in current currency as of December 31, 2023. Each item must be restated since the date of the initial recognition or since the last revaluation. Monetary items have not been restated because they are stated in terms of the measuring unit current as of December 31, 2023.

Restatement of the Income Statement, the Statements of Comprehensive Income and the Statement of Cash Flows

In the Income Statement and the Statements of Comprehensive Income, items are restated in current currency as of December 31, 2023. The Company shall apply the monthly variations of CPI.

Financial results related to foreign currency exchange and accrued interest are determined in real terms, excluding the inflationary effect contained therein.

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

The items of the Statement of Cash Flows must also be restated in current currency at the closing date. The restatement effect has an impact on the Income Statement and must be eliminated from the Statement of Cash Flows because it is not considered cash or cash equivalent.

Investments in foreign companies

The subsidiaries that use functional currencies other than the Argentine peso (mainly foreign companies with economies that are not considered to be hyperinflationary), must not restate for inflation their financial statements, in accordance with IAS 29.

Notwithstanding, and only for reporting and consolidation purposes, the comparative figures presented in Argentine pesos in the Income Statement corresponding to the current year and the previous year must be stated using the exchange rates at the transaction date. In addition, the initial items of the Statement of Changes in Equity must be reported at the closing rate without modifying its total amount due to the fact that it is translated into the closing exchange rate, which implies that a translation adjustment is recognized against Retained Earnings and Other Comprehensive Income (loss).

NOTE 2 – REGULATORY FRAMEWORK

a) Regulatory Authority

Argentina

The Regulatory Authority for ICT Services, provided by the Company and certain subsidiaries, in Argentina is ENACOM.

In relation to Fintech Services, Micro Sistemas is registered as a PSP, as an Interoperable Digital Wallet and as Other Non-Financial Credit Provider, therefore it is subject to the oversight and certain regulations of the BCRA and the FIU for these types of operations. Micro Sistemas falls within the scope of the terms of Article 20 of Law No. 25,246 (as amended), which provides for the persons obliged to report to the FIU.

Foreign companies

The Regulatory Authority for ICT Services, provided by Núcleo and Tuves Paraguay in Paraguay is the CONATEL. Personal Envíos is under the oversight of the Central Bank of the Republic of Paraguay to operate as an Electronic Payment Company.

The Regulatory Authority for the services provided by Telecom USA, in USA, is the Federal Communications Commission (“FCC”).

The Regulatory Authority for the services provided by special purpose entities in Uruguay are under the orbit of URSEC.

b) Licenses

Under the Licencia Única Argentina Digital, the Company currently provides the following services:

- local fixed telephony,
- public telephony,
- domestic and international long-distance telephony,
- domestic and international point-to-point link services,
- value added, data transmission, videoconferencing, transportation of broadcasting signals, and Internet access,
- STM, SRMC, PCS and SCMA, also called mobile communications services ("SCM", for its Spanish acronym), Such licenses were granted for the provision of STM in the Northern Region of Argentina, of SRMC in the AMBA area, and of PCS and SCMA throughout the country,
- SRS,
- SRCE and
- STeFI.

Licenses held by subsidiaries in Paraguay are the following:

Núcleo holds a license to provide STMC and PCS. In addition, Núcleo holds a license for the installation and exploitation of Internet and data services throughout Paraguay. Additionally, on December 26, 2023, CONATEL approved the transfer of Tuves Paraguay´s license to provide DATDH services to Núcleo. This transfer is due to the corporate reorganization process described in Note 1.a). These licenses have been granted for renewable five-year periods.

c) Main Regulatory issues – ICT Services

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

- LAD and its amendments.
- Law No. 19,798 to the extent it does not contradict the LAD.
- The Privatization Regulations, which regulated that process.
- The Transfer Agreement.
- The licenses for providing telecommunication services granted to the Company and the Bidding Terms and Conditions and their respective general rules.
- Current service regulations. See the main regulations on Licenses, Interconnection, SU and Spectrum in sections d) and e) of this Note.

i) Decree No. 690/20 - Amendment to the LAD - Controversy

On August 22, 2020, PEN issued Decree No. 690/20 ("Decree No. 690/20"), which has been ratified by the Argentine Congress under Law No. 26,122 and has been regulated through ENACOM Resolutions No. 1,466/20 and 1,467/20, through which (among other issues):

- declared ICT Services as well as access to telecommunications networks for and between licensees as "essential and strategic competition public services", and empowered ENACOM to ensure accessibility;
- established that the prices of: (i) the essential and strategic competition public ICT Services, (ii) the prices of those services provided in accordance with the Universal Service and (iii) the prices of those services determined by ENACOM for public interest reasons, shall be regulated by ENACOM;
- ENACOM established the price and characteristics of each service of the ICT's PBU;

The Company initiated legal proceedings before the Federal Court of Appeals on Administrative Litigation Matters challenging the constitutionality of Decree No. 690/20 and the aforementioned ENACOM Resolutions.

In this context, the Company sought to obtain a precautionary measure suspending the application of the aforementioned ENACOM regulations and Decree No. 690/20. On April 30, 2021, the Chamber of the Federal Court of Appeals on Administrative Litigation Matters decided by majority to grant the injunction requested, ordering the suspension of the effects of Decree No. 690/20 and of ENACOM resolutions provided as a consequence and their non-applicability to the Company. This preliminary injunction was initially granted for a period of six months and it has been extended for equal periods, the last extensions granted being on August 22, 2023 and February 20, 2024.

During 2022 and 2023, the Federal Administrative Court of Appeals – Chamber II confirmed the different resolutions of the court of first instance, the last confirmation being dated October 6, 2023, which ratifies the extension of the precautionary measure decreed on August 22, 2023.

During 2022 and 2023, the PEN and ENACOM filed extraordinary appeals against the rulings favorable to the Company, which were denied by the Chamber II of Federal Administrative Court of Appeals, and both the PEN and ENACOM filed appeals against the decisions, which, as of the date of issuance of these financial statements, are still pending. Additionaly, the extraordinary appeals against the decision dated October 6, 2023, is still being processed.

It should be noted, as background, that, the Supreme Court of Justice denied the appeals against the rulings issued by the Federal Administrative Litigation Chamber.

Consequently, the precautionary measure is fully in force as of the date of issuance of these consolidated financial statements, through extensions of six-months periods.

As supported by the preliminary injunctions granted, the Company, during the last three years, has increased the prices of its services in order to continue to match the increase in its costs due to the inflation.

Finally, in relation to the legal proceeding mentioned in the second paragraph, on November 17, 2023 Telecom was notified of the first instance ruling that resolves the nullity of Decree No. 690/20 and ENACOM Resolutions No. 1,466 and 1,467, both of 2020. Among the main arguments, and in order to resolve, the judge considered that the fact of establishing permanent measures through a Decree affects the principle of reasonableness between the purpose of the norm and the means used. By providing that private activity be removed from the private sector, it has an expropriation nature since acquired rights constitutionally protected by the guarantee of art. 17 of the National Constitution.

Likewise, it concluded that the increase in costs due to the implementation of the PBU, together with the price freeze provided for by the Decree, are burdensome measures for licensees and potentially harmful for users which, contrary to the purpose sought by the norm, would result in in lower investment and lower quality of service, violating constitutionally protected rights.

The Company, with the assistance of its legal advisors, is analyzing the actions that may be necessary in order to protect its rights. The Company's Management and its legal advisors, consider that the Company has solid legal arguments to support its position and that there is a reasonable likelihood that this matter will result in a favorable outcome for the Company, notwithstanding the fact that at this stage it is not possible to predict the final outcome of the claim.

d) General Regulation of the Universal Service ("RGSU" for its Spanish acronym)

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

The new Regulation, although it maintains the obligation to contribute to the FFSU 1% of total revenues accrued for the provision of ICT Services net of its taxes and fees (included in "Taxes and fees with the Regulatory Authority" of the Statement of Income), among the most relevant matters, provides:

(i) that ENACOM may consider that the monthly obligation of the Contributors has been partially settled for up to 30% of their contributions, based on the reporting of computable investments made in projects approved by ENACOM;

(ii) that the licensees may submit projects to ENACOM for their review and assessment;

(iii) that the deployment of fixed Next Generation Networks ("NGN") for the provision of broadband Internet services of the Projects shall not fall within the scope of the protection regulations applicable to such networks.

In addition, within the framework of the new RGSU, SU Programs have been approved providing for the deployment of fixed broadband, deployment of access networks to mobile communications services and services to public institutions, among others.

The physical link and radio-electric link subscription broadcasting services are not subject to the SU investment contribution until a law is passed that unifies the fee regime provided by the LSCA and LAD, so it will continue to be subject only to the fee regime provided under LSCA (included in "Taxes and Fees with the Regulatory Authority" of the Statement of Income). Therefore, they shall not be subject to the SU investment contribution or the payment of the Control, Oversight and Verification Fee provided under the LAD.

According to the provisions of SC Resolutions No. 80/07, No. 154/10 and CNC Resolution No. 2,713/07, this is the situation of the Company as of the date:

i) SU Fund - Impact on the Company with respect to its original license to provide SBT

Telecom filed its affidavits including the offset amounts related to the services that should be considered as SU services.

However, several years after the market's liberalization and the effectiveness of the SU regulations and its amendments, incumbent operators have still not received any offsets for providing services with the characteristics set forth under the SU regime.

The Company has filed its monthly SU affidavits which result in a receivable. The programs and the valuation methodology used to estimate this receivable are pending of approval by the Regulatory Authority. This receivable has not yet been recorded in these consolidated financial statements as of December 31, 2023 since it is subject to the approval of the SU Programs and the review of those affidavits by the Regulatory Authority and the confirmation of the existence of enough contributions to the SU Trust so as to compensate the incumbent operators.

Between years 2011 and 2012, the SC issued a serie of resolutions through which it notified the Company that investments associated with certain services and/or programs did not qualify as Initial SU Programs, and that, they did not constitute different services involving a SU provision, and therefore, cannot be financed with SU Funds.

The Company has filed appeals against the above-mentioned resolutions, presenting the legal arguments based on which such resolutions should be revoked.

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

In November 2019, ENACOM notified that the appeals filed by the Company against the SC resolutions had been rejected, taking them to superior body for substantiation.

As of the date of these consolidated financial statements, the appeal review body has not yet issued a decision.

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

ii) FFSU - Impact on the Company with respect to the SCM originally provided by Telecom Personal S.A.

In compliance with Resolutions, Personal has filed its affidavits since July 2007 and deposited the corresponding contributions.

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

In July 2012, the SC issued Resolution No. 50/12 pursuant to which it notified that the services declared by the SCM Providers as “High Cost Areas or services provided in non-profitable areas”, “services provided to clients with physical limitations (deaf-mute and blind people)”, “rural schools”, and requests relating to the installation of radio-bases and/or investment in infrastructure development in various localities, did not constitute items that could be discounted from the amount of SU contributions. It also provided that certain amounts already deducted could be used for investment projects within the framework of the Program created under SC Resolution No. 9/11, or deposited in the SU Fund, as applicable.

Personal filed an administrative appeal against SC requesting its nullity. As of the date of these consolidated financial statements, this appeal is still pending of resolution.

In October 2012, in response to the order issued by the SC, Personal deposited under protest the amount corresponding to the assessment of the SU services provided by Personal, reserving its right to take all actions it may deem appropriate to claim its reimbursement, as informed to the SC and the CNC. Since August 2012, Personal –and subsequent to the merger, the Company– is paying under protest of those concepts in its monthly affidavits. As of December 31, 2023, the Company has not recognized any credits related to these concepts.

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

iii) FFSU - Impact on the Company with respect to the services originally provided by Cablevisión

As of the date of these consolidated financial statements, the Regulatory Authority has not yet approved the Project filed by Cablevisión on June 21, 2011, within the framework of SC Resolution No. 9/11, in order to fulfill the SU contribution obligation for the amounts accrued since January 2001 until the effectiveness of Decree No. 558/08.

e) <u>Spectrum</u>

In 2014, the Company was awarded Lots 2, 5, 6 and 8 and the remaining frequencies of the PCS and the SRMC, as well as those of the spectrum for the SCMA.

The use of the frequencies is granted for a period of 15 years counted from the notification of the administrative act of adjudication. In particular, for the spectrum of the SCMA, the term was counted as from February 27, 2018, in accordance with what is stated in Resolution No. 528/18.

Once the term of use granted for the different frequencies has expired, the Regulatory Authority may extend the validity at the express request of the successful bidder (which will be onerous and under the price and conditions established by it).

In relation to subscription broadcasting license (such as cable television) are considered, for all purposes, a Licencia Única Argentina Digital, with a registration for such service. The LAD establishes a 10-year extension starting in January 2016 for the use of spectrum frequencies for subscription broadcasting license holders via radio link.

i) Spectrum incorporated to the Company under the corporate reorganizations of Telecom and the merger with Cablevisión

In December 2017, the Company was served with ENACOM Resolution No. 5,644-E/2017, whereby that agency decided, among other things, to authorize the transfer in favor of Telecom Argentina of the authorizations and permits to use frequencies and allocations of numbering and sign-posting resources to provide the services held by Cablevisión, pursuant to effective regulations, and the agreement executed by Nextel Communications Argentina S.R.L. on April 12, 2017 (IF-2017-08818737-APN-ENACOM#MCO).

Telecom Argentina shall, within a term of two years as from the date on which the merger with Cablevisión was approved by the CNDC and ENACOM, return the radio-electric spectrum that exceeds the limit set under Section 5 of Resolution No. 171-E/17 issued by the Ministry of Communications. For these purposes, 80 MHz exceeded the limit set.

During 2019, the Company proceeded with a partial return of the radio-electric spectrum (40 MHz), which was completed in March 2022 (40 MHz remaining).

On March 15, 2022, ENACOM issued Resolution No. 419/2022 through which it accepted the return of spectrum by Telecom Argentina under the terms of ENACOM Resolution No. 5644-E/2017.

The accounting treatment as of December 31, 2023 is detailed in Notes 3.m) and 10.

ii) ENACOM Resolution No. 798/2022 – On-demand allocation of spectrum blocks

Through Resolution No. 798/2022, ENACOM began the process for the on-demand allocation of spectrum blocks of the 2500-2570 MHz and 2,620-2,690 MHz frequencies for the provision of SCMA services. Through said Resolution, ENACOM also approved the bidding terms and conditions and the list of locations for which there is spectrum available for the provision of SCMA services. Article 12 of the bidding term and condition allowed the return of portions of spectrum previously assigned as a means of payment for the assigned frequencies.

Through Resolution No. 1,729/2022, ENACOM assigned to the Company the spectrum blocks requested and the return of the spectrum proposed by Telecom was accepted as part of payment.

iii) STeFI - 5G spectrum allocation

Through Resolution No. 1,289/2023, published in the Official Gazette on August 29, 2023, ENACOM's Board allocated the frequency band between 3,600 and 3,700 MHz to the Fixed Service and to the Land Mobile Service, both with primary status, and established its use in time-division duplex (TDD) mode for the provision of STeFI on the use of Fifth Generation (5G) technology in the country, regulated by ENACOM Resolution No. 2,385/2022, whose objective was to establish the conditions of the service, the essential benefits and the minimum technological guidelines that guarantee its quality and efficiency.

Through Resolution No. 1,285/2023, published on the same date, ENACOM authorized the call for bids for the allocation of frequency bands for the provision of STeFI and approved the General and Particular Bidding Terms and Conditions for the Allocation of Frequency Bands from 3,300 to 3,600 MHz ("Bid Form"), divided into three lots of 100 MHz each. The base price for each lot was set at US$350 million.

On October 24, 2023, the Auction was held for the above-mentioned Bid, where Telecom was awarded Lot 2 (3,400-3,500 MHz Band), equivalent to US$350 million, which was paid during November 2023.

The award of the right to use the frequency band implied the capitalization as intangible assets of $173,373 million (in current currency as of December 2023), which are amortized as described in Note 3.i).

f) <u>ENACOM intervention</u>

Decree No. 89/2014, issued on January 26, 2024, ordered the intervention of the ENACOM for a period of 180 consecutive days, which may be extended only once.

The Decree stipulates that the interveners shall conduct a special analysis of the implications arising from the issuance of Decree No. 690/2020 and the administrative acts issued for its implementation. They shall also conduct a survey of the organizational structure of the ENACOM, seek simplification in administrative processes, determine and redefine the programs and scopes of projects regarding the SU Fund, among other tasks.

g) Main Regulatory issues – Fintech Services

<u>Foreign companies</u>

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

Argentina

Micro Sistemas is registered as a PSP that offer payment accounts.

In August, 2022, Micro Sistemas was registered in the Registry of Interoperable Digital Wallets, from thereon, must comply with the regime provided, which includes, but is not limited to, the provisions of Communication "A" 7,462, the provisions of the Transfers 3.0 scheme designated by the BCRA in the terms of Communication "A" 7,153 and its amendments, or those that modify, complement or replace it in the future.

During the first quarter of 2023, Micro Sistemas was registered in the Registry of Other Non-Financial Credit Providers, belonging to the SEFyC. From thereon, Micro Sistemas must comply with the regulatory regime provided for Non-Financial Credit Providers.

Additionally, Micro Sistemas must comply with the provisions of the ordered text on the Protection of Users of Financial Services, and its complementary regulations issued by the BCRA.

i) Communications issued by the BCRA

During the last years, the BCRA issued several Communications, whereby, among other things, it established the same rules for legal entities that, without being financial entities, serve the function in the provision of payment services, and therefore, compete.

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

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

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

   The customers' funds must be deposited in checking accounts in pesos held with Argentine financial institutions. The remuneration they receive for the balances in said accounts must be fully transferred to their customers.

   Notwithstanding the foregoing, at the express request of the customer, the funds credited to payment accounts can be applied to investments in 'mutual funds' in Argentina. Such funds shall be debited from the relevant payment account, in which case the amounts invested in mutual funds must be reported separately from the balance of the payment account.

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

   The balances in Argentine pesos of the PSP deposit accounts in which their customers' funds are deposited will be subject to the minimum cash reserve rate of 100%.

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

c) Transparency Advertisements made through any media and any documentation issued by PSPs must clearly and expressly state that: a) they only offer payment services and are not authorized by the BCRA to operate as financial entities, and b) funds deposited in payment accounts do not constitute deposits in a financial institution, nor do they have any of the guarantees that such deposits may enjoy in accordance with applicable laws and regulations regarding deposits in financial institutions.

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

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Detailed below are the most relevant accounting policies used by the Company for the preparation of these consolidated financial statements, which have been applied uniformly with respect to comparative years.

a) Going Concern

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

b) Foreign Currency Translation

Items included in the financial statements of each of Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Argentine pesos, which is the functional currency of all Company's subsidiaries located in Argentina. The functional currency for the Company's foreign subsidiaries is the respective legal currency of each country, except for Opalker and its subsidiary Ubiquo, whose functional currency is the US dollar and are located in Uruguay and Chile, respectively.

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

c) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate prevailing at the reporting date. Exchange differences are recognized in real terms, as described in Note 1.d), and included in the consolidated income statement in the items "Foreign currency exchange gains (losses) on borrowings" and "Other foreign currency exchange gains (losses)" within the line items "Financial costs" and "Other financial results, net", respectively.

d) Principles of consolidation and equity method

d.1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company (see item d.7) to this Note).

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Inter-company transactions, balances and unrealised gains on transactions between Telecom and its subsidiaries are eliminated.

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

Note 1.a) details the subsidiaries, together with the interest percentages held directly or indirectly in each subsidiary's capital stock and votes, main activity and country of origin as of December 31, 2023.

d.2) Transactions with non-controlling interests

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

d.3) Investments in Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method (see item d.5) to this Note), after initially being recognised at cost.

Note 4.a) details the investments in associates, together with the interest percentages held directly or indirectly in each company’s capital stock and votes, main activity and country of origin as of December 31, 2023.

d.3.1) Investment in TSMA

The Company holds 50.1% of the voting rights of TSMA, while the other shareholder holds the remaining 49.9%. The parties signed a shareholder’s agreement (“Agreement”) that establishes, among other things, the rights and obligations of both parties in relation to their participation in such company. Pursuant to the Agreement, the other shareholder operates and manages the business, and Telecom mainly provides advise on commercial issues.

Although the Company has 50.1% of the voting rights and is exposed, or has rights, to variable returns from its involvement with the TSMA’s business, based on its participation, Telecom does not have the ability to affect those returns through its power over the investee, as its decision-making power is limited by the Agreement. Consequently, the Company does not have control or substantive power, in accordance with the requirements of IFRS 10 “Consolidated Financial Statements”, so it has significant influence over TSMA and therefore classifies its participation as “Investment in associates.”

d.4) Joint arrangements

Under IFRS 11 “Joint Arrangements” investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor.

d.4.1) Joint operation

The Company, in relation to its participation in a joint operation, recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Telecom held a 50% share in the UTE Ertach – Telecom Argentina (“UTE”), which was engaged in the provision of data transmission services and the order channels required to integrate the public administration agencies of the Province of Buenos Aires and the municipal agencies in a single provincial data communication network.

On July 27, 2022, the Under-Secretariat of Digital Government, which is under jurisdiction of the Ministry of the Chief of Cabinet of the Province of Buenos Aires, informed the UTE of the termination of the agreement and, having been approved by the Ministry of the Chief of Cabinet of the Province of Buenos Aires through resolution RESO-2023-1932-GDEBA-MJGM dated May 12, 2023, in August 2023, the members of the UTE orchestrated its dissolution, its consequent cancellation of registration before the IGJ and the appointment of liquidators. On November 30, 2023, the liquidators approved the final liquidation and the registry cancellation of the UTE contract which was registered in the IGJ on February 1, 2024.

d.4.2) Joint venture

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

During April 2023, the Company has acquired a 50% shareholding in OPH. For further information, see Note 4.b) and Note 28.

d.5) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The Company's investment in associates includes the goodwill identified at the time of the acquisition, net of any impairment losses. For more information on impairment of Fixed Assets, see item m) to this Note.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

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

d.4) Consolidation of structured entities

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

d.5) Business Combinations

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

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

Any excess between: a) the sum of the consideration transferred, plus non-controlling interests (valued at fair value or at their proportional participation on identifiable net assets), plus acquisition-date fair value of the acquirer's previously held equity interest in the acquire (if any) and b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed determined on the acquisition date, is recognized as goodwill. Otherwise, the gain is immediately recognized in the income statement.

Acquisition direct cost are recognized in the Income Statements when they are incurred.

For more details on the acquisitions made by the Company and its subsidiaries, see Notes 1.a) and 28.

e) <u>Revenues</u>

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

The Company discloses its revenues into two large groups: services and equipment. Revenues from sales of services are recognized at the time services are rendered to the customers. Revenues from sales of equipment are recognized at the point in time when the control is transferred and the performance obligation is performed.

The main performance obligations of Telecom and its subsidiaries are:

- *Mobile Services:* include mainly consist of monthly basic fees, revenues on prepaid calling cards and online recharges, airtime usage charges, roaming and interconnection charges, VAS charges, and other services. Telecom provides mobile services in Argentina and Paraguay.

- *Internet Services*: include mainly consist of fixed monthly fees received from residential and corporate customers (mainly high-speed subscriptions – broadband and non-dedicated internet-). Telecom provides internet services in Argentina and Paraguay.

- *Cable Television Services:* include mainly consist of monthly fees and certain variable consumption fees related to on demand services. Telecom provides cable television services in Argentina, Uruguay and Paraguay.

- *Fixed and Data Services:* include mainly consist of voice services monthly fees, measured service and monthly fees for additional services (among them, call waiting, itemized billing and voicemail), interconnection services, capacity leases and data transmission services for companies (among others; private networks, dedicated lines, broadcasting signal transport, cybersecurity and IOT solution – internet of things –). Telecom provides fixed and Data services in Argentina, USA, Uruguay, Paraguay and Chile.

- *Other Services Revenues:* include mainly revenues from billing remuneration and collection management on behalf of third parties, revenues related to fintech services, administrative revenues and revenues from the sale of advertising space, among others.

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

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

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

As of December 31, 2023, the Company has not recognized income from construction contracts. However, on December 31, 2022 and 2021 the Company recognized revenues from construction contracts in the amount of $6,032 million and $4,167, respectively.

f) <u>Financial Instruments</u>

At initial recognition, the Company measures financial assets and liabilities at its fair value. In the case of a financial asset, not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to its acquisition or issuance will be added or removed.

f.1) Financial Assets

<u>Classification and measurement</u>

The Company classifies its financial assets other than DFI in the following measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortised cost.
- Fair value: Assets that do not meet the criteria for amortised cost are measured at fair value (either through OCI or through profit or loss).

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. As of December 31, 2023 and 2022, the Company only maintains financial assets measured at amortised cost and financial assets measured fair value through profit or loss.

Interest income and expenses from financial assets at amortised cost is included in "Other interest, net" within "Other financial results, net" using the effective interest rate method. Any gain or loss from financial assets at fair value is recognised in profit or loss and presented net in "Fair value gains/(losses) on financial assets at fair value through profit or loss" within "Other financial results, net" in the period in which it arises.

The Company reclassifies debt investments only when its business model for managing those assets changes.

Financial assets, excluding DFI, include:

Cash and Cash Equivalents

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

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

Bank overdrafts are disclosed in the consolidated statement of financial position as current borrowings and in the cash flow statements as financing activities of Telecom and its subsidiaries, because they are part of the short-term financial structure.

Trade and Other Receivables

Trade and other receivables, except for guarantee of financial operations and certain indemnification assets, are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowances for doubtful accounts.

Sometimes, mobile telephony customer pays for the handset the price net of the discount. Such discount is allocated between handset sale revenues and service revenues, generating, initially, the recognition of a contractual asset. Contractual assets are initially recognized at fair value and subsequently measured at amortized cost, less allowances for bad debts, if any.

Guarantee of financial operations are recognized at fair value.

In relation to the call option included in other receivables:

- As of December 31, 2022, the subsidiary Micro Sistemas maintained a call option rights receivable for shares of Open Pass. The call options could be exercised by Micro Sistemas, at its sole discretion, until April 30, 2023. In April, 2023, Micro Sistemas assigned to the Company the call option rights receivable, in accordance to what is explained in Note 28.

- As of December 31, 2023, our subsidiary Televisión Dirigida entered into two call option agreements with the shareholder of Naperville Investments LLC and Saturn Holding LLC (companies incorporated in the state of Delaware, USA), for 100% of their equity interests and votingl rights. These companies have a shareholding that represents approximately 76.63% and 23.37%, respectively, of the share capital and voting rights of Manda S.A. (company incorporated in Argentina). Additionally, Televisión Dirigida entered into one call option agreement with the minority shareholders of Manda S.A for 100% of their equity interests and voting rights in such company, which represent 0.0037%.

  The agreed prices amount to an aggregate of approximately US$42 million, of which Televisión Dirigida paid an option premium of US$5 million ($4,033 million as of December 31, 2023). The call options expire on June 30, 2024, but their expiration may be extended until June 30, 2025.

Investments

Governments bonds include the Bonds issued by National, Provincial and Municipal Governments. Depending on the business model adopted by Management, securities and bonds may be valued at amortized cost or at fair value.

Investments in mutual funds are carried at fair value.

The share in the trust "2003 Telecommunications Fund" was recognized at fair value.

Impairment of Financial Assets

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

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

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

Derecognition of Financial Assets

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

f.2) Financial Liabilities

Classification and measurement

Financial liabilities comprise trade payables, borrowings, leases liabilities and certain Other liabilities.

Financial liabilities (except for DFI and the debt for acquisition of NYSSA) are initially recognized at fair value and subsequently measured, generally, at amortized cost.

Borrowings

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

In case of loan exchange, the Company analyzes whether the modifications therein are substantial or not, in order to define whether it is a cancellation or modification, respectively, of the original liability. If the analysis results in a cancellation, a new liability is recognized. The results generated by the renegotiation of loans are included in the line "Borrowings renegotiation results" within "Financial costs".

Other liabilities

Below are some particular issues regarding certain financial liabilities included in Other liabilities.

Funds to be paid to customers correspond to the amounts owed to users of the digital wallet, held by the subsidiary Micro Sistemas. These funds are held in the user's payment account until the user requests withdrawal.

The debt for acquisition of NYSSA was recognized at fair value, considering that, according to its contractual terms, the payments will be in Argentine pesos determined based on the variation between the quotation values of certain public securities in foreign currency and Argentine pesos established in the contracts. The effects of the variation in its fair value will be recognize in "Financial discounts on assets, debts and others" within "Other financial results, net".

Derecognition of Financial Liabilities

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

f.3) Derivatives

Derivatives are recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivatives are used by Telecom and its subsidiaries to manage their exposure to exchange rate and interest rate risks.

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

DFIs are classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. They are classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of DFI that are designated and qualify as cash flow hedges is recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within “Financial costs”. When a hedge no longer meets the criteria for hedge accounting, gains or losses are immediately reclassified to profit or loss.

Changes in the fair value of DFI that do not meet the criteria for hedge accounting, are recorded in profit or loss.

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

For additional information about derivatives instruments, see Note 22.c).

g) Inventories

Inventories are measured at the lower of the restated for inflation cost and net realizable value. The cost is determined under the weighted average price method. The net realizable value represents the estimated selling price in the ordinary course of business less the applicable variable sale costs.

The estimate of the Allowance for obsolescence of inventories is determined for those assets that, at year end, due to the advancement of technology and/or slow rotation, have lost their value.

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

h) PP&E

PP&E is measured at acquisition and/or construction cost restated for inflation less accumulated depreciation and impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within “Other operating expenses”.

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

	Estimated Useful Life (in years)
Real Estate	5 - 50
Fixed Network and Transportation	4 - 20
Mobile Network Access	3 – 7
Tower and Pole	10 – 20
Switching Equipment	2 – 7
Computer Equipment	3 – 5
Vehicles	5
Goods lent to customers at no cost	2 – 4
Power Equipment and Installations	2 – 12
Machinery, diverse equipment and tools	5 – 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

i) Intangible Assets

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

Intangible assets comprise the following:

- *Incremental Costs from the Acquisition of Contracts:* These costs are capitalized as intangible assets to the extent the conditions for the recognition of an intangible asset are met, i.e., provided the Company expects to recover those costs and provided they are costs that the Company would not have incurred if the contract had not been successfully obtained. Such assets will be amortized under the straight-line method over the contractual relationship of the related transferred service.

- *Licenses*

a. 5G licenses: Includes the assignment of 5G spectrum of the frequency bands (3,400-3,500 MHz) assigned to the Company based on what is described in Note 2.e.iii).
b. 3G/4G licenses: Includes the 3G and 4G frequency bands assigned to the Company.
c. Núcleo´s licenses: Includes PCS licenses, for spectrum in the 700 MHz band and internet and data transmission licenses.
d. PCS and SRCE licenses (Argentina), for which the Company's Management has considered that the licenses have an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Therefore, these licenses are subject to a recoverability assessment, at least on an annual basis.

The Company's management has concluded that the licenses described in a), b) and c) have a finite useful life.

- *Customer Relationship:* Customer relationship comprises contracts with Telecom's customers that were incorporated as a result of the merger between Telecom and Cablevisión, as well as those customer contracts identified as a result of the NYSSA acquisition. They are amortized over the estimated term of the relationship with the acquired customers.

- *Brands:* It includes the brands Telecom and Personal, which were recognized as a result of the merger between Telecom and Cablevisión. Also, it includes the brand Foptik Internet by fiber optics, incorporated as a result of the acquisition of NYSSA.

These brands are not amortized because they are considered to have an indefinite useful life, and, therefore, are subject to evaluation of their recoverability at least annually.

Lastly, it includes the brand Flow, which is fully amortized and the Cablevisión and Arnet brands, which are fully provisioned for due to discontinuity in use.

- *Content activation:* The Company capitalizes payments made for the acquisition of audiovisual content licenses and payments made for co-production of content, which includes direct costs and general production expenses, until the content is made available.

- *Internally generated software:* Includes the mobile app of the digital wallet, such as software developed internally that meets the capitalization criteria established in IAS 38

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met: a) it is technically feasible to complete the software so that it will be available for use; b) management intends to complete the software and use or sell it; c) there is an ability to use or sell the software; d) it can be demonstrated how the software will generate probable future economic benefits; e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and f) the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs (including personnel costs) are recorded as intangible assets and amortised from the point at which the asset is ready for use. Costs associated with maintaining software programs are recognised as an expense as incurred.

- *Other:* Included exclusivity rights and software rights of use, among others.

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

	Estimated useful lives (years)
5G licenses	20
3G/4G licenses	15
Núcleo´s licenses	5 -10
Customer Relationship	5 - 14
Incremental Costs from the Acquisition of Contracts	2
Content activation	2
Internally generated software	5 -10
Other	2 - 28

Exchange of non-monetary assets

In accordance with IAS 38, to recognize an intangible asset through an exchange, it must have commercial substance. In that case, the cost of the intangible asset received will be measured at its fair value.

In relation to the spectrum assignment and return process (see Note 2.e.ii), it is framed within the guidelines of IAS 38 in relation to the exchange of non-monetary assets, since the exchange of assets has commercial substance, for which the cost of the intangible asset received will be measured at fair value. The fair value of the assigned spectrum has been set by ENACOM at US$6.2 million, while the price of the spectrum to be returned was set by ENACOM at US$5.7 million. Therefore, the difference to be paid by the Company amounted to US$0.5 million. As of December 31, 2023, the difference between the book value and the fair value of the returned spectrum resulted in a net gain of $1,280 million, recognized as “Other operating expenses”.

j) Assets classified as held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

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

Sale of the property "Costanera"

On March 21, 2022, the Company executed a pre-sale agreement for its building “Costanera” located in the Autonomous City of Buenos Aires, Argentina, for a total of US$6 million.

On April 27, 2022, the Company’s Board of Directors approved the proposal for the sale of the building. Subsequently, on June 6, 2022, an agreement was executed for the sale whereby the granting of the corresponding conveyance deed for the ownership and possession of property is subject to the condition that the Company shall obtain ENACOM’s authorization for the sale of the property.

As of December 31, 2022, the Company received an advance payment of US$2 million (equivalent to $1,090 million in current currency as of December 31, 2023).

On October 30, 2023, the deed was signed, and possession of the building was delivered for a total of US$6 million (equivalent to $2,741 million in current currency as of December 31, 2023), net of transaction costs.

During November 2023, the Company collected US$1.35 million, and the remaining balance will be collected in two installments of US$1.15 million and US$1.5 million in January 2024 and 2025, respectively. As of the date of these financial statements, the Company collected the US$1.5 million installment of January 2024.

Finally, considering that the carrying amount of the assets associated with the sale exceeded its recoverable value, which has been calculated based on fair value less costs of disposal (classified as level 1 in the fair value hierarchy), the Company, as of December 31, 2023 and 2022, recognized an impairment of $138 million and $5,527 million, respectively, recorded under Depreciation, Amortization and Impairment of Fixed Assets.

As of December 31, 2023, the Company has no Assets classified as held for sale.

k) Right of use assets and lease liabilities

Telecom maintains several contracts that fall under the definition of leases in accordance with IFRS 16, which can be summarized as follows: a) sites leases (for antenna placement); b) real estate leases (for commercial offices and others); c) poles leases (for wiring layout); d) dark fiber rights of use (for data transmission) and e) space leases (for localization of own antennas).

Right of use assets are measured at restated for inflation cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

The average useful life is estimated at 1-6 years and the amortization of the right-of-use assets is calculated on a straight-line basis over the lease term of each agreement, except in those cases where the Company will exercise a call option, which will be amortized according to the useful life of the asset.

Liabilities arising from a lease are initially measured on a present value basis using discount rates on average amounting to: 9.08% (real discount rates in Argentine pesos), 8.22% (in Guaraníes) and 9.34% (in US dollars).

Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable, the variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date, the amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and the payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The financial results generated by lease liabilities (interest and exchange differences) are included in “Other foreign currency exchange gains (losses)” and “Other interests, net” within “Other financial results, net.

Finally, the Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

l) Goodwill

Goodwill is measured as described in item d.7) of this Note. Goodwill has indefinite useful life and its recoverable value must be assessed at least once a year.

m) Impairment of Fixed Assets

The Company assesses whether there are any indicators of impairment in the value of the assets that are subject to amortization, contemplating both internal and external factors.

Intangible assets with an indefinite useful life and goodwill are not subject to amortization and are tested for impairment at least annually, at closing date of every year, or more frequently if events or circumstances indicate that they might be impaired.

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

To assess impairment losses, the Company groups the assets into cash-generating units (CGU), which represent the smallest group of assets that generates independent cash inflows of the cash flows derived from other assets or groups of assets. The Company has defined, according to the characteristics of the services provided and its Fixed Assets that the operations carried out by the Company and its subsidiaries in Argentina comprise a single CGU (CGU of Telecom) and each foreign subsidiary and associate represent a separate CGU. According to this, the net book value of a CGU includes goodwill, intangible assets with an indefinite useful life and assets with a defined useful life.

The table below shows the impairment recognized by concept as of December 31, 2023, 2022 and 2021:

	As of December 31,		
	2023	2022	2021
		Gain (loss)	
Return of radioelectric spectrum (See Note 2.e.i)	-	(8,330)	-
Brands Cablevisión and Fibertel (a)	-	-	(2,719)
Assets classified as held for sale (See Note 3.j)	(138)	(5,527)	-
Telecom Goodwill (See Note 3.u.1)	-	(759,523)	-
Goodwill allocated to subsidiaries	-	(199)	(4,045)
Others (b)	(176)	7,096	(1,024)
Total	**(314)**	**(766,483)**	**(7,788)**

a) Impairment recognized as a result of the Company's decision to discontinue the use of those brands, unifying all the customers of those services under the brands Flow and Personal in order to simplify the brand portfolio and to consolidate a new visual identity as an institution itself and of its products and services.
b) In 2022, it includes recovery of provisions for $6,773 million related to works in progress that were completed during that fiscal year.

Except for the above mentioned, no other significant impairments have been identified as a result of the evaluation realized.

The possible reversal of PP&E, intangible assets and rights of use assets impairment losses is reviewed for the issuance of all consolidated financial statements. The net effects of the constitution and recovery of the above-mentioned impairments are recorded under “Impairment of Fixed Assets”, which is described in Note 24.

For further information on recoverability of goodwill analysis, see item u.1) – “Recoverability of Goodwill” to this Note.

n) Other liabilities

Pension Benefits

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

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

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

	2023	2022	2021
Discount Rate (1)	4.2% - 12.2%	6.0% - 11.6%	6.1% - 11.8%
Projected increase rate in compensation	32.0% - 175.0%	52.0% - 83.1%	23.0% - 51.8%

1) Represents real discount rates.

Additional information on pension benefits is provided in Note 18.

Deferred revenues on prepaid credit

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

Deferred revenues on connection fees

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

Deferred Revenues on International Capacity Leases

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

o) Salaries and Social Security Payables

These include unpaid salaries, vacation and bonuses and their related social security contributions, as well as termination benefits, and are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefits represent severance indemnities that are payable when employment is terminated in accordance with labor regulations and current practices, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

In the case of severance compensations resulting from agreements with employees leaving the Company upon acceptance of voluntary redundancy, the compensation is usually comprised of a special cash bonus paid upon signing the severance agreement, and in certain cases may include a deferred compensation, which is payable in monthly installments calculated as a percentage of the prevailing wage at the date of each payment ("prejubilaciones"). The employee's right to receive the monthly installments mentioned above starts on the date they leave the Company and ends either when they reach the legal mandatory retirement age or upon the decease of the beneficiary, whichever occurs first.

p) Taxes Payable

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

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates uncertain tax positions taken based on what is described in section u.4 of this note.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, whose reversals in the future will have an impact on taxable income. The deferred tax asset / liability is disclosed under a separate item of the Consolidated Statements of Financial Position.

Deferred tax assets (including unused tax loss carryforwards) are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Tax loss carryforwards may be computed against future taxable income for a maximum of five years, except for Chile where tax loss carryforwards have no statute of limitations.

Deferred tax assets that may arise from differences related to investments in controlled companies will be recognized whenever it is probable that the temporary differences will reverse in the foreseeable future and that taxable profits are available against which said temporary differences can be used.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A deferred tax asset shall be subjected to a recoverability test at the end of every reporting period in line with what is described in section u.3 of this note.

In Argentina, since fiscal year 2021, Law No. 27,630 stablished an increasing rate scale related to the taxable income of each taxpayer, which is adjusted annually starting in fiscal year 2022 according to the CPI of October of the prior year to the adjustment, with respect to the same month of the previous year.

The scales of rates in force in each year presented based on the taxable income are detailed below:

Rate	2023	2022	2021
25%	Up to $14.3 million	Up to $7.6 million	Up to $5 million
30%	For the exceeding of $14.3 million and up to $143 million	For the exceeding of $7.6 million and up to $76 million	For the exceeding of $5 million and up to $50 million
35%	For the exceeding of $143 million	For the exceeding of $76 million	For the exceeding of $50 million

In addition, there is in force a withholding tax regime on distributed dividends of 7% applicable to shareholders who are Argentine resident individuals and to nonresident shareholders.

In Argentina, cash dividends received from a foreign subsidiary are computed on the statutory income tax rate under the application of the “world rate” principle. However, as per tax law, income taxes paid abroad may be recognized as tax credits, both the income tax paid abroad by the subsidiary and the withholding tax on cash dividends.

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

The statutory income tax rate in Paraguay was 10% for all years presented. From 2020 an 8% tax rate was established on dividends and earnings when the recipient of the profits is an individual or legal entity resident in Paraguay, and 15% when the beneficiary of these profits is a nonresident. Telecom Argentina recognized a deferred tax liability arising from the effect of the difference in the income tax rates between Argentina and Paraguay on the accumulated profits because it is probable that these accumulated profits will flow in the form of dividends subject to income tax.

In the USA, the federal flat income tax rate is 21%. For the State of Florida, the income tax rate was 3.535% for fiscal year 2021, and for fiscal years beginning from January 1, 2022, the rate is 5.5%.

In Chile, the income tax rate for companies under the Pro Pyme regime (as is the case of Ubiquo) is 10% for fiscal year 2023 and 12.5% for fiscal year 2024. Starting in fiscal year 2025, 25% will apply.

Income Tax Inflation Adjustment

In accordance with the provisions of the regulations in force in the Income Tax Law, the Company applies the income tax inflation adjustment set out in Title VI of the income tax law since fiscal year 2019, as since that year the variation of the CPI required was verified by the regulation.

The income tax inflation adjustment corresponding to fiscal years beginning on or after January 1, 2021, is fully charged to the fiscal year.

Additionally, it was established, in general, the update of the cost of several assets -in case of disposal- and the update of computable depreciation of Fixed Assets, to all acquisitions or investments made in fiscal years beginning on January 1, 2018 based on changes in the CPI.

On December 1, 2022, the Law No. 27,701 was enacted, which provided that taxpayers who determine a positive inflation adjustment in the first and second fiscal years beginning on January 1, 2022 may allocate one-third in that fiscal period and the remaining two-thirds in equal parts to the two immediately following fiscal periods. Said computation will proceed for those subjects who make investments in the purchase, construction, manufacture, elaboration or import of Fixed Assets (except automobiles) during each of the immediate fiscal periods following the computation of each third, for an amount greater than or equal to the 30 billion pesos. Given that the Company made investments during 2023 for more than $30 billion, as of December 31, 2022 and 2023, it determined the income tax inflation adjustment.

Other Taxes and fees

In addition, the Company is affected by various taxes and fees that affect its activity, such as: a) VAT, b) internal taxes, c) export duties, d) tax on bank credits and debits, e) turnover tax, f) municipal fees, g) SU contribution, h) ENACOM's control, inspection and verification fee and Radioelectric Rights, i) tax on audiovisual communication services, among others.

PAIS Tax on Imports of Services and Goods

On July 24, 2023, PEN issued Decree No. 377/2023, regulated through the RG (AFIP) No. 5,393, which provides that all purchases of foreign currency made by residents in the country on or after July 24, 2023 for the payment of obligations related to the activities detailed below will be subject to the PAIS tax (Spanish acronym for the phrase “For an Inclusive and Supportive Argentina”):

i) Acquisition of certain services described in the decree provided from abroad or services provided by non-residents within the country. In these cases, at the time of access to MULC, a tax perception of 25% will be applied on the amount in pesos disbursed. The same is provided for freight and other transportation services for import or export operations of goods, or their acquisition in the country when they are provided by non-residents, being in these cases, the tax perception of 7.5%. Which, through Decree No. 29/2023, published in the Official Gazette on December 31, 2023 and regulated by RG (AFIP) No. 5,464, said rate was raised to 17.5% as of December 13, 2023.

ii) The import of goods included in the Mercosur Common Nomenclature (NCM, for its Spanish acronym) except for products listed in the Decree. In these cases, the regulation provided for the application of a 7.5% tax rate, said rate was raised to 17.5% as of December 13, 2023. Through RG (AFIP) No. 5,393, AFIP establishes the application of a payment on account of 7.125% that will be calculated based on the FOB value stated in the import declaration and must be made at the time of formalizing the import declaration. Said payment on account may be deducted from the determined tax of 7.5% that is applicable at the time of access to the exchange market. Through RG (AFIP) No. 5,464, the payment on account was raised to 16.625% as of December 13, 2023.

Additionally, on December 22, 2023, the PEN issued Decree No. 72/2023, regulated through GR (AFIP) No. 5,468, which stipulates that the subscription in pesos of bonds or securities issued in US dollars by the Central Bank of Argentina (BCRA) is subject to the PAIS tax (Spanish acronym for the phrase “For an Inclusive and Supportive Argentina”) by those who hold debts for imports of goods with customs entry registration and/or imports of services - as established by the BCRA - effectively provided, up to and including December 12, 2023. Such imports must fall within the scope of the provisions of Decree No. 377/2023. The tax rate shall be 0% for subscriptions made up to and including January 31, 2024. Starting February 1, 2024, the tax rate shall be the one applicable to the import of goods with customs entry registration and/or import of services - as established by the BCRA - effectively provided up to and including December 12, 2023, for which the bonds or securities are subscribed.

The tax described is an expense that, by its nature, is caused by a financial transaction, which is the payment of an obligation with third parties. Consequently, and following its accounting policy, the Company has defined its disclosure in the consolidated income statement in the line “Other financial results, net” as “Other taxes and bank expenses”. As of December 31, 2023, the expense recognized by this tax amounts to $3,553 million.

q) Provisions

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

If the effect of the time value of money is material, and the payment date of the obligations can be reasonably estimated, provisions to be accrued are the present value of the expected cash flows, considering the risks associated with the obligation. The increase in the provision due to the passage of time is recognized as finance expenses within “Other financial results, net”. For more information, see Note 19.

Provisions also include the expected costs of dismantling assets and restoring the corresponding site if a legal or constructive obligation exists.

r) Dividends

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

For non-cash assets dividends, dividends payable must be valued at the fair value of the assets to be delivered.

s) Merger Surplus

Due to the merger between Telecom Argentina (surviving entity and accounting acquired) and Cablevisión (absorbed entity), a merger surplus was generated, which mainly reflects the difference between the fair value of the consideration transferred and the book value of the equity of Telecom Argentina as of the effective date of the merger, which took place on January 1, 2018.

t) Net Earnings (losses) per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the year. On the other hand, diluted earnings (losses) per share is computed by dividing the net income (loss) for the year by the weighted average number of common shares issued and dilutive potential common shares at the closing of the year. Since the Company has no dilutive potential common stock outstanding, diluted earnings (losses) per share and basic earnings (losses) per share are the same.

For the years ended December 31, 2023, 2022 and 2021 the weighted average number of shares outstanding amounted to 2,153,688,011.

u) Use of Estimates

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

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

The main accounting estimates and assumptions which require significant judgments, that could affect the valuation of assets and liabilities, are addressed below:

u.1) Recoverability of Goodwill

As indicated in section m) of this Note, the Company monitors goodwill and determines its recoverable value using the higher value between its fair value less costs of disposal and its value in use.

a) Year 2023

As of December 31, 2023, the Company reviewed the estimated recoverable value which was calculated based on the fair value less the costs of disposal of CGU of Telecom, since it was higher than the value in use on the same date.

In order to determine the fair value less the costs of disposal, which amounted to $5,995,369 million as of December 31, 2023, the Company's Management has considered the market capitalization value of CGU of Telecom based on an average share market price of $1,321.4 per share of Telecom (calculated based on market prices in BYMA weighed by the volume of the transactions corresponding to the three-month period prior December 31, 2023).

The Company's Management has used this valuation method because the share market price is volatile and subject to wide fluctuations, mainly due to the complex macroeconomic environment in the country.

In order to determine the fair value of the CGU of Telecom, the above-mentioned market capitalization value was adjusted by (i) the estimated fair value of other CGUs; (ii) the effect of the net liabilities not subject to this impairment testing, calculated at their estimated fair value; (iii) the effect of a 29% control premium (determined by the Company with the assistance of independent advisors, based in the values observed in market transactions for the ICT Services industry for the period 2015 to 2023); and (iv) estimated disposal costs for an orderly transaction, which include costs such as legal and advisory fees that could be directly associated with the sale of the CGU of Telecom. Therefore, the fair value qualifies as level 2 of fair value hierarchy in accordance with IFRS 13.

As a result of the calculation mentioned above, the recoverable value exceeded the carrying amount of the CGU of Telecom by approximately 27.9%.

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

a) Decreasing a 35.6% the market capitalization value, and keeping the rest of the assumptions stable, the fair value less disposal costs would equal its carrying amount of the CGU.
b) if the Company had not considered a control premium, keeping the rest of the premises stable, the fair value less disposal costs would would be 10.3% higher the carrying amount of the CGU.

As of December 31, 2023, the results of recoverability test were satisfactory, therefore, no impairment has been recorded.

Regarding the tests carried out for foreign Goodwill, they were satisfactory, therefore, as of December 31, 2023, no impairment has been recorded.

b) Year 2022

b.1) Impairment of Goodwill as of September 30, 2022

As of September 30, 2022, the events of Covid-19 pandemic and the international conflict between Ukraine and Russia, added to the prevailing political conditions, negatively affected the Argentine economy in general and the stock market. in particular, causing, mainly:

i) an inflationary acceleration and higher devaluation of the Argentine peso, being the inflation rate accumulated for the first nine months of the year of 66.1% and the variation of the Banco Nación Divisas $/US$ exchange rate for the same period of 43.4%;

ii) volatility in the stock market in which the Company operates. The market price of Telecom shares in Argentine pesos in BYMA, increased by 24.7%. On the other hand, the price of the Telecom´s ADR in US$ on the NYSE decreased by 21.4%;

iii) greater exchange restrictions on the access to the MULC, which could affect the Company's ability to access it and also affect the value of foreign currency in existing alternative markets. The gap as of September 30, 2022 between the MULC and the existing alternative markets (Electronic Payment Market "MEP dollar") amounted to 105.3%; and

iv) an increase in country risk and a general increase in interest rates.

As a result of the above-mentioned, the Company's Management identified the need to review the estimate of the recoverable value of goodwill assigned to the CGU of Telecom.

The most significant goodwill held by the Company was generated by the merger between Telecom Argentina and Cablevision (which became effective on January 1, 2018). The goodwill was measured as the excess of the fair value of the consideration transferred over the fair value of the net identifiable assets and liabilities of Telecom Argentina. On the other hand, such transaction also generated the corresponding merger surplus, which mainly reflects the difference between the fair value of the transferred consideration and the book value of Telecom Argentina's equity as of the effective date of merger, which was the setoff of the recognition of goodwill and the higher value of the Fixed Assets, arising from its valuation at market value at the time of the merger, net of the tax effect.

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

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

In order to determine the fair value less the costs of disposal of the CGU of Telecom, which amounted to $1,332,931 million as of September 30, 2022 ($4,150,848 million in current currency as of December 31, 2023), the Company's Management has considered the market capitalization value based on an average share market price of $265.9 per share (calculated based on market prices in BYMA weighed by the volume of the transactions corresponding to the three-month period prior September 30, 2022).

The Company's Management has used this valuation method because the share market price is volatile and subject to wide fluctuations, mainly due to the difficult macroeconomic environment.

In order to determine the fair value of the CGU of Telecom, the above-mentioned market capitalization value was adjusted by (i) the estimated fair value of other CGUs; (ii) the effect of the net liabilities not subject to this impairment testing, calculated at their estimated fair value; (iii) the effect of a 28.6% control premium (determined by the Company with the assistance of independent advisors, based in the values observed in market transactions for the ICT Services industry); and (iv) estimated disposal costs for an orderly transaction, which include costs such as legal and advisory fees that could be directly associated with the sale of the CGU. Therefore, the fair value qualifies as level 2 of fair value hierarchy in accordance with IFRS 13.

As a result of the calculation mentioned above, the carrying amount of the CGU of Telecom exceed the recoverable value by $207,940 million ($759,523 million in current currency as of December 31, 2023). Consequently, as of September 30, 2022, the Company recognized an impairment of goodwill for that amount, which is recorded in the line "Depreciation, amortization and impairment of Fixed Assets" of the Consolidated Income Statement, not affecting other Fixed Assets of the Company.

b.2) As of December 31,2022

As of December 31, 2022, the Company reviewed again the estimated recoverable value which was calculated based on the value in use, since it was higher than the fair value less the costs of disposal on the same date.

The cash flows used as the basis for calculating the value in use corresponded to the budget 2023 approved by Management which was used as the basis for cash flow projections until 2027.

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

For the preparation of such cash flows, the Company considered the current market situation in which Telecom operated. Likewise, the Company's Management made estimates based on past performance and the future behavior of certain sensitive market assumptions, among them, the revenues, the discount rate after income tax, long-term growth rate of normalized constant cash flow and certain macroeconomic variables such as inflation and exchange rates.

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

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

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

a) Decreasing the long-term growth rate of normalized constant cash flow to 1.89%, and keeping the rest of the assumptions stable, the value in use would equal its carrying amount of the CGU of Telecom.
b) Increasing the WACC to 11.31%, and keeping the rest of the assumptions stable, the value in use would equal its carrying amount of the CGU of Telecom.
c) Decreasing the revenues by 1% for the cash flow period 2023-2027, and keeping the rest of the assumptions stable, the value in use would equal its carrying amount of the CGU of Telecom.

As of December 31, 2022, the results of recoverability test were satisfactory, therefore, no impairment has been recorded in addition to described in section b.1).

Regarding the tests carried out for foreign Goodwill, they were satisfactory, therefore, as of December 31, 2022, no impairment has been recorded.

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

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

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

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

On the other hand, the recoverability assessment of the tax receivable related to the actions of recourse filed by the Company in connection with income tax inflation adjustment (Note 15), is based on the existing legal arguments and future behavior of Tax Courts and the National Tax Authority in revising the claims filed by the Company.

The actual moment of the future taxable revenues and deductions may differ from those estimated, and may produce an impact on future income.

u.4) Uncertain tax positions

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

If the final tax result with respect to uncertain treatments is different from the amounts that were recognized, such differences will have an effect on income tax and deferred tax provisions in the year in which such determination is made.

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

u.5) Provisions for Legal Claims and contingent liabilities

The Company is subject to proceedings, lawsuits and other claims related to labor, civil, tax, regulatory and commercial. In order to determine the proper level of provisions, Management assesses the likelihood of any adverse judgments or outcomes related to these matters as well as the range of probable losses that may result from the potential outcomes. Internal and external legal counsels are consulted on these matters. A determination of the amount of provisions required, if any, is made after analysis of each individual issue.

The determination by the Company's Management of the required provisions may change in the future, among other reasons, due to new events that occur in each claim, or facts not known at the time of the evaluation of the cases or changes in the jurisprudence or applicable legislation.

u.6) Allowance for Bad Debts

The recoverability of trade receivables is measured by considering the aging of the accounts receivable balances, un-subscription of customers, historical write-offs, public sector and corporate customer creditworthiness and changes in the customer payment terms, as well as the estimates regarding future performance, assessing the expected credit loss in accordance with IFRS 9. If the financial condition of the customers were to deteriorate, the actual write-offs could be different from expected.

v) New Standards and Interpretations issued by the IASB

v.1) New Standards and Interpretations issued by the IASB applied by the Company

The Company has applied the following new standards and amendments for the first time from January 1, 2023:

Standards and amendments	Description	Mandatory application date for years beginning on or after
Amendments to IAS 1	Information relating to material accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimate	January 1, 2023
Amendments to IAS 12	Deferred tax – recognition of assets and liabilities arising from a single transaction	January 1, 2023
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023

The application of the detailed amendment did not generate any impact on the results of operations or the financial situation of the Company.

v.2) New Standards and Interpretations issued by the IASB not in force

As of the date to prepare these consolidated financial statements, the Company has not applied the following new standards and amendments to the existing ones which application is mandatory for periods beginning after December 31, 2023:

Standards and amendments	Description	Mandatory application date for years beginning on or after
Amendments to IFRS 16	Measurement of the lease liability in a sale and leaseback transaction	January 1, 2024
Amendments to IAS 1	Classification of liabilities as current and non-current exposed to covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7	Disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability: Evaluation when a currency is exchangeable into another currency;	January 1, 2025

It should be noted that on August 15, 2023, the CNV issued General Resolution No. 972/23, which does not allow early application of new IFRS Accounting Standards or their amendments. While Management is analyzing the potential impacts of such standards, and according to the preliminary analysis performed, the mentioned standards are not expected to have significant impact in the Company’s consolidated financial statements.

NOTE 4 – CASH AND CASH EQUIVALENTS AND INVESTMENTS. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

a) Cash and cash equivalents and Investments

	As of December 31, 2023	2022
Cash and cash equivalents		
Cash and Banks (1)	90,968	50,630
Time deposits	35,548	48,933
Mutual funds	13,906	10,103
Government bonds at fair value	19,352	15,059
Total cash and cash equivalents	**159,774**	**124,725**

(1) As of December 31, 2023, includes restricted funds for $7,219 million corresponding to the funds to be paid to customers

	2023	2022
Investments		
Current		
Government bonds at fair value	111,339	25,731
Time deposits	12,110	-
Mutual funds	520	343
	123,969	**26,074**
Non- current		
Investments in associates and joint ventures(a)	23,807	20,061
2003 Telecommunications Fund	1	1
	23,808	**20,062**
Total investments	**147,777**	**46,136**

(a) Information on Investments in associates and joint ventures is detailed below:

Financial position information:

Companies	Nature of relationship	Main activity	Country	Percentage of capital stock owned and voting rights (%)	Valuation as of 12.31.2023	Valuation as of 12.31.2022
Ver TV. (1)	Associate	Cable television station	Argentina	49.00	10,493	12,869
TSMA (1) (2) (3)	Associate	Cable television station	Argentina	50.10	3,814	4,836
La Capital Cable (1) (2)	Associate	Closed-circuit television	Argentina	50.00	2,248	2,356
OPH (4)	Joint venture	Holding	USA	50.00	7,252	-
Total					**23,807**	**20,061**

(1) Data about the issuer arises from extra-accounting information.
(2) Direct and indirect interest.
(3) Despite owning a percentage higher than a 50% of interest, the Company does not have the control in accordance with the requirements of IFRS Accounting Standards. See Note 3.d.3.1).
(4) During April 2023, the Company has acquired a 50% shareholding in OPH. See Note 28.b).

Earnings information:

	Years ended December 31,		
	2023	2022	2021
Ver TV	(1,772)	1,286	1,894
TSMA	(825)	847	467
La Capital Cable	327	417	37
OPH	382	-	-
Total	**(1,888)**	**2,550**	**2,398**

b) Additional information on the consolidated statements of cash flows

Changes in assets/liabilities components:

	December 31,		
Net (increase) decrease in assets	2023	2022	2021
Trade receivables	(177,962)	(102,951)	(80,732)
Other receivables	(89,842)	(70,363)	(32,860)
Inventories	(20,870)	(7,318)	8,691
	(288,674)	**(180,632)**	**(104,901)**
Net increase (decrease) in liabilities			
Trade payables	338,257	172,342	69,827
Salaries and social security payables	72,461	58,990	60,120
Other taxes payables	43,974	(36,242)	(17,647)
Other liabilities and provisions	18,029	(1,878)	(5,767)
	472,721	**193,212**	**106,533**

Main Financing activities components

The following table presents the main financing activities components:

	December 31,		
	2023	2022	2021
Bank overdrafts	58,006	-	61,606
Notes	263,859	70,104	251,885
Bank and other financial entities loans	65,991	189,068	67,090
Loans for purchase of equipment	313	6,194	8,953
Total proceeds from borrowings	**388,169**	**265,366**	**389,534**
Bank overdrafts	-	(3,647)	-
Notes	(109,562)	(305)	(119,633)
Bank and other financial entities loans	(104,108)	(188,059)	(163,800)
Loans for purchase of equipment	(14,882)	(20,721)	(21,662)
Total payment of borrowings	**(228,552)**	**(212,732)**	**(305,095)**
Bank overdrafts	(38,250)	(26,186)	(19,398)
Notes	(35,093)	(50,847)	(64,306)
Bank and other financial entities loans	(90,545)	(59,205)	(62,359)
By DFI, and loans for purchase of equipment	(18,967)	(7,670)	(16,610)
Total payment of interest and related expenses	**(182,855)**	**(143,908)**	**(162,673)**

Main Non-cash financing and investing activities

Main non-cash operating transactions and that were eliminated from the consolidated statement of cash flows are the following:

	December 31, 2023	2022	2021
PP&E and intangible assets acquisition financed with accounts payable	138,230	85,674	125,011
Right of use assets acquisition owed	85,619	65,386	110,123
Dividends payment made with investments not considered as cash and cash equivalents (See "Dividends paid")	104,445	140,937	242,761
Trade payables cancelled with borrowings	34,104	33,433	49,364
Trade receivables cancelled with government bonds	-	2,090	14,284
Social security payables cancelled with government bonds	-	-	7,981
Joint ventures acquisition cancelled with government bonds	547	-	-
Debt for acquisition of companies and joint ventures	3,927	1,896	-
Indemnification assets	-	280	-
Other receivables offset with income tax liabilities	-	-	861

Dividends from associates

Brief information on dividends proceeds from associates by the Company is provided below:

Year	Paying Company	Distributed amount: Distribution month	Currency of the transaction date	Current currency as of December 31, 2023	Dividends collected: Collection month	Current currency as of December 31, 2023
2023	Ver TV	March, 2023	130	332	April, 2023	306
	Ver TV	November, 2023	217	272	November, 2023	272
	La Capital Cable	April, 2023	200	435	May, 2023	429
	TSMA	July, 2023	101	197	July, 2023	197
				1,236		**1,204**
2022	Ver TV	January, 2022	104	607	January, 2022	607
	TSMA	January, 2022	28	159	January, 2022	159
	La Capital Cable	September, 2022	343	1,253	October, 2022	1,149
				2,019		**1,915**
2021	Ver TV	January, 2021	110	928	January, 2021	928
	TSMA	January, 2021	57	492	January, 2021	492
				1,420		**1,420**

Dividends paid

Distribution of non-cash dividends

Year	Government Bonds and Nominal Value	Distributed amount: Currency of the transaction date	Current currency as of December 31, 2023
2023 (1)	2030 Global Bonds: US$411,214,954	47,701	104,445
2022 (2)	2030 Global Bonds: US$411,145,986 2035 Global Bonds 2035: US$103,854,014	31,634	140,937
2021(3)	2030 Global Bonds: US$370,386,472 2035 Global Bonds 2035: US$186,621,565	35,068	242,761

(1) Pursuant to the powers delegated by the shareholders of Telecom Argentina at the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2023, on May 3, 2023, the Board resolved to partially reverse the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" to distribute as non-cash dividends.

(2) Pursuant to the powers delegated by Telecom Argentina's Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2022, on June 2, 2022 the Board resolved to partially reverse the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" to distribute as non-cash dividends.

(3) The General Extraordinary Shareholders' Meeting of Telecom Argentina held on August 11, 2021 resolved to partially reverse the "Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level" to distribute as non-cash dividends.

Dividends paid to non-controlling interests in subsidiaries

Brief information on cash dividends distributed and paid is provided below:

Year	Paying company	Distribution month	Distributed amount: Currency of the transaction date	Distributed amount: Current currency as of December 31, 2023	Payment month	Dividends paid in current currency as of December 31, 2023
2023	Núcleo	August, 2023	2,326	4,020	August, 2023	4,020
						4,020
2022	Núcleo	April, 2022	804	3,957	May, 2022 / August, 2022	3,827
						3,827
2021	Núcleo	April, 2021	650	5,060	May, 2021/ October, 2021	4,512
						4,512

NOTE 5 – TRADE RECEIVABLES

	As of December 31, 2023	2022
Current Trade receivables		
Ordinary receivables	167,254	164,280
Companies under section 33 - Law No. 19,550 and related parties (Note 27.b)	693	701
Contractual asset IFRS 15	44	78
Allowance for doubtful accounts	(35,123)	(47,920)
	132,868	**117,139**
Non-current Trade receivables		
Ordinary receivables	235	345
Contractual asset IFRS 15	17	23
	252	**368**
Total trade receivables, net	**133,120**	**117,507**

Movements in the allowance for doubtful accounts are as follows:

	Years ended December 31, 2023	2022
At the beginning of the fiscal year	**(47,920)**	**(59,417)**
Increases	(44,652)	(57,118)
Uses	17,275	36,229
RECPAM and currency translation adjustments	40,174	32,386
At the end of the year	**(35,123)**	**(47,920)**

NOTE 6 – OTHER RECEIVABLES

	As of December 31, 2023	2022
Current Other receivables		
Prepaid expenses	9,402	17,056
Guarantee of financial operations	-	7,520
Income tax credits	10,222	22,826
Other tax credits	5,771	6,898
Companies under section 33 - Law No. 19,550 and related parties (Note 27.b)	216	1,064
DFI (Note 22)	1,549	365
Indemnification assets	45	215
Guarantee deposits (Note 28.b)	2,417	-
Call option (Note 3.f.1)	4,033	3,056
Other	12,360	4,174
Allowance for other receivables	(1,754)	(2,333)
	44,261	**60,841**
Non-current other receivables		
Prepaid expenses	2,025	2,814
DFI (Note 22)	437	627
Other tax credits	55	29
Guarantee deposits (Note 28.b)	4,772	-
Other	2,118	1,728
	9,407	**5,198**
Total Other receivables, net	**53,668**	**66,039**

Movements in the allowance for current other receivables are as follows:

	Years ended December 31,	
	2023	2022
At the beginning of the year	**(2,333)**	**(2,236)**
Increases	(1,027)	(1,206)
RECPAM and currency translation adjustments	1,606	1,109
At the end of the year	**(1,754)**	**(2,333)**

NOTE 7– INVENTORIES

	As of December 31,	
	2023	2022
Mobile handsets and others	32,896	21,605
Allowance for obsolescence of inventories	(1,367)	(1,526)
	31,529	**20,079**

Movements in the allowance for obsolescence of inventories are as follows:

	Years ended December 31,	
	2023	2022
At the beginning of the year	**(1,526)**	**(1,962)**
Increases	(373)	(660)
Uses	532	1,096
At the end of the year	**(1,367)**	**(1,526)**

NOTE 8 – GOODWILL

	As of December 31,	
	2023	2022
Argentina	1,535,508	1,535,489
Abroad	8,456	5,224
	1,543,964	**1,540,713**

Movements in Goodwill are as follows:

	Years ended December 31,	
	2023	2022
At the beginning of the year	**1,540,713**	**2,299,612**
Increases	193	897
Impairment	-	(759,722)
Currency translation adjustments	3,058	(74)
At the end of the year	**1,543,964**	**1,540,713**

NOTE 9 – PP&E

	As of December 31,	
	2023	2022
PP&E	2,296,310	2,499,502
Allowance for obsolescence and impairment of materials	(21,993)	(28,280)
Impairment allowance of PP&E	(2,479)	(2,402)
	2,271,838	**2,468,820**

Details on the nature and movements of PP&E as of December 31, 2023 and 2022 are as follows:

	Gross value as of December 31, 2022	CAPEX	Currency translation adjustments	Transfers and reclassifications	Decreases	Gross value as of December 31, 2023
Real estate	**446,446**	449	(264)	5,535	(233)	**451,933**
Switching equipment	**166,889**	7,308	(1,914)	9,424	-	**181,707**
Fixed network and transportation	**2,105,467**	67,723	11,801	85,511	(109,621)	**2,160,881**
Mobile network access	**444,842**	2	8,944	49,757	(53)	**503,492**
Tower and pole	**117,123**	-	892	3,357	(103)	**121,269**
Power equipment and Installations	**179,620**	3,728	3,993	8,330	(1)	**195,670**
Computer equipment	**751,716**	60,639	(6,524)	14,385	(9)	**820,207**
Goods lent to customers at no cost	**203,670**	13,446	(1,262)	28,012	(99,514)	**144,352**
Vehicles	**67,834**	2,043	221	-	(224)	**69,874**
Machinery, diverse equipment and tools	**84,803**	1,066	(424)	792	-	**86,237**
Other	**31,338**	1,523	379	1,558	-	**34,798**
Construction in progress	**183,241**	65,646	11,565	(100,835)	(151)	**159,466**
Materials	**255,306**	61,662	3,530	(105,826)	(21)	**214,651**
Total	**5,038,295**	**285,235**	**30,937**	**-**	**(209,930)**	**5,144,537**

	Accumulated depreciation as of December 31, 2022	Depreciation	Currency translation adjustments	Decrease and reclassifica-tions	Accumulated depreciation as of December 31, 2023	Net carrying value as of December 31, 2023
Real estate	**(89,828)**	(17,881)	1,532	164	**(106,013)**	**345,920**
Switching equipment	**(110,889)**	(27,945)	6,320	-	**(132,514)**	**49,193**
Fixed network and transportation	**(1,158,452)**	(217,606)	(4,984)	109,621	**(1,271,421)**	**889,460**
Mobile network access	**(291,951)**	(58,699)	6,080	40	**(344,530)**	**158,962**
Tower and pole	**(52,965)**	(7,882)	1,493	77	**(59,277)**	**61,992**
Power equipment and Installations	**(95,025)**	(17,944)	1,585	-	**(111,384)**	**84,286**
Computer equipment	**(515,436)**	(108,906)	9,922	9	**(614,411)**	**205,796**
Goods lent to customers at no cost	**(82,769)**	(78,515)	3,017	99,514	**(58,753)**	**85,599**
Vehicles	**(52,310)**	(2,746)	97	217	**(54,742)**	**15,132**
Machinery, diverse equipment and tools	**(72,492)**	(2,121)	632	-	**(73,981)**	**12,256**
Other	**(16,676)**	(4,288)	(237)	-	**(21,201)**	**13,597**
Construction in progress	**-**	-	-	-	**-**	**159,466**
Materials	**-**	-	-	-	**-**	**214,651**
Total	**(2,538,793)**	**(544,533)**	**25,457**	**209,642**	**(2,848,227)**	**2,296,310**

	Gross value as of December 31, 2021	Incorporation by acquisition	CAPEX	Currency translation adjustments	Transfers and reclassifications	Decreases	Gross value as of December 31, 2022
Real estate	**448,919**	-	1,102	(3,609)	106	(72)	**446,446**
Switching equipment	**137,823**	-	6,851	(11,454)	33,943	(274)	**166,889**
Fixed network and transportation	**2,028,450**	1,787	71,434	(11,005)	96,091	(81,290)	**2,105,467**
Mobile network access	**421,060**	-	165	(13,733)	38,882	(1,532)	**444,842**
Tower and pole	**117,114**	-	-	(3,603)	4,185	(573)	**117,123**
Power equipment and Installations	**158,771**	69	3,942	(5,113)	22,010	(59)	**179,620**
Computer equipment	**689,877**	-	66,663	(17,414)	17,302	(4,712)	**751,716**
Goods lent to customers at no cost	**247,248**	324	13,135	(6,564)	44,491	(94,964)	**203,670**
Vehicles	**59,694**	-	9,482	(402)	-	(940)	**67,834**
Machinery, diverse equipment and tools	**85,133**	16	395	(1,513)	772	-	**84,803**
Other	**26,904**	9	2,572	(274)	2,127	-	**31,338**
Construction in progress	**237,588**	-	76,924	(1,034)	(128,686)	(1,551)	**183,241**
Materials	**277,145**	234	121,243	(1,302)	(142,073)	59	**255,306**
Total	**4,935,726**	**2,439**	**373,908**	**(77,020)**	**(10,850)**	**(185,908)**	**5,038,295**

	Accumulated depreciation as of December 31, 2021	Incorporation by acquisition	Depreciation	Currency translation adjustments	Decrease and reclassifica-tions	Accumulated depreciation as of December 31, 2022	Net carrying value as of December 31, 2022
Real estate	**(76,497)**	-	(18,398)	2,644	2,423	**(89,828)**	**356,618**
Switching equipment	**(90,863)**	-	(29,979)	9,688	265	**(110,889)**	**56,000**
Fixed network and transportation	**(1,008,509)**	(517)	(237,775)	7,103	81,246	**(1,158,452)**	**947,015**
Mobile network access	**(235,057)**	-	(67,270)	9,046	1,330	**(291,951)**	**152,891**
Tower and pole	**(47,141)**	-	(8,343)	2,261	258	**(52,965)**	**64,158**
Power equipment and Installations	**(79,882)**	(22)	(18,326)	3,161	44	**(95,025)**	**84,595**
Computer equipment	**(405,714)**	-	(129,465)	15,066	4,677	**(515,436)**	**236,280**
Goods lent to customers at no cost	**(84,915)**	(34)	(97,262)	4,478	94,964	**(82,769)**	**120,901**
Vehicles	**(48,103)**	-	(5,403)	296	900	**(52,310)**	**15,524**
Machinery, diverse equipment and tools	**(70,742)**	(3)	(2,887)	1,140	-	**(72,492)**	**12,311**
Other	**(12,986)**	-	(3,933)	243	-	**(16,676)**	**14,662**
Construction in progress	**-**	-	-	-	-	**-**	**183,241**
Materials	**-**	-	-	-	-	**-**	**255,306**
Total	**(2,160,409)**	**(576)**	**(619,041)**	**55,126**	**186,107**	**(2,538,793)**	**2,499,502**

Movements in the allowance for obsolescence and impairment of materials are as follows:

	Years ended December 31, 2023	2022
At the beginning of the year	**(28,280)**	**(28,659)**
Uses	6,472	324
Currency translation adjustments	(185)	55
At the end of the year	**(21,993)**	**(28,280)**

Movements in the impairment of PP&E are as follows:

	Years ended December 31, 2023	2022
At the beginning of the year	**(2,402)**	**(9,826)**
(Increases)/ uses	(77)	7,424
At the end of the year	**(2,479)**	**(2,402)**

NOTE 10 – INTANGIBLE ASSETS

	As of December 31, 2023	2022
Intangible assets	940,344	827,332
Impairment allowance	(33,918)	(33,843)
	906,426	**793,489**

Details on the nature and movements of intangible assets as of December 31, 2023 and 2022 are as follows:

	Gross value as of December 31, 2022	CAPEX	Currency translation adjustments	Transfers	Decreases	Gross value as of December 31, 2023
5G licenses	**-**	173,373	-	**-**	**-**	**173,373**
3G/4G licenses	**383,661**	-	-	-	-	**383,661**
PCS and SRCE licenses (Argentina)	**202,076**	-	-	-	-	**202,076**
Núcleo´s licenses	**48,358**	637	2,625	-	-	**51,620**
Customer relationship	**269,888**	-	739	-	-	**270,627**
Brands	**254,767**	-	-	-	-	**254,767**
Incremental Cost from the acquisitions of contracts	**26,003**	5,310	(10)	-	(13,380)	**17,923**
Content activation	**2,314**	1,481	-	-	-	**3,795**
Internally generated software	**25,426**	14,811	-	92	-	**40,329**
Other	**16,186**	2,351	463	(92)	-	**18,908**
Total	**1,228,679**	**197,963**	**3,817**	**-**	**(13,380)**	**1,417,079**

	Accumulated amortization as of December 31, 2022	Amortization	Currency translation adjustments	Transfers	Decreases	Accumulated amortization as of December 31, 2023	Net carrying value as of December 31, 2023
5G licenses	**-**	(2,167)	-	-	-	**(2,167)**	**171,206**
3G/4G licenses	**(126,915)**	(26,122)	-	-	-	**(153,037)**	**230,624**
PCS and SRCE licenses (Argentina)	**-**	-	-	-	-	**-**	**202,076**
Núcleo´s licenses	**(10,183)**	(1,065)	(503)	-	-	**(11,751)**	**39,869**
Customer relationship	**(214,330)**	(42,711)	(214)	-	-	**(257,255)**	**13,372**
Brands	**(2,055)**	-	-	-	-	**(2,055)**	**252,712**
Incremental Cost from the acquisitions of contracts	**(15,705)**	(8,808)	(67)	-	13,380	**(11,200)**	**6,723**
Content activation	**(1,127)**	(1,543)	-		-	**(2,670)**	**1,125**
Internally generated software	**(20,083)**	(1,982)	-	(18)	-	**(22,083)**	**18,246**
Other	**(10,949)**	(3,510)	(76)	18	-	**(14,517)**	**4,391**
Total	**(401,347)**	**(87,908)**	**(860)**	**-**	**13,380**	**(476,735)**	**940,344**

	Gross value as of December 31, 2021	Incorporation by acquisition	CAPEX	Currency translation adjustments	Decreases (1)	Gross value as of December 31, 2022
3G/4G licenses	**426,354**	-	3,345	-	(46,038)	**383,661**
PCS and SRCE licenses (Argentina)	**202,076**	-	-	-	-	**202,076**
Núcleo´s licenses	**48,816**	-	853	(1,311)	-	**48,358**
Customer relationship	**269,041**	1,233	-	(386)	-	**269,888**
Brands	**254,636**	131	-	-	-	**254,767**
Incremental Cost from the acquisitions of contracts	**30,742**	-	10,348	(174)	(14,913)	**26,003**
Content activation	**819**	-	1,495	-	-	**2,314**
Internally generated software	**22,365**	**-**	3,061	-	-	**25,426**
Other	**16,171**	**-**	199	(184)	-	**16,186**
Total	**1,271,020**	**1,364**	**19,301**	**(2,055)**	**(60,951)**	**1,228,679**

	Accumulated amortization as of December 31, 2021	Amortization	Currency translation adjustments	Decreases (1)	Accumulated amortization as of December 31, 2022	Net carrying value as of December 31, 2022
3G/4G licenses	**(111,749)**	(26,529)	-	11,363	**(126,915)**	**256,746**
PCS and SRCE licenses (Argentina)	**-**	-	-	-	**-**	**202,076**
Núcleo´s licenses	**(8,159)**	(2,043)	19	-	**(10,183)**	**38,175**
Customer relationship	**(171,371)**	(42,968)	9	-	**(214,330)**	**55,558**
Brands	**(2,055)**	-	-	-	**(2,055)**	**252,712**
Incremental Cost from the acquisitions of contracts	**(17,542)**	(13,079)	3	14,913	**(15,705)**	**10,298**
Content activation	**(436)**	(691)	-	-	**(1,127)**	**1,187**
nternally generated software	**(19,806)**	(277)	-	-	**(20,083)**	**5,344**
Other	**(7,321)**	(3,628)	-	-	**(10,949)**	**5,236**
Total	**(338,439)**	**(89,215)**	**31**	**26,276**	**(401,347)**	**827,332**

(1) Includes $(32,873) million corresponding to the return of spectrum mentioned in Note 2.e.i).

Movements in the impairment of Intangible assets are as follows:

	Years ended December 31, 2023	2022
At the beginning of the year	**(33,843)**	**(58,386)**
Increases (*)	(75)	(8,330)
Uses (*)	-	32,873
At the end of the year	**(33,918)**	**(33,843)**

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

NOTE 11 – RIGHT OF USE ASSETS

Details on the nature and movements of Right of use assets as of December 31, 2023 and 2022 are as follows:

	Gross value as of December 31, 2022	Increases	Currency translation adjustments	Decreases	Gross value as of December 31, 2023
Leases rights of use					
- Sites	**234,820**	49,246	10,483	(457)	**294,092**
- Real estate and others	**58,830**	8,587	2,833	(636)	**69,614**
- Poles	**30,807**	14,011	1,133	(24)	**45,927**
Indefeasible right of use	**11,317**	-	442	-	**11,759**
Asset Retirement Obligation	**30,888**	13,775	233	(2,543)	**42,353**
Total	**366,662**	**85,619**	**15,124**	**(3,660)**	**463,745**

	Accumulated amortization as of December 31, 2022	Amortization	Currency translation adjustments	Decreases	Accumulated amortization as of December 31, 2023	Net carrying value as of December 31, 2023
Leases rights of use						
- Sites	**(105,928)**	(44,653)	(6,227)	384	**(156,424)**	**137,668**
- Real estate and others	**(34,650)**	(12,888)	(1,465)	585	**(48,418)**	**21,196**
- Poles	**(21,129)**	(9,348)	(822)	8	**(31,291)**	**14,636**
Indefeasible right of use	**(5,947)**	(956)	(353)	-	**(7,256)**	**4,503**
Asset Retirement Obligation	**(3,033)**	(3,861)	(233)	2,463	**(4,664)**	**37,689**
Total	**(170,687)**	**(71,706)**	**(9,100)**	**3,440**	**(248,053)**	**215,692**

	Gross value as of December 31, 2021	Incorporation by acquisition	Increases	Currency translation adjustments	Decreases	Gross value as of December 31, 2022
Leases rights of use						
- Sites	**203,225**	-	40,860	(3,460)	(5,805)	**234,820**
- Real estate and others	**50,375**	90	10,921	(311)	(2,245)	**58,830**
- Poles	**24,152**	97	7,218	(660)	-	**30,807**
Indefeasible right of use	**11,457**	-	59	(199)	-	**11,317**
Asset Retirement Obligation	**27,581**	-	6,328	(50)	(2,971)	**30,888**
Total	**316,790**	**187**	**65,386**	**(4,680)**	**(11,021)**	**366,662**

	Accumulated amortization as of December 31, 2021	Incorporation by acquisition	Amortization	Currency translation adjustments	Decreases	Accumulated amortization as of December 31, 2022	Net carrying value as of December 31, 2022
Leases rights of use							
- Sites	**(70,057)**	-	(40,997)	1,526	3,600	**(105,928)**	**128,892**
- Real estate and others	**(24,025)**	(6)	(13,126)	343	2,164	**(34,650)**	**24,180**
- Poles	**(12,730)**	(56)	(8,757)	414	-	**(21,129)**	**9,678**
Indefeasible right of use	**(5,029)**	-	(1,049)	131	-	**(5,947)**	**5,370**
Asset Retirement Obligation	**(2,255)**	-	(3,799)	50	2,971	**(3,033)**	**27,855**
Total	**(114,096)**	**(62)**	**(67,728)**	**2,464**	**8,735**	**(170,687)**	**195,975**

NOTE 12 – TRADE PAYABLES

	As of December 31, 2023	As of December 31, 2022
Current		
Suppliers	351,192	271,766
Companies under sect. 33 – Law No. 19,550 and Related Parties (Note 27.b)	5,662	6,188
	356,854	**277,954**
Non-current		
Suppliers	914	992
	914	**992**
Total trade payables	**357,768**	**278,946**

NOTE 13 – BORROWINGS

	As of December 31, 2023	As of December 31, 2022
Current		
Bank overdrafts – principal	23,514	23,698
Bank and other financial entities loans – principal	204,748	124,786
Notes – principal	188,977	147,620
DFI (Note 22)	-	58
Loans for purchase of equipment	15,582	16,408
Remeasurement, interest and related expenses	130,657	105,841
	563,478	**418,411**
Non-current		
Notes – principal	999,132	563,869
Bank and other financial entities loans – principal	399,680	319,466
Loans for purchase of equipment	10,725	13,874
Remeasurement, interest and related expenses	155,054	145,471
	1,564,591	**1,042,680**
Total borrowings	**2,128,069**	**1,461,091**

Movements in Borrowings are as follows:

	Balances at the beginning of the year	Net Cash Flows	Accrued	Exchange differences, currency translation adjustments and others	Balances as of December 31, 2023
Bank overdrafts	23,698	58,006	-	(58,190)	**23,514**
Bank and other financial entities loans – principal	444,252	(38,117)	-	198,293	**604,428**
Notes – principal	711,489	154,297	-	322,323	**1,188,109**
DFI	58	(32,356)	-	32,298	**-**
Loans for purchase of equipment	30,282	(14,569)	-	10,594	**26,307**
Remeasurement, interest and related expenses	251,312	(174,573)	9,925	199,047	**285,711**
Total as of December 31, 2023	**1,461,091**	**(47,312)**	**9,925**	**(*) 704,365**	**2,128,069**
Total as of December 31, 2022	**1,619,141**	**(103,151)**	**40,701**	**(**) (95,600)**	**1,461,091**

(*) Includes $34,104 million of loans that do not represent cash movement.
(**) Includes $33,433 million of loans that do not represent cash movement.

The main borrowings, which are effective as of December 31, 2023 and 2022, are detailed below:

a) __Notes__

__Telecom Argentina__

Global Programs for the issuance of Notes

In connection with the Notes Global Program for a maximum outstanding amount of US$3,000 million or its equivalent in other currencies, the Company issued several series of Notes, which amounts and main characteristics as of December 31, 2023 and 2022 are described below:

Series	Currency	Amount involved (in millions)	Issuance date	Maturity date	Amortization	Interest rate	Interest payment date	Accouting balance (in millions) (*) As of December 31,	
								2023	2022
1	US$	400	07/2019	07/2026	In one installment at maturity date	Annual fixed rate of 8.00%	Semiannually	331,879	225,752
5	US$	389	08/2020	08/2025	In four installment of: 3% at 02/2023 30% at 08/2023 33% at 08/2024 34% at 08/2025	Annual fixed rate of 8.50%	Semiannually	219,488	224,662
7	UVA	125	12/2020	12/2023	In one installment at maturity date	Annual fixed rate of 3.00%	Semiannually	-	72,380
8	UVA	134	01/2021	01/2025	In one installment at maturity date	Annual fixed rate of 4.00%	Semiannually	62,401	77,643
9	US$ linked	92	06/2021	06/2024	In one installment at maturity date	Annual fixed rate of 2.75%	Quarterly basis	74,371	50,669
10	UVA	127	12/2021	06/2025	In one installment at maturity date	0%	n/a	58,623	72,891
11	$	2,000	12/2021	06/2023	In one installment at maturity date	Variable annual rate: Badlar plus spread of 3.25%	Quarterly basis	-	6,462
12 (1)	US$ linked	23	03/2022	03/2027	In one installment at maturity date	Annual fixed rate of 1.00%	Quarterly basis	85,265	59,407
	US$ linked	75	08/2022	03/2027	In one installment at maturity date	Annual fixed rate of 1.00%	Quarterly basis		
13	$	2,348	03/2022	09/2023	In one installment at maturity date	Variable annual rate: Badlar plus spread of 1.50%	Quarterly basis	-	7,583
14	US$ linked	62.4	02/2023	02/2028	In one installment at maturity date	Fixed rate of 1.00%	Quarterly basis	50,455	-
15 (2)	US$ linked	87.4	06/2023	06/2026	In one installment at maturity date	0%	n/a	80,106	-
16 (3)	US$ linked	180.4	07/2023	07/2025	In one installment at maturity date	0%	n/a	165,853	-
18 (4)	UVA	75	11/2023	11/2027	In one installment at maturity date	Annual fixed rate of 1.00%	Quarterly basis	43,380	-
19 (5) (6)	US$ linked	34.6	11/2023	11/2026	In one installment at maturity date	0%	n/a	78,339	-
		30.9	12/2023	11/2026	In one installment at maturity date	0%	n/a		

(*) This accounting balances includes remeasurement, interest and related expenses.

(1) For Series 12 Notes issued on August 16, 2022, the subscription price was above par, so that on the date of issuance, its value was $11,621 million ($45,064 million in current currency as of December 31, 2023), equivalent to US$86 million without considering the issuance expenses.

(2) For the Series 15 Notes: the subscription price was above par, so that on the date of issuance, its value was $24,474 million ($50,580 million in current currency as of December 31, 2023), equivalent to US$102.3 million without considering the issuance expenses.

(3) For the Series 16 Notes: the subscription price was above par, so that on the date of issuance, its value was $57,186 million ($111,133 million in current currency as of December 31, 2023), equivalent to US$213.2 million without considering the issuance expenses.

(4) For the Series 18 Notes, the subscription price was above par, so that on the date of issuance, its value was $37,435 million ($46,968 million in current currency as of December 31, 2023), equivalent to US$213.2 million, of which the Company received funds for $56,906 million ($29,825 million in current currency as of December 31, 2023) and $13,512 million ($16,953 million in current currency as of December 31, 2023) (equivalent to 34.1 million UVAs of nominal value) through the exchange of a portion of Series 7 Notes, net of issuance expenses for $151 million ($190 million in current currency as of December 31, 2023).

(5) For the Series 19 Notes, the subscription price was above par, so that on the date of issuance, its value was $17,058 million ($21,402 million in current currency as of December 31, 2023), equivalent to US$48.3 million without considering the issuance expenses.

(6) For the additional Series 19 Notes, the subscription price was above par, so that on the date of issuance, its value was $18,102 million, equivalent to US$49.9 million without considering the issuance expenses.

Núcleo

Global Programs for the issuance of Notes

In connection with the Notes Global Program for a maximum outstanding amount of up to 500,000,000,000 of Guaraníes (approximately $3,200 million as of the date of issue), Núcleo issued several series of Notes, which amounts and main characteristics as of December 31, 2023 and 2022 are described below:

Series	Currency	Amount involved (in millions)	Issuance date	Maturity date	Amortization	Interest rate	Interest payment date	Accouting balance (in millions) (*) As of December 31, 2023	2022
1	Gs.	120,000	03/2019	03/2024	In one installment at maturity date	Annual fixed rate of 9.00%	Quarterly basis	13,234	8,953
2	Gs.	30,000	03/2019	03/2024	In one installment at maturity date	Annual fixed rate of 9.00%	Quarterly basis	3,296	2,230
3	Gs.	100,000	03/2020	03/2025	In one installment at maturity date	Annual fixed rate of 8.75%	Quarterly basis	11,042	7,471
4	Gs.	130,000	03/2021	01/2028	In one installment at maturity date	Annual fixed rate of 7.10%	Quarterly basis	14,558	9,834
5	Gs.	120,000	03/2021	01/2031	In one installment at maturity date	Annual fixed rate of 8.00%	Quarterly basis	13,452	9,087

(*) This accounting balances includes remeasurement, interest and related expenses.

b) Bank and other financing entities loans

b.1) Details of loans

Entities	Currency	Principal residual nominal value (in millions)	Maturity date	Amortization	Interest rate	Spread	Interest payment date	Accouting balance (in millions) (*) As of December 31, 2023	2022
International Finance Corporation (IFC)	US$	94	03/2027	Semiannually	Variable annual rate: SOF 6 months	between 4.43% and 7.18%	Semiannually	80,195	66,903
	US$	120	Between 08/2024 and 08/2025	Semiannually	Variable annual rate: SOF 6 months	between 5.03% and 5.28%	Semiannually	100,869	118,290
	US$	185	08/2029 (1)	Semiannually from 08/2024	Variable annual rate: SOF 6 months	6.50%	Semiannually	153,759	103,760
Inter-American Investment Corporation (IIC)	US$	17	12/2024	Semiannually	Variable annual rate: SOF 6 months	6.28%	Semiannually	14,100	19,403
Inter-American Development Bank (IDB) (2)	US$	301	06/2027	Semiannually	Variable annual rate: SOF 6 months	between 7.18% and 9.18%	Semiannually	245,930	103,629
China Development Bank Shenzhen Branch (CDB) (3)	RMB	1,134	12/2027	Semiannually	Annual fixed rate of 4.95%	N/A	Semiannually	118,208	73,126
Banco Santander Argentina S.A. (Santander)	$	-	07/2023 (4)	In one installment at maturity date	Modified annual fixed rate 55.00%	N/A	Monthly	-	12,459
	$	-	10/2023 (5)	In one installment at maturity date	Modified annual fixed rate 79.00%	N/A	Monthly	-	4,754
	$	-	07/2023 (6)	In one installment at maturity date	Modified: annual fixed rate of 44.50%	N/A	Monthly	-	11,131
	$	-	06/2023	In one installment at maturity date	Annual fixed rate of 47.00%	N/A	Monthly	-	3,135

Entities	Currency	Principal residual nominal value (in millions)	Maturity date	Amortization	Interest rate	Spread	Interest payment date	Accouting balance (in millions) (*) As of December 31, 2023	2022
Banco BBVA Argentina S.A. (BBVA)	$	-	03/2023	In one installment at maturity date	Annual fixed rate of 43.90%	N/A	Monthly	-	3,178
	$	-	05/2023	In one installment at maturity date	Annual fixed rate of 44.85%	N/A	Monthly	-	4,692
Finnvera (7)	US$	51	Between 11/2025 and 11/2026	Semiannually	Variable annual rate: SOF 6 months	between 1.47% and 1.63%	Semiannually	36,728	34,606
Export Development Canadá (EDC) (8) (9)	US$	27	Between 12/2026 and 05/2023	Semiannually	Variable annual rate: SOF 6 months	between 1.63% and 6.65%	Semiannually	20,130	8,743
BBVA (10)	$	147	07/2025	Monthly	Annual fixed rate of 47.90%	N/A	Monthly	149	622
PSA Finance Argentina (10)	$	327	07/2025	Monthly	Annual fixed rate of 42.90%	N/A	Monthly	335	1,418
Rombo Compañía Financiera (11)	$	233	07/2025	Monthly	Annual fixed rate between 70.9% and 77.9%	N/A	Monthly	244	-
Banco Industrial and Commercial Bank of China (Argentina) S.A.U. (ICBC) (12)	$	-	08/2023	Monthly	Annual fixed rate of 4.90%	N/A	Monthly	-	257
Cisco Systems Capital Corporation (Cisco) and others (13)	US$	30	between 10/2022 and 11/2026	Quarterly basis	Annual fixed rate of 4.00%	N/A	Quarterly basis	27,140	31,072

(*) This accounting balances includes remeasurement, interest and related expenses.

(1) In June, 2022 the Company executed a proposal for a credit line to finance the expansion of fixed and mobile network coverage with IFC for a total amount of up to US$184.5 million, as requested in a timely manner by the Company (the "Loan"). On July 15, 2022, the Company received a disbursement for a total amount of US$184.5 million ($98,834 million in current currency as of December 31, 2023) of which the Company received funds for US$181.5 million ($97,218 million in current currency as of December 31, 2023) were credited, because US$3 million ($1,616 million in current currency as of December 31, 2023) corresponding to debt issuance expenses.

(2) On October 17, 2023, the Company subscribed two new tranches (5 and 6) under the IDB loan for a total of US$120 million, equivalent to $41,145 million ($58,236 million in current currency as of December 31, 2023), net of issuance expenses for $866 million ($1,226 million in current currency as of December 31, 2023). The funds were used to pay for the 5G spectrum.

(3) During 2023 and 2022, the Company has subscribed new tranches for a total of RMB431.3 million ($31,298 million in current currency as of December 31, 2023) and RMB488 million ($40,308 million in current currency as of December 31, 2023), respectively.

(4) In July, 2022, the Company executed an addendum to Santander loan signed on August 18, 2021 for a total amount of $4,000 million ($16,592 million in current currency as of December 31, 2023) and agreed to change the principal maturity amortization schedule that would take place on August 18, 2022, by deferring it to July 27, 2023. Additionally, a new fixed interest rate from 40.5% to 55% annual nominal was renegotiated from July 27, 2022. This transaction was recognized as a debt extinguishment, recognizing a loss of $118 million that is included in “Borrowings renegotiation results” item, within financial results. As of December 31, 2023, this loan has been cancelled.

(5) In October, 2022, the Company executed an addendum to Santander loan signed on October 15, 2021 for a total amount of $1,500 million ($5,152 million in current currency as of December 31, 2023), and agreed to change the amortization schedule of principal maturity that would take place on October 17, 2022, by deferring it to October 17, 2023. Additionally, a new fixed interest rate from 37.75% to 79% annual nominal was renegotiated from October 17, 2022. As of December 31, 2023, this loan has been cancelled.

(6) In March, 2023, the Company executed an addendum to Santander loan signed on March, 2022 for a total amount of $3,500 million ($8,954 million in current currency as of December 31, 2023), and agreed to change the principal maturity amortization schedule whose maturity was on March 9, 2023, by deferring it to July 10, 2023. Additionally, a new fixed interest rate from 44.5% of 73.5% annual nominal was renegotiated. This transaction was recognized as a debt refinancing, recognizing a loss of $799 million that is included in “Borrowings renegotiation results” item, within financial results, net. As of December 31, 2023, this loan was totally repaid.

(7) During 2022, the Company received a disbursement for a total amount of US$11.4 million ($6,582 million in current currency as of December 31, 2023) of which the Company received funds for US$9.7 million ($5,634 million in current currency as of December 31, 2023), because US$1.7 million ($948 million in current currency as of December 31, 2023) corresponding to the premium equivalent to 14.41% of the total amount committed by the lenders under the credit line were deducted from the initial disbursement). With this disbursement, the total amount committed for this line of credit is completed.

(8) On January 3, 2022, the Company submitted a proposal for an export credit line for a total amount of up to US$23.4 million to the following entities: (i) JPMorgan Chase Bank, N.A., as initial lender, residual risk guarantor and agent of the facility, (ii) JPMorgan Chase Bank, N.A., Buenos Aires branch as an onshore custody agent, and (iii) JPMorgan Chase Bank, N.A. and EDC as lead co-organizers, which was accepted on the same date.

The line of credit is guaranteed by EDC, the official export credit agency of Canada. The funds received will be used to finance up to 85% of the value of certain imported goods and services, up to 50% of the value of certain national goods and services and the total payment of the EDC surplus equivalent to 14.41% of the total amount committed by the lenders under the line of credit.

During 2022, the Company received a disbursement for a total amount of US$23.3 million ($12,557 million in current currency as of December 31, 2023), of which the Company received US$19.5 million ($10,748 million in current currency as of December 31, 2023) net of debt issuance expenses deducted, the total amount committed for this line of credit is completed.

(9) On May 5, 2023, the Company submitted a proposal for an export credit line for a total amount of up to US$50 million to EDC, the official export credit agency of Canada.

The funds received will be used to finance up to 100% of the payments due to "Nokia Solutions and Networks Oy" and/or "Nokia Spain S.A.", received from August 30, 2022 until November 1, 2024.

On September 28, 2023, the first disbursement of US$12.7 million ($6,799 million in current currency as of December 31, 2023) was received, maturing in May 2030. The principal disbursed accrues compensatory interest at a semi-annual SOFR plus a margin of 6.65 percentage points.

(10) On June 10, 2022, the Company executed a proposal for a credit line with Peugeot to finance the acquisition of 350 utility vehicles for a total amount of $1,042.7 million ($4, 646 million in current currency as of December 31, 2023) plus VAT. For each acquisition, the Company will pay an advance of 40% of the value, financing the remaining 60% in 36 consecutive monthly installments at the rate agreed at the time of each acquisition through PSA Finance Argentina and/or BBVA.

(11) On June 29, 2023, the Company executed a pledge loan with Rombo Compañia Financiera to finance 50% of the acquisition of 59 utility vehicles for a total amount of $521.2 million (VAT included) ($1,077 million in current currency as of December 31, 2023). For each acquisition, the Company agreed to pay advance payments of 50% of the value, financing the remaining 50%, equivalent to $260.6 million ($539 million in current currency as of December 31, 2023), in 24 consecutive monthly installments at the following rates: i) $80.3 million ($166 million in current currency as of December 31, 2023) at a rate of 70.9%, ii) $180.3 million ($372 million in current currency as of December 31, 2023) at a rate of 77.9%.

(12) On August 30, 2022, the Company executed a proposal for a credit line with Ford to finance the acquisition of 43 utility vehicles for a total amount of $222 million ($861 million in current currency as of December 31, 2023) plus VAT. For the acquisition, the Company was paid an advance of 50% of the value, financing the remaining 50% of $122.6 million ($475 million in current currency as of December 31, 2023) in 12 consecutive monthly installments at a fixed rate of 4.9% through ICBC. As of December 31, 2023, this loan has been cancelled.

(13) During 2023 and 2022, the Company received a disbursement for a total of US$5 million ($2,448 million in current currency as of December 31, 2023) and US$17 million, equivalent to $1,911 million ($9,392 million in current currency as of December 31, 2023), respectively.

b.2) LIBOR transition

During July, 2023, the Company signed addendums to the Finnvera loan and the two loans with IFC based on US$ LIBOR in order to replace LIBO rate with SOF rate, plus a 0.42826% adjustment margin. The transition date under the addendum was in November 2023 for Finnvera loan. For IFC loans, the transition dates were on August and September 2023.

During September, 2023, the Company signed addendums to the IDB loan based on US$ LIBOR in order to replace LIBO rate with SOF rate, plus a 0.42826% adjustment margin. The transition date under the addendum was in December 2023.

The Company does not maintain any LIBOR-based loans as of December 31, 2023.

c) Compliance with covenants

The Company holds certain loans with IFC, IIC, IDB, Finnvera, EDC, and CDB, hereinafter collectively referred to as the "Lenders", which, as of December 31, 2023, amount to $769,919 million. These loans establish, among other provisions, the obligation to comply with certain financial ratios, which are calculated based on contractual definitions: i) "Net Debt/EBITDA" and ii) "EBITDA/Interest Net" on a quarterly basis, along with the presentation of the Company's financial statements.

Considering the complexity of Argentina's economic situation, described in Note 29, which prevented the early and accurate estimation of the ratios, the Company requested and obtained from the Lenders waivers regarding the obligation to present the Net Debt/EBITDA ratio from December 31, 2023 until March 15, 2024. These waivers were conditioned upon certain obligations during the period, which have been met to date.

During March 2024, the Company requested and obtained from the Lenders new waivers effective until March 31, 2025, which allow increasing the maintenance Net Debt/EBITDA ratio above the originally established level (raising it to 3.75), for the calculation period between December 31, 2023 and December 31, 2024, establishing a net debt of US$2.700 billion on each calculation date, among other matters.

In addition, during the term of the waivers, the payment of dividends will be permitted between October 1, 2024 and December 31, 2024, for a maximum amount of US$100 million, while in compliance with a maintenance Net Debt/EBITDA ratio of less than 3.

The Company has complied with the Net Debt/EBITDA ratio established in the waiver obtained in March 2024, and is also in compliance with the rest of the commitments assumed and in force on the date of issuance of these consolidated financial statements.

NOTE 14 – SALARIES AND SOCIAL SECURITY PAYABLES

	As of December 31, 2023	2022
Current		
Salaries, annual complementary salaries, vacation, bonuses and their social security payables	87,063	109,198
Termination benefits	4,077	8,054
	91,140	**117,252**
Non-current		
Termination benefits	3,729	8,554
	3,729	**8,554**
Total salaries and social security payables	**94,869**	**125,806**

Compensation for the Key Managers of Telecom for the years ended December 31, 2023, 2022 and 2021 are shown in Note 27.d).

NOTE 15 – INCOME TAX PAYABLE AND DEFERRED INCOME TAX ASSETS/LIABILITIES

Income tax payable by company is presented below:

	As of December 31, 2023	2022
Núcleo	1,262	782
NYSSA	148	125
Adesol	104	60
Pem	38	6
Opalker	10	3
	(*) 1,562	**976**

(*) Includes $(2,808) million corresponding to the currency translation adjustments on initial balances of foreign subsidiaries, RECPAM and to compensation made with tax credits.

Deferred Income tax assets and liabilities, net and the actions for recourse tax receivable are presented below:

	As of December 31, 2023	2022
Tax carryforward	(494,367)	(94,690)
Allowance for doubtful accounts	(16,783)	(27,971)
Legal Claims and contingent liabilities	(7,316)	(9,386)
PP&E, intangible assets and right of use assets	622,539	666,335
Cash dividends from foreign companies	13,632	7,589
Income tax inflation adjustment effect	330,668	256,107
Other deferred tax liabilities (assets), net	(158)	(5,050)
Total deferred tax liabilities, net	**448,215**	**792,934**
Actions for recourse tax receivable	(888)	(2,765)
Total deferred tax liability, net	**(*) 447,327**	**790,169**
Net deferred tax assets	**(13,815)**	**(7,698)**
Net deferred tax liabilities	**461,142**	**797,867**

(*) Includes $(1,901) million of currency translation adjustments on foreign subsidiaries' initial balances.

As of December 31, 2023, Telecom Argentina and some subsidiaries have cumulative tax loss carryforwards of $1,412,864 million (including $248 million of unrecognized tax loss carryforwards for considering them non-recoverable), that calculated considering statutory income tax rate, represent a deferred tax asset of $494,367 million.

The detail of the maturities of estimated tax carryforward is disclosed:

Company	Tax carryforward generation year	Tax carryforward amount as of 12.31.2023	Tax carryforward expiration year
Telecom	2022	307,623	2027
Telecom	2023	1,083,494	2028
Micro Sistemas	2021	240	2026
Micro Sistemas	2022	3,424	2027
Micro Sistemas	2023	17,505	2028
Interradios	2023	3	2028
Ubiquo	2022	128	No deadline
Ubiquo	2023	199	No deadline
AVC Continente Audiovisual	2021	3	2026
AVC Continente Audiovisual	2022	37	2027
AVC Continente Audiovisual	2023	135	2028
Cable Imagen	2021	6	2026
Cable Imagen	2022	16	2027
Cable Imagen	2023	51	2028
		1,412,864	

Income tax benefit (expense) differed from the amounts computed by applying the Company's statutory income tax rate to pre-tax income as a result of the following:

	Years ended December 31,		
	2023	2022	2021
		Profit (loss)	
Income (loss) before income tax expense	(587,944)	(722,915)	262,399
Non-taxable items – Earnings from associates and joint ventures	1,888	(2,550)	(2,398)
Non-taxable items – Impairment of Goodwill charges	-	759,722	4,045
Non-taxable items – Other	1,299	4,771	(6,901)
Restatement in current currency of Equity, Goodwill and others	1,016,337	779,531	616,961
Subtotal	**431,580**	**818,559**	**874,106**
Effective income tax rate	33.65%	34.41%	34.34%
Income tax expense at statutory tax rate of each subsidiary	**(145,208)**	**(281,689)**	**(300,149)**
Deferred tax liability restatement in current currency and others	924,425	674,272	357,714
Income tax inflation adjustment	(429,765)	(306,768)	(254,280)
Actions for recourse	-	(3)	44
Income tax on cash dividends of foreign companies	(11,195)	(3,276)	(5,434)
Income tax benefit (expense) (*)	**338,257**	**82,536**	**(202,105)**
Current tax	(2,899)	54,562	(113,011)
Deferred tax	341,156	27,974	(89,094)
Income tax benefit (expense)	**338,257**	**82,536**	**(202,105)**

(*) In 2023 includes $(571) million corresponding to the adjustment made in the Income tax affidavit of 2022.
In 2022 includes $57,891 million corresponding to the adjustment made in the Income tax affidavit of 2021, which includes, among others, the effects related to the full application of the tax inflation adjustment mechanisms detailed in "Income Tax – Inflation Adjustment for Tax Purposes".
In 2021 includes the effect of the change in the income tax rate provided for in Law No. 27,630 generated by the recalculation of the tax impact on balances at the beginning and on the result of the period, for approximately $(357,066) million.

Income tax - Actions for recourse filed with the Tax Authority

During 2015 and 2022, Telecom Argentina filed actions for recourse with the AFIP to claim the full tax overpaid for fiscal years from 2009 to 2017 for a total amount of approximately $2,039 million plus interest, under the argument that the lack of application of the income tax inflation adjustment is confiscatory based on the similarities with the parameters put forward in the matter of "Candy S.A." as in the matter of "Distribuidora Gas del Centro", heard by the National Supreme Court of Justice in whose verdicts, the Supreme Court ruled for the application of the inflation adjustment mechanism for the 2002 fiscal year.

In the years 2019, 2021 and 2022, the AFIP has rejected the actions for recourse corresponding to fiscal years 2009 to 2013 and 2015.Therefore, Telecom filed four actions for recourse before the National Court of First Instance.

The Company's Management, with the assistance of its tax advisors, understands that the arguments presented by the Company follow the same criteria as those considered by the Supreme Court of Justice in similar precedents, among others. Therefore, the Company should obtain a favorable resolution to such claims.

Consequently, the Company maintained a non-current tax credit of $888 million as of December 31, 2023. For the measurement and update of the tax credit, the Company has estimated the amount of the tax determined in excess for the years 2009-2017 weighting the likelihood according to the jurisprudential antecedents known as of the date of these consolidated financial statements.

Income Tax – Inflation Adjustment for Tax Purposes

Given the judicial precedents detailed above related to the different mechanisms used to recognize the effect of inflation in the assessment of income tax, on May 6, 2022, the Company filed the income tax return corresponding to fiscal year 2021, taking into account the restatement of the tax amortization of all its fixed and intangible assets pursuant to Articles 87 and 88 of the Income Tax Law and applying the tax loss carry-forwards from previous years in accordance with the restatement mechanism provided under Article 25 of such Law.

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

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

As a consequence of the foregoing, the income tax due for the year 2022 includes a decrease of $7,517 million ($39,287 million in current currency as of December 31, 2023), assessed taking into account the weighted probability of occurrence, based on the above-mentioned judicial precedents.

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

NOTE 16 –OTHER TAXES PAYABLES

	As of December 31,	
Current	**2023**	**2022**
Other national taxes	33,194	25,438
Provincial taxes	4,162	2,925
Municipal taxes	1,792	2,563
	39,148	**30,926**
Non- current		
Provincial taxes	11	138
	11	**138**
Total other taxes payables	**39,159**	**31,064**

NOTE 17 – LEASES LIABILITIES

	As of December 31,	
Current	**2023**	**2022**
Argentina	26,981	27,958
Abroad	1,755	698
	28,736	**28,656**
Non- current		
Argentina	45,331	53,518
Abroad	14,578	7,813
	59,909	**61,331**
Total lease liabilities	**88,645**	**89,987**

Movements in the lease liabilities are as follows:

	Years ended December 31,	
	2023	**2022**
Balances at the beginning of the year	**89,987**	**114,742**
Incorporate by acquisition	-	125
Increases (*)	71,844	58,999
Financial results, net (**)	39,901	23,946
Payments	(44,192)	(47,521)
Decreases (included RECPAM and currency translation adjustments)	(68,895)	(60,304)
At the end of the year	**88,645**	**89,987**

(*) Included in acquisitions of Rights of use.
(**) Included in Other foreign currency exchange gains (losses) and Other interests, net.

NOTE 18 – OTHER LIABILITIES

	As of December 31, 2023	2022
Current		
Deferred revenues on prepaid credit	7,956	8,156
Deferred revenues on connection fees and international capacity leases	1,724	4,200
Debt for acquisition of NYSSA	567	613
Companies under section 33 - Law No. 19,550 and related parties (Note 27.b)	2,358	-
Funds to be paid to customers	7,219	1,610
Other	636	867
	20,460	**15,446**
Non-current		
Deferred revenues on connection fees and international capacity leases	1,526	2,602
Pension benefits	2,249	2,736
Debt for acquisition of NYSSA	4,133	-
Companies under section 33 - Law No. 19,550 and related parties (Note 27.b)	1,026	1,614
Other	108	1,173
	9,042	**8,125**
Total Other liabilities	**29,502**	**23,571**

Movements in the pension benefits are as follows:

	Years ended December 31, 2023	2022
At the beginning of the year	**2,736**	**3,924**
Service cost (*)	151	166
Interest cost (**)	1,856	1,267
Actuarial results (***)	420	(87)
RECPAM	(2,914)	(2,534)
At the end of the year	**2,249**	**2,736**

(*) Included in Employee benefit expenses and severance payments.
(**) Included in Other Financial result, net.
(***) Included in Other comprehensive income (loss).

NOTE 19 – PROVISIONS

The Company evaluates and reviews each contingency applying the criteria indicated in Note 3.q) and 3.u.5).

The evolution of provisions as of December 31, 2023 and 2022 is as follows:

	Balances as of December 31, 2022	Additions		Reclassifica-tions	Payments	RECPAM, currency translation adjustments and others	Balances as of December 31, 2023
		Capital (i)	Financial result (ii)				
Current							
Legal Claims and contingent liabilities	8,201	9,889	-	12,695	(26,018)	573	5,340
Total current provisions	**8,201**	**9,889**	**-**	**12,695**	**(26,018)**	**573**	**5,340**
Non- Current							
Legal Claims and contingent liabilities	20,261	11,665	10,373	(12,695)	(4)	(16,793)	12,807
Asset retirement obligations	16,031	13,775	-	-	-	(16,496)	13,310
Total non-current provisions	**36,292**	**25,440**	**10,373**	**(12,695)**	**(4)**	**(33,289)**	**26,117**
Total provisions	**44,493**	**35,329**	**10,373**	**-**	**(26,022)**	**(32,716)**	**31,457**

	Balances as of December 31, 2021	Additions		Reclassifica-tions	Payments	RECPAM, currency translation adjustments and others	Balances as of December 31, 2022
		Capital (iii)	Financial result (iv)				
Current							
Legal Claims and contingent liabilities	13,017	24,137	-	20,765	(48,894)	(824)	8,201
Total current provisions	**13,017**	**24,137**	**-**	**20,765**	**(48,894)**	**(824)**	**8,201**
Non- Current							
Legal Claims and contingent liabilities	37,061	12,923	5,907	(20,765)	-	(14,864)	20,261
Asset retirement obligations	21,017	6,328	-	-	-	(11,315)	16,031
Total non-current provisions	**58,078**	**19,251**	**5,907**	**(20,765)**	**-**	**(26,179)**	**36,292**
Total provisions	**71,095**	**43,388**	**5,907**	**-**	**(48,894)**	**(27,003)**	**44,493**

(i) $21,554 million charged to Other operating expenses and $13,775 million charged to Right of use assets.
(ii) Charged to Other foreign currency exchange gains (losses) and Other interests, net.

(iii) \$37,033 million charged to Other operating expenses, \$27 million charged to Other receivables current and \$6,328 million charged to Right of use assets.
(iv) Charged to Other interests, net.

Below is a summary of the most significant claims and legal actions for which the Company, based on the advice of its legal counsel and the judicial background for each claim, has considers probable and/or possible based on IAS 37:

1. *Probable Contingent liabilities*

a) <u>Profit sharing bonds</u>

Various legal actions are brought, mainly by former employees of the Company against the Argentine government and Telecom Argentina, requesting that Decree No. 395/92 – which expressly exempted Telefónica and the Company from issuing the profit-sharing bonds provided in Law No. 23,696 – be struck down as unconstitutional. The plaintiffs also claim the compensation for damages they suffered because such bonds have not been issued.

In August 2008, the Supreme Court of Justice not only found Decree No. 395/92 unconstitutional when resolving a similar case against Telefónica but also ordered that the proceedings be remanded to the court of origin so that such court shall decide which defendant must pay —the licensee and/or the Argentine government— and set the parameters that are to be taken into account in order to quantify the remedies requested (percent of profit sharing, statute of limitations criteria, distribution method between the program beneficiaries, among others). There are no uniform criteria among the Courts in relation to each of these concepts.

Following the Supreme Court of Justice's decision, several Courts of Appeals have ruled that Decree No. 395/92 is unconstitutional. As a result, in the opinion of Telecom Argentina's counsel, there is an increased probability that the Company will have to face certain contingencies, notwithstanding the reimbursement right to which Telecom Argentina would be entitled against the National Government.

On June 9, 2015, in re "Ramollino Silvana c/Telecom Argentina S.A.", the Supreme Court of Justice ruled that the profit-sharing bonds do not apply to employees who joined the Company after November 8, 1990 and who were not members of the PPP.

This judicial precedent is consistent with the criterion followed by the Company for estimating provisions for these claims, based on the advice of its legal counsel, which considered remote the chances of paying compensation to employees who were not included in the PPP.

<u>Statute of limitations criteria applied to claims: Supreme Court of Justice ruling "Dominguez v. Telefónica de Argentina S.A."</u>

In December 2013, the Supreme Court of Justice rendered a decision on a case similar to the above-referred legal actions, "Domínguez v. Telefónica de Argentina S.A." In said case, the Supreme Court of Justice overturned a lower court ruling which had barred the claim as having exceeded the applicable statute of limitations because ten years had passed since the issuance of Decree No. 395/92.

On December 30, 2021, the Court of Appeals on Federal Civil and Commercial Matters issued a decision in plenary session, whereby it acknowledged, interpreting the doctrine developed by the Supreme Court of Justice in its ruling, that the statute of limitations must be applied periodically –as from the date of each balance sheet- but limited to five years, applying the specific regulations on the statute of limitations for periodical liabilities.

<u>Criteria for determining the relevant profit to calculate compensation: ruling of the Court of Appeals on Federal Civil and Commercial Matters in Plenary Session "Parota c/ Estado Nacional y Telefónica de Argentina S.A."</u>

On February 27, 2014, the Court of Appeals on Federal Civil and Commercial Matters issued its decision in plenary session in the case "Parota, César c/ Estado Nacional", as a result of a claim filed against Telefónica. In its ruling, the Court held "that the amount of profit-sharing bonds corresponding to former employees of Telefónica de Argentina should be calculated based on the taxable income of Telefónica de Argentina S.A. on which the income tax liability is to be assessed".

<u>Federación Argentina de las Telecomunicaciones and Other v. Telecom Argentina S.A. on profit-sharing</u>

In June 2013, the Company was served notice of this claim. The lawsuit was filed by four unions claiming the issuance of profit-sharing bonds (hereinafter "the bonds") for future periods and for periods for which the statute of limitations is not expired. To enforce this claim, the plaintiffs have requested that the court declare that Decree No. 395/92 is unconstitutional.

This collective lawsuit is for an unspecified amount. The plaintiffs presented the criteria that should be applied for the determination of the percentage of participation in the Company's profit. The lawsuit requiring the issuance of a profit-sharing bond represents an obligation with potential future economic impact for the Company.

The Company filed its response to the claim, arguing that labor courts lack jurisdiction over the matter. In December 2017, the Court of First Instance dismissed the claim on the grounds that the claimant lacks standing because the claim is individual and not collective. The claimant filed an appeal, which is pending before Chamber VII of the Court of Appeals.

In June 2019, the Court of Appeals revoked the decision rendered by the Court of First Instance, returned the file, and ordered discovery proceedings.

The Company, based on the advice of its legal counsel, believes that there are strong arguments to defend its position in this claim, based, among other things, on the application of the statutes of limitations to the claim relating to the unconstitutionality of Decree No. 395/92, the lack of active legal standing for a collective claim relating to the issuance of bonds —due to the existence of individual claims— in addition to arguments based on plaintiff's lack of active legal standing.

b) Task Solutions v. Telecom Personal S.A. on Ordinary proceeding and Task Solutions v. Telecom Argentina S.A. on Ordinary proceeding

Task Solutions S.A., a company devoted to providing contact centers, brought claims against Telecom Argentina and Telecom Personal, claiming damages that it alleges to have suffered during the contractual relationship with those companies, as well as for the failure to renew those contracts at the end of their term.. In August 2018, the Company answered the claims rejecting the compensation claimed and requesting that the punitive damages claimed be declared unconstitutional.

In December 2018, Task Solutions was declared bankrupt.

Finally, on August 1, 2023, the decision to have the case dismissed in the first instance due to failure to prosecute within the legal time limits became final, which was ratified by the Court of Appeals. No appeal has been filed before the Supreme Court of Argentina in this regard.

c) Sanctions Imposed by the Regulator

The Company is subject to various sanction procedures, in most cases promoted by the Regulatory Authority, for delays in repairs and service installations to fixed-line customers.

d) "*Asociación por la Defensa de Usuarios y Consumidores vs. Telecom Personal S.A.*" claim

In 2008, the "*Asociación por la Defensa de Usuarios y Consumidores*" sued Personal, seeking damages for an unspecified amount, in connection with the billing of calls to the automatic answering machine and the collection system called "send to end", in collective representation of an undetermined number of Personal customers. The court has to render judgment on this claim.

In 2015, the Company learned of an adverse court ruling in a similar lawsuit, promoted by the same consumer's association against another mobile operator.

On November 9, 2023, there was a first instance ruling where the Company was partially condemned to recognize credits in favor of a group of customer to be determined, but only for a limited period of time, between the years 2004 and 2005. The ruling was appealed.

2. Possible Contingencies

In addition to the possible contingencies related to regulatory matters described in Note 2.d), the following is a summary of the most significant claims and legal actions for which the Company's Management did not set up any provision, although the final outcome of these lawsuits cannot be assured.

a) Radioelectric Spectrum Fees

In October 2016, Personal modified the criteria used for the statement of some of its commercial plans ("*Abono fijo*") for purposes of paying the radioelectric spectrum fees (*derecho de uso de espectro radioeléctrico* or "DER"), taking into account certain changes in such plans' composition. This meant a reduction in the amount of fees paid by Personal.

In March 2017, ENACOM demanded Personal to rectify its statements corresponding to October 2016, requiring that such plans' statements continue to be prepared based on the previous criteria. ENACOM issued a similar order in September 2018 for the subsequent periods. The Company's Management believes that it has solid legal arguments to defend its position. Such arguments were actually confirmed in the recitals of Resolution ENACOM No. 840/18. Therefore, Telecom filed the corresponding administrative responses.

In August 2017, Personal received the notice of charge for the differences in the amounts owed in connection with the payment made in October 2016. Notwithstanding the grounds disclosed in its response, in April 2019, ENACOM imposed a sanction on the Company due to the non-compliance alleged for that period. The Company filed the corresponding administrative response. However, the company cannot assure that its arguments will be accepted by ENACOM.

The difference resulting from both criteria since October 2016 is of approximately $717 million plus interest as of December 31, 2023.

On February 27, 2018, ENACOM Resolutions Nos. 840/18 and 1,196/18 were published in the Official Gazette. Through these Resolutions, ENACOM updated the value of the Radioelectric Spectrum Fee per Unit and, in addition, established a new regime for mobile communication services, which substantially increased the amounts to be paid for such service.

Telecom filed the restated returns for March and April 2018 (due in April and May 2018) and paid (under protest) the corresponding amounts. It also started to comply, as from September 2018, with the filing and payment (under protest) of the corresponding returns.

b) <u>"Consumidores Financieros Asociación Civil para su Defensa" claim</u>

In November 2011, Personal was notified of a lawsuit filed by the "*Consumidores Financieros Asociación Civil para su Defensa*" claiming that Personal made allegedly abusive charges to its customers by implementing per-minute billing and setting an expiration date for prepaid telecommunication cards.

Personal rejected the claim, with emphasis on the regulatory framework that explicitly endorses its practices, now challenged by the plaintiff in disregard of such regulations.

The proceeding is now in the discovery stage. However, the judge has ordered the accumulation of this claim with two other similar claims against Telefónica Móviles Argentina S.A. and América Móvil S.A..Therefore, the three legal actions will continue within the Federal Civil and Commercial Court No. 9.

The plaintiffs are seeking damages for an unspecified amount. While the Company believes there are strong defenses that should result in a dismissal of the claim, in the absence of judicial precedents on the matter, the Company's Management (with the advice of its legal counsel) has classified the claim as possible until a judgment is rendered.

c) <u>Proceedings related to value added services - Mobile contents</u>

In October 2015, Personal was notified of a claim brought by the consumer association "*Cruzada Cívica para la defensa de los consumidores y usuarios de Servicios públicos*".

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

As of the date of these consolidated financial statements, this claim for an unspecified amount is in its preliminary stages because notice of the claim has not been served on all interested parties.

Based on the advice of its legal counsel, the Company's Management believes to have strong arguments for its defense. However, given the absence of any case law, the final outcome of these claims cannot be assured.

d) <u>Claims filed by unions in connection with union contributions</u>

The unions FOEESITRA, SITRATEL, SILUJANTEL, SOEESIT, FOETRA, SUTTACH, and the Union of Telephone Workers and Employees of Tucumán brought seven legal actions against Telecom claiming unpaid union contributions set forth in their respective collective bargaining agreements, corresponding to employees of third-party companies that provide services to the Company, for a 5-year term for which the statute of limitations has not expired, plus damages caused by the failure to pay said contributions. The items claimed are "*Fondo Especial*" (special fund) and "*Contribución Solidaria*" (solidarity contribution).

The above-mentioned unions argue that Telecom is jointly and severally liable for the payment of the above-mentioned contributions. Telecom answered all the claims.

In the action brought by FOEESITRA, the judge of first instance rejected the summons to third parties made by Telecom. An appeal has been filed against that decision.

In the action brought by FOETRA, the Court of Appeals revoked the decision rendered by the court of first instance that had declared the incompetence. The judge of first instance must render a decision on the exceptions filed by Telecom

The other claims have been suspended at the request of the parties.

The unions are seeking damages for an unspecified amount.

Even though the Company's Management believes that there are sound grounds for the favorable resolution of these claims, given the lack of judicial precedents, the final outcome of these claims cannot be assured.

e) Asociación por la Defensa de Usuarios y Consumidores v. Cablevisión on expedited summary proceeding

In November 2018, the Company was served notice of a claim brought by *Asociación por la Defensa de Usuarios y Consumidores*. The Claimant requested that the defendant: 1) cease its practice of preventing customers from terminating Internet and cable television services when customers request such termination; 2) reimburse to each user the amounts collected for the period of five years and until the date on which the defendant ceases the above-mentioned practice; and 3) pay punitive damages for each of the affected customers.

In December 2018, the Company filed a response, alleging the application of statutes of limitation (two-year term) as well as the lack of standing of the Association to file the lawsuit. It requested that the claim be rejected in its entirety, and that the legal costs be borne by the plaintiff.

The plaintiffs are seeking damages for an unspecified amount.

Based on the advice of its legal counsel, the Company believes to have strong arguments for its defense. However, the final outcome of this claim cannot be assured.

f) Claim "Unión de Usuarios y Consumidores and Other v. Telecom Argentina S.A."

On September 3, 2019, Telecom was served notice of a class action brought by "*Unión de Usuarios y Consumidores" and "Consumidores Libres Cooperativa Ltda. De Provisión de Servicios de Acción Comunitaria"*, pending before the Commercial Court of First Instance No. 9, Clerk's Office No. 17, for an unspecified amount.

Claimants seek to obtain an order against the Company for the reimbursement of the price increases collected from its subscribers in September and October 2018 and in January 2019 and of any price increase that may be collected for the duration of the proceedings (for timely provided services under the brands Cablevisión and Fibertel), plus interest accrued until the effective reimbursement date. Claimants allege that the defendant infringed certain provisions set forth under the General Rules Governing ICT Services Customers and Law No. 24,240 related to the terms and form of notice to subscribers of changes in the prices of such services.

Based on the advice of its legal counsel, the Company believes to have strong arguments for its defense. However, the final outcome of this claim cannot be assured.

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

SCI Resolution No. 50/10 approved certain rules for the sale of pay television services. These rules provide that cable television operators must apply a formula to calculate their monthly basic subscription prices. The Company 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-SCI ", 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). The National Government filed an appeal such resolution, which was dismissed. The National Government filed a direct appeal with the Supreme Court of Justice, 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.

In September 2014, the Supreme Court of Justice 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 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 sections of the law based on which the SCI issued Resolution No. 50/10 and the subsequent resolutions. The National Government and ENACOM filed extraordinary appeals, which although they were granted during 2021, are still pending before the Supreme Court of Justice.

The Company, with the assistance of its legal advisors, is evaluating the potential impacts in light of those developments. Notwithstanding the foregoing, it believes that, considering the case law, it has strong grounds for the favorable resolution of this lawsuit.

3. Gain Contingencies

“AFA Plus Project” Claim

On July 20, 2012, the Company entered into an agreement with the Argentine Football Association (“AFA”), for the provision of services for a system called “Argentine Football System Administration” (“AFA Plus Project”), therefore, in compliance with its contractual obligations, the Company has made investments and incurred expenses.

In September 2014, AFA notified the Company of its decision to terminate the agreement, modifying the AFA Plus Project, and also informed that it will assume the payment of the investments and expenditures incurred by the Company. Accordingly, negotiations between the parties have started.

Although, during 2015, AFA made various proposals to compensate the investments and expenditures incurred by Telecom through advertising barter transactions exclusively related to the AFA Plus Project (or the one that replaces this Project in the future), the Company did not accept it because it considered it insufficient. Consequently, in October 2015, the Company formally demanded that AFA pay the amounts owed.

During 2016 and 2018, the Company initiated certain mandatory pre-judicial mediation procedures which were finished without agreement. On December 19, 2018, the Company brought a claim against AFA for $353 million plus interest and court costs.

At this time, the judge has ordered discovery proceedings.

The Company’s Management, with the assistance of its external advisor, believes that the company has solid legal arguments to support its claim and is evaluating the necessary actions to recover the investments made and expenses incurred.

The Company recorded a provision derived from the uncertainties related to the recoverable value of the assets related to the AFA Plus Project and in no way implies that Telecom has waived or limited its rights as a genuine creditor under the agreement.

NOTE 20 – PURCHASE COMMITMENTS

The Company has entered into various purchase commitments with domestic and foreign suppliers amounting to approximately $586,790 million as of December 31, 2023 (of which $139,154 million corresponds to Fixed Assets commitments). These purchase commitments include those that contain “take or pay” clauses, which force the buyer to purchase a quantity of a product or service in a period, usually annually, or, alternatively, to pay that amount even if it has not been taken or accepted to receive it.

NOTE 21 – EQUITY

(a) Capital Stock

As of December 31, 2023 and 2022, 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, as detailed below:

Class of Shares	Total
Class “A”	683,856,600
Class “B”	628,058,019
Class “C”	106,734
Class “D”	841,666,658
Total	**2,153,688,011**

As of the date of these consolidated financial statements, all the shares of Telecom Argentina are authorized by the CNV for public offering.

Class B Shares are listed and traded on the leading companies’ panel of the BYMA and the American Depositary Shares (ADS) representing five Class “B” shares of the Company are traded on the NYSE under the symbol TEO.

(b) Provisions of the Telecom Ordinary and Extraordinary Shareholders’ meeting

At the Ordinary and Extraordinary Shareholders’ Meeting held on April 27, 2023, the shareholders of Telecom decided, among other:

(i) To approve the Board of Directors’ proposal stated in current currency as of March 31, 2023 using the National Consumer Price Index pursuant to CNV Resolution No. 777/18 in connection with the Accumulated Deficit as of December 31, 2022 for $207,832,672,505 ($647,208 million in current currency as of December 31, 2023). The Board proposed: i) to reclassify from retained earnings to “Contributed Surplus” $273,927,247,113 ($853,028 million in current currency as of December 31, 2023) resulting from the adjustment for the loss of the higher value allocated to the assets and liabilities identified and incorporated as of the date of merger, which gave rise to the creation of the Contributed Surplus, (ii) to appropriate to the “Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level” the total amount of the difference in the accumulated deficit for $66,094,574,608 ($205,820 million in current currency as of December 31, 2023);

(ii) to delegate on the Board of Directors the power to reverse before December 31, 2023 the “Voluntary reserve to maintain the Company's level of capital expenditures and its current solvency level” in an amount that will allow to distribute the 2030 Global Bonds as non-cash dividends for up to a nominal amount of US$473,623,896. For further information on the distribution of dividends, see Note 4.b) “Dividend paid - Distribution of non-cash dividends”.

(c) Share Ownership Plan

In 1992, a Decree from the Argentine government, which provided for the creation of the Company upon the privatization of ENTel, established that 10% of the capital stock then represented by 98,438,098 Class “C” shares were to be included in the PPP (an employee share ownership program sponsored by the Argentine government). During the following years, both the Shareholders' Assembly and the Board of Directors (based on the powers delegated by the Shareholders) carried out the conversion of Class “C” shares for a total of 98,331,364.

As of the date of these consolidated financial statements, 106,734 Class “C” shares are still pending to be converted into Class “B” shares.

(d) Restrictions on distribution of profits

Under the LGS, the by-laws of the Company and rules and regulations of the CNV, a minimum of 5% of net income for the year in accordance with the statutory books, plus/less previous years’ adjustments and accumulated losses, if any, must be appropriated by resolution of the shareholders to a legal reserve until such reserve reaches 20% of the outstanding capital (common stock plus inflation adjustment of common stock).

NOTE 22 – FINANCIAL INSTRUMENTS

a) Categories of financial assets and financial liabilities

The following tables set out, for financial assets and liabilities as of December 31, 2023 and 2022, their category of financial instrument and the details of profits and losses generated according to each category.

As of December 31, 2023	Amortized cost	Fair value accounted through profit or loss	Fair value accounted through other comprehensive Income	Total
Assets				
Cash and cash equivalents	126,516	33,258	-	**159,774**
Investments	12,110	111,859	-	**123,969**
Trade receivables	133,120	-	-	**133,120**
Other receivables	21,615	10	1,986	**23,611**
Total	**293,361**	**145,127**	**1,986**	**440,474**
Liabilities				
Trade payables	357,768	-	-	**357,768**
Borrowings	2,128,069	-	-	**2,128,069**
Leases liabilities	88,645	-	-	**88,645**
Other liabilities	14,346	1,593	-	**15,939**
Total	**2,588,828**	**1,593**	**-**	**2,590,421**

As of December 31, 2022	Amortized cost	Fair value accounted through profit or loss	Fair value accounted through other comprehensive Income	Total
Assets				
Cash and cash equivalents	99,563	25,162	-	**124,725**
Investments	-	26,074	-	**26,074**
Trade receivables	117,507	-	-	**117,507**
Other receivables	5,585	7,631	990	**14,206**
Total	**222,655**	**58,867**	**990**	**282,512**
Liabilities				
Trade payables	278,946	-	-	**278,946**
Borrowings	1,461,033	1,185	(1,127)	**1,461,091**
Leases liabilities	89,987	-	-	**89,987**
Other liabilities	2,453	2,227	-	**4,680**
Total	**1,832,419**	**3,412**	**(1,127)**	**1,834,704**

Gains and losses by category – Year 2023

	Net gain/(loss)	Of which interest
Financial assets at amortized cost	63,196	24,823
Financial liabilities at amortized cost	(758,092)	(22,142)
Financial assets at fair value through profit or loss	88,770	64,323
Financial liabilities at amortized cost through profit or loss	(31,136)	-
Total	**(637,262)**	**67,004**

Gains and losses by category – Year 2022

	Net gain/(loss)	Of which interest
Financial assets at amortized cost	18,143	14,216
Financial liabilities at amortized cost	63,960	(51,759)
Financial assets at fair value through profit or loss	(29,848)	(2,283)
Financial liabilities at amortized cost through profit or loss	(17,233)	-
Total	**35,022**	**(39,826)**

Gains and losses by category – Year 2021

	Net gain/(loss)	Of which interest
Financial assets at amortized cost	38,403	8,025
Financial liabilities at amortized cost	159,397	(134,267)
Financial assets at fair value through profit or loss	4,288	570
Financial liabilities at fair value through profit or loss	(17,124)	-
Total	**184,964**	**(125,672)**

b) Fair value hierarchy and other disclosures

The Company presents the judgments and estimates made to determine the fair values of the financial instruments that are recognized and measured at fair value in its consolidated financial statements.

The measurement at fair value of the financial instruments of Telecom are classified according to the three levels set out in IFRS 13:

- Level 1: Fair value determined by quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value determined based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., derived from prices).
- Level 3: Fair value determined by unobservable inputs where the reporting entity is required to develop its own assumptions.

Financial assets and liabilities recognized at fair value as of December 31, 2023 and 2022, and the level of hierarchy are listed below:

As of December 31, 2023	**Level 1**	**Level 2**	**Total**
Assets			
Current Assets			
Mutual Funds (1) (2)	14,426	-	14,426
Government bonds (1) (2)	130,691	-	130,691
Other receivables: DFI (3)	-	1,549	1,549
Other receivables: Indemnification assets (4)	-	10	10
Non-current Assets			
Other receivables: DFI (3)	-	437	437
Total assets	**145,117**	**1,996**	**147,113**
Liabilities			
Current Liabilities			
Other liabilities: Debt for acquisition of NYSSA	-	567	567
Borrowings: DFI	-	-	-
Non-current Liabilities			
Other liabilities: Debt for acquisition of NYSSA	-	1,026	1,026
Total liabilities	**-**	**1,593**	**1,593**

As of December 31, 2022	**Level 1**	**Level 2**	**Total**
Assets			
Current Assets			
Mutual Funds (1) (2)	17,966	-	17,966
Government bonds (1) (2)	40,790	-	40,790
Other receivables: DFI (3)	-	365	365
Other receivables: Indemnification assets (4)	-	109	109
Non-current Assets			
Other receivables: DFI (3)	-	627	627
Total assets	**58,756**	**1,101**	**59,857**
Liabilities			
Current Liabilities			
Other liabilities: Debt for acquisition of NYSSA	-	613	613
Borrowings: DFI	-	58	58
Non-current Liabilities			
Other liabilities: Debt for acquisition of NYSSA	-	1,614	1,614
Total liabilities	**-**	**2,285**	**2,285**

(1) The Mutual funds are included in Cash and cash equivalents, Investments and Guarantee of financial operations included in Other receivables. The Government bonds are included in Cash and cash equivalents and Investments.
(2) The fair value is based on information obtained from active markets and corresponds to quoted market prices as of year-end. A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
(3) The fair value of financial instruments that are not negotiated in active markets is determined using valuation techniques. These valuation techniques maximize the use of market observable information, when available, and rely as little as possible on specific estimates of the Company. The techniques used for the measurement of financial instruments, are detailed below: a) DFI for forward purchases of US dollars and RMB, corresponds to the variation between the market prices at the end of the fiscal year and the time of agreement and; b) DFI interest rate swap corresponds to the present value of estimated future cash flows based on observable yield curves obtained in the market.
(4) The fair value was determined by the variation between the quoted values of certain public securities in foreign currency and Argentine pesos.

During the years ended December 31, 2023 and 2022, there were no transfers between Levels of the fair value hierarchy.

Additionally, in accordance with IFRS 7, the methods and assumptions used to estimate the fair values of each class of financial instrument falling under the scope of IFRS 13 as of December 31, 2023 and 2022 are as follows:

Trade receivables and Other receivables: Carrying amounts are considered to approximate fair value due to the short term nature of these receivables. Noncurrent trade receivables have been recognized at their amortization cost, using the effective interest method and are not significant.

Trade payables and Other liabilities: The carrying amount of trade payables and other liabilities to approximates its fair value due to the short term nature of these debts. Noncurrent trade payables and other liabilities have been discounted.

Borrowings

As of December 31, 2023, fair value of borrowings is as follows:

	Carrying Value	Fair Value
Notes	1,305,742	1,210,111
Other borrowings	822,327	828,547
	2,128,069	**2,038,658**

As of December 31, 2022, fair value of borrowings is as follows:

	Carrying Value	Fair Value
Notes	835,024	846,820
Other borrowings	626,067	612,754
	1,461,091	**1,459,574**

The fair value of the loans was assessed as follows:

a) The fair value of Notes traded in active markets was measured based on quoted market prices at the end of the reporting period. As a result, its valuation classifies as Level 1.
b) The fair value of Notes that are not traded in an active market was measured based on quotes provided by first-tier financial entities, so their valuation qualifies as Level 2.
c) Fort the rest of the borrowings, the fair values were calculated based on cash flows discounted using a current lending rate, so as they are classified as level 3.

Other receivables, net and Other liabilities

The carrying amount of other receivables, net and Other liabilities reported in the consolidated statement of financial position approximates its fair value.

c) Hedge accounting

Derivatives are used by Telecom and its subsidiaries to manage their exposure to exchange rate and interest rate risks.

The position of DFIs in the consolidated statements of financial position and amounts recognized in Consolidated Income Statements and Consolidated Statements of Comprehensive Income, are detailed below:

	As of December 31, 2023	2022
Other receivables current - DFI: SOFR	1,549	365
Other receivables non current - DFI: SOFR	437	627
Total assets	**1,986**	**992**
Borrowings current - DFI: Exchange rate	-	58
Total liabilities	**-**	**58**

	Years ended December 31, 2023	2022	2021
	Profit (loss)		
Foreign currency exchange effect on borrowings	7,932	(4,842)	(11,108)
Interests on borrowings	(1,243)	(458)	(2,292)
Financial results	**6,689**	**(5,300)**	**(13,400)**
DFI effects classified as hedges	1,313	1,893	2,074
Other comprehensive income (loss)	**1,313**	**1,893**	**2,074**

- **Interest rate swaps – cash flow hedges**

As of December 31, 2023, the three DFI agreements signed (during September, 2022) by the Company remain in force, to hedge the fluctuation of SOFR from the IFC loan signed on June 28, 2022, for its total amount, for the period beginning February 15, 2023 to August 15, 2025. The amounts hedged in each agreement are: two for a total amount of US$60 million each, and one for a total amount of US$64.5 million. The interest rates are 3.605%, 3.912% and 3.895%, respectively.

In September 2022, the several DFI agreements were finalized to hedge the fluctuation of LIBOR from the IFC loan amounting to US$400 million and from the IIC loan amounting to US$100 million. The mentioned agreements hedged a total amount of US$440 million. Such DFI allows fixing the variable rate in a range between 2.085% and 2.4525% nominal annual rate.

- **Exchange rate Hedges**

During year ended December 31, 2023, Telecom Argentina entered into several DFI agreements to hedge the fluctuation of the exchange rate from its loan portfolio amounting to US$752 million fixing the average exchange rate in 279.8 Argentine pesos/US$, expiring between February 2023 and November 2023. Additionally, entered into one DFI agreement to RMB20 million fixing the average exchange rate in 37 Argentine pesos/RMB, $, expiring in May 2023 and July 2023.

During year ended December 31, 2022, Telecom Argentina entered into several DFI agreements to hedge the fluctuation of the exchange rate from its loan portfolio amounting to US$262 million fixing the average exchange rate in 166.1 Argentine pesos/US$, expiring between February 2022 and June 2023. Additionally, on December 2022, entered into one DFI agreement to RMB15 million fixing the average exchange rate in 27.8 Argentine pesos/RMB, expiring in January 2023.

During year ended December 31, 2021, Telecom Argentina entered into several DFI agreements to hedge the fluctuation of the exchange rate from its loan portfolio amounting to US$473 million fixing the average exchange rate in 102.49 Argentine pesos/US$, expiring between March 2021 and September 2022.

d) Offsetting of financial assets and financial liabilities

Telecom and its subsidiaries offset the financial assets and liabilities to the extent that such offsetting is provided by offsetting agreements and provided that Telecom has the intention to make such offsetting. The main financial assets and liabilities offset correspond to transactions with other national and foreign operators including interconnection, carriers and Roaming (being offsetting a standard practice in the telecommunications industry at the international level that Telecom and its subsidiaries applies regularly). Offsetting is also applied to transactions with agents.

The following table presents financial assets and liabilities that are offset as of December 31, 2023 and 2022:

	As of December 31, 2023			
	Trade receivables	Other receivables	Trade payables	Other liabilities
Current and noncurrent assets (liabilities) - Gross value	140,402	24,483	(365,050)	(16,811)
Offsetting	(7,282)	(872)	7,282	872
Current and noncurrent assets (liabilities) – Carrying Value	**133,120**	**23,611**	**(357,768)**	**(15,939)**

	As of December 31, 2022			
	Trade receivables	Other receivables	Trade payables	Other liabilities
Current and noncurrent assets (liabilities) - Gross value	125,096	15,626	(286,535)	(6,100)
Offsetting	(7,589)	(1,420)	7,589	1,420
Current and noncurrent assets (liabilities) – Carrying Value	**117,507**	**14,206**	**(278,946)**	**(4,680)**

NOTE 23 – REVENUES

	Years ended December 31,		
	2023	2022	2021
Mobile Services	829,552	912,773	977,421
Internet Services	449,904	503,671	550,600
Cable Television Services	363,367	407,645	500,750
Fixed and Data Services	244,009	277,224	357,471
Other services revenues	19,100	18,006	14,057
Subtotal Services revenues	**1,905,932**	**2,119,319**	**2,400,299**
Equipment revenues	153,169	151,409	180,744
Total Revenues	**2,059,101**	**2,270,728**	**2,581,043**

NOTE 24 – OPERATING EXPENSES

Operating expenses disclosed by nature of expense amounted to $2,184,166 million, $3,189,197 million and $2,597,949 million for the years ended December 31, 2023, 2022 and 2021, respectively. The main components of the operating expenses are the following:

	Years ended December 31,		
	2023	2022	2021
Employee benefit expenses and severance payments		Profit (loss)	
Salaries, social security expenses and benefits	(476,011)	(489,729)	(506,081)
Severance indemnities	(28,089)	(67,800)	(39,539)
Other employee expenses	(10,362)	(11,301)	(11,379)
	(514,462)	**(568,830)**	**(556,999)**
Fees for services, maintenance, materials and supplies			
Maintenance and materials	(134,176)	(143,861)	(172,953)
Fees for services	(122,864)	(129,530)	(123,504)
Directors and Supervisory Committee's fees	(1,677)	(2,068)	(3,391)
	(258,717)	**(275,459)**	**(299,848)**
Taxes and fees with the Regulatory Authority			
Turnover tax	(78,175)	(83,962)	(95,923)
Regulatory Entity Fees	(39,041)	(43,541)	(47,698)
Municipal taxes	(20,925)	(23,866)	(27,441)
Other taxes and fees	(20,048)	(22,991)	(27,557)
	(158,189)	**(174,360)**	**(198,619)**
Cost of equipment			
Inventory balance at the beginning of the year	(21,605)	(20,858)	(36,404)
Plus:			
Purchases	(133,824)	(117,503)	(119,827)
Others	11,455	9,196	8,222
Less:			
Inventory balance at the end of the year	32,896	21,605	20,858
	(111,078)	**(107,560)**	**(127,151)**

	2023	2022	2021
	Years ended December 31,		
Other operating expenses		Profit (loss)	
Legal Claims and contingent liabilities	(21,554)	(37,033)	(47,898)
Rentals and internet capacity	(12,037)	(12,955)	(16,688)
Energy, water and other services	(38,881)	(41,128)	(42,407)
Postage, freight and travel expenses	(15,104)	(15,981)	(15,692)
Other	(7,464)	(6,402)	(5,805)
	(95,040)	**(113,499)**	**(128,490)**
Depreciation, amortization and impairment of Fixed Assets			
Depreciation of PP&E	(544,533)	(619,041)	(657,448)
Amortization of intangible assets	(87,908)	(89,215)	(94,375)
Amortization of Rights of use assets	(71,706)	(67,728)	(62,661)
Impairment of Fixed Assets (*)	(314)	(766,483)	(7,788)
	(704,461)	**(1,542,467)**	**(822,272)**

(*) In 2022 includes $759,523 million corresponding to the impairment of goodwill of the CGU Telecom.

Operating expenses, disclosed per function are as follows:

Concept	Operating costs	Administration costs	Commerciali-zation costs	Other expenses	Total 12.31.2023	Total 12.31.2022	Total 12.31.2021
Employee benefit expenses and severance payments	(278,403)	(112,373)	(123,686)	-	**(514,462)**	**(568,830)**	**(556,999)**
Interconnection costs and other telecommunication charges	(60,793)	-	-	-	**(60,793)**	**(69,927)**	**(92,578)**
Fees for services, maintenance, materials and supplies	(111,771)	(42,234)	(104,712)	-	**(258,717)**	**(275,459)**	**(299,848)**
Taxes and fees with the Regulatory Authority	(155,996)	(571)	(1,622)	-	**(158,189)**	**(174,360)**	**(198,619)**
Commissions and advertising	-	-	(120,602)	-	**(120,602)**	**(137,536)**	**(147,962)**
Cost of equipment	(111,078)	-	-	-	**(111,078)**	**(107,560)**	**(127,151)**
Programming and content costs	(116,172)	-	-	-	**(116,172)**	**(142,441)**	**(175,606)**
Bad debt expenses	-	-	(44,652)	-	**(44,652)**	**(57,118)**	**(48,424)**
Other operating expenses	(57,055)	(10,472)	(27,513)	-	**(95,040)**	**(113,499)**	**(128,490)**
Depreciation, amortization and impairment of Fixed Assets	(550,034)	(100,798)	(53,315)	(314)	**(704,461)**	**(1,542,467)**	**(822,272)**
Total as of 12.31.2023	**(1,441,302)**	**(266,448)**	**(476,102)**	**(314)**	**(2,184,166)**		
Total as of 12.31.2022	**(1,588,132)**	**(299,123)**	**(535,459)**	**(766,483)**		**(3,189,197)**	
Total as of 12.31.2021	**(1,780,112)**	**(251,138)**	**(558,911)**	**(7,788)**			**(2,597,949)**

Other leases

Future minimum lease payments of non-cancellable other lease agreements of Telecom and its subsidiaries as of December 31, 2023, 2022 and 2021 in currency on the transaction date are as follows:

	Less than 1 year	1-5 years	More than 5 years	Total
2023	1,765	3,858	1,483	**7,106**
2022	2,033	414	-	**2,447**
2021	2,644	863	-	**3,507**

Further information is provided in Note 3.k).

NOTE 25 – FINANCIAL RESULTS, NET

	2023	2022	2021
	Years ended December 31,		
		Profit (loss)	
Interests on borrowings (*)	(58,478)	(46,559)	(93,276)
Remeasurement in borrowings (**)	49,796	5,400	(3,422)
Foreign currency exchange gains (losses) on borrowings (***)	(624,826)	133,909	283,848
Borrowings renegotiation results	(799)	(125)	(13,054)
Total financial cost	**(634,307)**	**92,625**	**174,096**

	Years ended December 31,		
	2023	2022	2021
		Profit (loss)	
Fair value gains/(losses) on financial assets at fair value through profit or loss	64,323	(39,496)	8,614
Other foreign currency exchange gains (losses)	(59,786)	1,170	42,139
Other interests, net	15,430	6,026	(9,937)
Other taxes and bank expenses	(25,337)	(21,674)	(25,950)
Financial expenses on pension benefits	(1,856)	(1,267)	(1,364)
Financial discounts on assets, debts and others	(7,277)	(9,937)	(14,801)
RECPAM	187,819	165,557	104,110
Total other financial results, net	**173,316**	**100,379**	**102,811**
Total financial results, net	**(460,991)**	**193,004**	**276,907**

(*) Includes ($1,243) million, ($458) million and ($2,292) million corresponding to net income and losses generated by DFI in the years ended December 31, 2023, 2022 and 2021, respectively.
(**) Related to Notes issued in UVA.
(***) Includes ($7,932) million, ($4,842) million and ($11,106) million corresponding to net income and losses generated by DFI in the years ended December 31, 2023, 2022 and 2021, respectively.

NOTE 26 – FINANCIAL RISK MANAGEMENT

Financial risk factors

Telecom and its subsidiaries are exposed to the following financial risks in the ordinary course of its business operations:

- Market risk: stemming from change in exchange rates, market prices and interest rates in connection with financial assets that have been originated and financial liabilities that have been assumed;
- Credit risk: representing the risk of the non-fulfillment of the obligations undertaken by the counterpart regarding the operations of Telecom;
- Liquidity risk: connected with the need to meet short-term financial commitments.

These financial risks are managed by:

- The definition of guidelines for directing operations;
- The activity of the Board of Directors and Management which monitors the level of exposure to mentioned risks consistently with prefixed general objectives;
- The identification of the most suitable financial instruments, including derivatives, to reach prefixed objectives;
- The monitoring of the results achieved.

This sensitivity analysis provides only a limited point of view of the sensitivity to market risk of certain financial instruments. The actual impact of changes in financial instruments may differ significantly from this estimate.

The policies to manage and the sensitivity analyses of the above financial risks by Telecom are described below.

Market risk

Foreign exchange risk

One of the main Telecom’s market risks is its exposure to changes in foreign currency exchange rates in the markets in which it operates.

Foreign currency risk is the risk that the future fair values or cash flows of a financial instrument may fluctuate due to exchange rate changes.

Telecom has great part of its commercial and financial debt denominated in US$ and other currencies, unlike the Company's sales revenue, which is mainly generated in Argentine pesos. Additionally, Telecom and its subsidiaries have cash and cash equivalents and investments mostly denominated in foreign currency that are also sensitive to changes in peso/dollar exchange rates and contribute to reduce the exposure to commercial and financial debt in foreign currency.

The financial risk management policies of Telecom are directed towards diversifying the acquisition of goods and services in the functional currency and using selected DFI to mitigate long-term positions in foreign currency.

The continuous appreciation of the U.S. Dollar against to the Argentine peso over the last few years, being only 356.3% in 2023 and in particular 124.2% in the last December, has had and still has a negative impact on the payment of debts denominated in foreign currency and any further devaluation may have a negative effect on our financial situation and the results of our operations. This impact negatively affects the Company because it depends mainly on the domestic market with revenues usually collected in Argentine pesos. See Note 29.

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

Among the measures implemented by the PEN and the BCRA the following stand out:

- PAIS Tax: establish that all transactions involving the purchase foreign currency made by residents in the country on or after July 24, 2023 for the payment of obligations related to the activities detailed below will be subject to the PAIS tax (Note 3.p).
- Communication "A" 7106 and its amendments: establish that those private sector companies with scheduled principal maturities on any external borrowings (other than intercompany debt) between October 15, 2020, and December 31, 2023 (as of the date of these financial statements, these communications have not been renewed), may access the MULC provided they summit to the BCRA a refinancing plan be based on the following criteria: (a) the net amount for which the foreign exchange market will be accessed under the original terms shall not exceed 40% of the maturing principal amount, and (b) the remaining principal must be refinanced with a new external indebtedness with an average maturity of at least two years.
  This mandatory refinancing shall not apply to: (a) indebtedness with international organizations or their associated agencies or guaranteed by them; (b) indebtedness granted by official credit agencies or guaranteed by them; (c) indebtedness incurred as from January 1, 2020, which proceeds have been repatriated and settled in the exchange market; (d) new indebtedness, incurred as from January 1, 2020, which allowed prior refinancing plans to be achieved; (e) holdouts of refinanced indebtedness that met the requirements set forth in Communication "A" 7106; and (f) payments of principal for an amount no exceeding US$2 million per month. As of the date of issuance of these consolidated financial statements, said resolution was not renewed.

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

In any case, in compliance with Communication "A" 7106, Telecom refinanced its debts in previous years, allowing it at present to have access to MULC.

Financial assets and liabilities denominated in foreign currencies

Financial assets and liabilities denominated in foreign currencies as of December 31, 2023 and 2022, are the following:

	2023	2022
	In equivalent millions of Argentine pesos	
Assets	178,980	145,963
Liabilities	(2,252,239)	(1,379,844)
Liabilities Net	**(2,073,259)**	**(1,233,881)**

Sensitivity analysis

As of December 31, 2023, which is a not hedged net liability position in foreign currency of US$2,564 million, Management estimates that an increase in the U.S. dollar exchange rate of approximately 20%, would result in a variation of approximately $414,652 million of the consolidated financial position in foreign currency.

Interest rate risk

Within its structure of borrowings, Telecom and its subsidiaries have bank overdrafts denominated in Argentine pesos accruing interest at rates that are reset at maturity, notes and other financial entities' loans denominated in Argentine pesos, U.S. dollar, RMB and Guaraníes that bear interest at fixed and variable rates.

The Company has borrowings at variable rate SOF, which amounts to $675,088 million as of December 31, 2023. It should be pointed that, during 2023, the Company has finished the replacement of the LIBOR rate on all of its borrowings. For more information, see Note 13.

The risk management policies of Telecom to reduce the effect of changes in interest rates, consists of using the different DFI that amounts to $149,008 million as of December 31, 2023, that convert variable rates into fixed rates. For more information, see Note 22.

Therefore, the net borrowings not hedged amounts to $526,080 million as of December 31, 2023.

For more information, see Note 13.

Sensitivity analysis

Management believes that any variation of 100 bps in the agreed interest rates would result in $5,260 million gain / loss.

Price Risk

Telecom's and its subsidiaries' investments in financial assets at fair value through profit or loss are susceptible to the risk of changes in market prices arising from fluctuations in the future value of these assets. The Company conducts an ongoing monitoring of the evolution of these assets' prices.

As of December 31, 2023, the total value of investments with changes in fair value recognized in net income amounted to $111,859 million.

Sensitivity Analysis

Management estimates that any 10% variation in the market price would result in $11,186 million gain / loss.

Credit risk

Credit risk represents Telecom's exposure to possible losses arising from the failure of commercial or financial counterparts to fulfill their assumed obligations. Such risk stems principally from economic and financial factors that could affect to our debtors.

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

Telecom's maximum theoretical exposure to credit risk is represented by the carrying amount of the financial assets and trade receivables, net recorded in the consolidated statement of financial position.

Date due	Cash and cash equivalents	Investments	Trade receivables, net	Other receivables, net	Total
Total due	-	-	80,966	1,517	82,483
Total not due	159,774	123,969	52,154	22,094	357,991
Total as of December 31, 2023	**159,774**	**123,969**	**133,120**	**23,611**	**440,474**

The accruals to the allowance for doubtful accounts are recorded: (i) for an exact amount on credit positions that present an element of individual risk (bankruptcy, customers under legal proceedings with the Company); and (ii) on credit positions that do not present such characteristics, by customer segment considering the aging of the accounts receivable balances, expected credit losses, customer creditworthiness and changes in the customer payment terms. Total overdue balances not covered by the allowance for doubtful accounts amount to $80,966 million as of December 31, 2023.

Regarding the credit risk relating to the asset included in the "Net borrowings or asset", it should be noted that Telecom evaluates the outstanding credit of the counterparty and the levels of investment, based, among others, on their credit rating and the equity size of the counterparty.

In order to minimize credit risk, Telecom also pursues a diversification policy for its investments of liquidity with leading high-credit-quality banking and financial institutions and generally for short-term periods. Consequently, there are no significant positions with any one single counterpart.

Telecom serves a wide range of customers, including residential customers, businesses and governmental agencies. As such, Telecom's account receivables are not subject to significant concentration of credit risk.

Liquidity risk

Liquidity risk represents the risk that Telecom and its subsidiaries have no funds to accomplish its obligations of any nature (labor, commercial, fiscal and financial, among others).

Telecom has an excellent credit rating and has several financing sources and several offers from first-class institutions to diversify its current funding structure, which includes accessing to capital market and obtaining competitive bank loans in what relates to terms and financial costs, in all cases, both at the domestic and international level, with the objective of covering its investments, operative working capital, and other corporative expenses and refinancing part of its borrowings. For further information on bank loans agreements, bank loans payments and bank loans restructured, see Note 13.

The Company's management evaluates the national and international macroeconomic context (including regulatory restrictions and foreign exchange restrictions) to take advantage of market opportunities to presser the financial health for the benefit of its investors.

It should be noted that, given the economic context and the foreign exchange restrictions mentioned in Note 29, during the current year, the Company has increased its unpaid debt in foreign currency, due to not having access to the corresponding currencies.

The table below contains a breakdown of financial liabilities into relevant maturity groups based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Maturity Date	Trade payables	Borrowings	Leases liabilities	Other liabilities	Total
Due	119,408	-	-	-	**119,408**
January 2024 thru December 2024	237,456	586,240	31,536	10,778	**866,010**
January 2025 thru December 2025	487	710,559	24,958	2,501	**738,505**
January 2026 thru December 2026	147	655,964	13,083	2,318	**671,512**
January 2027 and thereafter	280	389,000	28,565	342	**418,187**
	357,778	**2,341,763**	**98,142**	**15,939**	**2,813,622**

On the other hand, it should be noted that, Telecom and its subsidiaries have a typical working capital structure corresponding to a company with intensive capital that obtains spontaneous financing from its suppliers (especially PP&E) for longer terms than those it provides to its customers.

Telecom and its subsidiaries' working capital breakdown and their variations are disclosed below:

	2023	2022	Variation
Trade receivables	132,868	117,139	15,729
Other receivables	42,712	52,956	(10,244)
Inventories	31,529	20,079	11,450
Current liabilities (not considering borrowings)	(543,240)	(479,411)	(63,829)
Negative operative working capital	**(336,131)**	**(289,237)**	**(46,894)**
Over revenues	16.3%	12.7%	
Cash and cash equivalents	159,774	124,725	35,049
Other receivables	1,549	7,885	(6,336)
Investments	123,969	26,074	97,895
Current borrowings	(563,478)	(418,411)	(145,067)
Net Current financial (liability) asset	**(278,186)**	**(259,727)**	**(18,459)**
Assets classified as held for sale	-	**2,971**	**(2,971)**
Negative working capital (current assets – current liabilities)	**(614,317)**	**(545,993)**	**(68,324)**
Liquidity rate	0.44	0.39	0.05

According to this, the negative working capital amounted to $614,317 million as of December 31, 2023 (increasing $68,324 million compared to December 31, 2022).

Capital management

The primary objective of Telecom's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Telecom manages its capital structure and makes adjustments considering the business evolution and changes in the macroeconomic conditions.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders and the level of indebtedness.

The company does not have to comply with regulatory capital adequacy requirements.

The issues related to financial debt ratios see Note 13.

NOTE 27 - BALANCES AND TRANSACTIONS WITH COMPANIES UNDER SECTION 33 - LAW No. 19,550 AND RELATED PARTIES

a) Controlling Company

As of December 31, 2022 CVH was the controlling company of Telecom Argentina, holding directly and indirectly (thought VLG) 28.16% of the capital stock of the Company. Additionally, both VLG (controlled by CVH) and Fintech, contributed to the Voting Trust, in accordance with the Shareholders´ Agreement (see below "Voting trust pursuant to the Shareholders' Agreement between Fintech and CVH"), shares representing 10.92% of the capital of the Company so the shares subject to such agreement represent 21.84% of the total capital of the Company (the "Shares in Trust").

On April 28, 2023, the Ordinary and Extraordinary General Shareholders' Meeting held, the shareholders of CVH approved the corporate reorganization process through the merger by absorption of VLG and the Pre-Merger Commitment. The Definitive Merger Commitment was executed by public deed dated June 5, 2023.

On September 1, 2023, IGJ proceeded to register in its Public Registry the merger by absorption of VLG and its dissolution without liquidation with effect from January 1, 2023.

Consequently, as of December 31, 2023, as a result of the corporate reorganization process, CVH directly owns 28.16% of the Company's share capital.

Shareholders' Agreement: Fintech - CVH

On July 7, 2017 CVH, VLG (merged to date with CVH), Fintech Media LLC (merged to date with Fintech), Fintech Advisory Inc., GC Dominio S.A. (all of them direct or indirect shareholders of Cablevisión S.A.) and Fintech (direct or indirect shareholder of Telecom Argentina) entered into a shareholders' agreement that governs the exercise of their rights as shareholders of the Company. The Shareholders´ Agreement establishes basically:

- the representation in the corporate bodies, provided that subject to the fulfillment of certain conditions and as long as CVH holds a certain percentage of Telecom Shares, CVH shall be entitled to designate the majority of the directors, members of the Executive Committee, Audit Committee, Supervisory Committee, CEO and any other Key Employee (other than the CFO and the Internal Auditor). CVH shall also be entitled to nominate the Chairman of the Board of Directors and Fintech to nominate de Vice chairman of the Board of Directors.

- a scheme of supermajorities and required votes for the approval by the Shareholders´ Meetings or Board of Directors´ Meetings, respectively, of certain matters such as: i) the approval of the Business Plan and the Annual Budget of Telecom Argentina; ii) amendments of the bylaws, iii) changes in Independent Auditors, iv) the creation of committees of the Board of Directors, v) hiring of Key Employees as defined in the Shareholders´ Agreement (Key employees will be proposed by CVH, except for the CFO and the internal auditor); vi) merger of Telecom or any other controlled entity, vii) acquisitions of certain assets, viii) sale of certain assets, ix) capital increases; x) incurrence of indebtedness over certain limits, xi) capital investments not contemplated in the Business Plan and the Annual Budget above certain amounts; xii) related party transactions, xiii) contracts that may impose restrictions to the distribution of dividends; xiv) new lines of business or discontinuing existing lines of business; xv) contracting for significant amounts not contemplated in the Business Plan and the Annual Budget, among others.

Voting trust pursuant to the Shareholders' Agreement between Fintech and CVH

In accordance with the Shareholders´ Agreement, on April 15, 2019, a Voting Trust Agreement (the "Trust Agreement") was regularized, under which Fintech and VLG (i) each contributed with 235,177,350 shares of Telecom in a voting trust (the "Voting Trust") which, when added to the shares that CVH holds (directly and indirectly) in Telecom, exceed fifty percent (50%) of the outstanding shares, and (ii) CVH and Fintech each appointed a co-trustee. The shares contributed to the Voting Trust will be voted by the co-trustee of CVH in accordance with the vote of CVH or following the instructions of CVH, except in respect of certain matters subject to veto under the Shareholders´ Agreement, in which case will be voted by the co-trustee of Fintech in accordance with the vote of Fintech or following the instructions of Fintech.

b) Balances with Companies under section 33 - Law No. 19,550 and Related Parties

- **Companies under section 33 - Law No. 19,550 – Associates and Joint Venture**

	Kind of related party	As of December 31, 2023	2022
CURRENT ASSETS			
Trade receivables			
Ver TV	Associate	10	2
OPH	Joint venture	27	-
		37	**2**
Other receivables			
La Capital Cable	Associate	210	1,046
Ver TV	Associate	2	6
		212	**1,052**
CURRENT LIABILITIES			
Trade payables			
La Capital Cable	Associate	3	-
TSMA	Associate	1	3
OPH	Joint venture	1,071	-
		1,075	**3**
Other liabilities			
OPH	Joint venture	2,358	-
		2,358	**-**
NON - CURRENT LIABILITIES			
Other liabilities			
OPH	Joint venture	4,133	-
		4,133	**-**

- **Related parties**

	As of December 31, 2023	2022
CURRENT ASSETS		
Trade receivables		
Other related parties	656	699
	656	**699**
Other receivables		
Other related parties	4	12
	4	**12**
CURRENT LIABILITIES		
Trade payables		
Other Related parties	4,587	6,185
	4,587	**6,185**

c) Transactions with Companies under section 33 - Law No. 19,550 and related parties

- **Companies under section 33 - Law No. 19,550– Associates and Joint venture**

	Transaction	Kind of related party	Years ended December 31, 2023	2022	2021
				Profit (loss)	
				Revenues	
La Capital Cable	Services revenues and other revenues	Associate	102	218	280
Ver TV	Services revenues and other revenues	Associate	33	-	37
OPH	Services revenues and other revenues	Joint venture	84	-	-
			219	**218**	**317**
				Operating costs	
La Capital Cable	Fees for services	Associate	(870)	(554)	(545)
			(870)	**(554)**	**(545)**

- **Related Parties**

	Transaction	Years ended December 31, 2023	2022	2021
			Profit (loss)	
			Revenues	
Other Related parties	Services and advertising revenues	1,974	1,548	1,921
		1,974	**1,548**	**1,921**
			Operating costs	
Other Related parties	Programming costs	(17,783)	(21,727)	(25,641)
Other Related parties	Editing and distribution of magazines	(2,727)	(3,846)	(5,169)
Other Related parties	Advisory services	(2,306)	(2,778)	(3,207)
Other Related parties	Advertising purchases	(1,464)	(2,258)	(3,385)
Other Related parties	Other purchases and commissions	(1,119)	(956)	(1,171)
		(25,399)	**(31,565)**	**(38,573)**

The transactions discussed above were made on terms no less favorable to Telecom than would have been obtained from unaffiliated third parties. When Telecom's transactions represented more than 1% of its total shareholders' equity, they were approved according to Law No. 26,831, the Bylaws and the Executive Committees' Faculties and Performance Regulation.

d) Key Managers

Compensation for Directors for technical-administrative functions and Key Managers includes fixed and variable compensation, retention plans, social security contribution, and, in some cases, accrued severance compensation. Compensation for Directors and Key Managers of Telecom Argentina for the years ended December 31, 2023, 2022 and 2021 amounted to $5,898 million, $2,775 million and $1,184 million, respectively (in currency of the transaction date), and were recorded as expenses under the line item "Employee benefits expenses and severance payments". As of December 31, 2023, an amount of $3,167 million remained unpaid.

Telecom Argentina has recorded a provision of $765 million, $435 million and $418 million for the fees of its Board of Directors' members for the year ended December 31, 2023, 2022 and 2021, respectively (in currency of the transaction date). As of December 31, 2023, there are no unpaid balances.

The members and alternate members of the Board of Directors do not hold executive positions in the Company or Company's subsidiaries.

NOTE 28 – ACQUISITION OF SHAREHOLDINGS

The main acquisitions in 2023 compared to previous years are detailed below:

a) Acquisition of NYSSA

On June 1, 2022, the Company acquired 100% of the issued shares of NYSSA (represented by 10,000 shares, of $1,000 per share and represents one vote each), whose main activity is to provide internet access services in Mendoza, Argentina, through a license granted by ENACOM.

The Purchase consideration amounted to $2,884 million (in current currency as of December 31, 2023) and the Net identifiable assets acquired at fair value were $1,987 million. Therefore, the Company recognized, as of December 31, 2022, a Goodwill of $897 million.

As of December 31, 2023, the Company maintains indemnification assets for a total amount of $45 million, associated with certain identified liabilities, which are expected to be deducted from the next installment payment. Additionally, as of December 31, 2023 the debt amounts to $1,592 million, of which $566 million are current and $1,026 million are non-current.

b) Acquisition of the OPH

On April 24, 2023, the Company entered into a share subscription agreement, whereby it subscribed 1,000 Class B common shares, entitled to one vote per share, of OPH, representing 50% of its capital stock, as well as an agreement of joint corporate governance of OPH and its subsidiaries, with the other shareholder.

OPH, a company incorporated in the state of Delaware, USA, holds a 100% equity interest in Open Pass S.A.U. ("Open Pass"), a company that provides computer services related to software development and maintenance, with which Micro Sistemas holds an agreement for the use and development of the digital wallet platform.

The transaction price was set at US$13.8 million. On the date of subscription of the shares, the Company paid US$4.8 million, equivalent to $2,775 million in current currency as of December 31, 2023 ($2,228 million in cash and $547 million through the delivery of government bonds), and the outstanding balance will be settled in three equal annual installments. As of December 31, 2023, the Company's debt amounts to $6,492 million ($2,358 million are current and $4,133 million are non-current), and is recognized in “Other liabilities”.

In April, 2023, Micro Sistemas assigned to the Company the call option rights receivable over Open Pass shares granted to Micro Sistemas by certain shareholders of Open Pass, which expired on April 30, 2023.

In addition, in March, 2023, the Company set up a guarantee trust which as of December 31, 2023 is registered in IGJ, whose purpose is to constitute a guarantee of payment of the remaining balance to be paid to OPH, with OPH being the beneficiary of such trust.

As of December 31, 2023 the Company maintains a guarantee deposit under "Other receivables" for $7,189 million ($2,417 million are current and $4,772 million are non-current), related to the balance in bank accounts reported by the trust.

NOTE 29 – ECONOMIC ENVIRONMENT

The Company operates in a complex economic environment, with a strong volatility in the main variables, both at national and international level.

During 2023, the Argentine economy experienced high levels of inflation, as well as the devaluation of its currency. Additionally, a severe drought affected the agro-industrial sector, leading to a decline in exports, which in turn resulted in a decrease in the reserves of the BCRA. This led the government to impose further restrictions on the access to the MULC and to implement the PAIS tax, with different rates for both imports of goods and services (see specific issues regarding this tax in Note 3.p).

On the other hand, 2023 was an election year in Argentina, which concluded with a change in the administration, adding further instability due to the uncertainty generated by the election results.

Throughout 2023, the U.S Dollar appreciated 356.3% against the Argentine peso, with the exchange rate going from 177.16 pesos per U.S Dollar by the end of 2022 to 808.45 pesos per dollar by the end of 2023, with the months of August (27.2%) and December (124.3%) experiencing the highest appreciation.

The year 2023 ended with an inflation rate of 211.4%, showing a very strong acceleration in the second half of the year, with December being the month with the highest inflation impact (25.5%).

On the international front, in 2023, the global economy tended to decelerate. Core inflation persisted in many advanced economies, leading central banks to maintain and/or raise their benchmark interest rates. On the other hand, core inflation has been easing in many emerging economies, prompting them to reduce their benchmark rates, especially in Latin America. This had an impact on capital flows towards emerging economies, which lost momentum, consequently affecting their currencies.

The Company's Management will continue to monitor the evolution of the aforementioned situations and the evolution of the variables that affect its business in order to determine the potential impacts on its economic and financial position. Therefore, the Company's consolidated financial statements must be read in the light of these circumstances.

Carlos Moltini
Chairman of the Board of Directors