



GRUPO CLARÍN S.A.

Annual Report and Consolidated Financial Statements

For the year ended December 31, 2020,
presented on a comparative basis

GRUPO CLARÍN S.A.

2020 ANNUAL REPORT

To the Shareholders of
Grupo Clarín S.A.

We hereby submit for your consideration the Annual Report and Exhibit, the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Statement of Cash Flows and Notes of Grupo Clarín S.A. (hereinafter, "the Company" or "Grupo Clarín") for fiscal year No. 22 ended December 31, 2020.

The main subsidiaries in which Grupo Clarín S.A. has a direct or indirect controlling interest are: Arte Gráfico Editorial Argentino S.A. (AGEA), Compañía Inversora en Medios de Comunicación S.A. (CIMECO), Arte Radiotelevisivo Argentino S.A.(ARTEAR), GC Gestión Compartida S.A., Inversora de Eventos S.A.(IESA) and Radio Mitre S.A.

2020 MACROECONOMIC ENVIRONMENT

The Argentine economy closes the year 2020 amid an unprecedented crisis on a global scale, which significantly hindered the performance of the incoming administration in its first year. Indeed, the outbreak of COVID-19 worsened the fragile situation of an economy which, in the first months of the year, was restructuring its sovereign debt issued in foreign currency, seeking to normalize its performance and to stabilize its fundamental variables.

In this highly uncertain and complex environment, local public policies were focused on flattening the infection curve and minimizing the negative effects of the pandemic on the population and on businesses. To that end, in March 20, the National Government ordered the Mandatory and Preventive Social Isolation (hereinafter, ASPO, for its Spanish acronym), which was implemented in different phases according to the particular situation of each province.

Even though this strategy allowed the government to achieve an initial success in terms of the infection level, it generated an unprecedented collapse in private consumption and economic activity, which was significantly more severe than in other countries in the region. In order to avoid social collapse and the massive bankruptcy of businesses, several containment measures were implemented, both at productive and social levels, among which the following stand out:

- a. The Emergency Family Income, which provided social allowance in three stages to approximately 9 million people (many more people than what the government had initially estimated); and
- b. The Emergency Assistance Program for Work and Production, which assisted companies in the epicenter of the crisis with the payment of 50% of the net salaries of slightly over 2.0 million employees (about one-third of the slightly over 6 million registered employees of the private sector).

As a result of these assistance programs for people and businesses and the collapse of revenue collection resulting from the severe contraction of the GDP, the sharp deterioration of the fiscal accounts was a common denominator for the world's economies.

The difference between Argentina and almost all the countries in the world was the source of financing of these high fiscal deficits. In the absence of voluntary financing from the National Treasury, the exponential increase of public spending and the significant deterioration of the primary fiscal deficit of approximately 8.5% of GDP (~6.5% excluding interest payments on the country's sovereign debt) was almost wholly financed through an unprecedented currency issue. In historical terms, the fiscal deficit of the country for 2020 was the highest of the last 45 years.

In a dual currency economy such as Argentina, where there is a low real demand for the currency it issues and stringent foreign currency restrictions, the excess of pesos often rapidly translates into an excess demand for US dollars. Under foreign exchange control regimes, this additional demand for foreign

currency generates increases in the different exchange rates of the US dollar existing in Argentina and, therefore, widens the gaps between the unofficial rates and the “official” ARS/USD exchange rate.

While these unsustainable growing gaps have an impact on the margin over prices, they also feed expectations of devaluation, even when the currently prevailing official exchange rate is above the historical average and exports exceed imports. This widespread perception that the value of the US dollar is cheap erodes both the flows on the external front and the Central Bank's reserves. In an extreme situation (which was fortunately avoided in the year under analysis), the monetary authority could end up with its reserve position being decimated, which would lead to the acceleration of discreet increases in official exchange rate, exacerbating the crisis.

The foregoing is a broad description of the performance of the economy during 2020. There is currently a 70% gap between the blue-chip swap and the official exchange rate. At the beginning of the year, that gap was of 25/30% and it increased uninterruptedly through mid-October when it reached a record high of 130%.

The external surplus showed a severe decline. In fact, the “cash” current account balance reported by the Central Bank, which by the end of 2019 stood at slightly above USD6.0 Bn, closes 2020 virtually in equilibrium. This decline was coupled with the decrease of the Central Bank's gross reserves, which accumulated until the beginning of December a loss of slightly over USD6.0 Bn, leading to critical levels of net reserves.

In general, Argentine history shows that the impact of unbacked currency issue on the prices of the economy is often reflected with a lag that can span several months, which mainly depends on the degree of trust in the course and expertise of the administration.

Due to several factors, among which the most relevant are the strict lockdown ordered by the National Government in mid-March and the collapse of activity / private consumption, the impact on prices of the mega-currency issue carried out in 2020 was unprecedentedly low in the months following its implementation.

As a consequence, the Argentine economy closed 2020 with a 36.1% inflation rate in retail prices. The inflation rates observed in 2020 are mostly accounted for by the linear and less volatile official ARS/USD exchange rate (+40.5% point-to-point vs +58.4% in 2019), and, to a lesser extent, by the virtual freezing of most of the utility tariffs (with fiscal cost) and the continuity of the price agreement program (“*Precios Cuidados*”).

Compared to the +53.8% inflation rate recorded in 2019, there was a decrease of almost 18 percentage points in 2020. However, it should be noted that the figures of the general price index and the core inflation rate for the last month of the year (+4.0% and +4.9%, respectively) were the highest of the year and contrast with the decrease observed on a point-to-point basis. On an annualized basis, the general index and the core inflation rate were of 60% and 77%, respectively.

PERSPECTIVES FOR THE UPCOMING YEAR

The emergency currency issues implemented by the main developed economies in response to the outbreak of COVID-19 have shaped, a priori, a favorable scenario for Argentina with ample liquidity, low performance of sovereign/corporate bonds, and high prices for agricultural commodities on a global level, as well as the expected strong recovery of our two main trading partners (China and Brazil).

After the collapse in 2020, and as long as the health situation goes back to normal, the fundamental variables of Argentine economy are expected to improve. Notwithstanding the foregoing, the performance will depend on two factors mainly: The extent to which public spending will be normalized (and, hence, the imbalance of public accounts) and the estimated currency issue for its financing.

With 2021 being a year of legislative elections in which the course of the economic policies will be subordinated to political needs towards the election day, the focus will be on recovering part of the lost ground in terms of activity/consumption, employment, and the purchasing power of wages/pensions. The exchange stability is a necessary condition (though not enough) for the accomplishment of this goal.

Since the lowest figures reported in April 2020, the economic activity has considerably improved, showing a recovery of approximately 30% by December (last available data) in just eight months. As a result of the statistical carryover, as long as the activity remains at current levels throughout 2021, the GDP would register an annual increase of around 6%. If such were the case, the economy would recover slightly below 60% of the significant decline experienced in 2020 (~10.0%). Even though the GDP showed one of the most severe declines on a global level, the degree of recovery expected for the Argentine economy compared to other comparable countries in the region would be one of the lowest.

The economic authorities project for 2021 a fiscal deficit at national level of around 6.0% of GDP (~\$2.5 trillion), i.e., 2.5 percentage points below that recorded in 2020. The National Treasury expects to continue to finance a large portion of the fiscal deficit with currency issue, which will have to be closely monitored considering the worrying signs of inflationary acceleration mentioned above.

In an economy with an excess of pesos, a shortage of liquid reserves, and lack of voluntary financing, there is little margin for applying expansionary macroeconomic policies to shore up demand. Indeed, the inflationary acceleration of recent months and the current size of exchange gaps are symptoms of the economy's current imbalances.

The rich vast history of Argentine economy teaches us that the mere presence of high and sustained levels of fiscal deficits, whatever its source of financing, always represents a potential source of imbalances for the rest of the fundamental economic variables. The option to finance chronic fiscal deficits with currency issue, although it may avoid, at first, a crisis in the balance of payments, it usually leads to periods of secular stagflation characterized by increasingly stringent exchange controls.

THE YEAR 2020 AND THE MEDIA SECTOR IN ARGENTINA AND THE WORLD

The complex reconversion and convergence process in the media industry, coupled with the strong impact of the outbreak of COVID-19 and the lockdown, continues to force companies engaged in these activities to reformulate their business models to adapt to the digital era and to the changes in consumption derived from new technologies. In addition, the sustained migration of advertising towards the digital environment is concentrated in a few fully digital global players, especially Facebook, Google and Amazon.

Faced with this context, the sustainability challenges and certain negative side effects inherent to the expansion of the Internet (such as the chaotic dissemination of news - true and fake - or the worrying news biases created by the algorithms of social media and platforms that reinforce their users' own beliefs), the media continue to focus on gaining strength. To this end, they emphasize differential assets such as the credibility of their brands, they bet on incorporating new technologies into their newsrooms (content, commercial, marketing, and big data), and highlight the institutional role they have historically played in democratic societies.

Over the past few years, the multimedia paradigm has been fully consolidated. The multiplatform is the norm and, without exception, traditional media are exploring other languages. In this way, the consumption of contents is simultaneous, overlapped and through multiple windows. In 2020, this was worsened by the crisis caused by the COVID-19 pandemic and social distancing measures. There was a sharp increase in the consumption of multimedia content on all available screens, especially through OTT formats. Therefore, the main challenge was to attract and retain the attention of those audiences in all formats possible.

Due to the unusual context generated by the pandemic, the media industry suffered a severe impact on its economic indicators. According to PWC's most recent annual Global Entertainment & Media Outlook, industry revenues fell in 2020 at a rate of around 4.7% (a sharpest decline than the one observed in global GDP) mostly driven by the fall of traditional advertising and the decrease in the consumption of media and entertainment outside the home (printed newspapers, magazines, movies, live events, etc.). OTT subscription segments, virtual reality platforms and Internet advertising (especially for mobile devices) showed a substantial growth during the period, but it was not enough to offset the fall at aggregate level. In this way, digital content continued to increase its share in the revenue structure of these companies and has consolidated itself, in many cases, as the main source of revenues.

It is evident that more and more users are selecting the contents they consume prioritizing preferences, quality, convenience and truthful information. Therefore, the companies in this industry want to have direct

contact with the user to build loyalty through the added value of their brands and the personalization of content and services that they may develop in the future.

While audiences continue to migrate to the digital world, users increasingly prefer mobile devices to search for the contents that best suit their preferences. According to Chartbeat: Approximately 80% of the visits to news sites are made from a mobile phone. This phenomenon poses big challenges for an industry forced to constantly change and adapt the contents and the ads to mobile screens.

During 2020, there was an increase in the number of users willing to pay for viewing the contents that they consume the most, especially in the case of platforms or media that they already visited.

Thus, the process of consolidating subscriptions as the main source of revenues in the industry continued and deepened during 2020, largely driven by the consumption of video streaming (mainly OTTs), digital music, podcasts, video games and several digital newspapers that launched and boosted their paywall models. In fact, Deloitte and PWC estimate that in 2020 there were more consumers subscribed to at least one video streaming service than to a traditional TV service.

At the same time, the main analyzes carried out by media consultants showed that the pandemic accelerated and broadened changes in consumer behavior. This forced turning points in the industry that would have otherwise been seen at a later time.

However, the industry's long-term perspective remains strong, which shows the agility and dynamism of the ecosystem. In the years before the pandemic, global media and entertainment growth outpaced GDP growth, as media experiences became increasingly central to consumer's lives.

In the local context, just like in 2019, the complex macroeconomic environment, also affected by the coronavirus, generated an inflationary acceleration, a decline in private consumption and in the GDP, which had a considerable impact on the performance of this industry.

This performance is mostly accounted for by the sensitivity of Argentine media companies' revenue structure to the economic cycles. In this sense, media companies' advertising revenues are still especially sensitive to recessive cycles due to the moderate development still shown by paid subscription models in the domestic market.

In this sense, it should be noted that advertising investment in real terms also shrank significantly during 2020 in line with the further downturn of the economy, coupled with the effect of the lockdown. This contraction of advertising revenues, markedly in analog media (mostly printed newspapers), was mitigated only in part by the larger amount of digital advertising in some segments of the industry.

In contrast, the consolidated digital advertising revenues, in which Google and Facebook still hold a high share of approximately 75%, grew in line with inflation, remaining constant in real terms. Consequently, the digital pie retained its predominant position within the advertising investment volume and even widened the gap against the analog pie. In Argentina, the share of digital advertising investment over total advertising investment is close to 50%.

All this shows that traditional media need to continue innovating, creating new and better digital products and services that will allow them to achieve sustainable business models. To such end, they need to find a model to efficiently monetize digital advertising and subscriptions, exploiting the consumption of contents via mobile devices without becoming invasive for the user.

Notwithstanding the foregoing, consumer habits go in the same direction as in the rest of the world, in turn boosted by the effects of the quarantine and the new form of teleworking. In the audiovisual segment, the highlights were a slight drop in HUT (households using television) and the growth or consolidation of various OTTs or video streaming platforms in addition to the consumption of home data for video call tools.

In the newspaper segment, according to PWC, in 2020 printed newspaper circulation revenues fell at a rate of about 24% without these revenues being capitalized in the digital ecosystem where they (advertising and digital subscriptions) grew by around 11% with a low income base. This is mainly due to the relatively low level of maturation of the market related to the paid digital news subscription system.

However, more and more local media are deciding to move toward such a model as the exclusive advertising model does not seem to be sustainable.

As to the radio segment, its total audience shares declined due to the incipient drop in HUR (households using radio), but they were partially offset with the growing number of digital users. In this way, the radio segment managed to consolidate as a multiplatform medium and reached new generations.

Thus, the challenges faced by the local industry do not differ from those seen in companies around the world, except for the complex macroeconomic environment, coupled with the pandemic that appears to continue during 2021. The willingness of society to pay for Internet content under this economic environment appears to be one of the critical challenges. The media companies that achieve the most successful innovations and brands that add value will have a head start in the race to reach the user with the possibility of building loyalty.

REGULATORY FRAMEWORK 2020

The latest substantial changes in legislation were introduced in December 2015 under Decree No. 267/2015, which amended Laws Nos. 26,522 and 27,078 (“Audiovisual Communication Services Law” and “Digital Argentina Law” respectively).

Upon the issuance of Decrees Nos. 7/2019 and 50/2019, published in the Official Gazette on December 11, 2019 and on December 19, 2019, respectively, the ENACOM —the Enforcement Authority of both Decrees— is now under the jurisdiction of the Secretariat of Public Innovation under the Chief of the Cabinet of Ministers.

The subsidiaries of the Company hold licenses and registrations and exploit Audiovisual Communication Services (Television, Radio, Cable Television Signals, Producers and Advertising Agencies), and are governed by the Audiovisual Communication Services Law. Currently, the only subsidiary partially governed by the Digital Argentina Law is Gestión Compartida, as a result of the merger by acquisition executed with Compañía de Medios Digitales (CMD) S.A., holder of a Telecommunications License.

All the subsidiaries of the Company, owners of licenses for the exploitation of Audiovisual Communication Services have obtained an extension of the terms of their licenses, for the exploitation of broadcast television and AM and FM sound broadcasting services. All the licensees were deemed to have opted to request an extension under Article 20 of Decree No. 267/15, and were granted a new term for the first period of TEN (10) years, with the right to an automatic extension for a term of FIVE (5) more years, in every case.

In connection with digital television, all the subsidiaries that hold broadcast television licenses were awarded a digital channel to render terrestrial digital television services.

Notwithstanding the foregoing, ARTEAR filed in due time an unconstitutionality claim requesting the revision of the legal regime applicable to the transition to digital television in the understanding that, through its application, the rights of the current broadcast television licensees could be infringed. These rights should be preserved intact as established in Law No. 26,522, which has higher hierarchy.

Through Decree No. 173/2019, the Executive Branch decided to postpone the analog switch-off due date until August 2021. During this term, the television stations have to release the radioelectric spectrum bands they use for analog transmissions and migrate them to digital ones.

Significant changes in the legal framework of ICT Services

- ***Decree No. 690/20 – Amendments to the LAD***

On August 22, 2020, the National Executive Branch amended the Digital Argentina Act through Decree No. 690/2020, which was subsequently ratified by Parliament under the terms of Law No. 26,122. Within the amendments introduced, ICT services – fixed and mobile telephony, subscription television and Internet – and the access to telecommunications networks for and between licensees are now deemed “essential and strategic public services provided on a competitive basis”, and their effective availability shall be guaranteed by ENACOM.

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

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

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

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

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

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

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

Said Resolution also sets out the persons that are eligible to receive those services.

It should be noted that subscription television service licensees are under the obligation to apply discounts to a plan and programming grid that already exist, which prevents them from creating a specific and less expensive grid to comply with the Mandatory Universal Basic Service.

Since the subsidiary ARTEAR owns several cable tv signals and is therefore a provider of contents to subscription television services via physical, radio-electric or satellite link, it is currently evaluating the impact that this regulation and its implementation may have on its operations.

- ***New General Rules Governing Physical and/or Radio Electric Link Subscription Broadcasting Services***

ENACOM Resolution No. 1,491/2020 issued on December 24, 2020 approved the new General Rules Governing Physical Radio-Electric and/or Satellite Link Subscription Broadcasting Services.

Even though the new General Rules maintain the onerosity of all the broadcast television services and signals that fall within the scope of the “must carry” regime (signals and services subject to mandatory retransmission) by the providers of subscription television services, they introduce the concept of “fair, equitable and reasonable price” and implement a dispute resolution procedure in case of disagreement between signal holders and distributors (by physical, radio-electric or satellite link) to be brought before the ENACOM.

In addition, the General Rules provide that in the event that signal holders and physical, radio-electric and/or satellite link subscription television licensees do not settle their dispute, distributors shall include the signal in the programming grid at the price set by ENACOM’s Board based on the information gathered during the proceeding.

In addition, the General Rules also provide that the commercialization of one signal may not be conditional on the acquisition of other signals and, in the case of sales of signal packages, the price must include a breakdown of the price of each of the signals included in the package.

ARTEAR's legal advisors believe that the ENACOM is not empowered to set the price of a signal, regardless of whether or not it is a signal subject to mandatory retransmission, and that it would be arbitrary and unconstitutional if the agency imposed a price on the owner of contents that does not voluntarily agree to the settlement proceeding.

THE COMPANY. ORIGIN, EVOLUTION AND PROFILE

Grupo Clarín is Argentina's most prominent and diversified media group and one of the most important in the Spanish-speaking world. The Company is organized and operates in Argentina and its controlling shareholders and management are Argentine. Grupo Clarín is present in the Argentine print media, radio, broadcast television, audiovisual production, and in the printing industry. Substantially all of Grupo Clarín's assets, operations and audiences are located in Argentina, where it generates most of its revenues. The Company also carries out operations at a regional level. Today, Grupo Clarín employs almost 5,000 people.

Grupo Clarín's history dates back to 1945, the year in which Roberto Noble founded the newspaper Clarín of Buenos Aires ("Diario Clarín"), with the goal of becoming a mass distribution and quality newspaper, privileging information and committing to the comprehensive development of the country. Between 1969 and 2017, Diario Clarín was led by his wife, Ernestina Herrera de Noble. It became the flagship national newspaper and has consolidated its position throughout the years thanks to the work of its journalists and the loyalty of its readers. Diario Clarín is now one of the Spanish-language newspapers with the highest circulation in the world. In 2016, Diario Clarín became the most widely-read digital newspaper in the Spanish-speaking world and received a record high of 22 million unique users during December 2019. Over the years, Grupo Clarín has been one of the main actors in the changes undergone by the media worldwide. It incorporated new and varied printing activities and decided to embrace technological developments, investing to reach its audiences through new platforms and channels and through new audiovisual and digital languages.

In this way, Grupo Clarín entered the radio and television sectors. Today, it is the owner of one of the two leading broadcast television channels in Argentina (ARTEAR/ eltrece) and of AM/FM broadcast radio stations. Along with the newspaper, these media are recognized as the most credible and considered leaders of Argentine journalism in one of the most diverse media markets in the region. For example, in Buenos Aires, the Company's media compete in a market that has 5 broadcast television stations, 6 news signals, 550 radio stations, and more than 10 national newspapers.

Grupo Clarín also publishes Olé, the first and only sports newspaper in Argentina, and the magazines Ñ, Genios, Jardín de Genios, Pymes and Elle. Through CIMECO, the Company holds equity interests in the newspapers La Voz del Interior S.A. and Los Andes Hermanos Calle S.A., in a market of approximately 200 regional and local newspapers. In the audiovisual front, it also produces 5 cable signals. A news signal, (Todo Noticias), and the signals Volver, Magazine, Quiero Música en mi Idioma and Canal (á). It also produces sports channels and events (TyC Sports), television contents and motion pictures (Pol-ka Producciones S.A and Patagonik Film Group S.A.).

In line with the global trend, Grupo Clarín has committed itself to expanding digital content production. Grupo Clarín's Internet portals and sites receive more than half of the visits to Argentine websites. The Group's digital media are benchmarks of journalistic quality and have high credibility rates. Its social media accounts have the largest number of followers and generate significant interaction. Over the last years, the Group's media and journalists have received many awards for their ventures in different digital platforms. In 2016 and 2017, at the WAN-IFRA LATAM Digital Media Awards, Grupo Clarín's media received three awards each year, and, in 2018, Diario Clarín received an award for its subscription strategy. In 2019, Clarín received awards granted by ADEPA in the categories "Human Rights", "Photography", "General Information and Entertainment", "Infographics" and "Economy". In addition, FOPEA granted an award to Clarín in the category "National Print Media" for the coverage of the sexual abuses that took place at Próvolo Institute's summer camp and the Society for News Design granted to the newspaper the award "Special News Topics Editor's Choice" for the sports section with the coverage of the FIFA World Cup held in Russia. It also received many awards from the Inter-American Press

Association (IAPA), the Association of Argentine Journalistic Entities and other national and international agencies. In 2020, Clarín received 10 ADEPA Awards and Special Mentions, among which the most relevant was a series of articles covering the COVID-19 pandemic. It also received a FOPEA award for an article on the Government's social spending. In the Communicator Awards of the Academy of Interactive & Visual Arts (AIVA), Clarín received two awards in the "Documentary" and "Videography" categories. In addition, the International Women's Forum recognized Silvia Fesquet, Editor-in-Chief of Clarín, for her work and track record. She was recognized as one of the "women who made a difference in 2020". Finally, it received a ÑH bronze award in Spain.

In 1999, Grupo Clarín was incorporated as an Argentine *sociedad anónima*, a corporation with limited liability. It gradually opened its capital to other participants and, since October 2007, it is listed on the Buenos Aires Stock Exchange and on the London Stock Exchange. It takes pride in having grown in Argentina, in being a source of influence on a local level in an increasingly transnational market with a size that enables it to compete without losing strength among large international players.

Grupo Clarín's investments in Argentina in the last 20 years have been very significant, always with the same central focus: Journalism, the media, production and distribution of contents and communications. Its activities have contributed to the creation of an important Argentine cultural industry and generate qualified and genuine employment. Its vision and business model focus on investing, producing, informing and entertaining, preserving Argentine values and identity, and preserving business independence in order to ensure journalistic independence.

In addition, since its foundation, Grupo Clarín has undertaken intense community activities. Grupo Clarín, together with the Noble Foundation, which was established in 1966, organizes and sponsors several programs and activities, particularly focused on education, culture and civic involvement. Furthermore, as an indication of its social responsibility, Grupo Clarín focuses on the ongoing improvement of its processes, develops initiatives that arise from discussions with different stakeholders, and works towards sustainability and diversity.

As from May 1, 2017, Grupo Clarín span off its telecommunications operations to a separate company, Cablevisión Holding. Grupo Clarín S.A. retained the ownership of the journalistic media and content production companies. This includes AGEA, ARTEAR, Radio Mitre, IESA and GC Gestión Compartida S.A., among others.

GRUPO CLARÍN AND ITS BUSINESS SEGMENTS IN 2020

2020 was a highly challenging year for Grupo Clarín. The unprecedented crisis triggered by COVID-19 and the consequent decline in activity had a strong impact on the Company's revenue sources. Even though there was a slight recovery in consumption – which resulted in higher advertising investment – in the last quarter, it was not enough to reverse the trend observed during the year. Despite this challenging environment, Grupo Clarín managed to maintain its market position, despite a fall in sales across the industry.

In this context, the Group's net consolidated sales decreased during the year by 23.1%, from \$ 34,620 million to \$26,640 million pesos in constant currency as of December 31, 2020. It should be noted that the variation was mainly accounted for by the larger restatement of the revenues recorded in 2019 compared to 2020 and the drop in advertising revenues in real terms.

By the end of 2020, Grupo Clarín's consolidated gross financial indebtedness (including sellers financing, accrued interest and fair value adjustments) stood at approximately \$1,713 million, and the cash position at year-end stood at \$2,787 million.

The following is a description of the most significant events related to the situation and management of each of Grupo Clarín's business segments during 2020. It should be noted that all of them had to adapt their operations, work modalities and production systems due to context of the COVID-19 pandemic and the mandatory and preventive social isolation measures ordered by the Government. The massive adoption of home office, the incorporation of strict protocols in the workplace, and the establishment of new work routines and schedules were challenges successfully addressed by all business units and made it possible for Grupo Clarín's media, products and services to continue accompanying its audiences uninterruptedly.

PRINTING AND PUBLISHING

Grupo Clarín, through AGEA, is the main newspaper publisher in Argentina and one of the most prominent editorial content producers in Latin America.

AGEA

AGEA publishes two national newspapers. In the first place, AGEA publishes Clarín, the flagship Argentine newspaper and one of the most important in terms of circulation in the Spanish-speaking world. It also publishes Olé, founded in 1996, the first and only sports newspaper of its kind in the Argentine market. In addition, it publishes regional newspapers; Genios, a very popular magazine among schoolchildren; Jardín de Genios, aimed at children between 2 and 5 years of age that comes with a supplement for parents; Ñ, a cultural magazine; Pymes, aimed at small- and medium-sized businesses; and ARQ, aimed at the construction world, architects and designers. It also publishes the Argentine version of the women's magazine Elle and, since June 2020, the Disney Pre-School magazine, which includes educational proposals for learning to read and write.

AGEA has a strong presence in the digital content segment through its websites clarin.com and ole.com.ar, which are among the most visited websites in Latin America. It stands out in vertical sites of sectors such as cars, real estate and jobs.

Clarín

With a long-standing journalistic and commercial leadership consolidated in its 75-year track record, Clarín is the most prominent Argentine newspaper in terms of outreach to its readers, circulation and advertising.

The success of its prestigious editorial line lies in its identification with the interests, needs and emotions of its audience through a plural and independent journalistic style.

With innovation at the core, Clarín has a multi-platform newsroom that works simultaneously for the different versions of the newspaper -paper, mobile and digital-. In this around-the-clock news production process, all the journalists work for all the platforms in order to maintain the Company's leadership in the print and digital market and, at the same time, boost its web and mobile services. A leader in terms of unique users, the newspaper seeks to continue expanding this base with readers of all ages and different reading frequencies and, at the same time, it seeks to offer quality contents for the most frequent readers that, given their periodicity, choose to become digital subscribers. The quality of its contents, flexibility, immediacy and close bond with the readers are the key pillars to face these new challenges.

In addition, VIVA, the magazine which has come for free with the Sunday newspaper for 25 years, is noted for a strong representation of Argentine people, through its articles and contents that reflect the social phenomena and the current issues.

During 2020, Clarín was one of the most awarded newspapers in the country. It received 10 ADEPA Awards and Special Mentions, among which the most relevant was a series of articles covering the COVID-19 pandemic. It also received a FOPEA award for an article on the Government's social spending. In the Communicator Awards of the Academy of Interactive & Visual Arts (AIVA), Clarín received two awards in the "Documentary" and "Videography" categories. In addition, the International Women's Forum recognized Silvia Fesquet, Editor-in-Chief of Clarín, for her work and track record. She was recognized as one of the "women who made a difference in 2020". Finally, it received a ÑH bronze award in Spain.

Diario Clarín's printed newspaper circulation exceeded its nearest competitor by 70%. On Sundays, an average of over 255,000 copies were sold, which places it among the major Sunday newspapers of the world. Clarín has a 43.3% share in the newspaper market in the City of Buenos Aires and the province of Buenos Aires, and a 26.7% share at a national level.

Having its printing capacity in its own printing facilities is a very important competitive advantage.

The Zepita facility -where the newspaper Clarín and its sections, as well as the newspaper Olé are printed- is located in the City of Buenos Aires and has a surface area of 35,000 m² and capacity to store 12,000

tons of newsprint. It has five Goss Metrocolor rotary offset printing presses that enable it to print 300,000 copies of 80 full-color pages per hour. Artes Gráficas del Litoral's printing facility, located in the province of Santa Fe, has a surface area of 3,000 m² and has a Goss Uniliner rotary offset printing press which enables it to print 40,000 copies per hour. The entire production process is developed in accordance with leading industrial criteria -such as computer to plate (CTP)- and environment preservation standards, such as, ISO 14001.

During 2020, AGL's printing facility, in association with El Litoral, continued to print the newspapers Clarín, Olé (for the littoral region), the morning and evening editions of El Litoral, Diario Castellanos from Rafaela, Mirador Provincial (Santa Fe), Mirador Provincial (Entre Ríos), El Diario de Paraná, La Capital de Rosario, Diario Uno de Paraná, and El Ciudadano de Rosario. However, as a result of the social isolation imposed in 2020, volumes declined by between 30% and 40% both terms of pagination and newspaper print run. AGL also suffered a significant decline in the printing of commercial publications, such as brochures.

Clarín 365 is a readers club created in 2010 to build loyalty among readers and to reinforce its close bond with them, as well as to strengthen circulation. Its subscribers enjoy a program that offers discounts, promotions and benefits in more than 1,600 trademarks and 7.7 thousand stores nationwide. In 2020, 365 remained the leading benefit club and developed options that respect the social distancing imposed by the pandemic. In addition, it executed an alliance with Billetera Móvil S.A. ("BIMO"), a new e-wallet, through which new users of the app were able to use the benefits of 365, at no cost for a limited period. On the other hand, in December 2020, 365 executed an agreement with the club River Plate to subscribe all the members of the program "Somos River" to the benefit club, with unlimited access to the contents of Clarin.com and Ole.com.

During 2019, Clarín designated a Gender Editor to ensure a gender perspective in all the areas of the newspaper. The decision, which is being adopted in several of the leading newspapers worldwide, is in line with the demand of audiences that look for and deserve information and stories adapted to the new times. In 2020, it broadened its work in this field.

On August 28, 2020, Clarín celebrated its 75th anniversary. In this sense, the company carried out several actions and journalistic reports. Among them, the following stood out:

- Free delivery of a magazine of more than 160 pages with some of the great landmarks of Argentine history reported in the newspaper.
- Launch of a special interactive multimedia with dozens of web stories about the facts, characters and key moments of Argentine and world history.
- Development of a tool that allows access to more than 27,000 historical covers of the newspaper.
- Organization of a series of talks with global political, economic, thought and technology leaders under the name *El mundo después de la pandemia*.
- Launch of the interactive documentary *Inmersión Clarín* in Telegram, a tool that shows the daily work developed by Clarín through video, text and audio content.

In the context of the pandemic, Clarín granted unrestricted access to all the articles related to COVID-19 for all readers, whether they were subscribers or not. In times of uncertainty, the audience relies on credible and well-known brands. This allowed Clarín to achieve record-highs of unique users and pages viewed during 2020.

Products

The basic offer of the newspaper is comprised by the main body and its Spot, Sports and Classified ads sections. Weekly sections (such as, Rural, Countries, Económico, Autos, Viajes and The New York Times) make Diario Clarín one of the most comprehensive newspapers in the market.

The regional newspapers support the circulation of Thursdays' edition. The regional newspapers cover the following locations: Vicente López, San Isidro, Morón, La Matanza, Ituzaingó, Hurlingham, Lomas de Zamora, Alte. Brown, Echeverría, Ezeiza, Avellaneda, Lanús, San Martín, Tres de Febrero, San Miguel, José C. Paz, Tigre, San Fernando, Malvinas Argentinas, Quilmes, Berazategui and Florencio Varela. The monthly regional newspapers published for Pilar, Escobar, Zárate and Campana, Moreno, General Rodríguez and Luján are also part of the offering.

Diario Clarín's Economic Section offers its readers a thorough analysis of the economy, the secrets of leading companies, personal finances, marketing and labor market with valuable information, easy-to-read texts and the opinion of national and international prestigious columnists.

In 2020, the Sports Supplement had to face the challenge of continuing to report on sports beyond the COVID-19 pandemic. Due to the limitations imposed, many sports events were postponed or canceled, such as the Tokyo Olympic Games or the Argentina-Colombia America Cup. However, the supplement was able to continue to inform with quality journalism, creating new content for its readers.

The Rural section is a management tool for the production sector. It offers all the information about agricultural businesses. It is published once a week and has a digital platform. It was present at 2020 Expoagro, the agro-industrial fair that is held every year in March, with very good results.

Clarín constantly keeps up to date and offers a wide range of editorial products together with the core product.

Magazines

Since 2003, the magazine *Ñ* has featured the main expressions of literature, thought and cultural phenomena of Argentina and the world.

The magazine seeks to enrich debates, generate discussions and propose innovative approaches to understand and appreciate the manifestations of humankind in all fields. In addition, it features the most prominent editorial offerings and the main cultural activities in Buenos Aires and in Argentina.

Through Premio Clarín Novela, Magazine *Ñ* promotes the production and publishing of literary fiction in Spanish language. In 2020, the 23rd edition was held. It is a symbol of support for culture that is renewed every year, discovering authors and putting them in contact with readers. This award has become one of the most popular literary contests in Spanish and is a meeting place for young writers, acclaimed authors and readers. In this edition, Ignacio Arabehety received an award for his novel *Asomados a un pozo*. In August, the company launched an optional product composed of 6 novels by Claudia Piñero, which added value to the product and made it more appealing.

Since 2002, Diario de Arquitectura ARQ has been published every Tuesday and offers professionals a benchmark editorial product. It is supported by optional sections, which are highly valued by its readers. ARQ is present at the most important events such as Casa FOA and the Ibero-American Biennial of Architecture.

Revista ELLE is a high-end magazine for women, focused on fashion and beauty. It was incorporated into AGEA's product portfolio in 1994. During 2020, Elle incorporated top-quality branded beauty products such as eyeliners, face makeup and nail polish, which had a positive impact on the magazine's sales. ELLE also offers the products ELLE Decoración and ELLE Cocina, which were published twice during the year, with a website: elle.com.ar, which allowed, together with its social media (Instagram/Facebook), to reach the audience 24/7.

The magazine Genios, published once a week, provides education and entertainment for children with a clear and up-to-date language. In 2020, its average sales exceeded 12,000 copies. The monthly edition of Jardín de Genios maintained its leadership in the category children's magazine with over 23,000 copies sold.

In June 2020, the monthly Disney Pre-School magazine was launched. It is a product with an attractive format that offers educational materials to easily learn how to read and write with a funny approach. During the year, its average sales exceeded 16,000 copies.

Revista Pymes is a monthly publication with national reach, published since 2004, aimed at contributing to the development and consolidation of small businesses, with special emphasis on the entrepreneurial world and the so-called "startup" or "high impact" entrepreneurs. In 2020, the magazine published three editions with books: In March, "*Que hacer con las Pymes Argentinas*" by Manuel Sbdar; in July, "*Transformación digital*" by SMS and, in November, "*Potencia tu empresa*" by Quirós Consultores.

Olé

Diario Olé is the first and only sports newspaper in Argentina. Since its launch in 1996, it has been a benchmark in sports information. Its editorial offering provides the most comprehensive and complete coverage of football and other sports like tennis, basketball, rugby and motor racing. Olé continued to consolidate itself as a leader both in its printed and digital versions -www.ole.com.ar- and apps for mobile devices. In 2020, it achieved very important results: Over 15 million users and nearly 160 million pages viewed on average per month.

2020 was a year that challenged the entire world due to the outbreak of the COVID-19 pandemic. In this context and due to the suspension of regular professional sports and major sports events, such as the Olympic Games in Tokyo or the Colombia-Argentina America Cup, Olé had to adapt its journalistic proposal by innovating in new content and products to engage its audience, which earned it important distinctions at international level, in addition to helping to maintain its audience and business indicators.

Internet Business

Clarín has a strong share in every large social platforms and all of its products follow an innovative communication strategy. In this way, it has achieved a leading position in social media journalism and in Internet in general.

Clarín.com addresses the significant changes derived from the Internet in the way people consume news and information. The website, with a large display of images, sections and a structure that reconfigures the traditional news categories, is constantly updated through an integrated newsroom that works around-the-clock, 365 days a year. In addition, Clarín.com has several versions for mobile devices through web applications that allow users of mobile phones and tablets with any operating system to access the site.

During 2020, Clarín continued to work on the access to the web version through a user registration system in order to provide a better service and generate greater interaction with the reader. During the year, Clarín was one of Argentina's most read news websites and, in March and April 2020, it achieved a record number of unique users and pages viewed: 84,5 million unique users (April 2020) and more than 572 million pages viewed per month (March 2020).

In 2017, Clarín became the first Argentine newspaper to launch a digital subscription system. As of December 2020, it exceeded 328,000 subscriptions, with more than 3,028,000 registered users.

With its sites "Argenprop" and "Empleos Clarín"; the company has a strong presence in the on-line classified ads for real estate and jobs.

El Gran DT is the most popular game in Argentina and has engaged over 6 million people in its 25 editions. In 2020, despite the difficulties generated by the pandemic, it gathered over 500,000 people.

School Editorial Content

On January 1, 2020, AGEA absorbed Tinta Fresca, a company engaged in textbook publishing for all stages of the Argentine educational system, children and youth literature, and digital solutions. It also manages LMS (Learning Management System), an adaptive learning management platform, and the digital library.

During 2020, AGEA continued publishing and marketing these publications through Editorial Tinta Fresca. The 2020 academic year coincided with the beginning of the mandatory and preventive social isolation and the consequent suspension of classes at schools and the closing of bookstores. This had a strong negative impact on the sales volumes of paper books, which meant a 50% market decline.

It launched two new series of books and developed the system RED, which allows students to do the activities of the textbooks through this system, send those activities to the teachers, facilitating the correction and return of the activities to the students.

Ríos de Tinta (a Mexican company in which Tinta Fresca held an interest) was also affected by the pandemic, with a particularly strong impact on the sale to private consumers. Sales to the public sector grew by 84% compared to the previous year.

Impripost

Impripost Tecnologías S.A. (Impripost) is a company mainly engaged in production and variable printing, including invoices, advertising brochures, forms, labels and cards. It also provides envelope-stuffing services. Today, it is one of the main companies in the market of variable data printing and finishing in large volumes.

Cúspide

Cúspide is one of the main Argentine companies engaged in the distribution and sale of books. Today, it has three business areas: The first one is a retail business, with 30 branches located throughout the country, and a digital channel, cúspide.com. The second one is engaged in wholesale distribution with over 500 customers. And the third one manages the revenues generated by the franchises. Currently, it has 10 franchisees and has executed contracts for establishing two new ones.

Cúspide owns a 3,200-square meter warehouse to store and supply its own branches and its wholesale customers.

Unlike all previous years, in 2020, Cúspide did not participate in the Book Fair or the Children's Book Fair due to the cancellation of all mass events due to the COVID-19 pandemic. Despite the context, Cúspide managed to sustain a turnover of \$1,048 million through its retail, wholesale and franchise channels. The main source of revenues was retail sales, which were affected by the nationwide lockdown. The company was able to refinance the trade payables with suppliers. In the face of the mandatory isolation measures, the company focused on boosting sales through the web and through deliveries to customers' homes from its branches.

During 2020, the company participated in the Emergency Assistance Program for Work and Production granted by the Government.

Unir

UNIR S.A. is a company engaged in mail reception, classification, scheduling, transportation, warehouse, logistics, distribution, and delivery services throughout the country. Its main shareholder is Urbano Express S.A.

UNIR has its own distribution network in the City of Buenos Aires and its surrounding areas. The rest of the country is served through agreements with other companies. It works together with Impripost and other subsidiaries of Grupo Clarín, which allows UNIR to complete the process ranging from the printing of invoices and brochures to the delivery to the final consumer.

During 2020, UNIR increased its total sales by 13%. The pandemic had a strong impact on the B2B customer segment, a pillar of the company's revenue structure. There was a further decline in the use of postal service, mainly because customers subscribe to digital invoices.

On January 13, 2021, AGEA, the main shareholder of Unir, sold to Urbano Express S.A. 36,900,000 shares representing 100% of the capital stock and votes of Unir S.A.U for \$ 90 million, which originated a credit in favor of AGEA. On the same date, the shareholders of Urbano decided to approve the capitalization of such credit and an increase in the capital stock of \$ 15,662,647, with paid-in capital of \$ 74,337,353. Through this capitalization, AGEA became the holder of 15,662,647 common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one (1) vote per share of Urbano. Through this capitalization, AGEA became the holder of 29,091,723 common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one (1) vote per share. This represents 30% of the capital stock and votes of Urbano.

CIMECO

CIMECO was organized in 1997 with the aim of acquiring equity interests in Argentine and foreign newspapers, seeking to preserve the regional journalism industry, blending experience, synergy and economies of scale, preserving its editorial principles. CIMECO holds a majority interest in two of the three largest regional newspapers in Argentina: La Voz del Interior (Córdoba) and Los Andes (Mendoza).

La Voz del Interior S.A. (LVI) leads the print and digital market in the central region of the country. Its newspaper, La Voz del Interior, has a significant market share in the province of Córdoba.

In 2020, LVI focused its editorial policy on consolidating a multiplatform strategy by adjusting the printed and digital products to new trends in the consumption of news. In this search, during fiscal year 2020, the company implemented projects that had an impact on the community, such as the broad coverage of the national economic crisis and its impact on the province.

The company focused on the coverage of the pandemic during most of the year. As from March, the entire journalistic team was transformed and focused on meeting the demand for information from the different audiences. Information on services was paramount and provided clarity and certainty, with outstanding contributions from journalists specialized in scientific dissemination and in health topics.

The “digital first” process was also consolidated to contribute more value to contents across all digital platforms. This process was carried out without disregarding the quality of the printed edition. In 2020, the company implemented a redesign, which was launched on Sunday, August 23. It focused on bringing freshness and modernity to the look and feel of the newspaper.

On the other hand, digital advertising revenues grew by 48% compared to 2019 and accounted for 44% of LVI’s total revenues.

As of December 2020, La Voz had more than 38,000 paid subscribers through its paywall.

CIMECO also owns Los Andes newspaper, which has been reporting Mendoza’s news since 1882. In that year, the Calle family founded one of the oldest journalistic companies in the country. Los Andes is a benchmark brand in the market.

During 2020, Los Andes focused on maintaining its leadership position both in its print and digital versions. Los Andes Pass, the newspaper’s loyalty program, reached 18,906 subscribers as of December. The percentage of readers subscribed to this program represented 58% of the net monthly circulation at year-end.

In August 2020, the digital subscription was launched, with three subscription plans: Unlimited Digital Access, Unlimited Digital Access + Los Andes Pass card, and Unlimited Digital Access + Los Andes Pass card + the Sunday newspaper.

In December, Los Andes reached an average of 13,158 Digital Subscriptions. In addition, access to the Digital Subscription was granted to all customers that were already subscribed to the Digital Kiosk service, which provides access to the printed edition of Los Andes in PDF. The company implemented a digital subscription system with a model that sets limits on the number of articles per month and on premium content.

Los Andes was present at the National Grape Harvest Festival with the collective posters of the 18 candidates, and the giant photographs exhibited at the entrance of the newspaper. The official agenda added training about personal image and the use of social media at the newspaper’s premises, as well as the classic special area located at the entrance of the building with an exclusive service for 120 attendants. In addition, the company carried out a branding action during the main event with almost 20,000 attendants.

In 2020, the pandemic had a negative impact on Los Andes’ circulation volume. Fear and disinformation led to a sharp drop in sales, both in the printed version and in subscriptions. As the Government gradually eased the lockdown during June, there was a slight recovery in the direct sales of the printed version. The launch of the digital subscription in August allowed the company to retain its readers and engage new ones. The company continued with the distribution and sale of the magazine Para Ti Deco. It also continued with the distribution and sale of optional products in more than 100 points of sale throughout the province, reaching a volume of 14,200 units.

In 2020, Los Andes’ newsroom underwent multiple transformations and improvements which had been foreseen in the business plan, but its implementation had to be accelerated due to the health, economic and social effects of the coronavirus pandemic. The addition of ARC, the digital content management

platform developed by The Washington Post, was one of the most important changes on the web. It improved browsing speeds and user experience through a more attractive and clearer website architecture. This translated into new design, tabs and layout, as well as innovative audiovisual formats, which were widely welcomed by the audience and earned some provincial and international awards.

By mid-year, the company implemented one of the most significant changes in the printed edition since the foundation of Los Andes: It shifted from broadsheet to tabloid format. A transformation aimed at optimizing the use of paper and meeting the needs of the reader, in a more modern, comfortable and friendlier size, without sacrificing texts or losing its editorial essence: a plural product for reading and informing the audience, focused on quality, renewing its bond of trust with the public. This change involved a general redesign of the daily publications, weekly supplements and other regularly circulated printed products, as well as a new display and featuring of information in each of them.

For reasons of force majeure, the pandemic accelerated the shift towards the remote work of journalists, desktop publishers, editors, and editors-in-chief. The experience - according to the respective evaluations - was satisfactory both in the strictly operational performance (production and publication of content on the different platforms) and in the bond and engagement of the different work teams. It also ratified the fast adaptive capacity demonstrated at critical times by all the members and employees of the Newsroom. Some of the highlights regarding products and actions were the virtual panel of experts to talk about "Reasons to be optimistic" (an initiative that gathered about 100 guests, including the governor of the province), the printed supplement on the occasion of the 137th Anniversary (which invited specialists from different fields to imagine what life will be like in Mendoza after the pandemic), and four publications on the reform of the provincial Constitution (a crucial topic on the province's political agenda, with the analysis of 16 politicians, historians, sociologists, constitutional experts, and other prominent professionals).

Comercializadora de Medios del Interior S.A (CMI)

CMI is engaged in publishing and commercial representation of media located in the provinces. It manages the news site Vía País, which reached an audience of 9.5 million unique users during 2020. In addition, it publishes and commercializes the magazine Rumbos, distributed by 8 newspapers. It registered a decline compared to 2019 as a result of the crisis generated by the quarantine and the COVID-19 pandemic. In addition, paper and digital commercial representation reached 40 media.

During 2020, CMI continued to consolidate itself as the most important network in the provinces. During the year, the company intensified the adaptation of its traditional businesses to new technologies, preserving its business model. In this way, it continued to focus its businesses on the digital area. Over the last year, the company consolidated the site Vía País. Its main aim is to build the largest news network in the country covering all of the provinces of Argentina. As of December 2020, there were 57 active nodes (Vía Argentina, Buenos Aires, Córdoba, Mendoza, Rosario, Neuquén, Río Cuarto, San Nicolás, etc.). Revenues from CMI's digital activities accounted for 49% of its aggregate advertising revenues, being each year more relevant over the aggregate.

Finally, the magazine Rumbos celebrated its 17th anniversary in the market. Since December 2019, it has been the only Sunday magazine in the provinces. Among the main newspapers that distributed the magazine Rumbos, the following stand out La Voz del Interior, Diario Los Andes, El Litoral de Santa Fe, El diario de Paraná, La Capital de Rosario, and Diario de Cuyo.

Papel Prensa

Papel Prensa S.A.I.C.F. y de M. is the first producer of newsprint that is wholly owned by Argentine capital. Currently, it also works on the production of paper used for printing, writing and packaging. It is currently the largest Argentine producer of newsprint, with an annual production capacity of approximately 112,000 tons.

Papel Prensa seeks continuous improvement in occupational health and safety. In this regard, it has implemented several production policies based on obtaining strategic supplies without depleting natural resources, using materials that come from sustainable forest management processes, and recovering raw materials by recycling returned newspapers which are used to reduce the use of virgin fiber. On the other hand, it continued to focus on consolidating the conservation awareness and the efficient use of the resources involved (especially fiber, water, and energy).

Oportunidades S.A

Oportunidades S.A. (OSA), incorporated on May 26, 2003, is engaged in several activities including, among others, the exploitation of advertising companies; editing, publishing, distribution, import and export of magazines, books, etc. In 2012, and together with Ferias y Exposiciones Argentinas SA (FEASA) the Company incorporated a corporation called Mas Logística S.A. Said company is mainly engaged in the transportation and distribution of newspapers, magazines and books. Oportunidades holds a 95% equity interest in that company.

In December 2017, Oportunidades acquired a rotary printing press and a digital one, together with a stock of raw materials to be used in the printing industry. During 2018 and 2019, OSA implemented all the proceedings required for the startup of the above-mentioned equipment, developing both Heatset and Coldset printings, which entail two types of treatments for the drying of the ink after it is applied to paper, for advertising brochures and graphics solutions for the publishing of books, magazines and catalogs.

During 2020, OSA operated under challenging circumstances due to the pandemic, covering with extraordinary productions the decline of traditional items caused by the drop in activity derived from the mandatory and preventive social isolation.

Regarding digital printing, the implementation of variable data technology in publications allowed the engagement of new customers.

BIMO

On October 13, 2020, AGEA and Botón de Pago S.A. incorporated a company under the corporate name Billetera Móvil S.A., which is mainly engaged in the provision of electronic payment services. AGEA holds a 50% interest in the capital stock and votes of BIMO.

BROADCASTING AND PROGRAMMING

Grupo Clarín is the leading company in the audiovisual broadcasting and programming segment. Through ARTEAR, it exploits the license LS85 TV Canal 13 Buenos Aires, one of the two largest broadcast television channels in Argentina, in terms of advertising and audience share. It also has a presence in broadcast television stations in Córdoba (Telecor), Bahía Blanca (Telba), and Bariloche (Bariloche TV). Grupo Clarín also produces cable television signals.

Its role in the production of audiovisual contents includes agreements and equity interests in benchmark TV and film producers, such as Pol-Ka Producciones S.A. and Patagonik Film S.A. Group. Grupo Clarín also owns prominent radio stations, such as Mitre AM 790, La 100 (FM 99.9), both in Buenos Aires, and Mitre AM 810 in the province of Córdoba. Grupo Clarín also has a strong stake in sports commercialization and broadcasting rights, directly and through joint ventures.

ARTEAR

ARTEAR owns El Trece, one of the main broadcast channels in Buenos Aires. El Trece combines fiction, news and entertainment embracing a varied offering. It also owns TN, a leading 24/7 news signal, and cable tv signals.

During 2020, ARTEAR ratified its audience leadership in its broadcast and cable signals and in its digital platform.

During 2020, El Trece's total audience share reached an average of 6 rating points from 12 PM to 12 AM. The discontinuation of the fiction show produced by Polka and the cancellation of "*Bailando por un sueño*", due to the mandatory and preventive social isolation, had an impact on audience levels compared to 2019, though this impact was mitigated with new products. As always, ARTEAR's signals also reaffirmed their commitment to information and journalism.

During 2020, "Eltrecetv.com.ar" was the most visited portal among the Argentine broadcast stations. This site includes the live streaming of the signal, in addition to all the programming, full episodes, TV listings and information about all of its products. The site can be accessed through Facebook, Twitter, Instagram,

and, most recently, YouTube. During the pandemic, eltrecetv.com.ar made available a large portion of its library of fictions for tv viewers to enjoy.

In the cable TV segment, ARTEAR has informative and entertainment signals. The Spanish language music signal “Quiero Música en mi Idioma” was quick to lead audience ratings in the music genre. “Volver” offers the best of classic and vintage Argentine films and television shows. In addition, Canal (á), a signal that offers arts, cultural and show business programs, mainly in Buenos Aires, is operated by ARTEAR. ARTEAR owns TN (Todo Noticias), the most prestigious 24/7 cable news signal in Argentina. TN is a news signal and its programming is based on ongoing news programs and a varied general interest programming comprising music, technology, politics, stories, investigations, economy, show business, among others. During the year, TN ratified its leadership among news channels and became the most viewed cable signal in the country.

In March, when the Argentine Government ordered the mandatory quarantine, TN achieved historical audience levels, with peaks of 12 rating points. In this way, it outperformed, for a while, all other channels, including broadcast channels. The success of TN in television reached the rest of the platforms. It was the signal preferred by users to get information via streaming: Its YouTube channel exceeded 1,500,000 subscribers.

TN’s success translates into the largest social media community of Latin American media. In Instagram, it reached a record high of 4 million subscribers, outperforming any Spanish-language medium.

Since the confirmation of the first case of coronavirus, TN has enhanced its journalistic team to cover news with a federal and global approach. During the year, it had more than 20 reporters working from the countries with the highest infection rates such as the United States, China, Italy, Spain, England, Brazil, and Chile, among others. In addition, a team of reporters traveled more than 12,000 kilometers reaching different locations of Argentina to show how people were dealing with the quarantine. They made over 500 interviews in 86 cities and towns of 16 provinces.

TN pioneered the creation of a Health Advisory Council with medical professionals and experts in infectious diseases. More than 11 experts from around the country participated, advising the signals’ journalists on a daily basis and supervising the content distributed on all platforms (television, web, and social networks).

The topics related to the pandemic were not the only ones for which TN stood out. Its coverage of the US presidential election included 14 journalists working from the main cities of the country such as Washington, New York, Los Angeles, Nevada, Dallas, Delaware, Atlanta, Miami, Houston, and Philadelphia.

On the day of Diego Maradona’s wake and burial, TN had 10 outside broadcasting units, 3 drones, and 3 motocams in dozens of locations. As is often the case with very important news, [eltrece](http://eltrece.com.ar) and TN broadcast simultaneously. They were the two main channels chosen by the Argentines reaching peaks of 14 and 10.2 rating points (more than 24 points in the aggregate). In addition, the streaming signal exceeded 200,000 simultaneous viewers. Channels from all over the world decided to rebroadcast TN’s coverage to show what was happening in Argentina. Even competing signals rebroadcast TN’s coverage.

Ciudad Magazine, also owned by ARTEAR, is another cable signal that arose from the merger of two leading media in show business, Magazine and Ciudad.com. This merger leveraged the best of each and their potential, to provide the audience with broader news coverage, more entertainment and better connection.

Quiero, the Spanish language music signal, is also owned by ARTEAR. A leader in its category, it offers varied programming comprising national and Latin-American rock, hip hop, reggaeton, alternative music, pop and melodic music, among others.

ARTEAR also produces Canal (á), a 24/7 signal focused on culture. A channel that gathers all genres linked to art and culture under the premise of a plural approach. A signal with an avant-garde look and feel that set a trend among its peers.

The signal Volver preserves Argentine television history and owns the largest national film library. The programs broadcast by Volver are recognized by the public as genuine manifestations of “the best of our culture”.

Cucinare is the best local signal for gastronomy lovers. Cuisine fans can find easy recipes and sophisticated dishes with the premise of providing easy-to-prepare recipes. A 100% digital brand in its origin which grew until achieving a 360° format with presence on television and off-line.

In the digital arena, the sites El Trece, TN, Ciudad.com, and Cucinare.tv lead each of the categories to which they belong and its mobile applications, focused on multimedia contents, are among the most downloaded applications in their respective categories. ARTEAR's social networks have the largest number of followers and spur the highest interaction in the industry. During 2020, all the sites owned by ARTEAR increased their audiences.

In 2020, it completed the migration from TN's site to the ARC platform, Amazon's tool for news site management. This had a big impact not only on technology but also on design, commercial integrations, content display across different distribution platforms, among others.

Also during the year, ARTEAR produced a new season of *De Barrio*, with a deep integration of branded content and multiplatform integration in the distribution. The program *Los Expertos* was launched for broadcast TV (eltrece) and in digital format. In its site, TN launched new content sections and made product improvements to all of its apps.

ARTEAR is no longer just a broadcaster, it has become a content generator for multiple distribution platforms. Thus, ARTEAR was forced to invest in more and better technology. Among the most important technical investments, ARTEAR updated the video switchers used for newscasts which serve the three newscast studios owned by that company. They were replaced by a new model that contemplates the increased operational needs of the sector, as a result of the natural enhancement of video sources required by the new programs, increased by remote conversations due to the pandemic. In addition, the company replaced the power amplifier equipment of ARTEAR's mini outside broadcast units, upgraded the programs and news edition system, acquired equipment that will allow to link the two data centers into which the company's technology was divided, in order to improve protection in case of contingencies.

ARTEAR controls Canal 12 of Córdoba, 6 of Bariloche and 7 of Bahía Blanca. All of those signals invest heavily in journalistic and entertainment contents. They have solid audience shares and a good outlook. 2020 was a complex year for Pol-Ka due to several factors: Production costs, levels of indebtedness, and shutdown of activities due to social isolation. This prevented the completion of the production of the fiction show *Separadas* and the mini-series *El Tigre Verón II*.

Also due to the shutdown of the activities, ARTEAR canceled production agreements with Turner, Netflix and Fox. The projects canceled during 2020 are expected to be resumed in 2021.

IESA

During 2020, IESA continued to exploit the sports audiovisual content generation business through its subsidiaries Tele Red Imagen (owner of 50% of the signal TyC Sports), Televisión Satelital Codificada S.A. and Auto Sports S.A. / Carburando S.A. The last two companies exploit the comprehensive motor racing business in Argentina and are also holders of the rights to broadcast the SUPER TC2000 and TC2000 sports categories. In addition, Inversora de Eventos owns 25% of the shares of Canal Rural, a local cable signal that produces audiovisual content related to the agricultural sector.

During 2020, sports worldwide were suspended during the first few months, which generated less content for the audience and its consequent impact on rating, as well as the impossibility of organizing and holding live events.

Mitre

Radio Mitre S.A. provides sound broadcasting services through Mitre AM 790 (amplitude modulation), La 100 (99.9) (frequency modulation) in the city of Buenos Aires, and Mitre AM 810 and FM 102.9 in the province of Córdoba.

Mitre AM 790 focuses its programming on a clear journalistic style supported by the high credibility and professionalism of its team. The first morning radio talk show is hosted by Marcelo Longobardi and the team of *Cada Mañana*, from 6 AM to 10 AM. It has maintained its leadership, with around 50 points. After that show, Radio Mitre airs *Lanata sin Filtro* from 10 AM to 2 PM, hosted by Jorge Lanata, Diego Leuco and a team of specialists, which lead audience shares, exceeding during several months 40 percentage points. The program can also be watched in high-definition at radiomitre.cienradios.com. In addition, *Encendidos en la tarde*, hosted from 2 pm to 5 pm by María Isabel Sánchez and Rolo Villar, is a fun afternoon show that combines information, humor and interviews. The show also leads its time slot.

From 5 pm to 7 pm, Alfredo Leuco hosts *Le doy mi palabra*. His editorials are very popular and achieve high audience levels of around 40 points. From 7 pm to 8 pm, Pablo Rossi hosts *Volviendo a Casa*, a show with all the necessary information for those who return to their homes.

The evening slot starts at 8 pm with Jorge Fernández Díaz hosting *Pensándolo Bien*. At 11 PM, Cristina Pérez and her team host *Confesiones en la Noche*. A show that deals with different current topics and also with history topics. Finally, at 12 AM, Gabriel Anello and his team host the sports program *Super Mitre Deportivo*.

During weekends, Mitre has different proposals. Saturdays from 7 AM to 10 AM. Marcelo Bonelli hosts *Sábado Tempranísimo*, with more than 30 years on air in Mitre, with high audience levels that exceed 40 points.

From 10 AM to 12 PM the prestigious journalist Magdalena Ruiz Guiñazú and her team host *Esta Semana*, a summary of the most relevant events of the week. At noon, also exceeding 40 average rating points, *Polino Auténtico*, a program hosted by Marcelo Polino, together with Yanina Latorre and Amalia Granata, proposes a fun approach to the most important show business news.

On the other hand, *Mitre Informa Primero* is still the most awarded radio news service of Argentina.

La 100 closed the year 2020 leading audience shares, with almost 17 points, which was a record high. Its programming combines famous artists and an ideal mix of music and innovative contents. During the year, Santiago del Moro led morning audience ratings, from 6 AM to 10 AM, with *El Club del Moro*, a program co-hosted by Maju Lozano, which reached unprecedented audience levels close to 28 points. Guido Kaczka and Claudia Fontán host *No está todo dicho*, from 10 AM to 2 PM. The program consolidated its position in its slot and had months with more than 20 points. In 2020, Mariano Peluffo and Julieta Prandi host *Sarasa* in La 100, from 2 PM to 5 PM, a casual radio magazine with a fresh style. The new program reached over 15 points for several months, leading the segment. Afterwards, Sergio Lapegüe hosts *Atardecer de un día agitado*. The show *Románticos*, aired from 8 PM to 12 AM, ranked first and second in audience ratings within its time slot. During Saturday mornings, Guillermo López hosts the classic *Ranking Yenny*, a program that combines music, humor, show business and general information. Mariano Peluffo hosts *Abierto los domingos* from 10 am to 2 pm.

Mitre 810 is the radio with the second highest audience share in the province of Córdoba. With a permanent team in the city and its own news service, *Mitre informa primero*, Mitre AM 810 develops comprehensive coverage of news comprising Córdoba, Argentina and the world. Its programming includes hosts such as, Jorge "Petete" Martínez, Pablo Rossi, Juan A. Mateyko and Omar Pereyra.

Cienradios maintains its positioning with the most prominent on-line radio and content menu in Latin America. It offers a wide range of radios, videos, interviews, shows, games and a premium sound quality. Cienradios is the largest music portal and recommender of the region and the first one in Argentina, with almost 28 million unique browsers by the end of 2020.

Audience:

Mitre AM 790 closed the year 2020 with an audience share of almost 39 points leaving behind its competitor with a gap of more than 26 points. Mitre maintained its leadership throughout the year, with over 1 million listeners.

La 100 closed the year leading audience share with over 17 points, reaching over 1 million listeners.

OTHER

Services

Gestión Compartida is a company engaged in providing comprehensive solutions to meet the management and operational needs of companies, which allows its customers to focus their efforts on the activities that represent their core business. Each area has professional and technological resources and operates in Argentina and several countries of South America, with a working team of more than 450 professionals.

Today, GC Gestión Compartida S.A. serves over 100 companies from different industries, size and origin. 2020 was a challenging year for GC, with all its employees working from their homes due to the quarantine. The main priority was to continue operating. It managed to maintain 95% of its customer portfolio and implemented several new services, such as the payroll service for Telecom and the creation of a new VAT recovery area in the tax department.

Also during the year, commercial alliances were executed with important companies and consulting firms that will allow to accelerate regional expansion and offer high quality solutions. In October, GC began working on the implementation of a comprehensive tool to support the Foreign Trade business, which provided greater agility and integrity to the Customs, Operations and Administrative processes. This led to an improvement in the follow-up of Foreign Trade operations and enriched information for customers. GC Gestión Compartida is a shareholder of Electropuntonet S.A., which was created as the first Argentine company to sell 100% of its home appliance products online (Pure Player). Its website offered its customers mechanisms to purchase, securely pay and receive their products. In addition, Electropuntonet S.A. acquired in 2016 the assets of Meroli S.A., a renowned chain of the province of Córdoba specialized in the off-line sale of home appliances. By mid-2018, the company decided to shut down the website, completely reducing the staffing engaged in the digital business to focus on boosting the off-line business.

During the first months of 2019, even though it increased its market share, the industry remained heavily affected by the macroeconomic situation and sales did not reach the expected volumes. The company decided to substantially reduce the sale on personal credit with the aim of reducing the financial indebtedness of Electropuntonet S.A. In 2019, 9 branches were closed down.

In 2020, the company decided to change the focus of its activity. It filed a change of corporate purpose with the Argentine Superintendency of Legal Entities and began to develop businesses related to the creation and development of software systems and to the provision of technology advisory services, among others.

GC Gestión Compartida S.A. owns QB9 S.A. QB9 S.A. produces original games and offers custom development services, with a focus on high quality casual games. Initially, QB9 S.A. joined CLAWI S.A. as the main supplier for the development and maintenance of the virtual platform of the game Mundo Gaturro. In 2015, the company initiated a process with the aim of transferring the digital content and transmedia equipment of QB9 to its controlling company, which was completed in 2016. The new area was incorporated into CMD, under the name of QB9 Entertainment, as a logical and necessary step for the integration and synergies of teams engaged in the development of games.

Ferias y Exposiciones

The principal business activity of Ferias y Exposiciones Argentinas S.A. (FEASA) is to invest in companies mainly engaged in the organization of events, conferences and fairs.

Created in 2016, Exponenciar S.A.'s main shareholders are FEASA and Publirevistas S.A., with equal equity interests, and one of its main activities is the organization of Expoagro. The fair has been held once a year in the City of San Nicolás at a fixed location for 15 years.

2020 was an unusual year. Expoagro was held at Predio Estable Ferial y Autódromo de San Nicolás, from March 10 to 13, 2020. Expoagro 2020 edición YPF Agro closed its doors one day earlier due to the circumstances related to COVID 19. Despite everything, it was a great exhibition in terms of numbers: over 100,000 attendees in three days, and 580 companies participated as exhibitors with new products and launches distributed over 220,000 m². Exhibitors achieved record sales.

In 2020, the 16th edition of *Caminos y Sabores* could not be held at La Rural, which remained closed during most of the year. The same happened with the livestock events planned by Exponenciar SA in Corrientes: *Mundial de Brangus*, *Nacional de Braford* or the 2nd edition of Expoagro at Rural in the Province of Corrientes.

In order to optimize the technical, administrative, and financial structures, FEASA was absorbed by AGEA, its controlling company, and was dissolved without liquidation. The merger became effective on January 1, 2021.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

1. SUSTAINABILITY

Since its foundation, Grupo Clarín has worked responsibly to contribute to the sustainable development of the country from its role as a media company. To this end, it focuses on fulfilling and consolidating the citizens' right to information, with a comprehensive journalistic and entertainment offering, based on accuracy, credibility, freedom of expression and interaction with the audience.

As part of this commitment, the Corporate Social Responsibility Policy proposes different forms of engagement that allow the company to have a positive impact on the development of the community. Sustainability is at the core of the Company's daily actions and all the business units and areas of the Group focus on four lines of action:

1. Creation of responsible contents
2. Sustainable management across all business units.
3. Transparent communication
4. Promotion of diversity

These lines of action became particularly relevant in the context of the crisis and uncertainty generated by the COVID-19 pandemic in 2020.

a. A Historical Coverage in the Context of a Pandemic

As an essential service for society, journalism played a key role in a critical year marked by an unprecedented health crisis. Throughout the year, the journalistic teams of all the media of Grupo Clarín worked 24 hours a day, 7 days a week to keep the public informed with professionalism, responsibility and respect for the security protocols. They disseminated, upon verifying information, the most recent news with a journalistic coverage that sought to reflect all the aspects and consequences of the pandemic at global and local level.


Thus, Grupo Clarín contributed to raising awareness, preventing the spread of the virus, mitigating its side effects, and fighting fake news campaigns. In addition, the group continued to create journalistic and entertainment content, communicating with and accompanying the audience throughout the pandemic. The following sections detail the commitments undertaken and the initiatives carried out to provide an exceptional service.

b. Value Creation Model and Framework of the Integrated Report

The following infographic shows Grupo Clarín's value creation model created in accordance with "The International <IR> Framework" developed by the International Integrated Reporting Council (IIRC).¹

This integrated reporting framework establishes the six capitals approach based on which the organization can create value over the short, medium, and long term. These capitals are: Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. The value creation model shows how the Company generates value for its audiences through assets and inputs and managed activities and topics. It also presents the relationship with and contribution to the United Nations Sustainable Development Goals (SDGs).

¹ Version released in January 2021.

MODEL FOR THE CREATION, PRESERVATION OR EROSION OF VALUE OVER THE LONG TERM						
Value Creation Process	Capitals of the Integrated Reporting Framework					
	Financial	Manufactured	Intellectual	Human	Social and Relationship	Natural
Inputs  Assets and inputs of the organization	Equity capital. Investments. Net Income from Prior Years.	Printing plants: Zepita in Capital Federal (35,000 m ²) and AGL in Santa Fe (3,000 m ²). Presence in 19 provinces of the country. Television studios. Multiplatform Content Center. Cúspide's warehouse (3,200 m ²).	Brand credibility. Editorial Independence. Content quality. Ethical Standards and Editorial Guidelines. Freedom of Expression. Innovation, convergence and technology. Role of the gender editor.	Professionals, journalists and correspondents. Wages and contributions. Employer brand. Self-management platform. Committees: Diversity; Benefits; Hygiene and Safety; Social Observatory.	Sustainability Strategy. Fundación Noble. Private social investment strategy. Suppliers. Alliances with civil society organizations. Readers and audience. Customer benefit programs.	Diario Clarín's Environmental Management System. Production Inputs and office supplies. Water. Fuels and electrical energy.
Activities Management of the most relevant topics to the business and to stakeholders Reference: Material Topics under the Materiality Analysis	Revenues. Costs. Investments in new businesses. Transparency . Accountability . Editorial Independence and Integrity .	Opening of new branches, offices and franchises. Graphic printing at plants. Production and distribution of books. Logistics services. Transmission of broadcast television channels and radio. Boost to digital subscriptions.	<i>Creation of responsible content (journalism, fiction and entertainment).</i> <i>Freedom of Expression.</i> <i>Responsible Dissemination of Contents.</i> <i>Vulnerable Audiences: Accessibility and protection.</i> <i>Creation of content with social and environmental contribution.</i> <i>Incorporation of new technologies.</i> <i>Promotion of Public Debate and Civic Involvement.</i> <i>Interaction with the Audience.</i> <i>Ideological Diversity.</i> <i>Promotion of Journalistic Excellence.</i>	<i>Generation of Employment.</i> <i>Training and Professional Development for Employees.</i> <i>Gender Diversity.</i> <i>People with Disabilities.</i> <i>Age Diversity.</i> <i>Benefit Program.</i> <i>Internal Opinion Survey</i> <i>Management of employee health and safety.</i>	<i>Media Literacy.</i> <i>Dissemination of public service ads campaigns.</i> <i>Contribution to Education and Culture.</i> <i>Volunteer program.</i> <i>Actions in alliances with CSOs.</i> <i>Promotion of responsible advertising in the value chain.</i> <i>Customer and audience loyalty initiatives.</i> <i>Customer Privacy.</i>	<i>Responsible management of materials.</i> <i>Paper recovery and recycling process.</i> <i>Energy Efficiency.</i> <i>Raising awareness on environmental protection.</i>
Creation of Value 2019 Results and performance	Loss of \$465 million. \$26,640 million pesos in net sales. \$ 3,246 million pesos of Adjusted EBITDA. \$1,713 million pesos in total financial debt.	249,699 thousand daily average copies of Diario Clarín. 48.9% share of Diario Clarín in CABA and GBA. 328,839 digital subscriptions of Diario Clarín and 15,000 since the launch of the newspaper Los Andes. 39,966 hours of entertainment. 5,025 hours of fiction. 23,940 hours of news.	Content created together with our audiences. Promotion of freedom of expression. Contribution to public debate with the event held on the occasion of the 75th anniversary of Clarín. Training programs developed with universities. ADEPA and FOPEA awards to Diario Clarín. International awards to Diario Clarín (Society for News Design and International New Media Association).	4,775 employees 30,745 hours of training. La Voz was recognized as one of the top 10 newspapers in the world according to the site specialized in media Editor & Publisher (E&P). Telenoche received the FUNDTV award to the best national news program. Radio Mitre received the "La antorcha de AIR" award from the International Broadcasting Association, for its communicational contribution of service and support to the community during the pandemic.	Awareness campaigns and free access articles on the COVID-19 pandemic. Members of the Latin American Information Alliance (ILA). 329,000 subscribers to Clarín 365 38,852 subscribers to Club La Voz. 560,040 teachers trained with the program "Los Medios de Comunicación en la Educación" delivered by Fundación Noble. 3,839 active suppliers, 100% suppliers committed to sustainability.	1,472,498 tons of waste 60,750.23 tons of CO ₂ equivalent emissions 4,848.61 m ³ of discharges 184.867 tons of donated paper

Contribution	<p>Leadership in the Argentine media industry. Contribution to the Sustainable Development Goals – 2030 UN Agenda:</p>
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c. Independence, transparency and international guidelines

Editorial independence is essential to guarantee freedom in the exercise of the journalistic role and to promote the strengthening of Argentine democracy. It is at the core of Grupo Clarín's activities. Independence is an assumed responsibility, a way of exercising and guaranteeing rights and a condition required to ensure sustainability from the organization's standpoint.

The Group has a diversity of revenues, which contributes to generating conditions to be able inform without any conditionings and, thus, sustain its editorial independence. This diversity ensures that no advertiser, either public or private, generates revenues that exceed 5% of Grupo Clarín's total revenues. Furthermore, the administrative and editorial functions are conducted separately to avoid conflicts of interest in the creation of contents. Our journalists are completely detached from the sale of advertising so that they can exercise their profession free from any conditioning factor. In addition, each of Grupo Clarín's media gives special care to the distinction between advertising and editorial spaces. To such end, there is a specialized team that manages sponsored contents and oversees that the sponsor is mentioned in the articles.

Transparency is key to guarantee this independence. Grupo Clarín's shares have been listed in the London Stock Exchange and in the Buenos Aires Stock Exchange for 12 years, which drives us to continually focus on ensuring transparency in the reporting of our corporate, economic, social and environmental performance. At a local level, the Company presents on an annual basis the Annual Report and the Financial Statements, which include the Code of Corporate Governance required by the *Comisión Nacional de Valores* (Argentine Securities Commission, CNV, for its Spanish acronym).

In addition, since 2015, the Group has published its Annual Sustainability Report. It is the only journalistic company in Argentina to do so, leading the way towards transparency and sustainability in the sector. All the information is available on the websites of grupoclarin.com and of the CNV. The Company also makes available different channels for communication and interaction with our stakeholders.

In order to standardize information and show its contribution to sustainable development in a transparent and accurate manner, the Group uses various international guidelines:

- The Company has remained committed to the United Nations Global Compact and reports on the progress made concerning the fulfillment of the 10 guiding principles on human rights, labor rights, the environment, and anti-corruption practices.
- It presents its contribution to the achievement of the United Nations Sustainable Development Goals (SDGs).
- The Company adopts the principles and guidelines established by the ISO 26000:2010 International Social Responsibility Standard.
- It applies the Global Reporting Initiative (GRI) standards. The GRI index is included in the integrated report available at www.grupoclarin.com.
- The Company applies "The International <IR> Framework" developed by the International Integrated Reporting Council (IIRC) for the preparation of the Annual Report and financial statements.
- It performs a materiality assessment following the recommendation of international standards to identify and prioritize the sustainability topics that are most relevant and significant to our business strategy and to our stakeholders. The Materiality Assessment is detailed in the integrated report available at www.grupoclarin.com

Grupo Clarín also participates in national and international initiatives: Pacto Global Argentina (Argentina Global Compact), Consejo Empresario Argentino para el Desarrollo Sostenible (Argentine Business Council for Sustainable Development), Instituto Argentino de RSE (CSR Argentine Institute), Red de Empresas por la Diversidad (Network of Companies For Diversity), Grupo de Fundaciones y Empresas (Group of Foundations and Companies), Red de Empresas contra el Trabajo Infantil (Network of Companies against Child Labor), Consejo Publicitario Argentino, Mesa de Diversidad Empresarial de Instituto Nacional contra del Discriminación, Xenofobia y el Racismo (Business Diversity Council of the National Institute against Discrimination, Racism and Xenophobia). In addition, it contributed to the presentation of the first sustainability stock index in Argentina, together with the Argentine Stock Exchanges and Markets (BYMA) and the Inter-American Development Bank (IDB).

d. Responsible Creation and Distribution of Contents

- Ethics and Editorial Guidelines

Grupo Clarín has several ethical manuals and editorial guidelines that direct the daily work of its journalists and ensure compliance with ethical standards in all its media: Journalistic style manual in the newspaper Clarín, La Voz del Interior and Radio Mitre; web content practices manual in Clarín; guide for the journalistic work in social media in Clarín and La Voz del Interior, drafting manual for mobile in La Voz del Interior; and a decalogue of operation in Los Andes.

On the other hand, the Company applies guidelines to address contents, such as: freedom of expression, search for pluralism, verification of information, preservation of the identity of journalistic sources, protection of children and adolescents in the informative context, protection of witnesses and accusers, prohibition of explicit images of violent situations and bullying, prioritization of the institutional order in case of social turmoil, and cooperation in the search for people and visibility of aid services, in compliance with effective legislation.

All those manuals and guidelines embrace the Group's main journalistic values: Professionalism, search for truth, respect, independence, quality, rigor, and responsibility. In the fast-paced news context generated by the pandemic, we focused on validating information, by streamlining verification processes in order to avoid tampering, disseminating fake news, and generating confusion and concern among the population.

The news programs aired by eltrece and TN created an Advisory Committee with specialists in health and infectious diseases to guarantee our commitment to disseminating clear, accurate, responsible and transparent information to the community and to contributing to public health. We had specialists, experts and health authorities in all our programs.

In addition, we created a Special Task Force at ARTEAR's Multiplatform Content Center. This Task Force allowed us to order the information received minute by minute, to check it with specialists and experts, ensuring that the audience received accurate and relevant data. We carried out the communication campaign #FijateEnLaVoz against the fake news related to the COVID-19 pandemic. In addition, we trained our work teams on basic guidelines for not sharing sensitive information, such as data on the health situation of specific people without their consent.

In addition, on January 1, 2020, the news programs of eltrece and TN joined the Latin American Information Alliance (ILA), an organization made up of more than 20 leading Latin American and Caribbean television networks that share a commitment to information and truth. Being part of the Alliance enabled us to ensure a wide coverage of all the news in the region and was vital in times of pandemic. Today, this alliance has become continent's leading news organization and allows eltrece and TN to work side by side with their Latin American peers.

Digital Transformation, Convergence and New Technologies

The coronavirus pandemic boosted the synergy between traditional media and technology platforms. In a context that affected the print editions, the Company expanded the reach of digital audiences and offered a comprehensive and rigorous multiplatform coverage with innovative formats.

Clarín's website went from 50 million unique users per month to 80 million, and the Company created sections with direct access to news related to the pandemic. Both Clarín and La Voz del Interior were the first media to grant free access to all the articles related to COVID-19 on their digital platforms.

With historical audience levels exceeding all cable and broadcast channels, TN closed the year as Argentina's leading news signal. Success spread from the screen to the rest of the platforms. It was the signal preferred by the audience to stay informed by streaming, and the social media community of this signal has consolidated itself as the largest of Latin America. It posted live transmissions of correspondents on Instagram and Facebook Live, podcasts on the pandemic, and made available a real-time map of COVID-19 cases worldwide.

Radio Mitre expanded its digital content area and launched "Mitre Live" in Instagram Live where four journalists interview personalities from different backgrounds. Specific artistic and digital contents were created with the message "stay at home", "together, we can beat the virus" to raise awareness and entertain the audience; and the section "coronavirus" on the web.

During 2020, TN.com.ar and Los Andes also made headway with the implementation of ARC, a suite of technology tools from the Washington Post to innovate and improve digital platforms. In order to generate quality content and further engage audiences, we worked on updating the processes of newsroom, design, programming languages, and web usability. In addition, La Voz del Interior and Los Andes redesigned their website.

Additionally, the signal TN completely redesigned the brand and incorporated the SMART concept, an original development that brings more information and clarity to communication in television. With the appearance of a smartwatch, it provides the audience with uninterrupted information about the weather, calendar, traffic status, and services. At the same time, Channel 6 included under its logotype the hashtag "#QuedateEnCasa".

Moreover, in 2020, the specialized media site Editor & Publisher (E&P) chose La Voz del Interior as one of the top 10 newspapers in the world, and it received an award at the INMA Global Media Awards.

Outstanding Investigations and Contents

The coverage of the pandemic was present throughout 2020 with outstanding research and contents showing all the dimensions and impact of the crisis caused by COVID-19.

In the section "Especiales Clarín", our journalists made special interviews and, through "Un país en cuarentena," TN traveled 12,000 kilometers reaching 86 locations to show the different realities of Argentina. It was a journey from north to south that took 40 days to learn how people underwent the quarantine in different locations of the country. Every day, we produced content with a federal approach for the signal's shows and the news programs of eltrece.

Of particular note is the coverage that was made on the border with Formosa, where dozens of people were stranded on the provincial boundary because they were not allowed to return to the province. Special reports were made showing the other side of the pandemic: closedown of stores, births during quarantine, effects of the use of hand sanitizer, stores that had to be reinvented, and the city at night when the circulation of people was banned.

Other journalistic reports included the mega-case concerning the investigation on human trafficking, sexual abuse and money laundering in the evangelical church of Philadelphia; and Hector Gambini's articles on the Nisman case. In addition, La Voz del Interior made investigative reports to draw attention to issues concerning inclusion and diversity, such as gender in the media and haters in Córdoba.

The investigations made by the Group's media are recognized at a global level. In 2020, Telenoche received the FUNDTV award to the best national news program, and "Ya somos grandes" received the FUNDTV award to the best journalistic investigation program. In addition, the following investigations received an award from ADEPA: "*Viaje a Chernobyl*" and "*Un espía detrás de Lagomarsino*" by Héctor Gambini; "*El país que deja Macri*" by Ezequiel Burgo; "*Por qué los adolescentes son un enigma para la ciencia*" and "*Coronavirus: así es la carrera por hallar una vacuna*" by Eliana Galarzo; "*Cómo funciona la fábrica de keniatas argentinos*" by Mauricio Codocea; "*Refugio del machismo, la violencia y la cultura del aguante: por qué cuesta tanto lograr la deconstrucción del fútbol*" by Sabrina Faija; "*Yo fui jurado*:"

¿sentido común y veredicto justo?” by Natalia Iocco; the infographic “Auschwitz” and “*la música que eligió Cerati durante 25 años*”.

In the human rights category, ADEPA gave an award to the investigation made by La Voz del Interior “*El hambre no es una sensación dicen en las escuelas periféricas*” by Mariana Otero; “*El “lawfare” del “Milonga” Moreira*” by Carlos Ignacio Ríos in the category Argentine law; “*Proyecto Czekalinski*” by Edgardo Litvinoff, which received the second award in the category Social Solidarity; and Carla Romanello from Los Andes received a special mention in the category Children and Adolescents. In addition, Juan Pablo Carranza received the Eset award in the graphic category to information security journalism; and Juan Colombato received the NH award for “*Autorretrato de cuarentena, calvario vivido en primera persona*”. Two proposals from Los Andes also received INMA Awards: Los Andes Podcast won the first place at global level in the category “Best use of audio”; while the documentary “*Víctimas del Próvolo*” received a mention of honor in the category “Best use of video”.

Finally, it should be noted that Radio Mitre received the award “*La antorcha de AIR*” granted by the Association for International Broadcasting, for its communicational contribution of service and assistance to the community during the COVID-19 pandemic.

Interaction with Audiences and Readers

With a long track record of engagement with its audiences and readers, the Group fosters spaces of participation that promote freedom of expression, respect for diversity, and pluralism.

Citizen journalism has become an essential part of journalism. As the main or secondary source, we conduct a verification process to avoid the dissemination of fake news. We interact with our audiences on a daily basis, be it through social media, live surveys, letters from readers, or telephone calls.

In 2020, with the aim of raising awareness about the importance of staying at home, Mitre and La 100 carried out an unprecedented broadcast. The four radio hosts that generate the highest audience levels, Marcelo Longobardi, Jorge Lanata, Guido Kaczka, and Santiago del Moro, went live together to give their listeners a joint message. In this sense, TN launched the campaign #YoMeQuedoEnCasa, which encouraged people to upload videos to “TN y la gente” showing activities that they carried out at their homes.

After 100 days of quarantine, always promoting engagement, the audience was encouraged to share a photo of someone they would like to hug in the context of isolation. In Telenoche, Malnatti interviewed families from their balconies with an innovative coverage using drones and communicating by cell phone. Nelson Castro answered questions from the audience about the coronavirus.

Channel elseis reported stories of tourists from all over world that were stranded in the city of Bariloche. As these stories were made public, the municipal and provincial authorities, together with transport companies, took effective actions to solve each situation. In October, several of those tourists were contacted and the closing of these stories was reflected in a series of articles published on the portal www.bariloche2000.com.

Another example of audience engagement was the campaign “*¿Qué te dirías a vos mismo dentro de 25 años?*”. With this idea, Clarín offered readers the possibility of sending a message to themselves and receive it in 2045 in their email addresses when the newspaper turns 100 years old. The campaign generated repercussions on social media, where many people decided to share projects, dreams, or plans for their lives and a better future for the country.

Grupo Clarín is also committed to creating local contents and giving voice to its communities. To this end, Clarín publishes regional newspapers that publish contents related to 30 locations in the surroundings areas of the City of Buenos Aires, focused on showing the identity and local issues of each city. In addition, the Group has two of the most important regional newspapers of Argentina, La Voz del Interior in the province of Córdoba, and Los Andes in the province of Mendoza. It also has broadcast channels in Buenos Aires, Bahía Blanca, Córdoba and Río Negro. In addition, TN offers nationwide coverage and is present at significant events that take place in every province of Argentina. The most important issues in all the communities of Argentina are reflected both by people interviewed live and by the correspondents of Radio Mitre all over the country. And within the Cienradios Universe users can find IP Radios focused on different local realities such as Mía (Córdoba) and Del Lago (Bariloche).

Social Coverage

Grupo Clarín played an essential role during the pandemic in reporting and drawing attention to social problems. Due to the context of the pandemic, the Group made changes to the contents published to focus on services, health, explanatory sections, and opinions on the matter.

The Group joined an initiative driven by ADEPA aimed at raising awareness of the coronavirus and promoting a commitment to the behaviors required to face the pandemic. With the hashtag #seamosresponsables, all the country's newspapers, including Clarín, La Voz del Interior, Olé, and Los Andes, published the same cover in their printed edition. This campaign was also implemented on the portals of TN and Radio Mitre.

Both Clarín and La Voz del Interior, in addition to the last-minute information, added special sections with key facts about how to prevent infections, detect symptoms, and the protocols to be followed. We disseminated official applications and resources for the prevention of COVID-19, ideas to favor harmony at people's homes during quarantine, and cleaning tips. We also contributed to plasma donation campaigns and interviewed the health professionals who seek to fight the pandemic. The customers subscribed to Diario Clarín and La Voz del Interior received a specific newsletter with this information and the latest updates on the topic. Los Andes created a specific section called "coronavirus" in the printed edition and modules in the digital version, which were also implemented in the rest of the sections.

Likewise, TN, the news programs of eltrece and Radio Mitre broadcast live using mobile phones from locations throughout the country and from other countries through correspondents. In every program we constantly had specialists, experts, and health authorities talking on topics related to the pandemic. Radio Mitre focused on conveying peace and hope to listeners, engaging them every day in an open dialog between society, politics, and the scientific community. It added a new program broadcast on Saturday and Sunday afternoons called "Todo lo que pasa, pasa por Mitre," focused on the pandemic and the situation in Argentina and the world. Radio Mitre also launched special sections such as "Quedate Cantando en Casa" to accompany its listeners. In Telenoche and in the program Lado C, Martín Cicioli brought to the fore the harshest social problems of the pandemic.

On the other hand, Polka made available its most popular fictions during the quarantine with the aim of providing a free entertainment service to Argentines, and eltrece uploaded them to their digital platforms. Under the hashtag #ModoCuarentena, Polka produced content with its most popular personalities and disseminated them through its social media.

eltrece gathered the students of the theater Teatro Colón to perform an emotional national anthem. From their homes, over 40 musicians from Instituto de Arte del Teatro Colón (ISATC) participated in this unprecedented version in virtual format.

The Company continued to encourage people to engage in solidarity actions. Telenoche launched the section "*No estás solo*" where every week Daniel Malnatti presented the story of a person or group of people with a specific problem and the news program was the link that allowed others to get involved in order to help. Throughout the year, Clarín's quarterly CSR supplement continued to highlight social, environmental, economic inclusion, and development topics.

TN continues to draw attention to multiple social problems in the program "Esta es mi villa" in TN, hosted by Julio Bazán, who visits slums and shanty towns to cover stories about people that overcome obstacles in the context of extreme poverty.

Promotion of diversity

With a commitment to contribute to the eradication of gender inequalities and to create gender-sensitive content, the main media of the Group (Clarín, eltrece and La Voz del Interior) adhered to The Step it Up Media Compact from UN Women. Clarín has a gender editor, who provides guidelines to address news with gender perspective and avoid the reproduction of stereotypes.

There is gender parity in the news programs aired by eltrece and in the different news segments of the signal TN. In addition, the Company seeks to ensure a gender balance in the participation of columnists, and promotes the use of the UN Women's Gender-inclusive language guidelines.

In 2020, La Voz del Interior started implementing the Project 50-50 to achieve gender-equity in sources following UN Women's recommendations and worked on the development of a Directory of Female Sources to support the work of journalists. Clarín participated in the UN Women's "Win-Win: Gender equality means good business" program and developed an action plan to be implemented in 2021.

In addition, during 2020, the journalists Luciana Geuna and María Eugenia Duffard hosted a political journalistic program that bet on getting interviewees "out of the box". We maintained female leadership in political columns, such as Luciana Geuna in the news program Telenoche. Los Andes enhanced the page on gender that is published every Monday as a fixed section in the newspaper. In a year hit by the pandemic, attention was drawn to the work of Argentine scientists in different areas and to the situation of people with disabilities.

In addition, a team of journalists specialized in gender issues developed a guide with recommendations for addressing news with a gender perspective. This guide is based on the 20 core points proposed by ADEPA for the coverage of cases of femicide and gender-based violence. This team also developed a quick guide with general guidelines to be considered by journalists in the coverage of the voluntary interruption of pregnancy bill or "legal abortion" discussed in Parliament. And we continued to display in all our platforms the hotlines available to ask for help in case of gender abuse or violence.

Within the framework of a new anniversary of the march #NiUnaMenos to fight against femicides, Diario Clarín, together with Spotlight a partnership between the European Union and the United Nations to eradicate gender-based violence, launched a campaign publishing the obituaries of more than 300 women that were murdered in Argentina over the last year. The aim was to raise awareness on society of the magnitude of this problem and encourage people to be part of a cultural change in order to achieve a more egalitarian society.

To commemorate Women's Day, as every year on March 8, we conducted a multiplatform coverage. Clarín delivered its first weekly newsletter on gender and in the Sunday newspaper all sections addressed different issues that are still faced by women today. Like the year before, but in virtual format, Radio Mitre participated in the event organized by the Argentine Council of Advertising: #SinEstereotipos against the reproduction of gender stereotypes in advertising campaigns. And *Todes Nosotres*, the community of inclusion and diversity in TN.com.ar, published stories of women who broke gender stereotypes working on what they love: driving a truck, assembling furniture, fixing homes or car engines.

Tn.com.ar continued to publish stories in the section "*Somos familia*" with the aim of showing new family models and raising awareness on how sexual minorities fight for their rights, the scientific advances that make gestation possible for infertile couples, same-sex couples or families that decide to adopt. On the other hand, La Voz del Interior has a fixed column by a transgender activist that addresses issues related to discrimination and the social insertion possibilities available to that community.

Civic Involvement and Public Debate

Promoting debate and civil involvement are fundamental pillars of democracy. Debates were held in the news programs with opposing positions on political, economic, social, education, and health issues, among others. In 2020, we addressed a broad agenda of topics from the perspective of different political, social and cultural protagonists, particularly in relation to the protection of individual rights during the pandemic.

In 2020, we conducted a comprehensive coverage of the public debate on the treatment at Parliament and subsequent enactment of the voluntary termination of pregnancy law. In addition, special emphasis was given to public debate on education in times of quarantine, its challenges and impact. We held an event on the occasion of the 75th anniversary of Clarín, with interviews to global and cultural prominent figures, and former Latin American presidents, seeking to promote the values of a pluralistic and participatory democracy. La Voz del Interior held talks with prominent figures about the context generated by the pandemic. Los Andes published special editorials to discuss the constitutional reform of the province of Mendoza with the participation of 16 experts.

elseis had to cover a complex topic, the situation in Villa Mascardi with the claims from radicalized groups of Native Peoples. At all times the journalistic teams worked with responsibility and professionalism, the situation was analyzed from various points of view and sources of information, and communication was aimed at maintaining social peace and preserving institutional order.

Finally, La 100 continued with the section “*Derecho en Zapatillas*” of the program “*No Está Todo Dicho*”, aimed at raising awareness on people of their rights and obligations under the law, helping them to make decisions and address the concerns raised by consumers.

- Accessibility and Protection of Vulnerable Audiences

Through technology, the Group’s audiovisual companies seek to ensure that all the audiences can have access to their contents. In this sense, eltrece uses subtitling, audio description, audio description interpretation, and sign language. In addition, both eltrece and TyC Sports offer closed caption.

At the same time, the Company focuses on ensuring that children can only access contents that are suitable for their age. The Group complies with the laws: At 10 pm we show a safe harbor sign and include warnings provided by the National Institute of Film and Audiovisual Arts, INCAA, for its Spanish acronym, that state the age suitable for viewing contents, and we also include warnings when contents are not suitable for children and adolescents, among other practices. In order to prevent stigmatization, we avoid conducting interviews to, showing images of or revealing the identity of minors, unless it is a topic that promotes positive values.

e. Customers and Suppliers

- During 2020, customer service was provided remotely, incorporating new tools and communication channels to ensure closeness with the same efficiency as ever. An example of this is the incorporation of WhatsApp Business by Gestión Compartida S.A. as a new communication channel, and the Subscription Chat Bot implemented by La Voz del Interior.
- For customers who were unable to receive the newspaper during the quarantine, we gave them the possibility of suspend the delivery service for 30 or 60 days, keeping the benefit card active. In those locations where the newspaper could not be delivered due to the suspension of flights, we offered subscribers to switch to digital subscription. In addition, we increased customer service representatives and communication channels to address the increase in calls received during the start of the quarantine. The Company launched a communication campaign offering benefits that can be accessed through online platforms.
- In addition, we continued to focus on improving procedures that safeguard sensitive and personal information, and measures that ensure that the data of participants in Apps and networks remain in full privacy.

We maintained our benefit programs, our customer service center, and held regular meetings to receive complaints, suggestions, and opinions. GC Gestión Compartida S.A. started to work on a program called Customer Experience aimed at creating a customer-centered culture. We conducted once again the annual satisfaction survey. Respondents gave our customer service 7.95 out of 10, which shows that customers value our service. La Voz’s Customer Service Center, which has been certified under ISO 9001:2015, received 99,855 calls and the chatbot handled 16,949 interactions. Overall, we received 116,804 calls from subscribers, with a service satisfaction rate of 94% and a response rate of 65%.

Value Chain

Grupo Clarín promotes the application of criteria with a triple impact - economic, social and environmental - on its value chain through Gestión Compartida, the subsidiary that manages the relationship with most of the Group’s suppliers (3,839 suppliers).

100% of the suppliers working with Grupo Clarín receive and sign, through GC Gestión Compartida S.A., a Letter of Commitment to Sustainability within the purchase orders. In this way, they undertake a formal commitment to sustainability in their operations that covers 10 key points: Compliance with effective legislation; respect for human rights; good working conditions and equal labor opportunities; eradication of forced or child labor; freedom of association; proper handling of information and data; fight against corruption; and respect for the environment. In addition, the daily interaction with our suppliers is channeled through Gestión Compartida’s Customer Service Center, which received 2,600 calls per month, with an average resolution rate of 90%.

f. Our People

Team Management

With 4,775 employees in 19 provinces that work with professionalism and creativity, Grupo Clarín plays an active role in the economic growth and development of Argentina.

During 2020, the pandemic and the quarantine posed a major challenge to the day-to-day management and coordination of the work team activities. At all times, we sought to guarantee the population's access to information, while we rearranged our work schemes in order to comply with security protocols and safeguard our people.

To this end, we created a committee made up of specialists in infectious diseases, Human Resources managers, and health and safety experts. As a first step, we accelerated digitization and teleworking in all areas possible, leaving the face-to-face model only for critical sectors (for example, the closing of print editions). The Company worked with the technical areas to guarantee the required tools and access, and with leaders to ensure the continuity of operations through the remote management of their teams. In addition, we increased health and safety measures, we created emergency work teams, reassigned tasks, and established rotating schedules in order to comply with social distancing measures.

Technology tools were big allies, we used collaborative management tools and agile methodologies such as: OneDrive, Google Teams, Hangouts, Slack, i.News, Scrum, and the Digital Smart platform. In the news, we implemented the use of the boom pole, a device that allows to maintain distance with the interviewee. Thus, each journalist started to use a wireless microphone under the face mask and the directional microphones that were in contact with the interviewees were put on removable covers that were changed after each interview.

Employees by Gender	2019	2020
Women	1,416	1,351
Men	3,561	3,424
Total	4,977	4,775

Employees by Age	2019			2020		
	Women	Men	Total	Women	Men	Total
Up to 30 years old	330	463	793	295	372	667
Between 31 and 50 years old	909	2,148	3,057	862	2,040	2,902
Over 51 years old	177	950	1,127	194	1,012	1,206
Total	1,416	3,561	4,977	1,351	3,424	4,775

Employees by type of employment	2019			2020		
	Women	Men	Total	Women	Men	Total
Part-time	60	93	153	63	116	179
Full-time	1,356	3,468	4,824	1,288	3,308	4,596
Total	1,416	3,561	4,977	1,351	3,424	4,775

Employee Turnover Ratio 11.56%

Diversity

The diversity of our teams is key to create innovative contents, products and services that reflect the diversity of our audiences. Grupo Clarín promotes diversity and does not tolerate any type of discrimination related to gender, disability, age, ideology, culture, physical appearance, health, sexual orientation and gender identity, religion, socio-economic vulnerability, family situation, or civil status.

Grupo Clarín's Diversity Program establishes four main lines of action: gender diversity, people with disabilities, age diversity and ideological diversity. In addition, it proposes 8 dimensions on which focus is made: communication; awareness; pay equity; recruiting and hiring; leadership training; professional

promotion and development; work-life balance; workplace and sexual harassment and violence and working conditions.

The Group's main media have adhered to the UN Women Step It Up for Gender Equality Media Compact and, at corporate level, to Women's Empowerment Principles (WEPs) established by UN Women. During 2020, we continued to deliver training in our different business units.

In addition, we provide the following benefits aimed at achieving a diverse workforce and enabling women to develop their careers in the workplace: Breastfeeding rooms, extended maternity leave, paternity and adoption leave, and flexible return to work.

The Company supports young people in the search for their first job. Through framework agreements executed with universities all over the country, we seek to attract students with high potential. In alliance with Fundación Forge, Gestión Compartida seeks to facilitate access to jobs for underprivileged young people. 30 young people had their first job interview via video call with Grupo Clarín's recruiters during 2020.

In addition, GC Gestión Compartida S.A. continues its partnership with the organization INCLUYEME for the incorporation of people with disabilities into formal work. In 2020, we created the Sustainability Task Force, which focuses on promoting inclusion and diversity.

Communication and Dialog

During 2020, communication and dialog were key for organizing work teams and accompanying people. As a starting point, a work plan was developed to improve the impact of internal communications in the context of uncertainty generated by the pandemic.

Throughout the year, we enhanced all our digital channels and created new ones, such as the launch of Instagram for Radio Mitre's and TyC Sports' personnel. In addition, we created specific sections in our internal communication tools with all the information on COVID-19, including symptoms, protocols, and recommendations.

GC Gestión Compartida S.A. participated once again in the Great Place to Work survey and Los Andes conducted the Internal Opinion Survey. In several business units of the Group, we conducted pulse surveys to assess the emotional well-being of our staff, and to learn about their concerns. In response to those surveys, we developed initiatives to safeguard the physical and mental health of our people. We also generated open spaces for the interaction between our employees and management so that raise their concerns and clear doubts.

As to our communication with union representatives, we hold regular meetings with them to address several employment issues. Out of Grupo Clarín's total employees 65.76% is covered by collective bargaining agreements.

- Work-Life Balance and Benefits

Through its benefits policy, Grupo Clarín promotes the welfare of its employees and their families, and each business unit provides additional benefits according to the tasks carried out. Some of the benefits granted are:

- **Flexibility:** Flexible work, home office, flex Fridays, day off on birthday and vacation days in addition to those provided by law.
- **Family:** Reimbursement of daycare fees for the children of our employees, events with the children of our employees, benefits for the family of our employees (health care and fitness center), breastfeeding rooms in our offices, parental leave beyond the term provided by law, gradual return to work after the parental leave, adoption leave, special leaves for premature children, wedding policy, extra half hour for breastfeeding mothers beyond the period established by law and additional days of sick leave to provide care for a sick dependent.
- **Other Employee Value Propositions:** tarjeta Clarín 365, English classes, preferential prices for insurance, several discounts in products and services, vending machines, value recognition policy, financial aid, and long term savings plan for executives.

In 2020, 34 women and 43 men took the parental leave, of which 64.7% and 95.3% returned to work at the end of the leave, respectively². The retention rate was of³ 60% in women and 93% in men.

Specific actions were implemented throughout the year to support our people in their work-life balance. Grupo Clarín created webinars for families to share games with their children, and held two online after office events to generate bonds among working teams. In addition, we delivered a personal care and cleaning kit of the brand Unilever to the homes of all our employees, we conducted the flu vaccination campaign, and delivered a gift card from a supermarket instead of the Christmas box.

We implemented an Emotional Support Program for all the personnel of our business units. We performed a risk assessment on all the calls received in the psychological support hotline to analyze the severity of each case. The actions carried out during the year included: Training on healthy life habits; sports routines; communications with prevention guidelines, health and safety protocols; online sweepstakes and delivery of prizes in digital format; suggestions for home entertainment; and gifts for watching virtual theatre plays and games to share with the family. In addition, our business units provided their personnel with the necessary elements for telework (technological equipment, ergonomic chairs, and general advice). For those workers who had to continue to go to the office, the Company made available a transport service.

Professional Development

Through the Corporate Training Program, Grupo Clarín offers a wide variety of training proposals, which are supplemented with the specific activities carried out by the business units.

In addition, in order to boost the development of its executives, the Group implements specific training sessions to promote the Leadership Model. During 2020, the Company held webinars open to all staff on topics such as negotiation, coaching, leadership in times of crisis, and team management, among others. In addition, during the year, we enhanced the training on digital transformation: business, marketing, advertising, journalism, platforms, tools, and big data. Together with Universidad de San Andrés, Grupo Clarín continued with the Master's Degree in Journalism; this year with online classes.

The Group continued to make Open Internal Job Postings to promote internal mobility, and internship programs to incorporate young talent.

6.44 hours of training per employee
30,745 hours of training

- Health and Safety

In 2020, all efforts were focused on implementing measures to comply with safety protocols and to preserve the health of all our employees.

At the offices, the Company implemented acrylic dividers to avoid close contact between people, the mandatory use of face covering or masks in all areas, and recommendations to be extremely careful: frequent hand washing, talking at a distance, and using hand sanitizer and isopropyl alcohol for desktop items and work equipment. We intensified the disinfection tasks, distributed cleaning kits at each desk, and installed tables with hand sanitizer and alcohol. At the entrance of our buildings, we implemented temperature checks and sanitizing floor mats, and strengthened preventive cleaning and disinfection routines. In addition, the Company installed Ozone equipment to disinfect closed common spaces (e.g., radio studio and newsroom), and implemented UV-Light disinfection in all the areas that have more people circulating.

Throughout the year, we disseminated information and gave training on COVID-19 prevention protocols. In addition, we implemented a web platform for submitting an affidavit stating the absence of symptoms and for enabling the traceability of people present at buildings. A specific e-mail address was also made available for communications and queries on how to act in the event of infection.

² 13 women were still on maternity leave as of December 31, 2020.

³ Percentage of people who returned to work after the parental leave and stayed in the Company 12 months.

In addition, we intensified outside broadcast coverage and meetings were held outdoors. The reporters, camera operators, assistants, and the employees that work in outdoor broadcasting received specific care kits (face masks and special glasses) and worked with their own items, which were not shared. We delivered training on a special protocol for working outdoors, such as in the case of soccer tournaments. In the case of those employees that belong to risk groups, we implemented electronic devices and broadband internet links at their homes.

g. Social Development

During 2020, community engagement actions were focused on supporting society in times of COVID-19. The campaign #SomosResponsables, driven by the Fundación Noble, was aimed at promoting health care, preventing coronavirus, and being responsible with the information shared in social media at the beginning of the pandemic.

- Community Engagement and Social Advertising

In order to strengthen civil society, Grupo Clarín contributes resources, time and advertising spaces to promote and draw attention to causes related to social, civic, and environmental issues.

Donation of Advertising Spaces in Pesos	2019	2020
Seconds	155,405,999	198,077,707
Pages	28,109,877	36,303,073
Printing of Online Banners	39,106,222	65,285,909
Total Amount of Pesos Donated	222,622,098	299,666,689

The Role of the Media in Education

Fundación Noble has driven the initiative “*Los medios de comunicación en la educación*” for more than 30 years with the aim of promoting critical and creative reading of media content. This a pioneer program widely recognized abroad that consists of workshops and educational content suited to the needs of teachers and students. Since its creation, 560,040 teachers have participated.

In 2020, virtual courses were launched in the Foundation’s virtual campus, covering the following topics: Identification of reliable information on the Internet, production of a digital medium at school, work by media and ICT projects; use of mobile devices in the classroom; use of technologies for story-telling; production of podcasts and streaming in the classroom; and how to address cyberbullying.

In addition, in order to strengthen teacher training in times of distance education, 24 virtual courses were delivered, with the participation of 5,003 teachers, school authorities and students of teacher training from all over the country. In addition, we launched the podcast “*Los Medios de Comunicación en la Educación*” in order to create a space for dialog with the educational community - school authorities, teachers, students, parents and experts - to address the complexity of distance learning and teaching.

As in previous years, we held the sixth edition of the photography contest for young people #sosVOSenlared2020. This new edition invited productions to revolve around the question “How are you handling this quarantine?” Finally, we launched, together with UCA, the [Postgraduate Degree in Education, Media and ICT](#) to strengthen the digital, informational and media skills of teachers.

During 2020 , through Fundación Noble, the Company also continued to offer donations of bibliographic material, and sponsored the Reading Marathon of Fundación Leer with dissemination spaces in Clarín and in social media. On the other hand, the campaign “*Hay un solo camino, la educación*” was aimed at placing education in the media agenda during September. In this edition, we published in the newspaper and in clarin.com articles and expert opinion columns on the challenges of education in times of COVID-19.

- Promotion of Culture

Grupo Clarín’s media contribute to the promotion of local culture and identity through the contents they generate.

In addition, the Group promotes the *Clarín* *Novela* Award, one of the most prestigious literary contests in Spanish America that contributes to generating ecosystems of culture and development. In 2020, the 23rd edition was held: The winner was Ignacio Arabehey for his novel “*Asomados a un pozo*”, and received a prize of \$600,000 and the publishing of his book.

At the same time, during the quarantine, we gave recommendations and disseminated information online on art and culture such as “*Un plan por día*” hosted by Mariana Mactas in Telenoche and Arriba Argentinos. In addition, the documentary “*En el camino con Mario Markic*”, highlighted the regional realities of every corner of the country and the cultural richness of Argentina.

In Radio Mitre, one of the highlights was a special report on the occasion of the 100th anniversary of radio broadcasting. In Channel 12, in the section “*Tomando Mate con...*” of the news program Telenoche, we interviewed personalities from different fields: culture, arts, literature, theater, films, and television. Finally, TyC Sports made a 48-hour coverage on the death of Maradona, and La 100 devoted much of its audiovisual content to remembering his figure.

- Alliances with civil society organizations

During 2020, with the program “*Unidos por Argentina*”, broadcast television channels joined in a single broadcast aimed at raising funds for the Argentine Red Cross and acquiring the necessary supplies for hospitals to cope with COVID-19.

In addition, in a different format adapted to the mandatory isolation measures, we held the 29th edition of “*Un sol para los chicos*” of *eltrece* for the benefit of UNICEF, showing the actions carried out by this organization in Argentina in response to the impact of the pandemic, guaranteeing the rights of children and adolescents. In 2020, the gross funds raised reached \$141,395,025 and the campaign won an Eikon Award.

At the same time, in 2020, *eltrece* and Fundación Noble organized, as every year, a new edition of “*Abanderados de la Argentina Solidaria*”, another initiative to foster the value of solidarity in Argentine society. This special edition recognized five Argentines who stood out for their help to others during the pandemic. Estanislao Gómez Minujín, co-founder of Convidarte, was chosen by the public as *Abanderado del Año*, and received \$400,000 pesos to continue the project that was created in March in the face of the food and economic crisis generated by the social and preventive isolation. His project gathers thousands of volunteers who cook at their home with those who need food.

In addition, during 2020, the following campaigns were carried out and disseminated in the Group's media to contribute to civil society organizations in times of pandemic:

- Fundación Noble's campaign *Ahora más que nunca, donar ayuda*: aimed at promoting donations to organizations engaged in strengthening the health care system and ensuring that the most vulnerable people also comply with mandatory isolation. The participants included: Cruz Roja, Cáritas, Amia, Aciera, Unicef, Fundación Sí, Banco de Alimentos, and Conciencia.
- The campaign *Una sola hinchada* aimed at collecting hygiene supplies and non-perishable food. It was promoted by GDFE and RIVER, with the participation of soccer players, supported by TyC Sports.
- The campaign *Argentina en Acción*, aimed at raising funds for organizations that assisted people affected by the pandemic. Developed by Fundación Noble, La Fundación La Nación and Mercado Libre, with the support of ADEPA.
- The campaign developed by UNICEF and Fundación Noble *Esto también es lo malo del COVID*, Aimed at assisting vulnerable children.
- The campaign *Banco de Alimentos*, aimed at collecting food for community canteens.
- The campaign *Miles de máscaras*, developed by COAS, aimed at the donation of face masks for public hospitals.
- The campaign #Abrigados, aimed at the donation of coats for people living on the streets.

h. The Environment

Content that Promotes Environmental Awareness

Committed to environmental care, Grupo Clarín addresses the growing awareness and concern in audiences about the preservation of the planet and its resources. To this end, it disseminates journalistic investigations, scientific articles, covers news, and gives advice on involvement, among other initiatives.

During 2020, the Group's media carried out an extensive coverage of forest fires in the highlands of the province of Córdoba, in the islands of Delta del Paraná, and also covered floods and water care in Mendoza, among other issues.

In addition, it disseminated cases of the so-called "return to nature", which occurred in many places around the world as a result of the isolation of people at their homes and the reduced amount of traffic, pollution, and visitors to natural areas or protected parks. Thus, during the quarantine the news covered how deer, wild boars, goats, and even bears appeared in the cities.

Each of its media enhanced the attention drawn to disseminating the problems that have an impact on environmental care. Channel elseis continued with Ecos del Parque TV, a television program dedicated to the dissemination and care of the biome of Nahuel Huapi National Park and other national parks. In Fenómenos, the program in the signal TN dedicated to climate phenomena hosted by the meteorologists José Bianco and Matías Bertolotti addressed the main environmental news. Radio Mitre continued to disseminate environmental and sustainability topics in the blog "*Planeta Vivo*" and the magazine VIVA in its section ECO addresses the problem of environmental protection in different fields (textile, food, construction, industry). In addition, Cienradios has the microsite "*Seres Vivos*" dedicated to news about life and nature. Finally, the children's magazine Genios has a section called "*Genios por un mundo mejor*", which addresses issues related to environmental care, civic awareness, and social responsibility.

Environmental Management and Policy

Grupo Clarín focuses on optimizing its environmental performance and on reducing the possible impacts of its operations on the environment. To this end, the Company implements measurement and improvement plans in production processes, invests in equipment with better technology, works in the adoption and certification of environmental standards, raises awareness on the care of resources, and carries out specific actions such as the recovery of paper.

The Group's Social Responsibility and Sustainability Policy sets out the commitments to environmental management and the related goals. Clarín's printing plant has in place a specific Environmental Policy that encompasses business printing and binding processes that are conducted at its premises. The Environmental Management System derived from this Policy is certified under ISO 14001:15.

During 2020, due to the context generated by the COVID-19 pandemic, some processes were rescheduled, such as audits to suppliers, planned investments, and some of our training programs. Nevertheless, we delivered training to all our employees on waste sorting and disposal, general risks in tasks, protocols and emergency response to COVID-19. At TyC Sports, we disseminated recommendations on how employees could engage in sustainable practices when working from their homes.

Materials

Grupo Clarín works on reducing the consumption of materials and streamlining the management of the resources used, both concerning production inputs and office supplies.

Most of the paper used for the printing of newspapers is from Papel Prensa, in which Grupo Clarín holds an equity interest. 85% of the fiber used comes from plantations certified by PEFC and FSC on the Chain of Custody and Controlled Wood, which provides assurance that the certified product originates from sustainably managed forests. 10% of the remaining fiber (the maximum percentage that can be added to the process) derives from the recovery of paper and the remaining 5% derives from the purchase of FSC certified long fiber. In addition, Papel Prensa has an agreement with the National Institute of Agricultural Technology (INTA, for its Spanish acronym) for the enhancement of the willow forestry performance. In addition, we continue working on recovering the largest amount of waste paper possible (printing errors, paper jam, among others) and the unsold newspapers to sell them to Papel Prensa's Plant, which recycles newspapers.

During 2020, Los Andes also experienced a decline as observed by the other companies of the industry, which was worsened by the COVID-19 pandemic. La Voz del Interior, along with the change in the format of the newspaper, migrated to a new bulk preparation methodology that resulted in savings on critical operational inputs such as straps, streech and kraft paper.

Consumption of the Main Materials (in tons)	2019	2020
Paper		
- Graphic Printing	56,222.29	23,223.33
- Office	48.77	40.65
Ink *	652.73	416.04
CTP Aluminum plates	154.66	86.24

*Includes figures from AGEA Zepita from January to November 2019.

Energy and Emissions

The efficient use of electricity provided by the power supply network is essential for business management, because it accounts for 80% of energy consumption. This consumption is supplemented by alternative power generators for offices and industrial facilities that require fuels for their operation.

In order to achieve greater energy efficiency, during 2020, the business units continued to replace traditional lighting equipment with LEDs. In addition, the pandemic resulted in lower power and gas consumption at our offices, and in lower CO₂ emissions from air transport. La Voz del Interior worked on a change in productive habits and behaviors, and the printing plant was reconfigured into a compact, polyfunctional production cell that allowed to improve its operational performance and optimize daily tasks. For example, newspaper print runs were unified into low-demand energy schedules and unnecessary operational shifts were eliminated. All of this resulted in energy savings of 17.6% compared to the previous year.

Direct and Indirect Power Consumption (in GJ)	2019	2020
Electricity	144,646.34	126,597.86
Natural gas	38,248.62	37,943.72
Gasoline	3,209.68	695.92
Gasoil	5,566.48	1,733.77
CNG	308.02	-
Renewable Energy*	8.03	-
Total	191,987.17	166,971.27

* Estimated data.

Greenhouse Gas Emissions (in tons of CO ₂ equivalent)	2019	2020
Direct Emissions (Scope 1)	2,493.64	40,373.41
Indirect Emissions (Scope 2)*	18,623.22	16,298.06
Other Indirect Emissions (Scope 3)	81,237.03	4,078.76
Total	102,353.89	60,750.23

* Emission factor used: 0.4635 tCO₂/MWh

** The variation against 2019 is due to the decrease in consumption generated by the mandatory social isolation.

Waste

The waste management strategy of the subsidiaries of Grupo Clarín encompasses: The reduction of the generation of hazardous waste and its proper final disposal with authorized companies; and the separation of urban like waste into recyclable and non-recyclable. The industrial waste from printing processes (ink, oil, grease and solvents) is sent to third party facilities for their recycling, reuse or safe final disposal.

With a focus on circular economy, we recover paper at Clarín's Plant as part of the newspaper return process. Fully reusable materials are used in the printing process, such as aluminum plates. Special focus is placed on the sorting of paper and cardboard waste, which is delivered to organizations and foundations such as Fundación Garrahan.

Waste by type (in tons)	2019	2020
Total Hazardous Waste*	133.64	64.77
Total urban-like or non-hazardous waste	1,313.04	407.73
* Hazardous waste is not exported, nor imported.		

The most significant effluents generated by the Company are those resulting from the printing facilities' development processes. They are subject to rigorous treatments and measurements before disposal. At AGEA's printing Plant, we reuse water, thus reducing discharges. At La Voz del Interior, waste water is subject to treatment and is then reused for irrigation at the Company's facilities. The Company's office buildings and other facilities only discharge domestic waste water.

Water Discharge *	2019	2020
Annual Volume Discharged (in m ³)	9,013.11	4,848.61
* The effluents generated are not discharged in water bodies.		

RISK FACTORS

As an Argentine corporation, Grupo Clarín S.A. is exposed to a wide range of risks related to the country and to its operations. The Company relies on a strong internal control system. The identification of risk and its assessment is part of the Company's business plans, and is also addressed by a corporate based control department and by the Company's board on a regular basis.

Risks Relating to Argentina

Overview

A substantial majority of the Company's property, operations and customers are located in Argentina, and a portion of its assets and liabilities are denominated in foreign currencies. Accordingly, our financial condition, results of operations and cash flows depend to a significant extent on economic and political conditions prevailing in Argentina and on the exchange rates between the Argentine peso and foreign currencies. In the recent past, Argentina has experienced severe recessions, political crises, periods of high inflation and significant currency devaluation. The Argentine economy has been volatile since 2011, with years of economic growth and others with recession. For example, Argentina's economy grew in 2017, but contracted in 2018, 2019 and 2020. Several factors have impacted negatively the Argentine economy in the recent past, and may continue to impact it in the future, including among others, inflation rates, exchange rates, commodity prices, level of Argentine Central Bank ("BCRA") reserves, public debt, tax pressures, trade and fiscal balances, government policy, the international context and further developments of the COVID-19 pandemic.

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

Since we generate a substantial portion of our revenues in Argentine Pesos (our functional currency), any devaluation may negatively affect the U.S. dollar value of our earnings while increasing, in Peso terms, our expenses and capital expenditures denominated in foreign currency. The Argentine peso has been subject to significant devaluation against the U.S. dollar in the past and may be subject to fluctuations in the future. We cannot predict whether and to what extent the value of the peso could depreciate or appreciate against the U.S. dollar and the way in which any such fluctuations could affect our business. The value of the peso compared to other currencies is dependent, among other factors, on the level of international reserves maintained by the BCRA, which have also shown significant fluctuations in recent years. As of 28 December 2020, the international reserves of the BCRA totalled US\$ 39,236 million. The Argentine macroeconomic environment, in which we operate, was affected by the continued devaluation of the peso, which in turn had and could continue to have a direct impact on our financial and economic position.

The value of the peso has fluctuated significantly in the past. In 2020, the Argentine Peso continued to depreciate against the U.S. dollar and other major foreign currencies. According to Communication "A" 3500 of the BCRA, the peso/dollar exchange rate stood at Ps. 84.15 per US\$ 1.00 as of 31 December 2020, evidencing a devaluation of the peso of approximately 40.5% from its value of 59.90 Pesos per dollar at 31 December 2019 (compared to 58.9%, 102.2% and 17.4% in the years ended 31 December 2019, 2018 and 2017, respectively). As a result of the Argentine Peso's increased volatility, the Argentine government and the BCRA implemented several measures to stabilise its value, including, among others,

stronger exchange regulations, an increase in short term interest rates and the sale of foreign currency reserves made by the BCRA. The continued devaluation of the Argentine Peso during the past years has had and continues to have a negative impact on the payment of foreign currency denominated debts by local private sector debtors to unrelated foreign entities, and has also led to an increase in inflation, which in turn has a direct impact on real wages. The devaluation has also negatively impacted businesses whose success is dependent on domestic market demand, and adversely affected the Argentine government's ability to honour its foreign debt commitments. Any further depreciation of the Argentine Peso or our inability to acquire foreign currency could have a material adverse effect on our financial condition and results of operations. We cannot predict whether, and to what extent, the value of the Argentine Peso may depreciate or appreciate against the U.S. dollar or other foreign currencies, nor the way in which any such fluctuations could affect demand for the fixed and mobile telephony services, Internet services and cable television services we provide. Furthermore, no assurance can be given that, in the future, no additional currency or foreign exchange restrictions or controls will be imposed. Existing and future measures may negatively affect Argentina's international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business and results of operations. We cannot predict how these conditions will affect the consumption of products and services provided by our subsidiaries or our ability to meet our liabilities denominated in currencies other than the Argentine Peso. Any restrictions on transferring funds abroad imposed by the government could undermine our ability to pay dividends on our GDSs or make payments (of principal or interest) under our outstanding indebtedness in U.S. dollars, as well as to comply with any other obligation denominated in foreign currency.

A depreciation of the Argentine Peso against major foreign currencies may also have an adverse impact on our subsidiaries' capital expenditure program and increase the Argentine Peso amount of their trade liabilities and their financial debt denominated in foreign currencies. Certain of our subsidiaries seek to manage the risk of devaluation of the Argentine Peso by entering from time to time into certain NDF agreements in order to hedge some of their exposure to foreign currency fluctuations. However, they remains exposed to risks associated with the fluctuation of the Argentine Peso.

In September 2019, in light of the economic instability and the significant devaluation that followed the primary elections as described below, the Argentine government and the BCRA adopted a series of measures reinstating foreign exchange controls, which among other things, significantly curtailed access to the official foreign exchange market (the "FX Market") by individuals and entities. Higher restrictions to access the official FX markets were imposed during 2020, with a view to reducing the loss of international reserves generated by a greater demand of US dollars by individuals and companies. Pursuant to Communication "A" 7106 (as amended and supplemented from time to time), the BCRA established certain requirements to access the local exchange market for purposes of repayment of cross-border financial debts, in particular, for the payment of principal outstanding amounts in loans and securities having amortisation payments scheduled between 15 October 2020 and 31 December 2021 for principal amounts exceeding US\$2,000,000 by the non-financial private sector and financial entities. Particularly, the payment of principal amounts pertaining to loans and securities subject to the regulation should be part of a refinancing plan that must be previously filed with the BCRA, which must provide that (i) only 40% of the principal amount owed and payable shall be paid through the local foreign exchange market on or prior to 31 March 2021; and (ii) the remaining 60% must be refinanced so the average life of the debt is increased for a minimum of two years. It is not possible to guarantee that the period covered by Communication "A" 7106 will not be extended or reinstated in the future by the BCRA or that other regulations with similar effects will be issued that would require our subsidiaries to refinance their obligations, which in turn could have a negative impact on such subsidiaries, and in particular, on their ability to meet debt obligations.

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

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

In October 2019, Alberto Fernández was elected president of Argentina and took office on 10 December 2019. Fernández announced and implemented a wide range of economic and policy reforms. In March 2020, in response to the COVID-19 outbreak, the Argentine government enforced the ASPO (*Preventive and Mandatory Social Isolation*), which caused significant disruption to social, operative, economic and

market activities. In August 2020, Decree No. 690/20 declared Information and Communications Technology (“ICT”) services as an essential public service and imposed tariff regulations. Subsequent implementing regulations issued by ENACOM introduced the possibility of involvement by that agency in the price negotiations between content and signal providers, such as our subsidiary ARTEAR, and subscription broadcasting service providers.

On 13 March 2020, the Minister of Economy addressed a letter to the Paris Club members expressing Argentina’s decision to postpone until 5 May 2021 the US\$2.1 billion payment originally due on 5 May 2020, in accordance with the terms of the settlement agreement the Republic had reached with the Paris Club members on 29 May 2014 (the “Paris Club 2014 Settlement Agreement”). In addition, on 7 April 2020, the Minister of Economy sent the Paris Club members a proposal to modify the existing terms of the Paris Club 2014 Settlement Agreement, seeking mainly an extension of the maturity dates and a significant reduction in the interest rate.

On 18 August 2020, Argentina offered holders of its foreign currency bonds governed by Argentine law to exchange such bonds for new bonds, on terms that were equitable to the terms of the invitation made to holders of foreign law-governed bonds. On 18 September 2020, Argentina announced that holders representing 99.4% of the aggregate principal amount outstanding of all series of eligible bonds invited to participate in the local exchange offer had participated. As a result of the exchange offer, the average interest rate paid by Argentina’s foreign currency bonds governed by Argentine law was lowered to 2.4%, compared to an average interest rate of 7.6% prior to the exchange. In addition, the exchange offer extended the average maturity of such bonds.

During the nine-month period ended 30 September 2020, Argentina sought to preserve the normal functioning of the local capital market for debt denominated in Pesos, which it considers a key factor for the development of the domestic capital market. In particular, during this period, the Argentine government sought to recover the Treasury’s financing capacity, create conditions for the development of the domestic capital markets and generate savings instruments with positive and sustainable real rates, in turn reducing its monetary financing needs and expanding the depth of the local debt market and the participation of relevant institutional investors. In addition, the Treasury expanded its menu of financing instruments to obtain the funds needed to cover its 2020 financial needs and to design the 2021 financial program according to the guidelines outlined in the 2021 budget.

As of the date of the Company’s Annual Report, the Argentine government has initiated negotiations with the International Monetary Fund (“IMF”) in order to renegotiate the principal maturities of the US\$ 44.1 billion disbursed between 2018 and 2019 under a Stand By Agreement (“SBA”), originally planned for the years 2021, 2022 and 2023. We cannot assure whether the Argentine government will be successful in the negotiations with that agency, which could affect its ability to implement reforms and public policies and boost economic growth, nor the impact of the result that renegotiation will have in Argentina’s ability to access international capital markets (and indirectly in our ability to access those markets). Moreover, the long-term impact of these measures and any future measures taken by the Argentine government on the Argentine economy as a whole remains uncertain. It is possible that such reforms could be disruptive to the economy and adversely affect the Argentine economy and, consequently, our business, results of operations and financial condition. We are also unable to predict the measures that the Argentine government may adopt in the future, and how they will impact on the Argentine economy and our results of operations and financial condition.

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

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

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

Argentina has experienced repeatedly, including in recent years, periods of high inflation. Inflation has increased since 2005 and has remained relatively high since then. There can be no assurance that inflation rates will not be higher in the future. Furthermore, the National Institute of Statistics and Census ("INDEC") experienced in the past periods of political interventionism that raised serious concerns about the reliability of the data published by that agency. Future political intervention in the INDEC could jeopardise the agency's autonomy and therefore affect the reliability of the statistics it publishes.

The National Consumer Price Index ("CPI") variation was of 36.1% in 2020 and 53.8% in 2019. Efforts made by the Argentine government to contain and reduce inflation have not achieved the desired results and inflation remains a significant problem for the Argentine economy. If the value of the Argentine Peso cannot be stabilised through fiscal and monetary policies, an increase in inflation rates could be expected.

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

The Argentine government may exercise greater intervention in private sector companies.

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

On 9 June 2020, the Argentine government declared a 60-day intervention on Vicentín S.A.I.C. ("Vicentín"), an agro-industrial company based in the Province of Santa Fe. The decision to intervene, with a view to ensuring continuity in the company's operations and job preservation, came after Vicentín filed for a reorganisation proceeding on 10 February 2020, as a result of its inability to pay obligations amounting to Ps. 99.3 billion. In addition, the Argentine government intended to submit a bill to Congress that would declare Vicentín a company of public interest, and therefore would enable its expropriation. We cannot predict whether the Argentine government or future administrations will take similar or further measures, including nationalisation, expropriation and/or increased Argentine governmental intervention in companies. Government intervention in the industries in which we operate could create uncertainties for investors in public companies in Argentina, including Grupo Clarín, as well as have a material adverse effect on our business, financial condition and results of operations.

Argentina's economy contracted in 2019 and 2018 and may contract in the future due to international and domestic conditions, which may adversely affect our operations.

The Argentine economy has experienced significant volatility in the past few years and recent decades, characterised by periods of low or negative GDP growth, high and variable levels of inflation and currency devaluation. Argentina's economy contracted during 2020, 2019 and 2018 and the country's economy remains unstable notwithstanding the efforts by the Argentine government to address inflation and the constraints on the country's foreign exchange reserves and related pressure on the value of the peso. Substantially all of our subsidiaries' operations, properties and customers are located in Argentina, and, as a result, our business is, to a large extent, dependent upon economic and legal conditions prevailing in Argentina. If economic conditions in Argentina were to further deteriorate, they could have an adverse effect on our results of operations, financial condition and cash flows.

Global economic and financial crises, and the general weakness of the global economy due to the COVID-19 pandemic negatively affected emerging economies like Argentina's economy. Global financial instability, any further economic global downturn due to COVID-19 and any future increases in the interest of the United States and other developed countries may impact the Argentine economy and prevent Argentina to be put back on track to growth or could aggravate the current recession with consequences in the trade and fiscal balances and in the unemployment rate.

Moreover, Argentina's economic growth was severely impacted as a consequence of the COVID-19 pandemic. It might also be negatively affected in the future by several domestic factors such as an appreciation of the real exchange rate which could affect its competitiveness, reductions and even reversion of a positive trade balance, which, combined with capital outflows could reduce the levels of consumption and investment resulting in greater exchange rate pressure. Additionally, abrupt changes in monetary and fiscal policies or foreign exchange regime could rapidly affect local economic output, while lack of appropriate levels of investment in certain economy sectors could reduce long-term growth. Access to the international financial markets could be limited. Consequently, an increase in public spending not correlated with an increase in public revenues could affect Argentina's fiscal results and generate uncertainties that might affect the economy's growth level.

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

Furthermore, the global macroeconomic environment is facing challenges. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Iran, Ukraine, Syria and North Korea. Moreover, political and social crises arose in several countries of Latin America during 2019, as the economy in much of the region has slowed down after almost a decade of sustained growth, among other factors. There have also been concerns on the relationship among China and other Asian countries, which may result in or intensify potential conflicts in relation to territorial disputes, and the possibility of a trade war between the United States and China. In addition, United Kingdom exited the European Union ("Brexit") on 31 January 2020. The medium and long-term implications of Brexit could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets.

During 2020, the Argentine economy was adversely affected by some of aforementioned factors. If international and domestic conditions for Argentina were to worsen, the Argentine economy could be negatively affected as a result of lower international demand and lower prices for its products and services, higher international interest rates, lower capital inflows and higher risk aversion, which may also adversely affect our business, results of operations, financial condition and cash flows.

The coronavirus and the measures taken or to be implemented by the Argentine government in response to the coronavirus have had and could continue to have a significant adverse effect on our business operations

In late December 2019, COVID-19, originating from Wuhan, Hubei province, was reported to the World Health Organisation, with cases soon confirmed in multiple provinces in China, as well as in other countries. On 11 March 2020, the World Health Organisation categorised COVID-19 as a pandemic. Several measures have been undertaken by the Argentine Government and other governments around the globe, including the use of quarantine, screenings at airports and other transports hub, travel restrictions, suspension of visas, nation-wide lockdowns, closing of public and private institutions, suspension of sport events, restrictions to museums and tourist attractions and extension of holidays, among many others. However, the virus continues to spread globally and, as of the date of this Annual Report, has affected most countries and territories around the world, including Argentina. To date, the outbreak of COVID-19 has caused significant social, operational, economic and market disruption. The long-term impact on the global economy and financial markets is still uncertain, but is expected to be significant.

Since 20 March 2020 the Argentine government imposed a series of measures aimed at reducing the movement of the population, ordering the ASPO, which only allowed the movement of individuals involved in activities considered essential by the Argentine government. While the Argentine government has determined that media services constitute essential services, our subsidiaries' operations were affected by a decline in the sale of advertising in all the media of Grupo Clarín, mainly due to cuts in our customers' advertising budgets, a drop in circulation, with an impact on subscriptions as from the second quarter of the year and an increase in the overdue collection of receivables. Television audience levels were affected by the lack of production of certain contents for prime time, which were suspended due to the pandemic. Our subsidiaries Autosports, Pol-ka and Cúspide were forced to reduce or suspend most of their operations and the commercialization of their products. In the case of Pol-ka, the economic impact was very significant. During 2020, that company was unable to produce any new content and underwent severe difficulties in meeting its financial, commercial and labour commitments.

Our subsidiaries have had, and continue to have to resolve new and challenging logistical issues relating to the commute of employees, performers and journalists, the reconfiguration of some programs due to social distancing measures, the implementation of home office mainly for our back office staff, strict sanitation, disinfection and prevention protocols at the various offices and the incorporation of technologies required to ensure the virtual presence of talents in the production of contents.

The long-term effects of the pandemic on the global economy and the Company are difficult to assess or predict. Although the Company has devoted considerable resources to preventative measures in order to reduce the potential impacts of the COVID-19 pandemic on its employees, business, service and operations, there can be no assurance that these measures will be effective or that the pandemic will not have an adverse effect on our business, financial situation and results of operations, which could result in further decline in the market prices of our Class B Shares and GDSs.

Uncertain evolution of the COVID-19 pandemic might affect employees' health and safety, generate risks for the deployment of our subsidiaries' services and distribution of their products, result in reduced sales of advertising in general and reduced sales of products in certain geographic locations, affect our revenues and result in a general economic contraction in Argentina, which could in turn have an additional adverse effect on the demand of our subsidiaries' products and consequently in the results of our operations.

Any prolonged restrictive measures put in place in order to control a new outbreak of contagious disease or other adverse public health development in any of our targeted markets may have a material and adverse effect on our business operations. We may also be affected by a decline in the demand of our subsidiaries' service, especially advertising, as a result of the economic contraction. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Additionally, we cannot predict how the disease will evolve (and potentially, spread) in Argentina during 2021 due to new outbreaks and new strains of the virus that have appeared practically simultaneously with the advance of the vaccination campaign, nor anticipate what additional restrictions governments of other countries may impose. To the extent COVID-19 adversely affects our business and financial results, it may also exacerbate many of the other risks described in this "Risk Factors" section.

Notwithstanding the foregoing, the outbreak of any novel strain of coronavirus and its impact on the demand of our subsidiaries' products and the financial markets, among other factors, will be key issues to determine the duration and depth of the economic crisis in Argentina and worldwide, as well as on our strategy, financial situation and results of our operations.

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

After Argentina's default on certain debt payments in 2001, the government successfully restructured 92% of the debt through two debt exchange offers in 2005 and 2010. Nevertheless, holdout creditors filed numerous lawsuits against Argentina in several jurisdictions, including the United States, Italy, Germany and Japan, asserting that Argentina failed to make timely payments of interest and/or principal on their bonds, and seeking judgments for the face value of and/or accrued interest on those bonds. Judgments were issued in numerous proceedings in the United States, Germany and Japan. Although creditors with favourable judgments did not succeed, with a few minor exceptions, in enforcing on those judgments, as a result of decisions adopted by the New York courts in support of those creditors in 2014, Argentina was enjoined from making payments on its bonds issued in the 2005 and 2010 exchange offers unless it

satisfied amounts due to the holders of defaulted bonds. The Argentine government took a number of steps intended to continue servicing the bonds issued in the 2005 and 2010 exchange offers, which had limited success. Holdout creditors continued to litigate and succeeded in preventing the Argentine government from regaining market access.

Between February and April 2016, the Argentine government entered into agreements in principle with certain holders of defaulted debt and put forward a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts, which resulted in the settlement of substantially all remaining disputes and closure to 15 years of litigation. On 22 April 2016, Argentina issued bonds for US\$16.5 billion, and applied US\$9.3 billion of the proceeds to satisfy payments under the settlement agreements reached with holders of defaulted debt. Since then, substantially all of the remaining claims under defaulted bonds have been settled.

As of the date of the Company's Annual Report, although litigation initiated by bondholders that have not accepted Argentina's settlement offer continues in several jurisdictions, the size of the claims involved has decreased significantly.

In addition, since 2001 foreign shareholders of some Argentine companies initiated claims for substantial amounts before the International Centre for Settlement of Investment Disputes ("ICSID") against Argentina, pursuant to the arbitration rules of the United Nations Commission on International Trade Law. Claimants allege that certain measures of the Argentine government issued during the economic crisis of 2001 and 2002 were inconsistent with the norms or standards set forth in several bilateral investment treaties by which Argentina was bound at the time. To date, several of these disputes have been settled, and a significant number of cases are in process or have been temporarily suspended by the agreement of the parties.

Between 2016 and early 2018, Argentina regained access to the market and incurred in additional debt. However, as a result of various external and domestic factors, during the first half of 2018, access to the market became increasingly onerous. On 8 May 2018, the Macri administration announced that the Argentine government would initiate negotiations with the IMF with a view to entering into a stand-by credit facility that would give Argentina access to financing by the IMF. On 7 June 2018, the Argentine government and the IMF staff reached an understanding on the terms of the SBA for disbursements totalling approximately US\$50 billion, which was approved by the IMF's Executive Board on 20 June 2018. The SBA was intended to provide support to the Macri administration's economic program, helping build confidence, reduce uncertainties and strengthen Argentina's economic prospects. On 22 June 2018 the Argentine government made a first drawing of approximately US\$15 billion under the SBA. Argentina has received disbursements under the SBA for US\$44 billion. Notwithstanding the foregoing, the Argentine government has publicly announced that they will refrain from requesting additional disbursements under the agreement, and instead vowed to renegotiate its terms and conditions in good faith.

Following the execution of the SBA, in August 2018, Argentina faced an unexpected bout of volatility affecting emerging markets generally. In September 2018, the Macri administration discussed with the IMF staff further measures of support in the face of renewed financial volatility and a challenging economic environment. On 26 October 2018, in light of the adjustments to fiscal and monetary policies announced by the Argentine government and the BCRA, the IMF's Executive Board allowed the Argentine government to draw the equivalent of US\$5.7 billion, bringing total disbursements since June 2018 to approximately US\$20.6 billion, approved an augmentation of the SBA increasing total assets to approximately US\$57.1 billion for the duration of the program through 2021 and the front loading of the disbursements. Under the revised SBA, IMF resources for Argentina in 2018-19 increased by US\$18.9 billion. IMF disbursements for the remainder of 2018 more than doubled compared to the original IMF-supported program, to a total of US\$13.4 billion (in addition to the US\$15 billion disbursed in June 2018). Disbursements in 2019 were also nearly doubled, to US\$22.8 billion, with US\$5.9 billion planned for 2020-2021.

On 28 August 2019, the Macri administration issued a decree deferring the scheduled payment date for 85% of the amounts due on short-term notes maturing in the fourth quarter of 2019, governed by Argentine law and held by institutional investors. Of the deferred amounts, 30% would be repaid 90 days after the original payment date and the remaining 70% would be repaid 180 days after the original payment date, except for payments under Lecaps due 2020 held domestically, which would be repaid entirely 90 days after the original payment date. Amounts due on short-term notes held by individual investors would be paid as originally scheduled.

Moreover, in December 2019, the Argentine government further extended by decree payments of a series of short-term Argentine-law governed treasury notes denominated in U.S. dollars held by institutional investors through August 2020. Additionally, on 11 February 2020, the Argentine government decreed the extension of maturity to 30 September 2020 of a dollar-linked treasury note governed by Argentine law, which had been originally subscribed to a large extent with U.S. dollar remittances, to avoid a payment with Argentine pesos that would have required significant sterilisation efforts by the monetary authority.

On 12 February 2020, the Argentine Congress enacted Law No. 27,544 for the Sustainable Restoration of Foreign-Law Governed Public Debt, which granted the Ministry of Economy the power to restructure the Argentine government's external public debt. On 9 March 2020, the Executive Branch issued decree No. 250/20 authorizing the Ministry of Economy to restructure US\$68,842 million in debt.

Following Law No. 27,544, on 10 March 2020, Decree No. 250/20 issued by the Argentine government established the maximum nominal amount of liability management transactions and/or exchanges and/or restructurings of the Republic of Argentina's outstanding public securities issued under foreign law as of 12 February 2020 at the nominal value of US\$68,842,528,826, or its equivalent in other currencies. However, due to the COVID-19 pandemic, the timeline initially published by the Ministry of Economy for the restructuring of the public external debt that provided, among other steps, the launch of an exchange offer of such public securities issued under foreign law, was postponed.

On 21 April 2020, Argentina invited holders of approximately US\$ 66.5 billion aggregate principal amount of its foreign currency external bonds to exchange such bonds for new bonds. The invitation contemplated the use of collective action clauses included in the terms and conditions of such bonds, whereby the decision by certain majorities would bind holders that did not tender into the exchange offer. On 31 August 2020 the Argentine government announced that it had obtained bondholder consents required to exchange and or modify 99.01% of the aggregate principal amount outstanding of all series of eligible bonds invited to participate in the exchange offer. The restructuring settled on 4 September 2020. As a result of the invitation, the average interest rate paid by Argentina's foreign currency external bonds was lowered to 3.07%, with a maximum rate of 5.0%, compared to an average interest rate of 7.0% and maximum rate of 8.28% prior to the invitation. In addition, the aggregate amount outstanding of Argentina's foreign currency external bonds was reduced by 1.9% and the average maturity of such bonds was extended.

On 5 April 2020, the Argentine government enacted Decree No. 346/20 (i) deferring the payments of principal and interest on certain of its foreign currency bonds governed by Argentine law until 31 December 2020, or until such earlier date as the Ministry of Economy may determine, considering the progress made in the process designed to restore the sustainability of Argentina's public debt, and (ii) authorizing the Ministry of Economy to conduct liability management transactions or exchange offers, or to implement restructuring measures affecting foreign currency bonds governed by Argentine law which payments had been deferred pursuant to such Decree.

On 18 August 2020, Argentina offered holders of its foreign currency bonds governed by Argentine law to exchange such bonds for new bonds, on terms that were equitable to the terms of the invitation made to holders of foreign law-governed bonds. On 18 September 2020, Argentina announced that holders representing 99.4% of the aggregate principal amount outstanding of all series of eligible bonds invited to participate in the local exchange offer had participated. As a result of the exchange offer, the average interest rate paid by Argentina's foreign currency bonds governed by Argentine law was lowered to 2.4%, compared to an average interest rate of 7.6% prior to the exchange. In addition, the exchange offer extended the average maturity of such bonds.

As of the date of the Company's Annual Report, the Argentine government has initiated negotiations with the IMF in order to renegotiate the principal maturities of the US\$ 44.1 billion disbursed between 2018 and 2019 under the SBA, originally planned for the years 2021, 2022 and 2023. We cannot assure whether the Argentine government will be successful in the negotiations with that agency, which could affect its ability to implement reforms and public policies and boost economic growth, nor the impact of the result that renegotiation will have in Argentina's ability to access international capital markets (and indirectly in our ability to access those markets), in the Argentine economy or in our economic and financial situation or in our capacity to extend the maturity dates of our debt or other conditions that could affect our results and operations or businesses. Lack of access to international or domestic financial markets could affect the projected capital expenditures for our subsidiaries' operations in Argentina, which, in turn, may have an adverse effect on our financial condition or the results of our operations.

Without renewed access to the financial market the Argentine government may not have the financial resources to implement reforms and boost growth, which could have a significant adverse effect on the country's economy and, consequently, on our activities. Likewise, Argentina's inability to obtain credit in international markets could have a direct impact on our ability to access those markets to finance our operations and our growth, including the financing of capital investments, which would negatively affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. Grupo Clarín has investments in Argentine sovereign bonds amounting to \$ 451 million as of 31 December 2020. Any new event of default by the Argentine government could negatively affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

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

In recent years, the Argentine financial system grew significantly with a marked increase in loans and private deposits, showing a recovery of credit activity. Such recovery has been severely impacted by the COVID-19 pandemic. In spite of the fact that the financial system's deposits continue to grow in nominal terms, they are mostly short-term deposits and the sources of medium and long-term funding for financial institutions are currently limited. In 2020, nominal private deposits in Pesos increased 84.6% year-over-year (fuelled by the growth of savings and current accounts with a 91.5% increase) and nominal time deposits increased 81.0% year-over-year. During the same period, loans in foreign currency (composed mainly of corporate loans) evidenced a decrease of 4.9% at the end of 2020. In 2020, private deposits in U.S. dollars declined by 18.0%.

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

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

Exchange controls and restrictions on transfers abroad and capital inflows limit the availability of international credit.

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

The United States Foreign Corrupt Practices Act of 1977, the Organisation for Economic Co-Operation and Development Anti-Bribery Convention, the Argentine Anti-Money Laundering Law (*Ley de Prevención del Lavado de Activos*), the Argentine Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*) and other applicable anti-corruption laws prohibit companies and their intermediaries from offering or making improper payments (or giving anything of value) to government officials and/or persons in the private sector for the purpose of influencing them or obtaining or retaining business and require companies to keep accurate books and records and maintain appropriate internal controls. In particular, the Argentine Corporate Criminal Liability Law provides for the criminal liability of corporate entities for criminal offences against public administration and transnational bribery committed by, among others, its attorneys-in-fact, directors, managers, employees or representatives. A company may be held liable and subject to fines and/or suspension of its activities if such offences were committed, directly or indirectly, in its name, behalf or interest, the company obtained or may have obtained a benefit therefrom, and the offence resulted from a company's ineffective control.

It may be possible that, in the future, there may emerge in the press allegations of instances of misbehaviour on the part of former agents, current or former employees or others acting on our behalf or on the part of public officials or other third parties doing or considering business with us. We will endeavour

to monitor such press reports and investigate matters that we believe warrant an investigation in keeping with the requirements of compliance programs, and, if necessary, make disclosure and notify the relevant authorities. However, any adverse publicity that such allegations attract may have a negative impact on our reputation and lead to increased regulatory scrutiny of our business practices.

If we or individuals or entities that are or were related to us are found to be liable for violations of applicable anti-corruption laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we or other individuals or entities could face civil and criminal penalties or other sanctions, which in turn could have a material adverse impact on our reputation, business, financial condition and results of operations.

Risks Relating to the Company and its Operations

Our subsidiaries or their counterparties may become subject to burdensome regulations, ordinances and laws affecting certain of their products or services, which could adversely affect their operations

We sell programming content to broadcast and subscription television providers, which in Argentina are subject to regulations governing Information and Communications Technology (“ICT”) services. Until August 2020, the Digital Argentina Law (“LAD”) established that licensees of ICT services may freely set their prices, which shall be fair and reasonable, to offset the costs of exploitation and to tend to the efficient supply and reasonable margin of operations.

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

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

Said Resolution also provides that ICT licensees that hold registrations for Internet Access Value Added Service, subscription broadcasting services by physical and/or radio-electric link and audiovisual communication subscription services by satellite link, shall notify the enforcement authority about any and all changes in retail prices they intend to make to their plans, prices and commercial terms in effect, SIXTY (60) calendar days in advance of their implementation.

Resolution No. 1467/2020 regulates the Mandatory Universal Basic Service set forth by Decree No. 690/2020 for the different services provided by ICT service licensees, establishing the price and characteristics of each plan. Said Resolution also sets out the persons that are eligible to receive those services. Subscription television service licensees are under the obligation to apply discounts to a plan and programming grid that already exist, which prevents them from creating a specific and less expensive grid to comply with the Mandatory Universal Basic Service.

ENACOM Resolution No. 1,491/2020 issued on December 24, 2020 approved the new General Rules Governing Physical Radio-Electric and/or Satellite Link Subscription Broadcasting Services. Even though the new General Rules maintain the onerosity of all the broadcast television services and signals that fall within the scope of the “must carry” regime (signals and services subject to mandatory retransmission) by the providers of subscription television services, they introduce the concept of “fair, equitable and reasonable price” and implement a dispute resolution procedure in case of disagreement between signal

holders and distributors (by physical, radio-electric or satellite link) to be brought before the ENACOM, whereby the parties are deemed to have voluntarily accepted to be subject to this procedure.

In addition, the General Rules provide that in the event that signal holders and physical, radio-electric and/or satellite link subscription television licensees do not settle their dispute, distributors shall include the signal in the programming grid at the price set by ENACOM's Board based on the information gathered during the proceeding. The price and the settlement procedure is applicable to any signal, including those which are not subject to mandatory retransmission.

In addition, the General Rules also provide that the commercialization of one signal may not be conditional on the acquisition of other signals and, in the case of sales of signal packages, the price must include a breakdown of each of the signals included in the package.

Our legal advisors believe that the ENACOM is not empowered to set the price of a signal and that it would be arbitrary and unconstitutional if the agency imposed a price on the owner of contents that does not voluntarily agree to the settlement proceeding.

However, if ENACOM's position prevails, the operations and economic and financial condition of our subsidiary ARTEAR, which owns several cable television signals and is therefore a provider of contents to subscription television services via physical, radio-electric or satellite link, may be adversely affected. ARTEAR, with the assistance of its legal advisors, is analysing the actions that may be necessary in order to protect its rights.

We operate in a competitive environment that may result in a reduction in our market share in the future.

The Company devotes significant resources to analyzing emerging trends and has vast experience and a solid track record in reading consumer demands and successfully developing new products and services, adapting its business model in time.

The media industry and certain maturing markets to which our services are catered, are dynamic and constantly undergo significant developments at a pace that may differ from our current expectations affecting our growth. Increased competition through new technological developments may adversely affect our business if our analysis of industry trends is not accurate or if we are not able to adapt readily our operations.

Future technological developments may result in decreased customer demand for certain of our products or services, in particular print media, or even render them obsolete. In addition, as new technologies develop, equipment may need to be replaced or upgraded, at substantial cost, to remain competitive. These enhancements and the implementation of new technologies will continue requiring increased capital expenditures. The macroeconomic situation in Argentina may adversely affect our ability to successfully invest in, and implement, new technologies, coverage and services in a timely fashion. Accordingly, we cannot assure you that we will have the ability to make needed capital expenditures and operating expenses. If we are unable to make these capital expenditures, or if our competitors are able to invest in their businesses to a greater degree and/or faster than we are, our competitive position will be adversely impacted.

Moreover, the products and services that we offer may fail to generate revenues or attract and retain customers. If our competitors present similar or better products and services, our revenues may be materially affected. Competitiveness is and will continue to be affected by our competitors' business strategies and alliances. We may face additional pressure on the prices that we charge for our products and services or experience a loss of market share. In addition, the general business and economic climate in Argentina may affect us and our competitors differently; thus our ability to compete in the market could be adversely affected. Even though the Company grew and developed in recent years in a highly competitive market, because of the range of business and economic uncertainties we face, it is difficult for us to predict with precision and accuracy our future market share in relevant geographic areas and customer segments, the possible drop in our customer's consumption that could result in a reduction of our revenue market share, the speed with which such change in our market share or prevailing prices for services may occur or the effects of competition. Those effects could be material and adverse to our overall financial condition, results of operations and cash flows.

Our revenues are cyclical and depend upon the condition of the Argentine economy.

Revenues generated by our subsidiaries have proven cyclical and depend on general economic conditions. In the past, a general economic downturn in Argentina has had, and would be expected to have in the future, a negative effect on our revenues and a material adverse effect on the results of our operations. Historically, for example, increases in losses of advertisers have corresponded with general economic downturns and regional and local economic recessions. Most of our revenues are denominated in Argentine pesos, exposing us to risks related with fluctuations in the value of the Argentine peso.

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

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

If we are unable to reach agreements with the unions on work conditions, or in case of a lack of recognition among union associations, we may be adversely affected by individual labour claims, class actions, higher union contributions expenses, union conflicts, direct action measures and general impacts to our operations that may also affect the quality of our products and services and our reputation.

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

Likewise, Decree No. 39/21 extended the occupational emergency until 31 December 2021 in cases of dismissals without just cause, and granted the right of the affected worker to receive a double severance payment, with a cap of P\$500,000 in excess of what would have been the regular single severance payment.

Under the provisions of Section 5 of Decrees No. 624/20, 761/20 and 891/20, contracts entered into after the entry into force of Decree No. 34/19, are not affected by the aforementioned provisions.

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

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

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

The employers included in the Repsal are subject to sanctions, such as: the inability to access public programs, benefits, subsidies or credit from state-owned banks, the inability to enter into contracts and licenses of property owned by the Argentine government, or the inability to participate in the awarding of

concessions of public services and licenses. Employers that commit the same infringement for which they were added to the Repsal within a 3-year period after the final first decision imposing sanctions cannot deduct from the Income Tax the expenses related to their employees while such employer continues to be included in the Repsal. This new regulation applies to our subsidiaries and their contractors and subcontractors, whose employees could initiate claims against our subsidiaries for direct or indirect responsibility.

As of the date of the Company's Annual Report, none of our subsidiaries have any sanctions registered in the Repsal. However, if sanctions are applied in the future, they could have a significant impact on such subsidiaries' financial position, result of operations and cash flows.

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

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

Also, during 2020, the new working methodology and the exponential growth of the digital collection channels resulting from the COVID-19 isolation, required the implementation of several measures in order to grant security in virtual operations, which were all implemented successfully. Although our subsidiaries have adopted, and continues to adopt, all required measures to ensure the proper functioning of their operating systems, as well as to ensure their customers' information, no assurance can be given that they will not be subject to any cyberattacks that could adversely affect our business and result of operations.

As of the date of the Company's Annual Report, our subsidiaries' insurance policies do not cover damages caused by cyberattacks and other similar events.

Operational risks could adversely affect our reputation and our profitability.

The Company's subsidiaries face operational risks inherent in their business, including those resulting from inadequate internal processes; fraud; employee errors or misconduct; failure to comply with applicable laws and regulations; failure to document transactions properly; system failures (including cloud services); inadequate environmental management, including reverse logistics of goods and materials in disuse that could become hazardous waste; the loss or improper use of confidential information; excessive dependence on certain providers with which a large number of operations are concentrated due to the exclusivity of the technology or service they provide, economic convenience or for strategic reasons; among others. These events could result in direct or indirect losses, inaccurate information for decision making, adverse legal and regulatory proceedings and damages to third parties, which could harm our reputation and operational effectiveness, among others.

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

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

Even though our subsidiaries apply risk management practices at the highest levels, we can give no assurances that these measures will be successful in effectively mitigating the operational risks that they face. Failure to prevent such risks could harm our reputation and have a material adverse effect on our business, results of operations and financial condition.

We and/or our management are subject to environmental and safety regulations, non-compliance of which could result in increased costs and/or penalties for the Company and/or its officers.

Some of the goods and facilities used in our subsidiaries' operation are subject to federal, state and municipal environmental and safety regulations. Failure adequately to comply with such rules could result in fines, potential delays or inability to obtain authorization for our subsidiaries' facilities and operations, which could have an adverse effect on our business and result in penalties for the officers of our subsidiaries. In addition, in accordance with global trends, new and stricter standards may be issued, or authorities may enforce or construe existing laws and regulations in a more restrictive manner, which may force us to incur increased costs.

Risks Relating to our Shares and GDSs

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

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

The UKLA and the LSE may in their sole discretion determine the suitability for continued listing and admission to trading of our GDSs in the light of all pertinent facts. Some of the factors that may subject a company to suspension and potential delisting procedures, include, *inter alia*, (i) failure to comply with continuing obligations set out in the U.K. Listing Rules (such as the requirement to maintain a “free float” of at least 25 per cent), and (ii) an inability to assess accurately the financial position of the company and inform the market accordingly. The UKLA and the LSE may also suspend and ultimately cancel a company's listing if they determine that such action is necessary to protect investors with a view to maintaining a proper functioning of the market.

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

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

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

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

In September 2013, the Argentine income tax law was amended by Law No. 26,893 (the “Argentine Income Tax Law”). The Argentine Income Tax Law provides that the sale, exchange or other transfer of

shares and other securities is subject to a capital gain tax at a rate of 15% for Argentine resident individuals and foreign beneficiaries.

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

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

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

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

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

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

The trading price of our Class B Shares is likely to be highly volatile and may be subject to wide fluctuations in response to factors, many of which are beyond our control. The market price of our GDSs declined by 20.6% and 32.0% in 2020 and 2019, respectively. This decrease in value has been largely attributed to Argentina's most recent macroeconomic crisis and the impact of COVID 19. Such other factors include:

- fluctuations in our periodic operating results;
- changes in financial estimates, recommendations or projections by securities analysts;
- changes in conditions or trends in our industry;
- events affecting equities markets in the countries in which we operate;
- legal or regulatory measures affecting our financial conditions;
- departures of management and key personnel; or
- potential litigation or the adverse resolution of pending litigation against us or our subsidiaries.

The stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that trading prices and valuations will be sustained. These broad market and industry factors may materially adversely affect the market price of our Shares and the GDSs, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our Shares and the GDSs.

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

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

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

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

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

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

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

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

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

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

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

If the peso exchange rate falls relative to the U.S. dollar, the value of the GDSs and any distributions made thereon from the depositary could be adversely affected. Cash distributions made in respect of the GDSs may be received by the depositary (represented by the custodian bank in Argentina) in pesos,

which will be converted into U.S. dollars and distributed by the depositary to the holders of the Depositary Receipts (“GDRs”) evidencing those GDSs if in the judgment of the depositary such amounts may be converted on a reasonable basis into U.S. dollars and transferred to GDS holders on a reasonable basis, subject to such distribution being impermissible or impracticable with respect to certain GDR holders. In addition, the depositary will incur foreign currency conversion costs (to be borne by the holders of the GDRs) in connection with the foreign currency conversion and subsequent distribution of dividends or other payments with respect to the GDSs.

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

Investing in securities that trade in emerging markets, such as Argentina, often involves greater risk than investing in securities of issuers in the United Kingdom, and such investments are generally considered to be more speculative in nature. The Argentine securities market is substantially smaller, less liquid, more concentrated and can be more volatile than major securities markets in the United Kingdom, and is not as highly regulated or supervised as some of these other markets. There is also significantly greater concentration in the Argentine securities market than in major securities markets in the United Kingdom. The ten largest companies in terms of market capitalization represented approximately 90% of the aggregate market capitalization of the BYMA as of 31 December 2020. Accordingly, although shareholders are entitled to withdraw the shares underlying the GDSs from the depositary at any time, the ability to sell such shares on the BYMA at a price and time shareholders might elect may be substantially limited.

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

Trading in the shares underlying GDSs or the GDSs in Argentina and the United Kingdom, respectively, will use different currencies and take place at different times (resulting from different trading platforms, different time zones, different trading days and different public holidays in the United Kingdom and Argentina). The trading prices of the shares underlying GDSs on these two markets may differ due to these and other factors. Any decrease in the price of the shares underlying GDSs on the BYMA could cause a decrease in the trading price of the GDSs on the LSE. Investors could seek to sell or buy the shares underlying GDSs to take advantage of any price differences between the markets through a practice referred to as “arbitrage.” Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the GDSs available for trading on the other exchange. In addition, holders of GDSs will not be immediately able to surrender their GDSs and withdraw the underlying shares for trading on the other market without effecting necessary procedures with the depositary. This could result in time delays and additional cost for holders of GDSs.

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

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

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

We are not obligated to file or maintain a registration statement relating to any preemptive rights offerings with respect to our shares underlying GDSs, and we cannot assure that we will file or maintain any such registration statement or that an exemption from registration will be available. Unless those shares underlying GDSs or GDSs are registered or an exemption from registration applies, a U.S. holder of our shares underlying GDSs or GDSs may receive only the net proceeds from those preemptive rights and accretion rights if those rights can be assigned by the GDS depositary. If the rights cannot be sold, they

will be allowed to lapse. Furthermore, the equity interest of holders of shares or GDSs located in the U.S. may be diluted proportionately upon future capital increases.

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

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

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

CORPORATE GOVERNANCE, ORGANIZATION AND INTERNAL CONTROL SYSTEM

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

Members of the Board of Directors

As appointed at the Annual Ordinary General Shareholders' Meeting and at the Special Meeting of Class "A" shares, Class "A" and "B" Shares (acting as a single class) and Class "C" shares held on April 30, 2020, the Board of Directors of Grupo Clarín is composed of the following members:

Rendo, Jorge Carlos	Chairman
Aranda, Héctor Mario	Vice Chairman
Aranda, Alma Rocío	Permanent Director
Noble Herrera, Felipe	Permanent Director
Magnetto, Horacio Ezequiel	Permanent Director
Pagliaro, Francisco	Permanent Director
Driollet, Ignacio Rolando	Permanent Director
Calcagno, Lorenzo ¹	Permanent Director
Riportella, Andrés Gabriel ¹	Permanent Director
Quiros, Horacio	Permanent Director
Colugio, Patricia Mirian	Alternate Director
Acevedo, Francisco Iván	Alternate Director
Etchevers, Martín Gonzalo	Alternate Director
Sosa Mendoza, Eugenio	Alternate Director
Boncagni, Marcelo Fernando	Alternate Director
Rebay, Carlos ¹	Alternate Director
Fernández, Luis Germán ¹	Alternate Director

Puente Solari, Lucas	Alternate Director
Kahrs, Alfredo Enrique	Alternate Director
Marina, Alberto Pedro	Alternate Director

¹Independent Director

Grupo Clarín also has a Supervisory Committee comprised of 3 permanent members and 3 alternate members, who are also appointed on an annual basis at the Ordinary Shareholders' Meeting. In addition to the Supervisory Committee, the Board of Directors, through the Audit Committee, carries out the ongoing oversight of all matters related to control information systems and risk management, and issues an annual report on these topics. The members of the Company's Audit Committee may be nominated by any member of the Board of Directors and a majority of its members must meet the independence requirement provided under CNV rules.

Supervisory Committee

As appointed at the Annual Ordinary General Shareholders' Meeting and at the Special Meeting of Class "A" shares, Class "A" and "B" Shares (acting as a single class) and Class "C" shares held on April 30, 2020, the Company's Supervisory Committee is composed of the following members:

Piano, Adriana Estela ¹	Permanent Member of the Supervisory Committee
Di Candia, Carlos Alberto Pedro ¹	Permanent Member of the Supervisory Committee
López, Hugo Ernesto ¹	Permanent Member of the Supervisory Committee
Tedín, Silvia Andrea ¹	Alternate Member of the Supervisory Committee
Mazzei, Miguel Angel ¹	Alternate Member of the Supervisory Committee
De la María Martínez de Hoz, Jorge J.J ¹	Alternate Member of the Supervisory Committee

¹ Independent member of the Supervisory Committee

Audit Committee

The Audit Committee is composed as follows:

Calcagno, Lorenzo	Chair
Riportella, Andrés Gabriel	Vice Chair
Aranda, Héctor Mario	Permanent Member
Acevedo, Francisco Iván	Alternate Member
Rebay, Carlos	Alternate Member
Fernández, Luis Germán	Alternate Member

The overall criteria used to appoint managers are based on the background and experience in the position and the industry, companies they have worked for, age, professional and moral competence, among other factors.

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

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

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

All of Grupo Clarín's subsidiaries have compensation arrangements with all of their officers in executive and managerial positions, which contemplate a fixed and variable remuneration scheme. Fixed compensation is tied to the level of responsibility attached to each position, prevailing market salaries and performance. The annual variable component is tied to performance during the fiscal year based on the objectives set at the beginning of the year. Grupo Clarín does not have any stock option plans in place for its personnel.

As mentioned in Note 18 to the Consolidated Financial Statements, on January 1, 2008 Grupo Clarín began to implement a long-term savings plan for certain executives of Grupo Clarín and its subsidiaries. Executives who adhere to such plan will contribute regularly a limited portion of their salary to a fund that will allow them to increase their income at the retirement age. Furthermore, each company matches the sum contributed by such executives. This matching contribution will be added to the fund raised by the employees. Under certain conditions, employees can access such fund upon retirement or upon termination of their jobs with Grupo Clarín. This long-term benefit has a strong withholding component and is considered as an integral part of the employee's total compensation for comparative purposes with prevailing market salaries. During 2013, certain changes were made to the savings system, although its operation mechanism and the main characteristics with regard to the obligations undertaken by the company were essentially maintained.

The parameters used in fixing compensations are in line with customary market practices followed by companies of the scale of Grupo Clarín. To this end, the Company assesses the relative weight of the different positions within the company, as well as the performance of the employee that holds the position. In order to assess positions and compare salaries in different markets, the Company uses the services and reports of prestigious HR companies at national and international level.

Annual Shareholders' Meeting

Grupo Clarín held its Annual Shareholders' Meeting on April 30, 2020. On this occasion, the shareholders reviewed and approved the accounting records for fiscal year No. 22 ended on December 31, 2019 and the performance and compensation of the members of the Board of Directors and the Supervisory Committee. Among other things, they elected the permanent members and alternate members of the Board of Directors and the Supervisory Committee for the year 2019.

Dividend Policy

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

Set-up of Reserves

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

Code of Corporate Governance

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

BUSINESS PROJECTIONS AND PLANNING

Grupo Clarín seeks to maintain and consolidate its presence in the local and regional market, focusing on the creation of quality contents in all multimedia and multiplatform formats.

All of the Group's business units will strive to seize opportunities, seeking to reinforce, improve and expand the range of products and services offered; increase market share; reach new audiences and promote permanent innovations in all of its activities.

Grupo Clarín will continue to optimize even more the productivity and efficiency levels in all of its areas and companies. It will seek to develop and apply best practices in each of its processes.

At a corporate level, it will continue to focus on the main processes that allow sustainable, healthy and efficient growth from different perspectives: financial structure, management control, business strategy, human resources, innovation and corporate social responsibility.

Grupo Clarín will continue to analyze alternative new ventures related to its mission and strategic objectives both in Argentina and abroad, as long as they add value to shareholders and are feasible and viable under the prevailing economic environment.

Grupo Clarín remains committed to traditional media, with a growing focus on digital media, which have been one of the largest strategic stakes of the Company for nearly two decades. To this end, it will rely on the value and prestige of its trademarks, which have the largest rates of credibility and acceptance in Argentina. The Company will use its broad experience in the creation of contents, recognized worldwide -specially in the Spanish-speaking world-, to boost the success of its new platforms and formats.

Grupo Clarín reaffirms its sustained commitment to regulatory compliance, its readers, audiences and the country. In its daily work, Grupo Clarín seeks to assume with strength and responsibility the role that the media are called to play through professional and independent journalism and through the defense and promotion of principles and values, such as freedom of speech, the effectiveness of republican democracy and the promotion of the comprehensive development of Argentina and its inhabitants.

SUPPLEMENTARY FINANCIAL INFORMATION

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

FINANCIAL POSITION AND RESULTS OF ITS OPERATIONS

Total Revenues reached \$ 26,640 million in 2020, a decrease of 23% from \$ 34,620 million in 2019. Advertising revenues decreased by 30% in real terms and Circulation sales decreased by 21% in real terms, mainly due to the Argentine GDP (Gross Domestic Product) plunge in 2020.

Cost of sales (Excluding Depreciation and Amortization) reached \$ 15,561 million in 2020, a decrease of 28.5% from \$ 21,775 million reported in 2019 due to lower costs across all business segments, mainly in Printing and Publishing and Broadcasting and Programming segments due to lower salaries and severance payments, and printing costs.

Selling and Administrative Expenses (Excluding Depreciation and Amortization) reached \$ 7,833 million in 2020, a decrease of 26.1% from \$ 10,596 million in 2019. This drop was mainly due to lower advertising and marketing expenses, fees for services and distribution costs in Printing and Publishing segment and lower salaries and severance payments in both Printing and Publishing and Others segments.

Adjusted EBITDA reached \$ 3,246 million in 2020, an increase of 44% from \$ 2,249 million reported for 2019. This increase was driven by the greater drop in costs over the drop in sales explained above.

Financial results net totaled a loss of \$ 1,013 million in 2020 compared to a loss of \$ 1,931 million in 2019. The decrease of the negative financial results was mainly due to a lower interest of debt.

Equity in earnings from associates in 2020 totaled a gain of \$ 579 million, compared to \$ 239 million in 2019.

Other Income and expenses, net reached a loss of \$ 1,221 million in 2020, compared to a loss of \$ 110 million in 2019 (see Note 6.6 and 22 to the Consolidated Financial Statements).

Income tax and tax on assets as of 2020 reached a loss of \$ 701 million in 2020, from \$ 909 million in 2019.

Loss for the year 2020 totaled \$ 465 million, a decrease of 77% from the loss of \$ 1,986 million reported in 2019. Loss attributable to Shareholders of the Parent Company amounted \$ 274 million in 2020, a decrease of 87% from \$ 2,052 million in 2019.

Cash used in acquisitions of property, plant and equipment (CAPEX) totaled \$ 446 million in 2020, a decrease of 56% from \$ 1,020 million reported in 2019. Out of total CAPEX for 2020, 49% was allocated

towards the Broadcasting and Programming segment, 41% to the Printing and Publishing segment and the remaining 10% to other activities.

Debt profile (1): Debt coverage ratio for the year ended December 31, 2020 was 0.33 and the Net Debt (2) at the end of this year totaled \$ 1,074 million.

Grupo Clarín S.A. is still controlled by GC Dominio S.A., which holds 64.2% of its voting rights. Balances and transactions with related parties are detailed in Note 15 to the Consolidated Financial Statements.

⁽¹⁾ Debt Coverage Ratio is defined as Total Financial Debt divided by Adjusted EBITDA. Total Financial debt is defined as financial loans and debt for acquisitions, including accrued interest.

⁽²⁾ Net Debt is defined as Total Financial Debt less Cash and Cash Equivalents.

PROPOSAL OF THE BOARD OF DIRECTORS

Grupo Clarín is a holding company. Its results derive mainly from the operations of its subsidiaries. Therefore, its liquidity position depends, among other things, on the distribution of dividends of Grupo Clarín's subsidiaries -which have to meet their investment and interest payments needs-, the contributions required by other subsidiaries and the expected future cash flows from operating and financing activities. In particular, the media are faced with the challenge posed by digital transformation, with the development of a new business model that does not compromise their journalistic independence and the quality of their contents in a mature market, and with the strong impact that Argentine economy has on its revenues.

In the year ended December 31, 2020, the Company recorded a net loss of \$274,351,674, mainly derived from the deficit generated by the Printing and Publishing and Other segments. Retained earnings as of that date amount to \$ 275,662,483 negative. Since the Company does not have unrestricted reserves for the absorption of the accumulated deficit as of the closing of this year, the Board of Directors proposes to absorb, in accordance with CNV rules, the full deficit accumulated at the end of this fiscal year through the partial reversal of Paid-in capital.

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

The Board of Directors

Buenos Aires, April 22, 2021

EXHIBIT - REPORT ON THE CORPORATE GOVERNANCE CODE OF GRUPO CLARÍN S.A. ROLE OF THE BOARD OF DIRECTORS

Principles

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

Recommended Practices

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

The Company applies the recommended practice. The Board of Directors establishes the values and principles that set the general framework within which the Company's activities must be developed. They are implemented by Departments or Divisions through a consistent message in the conduction of its daily activities, and are reflected in its corporate policies, among which the most relevant is the Code of Ethics and Conduct. Those principles and values follow the highest ethical standards, as demonstrated by the Company along its track record, among which the following stand out: its commitment to provide honest and independent communication, exercised with professional responsibility, seeking to strengthen the institutions that sustain the democratic system, promoting debate and communication between different sectors of society. The Code of Ethics and Conduct describes objective scenarios where a conflict of interest may exist and provides a non-exhaustive list of examples that standardize conflicts including relations with the personnel, political and governmental relationships, and corporate asset protection.

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

The Company applies the recommended practice. The Company's Board of Directors and Management design the general strategy, considering as the global framework the opportunities and threats of the context in which it operates (external risk factors), the Company's internal situation (internal risk factors) in the light of the established mission and values, and analyze, discuss and approve on an annual basis the strategic plan, composed of it short, medium and long term goals, and monitor its implementation using metrics that allow for an adequate oversight of said strategic plan. In addition, the Board holds quarterly meetings at which the Directors assess the Company's operating and financial position, which includes a comparison with the previous quarter.

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

The Company applies the recommended practice. The Board of Directors, which is mostly composed of non-executive directors, oversees the Company's operations not only with respect to the achievement of the established objectives and goals, but also with respect to the integrity and commitment with the values of the organization, the consistency of its actions with its mission and values and the capacity to convey those values to all its employees. Through a set of

mechanisms and procedures, the Board of Directors monitors that the activities carried out by Management comply with the policies in place, that the objectives be accomplished, that the changes in the environment be contemplated in the decisions adopted, and that the measures required to correct deviations be implemented. Among the main mechanisms, the Company has detailed systems and procedures that set quantitative and qualitative rules for the approval of transactions, regular management control meetings, and internal audits. The Corporate Control Management follows high standards of control to assure the general control system and compliance by the Company. Through previously established metrics, the upper management regularly reports on its performance, allowing the Board of Directors to assess the performance of those responsible for the Company's operations. The Company's Board of Directors, through its Audit Committee, monitors that the Company has in place an adequate internal control and accounting and administration system. Said Committee also meets quarterly with the external auditors as part of the monitoring of the proper performance of these control systems.

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

The Company does not apply the recommended practice within the terms mentioned above because the Board of Directors has not formally designated an officer responsible for the implementation of the corporate governance structures and initiatives. However, the Company has the Corporate Control and Corporate Affairs Departments, which lead the implementation of the Company's corporate governance practices, and analyze the need to introduce changes upon amendments in regulations, upon or changes in the Company's businesses, processes or structure. In this sense, the Company also has an Investor Relations Department, an Internal Audit Department, the Audit Committee and the Supervisory Committee. Those practices have been deemed adequate and approved by the Company's Board of Directors. For that reason, the Company applies the principles that underlie this practice. The Company's website has a Corporate Governance tab, which describes the role of the Board of Directors in its implementation.

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

The Company applies the recommended practice. The Company's Board of Directors is composed of members that have impeccable personal and professional qualifications that enable them to perform their duties in the Board. In addition, they devote sufficient time to adequately perform their duties and, therefore, they attend without fail the meetings to which they are called and receive relevant information sufficiently in advance so that they can make informed decisions at the Board. As a result of the above, given the fact that the rules that govern their actions, as well as their roles, functions and responsibilities arise from the Company's Bylaws, which are published in the Financial Information Highway and on the Company's website, the Company has not deemed it necessary to state in an additional document the rules that set out the duties, roles and functions of the members of the Board of Directors. The Audit Committee, composed of members of the Board of Directors, has a Rules of Procedure, which was filed with the CNV.

CHAIR OF THE BOARD OF DIRECTORS AND COMPANY SECRETARY

Principles

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

Recommended Practices

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

The Company applies the recommended practice. The Chair of the Company's Board of Directors leads and organizes the Board of Directors' meetings and the Shareholders' Meetings and receives the support of the Corporate Affairs Division, which, among its duties, is responsible for assisting the Chair of the Board regarding the coordination of meetings, technical support, delivery of information sufficiently in advance for the work carried out by the Directors and is also responsible for minute-taking at those meetings, among other activities. The members of the Board of Directors are called sufficiently in advance so that they can attend the meetings and receive in due time the relevant information required to decide on the items of the agenda of the meeting to which they are called.

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

The Company does not apply the recommended practice through the implementation of a formal annual performance review process. However, it complies with the principles that underlie the recommended practice because the Chair of the Company's Board of Directors ensures the correct and adequate internal functioning of the Board through the verification of the compliance with all the obligations applicable to its members and those that arise from the Bylaws, the laws and the Code of Ethics and Conduct. The shareholders gathered at the Shareholders' Meeting are the ones who, upon being furnished with the relevant and sufficient information, perform an annual review of the performance of the Board of Directors at the time of considering the performance of its members. Among the information made available to the Shareholders is the Annual Report, which gives account of the performance of Management.

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

The Company applies the recommended practice. The Company's Board of Directors performs its duties in an orderly and harmonious environment among its members, ensuring constructive and efficient teamwork for the benefit of the Company and its shareholders. Even though the Company has not implemented an annual formal training program, the members of the Board of Directors, in addition to their professional and personal qualifications and experience, regularly receive updates, through the coordination carried out by the Corporate Affairs Department, information, training, concerning the industry, business or regulations, for the adequate fulfillment of their functions and responsibilities, training given by highly qualified officers with experience in the Company's businesses, renowned market professionals, industry referents or specialized consultancy firms.

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

The Company applies the recommended practice. The Company has a Corporate Affairs Department that assists the Chair of the Board of Directors in administrative and organization tasks required for the adequate functioning of the Board, such as those related to the preparation and distribution of information, meeting minutes-taking, training, provision of information and induction for new members, assistance in the communication among the members of the Board of Directors and of the latter with Management, organization of shareholders' Meetings, among others. Taking into consideration the legal nature required in some of the functions of the Board of Directors, it also receives the advice of external legal advisors, who, during 2020, advised Directors on the holding of remote Shareholders' Meetings and Board of Directors' Meetings in conformity with the mandatory and preventive social isolation ordered by the National Executive Branch through Decree No. 297/2020, and Resolution No. 830/20 issued by the National Securities Commission.

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

The Company does not apply the recommended practice in the terms set out in it. The Company's Corporate Human Resources Department is in charge of the identification and retention of talents for managerial positions, as well as the planning of their successors. It receives the assistance of human resources professionals hired to such end.

COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

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

Recommended Practices

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

The Company applies the recommended practice. The Company's Board of Directors is composed of members who are also managers of the Company, non-independent directors without executive responsibilities and independent directors. The Board of Directors has two permanent directors and two alternate directors who are independent in conformity with the criteria established by the Argentine Securities Commission. Their names and capacity are published on the Company's website and in that of the Argentine Securities Commission.

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

The Company does not apply the recommended practice because it does not have a nomination committee. The Company's Bylaws set out the way in which each class of shares shall appoint the members of the Board of Directors, i.e., the shareholders appoint their directors. The Bylaws is published on the website of the National Securities Commission.

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

The Company does not apply the recommended practice. The Company does not have a nomination committee. See the explanation related to the recommended practice No. 12.

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

The Company applies the recommended practice. The Company provides assistance to the new members of the Board of Directors through an induction process that covers all the necessary aspects to gain an in-depth knowledge of the Company, through the contact with management and access to documentation related to the Company to learn about its structure, businesses, operations, personnel, processes, policies, legal advisors and applicable regulatory framework. In addition, the new members, as well as those previously elected receive training under the terms indicated in practice 8 above.

REMUNERATION

Principles

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

Recommended Practices

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

The Company does not apply the recommended practice. The Board does not have in place a remuneration committee. However, the Company hires independent professional human resources advisors that advise the Company regarding the remuneration of the Board of Directors. In addition, the Audit Committee provides an opinion—in conformity with the applicable regulations and at the request of the Board of Directors before the Annual Shareholders' Meeting—on the reasonableness of the fees paid to the members of the Board of Directors taking into consideration their professional background and reputation, tasks performed, responsibilities and the amount of time devoted to the performance of their duties. On the other hand, the Corporate Human Resources Department is in charge of supervising the remuneration of the first line managers which includes the competitiveness of the remuneration practices and policies. Said Department, with the advice of independent human resources professionals oversees that the remuneration of managers is in line with the short, medium and long term returns according to the Company's management objectives. Hence, the Company fulfills the principle that underlies the practice.

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

The Company does not apply the recommended practice in the terms set out in it. As mentioned in the explanation related to recommended practice No. 15, the Board of Directors does not have in place a remuneration committee. The policy that provides for the remuneration of management is established by the Corporate Human Resources Department. That policy sets out a fixed and variable remuneration scheme. The fixed compensation is related to the level of responsibility attached to each position, the competitiveness with respect to the market and the performance of the executive. The annual variable remuneration is related to the objectives set by the Company for the fiscal year and the degree of compliance, which are in line with the Company's business plan and strategy. On the other hand, the executives have the option of adhering to a long-term savings plan, which is used by the Company as a strong retention tool. The remuneration of the Board of Directors is approved by the shareholders at the Annual General Shareholders' Meeting. In addition, the Board of Directors proposes the shareholders to authorize the payment of advances up to a certain amount subject to the following Shareholders' Meeting at which shareholders shall approve their remuneration, advances distributed by the Board of Directors among its members in accordance with the delegation made by the Annual Shareholders' Meeting. Before proposing an amount of fees to be paid and submitting it on an annual basis to the consideration of the shareholders for their approval, the Board of Directors receives an opinion from the Audit Committee on the reasonableness of those fees.

CONTROL ENVIRONMENT

Principles

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

the internal audit of the company. Such audit shall be independent and objective, with clear reporting lines, in order to properly evaluate and audit the company's internal controls, corporate governance processes, and risk management.

XV. The Audit Committee of the Board shall be composed of qualified and experienced members, and shall perform its duties transparently and independently.

XVI. The Board of Directors must establish adequate procedures to ensure the independent and effective work performed by the External Auditors.

Recommended Practices

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

The Company does not apply the recommended practice in the terms set out in it. Even though the Corporate Control Department consolidates information about the risks posed by the Company's operations in the regular reports, which are analyzed by the Company's Board of Directors and, in particular, by the Audit Committee, the Company does not have in place a formal comprehensive risk management process; neither does the Board of Directors have a risk management committee. However, the Company's management contemplates operational, environment, information, financial and non-financial risks in the development of its strategic and business plan, which is discussed with the Company's Board of Directors. Those risks are contemplated in the management of the Company's activities, which has areas and processes to identify and manage certain risks, such as environment, equity, information, financial, environmental and technological risks. In addition, the Company has an Audit Committee composed of qualified and experienced members, as indicated in the Principles, which fulfills the duties conferred by the Capital Market Law.

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

The Company applies the recommended practice. The Company has an internal audit department that is independent from the areas of the Company it audits and reports to the Audit Committee, which guarantees the objectivity of its work. Taking into consideration the extent of the Company's operations and the guidelines of its internal rules, the Audit Committee monitors the function of said department through the analysis of the reports issued, the sufficiency of the resources available for the fulfillment of its duties and the consistency of its annual plan, which is developed based on the audit risks identified.

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

The Company applies the recommended practice. The Company has an internal audit department with qualified personnel for the adequate fulfillment of their duties. The members of that department have a vast professional experience in internal audit, financial reporting, fraud investigations and internal control. Said staff keeps up to date on an ongoing basis. The structure, policies and guidelines set by the Company's Management empowers the department to perform its duties without any kind of scope limitations.

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

The Company applies the recommended practice. The Board of Directors has an Audit Committee composed of a majority of independent directors. Its members are elected by the Board of Directors among its members and the Chair is elected by the members of the Committee, who acts in conformity with the laws, the Bylaws and internal rules. Those rules were duly approved by the Board and presented to the Committee, and are regularly reviewed by its members. The members of the Audit Committee have a vast experience in financial, accounting

and internal control matters. The Chair of the Audit Committee is an independent director. The Audit Committee issues on an annual basis at the time of presentation of the annual financial statements the report that discloses the treatment given to those matters that are within its competence.

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

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

ETHICS, INTEGRITY AND COMPLIANCE

Principles

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

Recommended Practices

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

The Company applies the recommended practice. The Company has a Code of Ethics and Conduct to address good corporate governance and corporate social responsibility practices, approved by its Board of Directors, which reflects the values and conducts promoted by the Company. All the directors, managers and employees of the Company are aware of said Code and its compliance is mandatory for all of them. The Code provides for sanctions in case of non-compliance.

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

The Company applies the recommended practice. The Company has developed an integrity program based on its risks, size and economic capacity. Such program includes: (i) a Code of Ethics and Conduct that reflects the values and principles promoted by the Company, as mentioned in the explanation related to recommended practice No. 22, and which contemplates the integrity policies in all those situations in which an employee of the Company interacts with

public officials; (ii) a reporting channel that has its own protocol and is aimed at strengthening the Company's ethical infrastructure, which allows for anonymous reporting and guarantees the confidentiality of communications as well as the protection against retaliation as a result of an investigation process because the Company encourages all of its employees to express freely without fear of retaliation; (iii) training for directors, managers and employees about ethics and integrity; (iv) the evaluation by the Corporate Control Department, as the internal body responsible for the ethics and integrity program, of integrity risks and the monitoring of the evolution of the program; (v) the adherence by the suppliers to the Company's transparency principles and practices.

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

The Company applies the recommended practice. The Company's Code of Ethics and Conduct has a section that contains the provisions applicable to conflicts of interest. On the other hand, the Company has a specific policy on related party transactions, which complies with effective rules.

ENGAGEMENT OF SHAREHOLDERS AND STAKEHOLDERS

Principles

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

Recommended Practices

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

The Company applies the recommended practice. The Company has a website in which it publishes financial and non-financial information, thus allowing investors to have material information in due time and form. The Company also has an investor relations area led by the Market Relations Officer to answer inquiries. Said Officer is appointed by the Board of Directors in conformity with CNV rules. Said department organizes conference calls on a quarterly basis ensuring investors worldwide the possibility of connecting for free. At these calls, the Company provides information about its results, its goals and answers questions and/or inquiries made by investors. These conference calls are announced in the daily bulleting of the Buenos Aires Stock Exchange, in the reporting service of the London Stock Exchange, and on the Company's website. The Company maintains communication channels with the minority shareholders through the disclosure of relevant information in the stock exchanges where its shares and GDSs are listed and through information disclosed in the Company's website. In addition, the Company's shareholders and investors can communicate with the department via email or by telephone, as detailed on the website.

Among the non-financial information disclosed by the Company on its website, the sustainability reports it issues are available under the tab "Sustainability". It should be noted that the Company is the only media company that publishes a sustainability report. This tab also shows the money in kind donated in public welfare messages to promote social, civil and environmental causes. The Company is a leader in terms of Sustainability: It creates monthly supplements to promote sustainable development. It also carries out a literacy program for children and adolescents aimed at promoting content creation skills and a critical look at journalistic content.

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

The Company applies the recommended practice. The Company's Investor Relations Department works together with the Sustainability Department to identify potential and actual stakeholders of the company. The Company has different communication channels that allow it to have contact with key internal and external audiences, listen to their points of view and disclose those of the Company; and hence build a long-term value-generating relationship for all the parties involved. The Company's main stakeholders are journalism; the community and civil society organizations; business chambers and associations; audiences, customers and readers; associates; universities; companies; suppliers and employees. Since 2015, the Company has issued a sustainability report on an annual basis and has been the first media company to do so in conformity with international guidelines including the Global Reporting Initiative standards, the UN Global Compact and the contribution to the 2030 UN agenda, whose priority is to generate value for the country, providing journalistic content, a bond with the audience, and economic independence. This report defines the following stakeholders: shareholders, investors, analysts, companies, business chambers, employees, journalists, audiences, customers, suppliers, leaders in the field of culture, science and technology entrepreneurs, universities, media, news agencies, press associations, leaders in the world of communications.

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

The Company applies the recommended practice. The Company distributes information packages before Shareholders' Meeting are held. Notwithstanding the foregoing, the packages are not provisional. In addition, the Company uploads to CNV's Financial Information Highway all the information requests made the Company's shareholders before Shareholders' Meetings are held, regarding the items of the agendas to be considered at those meetings, together with the answers provided by the Company to each of the requests, so that all the investors have the same information thus ensuring equitable access to the information provided. Such information is also provided in English for the foreign investors through the reporting service of the London Stock Exchange.

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

The Company does not apply the recommended practice. Shareholders may only attend meetings in person because the Company's Bylaws do not allow remote participation through the simultaneous transmission of sound, images and words. The Company's bylaws do allow remote participation but only for the Board of Directors' meetings. Notwithstanding the foregoing, as stated in item 27, the Company sends to its shareholders through virtual media as established in the practice, before meetings are held, the information packages corresponding to each meeting, as well as the answers to requests for information made by shareholders. In addition, the Company encourages the participation of all its shareholders, including foreign shareholders, to whom it sends well in advance, through the Depositary, a communication translated into English containing the items of the agenda so that they can grant a power of attorney or a proxy to the Depositary. In this way, the Depositary can participate at the meeting in their name and representation and vote as instructed in the corresponding power of attorney.

Notwithstanding the foregoing, the Annual Shareholders' Meeting corresponding to the fiscal year ended December 31, 2019 was held remotely due to the Mandatory and Preventive Social Isolation ordered by the National Executive Power - under Decree 297/20 and successive extensions in connection with the propagation of the COVID-19 - pursuant to Resolution No. 830/20 issued by the Argentine Securities Commission which allowed the Company to hold those Shareholders' Meetings through a system that ensured the simultaneous transmission of sound, images and words throughout the Shareholders' Meetings, guaranteeing the principle of equitable treatment for all participants, its free accessibility and recording of Shareholders' Meetings. In addition, the shareholders confirmed their attendance by issuing the documentation corresponding to the e-mail address informed by the Company both in the Argentine Securities Commission and in a newspaper with broad circulation by publishing a Supplementary Notice pursuant to the provisions of applicable regulations.

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

The Company does not apply the recommended practice. The Company's Board of Directors believes that given the nature of a holding company and depending basically on the liquidity of its revenues that derive from the companies in which it holds equity interests, it is not convenient to establish a dividend distribution policy. Notwithstanding the foregoing, the Board of Directors provides grounds for its proposal for the distribution of dividends and the reasons for which it deems reasonable under a prudent administration of the Company.

GRUPO CLARÍN S.A.

GRUPO CLARÍN S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 PRESENTED ON A COMPARATIVE BASIS

GLOSSARY OF SELECTED TERMS

ADIRA	Association of Provincial Newspapers of the Republic of Argentina
AEDBA	Association of Newspaper Publishers of the City of Buenos Aires
AFA	<i>Asociación del Fútbol Argentino</i> (Argentine Football Association)
AFIP	<i>Administración Federal de Ingresos Públicos</i> (Argentine Federal Revenue Service)
AFSCA	<i>Autoridad Federal de Servicios de Comunicación Audiovisual</i> (Audiovisual Communication Services Law Federal Enforcement Authority)
AGEA	Arte Gráfico Editorial Argentino S.A.
AGL	Artes Gráficas del Litoral S.A.
AGR	Artes Gráficas Rioplatense S.A.
APE	<i>Acuerdo preventivo extrajudicial</i> (pre-packaged insolvency plan)
ARPA	Association of Argentine Private Broadcasters
ARTEAR	Arte Radiotelevisivo Argentino S.A.
Auto Sports	Auto Sports S.A.
Bariloche TV	Bariloche TV S.A.
BCBA	<i>Bolsa de Comercio de Buenos Aires</i> (Buenos Aires Stock Exchange).
Cablevisión	Cablevisión S.A.
Cablevisión Holding	Cablevisión Holding S.A.
Canal Rural	Canal Rural Satelital S.A.
Carburando	Carburando S.A.
CIMECO	Compañía Inversora en Medios de Comunicación (CIMECO) S.A.
CMD	Compañía de Medios Digitales (CMD) S.A. (former PRIMA Internacional)
CMI	Comercializadora de Medios del Interior S.A.
CNV	<i>Comisión Nacional de Valores</i> (Argentine Securities Commission)
CPCECABA	<i>Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires</i> (Professional Council in Economic Sciences of the City of Buenos Aires)
COMFER	<i>Comité Federal de Radiodifusión</i> (Federal Broadcasting Committee)
CSJN	Supreme Court of Argentina
Cúspide	Cúspide Libros S.A.U.
DLA	Diario Los Andes Hermanos – Calle S.A.
Adjusted EBITDA	Revenues less cost of sales and selling and administrative expenses (excluding depreciation and amortization). Additionally, the segment "Cable Television and Internet Access" includes adjustments related to the recognition of revenues from installation services and transactions including separate items and the non-consolidation of special purpose entities.
EPN	Electro Punto Net S.A.
Exponenciar	Exponenciar S.A.
FACPCE	<i>Federación Argentina de Consejos Profesionales de Ciencias Económicas</i> (Argentine Federation of Professional Councils in Economic Sciences)
GCGC	GC Gestión Compartida S.A.
GCSA Investments	GCSA Investments, S.A.U.
GC Minor	GC Minor S.A.U.
GDS	Global Depositary Shares
Grupo Clarín, or the Company	Grupo Clarín S.A.

GRUPO CLARÍN S.A.

GRUPO CLARÍN S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 PRESENTED ON A COMPARATIVE BASIS

IASB.....	International Accounting Standards Board
IESA.....	Inversora de Eventos S.A.
IFRIC.....	International Financial Reporting Interpretations Committee
IFRS.....	International Financial Reporting Standards
IGJ.....	<i>Inspección General de Justicia</i> (Argentine Superintendency of Legal Entities)
Impripost.....	Impripost Tecnologías S.A.
VAT.....	Value Added Tax
Audiovisual Communication Services	
Law.....	Law No. 26,522 and its regulations
LSE.....	London Stock Exchange
LVI.....	La Voz del Interior S.A.
Médula.....	Médula Network, LLC
Multicanal.....	Multicanal S.A.
IAS.....	International Accounting Standards
NCP ARG.....	Argentine Professional Accounting Standards, except for Technical Resolutions No. 26 and 29 which adopt IFRS.
OSA.....	Oportunidades S.A.
Papel Prensa.....	Papel Prensa S.A.I.C.F. y de M.
Patagonik.....	Patagonik Film Group S.A.
Pol-Ka.....	Pol-Ka Producciones S.A.
Radio Mitre.....	Radio Mitre S.A.
Gain (Loss) on Net Monetary Position...	Results from changes in the purchasing power of the currency ("RECPAM", for its Spanish acronym)
Ríos de Tinta.....	Ríos de Tinta S.A de C.V.
SCI.....	<i>Secretaría de Comercio Interior</i> (Secretariat of Domestic Trade)
Supercanal.....	Supercanal Holding S.A.
Telba.....	Teledifusora Bahiense S.A.
Telecom.....	Telecom Argentina S.A.
Telecor.....	Telecor S.A.C.I.
TFN.....	<i>Tribunal Fiscal de la Nación</i> (National Tax Court)
Tinta Fresca.....	Tinta Fresca Ediciones S.A.
TRISA.....	Tele Red Imagen S.A.
TSC.....	Televisión Satelital Codificada S.A.
UNIR.....	Unir S.A.

GRUPO CLARÍN S.A.

GRUPO CLARÍN S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 PRESENTED ON A COMPARATIVE BASIS

In Argentine Pesos (\$) – Notes 2.1 and 2.12.

Registered office: Piedras 1743, Buenos Aires, Argentina

Main corporate business: Investing and financing

Date of incorporation: July 16, 1999

Date of registration with the Public Registry of Commerce:

- Of the by-laws: August 30, 1999

- Of the latest amendment: April 27, 2017

Registration number with the IGJ: 1,669,734

Expiration of Articles of Incorporation: August 29, 2098

Information on Parent Company:

Name: GC Dominio S.A.

Registered office: Piedras 1743, Buenos Aires, Argentina

Information on the subsidiaries in Note 2.4.

CAPITAL STRUCTURE (See Note 13)

Type	Number of votes per share	Subscribed, registered and paid-in capital
Class "A" Common shares, with nominal value of \$ 1	5	28,226,683
Class "B" Common shares, with nominal value of \$ 1	1	69,203,544
Class "C" Common shares, with nominal value of \$ 1	1	9,345,777
Total as of December 31, 2020		<u>106,776,004</u>
Total as of December 31, 2019		<u>106,776,004</u>

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts stated in Argentine Pesos – Note 2.1.1)

	Notes	December 31, 2020	December 31, 2019
Revenues	6.1	26,639,658,889	34,619,659,621
Cost of Sales (1)	6.2	<u>(16,687,410,185)</u>	<u>(23,028,827,234)</u>
Subtotal - Gross Profit		9,952,248,704	11,590,832,387
Selling Expenses (1)	6.3	(3,809,674,129)	(5,703,425,400)
Administrative Expenses (1)	6.3	(4,252,524,971)	(5,163,040,884)
Other Income and Expenses, net	6.6	(1,220,820,137)	(109,696,062)
(Loss) on Net Monetary Position		(181,632,242)	(257,693,476)
Financial Expenses on Debt	6.4	(786,702,632)	(1,508,238,150)
Other Financial Results, net	6.5	<u>(44,206,620)</u>	<u>(165,477,976)</u>
Financial Results		(1,012,541,494)	(1,931,409,602)
Equity in Earnings from Associates	5.4	<u>579,392,288</u>	<u>239,258,524</u>
Income (Loss) before Income Tax		236,080,261	(1,077,481,037)
Income Tax	7	<u>(701,130,812)</u>	<u>(908,949,994)</u>
Loss for the year		<u>(465,050,551)</u>	<u>(1,986,431,031)</u>
Other Comprehensive Income			
Items which can be reclassified to Net Income (Loss)			
Variation in Translation Differences of Foreign Operations		<u>3,309,578</u>	<u>(5,783,358)</u>
Other Comprehensive Income (Loss) for the Year		3,309,578	(5,783,358)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		<u>(461,740,973)</u>	<u>(1,992,214,389)</u>
(Loss) Income Attributable to:			
Shareholders of the Parent Company		(274,351,674)	(2,052,076,145)
Non-Controlling Interests		(190,698,877)	65,645,114
Total Comprehensive Income (Loss) Attributable to:			
Shareholders of the Parent Company		(271,055,276)	(2,051,119,821)
Non-Controlling Interests		(190,685,697)	58,905,432
Basic and Diluted Net Income (Loss) per Share - Total (2)		(2.57)	(19.22)

⁽¹⁾ Includes amortization of intangible assets and film library, right-of-use assets and depreciation of property, plant and equipment in the amount of \$ 1,355,461,677 and \$ 1,524,687,533 for the years ended December 31, 2020 and 2019, respectively.

⁽²⁾ See Note 16.

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

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019
(Amounts stated in Argentine Pesos – Note 2.1.1)

	Notes	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5.1	7,034,951,442	7,584,905,019
Intangible Assets	5.2	457,786,092	577,182,539
Goodwill	5.3	22,073,350	1,267,776,613
Deferred Tax Assets	7	861,337,185	671,544,344
Right-of-Use Assets	5.16	83,204,737	128,135,489
Investments in Unconsolidated Affiliates	5.4	2,688,625,846	2,263,691,825
Other Investments	5.5	13,437,910	-
Inventories	5.6	23,431,318	24,474,982
Other Assets	5.7	45,399,578	46,626,927
Other Receivables	5.8	106,925,558	358,011,863
Trade Receivables	5.9	7,208,574	56,852,857
Total Non-Current Assets		<u>11,344,381,590</u>	<u>12,979,202,458</u>
CURRENT ASSETS			
Inventories	5.6	1,113,655,977	1,786,492,580
Other Assets	5.7	112,763,146	162,151,304
Other Receivables	5.8	2,109,348,630	2,085,342,404
Trade Receivables	5.9	7,876,187,848	7,897,963,136
Other Investments	5.5	1,944,102,079	962,047,749
Cash and Banks	5.10	1,294,110,858	2,049,884,020
Total Current Assets		<u>14,450,168,538</u>	<u>14,943,881,193</u>
Total Assets		<u>25,794,550,128</u>	<u>27,923,083,651</u>
EQUITY (as per the corresponding statement)			
Attributable to Shareholders of the Parent Company			
Shareholders' Contribution		12,452,719,357	14,504,795,502
Other Items		24,536,186	31,585,828
Retained Earnings		1,217,814,141	(558,599,521)
Total Attributable to Shareholders of the Parent Company		<u>13,695,069,684</u>	<u>13,977,781,809</u>
Attributable to Non-Controlling Interests		95,982,672	281,175,171
Total Equity		<u>13,791,052,356</u>	<u>14,258,956,980</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions and Other Charges	5.11	1,082,994,975	1,085,311,593
Financial Debt	5.12	1,439,684,762	1,224,119,263
Lease Liabilities	5.16	16,635,842	36,168,882
Deferred Tax Liabilities	7	188,971,780	384,021,786
Taxes Payable	5.13	14,443,308	39,398,171
Other Liabilities	5.14	256,607,296	249,250,730
Trade and Other Payables	5.15	36,580,036	92,107,107
Total Non-Current Liabilities		<u>3,035,917,999</u>	<u>3,110,377,532</u>
CURRENT LIABILITIES			
Financial Debt	5.12	273,336,699	1,323,511,626
Lease Liabilities	5.16	69,870,293	91,634,655
Taxes Payable	5.13	978,135,939	717,112,406
Other Liabilities	5.14	901,425,336	1,109,177,689
Trade and Other Payables	5.15	6,744,811,506	7,312,312,763
Total Current Liabilities		<u>8,967,579,773</u>	<u>10,553,749,139</u>
Total Liabilities		<u>12,003,497,772</u>	<u>13,664,126,671</u>
Total Equity and Liabilities		<u>25,794,550,128</u>	<u>27,923,083,651</u>

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

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts stated in Argentine Pesos – Note 2.1.1)

Equity attributable to Shareholders of the Parent Company

	Shareholders' Contribution				Other Items		Retained Earnings			Total Equity of Controlling Interests	Equity Attributable to Non-Controlling Interests	Total Equity
	Capital Stock	Inflation	Additional Paid-in Capital	Subtotal	Translation of Foreign Operations	Other Reserves	Legal Reserve	Voluntary Reserves	Retained Earnings			
		Adjustment on Capital Stock										
Balances as of December 31, 2018	106,776,004	5,008,319,256	12,028,623,327	17,143,718,587	192,100,028	(161,470,524)	171,253,444	12,547,288,854	(13,863,988,759)	16,028,901,630	255,346,645	16,284,248,275
Set-up of Reserves (Note 13)	-	-	(2,638,923,085)	(2,638,923,085)	-	-	(171,253,444)	(11,053,812,230)	13,863,988,759	-	-	-
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(33,076,906)	(33,076,906)
Loss for the year	-	-	-	-	-	-	-	-	(2,052,076,145)	(2,052,076,145)	65,645,114	(1,986,431,031)
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	956,324	-	-	-	-	956,324	(6,739,682)	(5,783,358)
Balances as of December 31, 2019	106,776,004	5,008,319,256	9,389,700,242	14,504,795,502	193,056,352	(161,470,524)	-	1,493,476,624	(2,052,076,145)	13,977,781,809	281,175,171	14,258,956,980
Changes in minority interest in a subsidiary (Note 13)	-	-	-	-	-	(11,709,643)	-	-	-	(11,709,643)	11,709,643	-
Set-up of Reserves (Note 13)	-	-	(2,052,076,145)	(2,052,076,145)	-	-	-	-	2,052,076,145	-	-	-
Sale of Treasury Stock	-	-	-	-	-	1,363,603	-	-	(1,310,809)	52,794	-	52,794
Dividends and Other Movements of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	(6,216,445)	(6,216,445)
Loss for the year	-	-	-	-	-	-	-	-	(274,351,674)	(274,351,674)	(190,698,877)	(465,050,551)
Other Comprehensive Income:												
Variation in Translation Differences of Foreign Operations	-	-	-	-	3,296,398	-	-	-	-	3,296,398	13,180	3,309,578
Balances as of December 31, 2020	106,776,004	5,008,319,256	7,337,624,097	12,452,719,357	196,352,750	(171,816,564)	-	⁽¹⁾ 1,493,476,624	(275,662,483)	13,695,069,684	95,982,672	13,791,052,356

(1) Corresponds to Judicial Reserve for Future Dividends Distribution as of December 31, 2020.

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

GRUPO CLARÍN S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts stated in Argentine Pesos – Note 2.1.1)

	December 31, 2020	December 31, 2019
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Loss for the year	(465,050,551)	(1,986,431,031)
Income Tax	701,130,812	908,949,994
Accrued Interest, net	179,585,396	732,694,673
Adjustments to reconcile Net Loss for the Year to Cash provided by Operating Activities:		
Depreciation of Property, Plant and Equipment	924,465,523	975,862,572
Amortization of Intangible Assets and Film Library	321,669,554	382,003,116
Amortization of Right-of-Use Assets	109,326,600	166,821,845
Net Allowances	543,761,556	683,186,755
Financial Income, except Interest	198,412,585	210,833,856
Equity in Earnings from Associates	(579,392,288)	(239,258,524)
Impairment of Goodwill	1,295,703,263	-
(Loss) on Net Monetary Position	181,632,242	257,693,476
Other Income and Expenses	(32,961,954)	(45,099,949)
Changes in Assets and Liabilities:		
Trade Receivables	(2,768,557,470)	(1,821,487,772)
Other Receivables	(494,934,707)	(1,144,477,558)
Inventories	465,303,528	335,473,796
Other Assets	51,963,743	(22,808,319)
Trade and Other Payables	2,077,599,958	2,935,954,454
Taxes Payable	(198,034,911)	(367,136,373)
Other Liabilities	184,314,391	614,506,759
Provisions	(132,708,758)	(188,998,658)
Payments of Income tax	(487,581,443)	(468,554,375)
Net Cash Flows provided by Operating Activities	2,075,647,069	1,919,728,737
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment	(445,751,031)	(1,020,295,536)
Payments for Acquisition of Intangible Assets	(173,137,868)	(168,322,530)
Payments for Acquisition of Subsidiaries, Net of Cash Acquired and Contributions in Associates	(64,666)	(219,682)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	2,049,422	31,332,101
Dividends Collected from Investments in Unconsolidated Affiliates	110,124,818	188,397,976
Acquisition of Government Securities	(416,710,265)	(85,751,014)
Loans Granted	-	(83,228,938)
Collections of Loans	36,079,695	-
Collections of Interest	15,476,642	-
Proceeds from Sale of Other Assets	1,768,067	8,349,105
Transactions with Notes, Bonds and Other Placements, Net	165,913,056	298,783,046
Net Cash Flows used in Investment Activities	(704,252,130)	(830,955,472)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Sale of Treasury Shares	52,794	-
Loans Obtained	933,398,590	3,148,261,279
Payment of Financial Debt	(1,619,051,951)	(2,449,903,271)
Payment of Interest	(283,191,742)	(838,791,091)
Payment of Lease Liabilities	(87,309,542)	(185,770,947)
Payments to Non-Controlling Interests, net	(6,174,959)	(16,519,967)
Net Cash Flows used in Financing Activities	(1,062,276,810)	(342,723,997)
FINANCIAL RESULTS (INCLUDING GAIN (LOSS) ON NET MONETARY POSITION) OF CASH AND CASH EQUIVALENTS	(533,716,318)	(328,439,508)
(Decrease) / Increase in cash flow, net	(224,598,189)	417,609,760
Cash and Cash Equivalents at the Beginning of the Year (Note 2.24)	3,011,841,018	2,594,231,258
Cash and Cash Equivalents at the Closing of the Year (Note 2.24)	2,787,242,829	3,011,841,018

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

INDEX OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION
2. BASIS FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.
3. ACCOUNTING ESTIMATES AND JUDGMENTS
4. SEGMENT INFORMATION
5. BREAKDOWN OF THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION
6. BREAKDOWN OF THE MAIN ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME
7. INCOME TAX
8. PROVISIONS AND OTHER CONTINGENCIES
9. REGULATORY FRAMEWORK
10. CALL OPTIONS
11. FINANCIAL INSTRUMENTS
12. INTERESTS IN SUBSIDIARIES AND AFFILIATES
13. RESERVES, ACCUMULATED INCOME AND DIVIDENDS
14. NON-CONTROLLING INTEREST
15. BALANCES AND TRANSACTIONS WITH RELATED PARTIES
16. EARNINGS PER SHARE
17. COVENANTS, SURETIES AND GUARANTEES PROVIDED
18. LONG-TERM SAVINGS PLAN FOR EMPLOYEES
19. OPERATING LEASES
20. TAX REFORM IN ARGENTINA
21. LAW No. 26,831 CAPITAL MARKETS
22. IMPACT OF CORONAVIRUS
23. SUBSEQUENT EVENTS
24. APPROVAL OF FINANCIAL STATEMENTS

GRUPO CLARÍN S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020,
PRESENTED ON A COMPARATIVE BASIS
(Amounts stated in Argentine Pesos – Note 2.1.1)

NOTE 1 – GENERAL INFORMATION

Grupo Clarín is a holding company that operates in the Media industry. Its operating income and cash flows derive from the operations of its subsidiaries in which it participates directly or indirectly.

Its operations include newspaper and other printing, publishing and advertising activities, broadcast television, radio operations and television content production, on-line and new media services, and other media related activities. A substantial portion of its revenues is generated in Argentina. Through its subsidiaries, it is engaged primarily in the following business segments as of December 31, 2020:

- **Printing and Publishing**, consisting of national and regional newspapers, a sports daily, magazine publishing, editing and distribution, and commercial printing. Diario Clarín, the flagship national newspaper, is the newspaper with the second largest circulation in the Spanish-speaking world. The sports daily Olé is the only newspaper of its kind in the Argentine market. The children’s magazine Genios is the children’s magazine with the highest circulation in Argentina.
- **Broadcasting and Programming**, consisting of Canal 13, one of the two broadcast television stations with the highest audience share in Argentina, AM (Amplitude Modulation) /FM (Frequency Modulation) radio broadcast stations (Radio Mitre and La 100), and the production of television, film and radio programming content, including cable television signals and organization and broadcasting of sporting events.
- **Other**, consisting mainly of the operations of its subsidiary GCGC, its shared service center.

NOTE 2 - BASIS FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.

2.1 Basis for the preparation

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

These consolidated financial statements of Grupo Clarín for the year ended December 31, 2020, presented on a comparative basis, have been prepared in accordance with IFRS. Certain additional matters were included as required by the Argentine General Associations Law and/or CNV regulations, including the supplementary information provided under the last paragraph of Section 1, Chapter III, Title IV of General Resolution No. 622/13. That information is included in the Notes to these consolidated financial statements, as provided under IFRS and CNV rules.

In preparing these consolidated financial statements for the year ending December 31, 2020, and for the purposes of presentation to the London Stock Exchange (LSE), the Company has followed accounting policies that are in accordance with IFRS.

These consolidated financial statements have been prepared based on restated historical cost, as mentioned in Note 2.1.1, except for the valuation of financial instruments (see Note 2.21). In general, the historical cost is based on the fair value of the consideration granted in exchange for the assets.

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

The attached consolidated information, approved by the Board of Directors at the meeting held on April 22, 2021, is presented in Argentine Pesos (\$), the Argentine legal tender, and arises from accounting records kept by Grupo Clarín S.A. and its subsidiaries.

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

International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”) requires that the financial statements of an entity that reports in the currency of a highly inflationary economy shall be stated in terms of the measuring unit current at the closing date of the reporting year, regardless of whether they are based on a historical cost approach or a current cost approach. To this end, in general terms, the inflation rate must be computed in the non-monetary items as from the acquisition date or the revaluation date, as applicable. These requirements also comprise the comparative information of the financial statements.

To determine the existence of a highly inflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. This is why, in accordance with IAS 29, Argentine economy should be considered as a highly inflationary economy as from July 1, 2018.

In addition, Law No. 27,468, published in the Official Gazette on December 4, 2018, amended Section 10 of Law No. 23,928, as amended, providing that the repeal of all the laws and regulations that establish or authorize price indexation, currency restatement, cost variance and any other form of restatement of debts, taxes, prices or fees related to property, works or services, does not apply to financial statements, which remain subject to Section 62 in fine of the General Associations Law No. 19,550 (as restated in 1984), as amended. In addition, it repealed Decree No. 1,269/2002 dated July 16, 2002, as amended, and delegated on the Executive Branch, through its oversight agencies, the power to set the date as from which those regulations will come into effect with respect to financial statements. On December 28, 2018, through General Resolution No. 777/2018, the CNV provided that the entities subject to the Commission’s oversight must apply the method to restate annual, interim and special financial statements in constant currency, as established by IAS 29, for fiscal years ended on or after December 31, 2018. Therefore, these financial statements have been restated in constant currency as of December 31, 2020.

According to IAS 29, the financial statements of an entity that reports in the currency of a highly inflationary economy shall be stated in terms of the measuring unit current at the closing date of the financial statements.

The inflation adjustment was calculated taking into consideration the indexes established by the FACPCE based on the price indexes published by the National Institute of Statistics and Census (INDEC, for its Spanish acronym).

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

	<u>As of</u> <u>December 31,</u> <u>2018</u>	<u>As of</u> <u>December 31,</u> <u>2019</u>	<u>As of</u> <u>December 31,</u> <u>2020</u>
General Price Index (December 2016=100)	184.26	284.44	385.88
<u>Variation of Prices</u>			
Annual	47.6%	53.8%	36.1%
Accumulated over 3 years	147.8%	183.2%	209.2%

The main procedures applied for the above-mentioned inflation adjustment were the following:

- The monetary assets and liabilities recorded at the currency unit of the financial statement are not restated because they are already stated in terms of the measuring unit current at the closing date of the financial statements.
- The non-monetary assets and liabilities recorded at cost at the date of the financial statement, and the equity items, are restated by applying the corresponding adjustment coefficients.

- All the elements of the Statement of comprehensive income are adjusted by applying the corresponding adjustment coefficients.
- The effect of inflation on the Company's net monetary position is included in the Statement of comprehensive income under the item "Gain (Loss) on Net Monetary Position".
- The comparative figures have been restated for inflation following the same procedure explained above and after that, they were restated as of the date of these financial statements.

The following is a description of the initial application of the inflation adjustment in the most relevant equity accounts:

- The capital stock was restated since the date of subscription or since the date of the last inflation adjustment for accounting purposes, whichever occurred later. The difference between the nominal value of the capital stock and its value restated for inflation is disclosed under "Inflation Adjustment on Capital Stock."
- The paid-in capital was restated since the date of subscription or since the date of the last inflation adjustment for accounting purposes, whichever occurs later.
- Other comprehensive income was restated since each date of the accounting entry.
- The other reserves were restated since January 1, 2017, which was the first day of the comparative period at the time of the initial application of the adjustment for inflation.

2.2 Standards and Interpretations issued but not adopted to date

To date, there are no standards and interpretations issued but not adopted by the Company.

2.3. Standards and Interpretations issued and adopted to date

The Company has adopted the IFRS issued, as per the detail below, because its application is required for fiscal years beginning:

2.3.1 On or after January 1, 2019

- IFRS 16 "Leases": issued in January 2016. It establishes the principles for the recognition, measurement, presentation and disclosure of leases.

The Company opted to apply IFRS 16 with the simplified retrospective approach to the operating lease agreements identified as such under IAS 17, recognizing the accumulated effect of the application as the adjustment to the opening balance of accumulated income as from January 1, 2019.

The Company recognized the right-of-use assets at an amount equal to the lease liability at the date of the adoption (equal to the present value of the remaining lease payments), adjusted by the amount of any prepaid or accrued lease payments as of December 31, 2019.

As of January 1, 2019, the accounting impact of said standard was an increase in non-current assets due to the initial recognition of right-of-use assets and an increase in liabilities related to the lease agreements executed by subsidiaries for \$ 252.9 million in constant currency as of December 31, 2020. (Note 5.16).

2.4 Basis for Consolidation

These consolidated financial statements incorporate the financial statements of the Company and of the subsidiaries and joint ventures ("Interests in Joint Operations", Note 2.7) controlled by the Company. Control is presumed to exist when the Company has a right to variable returns from its interest in a subsidiary and has the ability to affect those returns through its power over the subsidiary. This power is presumed to exist when evidenced by the votes, be it that the Company has the majority of voting rights or potential rights currently exercised. The subsidiaries are consolidated from the date on which the Company assumes control over them and are excluded from consolidation on the date control ceases.

For consolidation purposes, the intercompany transactions and the balances between the Company and the consolidated subsidiaries have been eliminated. Unrealized income has also been eliminated.

Below is a detail of the most significant consolidated subsidiaries, together with the interest percentages held directly or indirectly in each subsidiary's capital stock and votes, as of each date indicated below:

Companies	Direct or Indirect Interest in the Capital Stock and Votes (%)	
	December 31, 2020	December 31, 2019
	AGEA	100.0%
CIMECO	100.0%	100.0%
ARTEAR ⁽¹⁾	99.3%	99.3%
IESA	100.0%	100.0%
Radio Mitre	100.0%	100.0%
GCGC	100.0%	100.0%

⁽¹⁾ Interest in votes amounts to 99.7%.

The subsidiaries' financial statements used for consolidation purposes bear the same closing date as these consolidated financial statements, comprise the same periods and have been prepared under exactly the same accounting policies as those used by the Company, which are described in the notes to the consolidated financial statements or, as the case may be, adjusted as applicable.

2.4.1 Changes in the Company's Interests in Existing Subsidiaries

The changes in the Company's interests in subsidiaries that do not generate a loss of control are recorded under equity. The book value of the Company's interests and non-controlling interests is adjusted to reflect the changes in the relative interest in the subsidiary. Any difference between the amount for which non-controlling interests were adjusted and the fair value of the consideration paid or received is directly recognized in equity and attributed to the shareholders of the parent company.

In case of loss of control, any residual interest in the issuing company is measured at its fair value at the date on which control was lost, allocating the change in the recorded value with an impact on net income. The fair value is the initial amount recognized for such investments for the purpose of the subsequent valuation for the interest retained as associate, joint operation or financial instrument. Additionally, any amount previously recognized under Other Comprehensive Income regarding such investments is recognized as if Grupo Clarin had disposed of the related assets and liabilities. Consequently, the amounts previously recognized under Other Comprehensive Income may be reclassified to the statement of income.

2.5 Business Combinations

The Company applies the acquisition method of accounting for business combinations. The consideration for each acquisition is measured at fair value (on the date of exchange) of the assets acquired, the liabilities incurred or assumed and the equity instruments issued by the Company in exchange for the control of the acquired company. The costs related to the acquisition are expensed as incurred.

The consideration for the acquisition, if any, includes any asset or liability arising from a contingent consideration arrangement, measured at fair value at the acquisition date. Subsequent changes to such fair value, identified during the measurement period, are adjusted against the acquisition cost.

The measurement period is the effective period that begins on the acquisition date and ends on the date on which the Company obtains all the information about the facts and circumstances existing on the acquisition date, which may not extend beyond one year after the acquisition date. All other changes in the fair value of the contingent consideration classified as assets or liabilities, outside the measurement period, are recognized in the statement of income.

The changes in the fair value of the contingent consideration classified as equity are not recognized.

In the cases of business combinations conducted in stages, the Company's equity interest in the acquiree is remeasured at fair value on its acquisition date (i.e., the date on which the Company obtained control) and the resulting gain or loss, if any, is recognized in the statement of income or in other comprehensive income, as appropriate according to the source of the variation. In the periods preceding the reporting periods, the Company may have recognized under other comprehensive income the changes in the value of the interest in the capital stock of the acquired company. In that case, the amount recognized under other comprehensive income is recognized on the same basis that would have been required if the Company had directly disposed of the previously-held equity interest.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 (2008) are recognized at fair value at the acquisition date, except for certain particular cases provided by such standard.

Any excess of the acquisition cost (including the interest previously held, if any, and the non-controlling interest) over the net fair value of the subsidiary's or associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Any excess of the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost is immediately recognized in the statement of income.

The acquisition cost comprises the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, if any.

The Company initially recognizes any non-controlling interest as per its share in the amounts recognized for the net identifiable assets of the acquired company.

2.6 Investments in Associates

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

The associates' net income and their assets and liabilities are disclosed in the consolidated financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". Under the equity method, the investment in an associate is to be initially recorded at cost and the book value will be increased or decreased to recognize the investor's share in the comprehensive income (loss) for the year or in other comprehensive income obtained by the associate, after the acquisition date. The distributions received from the associate will reduce the book value of the investment.

Any excess of the acquisition cost over the Company's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities measured at the acquisition date is recognized as goodwill. Goodwill is included in the book value of the investment and tested for impairment as part of the investment. Any excess of the Company's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost, after its measurement at fair value, is immediately recognized in the statement of income.

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

Adjustments were made, where necessary, to the associates' financial statements so that their accounting policies are consistent with those used by the Company.

Investments in companies in which the company does not have control or significant influence have been valued at cost, as established by IAS 39, restated as mentioned in Note 2.1.1.

In the cases where non-controlling shareholders hold put options whereby they may force the Company to acquire shares of subsidiaries, and the Company reasonably estimates that such put options will be duly exercised, the Company discloses the present value of the corresponding future payments under Other Liabilities.

2.7 Interests in Joint Operations

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

Joint venture arrangements that entail the establishment of an independent entity in which each company holds an interest are called jointly controlled entities. The Company, in accordance with IFRS 11 "Joint Arrangements", has applied the equity method to measure its holding in the jointly controlled entity and discloses its holdings in such entities under Investments in unconsolidated affiliates.

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

These consolidated financial statements include the balances of the UTEs, among them, FEASA – S.A. La Nación Unión Transitoria de Empresas, AGEA S.A. – S.A. La Nación – UTE and Unir S.A. - Correo Andreani S.A. - Unión Transitoria de Empresas, in which the Company and/or its subsidiaries hold an interest.

2.8 Goodwill

Goodwill arises from the acquisition of subsidiaries and refers to the excess of the cost of acquisition over the net fair value at the date of acquisition of the identifiable assets acquired and liabilities assumed. The Company initially recognizes any non-controlling interest as per its share in the amounts recognized for the net identifiable assets of the acquired company.

If, after the fair value measurement, the Company's share in the fair value of the net identifiable assets of the acquiree exceeds the amount of the transferred consideration, the amount of any non-controlling interest in such company and the fair value of the interest previously held by the acquirer in the acquiree (if any), that excess is immediately recognized in the statement of comprehensive income as income from purchase in very profitable terms.

Goodwill is not amortized, but tested for impairment on an annual basis. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to render benefits from the synergies of the respective business combination. Those cash-generating units to which goodwill is allocated are tested for impairment on an annual basis, or more frequently, when there is any indication of impairment. If the recoverable value of the cash-generating unit, i.e. the higher of the value in use or the fair value net of selling expenses, is lower than the value of the net assets allocated to that unit, including goodwill, the impairment loss is first allocated to reduce the goodwill allocated to the unit and then to the other assets of the unit, on a pro rata basis, based on the valuation of each asset in the unit. The impairment loss recognized against the valuation of goodwill is not reversed under any circumstance.

In case of a loss of control in a subsidiary, the amount attributable to goodwill is included in the calculation of the gain or loss for retirement.

2.9 Revenue Recognition

Revenues are recognized when the amount of revenues may be reliably estimated, when future economic benefits are likely to be obtained by the Company, and when specific criteria are met for each of Grupo Clarín's activities, as described below.

Revenues for each of the main business segments identified by the Company are recognized when the following conditions are met:

- Printing and Publishing

Advertising sales are determined by the prices achieved per single column centimeter and the number of advertising centimeters sold in the relevant period. Circulation sales include the price received from the sale of

newspapers, magazines and other publications. Printing services sales consist mainly of fees received from the printing of magazines, books, brochures and related products.

Advertising sales from newspapers and magazines are recognized when advertising is published. Revenues from the sale of newspaper and magazines are recognized upon passing control to the buyers.

The Company records the estimated impact of returns, calculated based on historical trends, as a deduction from revenues. Revenues from printing services are recognized upon completion of the services, delivery of the related products and customer acceptance.

Digital advertising revenues are recorded according to the price set for each site and section where advertising is served, considering its placement and format. Revenues from online advertising for sponsorship or fixed positions are recognized over the term set for the ad, while revenues from online advertising for served print ads are recognized based on the number of times the ad was displayed on the web.

- Broadcasting and Programming

television and radio advertising sales revenues are recognized when advertising is broadcast. Revenues from programming and distribution of television content are recognized when the programming services are provided.

2.10 Barter Transactions

The Company, through its subsidiaries, sells a small portion of its advertising spaces in exchange for goods or services received. Revenues are recorded when the advertisement is made, valued at the fair value of the goods or services received, in the case of goods and other services advertising barter transactions, or delivered, in the case of advertising-for-advertising barter transactions. Goods or services are recorded at the time goods are received or services are rendered. The goods or services to be received in consideration for the advertisements made are recorded as Trade Receivables. The advertisements to be made in exchange for the goods and services received are recorded as Trade and Other Payables.

2.11 Leases

Leases are classified as financial leases when the terms of the lease transfer to the lessee substantially all the risks and benefits inherent to the property. All other leases are classified as operating leases.

The assets held under financial leases are recognized at the lower of the fair value of the Company's leased assets at the beginning of the lease term, or the present value of the minimum lease payments. The liability held with the lessor is included in the statement of financial position as an obligation under financial leases recorded under lease liabilities.

Lease payments are apportioned between the finance charge and the reduction of the liabilities under the lease so as to achieve a constant interest rate on the outstanding balance. The finance charge is expensed over the lease term.

The assets held under financial leases are depreciated over the shorter of the useful life of the assets or the lease term.

Until December 31, 2018, the rentals under operating leases were charged to income on a straight line basis over the corresponding lease term. As from January 1, 2019, the Company has applied IFRS 16 regarding operating lease agreements.

2.12 Foreign Currency and Functional Currency

The financial statements of each of the entities consolidated by the Company are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the net income and the financial position of each entity are stated in Argentine Pesos (Argentina's legal tender for all companies domiciled in Argentina), which is the Company's functional currency, and the reporting currency of the consolidated financial statements. The functional currency of the indirectly controlled Uruguayan companies is the Uruguayan Peso.

In preparing the financial statements of the individual entities, the transactions in currencies other than the entity's functional currency (foreign currency) are recorded at the exchange rates prevailing on the dates on which transactions are carried out. At the end of each reporting year, the monetary items denominated in foreign currency are retranslated at the exchange rates prevailing on such date.

The exchange differences were charged to income (loss) for the period in which they were generated.

In preparing the Company's consolidated financial statements, asset and liability balances of the entities which functional currency is not the Argentine peso, expressed in their own functional currency (Uruguayan Peso) are translated into Argentine pesos at the exchange rate prevailing at the end of the year, while net income is translated at the exchange rate prevailing on the transaction date. Translation differences are recognized under other comprehensive income as "Variation in Translation Differences of Foreign Operations".

2.13 Financial Expenses on Debt

Financial expenses on debt directly attributable to the acquisition, construction or production of assets that require a substantial period of time to prepare for their intended use or sale ("qualifying assets"), are capitalized as part of the cost of these assets until they are ready for their intended use or sale, according to IAS 23 ("Borrowing Costs").

The income, if any, on the temporary investment of the specific borrowings incurred to finance qualifying assets is deducted from the financial expenses on debt to be capitalized.

All other financial expenses on debt were charged to income (loss) for the period in which they were generated.

2.14 Taxes

The income tax charge reflects the sum of current income tax and deferred income tax.

2.14.1 Current and Deferred Income Tax for the year

Current and deferred taxes are recognized as expense or income (loss) for the year, except when they are related to entries debited or credited to other comprehensive income or equity, in which cases taxes are also recognized under other comprehensive income or directly in equity, respectively. In the case of a business combination, the tax effect is taken into consideration in the calculation of goodwill or in the determination of the excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

2.14.2 Current Income Tax

Current tax payable is based on the taxable income recorded during the year. Taxable income and net income reported in the consolidated statement of comprehensive income differ due to revenue or expense items that are taxable or deductible in other fiscal years and items that are never taxable or deductible. The current tax liability is calculated using the tax rate in effect as of the date of these consolidated financial statements. Current tax charge is calculated based on the tax rules effective in the countries in which the consolidated entities operate.

2.14.3 Deferred Income Tax

Deferred tax is recognized on temporary differences between the book value of the assets and liabilities included in these financial statements and the corresponding tax basis used to determine taxable income. Deferred tax liabilities are generally recognized for all temporary fiscal differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which those deductible temporary differences can be charged. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The book value of a deferred tax asset is reviewed at each reporting year and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow for the recovery of all or part of the asset.

Deferred tax is recognized on temporary differences arising from investments in foreign subsidiaries.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable in the year in which the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting year, to recover or settle the book value of its assets and liabilities.

Deferred tax assets are offset against deferred tax liabilities if effective regulations allow to offset, before the tax authorities, the amounts recognized in those items; and if the deferred tax assets and liabilities arise from income taxes levied by the same tax authority and the Company intends to settle its assets and liabilities on a net basis.

Under the IFRS, deferred income tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.15 Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods and services, or for administrative purposes, are recorded at cost, restated as mentioned in Note 2.1.1, less accumulated depreciation and any accumulated impairment loss.

Depreciation of property, plant and equipment in use is recognized on a straight-line basis over its estimated useful life.

The estimated useful life, residual value and depreciation method are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Works in process are recorded at cost, restated as mentioned in Note 2.1.1, less any recognized impairment loss. The cost includes professional fees and, in the case of qualifying assets, capitalized financial expenses on debt in accordance with the Company's accounting policy (Note 2.13). Depreciation of these assets, as well as in the case of other property, plant and equipment, begins when the assets are ready for their use.

Assets held under financial leases are depreciated over the shorter of their estimated useful life, which is equal to the rest of the other similar assets, or over the lease term.

Repair and maintenance expenses are expensed as incurred.

The gain or loss arising from the retirement or disposal of an item of property, plant and equipment is calculated as the difference between income from the sale of the asset and the asset's book value, and recognized under "Other Income and Expenses, net" in the statement of comprehensive income.

The residual value of an asset is written down to its recoverable value, if the asset's restated residual value exceeds its estimated recoverable value (see Note 2.17).

2.16 Intangible Assets

Intangible assets include trademarks and patents, exclusivity agreements, licenses, software and other rights, the purchase value of the subscriber portfolio, projects in-progress (mainly related to software development) and other intangible assets. The accounting policies regarding the recognition and measurement of such intangible assets are described below.

2.16.1 Intangible Assets Acquired Separately

Intangible assets acquired separately are valued at cost, restated as mentioned in Note 2.1.1, net of the corresponding accumulated amortization and impairment losses. Amortization is calculated on a straight line

basis over the estimated useful life of the intangible assets. The Company reviews the useful lives applied, the residual value and the amortization method at each year-end, and accounts the effect of any changes in estimates on a prospective basis.

Assets held under financial leases are depreciated over the shorter of their estimated useful life, which is equal to the rest of the other similar assets, or over the lease term.

2.16.2 Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are identified and recognized separately regarding goodwill when they meet the definition of intangible assets and their fair value can be measured reliably. Such intangible assets are recognized at fair value at acquisition date.

After the initial recognition, intangible assets acquired in a business combination are valued at cost, restated as mentioned in Note 2.1.1, net of accumulated amortization and impairment losses, with the same basis as intangible assets acquired separately.

2.16.3 Internally Generated Intangible Assets

Internally generated intangible assets arising from the development phase of an internal project are recognized if certain conditions are met, among them, technical feasibility to complete the development of the intangible asset and the intent to complete such development.

The amount initially recognized for internally generated intangible assets comprises all the expenses incurred as from the moment all the intangible assets meet the above-mentioned recognition criteria. Where it is not possible to recognize an internally generated intangible asset, the development expenses are recognized in the statement of comprehensive income in the year in which they are incurred.

After the initial recognition, internally developed intangible assets are valued at cost, restated as mentioned in Note 2.1.1, net of accumulated amortization and impairment losses, with the same basis as intangible assets acquired separately.

Such assets are included under software and projects in-progress.

2.17 Impairment of Non-Financial Assets, Except Goodwill

At the end of each financial statement, the Company reviews the book value of its non-financial assets with definite useful life to determine the existence of any evidence indicating that these assets could be impaired. If there is any indication of impairment, the recoverable value of these assets is estimated for the purposes of determining the amount of the impairment loss (in case the recoverable value is lower than the book value). Where it is not possible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit ("CGU") to which such asset belongs. Where a consistent and reasonable allocation base can be identified, corporate assets are also allocated to an individual cash-generating unit or, otherwise, to the smallest group of cash-generating units for which a consistent allocation base can be identified.

The recoverable value of an asset is the higher of the fair value less selling expenses or its value in use. In measuring value in use, estimated future cash flows are discounted at their present value using a pre-tax discount rate, which reflects the current market assessments of the time value of money and, if any, the risks specific to the asset for which estimated future cash flows have not been adjusted.

Assets with an indefinite useful life (for example, non-financial assets unavailable for use) are not amortized, but are tested for impairment on an annual basis.

Non-financial assets, except for goodwill, for which an impairment loss was recorded, are reviewed at each closing date for a possible reversal of the impairment loss.

2.18 Inventories

Inventories are valued at the lower of acquisition cost and/or production cost, restated as mentioned in Note 2.1.1, or the net realizable value. The cost is determined under the weighted average price method.

The production cost is determined under the cost absorption method, which comprises raw materials, labor and other costs directly related to the production of goods. The net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make such sale.

The criterion followed to expense each of these inventory items is as follows:

- Film Rights (series, soap operas and films) and programs purchased:

The cost of series, soap operas and programs purchased to be shown on broadcast television is mainly expensed against the cost of sales on the exhibition date or upon expiration of exhibition rights. Rights related to these programs acquired in perpetuity, if any, are amortized over their estimated useful life (eight years, with a grace period of three years and are subsequently amortized on a straight-line basis over the next five years).

Films are expensed against the cost of sales on a decreasing basis, based on the number of showings granted by the respective rights or upon expiration of exhibition rights.

Film rights acquired in perpetuity are amortized over their estimated useful life (seven years, with a grace period of four years. They are subsequently amortized on a decreasing basis over the next three years).

- In-house production programs and co-productions:

The cost of in-house production programs and co-productions is mainly expensed against the cost of sales after broadcasting of the chapter or program. Rights related to in-house production programs and co-productions acquired in perpetuity, if any, are amortized over their estimated useful life (eight years, with a grace period of three years and are subsequently amortized on a straight-line basis over the next five years).

- Events:

The cost of events is fully expensed against the cost of sales at the time of broadcasting.

The allowance for impairment is calculated based on the recoverability analysis conducted at the closing of each year. The values thus obtained do not exceed their respective recoverable values estimated at the closing of each year.

2.19 Other Assets

The assets included in this item have been valued at acquisition cost.

Investments denominated in foreign currency subject to restrictions on disposition under financial covenants have been valued at face value plus interest accrued as of each year-end.

2.20. Provisions and Other Charges

Provisions for Lawsuits and Contingencies and the accrual for asset retirement are recognized when the Company has a present obligation (be it legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting year, taking into consideration the corresponding risks and uncertainties. Where a provision is measured using the estimated cash flow to settle the present obligation, its book value represents the present value of such cash flow.

In estimating its obligations, the Company has taken into consideration the opinion of its legal advisors, if any.

2.21 Financial Instruments

Financial assets and liabilities, on initial recognition, are measured at transaction price as of the acquisition date. Financial assets are derecognized in the financial statement when the rights to receive cash flows from them have expired or have been transferred and the Company has transferred substantially all the risks and benefits of ownership.

2.21.1 Financial Assets

Upon initial recognition, in accordance with IFRS 9, financial assets are subsequently measured at either amortized cost, or fair value, on the basis of:

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

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- (b) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that is not measured at amortized cost according to the paragraphs above is measured at fair value.

Financial assets include:

Cash and Cash Equivalents

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

Cash and cash equivalents are recorded, according to their nature, at fair value or amortized cost.

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

Investments in Government Securities were valued at amortized cost or at fair value, according to the business model established by the Company.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

Trade and Other Receivables

Trade and other receivables classified as either current or non-current assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowances for doubtful accounts. Interest income is recognized using the effective interest rate method, except for short-term balances for which the recognition of interest is not significant.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

Investments

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

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

Impairment of Financial Assets

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

In the case of trade receivables, as from January 1, 2018, the Company measures the allowance for bad debts in an amount equal to the lifetime expected credit losses.

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

Given the nature of Other receivables, the Company conducts an uncollectibility analysis for each case in particular.

Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of such assets expire or when it transfers the financial asset and, therefore, all the risks and benefits inherent to the ownership of the financial asset are transferred to another entity. If the Company retains substantially all the risks and benefits inherent to the ownership of the transferred asset, it will continue to recognize it and will recognize a liability for the amounts received.

2.21.2 Financial Liabilities

Financial liabilities comprise trade and other payables, financial debt, and certain liabilities included in Other Liabilities.

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Amortized cost represents the initial amount net of principal repayments made, adjusted by the amortization of any differences between the initial amount and the maturity amount using the effective interest method.

Balances in foreign currency have been valued as mentioned above, at the exchange rates effective at the closing of each year. The exchange differences were charged to income for each year.

Derecognition of Financial Liabilities

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

2.21.3 Derivatives

Derivatives, if any, are initially recognized at fair value at the date of execution of the related contract and subsequently measured at fair value at the end of the reporting year. The resulting gain or loss is immediately recognized in the statement of income unless the derivative is designated as a hedging instrument, in which case the timing for its recognition will depend on the nature of the hedging relationship.

2.22 Other Liabilities

Advances from customers involving obligations to deliver assets that have not yet been produced have been valued at the higher of the amounts received or the share in the estimated value of the related assets.

The other liabilities have been valued at nominal value.

2.23 Assets and Liabilities Held for Distribution to Shareholders

Non-current assets and liabilities (or disposal groups) are classified as assets and liabilities held for distribution to shareholders when an entity undertakes to distribute them to its shareholders, to the extent such distribution is highly likely to occur and they are available for immediate distribution in their then current conditions.

2.24 Consolidated Statement of Cash Flows

For the purposes of preparing the consolidated statement of cash flows, the item “Cash and Cash Equivalents” includes cash and bank balances, certain high liquidity short-term investments (with original maturities shorter than 90 days). Bank overdrafts payable on demand, if any, are deducted to the extent they are part of the Company’s cash management.

Bank overdrafts are classified as “Financial Debt” in the consolidated statement of financial position.

Cash and cash equivalents at each year-end, as disclosed in the consolidated statement of cash flows, may be reconciled against the items related to the consolidated statement of financial position as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and Banks	1,294,110,858	2,049,884,020
Short-term investments with original maturities shorter than 90 days	1,493,131,971	961,956,998
Total	<u>2,787,242,829</u>	<u>3,011,841,018</u>

In the years ended December 31, 2020 and 2019, the following significant transactions were carried out, which did not have an impact on cash and cash equivalents:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Settlement of trade receivables through government bonds	57,895,816	-
Capital Contributions in Associates through Capitalization of Loans	-	51,153,865
New right-of-use assets owed	71,777,899	63,715,864

2.25 Distribution of Dividends

The distribution of dividends to the Company’s shareholders is recognized as a liability in the financial statements for the year in which the distribution of dividends is approved at the Shareholders’ Meeting.

NOTE 3 - ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the accounting policies described in Note 2, the Company has to make judgments and prepare accounting estimates of the value of the assets and liabilities that may not be otherwise obtained. The estimates and related assumptions are based on historical experience and other pertinent factors. Actual results may differ from these estimates.

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

These estimates basically refer to:

Allowance for Bad Debts

The Company calculates the allowance for bad debts for debt instruments that are not valued at fair value, taking into account the uncollectibility history, the opinion of its legal advisors, if any, and other circumstances known at the time of calculation. In addition, and in accordance with IFRS 9, for the calculation of the allowance for bad debts on trade receivables the Company considers the expected credit losses over their total useful life.

Impairment of Goodwill

The Company assesses goodwill for impairment on an annual basis. In determining if there is impairment of goodwill, the Company calculates the value in use of the cash-generating units to which it has been allocated. The calculation of the value in use requires the determination by the entity of the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate the present value.

Recognition and Measurement of Deferred Income Tax Items

Deferred tax assets are only recognized for temporary differences to the extent that it is probable that each entity, on an individual basis, will have enough future taxable income against which the deferred tax assets can be used. Tax loss carryforwards from prior years are only recognized when it is probable that each entity will have enough future taxable income against which they can be used.

Pursuant to effective regulations, the use of the subsidiaries' tax credits is based on a projection analysis of future income.

The Company examines the recoverable value of deferred tax assets based on its business plans and books a valuation allowance, if appropriate, so that the net position of the deferred tax asset will reflect the probable recoverable value.

Provisions for Lawsuits and Contingencies

The elements taken into consideration for the calculation of the Provision for Lawsuits and Contingencies are determined based on the present value of the estimated costs arising from the lawsuits brought against the Company, taking into consideration the opinion of its legal advisors.

Determination of the Useful Lives of Property, Plant and Equipment and Intangible Assets

The Company reviews the estimated useful life of property, plant and equipment and intangible assets at each year-end.

Measurement of the fair value of certain financial instruments

The fair value of a financial instrument is the amount at which the instrument could be purchased or sold between knowledgeable, willing parties in an arm's length transaction. If there is a quoted market price available for an instrument in an active market, the fair value is calculated based on that price.

If there is no quoted market price available for a financial instrument, its fair value is estimated based on the price established in recent transactions involving the same or similar instruments and, otherwise, based on valuation techniques regularly used in financial markets. The Company uses its judgment to select a variety of methods and makes assumptions based on market conditions at closing.

Impairment losses of certain assets other than accounts receivable (including property, plant and equipment and intangible assets)

Certain assets, including property, plant and equipment and intangible assets are subject to impairment testing. The Company records impairment losses when it estimates that there is objective evidence of such losses or when the cost of such losses will not be recovered through future cash flows. The evaluation of what constitutes impairment is a matter of significant judgment. The impairment of non-financial assets is dealt with in more depth in Note 2.17.

NOTE 4 – SEGMENT INFORMATION

The Company is mainly engaged in media and entertainment activities, which are carried out through the companies in which it holds a participating interest. Based on the nature, clients, and risks involved, the following

business segments have been identified, which are directly related to the way in which the Company assesses its business performance:

- Printing and Publishing: mainly comprises the operations of its subsidiary AGEA and its subsidiaries Cúspide, Tinta Fresca (a company merged into AGEA effective as of January 1, 2018), the printing business of OSA, CIMECO, and their respective subsidiaries.
- Broadcasting and Programming: mainly comprises the operations of its subsidiaries ARTEAR, IESA and Radio Mitre, and their respective subsidiaries, including Telecor, Pol-Ka, Auto Sports, and Carburando.
- Other: mainly comprises the operations of its controlled company GCGC. Additionally, this segment includes the Company's own operations (typical of a holding company) and those carried out by its controlled companies OSA (except those related to the printing business), FEASA and AGEA S.A. – S.A. La Nación - UTE.

The Company has adopted IFRS 8 - Segment Information, which defines operating segments as those identified based on internal reports with respect to the components of the company regularly reviewed by the Board of Directors, the main operating decisions maker, to allocate resources and assess their performance. The Company uses adjusted EBITDA to measure its performance. The Company believes that adjusted EBITDA is a significant performance measure of its businesses, since it is commonly used in the industry to analyze and compare media companies based on operating performance, indebtedness and liquidity. However, adjusted EBITDA does not measure net income or cash flows generated by operations and should not be considered as an alternative to net income, an indication of the Company's financial performance, an alternative to cash flows generated by operating activities or a measure of liquidity. Since adjusted EBITDA is not defined by IFRS, it is possible that other companies may calculate it differently. Therefore, the adjusted EBITDA reported by other companies may not be comparable to the Company's reported adjusted EBITDA.

The following information as of December 31, 2020 and 2019 was prepared in accordance with IFRS, except for the non-application of IAS 29, due to the fact that the Board of Directors analyzes the information in historical currency for the business segments identified by the Company.

Note 1 to these consolidated financial statements includes additional information about the Company's businesses.

GRUPO CLARÍN S.A.

Information arising from Consolidated Income Statements as of December 31, 2020	Printing and publishing in historical currency	Printing and publishing restated in constant currency	Broadcasting and programming in historical currency	Broadcasting and programming restated in constant currency	Other in Historical Currency	Other restated in constant currency	Eliminations (1)	Total consolidated results restated in constant currency
Net Sales to Third Parties ⁽²⁾	10,507,116,384	12,266,269,561	11,187,544,493	13,060,618,295	1,124,501,460	1,312,771,033	-	26,639,658,889
Intersegment Sales	238,187,363	278,065,865	56,979,877	66,519,729	893,690,300	1,043,316,332	(1,387,901,926)	-
Net Sales	10,745,303,747	12,544,335,426	11,244,524,370	13,127,138,024	2,018,191,760	2,356,087,365	(1,387,901,926)	26,639,658,889
Cost of sales -excluding depreciation and amortization	(5,824,517,316)	(6,799,686,693)	(6,476,117,452)	(7,560,380,933)	(1,413,547,841)	(1,650,210,983)	449,083,915	(15,561,194,694)
Subtotal	4,920,786,431	5,744,648,733	4,768,406,918	5,566,757,091	604,643,919	705,876,382	(938,818,011)	11,078,464,195
Expenses - excluding depreciation and amortization								
Selling Expenses	(2,833,093,700)	(3,307,424,201)	(450,839,626)	(526,321,417)	(91,869,566)	(107,250,819)	223,244,408	(3,717,752,029)
Administrative Expenses	(1,625,841,795)	(1,898,048,236)	(1,929,748,063)	(2,252,835,988)	(582,384,570)	(679,890,264)	715,573,603	(4,115,200,885)
Adjusted EBITDA	461,850,936	539,176,296	2,387,819,229	2,787,599,686	(69,610,217)	(81,264,701)	-	3,245,511,281
Depreciation of Property, Plant and Equipment								(924,465,523)
Amortization of Intangible Assets and Film Library ⁽³⁾								(321,669,554)
Amortization of Right-of-Use Assets								(109,326,600)
Other Income and Expenses, net								(1,220,820,137)
Financial Expenses on Debt								(786,702,632)
Loss on Net Monetary Position								(181,632,242)
Other Financial Results, net								(44,206,620)
Financial Results								(1,012,541,494)
Equity in Earnings from Associates								579,392,288
Income Tax								(701,130,812)
Net Loss for the Year								(465,050,551)
Additional consolidated information as of December 31, 2020								
Payments for Acquisition of Property, Plant and Equipment	159,044,559	185,672,582	185,693,620	216,720,320	37,139,972	43,358,129	-	445,751,031
Payments for Acquisition of Intangible Assets	137,721,916	160,779,998	8,987,777	10,492,555	1,597,781	1,865,315	-	173,137,868

⁽¹⁾ Eliminations are related to Grupo Clarín's intercompany operations.

⁽²⁾ Includes also sales to unconsolidated companies.

⁽³⁾ Amortization of film rights acquired in perpetuity, mentioned in Note 2.18.

GRUPO CLARÍN S.A.

Information arising from Consolidated Income Statements as of December 31, 2019	Printing and publishing in historical currency	Printing and publishing restated in constant currency	Broadcasting and programming in historical currency	Broadcasting and programming restated in constant currency	Other in Historical Currency	Other restated in constant currency	Eliminations (1)	Total consolidated results restated in constant currency
Net Sales to Third Parties ⁽²⁾	10,086,395,742	16,722,433,332	9,452,851,235	15,672,067,469	1,342,139,149	2,225,158,820	-	34,619,659,621
Intersegment Sales	192,523,512	319,188,506	45,780,842	75,900,956	865,485,722	1,434,905,754	(1,829,995,216)	-
Net Sales	10,278,919,254	17,041,621,838	9,498,632,077	15,747,968,425	2,207,624,871	3,660,064,574	(1,829,995,216)	34,619,659,621
Cost of sales -excluding depreciation and amortization	(5,962,236,714)	(9,884,909,191)	(6,044,435,364)	(10,021,187,943)	(1,568,040,664)	(2,599,685,371)	730,755,396	(21,775,027,109)
Subtotal	4,316,682,540	7,156,712,647	3,454,196,713	5,726,780,482	639,584,207	1,060,379,203	(1,099,239,820)	12,844,632,512
Expenses - excluding depreciation and amortization								
Selling Expenses	(2,879,352,339)	(4,773,734,718)	(470,345,847)	(779,795,605)	(233,862,394)	(387,725,050)	355,896,508	(5,585,358,865)
Administrative Expenses	(1,514,159,687)	(2,510,355,043)	(1,330,992,850)	(2,206,679,151)	(625,198,666)	(1,036,529,129)	743,343,312	(5,010,220,011)
Adjusted EBITDA	(76,829,486)	(127,377,114)	1,652,858,016	2,740,305,726	(219,476,853)	(363,874,976)	-	2,249,053,636
Depreciation of Property, Plant and Equipment								(975,862,572)
Amortization of Intangible Assets and Film Library ⁽³⁾								(382,003,116)
Amortization of Right-of-Use Assets								(166,821,845)
Other Income and Expenses, net								(109,696,062)
Financial Expenses on Debt								(1,508,238,150)
Loss on Net Monetary Position								(257,693,476)
Other Financial Results, net								(165,477,976)
Financial Results								(1,931,409,602)
Equity in Earnings from Associates								239,258,524
Income Tax								(908,949,994)
Net Loss for the Year								(1,986,431,031)

Additional Consolidated Information as of December 31, 2019

Payments for Acquisition of Property, Plant and Equipment	156,835,460	260,020,586	436,397,397	723,511,804	22,174,264	36,763,146	-	1,020,295,536
Payments for Acquisition of Intangible Assets	83,558,549	138,533,357	15,049,709	24,951,208	2,918,097	4,837,965	-	168,322,530

⁽¹⁾ Eliminations are related to Grupo Clarín's intercompany operations.

⁽²⁾ Includes also sales to unconsolidated companies.

⁽³⁾ Amortization of film rights acquired in perpetuity, mentioned in Note 2.18.

NOTE 5 - BREAKDOWN OF THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

5.1 Property, Plant and Equipment

Main Account	Original value				Balances as of December 31, 2020
	Balance at the Beginning	Additions	Retirements	Transfers	
Real Property (1)	8,714,508,321	8,611,650	-	1,048,655,500	9,771,775,471
Furniture and Fixtures	1,409,734,133	1,239,638	(17,697)	-	1,410,956,074
Telecommunication, Audio and Video Equipment	5,032,718,825	25,261,730	(12,227,919)	-	5,045,752,636
Computer Equipment (2)	6,480,419,255	221,054,020	(35,727,553)	(1,836,857)	6,663,908,865
Technical Equipment	760,299,415	5,517,277	(409,753)	-	765,406,939
Workshop Machinery	5,102,881,617	5,680,957	-	149,205,832	5,257,768,406
Tools	2,524,200	8,412,038	(1,556,553)	-	9,379,685
Spare Parts	279,190,519	-	-	-	279,190,519
Installations	4,917,024,971	22,118,745	(5,228,179)	13,096,247	4,947,011,784
Vehicles	189,416,607	4,691,194	(18,334,860)	-	175,772,941
Works-In-Progress	1,332,822,789	125,191,254	(43,905,418)	(1,234,331,433)	179,777,192
Leasehold Improvements	615,295,058	17,972,528	(10,345,785)	5,822,731	628,744,532
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(49,585,409)	-	18,907,372	-	(30,678,037)
Total as of December 31, 2020	34,787,250,301	445,751,031	(108,846,345)	(19,387,980)	35,104,767,007

Main Account	Accumulated Depreciation			Balances as of December 31, 2020	Net Book Value as of December 31, 2020
	Balance at the Beginning	Retirements and Transfers	For the year		
Real Property (1)	4,575,650,383	-	148,604,076	4,724,254,459	5,047,521,012
Furniture and Fixtures	1,289,475,758	(17,705)	23,868,273	1,313,326,326	97,629,748
Telecommunication, Audio and Video Equipment	4,549,826,234	(3,486,066)	143,732,248	4,690,072,416	355,680,220
Computer Equipment (2)	5,948,458,556	(36,547,091)	352,266,792	6,264,178,257	399,730,608
Technical Equipment	700,231,433	-	16,553,613	716,785,046	48,621,893
Workshop Machinery	4,800,523,570	-	84,113,401	4,884,636,971	373,131,435
Tools	2,445,357	-	33,867	2,479,224	6,900,461
Spare Parts	255,124,247	-	14,331,724	269,455,971	9,734,548
Installations	4,421,128,466	(3,833,791)	111,191,135	4,528,485,810	418,525,974
Vehicles	150,930,422	(13,328,074)	11,141,278	148,743,626	27,029,315
Works-In-Progress	-	-	-	-	179,777,192
Leasehold Improvements	535,825,800	(10,346,230)	18,629,116	544,108,686	84,635,846
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	(27,274,944)	10,563,717	-	(16,711,227)	(13,966,810)
Total as of December 31, 2020	27,202,345,282	(56,995,240)	924,465,523	28,069,815,565	7,034,951,442

(1) includes \$759 million for the fiscal year ended December 31, 2020, corresponding to real property retired from active use.

(2) includes \$ 27 million acquired under a lease agreement.

Main Account	Original value				Balances as of December 31, 2019
	Balance at the Beginning	Additions	Retirements	Transfers	
Real Property (1)	8,550,294,496	558,163	(2,833,652)	166,489,314	8,714,508,321
Furniture and Fixtures	1,400,606,968	10,209,644	(1,082,479)	-	1,409,734,133
Telecommunication, Audio and Video Equipment	4,996,047,302	51,800,021	(15,128,498)	-	5,032,718,825
Computer Equipment	6,220,449,734	280,625,322	(38,771,558)	18,115,757	6,480,419,255
Technical Equipment	750,508,648	9,790,767	-	-	760,299,415
Workshop Machinery	4,995,012,165	108,540,685	(671,233)	-	5,102,881,617
Tools	3,096,805	-	(572,605)	-	2,524,200
Spare Parts	279,190,519	-	-	-	279,190,519
Installations	4,866,128,876	49,156,682	(428,634)	2,168,047	4,917,024,971
Vehicles	174,716,317	22,589,614	(7,889,324)	-	189,416,607
Works-In-Progress	1,050,706,430	468,889,477	-	(186,773,118)	1,332,822,789
Leasehold Improvements	597,159,897	18,135,161	-	-	615,295,058
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	-	-	(49,585,409)	-	(49,585,409)
Total as of December 31, 2019	33,883,918,157	1,020,295,536	(116,963,392)	-	34,787,250,301

Main Account	Accumulated Depreciation			Balances as of December 31, 2019	Net Book Value as of December 31, 2019
	Balance at the Beginning	Retirements and Transfers	For the year		
Real Property (1)	4,434,751,079	-	140,899,304	4,575,650,383	4,138,857,938
Furniture and Fixtures	1,265,013,416	(788,502)	25,250,844	1,289,475,758	120,258,375
Telecommunication, Audio and Video Equipment	4,401,630,869	(18,404,306)	166,599,671	4,549,826,234	482,892,591
Computer Equipment	5,618,891,233	(38,763,977)	368,331,300	5,948,458,556	531,960,699
Technical Equipment	682,485,154	3,581,884	14,164,395	700,231,433	60,067,982
Workshop Machinery	4,731,179,219	(671,233)	70,015,584	4,800,523,570	302,358,047
Tools	2,905,986	(606,113)	145,484	2,445,357	78,843
Spare Parts	232,707,030	-	22,417,217	255,124,247	24,066,272
Installations	4,282,287,451	(373,869)	139,214,884	4,421,128,466	495,896,505
Vehicles	147,457,884	(7,889,327)	11,361,865	150,930,422	38,486,185
Works-In-Progress	-	-	-	-	1,332,822,789
Leasehold Improvements	518,363,776	-	17,462,024	535,825,800	79,469,258
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	-	(27,274,944)	-	(27,274,944)	(22,310,465)
Total as of December 31, 2019	26,317,673,097	(91,190,387)	975,862,572	27,202,345,282	7,584,905,019

(1) includes \$787 million for the fiscal year ended December 31, 2019, corresponding to real property retired from active use.

The following table details the average years of useful life of the items comprising Property, Plant and Equipment:

Item	Average Useful Life (in years)
Real Property	50
Furniture and Fixtures	10
Telecommunication, Audio and Video Equipment	between 3 and 4
External Network and Broadcasting Equipment	between 3 and 20
Computer Equipment	3
Technical Equipment	between 4 and 10
Workshop Machinery	10
Tools	5
Spare Parts	5
Installations	between 3 and 10
Vehicles	5
Plots	5
Leasehold Improvements	between 3 and 10

5.2 Intangible Assets

Main Account	Original value				Balances as of December 31, 2020
	Balance at the Beginning	Additions	Retirements	Transfers	
Exploitation Rights and Licenses	171,404,395	538,327	-	-	171,942,722
Exclusivity Agreements	307,933,136	-	-	-	307,933,136
Other Rights	802,281,954	4,430,748	-	-	806,712,702
Acquisition Value of Subscriber Portfolio	72,233,112	-	-	-	72,233,112
Software	2,470,933,999	102,488,187	-	18,832,209	2,592,254,395
Trademarks and Patents	282,093,276	3,119,979	-	-	285,213,255
Projects in-Progress	79,710,450	62,560,627	-	555,771	142,826,848
Other	678,862,941	-	-	-	678,862,941
Allowance for Impairment of Intangible Assets	(352,358,541)	-	10,277,882	-	(342,080,659)
Total as of December 31, 2020	4,513,094,722	173,137,868	10,277,882	19,387,980	4,715,898,452

Main Account	Accumulated Depreciation			Balances as of December 31, 2019	Net Book Value as of December 31, 2020
	Balance at the Beginning	Retirements	For the year		
Exploitation Rights and Licenses	130,864,596	-	41,078,126	171,942,722	-
Exclusivity Agreements	273,928,356	-	9,076,990	283,005,346	24,927,790
Other Rights	681,111,547	-	57,765,286	738,876,833	67,835,869
Acquisition Value of Subscriber Portfolio	72,233,112	-	-	72,233,112	-
Software	2,184,585,738	1,392,000	198,920,057	2,384,897,795	207,356,600
Trademarks and Patents	120,457,580	-	11,522,144	131,979,724	153,233,531
Projects in-Progress	-	-	-	-	142,826,848
Other	663,149,999	-	2,445,574	665,595,573	13,267,368
Allowance for Impairment of Intangible Assets	(190,418,745)	-	-	(190,418,745)	(151,661,914)
Total as of December 31, 2020	3,935,912,183	1,392,000	320,808,177	4,258,112,360	457,786,092

Main Account	Original value				Balances as of December 31, 2019
	Balance at the Beginning	Additions	Retirements	Transfers	
Exploitation Rights and Licenses	215,361,471	15,665,919	-	(59,622,995)	171,404,395
Exclusivity Agreements	241,205,166	-	-	66,727,970	307,933,136
Other Rights	720,921,638	21,737,510	-	59,622,806	802,281,954
Acquisition Value of Subscriber Portfolio	72,233,112	-	-	-	72,233,112
Software	2,399,054,850	71,763,999	(87,474,176)	87,589,326	2,470,933,999
Trademarks and Patents	345,848,037	2,973,199	-	(66,727,960)	282,093,276
Projects in-Progress	128,008,272	56,104,005	(16,794,694)	(87,607,133)	79,710,450
Other	759,686,385	77,898	(80,919,328)	17,986	678,862,941
Allowance for Impairment of Intangible Assets	-	-	(352,358,541)	-	(352,358,541)
Total as of December 31, 2019	4,882,318,931	168,322,530	(537,546,739)	-	4,513,094,722

Main Account	Accumulated Depreciation			Balances as of December 31, 2019	Net Book Value as of December 31, 2019
	Balance at the Beginning	Retirements and Transfers	For the year		
Exploitation Rights and Licenses	128,722,423	(38,404,304)	40,546,477	130,864,596	40,539,799
Exclusivity Agreements	221,336,750	34,951,192	17,640,414	273,928,356	34,004,780
Other Rights	619,436,685	38,404,302	23,270,560	681,111,547	121,170,407
Acquisition Value of Subscriber Portfolio	72,233,112	-	-	72,233,112	-
Software	1,955,996,201	(54,628,540)	283,218,077	2,184,585,738	286,348,261
Trademarks and Patents	146,809,486	(34,951,192)	8,599,286	120,457,580	161,635,696
Projects in-Progress	-	-	-	-	79,710,450
Other	736,731,723	(80,901,486)	7,319,762	663,149,999	15,712,942
Allowance for Impairment of Intangible Assets	-	(190,418,745)	-	(190,418,745)	(161,939,796)
Total as of December 31, 2019	3,881,266,380	(325,948,773)	380,594,576	3,935,912,183	577,182,539

The following is a detail of the average number of years over which intangible assets items are amortized:

Item	Amortization Period (in years)
Exploitation Rights and Licenses	between 2 and 20
Exclusivity Agreements	between 5 and 15
Other Rights	between 5 and 20
Acquisition Value of Subscriber Portfolio	10
Software	between 3 and 5
Trademarks and Patents	between 3 and 10
Other	between 3 and 20

5.3 Goodwill

The Company assesses the recoverability of goodwill considering each company for which it records goodwill as a different cash-generating unit ("CGU").

The recoverable amount of each CGU has been determined as per its value in use, calculated based on operating cash flows estimated in the financial budgets approved by Management, which comprise a period ranging from one to three years. Cash flows not included in those periods are projected using a growth rate, assessed based on statistical data and historical indicators of Argentina, which does not exceed the long-term average growth of each business.

The gross margin used in each case for the calculation of the value in use allocated to each CGU arises from budgets prepared by each business for the period under consideration, which are in line with the historical data and the expectations regarding market development and evolution of the respective businesses.

The discount rate used in each case for the calculation of the value in use allocated to each CGU takes into account the risk-free rate, the country risk premium and the premium for risks specific to each business, and the indebtedness structure of each CGU. In particular, the annual real discount rate applied to the projected cash flows of Telecor, Pol-Ka, Telba and Bariloche TV is of approximately 11.8%.

Main Account	Net Balances as of December 31, 2020	Net balances as of December 31, 2019
Telecor ⁽¹⁾	-	911,236,090
Pol-Ka ⁽¹⁾	-	215,870,505
Telba ⁽¹⁾	-	87,791,700
Bariloche TV ⁽¹⁾	-	30,804,968
Other	22,073,350	22,073,350
Total	22,073,350	1,267,776,613

(1) In this fiscal year, an allowance was set up in connection with the goodwill of Pol-Ka, Telba, Telecor and Bariloche TV based on the situations described under Note 22.

5.4. Investments in Unconsolidated Affiliates

	Main business activity	Country	Interest (%) (1)	Value Recorded as of December 31, 2020	Value Recorded as of December 31, 2019
Included in assets					
Interest in Associates					
Papel Prensa	Manufacturing of Newsprint	Argentina	49.00	1,075,872,478	1,049,314,872
Other Investments				51,648,780	47,699,070
Interests in Joint Ventures					
TSC	Exploitation of events television broadcasting rights	Argentina	50.00	18,019,199	21,387,445
TRISA	Production and exploitation of sports events, advertising agency and financial and investing operations	Argentina	50.00	1,041,280,729	682,120,184
Canal Rural	Audiovisual production and sale of advertising	Argentina	64.99	51,973,009	29,559,374
Impripost	Variable printing	Argentina	50.00	75,975,576	29,010,034
AGL	Printing	Argentina	50.00	72,193,334	86,352,701
Exponenciar	Organization, holding, production and commercial exploitation of exhibitions and events, and/or promotion and/or advertising for the purposes of promoting various activities	Argentina	50.00	57,497,272	48,423,543
Ríos de Tinta	Editorial activities	Mexico	50.00	88,962,550	77,264,716
Patagonik	Film producer	Argentina	33.33	155,202,919	192,559,886
				<u>2,688,625,846</u>	<u>2,263,691,825</u>

(1) Equity participation in capital and votes

Equity in Earnings from Associates

	December 31, 2020	December 31, 2019
Papel Prensa	26,712,476	(1,063,169)
TRISA	464,929,177	297,572,221
AGL	(13,974,075)	(5,680,756)
Canal Rural	22,413,635	2,339,844
Ríos de Tinta	9,575,620	16,006,132
Impripost	46,965,541	(100,077,161)
Other Companies	22,769,914	30,161,413
	<u>579,392,288</u>	<u>239,258,524</u>

The following is a detail of certain supplementary information required by IFRS about interests in associates (amounts stated in millions of Argentine pesos):

	December 31, 2020	December 31, 2019
Dividends received	4	10
Summarized financial information:		
Current Assets	2,002	1,984
Non-Current Assets	3,339	3,160
Current Liabilities	2,306	2,091
Non-Current Liabilities	807	881
Revenues	5,459	5,293
Net Income (Loss) from Continuing Operations	(41)	46
Total Comprehensive (Loss) / Income	(41)	46

The following is a detail of certain supplementary information required by IFRS about interests in joint operations (amounts stated in millions of Argentine pesos):

	December 31, 2020	December 31, 2019
Dividends received	106	182
Summarized financial information:		
Assets		
Cash and Cash Equivalents	1,873	1,073
Other Current Assets	2,062	2,664
Current Assets	3,935	3,737
Non-Current Assets	1,310	900
Liabilities		
Current Financial Debt	121	223
Other Current Liabilities	1,954	2,041
Current Liabilities	2,075	2,264
Non-Current Financial Debt	-	19
Other Non-Current Liabilities	231	306
Non-Current Liabilities	231	325
Revenues	7,326	8,928
Depreciation and Amortization	(155)	(154)
Interest Income	25	54
Interest on Financial Debt	(12)	(29)
Income Tax	(637)	(489)
Net Income (Loss) from Continuing Operations	1,066	456
Other Comprehensive Income	-	3
Total Comprehensive (Loss) / Income	1,066	459

5.5 Other Investments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Financial Instruments	13,437,910	-
	13,437,910	-
Current		
Financial Instruments	723,347,593	218,870,406
Securities	450,970,108	90,751
Mutual Funds	769,784,378	743,086,592
	1,944,102,079	962,047,749

5.6 Inventories

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Film Products and Rights	23,431,318	24,474,982
	23,431,318	24,474,982
Current		
Raw Materials and Supplies	589,246,914	885,135,320
Finished Goods	358,008,071	521,546,821
Film Products and Rights	187,626,854	406,015,736
Subtotal	1,134,881,839	1,812,697,877
Less: Allowance for Impairment of Inventories	(21,225,862)	(26,205,297)
	1,113,655,977	1,786,492,580

5.7 Other Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Works of Art	7,840,577	10,327,901
Other	37,559,001	36,299,026
	45,399,578	46,626,927
Current		
Other	112,763,146	162,151,304
	112,763,146	162,151,304

5.8 Other Receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Tax Credits	93,993,028	315,414,855
Deposits in Guarantee	14,290,715	3,349,947
Advances	1,125,762	2,209,378
Related Parties (Note 15)	4,200	39,826,840
Other	1,580,271	3,519,188
Allowance for Other Bad Debts	(4,068,418)	(6,308,345)
	<u>106,925,558</u>	<u>358,011,863</u>
Current		
Tax Credits	1,599,283,807	1,603,093,932
Court-ordered and Guarantee Deposits	16,661,626	30,634,962
Prepaid Expenses	87,861,000	94,314,646
Advances	250,280,937	158,698,573
Related Parties (Note 15)	81,180,974	86,961,991
Sundry Receivables	23,685,157	33,200,361
Other	96,274,040	146,443,514
Allowance for Other Bad Debts	(45,878,911)	(68,005,575)
	<u>2,109,348,630</u>	<u>2,085,342,404</u>

5.9 Trade Receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Trade Credits	7,208,574	56,852,857
	<u>7,208,574</u>	<u>56,852,857</u>
Current		
Trade Credits	7,711,721,432	7,549,467,414
Related Parties (Note 15)	627,748,441	707,040,203
Allowance for Bad Debts	(463,282,025)	(358,544,481)
	<u>7,876,187,848</u>	<u>7,897,963,136</u>

5.10 Cash and Banks

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and Imprest Funds	17,955,442	54,770,974
Banks	1,276,155,416	1,995,113,046
	<u>1,294,110,858</u>	<u>2,049,884,020</u>

5.11. Provisions and Other Charges

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Provisions for Lawsuits and Contingencies	1,050,888,605	1,056,169,178
Accrual for Asset Retirement	32,106,370	29,142,415
	<u>1,082,994,975</u>	<u>1,085,311,593</u>

5.12 Financial Debt

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Financial Debt	1,410,142,855	1,223,406,971
For Acquisition of Equipment	<u>29,541,907</u>	<u>712,292</u>
	<u>1,439,684,762</u>	<u>1,224,119,263</u>
Current		
Bank Overdraft	118,144,868	488,695,286
Financial Debt	101,202,181	780,106,699
For Acquisition of Equipment	19,572,475	9,274,132
Related Parties (Note 15)	17,086,921	19,861,681
Interest and Restatement	<u>17,330,254</u>	<u>25,573,828</u>
	<u>273,336,699</u>	<u>1,323,511,626</u>

The following table details the changes in loans and indebtedness for the year ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balances as of January 1	2,547,630,889	2,456,017,719
New Loans and Financing ⁽¹⁾	933,398,590	3,148,261,279
Accrued Interest	255,212,362	823,321,961
Exchange rate fluctuations	519,521,995	582,934,026
RECPAM, Cumulative Translation Adjustment and Other Movements	(644,994,409)	(1,184,886,350)
Payment of Interest	(278,696,015)	(828,114,475)
Payment of Principal	<u>(1,619,051,951)</u>	<u>(2,449,903,271)</u>
Balances as of December 31	<u>1,713,021,461</u>	<u>2,547,630,889</u>

⁽¹⁾ Mostly loans for the payment of debt with upcoming maturity, and for the purchase of capital assets and inventories.

The following table summarizes the maturities of consolidated loans (undiscounted values) at year-end:

Non-Current Financial Debt	Due			Total Non-Current	
	From 1 to 2 years	From 2 to 3 years			
Financial Debt	1,334,407,855	75,735,000		1,410,142,855	
For Acquisition of Equipment	<u>25,037,398</u>	<u>4,504,509</u>		<u>29,541,907</u>	
Total as of December 31, 2020	<u>1,359,445,253</u>	<u>80,239,509</u>		<u>1,439,684,762</u>	
Current Financial Debt	Due				Total Current
	Up to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to 1 year	
Bank Overdraft	118,144,868	-	-	-	118,144,868
Financial Debt	76,679,138	5,032,504	15,942,208	3,548,331	101,202,181
Loans - Interest and Restatement	17,330,254	-	-	-	17,330,254
For Acquisition of Equipment	4,067,611	4,928,008	5,148,340	5,428,516	19,572,475
Related Parties	<u>-</u>	<u>17,086,921</u>	<u>-</u>	<u>-</u>	<u>17,086,921</u>
Total as of December 31, 2020	<u>216,221,871</u>	<u>27,047,433</u>	<u>21,090,548</u>	<u>8,976,847</u>	<u>273,336,699</u>

The following are the main items of the Group's financial debt:

5.12.1 AGEA and Subsidiaries

As of December 31, 2020, OSA, UNIR and CIMECO executed overdraft facility agreements with banks for a maximum of \$ 2.6 million, \$ 55 million and \$ 20 million, respectively, which accrue interest at a fixed nominal annual rate of between 37.0% and 49%. DLA and LVI executed overdraft facility agreements with banks for up to \$ 66 million and \$ 100 million, respectively, which accrue interest at a fixed nominal annual rate of between 37.5% and 49.0%.

On July 5, 2019, AGEA executed a loan agreement with Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC Argentina") for US\$ 157,902, due on January 6, 2020, which accrued interest on a monthly basis at an annual fixed rate of 8.01%. Principal and interest were repaid at maturity.

On July 11, 2019, AGEA executed a loan agreement with ICBC Argentina for US\$ 118,160, due on January 10, 2020, which accrued interest on a monthly basis at an annual rate equivalent to LIBOR plus 5.85%. Principal and interest were repaid at maturity.

On July 17, 2019, AGEA executed a loan agreement with ICBC Argentina for US\$ 299,980, due on January 15, 2020, which accrued interest on a monthly basis at an annual rate equivalent to LIBOR plus 5.85%. Principal and interest were repaid at maturity.

On July 29, 2019, AGEA executed a loan agreement with ICBC Argentina for US\$ 161,096, due on January 27, 2020, which accrued interest on a monthly basis at an annual rate equivalent to LIBOR plus 5.80%. Principal and interest were repaid at maturity.

On August 1, 2019, AGEA executed a loan agreement with ICBC Argentina for US\$ 299,155, due on January 31, 2020, which accrued interest on a monthly basis at an annual rate equivalent to LIBOR plus 5.90%. Principal and interest were repaid at maturity.

AGEA complied with certain obligations and covenants undertaken under the loans granted by ICBC.

On September 5, 2019, LVI executed a loan agreement with JPMorgan Chase Bank, NA ("JPM") for US\$ 4.5 million. Said loan accrues interest at an annual rate equivalent to LIBOR plus 0.9% on the outstanding amount of the loan, payable on a quarterly basis. Principal is due at maturity, i.e. on July 31, 2022. During this year, JPM made a disbursement of US\$ 4 million under the loan.

On October 22, 2019, AGEA executed a loan agreement with JPM for US\$ 4.5 million due on July 31, 2022. Said loan accrues interest at an annual rate equivalent to LIBOR plus 0.9% on the outstanding amount of the loan, payable on a quarterly basis. During this period, said company prepaid principal in the amount of US\$ 124,000.

On February 4, 2020, DLA executed a loan agreement with JPM for US\$ 0.9 million. Said loan accrues interest at an annual rate equivalent to LIBOR plus 0.9% on the outstanding amount of the loan, payable on a quarterly basis. Principal is due at maturity, i.e. on July 31, 2022. During this period, JPM disbursed the full loan amount.

On April 24, 2020, LVI entered into a loan agreement with Banco Macro S.A. for \$ 6.2 million (\$ 7.7 million in constant currency as of December 31, 2020), with a 6-month term, which accrues interest on a monthly basis at an annual fixed rate of 34%. Principal and interest are payable in 3 consecutive monthly installments. The first installment was due on August 17, 2020.

On May 8, 2020, LVI entered into a loan agreement with Banco de Córdoba S.A. for \$ 5 million (\$ 6.1 million in constant currency as of December 31, 2020), with a 12-month term, which accrues interest on a monthly basis at an annual fixed rate of 29%. Principal and interest are payable in 9 consecutive monthly installments. The first installment was due on September 7, 2020.

On July 29, 2020, UNIR executed a loan agreement with Banco de la Ciudad de Buenos Aires for \$ 36,282,358 (\$ 42,658,961 in constant currency as of December 31, 2020). Said loan accrues interest at an average annual rate equivalent to BADCOR plus 3% on the outstanding amount of the loan, payable on a quarterly basis. Principal will be repaid in three consecutive semi-annual installments. The first installment is due on January 20, 2021. As collateral for such loan, UNIR delivered government securities "Debt Securities issued by the City of Buenos Aires under Law No. 6,282" for a nominal value of \$ 40,313,731 .(\$ 47,398,845 in constant currency

as of December 31, 2020). That company is the holder of all the creditor's rights. In addition, UNIR undertook certain obligations and covenants under the above-mentioned loan.

On October 1, 2020, within the framework of the Emergency Assistance Program for Work and Production, Banco de Galicia y Buenos Aires S.A.U. granted UNIR a loan at subsidized rate for \$ 5 million (\$ 5.4 million in constant currency as of December 31, 2020) for the payment of salaries. Such loan will accrue interest at an annual fixed rate of 15%, payable in 15 equal consecutive monthly installments. The first installment of principal and interest is due on February 1, 2021.

On November 19, 2020 and December 17, 2020, within the framework of the Emergency Assistance Program for Work and Production, Banco Santander Rio S.A. granted DLA loans at subsidized rate for the payment of salaries for \$ 2.5 million (\$ 2.6 million in constant currency as of December 31, 2020) and \$ 2.7 million, respectively. The loans accrue interest at an annual fixed rate of 15% and 27%, respectively, payable in 12 equal, consecutive monthly installments.

On December 17, 2020, Banco de Galicia y Buenos Aires S.A.U. granted UNIR a loan at a subsidized rate for \$ 5 million for the payment of salaries. Such loan will accrue interest at an annual fixed rate of 15%, payable in 15 equal consecutive monthly installments. The first installment of principal and interest was due on January 18, 2021.

5.12.2 GCGC and Subsidiaries

On February 26, 2018, GCGC executed a loan agreement with Banco Santander Rio S.A. for \$ 2.5 million (\$ 7.4 million in constant currency as of December 31, 2020), to purchase hardware for digitalization. The term is of 36 (thirty six) months. Principal will be repaid in 12 (twelve) equal quarterly installments. That loan accrues interest at the average Badlar rate for Private Banks plus 4.5%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

On March 13, 2018, GCGC executed a loan agreement with Banco Santander Rio S.A. for \$ 2 million (\$ 5.8 million in constant currency as of December 31, 2020) to purchase hardware for digitalization. The term is of 36 (thirty six) months. Principal will be repaid in 12 (twelve) equal quarterly installments. That loan accrues interest at the average Badlar rate for Private Banks plus 4.5%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

On September 5, 2019, GCGC executed a loan agreement with JPM for US\$ 3 million, due on July 31, 2022. Said loan accrues interest at a rate equivalent to LIBOR plus 0.9%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

On October 22, 2019, GCGC executed a loan agreement with JPM for US\$ 1 million, due on July 31, 2022. Said loan accrues interest at a rate equivalent to LIBOR plus 0.9%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

On January 13, 2020, GCGC executed a loan agreement with JPM for US\$ 800,000, due on December 31, 2022. Said loan accrues interest at a rate equivalent to LIBOR plus 0.9%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

During December 2020, GCGC and Banco Itaú Argentina S.A. entered into a lease-purchase agreement for computing equipment for \$ 26.7 million. Such loan accrues interest at an annual nominal rate of 41.5% on the outstanding balance as from January 1, 2021, and is payable in 24 consecutive installments.

As of the date of these financial statements, the Company had repaid the full amount of principal and interest accrued thereon.

5.12.3 ARTEAR

On May 15, 2017, ARTEAR and Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch executed an agreement whereby ARTEAR is the borrower under a bilateral loan for a principal amount of US\$ 15 million, payable within a 3-year term in equal consecutive semiannual installments. The first installment is due on the first anniversary of the origination of the loan. The funds were used to refinance certain debts and to fulfil other general corporate purposes. Principal accrued interest at an annual nominal fixed rate of 5.50% payable on a semiannual basis as from the origination of the loan. In connection with that loan, ARTEAR had undertaken certain covenants, which included the maintenance of certain ratios related to that company's

financial debt within the values established by the bank, which was fully complied with. On each of May 21 and November 21, 2018, and May 21 and November 14, 2019, it repaid US\$ 3 million, respectively, corresponding to four installments of the principal owed under this loan. On May 18, 2020, ARTEAR made a full repayment of the loan.

On June 16, 2017, ARTEAR and Itau BBA International plc executed an agreement whereby ARTEAR is the borrower under a bilateral loan for a principal amount of US\$ 5 million, payable within a 2-year term in a single installment at maturity. Principal accrued interest at a variable annual rate established based on three-month LIBOR, plus a 4.50% margin, payable on a quarterly basis since the origination of the loan. In connection with that loan, ARTEAR had undertaken certain covenants, which included the maintenance of a shareholders' equity of \$ 500 million or more. On June 16, 2019, ARTEAR made a full repayment of the loan.

On June 7, 2019, ARTEAR and Banco de Galicia y Buenos Aires S.A.U. executed an agreement whereby ARTEAR is the borrower under a bilateral loan for a principal amount of US\$ 2.5 million, payable in a single installment at maturity, i.e. on April 1, 2020. Principal accrued interest at a fixed annual rate of 8.25% payable at maturity. On March 31, 2020, ARTEAR had repaid US\$ 148,164 together with interest accrued thereon under the loan executed with Banco de Galicia y Buenos Aires S.A.U. On April 1, 2020, ARTEAR made a full repayment of the loan.

On June 7, 2019, ARTEAR and ICBC Argentina executed an agreement whereby ARTEAR is the borrower under a bilateral loan for a principal amount of US\$ 2.5 million, payable in a single installment at maturity, i.e. on April 1, 2020. Principal accrued interest at a fixed annual rate of 8.5% payable at maturity. On April 1, 2020, ARTEAR made a full repayment of the loan.

On July 5, 2019, Pol-ka Producciones S.A. and ICBC Argentina executed an agreement whereby Pol-ka Producciones S.A. is the borrower under bilateral loan for a principal amount of US\$ 200,000, payable in a single installment at maturity, i.e. on December 30, 2019. Principal accrues interest at a fixed annual rate of 7.55% payable at maturity. On January 2, 2020, Pol-ka Producciones S.A. made a full repayment of the loan.

5.12.4 IESA and Subsidiaries

On December 20, 2019, IESA executed a loan agreement with the bank JPM for US\$ 1.5 million, due on December 31, 2022. Said loan accrues interest at a rate equivalent to LIBOR plus 0.9%. Interest is calculated on outstanding balances and is payable on a quarterly basis.

5.12.5 Radio Mitre

On July 5, 2017, Radio Mitre and Banco Santander Río S.A. executed an agreement whereby Radio Mitre is the borrower under a bilateral loan for a principal amount of \$ 50 million (\$ 170 million in constant currency as of December 31, 2020), payable within a 3-year term in equal consecutive quarterly installments. The first installment is due on the first anniversary as from the date on which the loan was granted. The funds were used to finance working capital and investments. Principal accrued interest at a fixed rate of 23.50% during the first 12 months and during the remaining term at an established variable rate based on the BADLAR rate for private banks, plus a 4.50% margin, payable on a quarterly basis as from the date on which the loan was granted. The loan was repaid in full at maturity.

As of December 31, 2020, Radio Mitre entered into a repo transaction for \$ 59 million. It was a short-term transaction, which as of that date accrued interest at an annual average rate of 25.9%. As collateral for the loan, Frecuencia Producciones Publicitarias S.A., a subsidiary of Radio Mitre, holds an investment of US\$ 0.6 million in the company with which Radio Mitre executed the transaction.

5.13 Taxes Payable

	December 31, 2020	December 31, 2019
Non-Current		
Taxes Payable on a National Level	942,524	33,509,175
Taxes Payable on a Provincial Level	13,500,784	5,888,996
	14,443,308	39,398,171
Current		
Taxes Payable on a National Level	959,241,280	692,572,447
Taxes Payable on a Provincial Level	12,879,504	21,907,501
Taxes Payable on a Municipal Level	6,015,155	2,632,458
	978,135,939	717,112,406

5.14 Other Liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Deposits in Guarantee	2,000	2,723
Call Options (Note 10)	252,450,000	235,210,094
Other	4,155,296	14,037,913
	<u>256,607,296</u>	<u>249,250,730</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current		
Advances from Customers	366,299,821	488,122,024
Related Parties (Note 15)	5,840,731	13,939,609
Revenues to be Accrued	364,568,344	375,220,713
Other	164,716,440	231,895,343
	<u>901,425,336</u>	<u>1,109,177,689</u>

5.15 Trade and Other Payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-Current		
Suppliers and Trade Provisions	-	7,399,964
Employer's Contributions	36,580,036	84,707,143
	<u>36,580,036</u>	<u>92,107,107</u>
Current		
Suppliers and Trade Provisions	4,320,747,522	4,914,538,570
Related Parties (Note 15)	200,358,567	168,722,777
Employer's Contributions	2,223,705,417	2,229,051,416
	<u>6,744,811,506</u>	<u>7,312,312,763</u>

5.16 Right-of-Use Assets and Lease Liabilities

Certain controlled companies have real property lease agreements, which pursuant to IFRS 16 (see Note 2.3), have been recognized with the simplified retrospective approach considering the accumulated effect of the application as from January 1, 2019, without restating the information presented for comparative purposes. The Company recognized right-of-use assets for the amount of lease liabilities as of the date of adoption (equal to the present value of the remaining lease payments, which have been discounted at an average borrowing rate of 53.82% for agreements denominated in Argentine pesos and 7.68% for agreements denominated in U.S. Dollars), adjusted by the amount of any prepaid or accrued lease payment as of December 31, 2018.

During 2020 and 2019, the Company and certain controlled companies executed lease agreements which, in accordance with IFRS 16, have been recognized as from the date of execution of the agreement.

Right-of-use assets and lease liabilities related to the above-mentioned agreements are disclosed in a separate item of Assets and Liabilities, respectively, in the Consolidated Statement of Financial Position. The amortization of those assets is disclosed under Amortization of Right-of-Use Assets.

The following table shows the changes in the item right-of-use assets:

	<u>2020</u>	<u>2019</u>
Balances as of January 1	128,135,489	-
Effect of adopting new accounting policy	-	252,907,304
Balances as of January 1, restated	<u>128,135,489</u>	<u>252,907,304</u>
Additions	71,777,899	63,715,864
Retirements ⁽¹⁾	(7,382,051)	(21,665,834)
Amortization	(109,326,600)	(166,821,845)
Balances as of December 31	<u>83,204,737</u>	<u>128,135,489</u>

(1) Included under Other Income and Expenses, net in the consolidated Statement of Comprehensive Income.

The following is the evolution of Lease Liabilities:

	<u>2020</u>	<u>2019</u>
Balances as of January 1	127,803,537	-
Effect of adopting new accounting policy	-	252,907,304
Balances as of January 1, restated	127,803,537	252,907,304
Interest ⁽¹⁾	26,756,118	68,165,253
Other Financial Results ⁽¹⁾⁽³⁾	(23,799,167)	-
Exchange Differences ⁽¹⁾	9,011,324	33,816,910
Additions ⁽²⁾	71,777,899	63,715,864
Gain (Loss) on Net Monetary Position	(31,113,559)	(85,171,517)
Payments	(87,309,542)	(185,770,947)
Retirements ⁽⁴⁾	(6,620,475)	(19,859,330)
Balances as of December 31	86,506,135	127,803,537

⁽¹⁾ Included under financial expenses on debt in the Consolidated Statement of Comprehensive Income.

⁽²⁾ Discounted at a borrowing rate of between 28.2% and 44.1% for agreements denominated in Argentine pesos and 7% for agreements denominated in US dollars.

⁽³⁾ Includes reductions / waivers of installments of certain real property lease agreements.

⁽⁴⁾ Included under Other Income and Expenses, net in the consolidated Statement of Comprehensive Income.

⁽⁵⁾ 5.17 Changes in provisions and allowances

Items	Balance at the Beginning	Increases	Decreases ⁽⁶⁾	Balances as of December 31, 2020	Balances as of December 31, 2019
Deducted from Assets					
Allowance for Bad Debts	432,858,401	269,663,939 ⁽¹⁾	(189,292,986) ⁽¹⁾	513,229,354	432,858,401
Allowance for Impairment of Inventories	26,205,297	5,436,537 ⁽²⁾	(10,415,972) ⁽²⁾	21,225,862	26,205,297
Allowance for Impairment of Property, Plant and Equipment and Obsolescence of Materials	22,310,465	-	(8,343,655)	13,966,810	22,310,465
Allowance for Impairment of Intangible Assets	161,939,796	-	(10,277,882)	151,661,914	161,939,796
Valuation Allowance on Tax Loss	426,856,699	-	(161,612,526) ⁽³⁾	265,244,173	426,856,699
Carryforwards ⁽⁵⁾					
Total	1,070,170,658	275,100,476	(379,943,021)	965,328,113	1,070,170,658
Included in liabilities					
Provisions for Lawsuits and Contingencies	1,056,169,178	452,397,170 ⁽⁴⁾	(457,677,743) ⁽⁴⁾	1,050,888,605	1,056,169,178
Accrual for Asset Retirements	29,142,416	2,963,954 ⁽⁴⁾	-	32,106,370	29,142,416
Total	1,085,311,594	455,361,124	(457,677,743)	1,082,994,975	1,085,311,594

⁽¹⁾ Includes \$ 265 million corresponding to net increases which were charged to Selling Expenses (see Note 6.3) and \$ 30 million to Other Financial Results, net.

⁽²⁾ Includes \$ 3 million charged to Impairment of Inventories and Obsolescence of Materials under Production Expenses (see Note 6.3).

⁽³⁾ Includes \$ 48 million charged to Income Tax.

⁽⁴⁾ Includes \$ 276 million corresponding to net increases which have been charged to Contingencies (see Note 6.3).

⁽⁵⁾ Includes Valuation Allowance for Deferred Tax Assets, net.

⁽⁶⁾ Includes the effect of the Gain (Loss) on Net Monetary Position.

NOTE 6 - BREAKDOWN OF THE MAIN ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME

6.1 Revenues

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Advertising Sales	10,773,131,125	15,438,326,190
Circulation Sales	7,456,802,470	9,380,698,093
Printing Services Sales	774,728,636	830,542,201
Television Signals Sales	5,074,848,010	5,197,043,580
Sale of Goods	20,415,274	547,183,614
Sales of Logistics Services	1,430,154,351	1,924,400,226
Other Sales	1,109,579,023	1,301,465,717
Total ⁽¹⁾	26,639,658,889	34,619,659,621

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(1) Includes sales executed through barter transactions as of December 31, 2020 and 2019 for \$ 370 million and \$ 526 million, respectively.

6.2 Cost of Sales

	December 31, 2020	December 31, 2019
Inventories at the beginning of the year	1,837,172,859	2,530,719,700
Purchases for the year	3,251,665,463	5,632,401,207
Production and Services Expenses (Note 6.3)	12,756,885,020	16,702,879,186
Less: Inventories at year-end	<u>(1,158,313,157)</u>	<u>(1,837,172,859)</u>
Cost of Sales	<u>16,687,410,185</u>	<u>23,028,827,234</u>

6.3. Production and Services, Selling and Administrative Expenses

Item	Production and Services Expenses	Selling Expenses	Administrative Expenses	Total as of December 31, 2020	Total December 31, 2019
Fees for Services	1,069,383,495	396,377,548	670,640,021	2,136,401,064	2,917,628,842
Salaries, Social Security and Benefits to Personnel ⁽¹⁾⁽²⁾	6,034,209,002	904,375,250	2,407,326,420	9,345,910,672	11,542,595,495
Advertising and Promotion Expenses	-	471,940,657	3,198,838	475,139,495	1,002,387,994
Taxes, Duties and Contributions	221,022,954	62,514,150	176,539,473	460,076,577	718,729,759
Bad Debt Expenses	-	264,567,608	-	264,567,608	268,816,142
Travel Expenses	232,346,795	13,565,220	38,149,303	284,061,318	584,951,416
Maintenance Expenses	706,111,150	38,285,532	196,167,433	940,564,115	1,067,316,735
Distribution Expenses	440,502,516	1,484,339,889	-	1,924,842,405	2,381,737,266
Communication Expenses	109,647,581	10,517,866	32,193,317	152,358,764	151,058,905
Contingencies	-	2,340,959	274,056,370	276,397,329	395,948,579
Stationery and Office Supplies	35,535,797	2,370,508	12,289,594	50,195,899	70,400,017
Commissions	-	20,981,282	3,661	20,984,943	114,318,667
Productions and Co-Productions	1,077,585,412	-	-	1,077,585,412	1,102,339,264
Printing Expenses	710,367,429	-	-	710,367,429	1,134,315,447
Rights	39,128,990	-	-	39,128,990	101,457,273
Services and Satellites	424,349,149	6,373,014	143,315,724	574,037,887	674,868,641
Severance Payments	46,145,277	4,717,664	34,919,671	85,782,612	759,369,481
Non-Computable VAT	41,483,928	-	-	41,483,928	72,966,764
Leases	223,822,456	873,049	7,312,155	232,007,660	343,946,667
Amortization of Intangible Assets	218,089,331	60,034,813	42,684,033	320,808,177	380,594,576
Amortization of Film Library	861,377	-	-	861,377	1,408,540
Amortization of Right-of-Use Assets	109,326,600	-	-	109,326,600	166,821,845
Depreciation of Property, Plant and Equipment	797,938,183	31,887,287	94,640,053	924,465,523	975,862,572
Impairment of Inventories and Obsolescence of Materials	2,796,619	-	-	2,796,619	18,422,034
Other Expenses	216,230,979	33,611,833	119,088,905	368,931,717	621,082,549
Total as of December 31, 2020	<u>12,756,885,020</u>	<u>3,809,674,129</u>	<u>4,252,524,971</u>	<u>20,819,084,120</u>	
Total as of December 31, 2019	<u>16,702,879,186</u>	<u>5,703,425,400</u>	<u>5,163,040,884</u>		<u>27,569,345,470</u>

(1) As of December 31, 2020 and 2019, it includes a recovery corresponding to the allocation of employer's contributions as a tax credit against VAT by certain subsidiaries (Decree No. 746/03 issued by the National Executive Branch), for approximately \$ 929 million and \$ 1,155 million, respectively, as mentioned in Notes 8.2.e., 8.2.f and 20.

(2) Net of accrued subsidies in the amount of \$ 451.8 million for the period ranging from April up to and including September 2020, as approved under the Emergency Assistance Program for Work and Production and, since November, as approved under the program REPRO II. See Note 22.

6.4 Financial Expenses on Debt

	December 31, 2020	December 31, 2019
Discounts Obtained in Lease Liabilities	23,799,167	-
Interests	(281,968,480)	(891,487,214)
Exchange Differences	(528,533,319)	(616,750,936)
Total	<u>(786,702,632)</u>	<u>(1,508,238,150)</u>

6.5 Other Financial Results, net

	December 31, 2020	December 31, 2019
Exchange Differences	31,792,269	19,425,190
Interests	102,383,084	158,792,541
Financial Discounts on Assets and Liabilities	1,115,742	(76,806,622)
Other Taxes and Expenses	(299,312,174)	(398,700,267)
Results from Operations with Notes and Bonds	119,814,459	131,811,182
Total	(44,206,620)	(165,477,976)

6.6 Other Income and Expense, net

	December 31, 2020	December 31, 2019
Income from Sale of Property, Plant and Equipment and Intangible Assets ⁽²⁾	(1,683,411)	(108,405,666)
Income from Liquidation of Companies ⁽¹⁾	-	255,097,080
Impairment of Property, Plant and Equipment, Intangible Assets and Tax Credits	18,621,537	(235,273,282)
Impairment of Goodwill (Note 22)	(1,295,703,263)	-
Other	57,945,000	(21,114,194)
Total	(1,220,820,137)	(109,696,062)

⁽¹⁾ Corresponds to the effect of the liquidation process of subsidiaries of Sadkal.

⁽²⁾ As of December 31, 2019, includes the proceeds from the sale of the brand "Deautos.com" and other related assets made during June 2019.

NOTE 7 - INCOME TAX

The following table shows the reconciliation between the consolidated income tax charged to net income (loss) for the years ended December 31, 2020 and 2019 and the income tax liability that would result from applying the current tax rate on consolidated income (loss) before income tax and tax on assets and the income tax liability assessed for each year (amounts stated in thousands of Argentine Pesos):

	December 31, 2020	December 31, 2019
Income (Loss) before Income Tax	236,080	(1,077,481)
Current Rate	30%	30%
Income Tax Assessed at the Current Tax Rate on Income (Loss) before Income Tax	(70,824)	323,244
Permanent Differences:		
Equity in Earnings from Associates	173,818	71,778
(Loss) on Net Monetary Position	(363,914)	(821,495)
Non-Deductible Expenses ⁽²⁾	(388,470)	36,173
Effect of the change in the tax rate ⁽¹⁾	(80,782)	(119,617)
Other	(1,461)	(1,443)
Subtotal	(731,633)	(511,360)
Expired Tax Loss Carryforwards	(11,640)	-
Valuation Allowance for Net Deferred Tax Assets Charged to Income	48,359	(397,590)
Total Income Tax	(694,914)	(908,950)
Deferred Tax	384,843	92,509
Current Tax	(1,079,757)	(1,001,459)
Income Tax Assessed for the Year	(694,914)	(908,950)
Valuation Allowance for Other Tax Credits	(6,217)	-
Total	(701,131)	(908,950)

⁽¹⁾ Corresponding to the effect of applying the changes in the income tax rates, as per the tax reform detailed in Note 20, to deferred tax assets and liabilities according to the year in which they are expected to be realized.

⁽²⁾ As of December 31, 2020, it includes \$ 388 million corresponding to impairment of goodwill.

Breakdown of Consolidated Deferred Tax (in thousands of Argentine pesos):

	December 31, 2020	December 31, 2019	Changes
Deferred Tax Assets			
Tax Loss Carryforwards	660,292	656,699	3,593
Inventories	-	20,791	(20,791)
Provisions and Other Charges	257,976	253,057	4,919
Trade Receivables	152,112	120,004	32,108
Deferral of the Inflation Adjustment for Tax Purposes (Note 20)	513,052	481,268	31,784
Other Liabilities	104,603	110,142	(5,539)
Accounts Payable	68,205	77,405	(9,200)
	1,756,240	1,719,366	36,874
Deferred Tax Liabilities			
Property, Plant and Equipment	(740,614)	(913,008)	172,394
Intangible Assets	(25,809)	(31,593)	5,784
Other Investments	(22,659)	(18,030)	(4,629)
Inventories	(6,352)	-	(6,352)
Other Assets	(23,197)	(42,356)	19,159
Subtotal	(818,631)	(1,004,987)	186,356
Valuation Allowance on Tax Loss Carryforwards - (Charges)	(265,244)	(426,857)	161,613
	(1,083,875)	(1,431,844)	347,969
Total Net Deferred Tax Assets	672,365	287,522	384,843

The following is a detail of net deferred tax assets taking into consideration the deferred tax position of each legal entity (in thousands of pesos):

	December 31, 2020	December 31, 2019
Deferred Tax Assets	861,337	671,544
Deferred Tax Liabilities	(188,972)	(384,022)
Total Net Deferred Tax Assets	672,365	287,522

As of December 31, 2020, the Company's and its subsidiaries' accumulated consolidated tax loss carryforwards amounted to approximately \$ 2,641 million, which calculated at the tax rate that will be in effect at the time the Company expects it will use them amount to \$ 660 million. The following table shows the expiration date of the accumulated tax loss carryforwards pursuant to statutes of limitations (amounts stated in thousands of Argentine Pesos):

Expiration year	Tax Loss Carryforwards
2021	105,870
2022	209,464
2023	363,141
2024	726,177
2025	1,236,515

The Company estimates that the tax loss carryforwards are recoverable for the net amounts disclosed.

NOTE 8 - PROVISIONS AND OTHER CONTINGENCIES

8.1 Claims and Disputes with Governmental Agencies

- a. In connection with the decisions made at the Company's Annual Ordinary Shareholders' Meeting held on April 28, 2011, on September 1, 2011 the Company was served notice of an injunction issued in re "National Social Security Administration v. Grupo Clarín S.A. re ordinary proceeding" whereby the Company may not in any way dispose, in part or in whole, of the \$ 387,028,756 in historical currency as of that date recorded under the retained earnings account, other than to distribute dividends to the shareholders.

On the same date, the Company was served notice of a claim brought by Argentina's National Social Security Administration requesting the nullity of the decision made on item 7 (Appropriation of Retained Earnings) of the agenda of the Annual Ordinary Shareholders' Meeting held on April 22, 2010. On December 2, 2019, a decision was issued admitting the claim brought by Argentina's National Social Security Administration and declaring the nullification of the decision made on item 7 (Appropriation of

Retained Earnings) of the agenda of said Shareholders' Meeting, at which the shareholders had resolved that the profits for the year 2009, of \$ 290,146,539 in historical currency as of that date, be appropriated as follows: (i) \$ 14,507,327 to the Legal Reserve and (ii) \$ 275,639,212 to Retained Earnings. On the same date, the Company filed an appeal against such decision. As of the date of these financial statements, the Company submitted grounds for its appeal, which is still pending.

On November 1, 2011, the CNV issued Resolution No. 593, which provides that at shareholders' meetings in which financial statements are considered shareholders must expressly decide to, either distribute as dividends any retained earnings that are not subject to distribution restrictions and that may be disposed of pursuant to applicable law or capitalize such retained earnings and issue shares, or appropriate them to set up reserves other than legal reserves, or a combination of the above.

On July 12, 2013 the Company was served notice of Resolution No. 17,131; dated as of July 11, 2013 whereby the CNV declared that the administrative effects of the decisions adopted at the Annual General Ordinary Shareholders' Meeting held on April 25, 2013 were irregular and ineffective, based on allegations that are absolutely false and irrelevant. According to the Company and its legal advisors, Resolution No. 17,131 is, among other things, null and void, because it lacks sufficient grounds and its enactment is a clear abuse of authority and a further step in the National Government's attempt to intervene in the Company. On October 11, 2013 Chamber No. V of the National Court of Appeals on Federal Administrative Matters issued an injunction in re "Grupo Clarín S.A. v. CNV – Resol No. 17,131/13 (File 737/13)" File No. 29,563/2013, whereby it suspended the effects of Resolution No. 17,131/2013 dated July 11, 2013 which had rendered irregular and with no effect for administrative purposes the Company's Annual Ordinary Shareholders' Meeting held on April 25, 2013. As of the date of these financial statements, the injunction is still in effect.

In August 2013, the Company was served notice of a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 28, 2011 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 2, 4 and 7 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the proceeding was in the discovery stage.

On September 17, 2013, the Company was served notice of a nullification claim brought by Argentina's National Social Security Administration relating to the Annual Ordinary Shareholders' Meeting held on April 26, 2012 whereby it requested the nullity of all the decisions made at such meeting and, as a default argument, the nullity of the decisions made on points 8 and 4 of that meeting's agenda, as well as the nullity of the decisions made at the Extraordinary Meetings of Class A, B and A and B Shareholders. As of the date of these financial statements, the proceeding was in the discovery stage.

On March 21, 2014, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Social Security Administration v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File No. 74,429, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 25, 2013 and those made at the Board of Directors' Meeting held on April 26, 2013. As of the date of these financial statements, discovery proceedings have been initiated and evidence is being produced.

On September 16, 2014, the Company received a communication from its controlling shareholder, GC Dominio S.A., whereby that company informed that it had been summoned to court as a third party in re "National Social Security Administration v. Grupo Clarín S.A. on Ordinary Proceeding", pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 33. As of the date of these financial statements and as informed by GC Dominio S.A., that company has filed a response to the above-mentioned claim and the proceeding is in the discovery stage.

On November 10, 2016, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Government - Ministry of Economy and Finance v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File -22,658/2015, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 28, 2015. As of the date of these financial statements, the Company has filed a response, produced evidence and made its final statement.

On April 3, 2017, the Company was served notice of a claim brought by Argentina's National Social Security Administration in re "National Government - Ministry of Economy and Finance v. GRUPO CLARÍN S.A. on Ordinary Proceeding" File -22,832/2014, pending before the National Court of First Instance on Commercial Matters No. 17, Clerk's Office No. 34. This claim seeks to nullify and challenge the corporate decisions made at the Shareholders' Meeting held on April 29, 2014. As of the date of these financial statements, the Company has filed a response, produced evidence and made its final statement.

According to the Company and its legal advisors, the outstanding claims requesting the nullification of the Shareholders' Meetings have no legal grounds. Therefore, they believe that the Company will not have to face adverse consequences in this regard.

- b. The Argentine Federal Revenue Service ("AFIP") served the subsidiary CIMECO with a notice challenging its income tax assessment for fiscal years 2000, 2001 and 2002. In such notice, the AFIP challenged mainly the deduction of interest and exchange differences in the tax returns filed for those years. If AFIP's position prevails, CIMECO's maximum contingency as of December 31, 2020 would amount to approximately \$ 12.3 million for taxes and \$ 62.4 million for interest.

CIMECO filed a response, which was dismissed by the tax authorities. The tax authorities issued their own official assessment and imposed penalties. CIMECO appealed the tax authorities' resolution before the National Tax Court on August 15, 2007.

During the year ended December 31, 2010, CIMECO received a pro forma income tax assessment from the AFIP for fiscal periods 2003 through 2007, as a consequence of AFIP's challenge to CIMECO's income tax assessments for the periods 2000 through 2002 mentioned above. CIMECO filed a response before AFIP, rejecting such assessment and requesting the suspension of administrative proceedings until the Federal Tax Court renders its decision on the merits.

During 2011, the AFIP served CIMECO with a notice stating the income tax charges assessed for years 2003 through 2007 and ordering the initiation of summary proceedings. The AFIP's assessment shows a difference in its favor in the Income Tax liability for the periods indicated above for an amount in excess of the amount that had been estimated originally, as a result of the method used to calculate certain deductions. CIMECO responded to the assessment rejecting all of the adjustments and requesting that the proceedings be rendered without effect and filed, with no further actions to be taken.

On April 26, 2012, the AFIP issued a new official assessment comprising the fiscal years 2003 through 2007, in which it applied the same method for the calculation as that used for the administrative settlement, claiming a total liability of \$ 120 million. On May 21, 2012, an appeal was filed with the Federal Tax Court.

On December 18, 2017, the company was served notice of Resolution No. 132/2017 (DV MRRI) which imposed on CIMECO a fine of approximately \$ 33 million in historical currency as of that date for an alleged omission of income tax for fiscal periods 2003-2007, pursuant to Section 45 of Law No. 11,683.

CIMECO and its legal and tax advisors believe CIMECO has strong grounds to defend the criteria adopted in its tax returns. Such criteria would also provide a reasonable basis to hold that the fine imposed was illegitimate. Therefore, CIMECO considers that AFIP's claims will not prosper before a judicial court. Accordingly, CIMECO has not booked an allowance in connection with the effects such challenges may have.

- c. On September 10, 2010, the AFIP served TRISA with a notice with objections to its income tax assessment, with respect to the application of the withholding regime set forth under the section following section 69 of the Income Tax law, for fiscal years 2004, 2005 and 2006.

If AFIP's position prevails as of December 31, 2020, the contingency would amount to approximately \$ 28.9 million in historical currency as of the original date of the claim, out of which \$ 9.3 million would correspond to taxes on dividend payments made on February 25, 2004, February 24, 2005 and February 24, 2006; \$ 6.5 million to a 70% fine on the omitted tax, and \$ 13.1 million to late-payment interest, calculated as of the date of the AFIP's tax assessment.

TRISA filed a response, which was dismissed by the tax authorities. On December 20, 2010, the tax authorities issued their own official assessment and imposed penalties. The company appealed the tax authorities' resolution before the National Tax Court on February 8, 2011. On June 1, 2011, the 2.5% Appeal Fee was credited.

On August 23, 2019, the National Tax Court served notice of its decision to revoke the decision against which TRISA had filed an appeal.

The National Tax Authority filed an appeal against such decision but, on October 20, 2019, it withdrew its appeal. On October 25, 2019, the National Tax Court deemed the appeal abandoned.

In view of the withdrawal of the appeal filed by the National Tax Authority, as of the date of these financial statements, the decision rendered on August 23, 2019 has become final.

- d. As a result of a report on suspicious transactions issued by the Argentine Federal Revenue Service (“AFIP”) concerning transactions carried out between the Company and some subsidiaries, the Financial Information Unit (“FIU”) pressed criminal charges for alleged money laundering. The action is now pending before Federal Court No. 9, under Dr. Luis Rodriguez. The FIU has pressed charges against the Company and its directors for alleged money laundering activities related to the trading of shares between the Company and some of its subsidiaries. The Company has appointed defense attorneys and has requested a copy of the file to understand the details of the charges. The FIU is acting as plaintiff in this case. One of the Company's directors made a spontaneous appearance and filed a response and produced documentary evidence. Certain charges pressed by Representative Di Tullio were also added to the case. In addition, the Prosecutor requested that the charges be investigated and that certain evidentiary measures be taken which have not yet been fulfilled as of the date of these financial statements.

In March 2014, the intervening prosecutor Miguel Angel Osorio broadened the request for evidence with regard to intercompany movements between Cablevisión and certain subsidiaries, all of which were regular and had been duly recorded.

In October 2019, the court dismissed the case and acquitted the directors of the Company who had been charged by the FIU. On December 9, 2019, the Federal Criminal and Correctional Court of Appeals ratified the above-mentioned decision, which is therefore deemed final and the case is now closed.

- e. By means of Resolution 16,364/2010, dated and notified to AGEA as of July 15, 2010, the CNV's Board of Directors decided to initiate summary proceedings against AGEA and certain members as of the date of initiation of summary proceedings and former members of its board of directors and supervisory commission, for alleged infringement of the Argentine Business Associations Law, Decree No. 677/01 and Law No. 22,315. AGEA, and the members as of the date of initiation of summary proceedings and former members of the Board of Directors and supervisory commission who are subject to the summary proceedings, duly filed their respective responses. Subsequently, the file was submitted to the Legal Affairs Division of the CNV. As of the date of these financial statements, it is currently pending before the Ministry of Economy. On September 9, 2019, the CNV received the file from the Criminal and Correctional Court No. 11, which had been previously held by the Ministry of Economy. Subsequently, the CNV set the date for the preliminary hearing for March 11, 2020, which was suspended by a decision rendered on February 14, 2020 until it has been duly clarified how each of the parties subject to the summary proceedings exercised its due process rights.
- f. Through the Joint Confidential Resolution dated October 30, 2017 (No. RRFCO-2017-12-APN-DIR-CNV), subsequently supplemented with the Joint Confidential Resolution dated November 24, 2017 (No. RRFC-2017-16-APN-DIR, served on the Company on December 4, 2017, the CNV decided to initiate summary proceedings against the Company and the members of its Board of Directors, Supervisory Committee and Audit Committee as of the date of the alleged breach for alleged infringement of their duty to disclose the execution of an irrevocable contribution agreement with the Company's subsidiary AGEA on June 24, 2014, as a relevant fact, pursuant to Section 1, 2 and 3, subsection 16), Chapter I, Title XII of the Rules. The subsidiary of the Company, AGEA, as well as its directors and syndics are also subject to summary proceedings. Each of them filed their respective responses in due time and form. On April 25, 2018, the preliminary hearing was held and the proceedings moved on to the presentation of evidence. On October 9, 2018, the parties to the summary proceeding submitted the corresponding legal brief. On January 25, 2021, the Company was notified of the appointment of an expert accountant to perform an accounting expert review as a measure to furnish additional evidence. AGEA requested the recusation of said expert accountant on grounds of bias, appointed its own expert accountant, and added new items subject to expert review. On February 8, 2021, AGEA was notified of a decision rendered on February 5, 2021, whereby, among other issues, the expert accountant was served notice of the request for recusation. The expert accountant must state whether she falls within the grounds for recusation provided under Article 17 of the

Civil and Commercial Procedure Code of Argentina. As of the date of these consolidated financial statements, a decision has not been rendered yet on this request for recusation.

In addition, through the Joint Confidential Resolution No. RRFCO-2017-11-APN-DIR#CNV dated October 30, 2017 served on December 1, 2017, the CNV decided to initiate summary proceedings against the Company and the members of its Board of Directors, Supervisory Committee and Audit Committee and the Market Relations Officer as of the date of the alleged breach for alleged infringement of their duty to disclose the appeal filed against the injunction issued on December 20, 2011 in re “Supercanal S.A. vs. Cablevisión S.A. and Other on Complaint for the protection of constitutional rights, Injunction”, and the dismissal of the appeal by the Federal Court of Appeals of Mendoza, as a relevant fact, pursuant to Section 1, 2 and 3, subsection 16), Chapter I, Title XII of the Rules. Cablevisión, as well as its directors and members of the Supervisory Committee and the Market Relations Officer as of the date of the alleged breach are also subject to the summary proceedings. As of the date of these financial statements, each of them had filed their respective responses in due time and form. On April 25, 2018, the preliminary hearing was held and the proceedings moved on to the presentation of evidence. On October 9, 2018, the parties to the summary proceeding submitted the corresponding legal brief.

- g. The subsidiary AGEA received several inspections from the AFIP aimed at verifying compliance with the so-called competitiveness plans implemented by the National Executive Branch. After several reports issued by the AFIP and the corresponding Resolutions issued by the Ministry of Economy, such agencies allege that certain acts performed by AGEA during 2002 lead to the nullity of some of the benefits granted under said plans for an estimated total amount of \$ 82.5 million in historical currency as of that date, including adjustments and accessory amounts. In April 2013, AGEA was served notice of AFIP Resolution No. 03/13, whereby such agency decided to exclude AGEA from the Registry of Beneficiaries of the Competitiveness and Employment Generation Agreements under the Cultural Sector Agreement, as from March 4, 2002. The AFIP ordered the restatement of the tax returns and the deposit of the corresponding amounts. AGEA filed an appeal against such resolution. Notwithstanding the foregoing, in re “AEDBA and Other v. Ministry of Economy Resolution No. 58/10”, the Federal Court on Administrative Matters No. 6 issued an injunction ordering AFIP to refrain from initiating and/or continuing with the administrative proceeding/s and/or any act that would entail the enforcement of the amounts payable under Resolution No. 3/13, until a final decision is rendered. Notwithstanding the foregoing, AGEA cannot assure that the appeal will be resolved in its favor. Subsequent to the issuance of the injunction mentioned above, the National Government requested that the injunction be declared expired due to the application of the time limitations provided under article 5 of Law No. 26,854. The intervening court lifted the injunction. AGEA filed an appeal against such decision but the appeal was dismissed on June 4, 2019. On November 28, 2018, upon new requests made by the AFIP, the Company requested a new injunction in the case, requesting that AFIP be ordered to suspend the debt assessment procedures initiated by that agency. On May 21, 2019, the Company requested an interim injunction ordering the suspension of the effects of AFIP Resolutions Nos. 24/19 and 25/19 under which AGEA was demanded to pay, as well as the suspension of any existing deadlines and any other activity by AFIP seeking to assess debt or to collect any amounts in connection with the tax benefits, the expiration of which had been challenged. Such injunction was issued on May 23, 2019, and on May 28, 2019, the court rendered a decision whereby it clarified that the suspension of the effects included the calculation of the deadlines to file an appeal with the National Tax Court. The AFIP requested the revocation of the new injunction requested in November 2018 and the immediate lifting of the interim injunction. On July 18, 2019, the Court of Appeals revoked the interim injunction. As a result, AGEA has filed an appeal with the National Tax Court. On July 19, 2019, the Court of Appeals decided that the case was ready for resolution in connection with the injunction requested in November 2018. AGEA's legal advisors believe that there are reasonable possibilities that the outcome will be favorable.
- h. Pursuant to Resolution No. 17,522 issued on September 18, 2014 and notified to AGEA on September 24, 2014, the Board of Directors of the CNV decided to initiate summary proceedings against AGEA, certain current and former members of its Board of Directors and supervisory commission –who occupied those positions between September 19, 2008 and the date of initiation of summary proceedings- and against that company's Head of Market Relations, for an alleged failure to comply with the duty to inform that AGEA was a co-defendant in re “CONSUMIDORES FINANCIEROS ASOCIACION CIVIL PARA SU DEFENSA AND OTHER V. GRUPO CLARIN S.A. AND OTHER on EXPEDITED SUMMARY PROCEEDING” (File No. 065441/08). The summary proceeding is grounded on an alleged failure to comply with Section 5, subsection a), the first part of Section 6 and Section 8, subsection a) paragraph V) of the Annex to Decree No. 677/01; with Sections 1, 2 and 3, subsection 9) of Chapter XXI of the REGULATIONS (T.R. 2001 as amended) –now Section 1 of Part I, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as amended); with Sections 2 and 3 subsection 9) of Part II, Chapter I, Title XII of the REGULATIONS (T.R. 2013 as

amended); with Section 11 subsection a.12) of Chapter XXVI of the REGULATIONS (T.R. 2001 as amended) –now Section 11 subsection 13) of Part IV, Chapter I, Title XV of the REGULATIONS (T.R. 2013 as amended); with Section 99 and 100 of Law No. 26,831; and with Sections 59 and 294 subsection 9) of Law No. 19,550. AGEA, and the members as of the date of initiation of summary proceedings and former members of the Board of Directors and supervisory commission who are subject to the summary proceedings, duly filed their respective responses. On February 11, 2015, the preliminary hearing was held pursuant to Article 8, subsection b.1.), Title XIII, Chapter II, Section II of the Regulations (T.R. 2013, as amended). On August 19, 2015, the company submitted the legal brief for the discovery stage. As of the date of these financial statements, a draft opinion is being prepared on the file by the Summary Proceedings Management of the CNV, before being submitted to the Board of Directors of the CNV.

- i. On August 22, 2017, the Federal Court on Administrative Matters No. 4 issued an injunction, requested by the Argentine Chamber of Independent TV Producers (“CAPIT”, for its Spanish acronym), whereby it extended for six months the effectiveness of the benefits set forth in Decree No. 746/03, which allows for the application of employer’s contributions as a tax credit against VAT, in the case of the companies that are members of the CAPIT. On February 14, 2018, August 3, 2018 and February 13, 2019, the above-mentioned Court extended for six months, on each of those dates, the effectiveness of the injunction in favor of the CAPIT.

In addition, on February 7, 2019, the ENACOM issued Resolution No. 535/2019, whereby it rendered independent producers on an equal footing with regard to the allocation of social security contributions as creditable against VAT.

In June 2019, the Federal Court on Administrative Matters No. 4 in re “Argentine Chamber of Independent TV Producers (“CAPIT”, for its Spanish acronym) v. National Executive Branch on Proceeding leading to a declaratory judgment” admitted the claim filed by the CAPIT. In its claim, the CAPIT requested that the benefit granted under Decree No. 746/03 remain in effect. The Court declared the right to a differential VAT regime applicable to the relevant sectors, to be created, enforced and regulated by the authorities duly vested with that power by the Constitution. The Court decided that claimants that have fulfilled their tax obligations within the scope of the injunction shall not be considered delinquent. Subsequently, the National Tax Authority filed an appeal. In October 2019, the Court of Appeals on Federal Administrative Litigation Matters, Chamber II, dismissed the appeal that had been filed by the AFIP and ratified the above-mentioned decision.

Since Pol-Ka is a member of the CAPIT, it has been allocating employer’s contributions as a tax credit against VAT as from August 2017.

In addition, through Decree No. 1,094/18, the Executive Branch enacted Law No. 27,467, which introduced amendments regarding VAT, thus allowing, as from January 1, 2019, to allocate employer’s contributions as a tax credit against VAT (See Note 20).

- j. On February 27, 2013, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2008 and ordering the initiation of summary proceedings for alleged omitted taxes. The AFIP mainly challenged the deduction of certain expenses and fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection with such order, which is currently pending before the National Tax Court. The official assessment amounts to \$ 1.4 million for income tax and \$ 5.7 million for late-payment interest and fines, calculated as of December 31, 2020.

The official value-added tax assessment amounts to \$ 0.8 million for tax differences and \$ 3.3 million for late-payment interest and fines, calculated as of December 31, 2020.

On October 21, 2015, the AFIP served IESA with a notice stating the income tax and value added tax charges assessed for fiscal period 2009 and ordering the initiation of summary proceedings for alleged omitted taxes. The AFIP mainly challenged the deduction of fees, as well as the calculation of the corresponding tax credit. IESA filed an appeal in connection with such order, which is currently pending before the National Tax Court. The official assessment amounts to \$ 1.2 million for income tax and \$ 4.7 million for late-payment interest and fines, calculated as of December 31, 2020.

The official value-added tax assessment amounts to \$ 0.4 million for tax differences and \$ 2 million for late-payment interest and fines, calculated as of December 31, 2020.

IESA and its legal and tax advisors believe that it has strong arguments in its favor to defend the criterion adopted in its tax returns.

- k. Pursuant to CNV Resolution No. 16,834 dated June 14, 2012 notified to the Company on June 27, 2012, the CNV ordered the initiation of summary proceedings against the Company and the members of its Board of Directors, Supervisory Committee and Audit Committee in office at the time of the occurrence of the events that motivated the proceedings (September 19, 2008) for alleged failure to comply with the duty to inform. Under said Resolution, the CNV argues that the Company allegedly failed to comply with the duty to disclose the filing of a claim against it entitled “Consumidores Financieros Asociación Civil para su defensa and other v. Grupo Clarín on/Ordinary”, which the CNV considers relevant. On July 25, 2012, Cablevisión filed a response petitioning that its defenses be sustained and that all charges against it be dismissed. The legal brief on the evidence has been submitted. The Company and its legal advisors believe that the company has strong arguments in its favor. Nevertheless, the Company cannot assure that the outcome of said summary proceedings will be favorable.
- l. On December 29, 2020, GCGC was notified of a decision rendered by the Directorate-General of Revenues (“DGR”, for its Spanish acronym) of the Public Revenue Administration for the City of Buenos Aires, whereby said agency challenged the turnover tax returns corresponding to fiscal period 2014 of Compañía de Medios Digitales (CMD) S.A. (a company merged into GCGC effective as of January 1, 2019). Accordingly, said agency issued an official tax assessment. The DGR considered that the TV trivia games over text messages do not fall within the definition of Information and Communication Technologies (ICTs) activities, therefore, CMD is not entitled to the benefits granted by the Technological District (Law No. 2,972), which is contrary to the provisions of the enforcement authority of the above-mentioned law.

The official tax assessment amounts to \$ 8.8 million for turnover tax differences for fiscal period 2014, with an estimated \$ 24.7 million in late-payment interest.

On that same date, GCGC was served with a decision rendered by the DGR, whereby it ordered the initiation of the official tax assessment procedure regarding turnover tax liabilities of CMD for fiscal periods 2015 and 2016.

On February 3, 2021, GCGC filed an appeal with such agency regarding the official tax assessment for fiscal period 2014 and answered the order for the initiation of the official tax assessment for fiscal periods 2015 and 2016.

Subsequently, GCGC took notice of another resolution issued by DGR on December 4, 2020, which had not been duly served at Gestión Compartida S.A.’s legal domicile, whereby it challenged the turnover tax return filed by CMD, corresponding to the 12th advance payment of fiscal period 2013. That agency ordered GCGC to pay \$ 0.9 million in taxes and a fine of 100% of such amount, plus interest in the amount of \$ 2.3 million. Such company will challenge the above-mentioned resolution through an illegitimacy claim.

GCGC and its legal and tax advisors believe that it has strong grounds to defend the criterion adopted in its tax returns. Accordingly, it has not booked an allowance in connection with the effects that the above-mentioned situations may have.

8.2 Other Claims and Disputes

- a. On June 22, 2007, TSC executed several documents with AFA, applicable from the 2007/2008 until the 2013/2014 soccer seasons, whereby TSC held all the broadcasting rights for ten of the Argentine soccer first division official tournament matches played each week.

On August 13, 2009 AFA notified TSC of its decision to terminate unilaterally the above-mentioned agreement. TSC challenged AFA’s unilateral termination of the agreement and, in order to safeguard its rights, on June 15, 2010 it brought a legal action against AFA before a commercial court for contractual breach and damages.

AFA summoned the National Government as a third party, and the National Government was incorporated to the proceedings. The National Government requested that the case be submitted to the Court on Federal Administrative Matters. The request was dismissed by the Commercial Court of Appeals, which ratified the jurisdiction of the Commercial Court.

The National Government filed an appeal in connection with the jurisdictional conflict, with the Supreme Court of Argentina, which dismissed the appeal and ordered that the file be submitted to the Court of First Instance. On September 5, 2016, the judge ordered discovery proceedings, and established that the hearing provided under Section 360 of the Civil and Commercial Procedure Code of Argentina would be held on June 5, 2017.

TSC executed an agreement with AFA whereby TSC undertook to withdraw the claim and waive its right to litigation, within the framework of negotiations regarding potential new businesses related to audiovisual rights to Argentine first division soccer tournament matches. Finally, TSC abandoned the claim it had brought, which was consented both by the National Government and by AFA.

As of the date of these financial statements, the Judge acknowledged said abandonment and TSC paid the court costs approved by the Judge and accepted by the National Tax Authority. TSC paid and made the judicial deposit for the full amount approved. The file is now deemed closed.

- b. Pursuant to a notarial certificate issued on September 19, 2008, AGEA and the Company were served notice of a legal action brought by an entity representing consumers and alleged financial victims (and by six other individuals). Claimants are Multicanal noteholders who claim to be allegedly affected by Multicanal's APE. The claim is grounded on a Consumer Defense Law that, in general terms, provides for an ambiguous procedure that is very strict against the defendant.

The Company, AGEA and certain directors and members of the supervisory committee and shareholders have been served notice of the claim. After rejecting certain preliminary defenses presented by the defendants, such as the application of statutes of limitation and the failure to comply with prior mediation procedures, the claim followed ordinary procedure and the above-mentioned persons duly filed their respective responses.

On September 4, 2017, the Court of First Instance rejected the claim brought by the entity representing consumers and alleged financial victims and by individuals. As of the date of these consolidated financial statements, both parties filed an appeal against that decision and the file is currently pending for its resolution before the Court of Appeals.

On September 12, 2019, Chamber D of the Commercial Court of Appeals confirmed the decision rendered by the court of first instance that had rejected the claim brought by the entity representing consumers and alleged financial victims. On October 7, 2019, the entity representing consumers filed a federal extraordinary appeal against this decision. AGEA and the Company filed a response on October 28, 2019. As of the date of these consolidated financial statements, the chamber is analyzing the admissibility of the extraordinary appeal.

- c. On September 16, 2010 the Company was served notice of a claim brought against it by Consumidores Financieros Asociación Civil para su Defensa. The plaintiff claims a reimbursement of the difference between the value of the shares of the Company purchased at their initial public offering and the value of the shares at the time a decision is rendered in the case. The Company has duly responded to the claim and the intervening Court has deemed the claim responded. The proceeding is currently in the discovery stage.
- d. On April 25, 2013, Grupo Clarín S.A. held its Annual Ordinary Shareholders' Meeting. As a result of the issues raised at this Meeting, some of the permanent directors informed the Company that they had pressed criminal charges against the representatives of the shareholder ANSES and of the CNV (Messrs. Reposo, Kicillof, Moreno, Vanoli, Fardi and Helman) for making statements and intellectual constructions which, under the appearance of being included in the new regulations of the Argentine Capital Markets Law, only sought to discredit the Board of Directors and caricature its management, creating pretexts that may lead to an intervention of the Company without judicial control; pursuant to the new powers vested in the CNV by Capital Markets Law No. 26,831. On April 26, 2013, the Board of Directors decided to press charges grounding its claim on the same events that disrupted a legitimate meeting.

Consequently, the Company sent a letter to the CNV, in which it clearly stated that what had happened at that Meeting could not be considered in any way as an acknowledgment of the legitimacy of the powers vested in the CNV by Law No. 26,831 and/or the regulations that may be issued in the future. The letter also stated that the Company reserved its right to file the pertinent legal actions at any time to request the

declaration of the evident unconstitutionality of that law. It also requested the CNV to refrain from performing any act or issuing any resolution that would lead to the execution of the plan of which they had been accused before the courts.

- e. The claimants representing media companies in re “AEDBA and Other v. National Government – Decree No. 746/03 – AFIP on Incidental Procedure” pending before the Court on Federal Administrative Matters No. 4 requested that media companies represented by the claimants be granted the right to a differential VAT regime as undertaken by the National Government under Decree No. 746/03 and the rules and regulations issued in connection thereto.

On October 30, 2003, an injunction was issued in connection with the above-mentioned file, ordering the National Government to maintain the effectiveness of the benefit granted under Decree No. 746/03. The National Government filed an appeal against that decision and on November 6, 2008, the Court of Appeals granted the request to have the injunction revoked, among other things. On November 27, 2008, the claimants filed an appeal with the Supreme Court of Argentina requesting the suspension of the enforcement of such ruling.

On October 28, 2014, the Supreme Court of Argentina issued a ruling in connection with the above-mentioned file, whereby it declared the appeal formally admissible and thus confirmed the effectiveness of the above-mentioned injunction. In the recitals of its ruling, the Supreme Court stated that: (i) as of the date of the decision, the Executive Branch had not yet established any regime to replace the so-called competitiveness and employment generation agreements; (ii) the differential VAT regime provided under Law No. 26,982 was only applicable to small media companies, not to all media companies; (iii) the tax policy must not be biased and cannot be used as a way to curtail freedom of speech; (iv) the alternative solution that had to be sought ruled out, as a matter of principle, the application of the general regime; (v) even though the merits have not been decided upon (differential VAT regime), the injunction that had been issued in connection thereof shall remain effective until such a solution to the matter is reached; (vi) the legal entities that met the obligations within the scope of the injunction shall not be deemed delinquent; and (vii) the judge of the first instance court shall render an urgent decision on the merits.

On December 10, 2014, the Federal Court on Administrative Matters No. 4 rendered a decision on the merits in re AEDBA and other v. National Government Decree No. 746/03 and other on Proceeding leading to a declaratory judgment” ordering, among other things, that: The claimants (media companies) have the standing to sue; that the judge cannot legislate because only the Legislative Branch is empowered to do so; that, pursuant to the enactment of Law No. 26,982, the obligation undertaken by the National Executive Branch has already been met since the differential VAT rates have already been set and, therefore, the claim is moot; that, based on the decision rendered by the Supreme Court of Argentina, the companies cannot be deemed delinquent.

Given the fact that the above-mentioned decision opposes and contradicts the grounds stated by the Supreme Court, the claimants (AEDBA, ARPA, ADIRA, as well as other associations) filed an appeal against the decision rendered by the above-mentioned court of first instance with the corresponding Court of Appeals. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the injunction be maintained and authorizing the allocation of employer’s contributions as a tax credit against VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the National Executive Branch. Therefore, the decision rendered by the Court of Appeals became firm and final.

As a result of the foregoing, AGEA and some of its subsidiaries and Radio Mitre started to allocate employer’s contributions as a tax credit against VAT as from November 2014.

In addition, through Decree No. 1,094/18, the Executive Branch enacted Law No. 27,467, which introduced amendments regarding VAT, thus allowing, as from January 1, 2019, to allocate employer's contributions as a tax credit against VAT (See Note 20).

- f. On October 3, 2014, ARTEAR and some of its subsidiaries submitted a request to join the Association of Argentine Private Broadcasters (“ARPA”, for its Spanish acronym), which became effective as from June 2015. As a result of the above-mentioned incorporation, that company became eligible to enjoy the benefit, provided under Decree No. 746/03, of allocating employer’s contributions as a tax credit against VAT.

ARPA is a party to “Association of Newspaper Publishers of the City of Buenos Aires (AEDBA, for its Spanish acronym) and other –ADIRA, AAER, ATA AND ARPA- v. National Government - Decree No. 746/03 - AFIP on Autonomous injunction”, in respect of which the Supreme Court of Argentina rendered a decision on October 28, 2014. These associations had requested an injunction ordering the Executive Branch to maintain the effectiveness of the benefit of allocating employer’s contributions as a tax credit against VAT, pursuant to Decree No. 746/03, for the companies that belong to these associations, or else, as a default argument, ordering the AFIP to refrain from claiming payment on the corresponding taxes. In addition, the Court confirmed the decision on the extended injunction stating that, notwithstanding the decision, the claimants shall not be deemed delinquent within the framework of the injunction. On October 1, 2015, Chamber II of the Court of Appeals on Federal Administrative Matters admitted the appeals filed by the claimants and revoked the decision rendered by the Court on Federal Administrative Matters No. 4, ordering that the effectiveness of the injunction be maintained and authorizing the allocation of employer’s contributions as a tax credit against VAT until the Executive Branch complies with the provisions of Decree No. 746/03.

On December 3, 2015, the Supreme Court of Argentina dismissed the appeal filed by the National Executive Branch. Therefore, the decision rendered by the Court of Appeals became firm and final.

As a result of the foregoing, ARTEAR and some of its subsidiaries started to allocate employer’s contributions as a tax credit against VAT as from July 2015.

In addition, through Decree No. 1,094/18, the Executive Branch enacted Law No. 27,467, which introduced amendments regarding VAT, thus allowing, as from January 1, 2019, to allocate employer’s contributions as a tax credit against VAT (See Note 20).

- g. In February 2016, Radio Mitre was served notice of a claim seeking to extend to Radio Mitre the bankruptcy of one of its subsidiaries, Cadena País Producciones Publicitarias S.A., in connection with a case pending before one of the National Courts of First Instance on Commercial Matters of the City of Buenos Aires. On April 30, 2020, the court of first instance dismissed the claim brought against Radio Mitre and Cadena País Producciones Publicitarias S.A. The claimant filed an appeal against such decision. Our legal advisors believe that Radio Mitre has sufficient legal and factual grounds to support its position contrary to that claim and, therefore, they do not foresee any adverse effects that may be derived from this situation.

8.3 Matters concerning Papel Prensa

I. Papel Prensa suspended its operations with related parties between March 9 and April 21, 2010 pursuant to an injunction issued on March 8, 2010 by Judge Malde. In his ruling, Judge Malde decided to suspend the Board of Directors’ resolution of December 23, 2009, which had approved the terms and conditions of transactions with related parties for the year 2010. On April 21, 2010, the Board of Directors of Papel Prensa, following a proposal made by the court-appointed supervisor (*interventor*) and co-administrator, approved the resumption of Papel Prensa’s transactions with related parties under provisional conditions for as long as the decision rendered by the Board on December 23, 2009 remained suspended and/or until Papel Prensa’s corporate bodies established a business practice to follow with related parties. Such approval involved suspending the application of volume discounts in connection with purchases made by related parties, which could be recognized in their favor, subject to the court’s decision on the appeal filed by Papel Prensa against Judge Malde’s injunction of March 8, 2010. As from April 21, 2010, transactions with related parties were resumed under the provisional conditions approved by the Board on April 21, 2010.

At a meeting held on December 23, 2010, Papel Prensa’s Board of Directors approved new conditions that must be fulfilled for the recognition and payment of volume discounts that may be applicable to related parties in connection with purchases of paper made as from April 21, 2010. These new conditions are as follows: (i) the lifting of the provisional suspension of the resolutions adopted by the Board at the meeting of December 23, 2009, as explained in the previous paragraph, and (ii) the resolution or end, by any means, of any state of uncertainty that may eventually exist about the conditions approved by Papel Prensa’s Board in the first item of the agenda of the meeting held on April 21, 2010, as a consequence of the claim brought by the National Government in re “National Government – Secretariat of Domestic Trade – v./ Papel Prensa S.A.I.C.F. y de M. on/ Ordinary”, File No. 97,564, currently pending before Federal Commercial Court of First Instance No. 26, Clerk’s Office No. 52. Under this proceeding, the National Government seeks to obtain, among other things, a declaratory judgment of nullity of the provisional conditions for the resumption of transactions with related parties in connection with the purchase and sale of paper that was approved by the Board of Papel Prensa in the first item of the agenda of the above mentioned meeting held on April 21, 2010.

Furthermore, at this meeting held on December 23, 2010, Papel Prensa's Board decided to maintain the approved sales policy, but to subject the accrual and enforceability, and, consequently, the recognition and payment to the clients, of the eventual volume discounts that may be applicable to them with respect to paper purchases made between January 1, 2011 and December 31, 2011, to a final favorable ruling in the claim brought by Papel Prensa against the constitutionality of SCI Resolution No. 1/2010, or to the final nullification of such Resolution No. 1/2010 in any other way or by any other legal means, whichever occurs first. In view of the decisions rendered in this case, the substantive claim, in this aspect, is now subject to the outcome of the claim brought by Papel Prensa against the constitutionality of Law No. 26,736. With respect to related parties, the Board of Directors of Papel Prensa approved the same sales policy and conditions as those approved for the other customers in general.

In a meeting held on December 27, 2011, the Board of Directors of Papel Prensa decided to maintain for 2012 the same sales policy that had been approved for 2011 – under the same terms and conditions mentioned in the previous paragraph – for all of its customers in general (including related parties), which was maintained in subsequent years and, to date, no changes have been introduced.

The commercial policy approved by Papel Prensa was affected by Law 26,736 –effective as from January 5, 2012– which declared that the production, sale and distribution of wood pulp and newsprint were matters of public interest and set forth the regulatory framework to be adopted by the producers, sellers, distributors and buyers of such inputs.

Among other things, the Law set limits and established conditions applicable to Papel Prensa for the production, distribution and sale of newsprint (including a formula to determine the price of paper), and created the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint where all producers, sellers, distributors and buyers shall be registered as a mandatory requirement in order to produce, sell, distribute, and/or purchase newsprint and wood pulp.

On February 10, 2012, the Company registered with the National Registry of Producers, Distributors and Sellers of Wood Pulp and Newsprint (Record No. 63 in File No. S01:0052528/12), clearly stating that the decision to register shall not be construed as an acknowledgment or conformity with the legitimacy of Law 26,736, Resolution No. 9/2012 issued by the Ministry of Economy and Public Finance and SCI Resolution No. 4/2012 issued in connection with such Law and/or any other issued in the future, since they seriously affect several rights and guarantees of the Company which are recognized and protected by the Argentine National Constitution.

On January 10, 2019, Law No. 27,498 was published in the Official Gazette. This law repealed certain articles of Law No. 26,736, allowing companies to offer their customers discounts, benefits or promotions based on purchase volumes. On the other hand, said law establishes parameters for granting extensions of payment terms, and prohibits, for a term of 10 years, to make changes to the wood pulp and newsprint import duties currently in effect, which are set at zero percent (0%).

II. In March 2016, the Commercial Court of Appeals –Chamber C– summoned Papel Prensa, the CNV, and the shareholders, the National Government, S.A. La Nación CIMECO and AGEA to attend a hearing to be held on April 7, 2016, solely for conciliatory purposes and with the aim of finding a comprehensive solution to the conflict. The hearing was held on that date and a new date was set to resume the hearing on June 2, 2016 for the same purposes and effects. It was subsequently postponed until June 3, 2016. At that hearing, held on June 3, 2016, Papel Prensa, AGEA and the other shareholders present at the hearing (the National Government, S.A. La Nación and CIMECO) requested that the procedural periods remain suspended in connection with the claims pending before that Court of Appeals, and also requested the court to order a shareholders' meeting of Papel Prensa to be held on September 20, 2016 to address, basically, the issues included under subsections 1, 2 and 3 of Section 234 of Law No. 19,550, as amended, corresponding to fiscal years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015. On September 5, 2016, the Court of Appeals called for a shareholders' meeting as requested at the hearing held on June 3, 2016, and at the request of Papel Prensa and the National Government –in view of the urgent and impending terms to make the required publications– on September 8, 2016 it postponed the date of the shareholders meeting until October 19, 2016. On that date, the shareholders of Papel Prensa duly held the court-convened Shareholders' Meeting of that company. At that Shareholders' Meeting, the shareholders approved the financial statements of Papel Prensa for the years ended December 31, 2010, 2011, 2012, 2013, 2014 and 2015 and other accounting documentation under subsection 1, Section 234 of Law No. 19,550, as amended, appointed directors, statutory auditors and members of the supervisory committee for the year 2016, approved the capitalization of the capital adjustment for \$ 123,293,385 in historical currency as of that date, issued a decision on the approval and disapproval of the performance of certain directors, statutory auditors and members of the supervisory committee during the full fiscal years under

consideration, and unanimously appointed external auditors engaged with issuing an opinion on the financial statements of Papel Prensa as of December 31, 2016 and March 31, 2017. On March 30, 2017, the hearing that had been called by Chamber C of the National Court of Appeals on Commercial Matters was held. At that hearing, Papel Prensa requested that the majority of the claims involving Papel Prensa be declared moot considering the decisions rendered at the Shareholders' Meeting held on October 19, 2016. On October 4, 2017, the Court of Appeals rendered a decision on more than 90 proceedings declaring them moot as requested by Papel Prensa and revoking - among others- Resolutions No. 16,647, 16,671 and 16,691 issued by the CNV. Both decisions rendered by the Court of Appeals became final. Papel Prensa submitted the same request to the Court of First Instance on Commercial Matters regarding most of the proceedings pending before the court and that were not submitted to the Court of Appeals, at the request of the Court, for the purposes described above. At the hearing held on April 24, 2018, the National Government agreed on that request, and subsequently, the Judge of the Court of First Instance issued a favorable decision on the request and declared moot all of the claims within the scope of that request. At the General Annual Ordinary Shareholders' Meeting that approved the financial statements of Papel Prensa for the year ended December 31, 2016, the shareholders disapproved the management of the representatives of the National Government in the Board of Directors and in the Oversight Board who held office until February 2016, as well as the performance of the syndics who held office until the Shareholders' Meeting of October 19, 2016, also in representation of the National Government, and decided to bring a corporate liability action (Section 276 of Law 19,550, as amended).

III. On June 6, 2013, the Board of Directors of the CNV issued CNV Resolution No. 17,102, within the framework of the Administrative File No. 1,032/10, whereby it required that: (i) certain members of Papel Prensa's Supervisory Committee and statutory auditors be imposed a fine of \$ 150,000 each in historical currency as of that date; and (ii) Papel Prensa, certain members of its Board of Directors, one member of its Supervisory Committee and the members of its Oversight Board (all of them representatives of Papel Prensa's private shareholders) be imposed a joint and several fine of \$ 800,000 in historical currency as of that date. Papel Prensa and its other current and former officers filed an appeal against the fine in due time and form, which is pending to date. On June 28, 2013, the fine was paid under protest in order to prevent its coercive enforcement by the CNV; given that, under the new Capital Markets Law No. 26,831, appeals may be admitted without suspension of judgment.

IV. On October 8, 2019, the Board of Directors of Papel Prensa approved the voluntary delisting of the Company subject to the approval of the shareholders at the General Extraordinary Shareholders' Meeting and to the pertinent regulatory approvals (CNV and BYMA). However, on November 20, 2019, in view of the imminent change of administration in the National Government, the Board of Directors decided to stay the delisting it had approved, thus suspending the Shareholders' Meeting it had duly called.

V. AGEA has not recorded any impact in connection with the foregoing, since its effects shall depend on the final outcome. Such effects are not expected to be material to these financial statements.

NOTE 9 - REGULATORY FRAMEWORK

9.1. Audiovisual Communication Services Law

The subsidiaries of Grupo Clarín that render audiovisual communication services are holders of licenses that were originally awarded under the regime established by Law No. 22,285. Under Law No. 22,285 audiovisual communication service companies in Argentina were required a non-exclusive license from the COMFER in order to operate.

The Audiovisual Communication Services Law (Law No. 26,522, LSCA, for its Spanish acronym) was passed and enacted on October 10, 2009, with strong criticism about its content and enactment procedure.

By the end of December 2015, the National Executive Branch issued Emergency Decree No. 267/15, published in the Official Gazette on January 4, 2016, whereby significant amendments were introduced to Laws Nos. 26,522 and 27,078 (the Digital Argentina Law, "LAD", for its Spanish acronym). The Emergency Decree was approved on April 6, 2016 by the Lower House of Congress. Therefore, it has full force and effect.

9.2. Enforcement Authority

The *Comité Federal de Radiodifusión* (Federal Broadcasting Committee, "COMFER", for its Spanish acronym) was the enforcement authority established by Law No. 22,285.

Law No. 26,522 provided for the replacement of the COMFER by the Audiovisual Communication Services Law Federal Enforcement Authority (AFSCA, for its Spanish acronym) as a decentralized and autarchic agency under the jurisdiction of the Executive Branch, and vested the new agency with authority to enforce the law.

The Emergency Decree created the ENACOM as a decentralized and autarchic agency under the jurisdiction of the Ministry of Communications and vested the new agency with authority to enforce Laws Nos. 26,522 and 27,078, as amended and regulated. The ENACOM has all the same powers and competences that had been vested in AFSCA and the Information and Communications Technology Federal Enforcement Authority ("AFTIC", for its Spanish acronym) by Laws Nos. 26,522 and 27,078, respectively.

Upon the issuance of Decrees Nos. 7/2019 and 50/2019, published in the Official Gazette on December 11, 2019 and on December 19, 2019, respectively, the ENACOM is now under the jurisdiction of the Secretariat of Public Innovation under the Chief of the Cabinet of Ministers.

9.3. Multiple License Regime

The multiple license regime established under Law No. 22,285 allowed licensees to hold at the national level up to twenty-four (24) sound or television broadcasting licenses. At the local level, one individual or legal entity could have up to one sound broadcasting license, one television license and one subscription television license. In this last case, FM broadcasting services were not included in this limit if they were broadcast from the same station and location as the AM broadcasting services.

The LSCA introduced comprehensive amendments on the multiple license regime, against which the Company and some of its Subsidiaries filed an unconstitutionality claim. Eventually, that claim was dismissed. The original regime approved by the LSCA regarding broadcast services: i) restricted to 10 the number of audiovisual communication service licenses, plus a single broadcast signal for radio, broadcast TV and subscription television services that made use of the radioelectric spectrum; ii) set forth a further restriction on these services, which could not be provided to more than 35% of all inhabitants or subscribers nationwide; and iii) at the local level, the regime established the following limits: a) one (1) sound broadcasting license for amplitude modulation (AM); b) one (1) sound broadcasting license for frequency modulation (FM) or up to two (2) licenses when there are more than eight (8) licenses in the primary service area; c) one subscription television license, provided the applicant was not the holder of a broadcast television license; d) one (1) broadcast television license provided the applicant was not the holder of a subscription television license. Under no circumstances may the aggregate number of the licenses granted in the same primary service area or any group of highly overlapping service areas exceed three (3) licenses.

Among the main amendments introduced by the Emergency Decree with respect to the LSCA, the most remarkable is the repeal of Section 161, which set forth the obligation to conform to the provisions of this law with respect to ownership conditions and the number of licenses. Section 45 of Law No. 26,522, which establishes the multiple license regime, has been significantly amended. As a result, the Company and its subsidiaries already conform to the new regulatory framework.

As far as the Company is concerned, the Emergency Decree: i) eliminated the incompatibility to render in the same location broadcast television services and subscription television services; ii) increased the limit to 15 of broadcast (television and radio) service licenses that may be accumulated at national level; iii) eliminated the restriction to hold cable television signals; and iv) eliminated the restriction on broadcast services, which could not be provided to more than 35% of all inhabitants or subscribers nationwide. At the local level, it increased to 4 the number of licenses that could be accumulated.

9.4. Terms of the Licenses

Law No. 22,285 provided that broadcasting licenses were granted for an initial period of 15 years, allowing for a one-time extension of 10 years. The extension of the license was subject to the approval of the COMFER, which would determine whether or not the licensee had met the terms and conditions under which the license had been granted. Some of the licenses exploited by the subsidiaries have already been extended for the above-mentioned 10-year term.

On May 24, 2005, Decree No. 527/05 provided for a 10-year-suspension of the terms then effective of broadcasting licenses or their extensions. Calculation of the terms was automatically resumed upon expiration of the suspension term, subject to certain conditions. The Decree required that companies seeking to benefit from the extension submit to the COMFER's approval, within 2 years from the date of the Decree, programming

proposals that would contribute to the preservation of the national culture and the education of the population and a technology investment project to be implemented during the suspension term. COMFER Resolution No. 214/07 regulated the obligations established by Decree No. 527/05 in order to benefit from such suspension. The proposals then submitted were approved and, accordingly, the terms of the licenses originally awarded to the subsidiaries of Grupo Clarín were suspended for ten (10) years.

Even though Law No. 26,522 respected the original expiration terms of the licenses effective at the time of its enactment, it set a 10-year limitation to the terms of licenses, with a one-time non-renewable extension.

With regard to the term of the licenses for television and radio broadcast services, the Emergency Decree establishes two important changes:

- It provides for a new system of extensions for audiovisual communication service licenses whereby the licensee may request a first extension for five (5) years, which will be automatic. Upon expiration of this term, licensees may request subsequent extensions of ten (10) years complying in that case with the provisions of the Law and applicable regulations to be eligible for each extension. However, this system of subsequent extensions may be interrupted upon the expiration of the last extension if the Ministry of Communications decides to call for a public bid for new licensees, for reasons of public interest, for the introduction of new technologies or in compliance with international agreements. In this case, prior licensees shall have no acquired rights regarding their licenses.
- Section 20 of the Emergency Decree provides that the holders of licenses effective as of January 1, 2016 may request a ten (10) year extension, without it being necessary to wait until the expiration of the license that is currently effective. Such extension shall be considered as a first period that entitles the holder to the five (5) year automatic extension.

Taking into consideration the advantages provided under the new legal framework with regard to the terms of the licenses, the direct and indirect subsidiaries of the Company that hold broadcast television licenses made a filing with the ENACOM requesting the extension of the terms of their licenses pursuant to Section 20 of the Emergency Decree.

The ENACOM issued Resolution No. 135/2017, whereby it deemed that ARTEAR had opted to request an extension under Section 20 of Decree No. 267/15 and stated that the term for the first period of TEN (10) years, with the right to an automatic extension for a term of FIVE (5) more years, shall be calculated as from January 2, 2017.

On March 15, 2019, the ENACOM issued Resolution No. 1,176/19, whereby it granted the extension requested. Radio Mitre was deemed to have opted to request an extension for all of its licenses under Article 20 of the above-mentioned Decree, and was granted a term of 10 years, with the right to an automatic extension for a term of 5 more years.

In addition, the ENACOM has issued a favorable decision, deeming as exercised the options to the regime provided under Article 20 of Decree No. 267/15 formulated by the other subsidiaries. Pursuant to those administrative proceedings, the new expiration date for the broadcast television licenses exploited by the subsidiaries of the Company are:

<u>Licenses</u>	<u>Renewal of Licenses Granted under Art. 20 of Decree No. 267/2015</u>
LS 85 TV Canal 13 of Buenos Aires	January 1, 2027
LU 81 TV Canal 7 of Bahía Blanca	January 1, 2027
LV 81 TV Canal 12 of Córdoba	January 1, 2027
LU 93 TV Canal 6 of Bariloche	January 1, 2027

9.5. Other Resolutions Issued by the Enforcement Authority

Even though ARTEAR has challenged the validity or constitutionality of some regulations imposed by the Enforcement Authority, it complies every year with the required procedures only in the event that such requirements may be considered valid, for the purposes of safeguarding its rights. Those procedures are detailed below:

- The procedure provided under AFSCA Resolution No. 173/2010, whereby an Audiovisual Communication Services Providers Information System was implemented.

- The procedure provided under Decree No. 904/2010 and AFSCA Resolution No. 175/2010, whereby the Registry of Signals and Producers was implemented.
- The procedure provided under AFSCA Resolution No. 464/2010 (currently ENACOM Resolution No. 5,264/2016), which established the obligation to request network authorization pursuant to Articles 62 and 63 of Law No. 26,522.
- The procedure provided under AFSCA Resolution No. 630/2010, which approved the Rules governing the Public Registry of Advertising Agencies and Producers. Such Resolution is aimed at regulating the sale of advertising spaces on broadcasting services, encompassing both Advertising Agencies with respect to the services governed by Law No. 26,522, as well as companies acting as intermediaries for the sale of advertising on such services.
- The procedure provided under Resolution No. 1/2011 issued jointly by AFSCA and the Argentine Federal Revenue Service, whereby they implemented a new procedure for the payment of the tax applicable to broadcasting services.
- The procedure provided under AFSCA Resolution No. 979/2013, which requires broadcast television licensees to report in the form of an affidavit the list of national feature films and telefilms for which they have acquired broadcasting rights, ordering that these films be broadcast in conformity with article 67 of the LSCA.
- The procedure provided under AFSCA Resolution No. 1,502/2014, amended by ENACOM Resolution No. 1,230/2020, which requires the submission of an Annual Affidavit of Audiovisual Communication Services, through a website created to such end by the enforcement authority.

9.6. Award of a Digital Channel

Through Resolution No. 1,329/AFSCA/2014, which amended Resolution No. 1,047/AFSCA/2014, the AFSCA approved the National Standard for Terrestrial and Broadcast Digital Television Audiovisual Communication Services, and to Decree No. 2,456/2014, which approves the National Digital Audiovisual Communication Services Plan.

Through this legal framework, which was subsequently supplemented by Resolutions No. 24/AFSCA/2015, 35/AFSCA/2015 and No. 39/AFSCA/2015 (among others), the rights of the current broadcast television licensees could be infringed. These rights should be preserved intact as established in Law No. 26,522, which has higher hierarchy. The main effect of these regulations, among their technical effects, is that the current broadcast television licensees that obtained their licenses pursuant to Law No. 22,285 will have to bear additional charges and obligations including, among other things, multiplexing and broadcasting under their own responsibility other broadcast television stations owned by third parties.

Since the changes introduced under this regulatory framework have an impact on the responsibilities and rights of the companies involved, ARTEAR and TELECOR S.A.C.I. filed a claim before AFSCA in due time, requesting the revocation of Resolutions No. 1,329/AFSCA/2014, 24/AFSCA/2015, 35/AFSCA/2015 and 39/AFSCA/2015 to preserve their rights intact as direct or indirect broadcast television service licensees. They also filed a claim before the National Executive Branch requesting the repeal of Decree No. 2,456/2014. As of the date of these financial statements, the claim filed before AFSCA was dismissed. Therefore, ARTEAR challenged before the courts that agency's decision to dismiss the claim. The claim filed before the National Executive Branch is still pending resolution.

The subsidiaries of the Company that hold broadcast television licenses were awarded a digital channel to render terrestrial digital television services under the legal regime described above. The following are the Resolutions that determined the final award of each of the digital channels:

- Resolution No. 10,090/ENACOM/2016 (as amended by Resolution No. 1631-ENACOM/2017) awarded Canal 33.1 to ARTEAR as holder of LS 85 TV CANAL 13 DE BUENOS AIRES
- Resolution No. 35/AFSCA/2015 awarded Canal 27.1 to TELECOR S.A.C.I. as holder of LV81 TV CANAL 12 DE CÓRDOBA.
- Resolution No. 381/AFSCA/2015 awarded Canal 27.1 to Bariloche TV as holder of LU 93 TV CANAL 6 DE BARILOCHE.
- Resolution No. 236/AFSCA/2015 awarded Canal 28.1. to Teledifusora Bahiense S.A. as holder of LU81 TV CANAL 7 DE BAHÍA BLANCA

9.7. Decree No. 690/20 – Amendments to the LAD

On August 22, 2020, the National Executive Branch issued Decree No. 690/2020, whereby it amended the Digital Argentina Act.

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

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

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

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

As of the date of these consolidated financial statements, the Decree has been ratified by the Argentine Congress under the terms of Law No. 26,122.

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

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

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

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

Said Resolution also sets out the persons that are eligible to receive those services.

It should be noted that subscription television service licensees are under the obligation to apply discounts to a plan and programming grid that already exist, which prevents them from creating a specific and less expensive grid to comply with the Mandatory Universal Basic Service.

Since ARTEAR owns several cable tv signals and is therefore a provider of contents to subscription television services via physical, radio-electric or satellite link, it is currently evaluating the impact that this regulation and its implementation may have on its operations.

9.8. New General Rules Governing Physical and/or Radio Electric Link Subscription Broadcasting Services

ENACOM Resolution No. 1,491/2020 issued on December 24, 2020 approved the new General Rules Governing Physical Radio-Electric and/or Satellite Link Subscription Broadcasting Services.

Even though the new General Rules maintain the onerosity of all the broadcast television services and signals that fall within the scope of the “must carry” regime (signals and services subject to mandatory retransmission)

by the providers of subscription television services, they introduce the concept of “fair, equitable and reasonable price” and implement a dispute resolution procedure in case of disagreement between signal holders and distributors (by physical, radio-electric or satellite link) to be brought before the ENACOM, whereby the parties are deemed to have voluntarily accepted to be subject to this procedure.

In addition, the General Rules provide that in the event that signal holders and physical, radio-electric and/or satellite link subscription television licensees do not settle their dispute, distributors shall include the signal in the programming grid at the price set by ENACOM's Board based on the information gathered during the proceeding.

It should be noted that both the price and the settlement procedure is applicable to any signal, including those which are not subject to mandatory retransmission.

In addition, the General Rules also provide that the commercialization of one signal may not be conditional on the acquisition of other signals and, in the case of sales of signal packages, the price must include a breakdown of the price of each of the signals included in the package.

ARTEAR's legal advisors believe that the ENACOM is not empowered to set the price of a signal, regardless of whether or not it is a signal subject to mandatory retransmission, and that it would be arbitrary and unconstitutional if the agency imposed a price on the owner of contents that does not voluntarily agree to the settlement proceeding.

9.9. Administrative Sanction Proceedings

Through Resolution No. 661/AFSCA/2014, the ENACOM approved the current Regime for the Grading of Penalties, the General Rules on the procedures to be followed for the substantiation of summary proceedings initiated due to infringements of the Audiovisual Communication Services Law, an Installment Plan Regime to be applied to the infringements subject to fines committed from November 21, 2002 up to and including June 23, 2010, within the framework of the effectiveness of Resolution No. 830/COMFER/02 and Law No. 22,285 and an Option for the new Regime for the Grading of Penalties (fines) for infringements committed while Resolution No. 324/AFSCA/2010 was still in effect.

ARTEAR made a filing with AFSCA to request the assessment of the fines that would be applicable to infringements committed from November 21, 2002 to June 23, 2010 under the regime set forth in Resolution No. 830/COMFER/02 in order to decide whether to request authorization to adhere to the installment plan regime provided by Resolution No. 661/AFSCA/2014. In addition, ARTEAR made a filing with AFSCA to request the assessment of the fines that would be applicable to infringements committed from June 24, 2010 to June 11, 2014, i.e., the period during which the regime provided under Resolution No. 324/AFSCA/2010 was in effect, in order to decide whether to make use of the option provided by Resolution No. 661/AFSCA/2014, which allows broadcasters to adhere to the installment plan regime that is most beneficial in each case. In response to said filings, the Enforcement Authority notified ARTEAR of the fines assessed on the infringements committed from November 21, 2002 to June 23, 2010. ARTEAR requested authorization to adhere to the payment plan regime payable in up to 60 installments for all those infringements over which the Enforcement Authority abandoned all administrative and judicial proceedings. AFSCA notified ARTEAR of the applicable fines in the period during which Resolution No. 324/AFSCA/2010 was in effect, calculating those fines under both regimes, the one approved through Resolution No. 324/AFSCA/2010 and the one approved under Resolution No. 661/AFSCA/2014. Therefore, ARTEAR made a filing exercising the option to pay those fines calculated under the regime established by Resolution No. 661/AFSCA/2014, which allows for the assessment of significantly more beneficial amounts. In both cases, ARTEAR had booked a provision for the amounts assessed and notified by AFSCA included in the payment plan.

The payment agreements that had been delivered by AFSCA were deemed to enter into effect as of July 2, 2015. ARTEAR was authorized to adhere to the payment plan relating to infringements committed between November 21, 2002 and June 23, 2010, payable in sixty monthly installments starting on August 31, 2015. ARTEAR was also authorized to adhere to the applicable payment plan for infringements committed between June 24, 2010 and June 11, 2014, payable in thirty monthly installments starting on August 31, 2015.

ARTEAR is currently paying the installments of both payment plans and receives and pays in due time and form the fines corresponding to the summary proceedings initiated after June 11, 2014 under the Sanction Regime in effect established by Resolution No. 661-AFSCA/14.

Through Resolution No. 2,882/ENACOM/2019, as amended by Resolution No. 2,984/2019, the ENACOM amended the Regime for the Grading of Penalties approved by Resolution No. 661/AFSCA/2014. The amendments resulted mainly in a reduction of the tax rates to be applied to the calculation of the penalties for infringement of Law No. 26,522, and a reduction of the fines imposed whenever infractions are committed in shows produced by producers that are duly registered in the *Registro de Señales y Productoras* (Registry of Signals and Producers), which will be charged with such infractions.

ARTEAR made a filing with the ENACOM requesting the assessment of fines applicable to the infringements committed from July 2014 up to and including December 2018 and requested the adherence to the installment payment plan established under Resolution No. 2,882/ENACOM/2019, with respect to those summary proceedings on which information was requested and sanctions were imposed. The aggregate amount of the fines assessed for that period with respect to the summary proceedings already resolved is of \$2,343,755.70, plus interest accrued from the payment plan of 60 installments. To date, the ENACOM has not issued a decision yet on the request for adherence to the payment plan.

NOTE 10 - CALL OPTIONS

ARTEAR

Pursuant to ARTEAR's acquisition of 85.2% of its subsidiary Telecor's capital stock in 2000, Telecor's sellers have an irrevocable put option of the remaining 755,565 common, registered, non-endorsable shares, representing 14.8% of the capital stock and votes of Telecor, for a 16-year term as from March 16, 2010 at a price of US\$ 3 million and ARTEAR has an irrevocable call option for such shares for a term of 26 years as from March 16, 2000 at a price of approximately US\$ 4.8 million, which will be adjusted at a 5% nominal annual rate as from April 16, 2016. Subsequently, under an addendum to the original agreements, the beginning of the effectiveness of the irrevocable put option was changed from March 16, 2010 to March 16, 2013. On March 15, 2013, on February 18, 2016, February 21, 2017 and on November 27, 2019, additional addenda to the agreement were signed, whereby the beginning of the effectiveness of the irrevocable put option was changed from March 16, 2013 to March 16, 2016, from such date to March 16, 2017, from such date to March 16, 2021, and from such date to March 16, 2024, respectively.

The balances arising from the put option mentioned above are disclosed under the item Other Non-Current Liabilities of the statement of financial position, with an offsetting entry under Other Reserves and Non-Controlling Interest under Equity.

NOTE 11 – FINANCIAL INSTRUMENTS

11.1. Financial Risks Management (*)

(*) The amounts included in this note are stated in millions of Argentine pesos.

Grupo Clarín is a party to transactions involving financial instruments, which entail exposure to market, currency and interest rate risks. The management of these risks is based on the particular analysis of each situation, taking into account its own estimates and those made by third parties of the evolution of the respective factors.

11.1.1 Capital Risk Management

Grupo Clarín manages its capital structure seeking to ensure its ability to continue as an ongoing concern, while maximizing the return to its shareholders through the optimization of financial debt and equity balances.

As part of this process, Grupo Clarín monitors its capital structure through the financial debt-to-equity ratio, which is equal to the quotient of its net financial debt (Financial Debt less Cash and Cash Equivalents) divided by its adjusted EBITDA.

The financial debt-to-equity ratio for the reporting years is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial Debt (i)	1,713	2,548
Less: Cash and Cash Equivalents		
Cash and Banks	(1,294)	(2,050)
Other Current Investments	(1,493)	(962)
Net Financial Debt (ii)	<u>(1,074)</u>	<u>(464)</u>
Adjusted EBITDA	<u>3,246</u>	<u>2,249</u>
Debt-to-Equity Ratio (ii)	(0.33)	(0.21)

(i) Long-term and short-term loans, including derivatives and financial guarantee agreements.

(ii) As of December 31, 2020 and 2019, the cash and cash equivalents balance exceeds the amount of loans.

The financial debt-to-equity ratio is reasonable compared to other industry players and considering the particular situation of Argentina and of the companies that make up Grupo Clarín.

11.1.2 Categories of Financial Instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial Assets		
At amortized cost		
Cash and Banks	1,294	2,050
Investments	58	214
Receivables (1) (2)	10,274	10,587
At fair value with an impact on net income		
Investments	<u>1,900</u>	<u>748</u>
Total Financial Assets	<u>13,526</u>	<u>13,599</u>
Financial Liabilities		
At amortized cost		
Financial Debt (3)	1,713	2,548
Accounts Payable and Other Liabilities (4)	<u>7,064</u>	<u>7,563</u>
Total Financial Liabilities	<u>8,777</u>	<u>10,111</u>

(1) Does not include the allowance for doubtful accounts of approximately \$ 513 million and \$ 433 million, respectively.

(2) Includes receivables with related parties of approximately \$ 709 and \$ 833 million, respectively.

(3) Includes loans with related parties of approximately \$ 17 million and \$ 20 million, respectively.

(4) Includes debts with related parties of approximately \$ 206 million and \$ 182 million, respectively.

11.1.3 Objectives of Financial Risk Management

Grupo Clarín monitors and manages the financial risks related to its operations; these risks include market risk (including exchange risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Grupo Clarín does not enter into financial instruments for speculative purposes as common practice.

11.1.4 Exchange Risk Management

Grupo Clarín enters into certain foreign currency transactions; therefore, it is exposed to exchange rate fluctuations.

The following table shows the monetary assets and liabilities denominated in US dollars, the main foreign currency involved in Grupo Clarín's transactions, at the closing of the years ended December 31, 2020 and 2019:

	<u>(in millions of Argentine pesos) December 31, 2020</u>	<u>(in millions of Argentine pesos) December 31, 2019</u>
ASSETS		
Other Receivables	36	34
Trade Receivables	534	521
Other Investments	733	91
Cash and Banks	<u>738</u>	<u>1,513</u>
Total assets	<u>2,041</u>	<u>2,159</u>

LIABILITIES		
Financial Debt	1,423	1,909
Other Liabilities	60	52
Trade and Other Payables	1,249	1,416
Total Liabilities	2,732	3,377

Bid/offered exchange rates (Banco de la Nación Argentina) as of December 31, 2020 and 2019 were of \$ 83.95 and \$ 84.15 and \$ 59.69 and \$ 59.89; respectively.

11.1.4.1 Foreign Exchange Sensitivity Analysis

Grupo Clarín is exposed to exchange risk, mainly with respect to the US dollar.

Taking into consideration the balances disclosed above, Grupo Clarín estimates that the impact of a 20% favorable/unfavorable fluctuation of the US dollar exchange rate would generate an income/loss before taxes of approximately \$ 138 million and \$ 243 million as of December 31, 2020 and 2019, respectively.

The sensitivity analysis presented above is hypothetical since the quantified impact is not necessarily an indicator of the actual impact, because exposure levels may vary over time.

Additionally, even though Grupo Clarín conducts its operations in Argentine pesos, an eventual devaluation of that currency may have an indirect impact on its operations, depending on the ability of the relevant suppliers to reflect that effect on their prices.

11.1.5. Interest Rate Risk Management

As of December 31, 2020 and 2019, Grupo Clarín was exposed to interest rate risk mainly through ARTEAR, AGEA (and its subsidiaries LVI and DLA), IESA, Radio Mitre, and GCGC. This is due to the fact that those companies have taken loans at fixed and variable interest rates and have not entered into hedge agreements to mitigate these risks. If interest rates had eventually been 100 basis points higher and all the variables had remained constant, the additional estimated loss before taxes would have been of approximately \$ 13 million and \$ 5 million as of December 31, 2020 and 2019, respectively.

11.1.6. Equity Price Risk Management

Grupo Clarín is exposed to equity price risk in connection with its holdings of mutual funds, securities and bonds and foreign exchange agreements.

Its sensitivity to the variation in the price of these instruments is detailed below:

	December 31, 2020	December 31, 2019
Investments valued at quoted prices at closing (Level 1)	1,221	743

The estimated impact of an eventual 10% favorable/unfavorable fluctuation of the quoted price of investments valued at closing, assuming that all the other variables remain constant, would generate an income/loss before taxes of approximately \$ 122 million and \$ 74 million as of December 31, 2020 and 2019, respectively.

A potential 10% favorable/unfavorable fluctuation of the quoted price of investments valued as Level 2 would generate an income/loss before taxes of approximately \$ 68 million and \$ 0.6 million as of December 31, 2020 and 2019, respectively.

11.1.7 Credit Risk Management

Credit risk is defined as the risk that one of the parties may breach its contractual obligations, generating an eventual financial loss for Grupo Clarín.

Credits of the Printing and Publishing Segment

The companies that operate in this segment conduct an analysis of the clients' financial position at the beginning of the business relationship, through a credit risk report requested from several credit rating agencies. The

credit amount granted to each client is monitored on a daily basis, with reports being submitted to the financial management.

The credit risk affects cash and cash equivalents, deposits held at banks and financial institutions, as well as credit granted to clients.

The maximum theoretical credit risk exposure of the companies operating in this segment is represented by the book value of net financial assets, disclosed in the consolidated statement of financial position.

For the purposes of conducting an analysis of the suitability of the allowance for bad debts, these companies consider each client on a case by case basis, verifying, among other factors, if there is any record of delinquency, risk of bankruptcy, insolvency proceeding or other judicial proceeding. In addition, and in accordance with IFRS 9, for the calculation of the allowance for bad debts on trade receivables the Company considers the expected credit losses over their total useful life. Trade receivables comprise a significant number of clients and are internally classified among the following categories: Advertising, Official, Distribution, Internet and Subscriptions, among others.

The companies that operate in this segment have recorded an allowance for doubtful accounts accounting for 10% and 6% of accounts receivable as of December 31, 2020 and 2019, respectively.

The companies that operate in this segment did not set up an allowance for bad debts for those amounts in which no significant change was recorded in the credit rating, considering such amounts as recoverable.

The companies that operate in this segment have a wide range of clients, including individuals, businesses - medium-and-large-sized companies - and governmental agencies. Therefore, these companies' receivables are not subject to credit risk concentration.

Credits from the Broadcasting and Programming Segment

Credit risk represents for the companies that operate in this segment the risk of incurring in losses arising from possible breaches of the contractual obligations assumed by business or financial counterparties. This risk may be due to economic or financial factors, or to particular circumstances of the counterparty, or to other economic, commercial or administrative factors.

Credit risk affects cash and cash equivalents, deposits held at banks and financial institutions in a wide sense, and every form of credit granted to the companies that operate in this segment. The maximum exposure to credit risk is represented by the value of financial assets considered as a whole, recorded in the Consolidated Statement of Financial Position under Cash and Banks, Other Investments, Trade Receivables and Other Receivables.

Financial instruments are executed with creditworthy banks and financial institutions renowned in the market and for terms not longer than three months. In this sense, the companies that operate in this segment have a policy of diversifying their investments among different banks and financial institutions, thus reducing the concentration risk in only one counterparty.

As to the credit risk related to financial credit, the companies that operate in this segment evaluate the credit standing of the different counterparties to define their investment levels, based on their equity and credit rating. As to Trade Receivables, such companies have a wide range of clients, categorized depending on the type of business. These categories are: Advertising, Signals, Programming and other. Within this classification, clients can also be classified as advertising agencies, direct advertisers, distributors of cable TV, broadcast TV stations and other, each of them of a different magnitude. Due to this diversity of clients, there is not a significant credit risk concentration in this respect.

The allowance for bad debts is set up upon conducting an analysis of the debtor portfolio, which is recorded as follows:

- In the case of individual risks identified (risks of bankruptcy, insolvency proceedings or judicial proceedings pending with the company), for its total value.

- The rest of the cases is decided based on the aging of the past due debt, the progress of the collection procedures, the solvency conditions and the variations observed in the clients' settlement periods.
- In addition, and in accordance with IFRS 9, for the calculation of the allowance for bad debts on trade receivables the Company considers the expected credit losses over their total useful life.

11.1.8. Liquidity Risk Management

Liquidity risk is the risk that Grupo Clarín may not be able to fulfill its financial obligations at maturity. Grupo Clarín manages liquidity risk through the management of its capital structure and, if possible, the access to different capital markets. It also manages liquidity risk through a constant review of the estimated cash flows to ensure that it will have enough liquidity to fulfill its obligations.

11.1.8.1 Interest Rate Risk and Liquidity Risk Table

The following table shows the breakdown of financial liabilities by relevant groups of maturities based on the remaining period as from the date of the statement of financial position through the contractual maturity date. The amounts disclosed in this table represent undiscounted cash flows (principal plus contractual interest).

Information as of December 31, 2020:

Maturities	Financial Debt	Other debt
Matured	-	1,849
Without any established term	3	592
First Quarter 2021	269	3,326
Second Quarter 2021	59	767
Third Quarter 2021	38	32
Fourth Quarter 2021	57	16
More than 1 year	1,625	338
	2,051	6,920

Information as of December 31, 2019:

Maturities	Financial Debt	Other debt
Matured	95	1,500
Without any established term	1	915
First Quarter 2020	583	4,101
Second Quarter 2020	723	719
Third Quarter 2020	71	38
Fourth Quarter 2020	15	33
More than 1 year	1,508	456
	2,996	7,762

11.1.9. Financial Instruments at Fair Value

The following table shows Grupo Clarín's financial assets and liabilities measured at fair value at the closing of the reporting year:

	December 31, 2020	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	1,900	1,221	679
	December 31, 2019	Quoted Prices (Level 1)	Other Significant Observable Items (Level 2)
Assets			
Current Investments	749	743	6

Financial assets and liabilities are valued using quoted prices for identical assets and liabilities (Level 1), and the prices of similar instruments arising from sources of information available in the market (Level 2). At the closing of the reporting years, Grupo Clarín did not have any financial asset or liability for which a comparison had not been conducted against observable market data to determine their fair value (Level 3).

11.1.10. Fair Value of Financial Instruments

The book value of cash, accounts receivable and current liabilities is similar to their fair value, due to the short-term maturities of these instruments.

The book value of receivables with estimated collection periods that extend through time, is measured considering the estimated collection period, the time value of money and the specific risks of the transaction at the time of measurement and, therefore, such book value approximates their fair value.

The fair value of non-current financial liabilities (Level 2) is measured based on the future cash flows of those liabilities, discounted at a representative market rate available to Grupo Clarín for liabilities with similar terms (currency and remaining term) prevailing at the time of measurement.

The following table shows the estimated fair value of non-current financial liabilities:

	December 31, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Non-Current Financial Debt	1,440	1,194	1,224	938

NOTE 12 - INTERESTS IN SUBSIDIARIES AND AFFILIATES

- a. In view of the adverse macroeconomic situation prevailing in Argentina, and in particular that of the home appliances sales sector, in October 2019, EPN had to close its retail stores that sold home appliances and electronic products under the brand Meroli in the province of Córdoba.

EPN decided to close them in order to avoid worsening its financial position and to ensure the fulfillment of all the obligations towards its personnel.

Based on the above, during 2019, EPN recorded allowances for impairment of tax credits, property, plant and equipment and intangible assets for \$ 172 million (\$ 234 million in constant currency as of December 31, 2020), which were charged to Other Income and Expenses, net, and an allowance for impairment of deferred tax assets for \$ 193 million (\$ 263 million in constant currency as of December 31, 2020), which was charged to Income Tax.

- b. During 2019, AGEA made contributions in Impropost for \$ 35 million (\$ 51.5 million in constant currency as of December 31, 2020), through the capitalization of a credit that the Company held with such company.
- c. On October 13, 2020, AGEA and Botón de Pago S.A. incorporated a company under the corporate name Billetera Móvil S.A. ("BIMO") mainly engaged in the provision of electronic payment services. BIMO has a capital stock of \$ 1,000,000, represented by 1,000,000 common shares with nominal value of \$ 1 each, entitled to one vote per share. AGEA holds a 50% interest in the capital stock and votes of BIMO. On January 18, 2021, BIMO was registered with the IGJ.

NOTE 13 - RESERVES, ACCUMULATED INCOME AND DIVIDENDS

13.1 – Capital stock

Upon the Company's public offering during 2007, the capital stock amounted to \$ 287,418,584, represented by:

- 75,980,304 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 186,281,411 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.

- 25,156,869 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

On October 5 and 11, 2007, the CNV and BCBA, respectively, granted authorization for the Company's admission to the initial public offering of its capital stock, authorizing the Company to (i) offer publicly its Class B book-entry common shares; (ii) list its Class B book-entry common shares; and (iii) list its registered non-endorsable Class C common shares, trading of which was suspended due to restrictions on transfers set forth in the Company's Bylaws. Also in the last quarter of 2007, the Company was granted authorization to list its GDSs in the LSE. Each GDS represents two of the Company's Class B common shares.

On April 27, 2017, the IGJ registered the Corporate Reorganization Transaction which consisted in the partial spin-off of the Company for the creation of a new company called Cablevisión Holding S.A. As a result of the Spin-off of Grupo Clarín, its equity was reduced pro rata and the Company's Class A, Class B and Class C shares were canceled in exchange for a set of shares of the same class and with substantially the same rights distributed by Cablevisión Holding.

Consequently, the Company's equity was reduced, effective as of the Effective Date of the Spin-off (May 1, 2017), to \$ 106,776,004, represented by:

- 28,226,683 Class A common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to five votes per share.
- 69,203,544 Class B book-entry common shares, with nominal value of \$ 1 each and entitled to one vote per share.
- 9,345,777 Class C common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one vote per share.

Having obtained all of the required regulatory authorizations, on August 30, 2017, Grupo Clarín and Cablevisión Holding exchanged their shares pursuant to the exchange ratio approved by Grupo Clarín's shareholders at the time of approval of the spin-off process. As a result of the exchange of shares and payment of fractions in cash, the Company held 1,485 treasury shares. During 2020, the Company sold all those shares, and does not have any treasury shares as of the date of these financial statements.

13.2 – Reserves, accumulated income and dividends

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Balances at the beginning of the year:		
Legal Reserve	-	171,253,444
Retained Earnings	(2,052,076,145)	(13,863,988,759)
Other Reserves	(161,470,524)	(161,470,524)
Voluntary Reserves	<u>1,493,476,624</u>	<u>12,547,288,854</u>
Total	(720,070,045)	(1,306,916,985)
Changes in minority interest in a subsidiary	(11,709,643)	-
Sale of Treasury Stock	52,794	-
Absorption of Retained Earnings with Paid-in Capital	2,052,076,145	2,638,923,085
Loss for the year	<u>(274,351,674)</u>	<u>(2,052,076,145)</u>
Balance at the end of the year	<u>1,045,997,577</u>	<u>(720,070,045)</u>

a. Grupo Clarín

On April 30, 2019, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders decided, among other things, to absorb the negative balance of retained earnings as of December 31, 2018 of \$ 6,619,920,208 (\$ 13,863,988,759 in constant currency as of December 31, 2020), as follows: (i) the full reversal of the Voluntary Reserve for future dividends for \$2,270,048,609 (\$ 4,754,125,036 in constant currency as of December 31, 2020); ii) the full reversal of the Voluntary Reserve for illiquid results for \$ 1,216,090,908 (\$ 2,546,838,957 in constant currency as of December 31, 2020); iii) the full reversal of the Voluntary Reserve to provide financial aid to subsidiaries and in connection with the Audiovisual Communications Services Law

for \$ 851,718,153 (\$ 1,783,739,152 in constant currency as of December 31, 2020); iv) the full reversal of the Voluntary Reserve to ensure the liquidity of the Company and its Subsidiaries for \$ 940,230,491 (\$ 1,969,109,085 in constant currency as of December 31, 2020); v) the full reversal of the Legal Reserve for \$ 81,771,859 (\$ 171,253,444 in constant currency as of December 31, 2020) and, vi) the partial reversal of the Additional Paid-in capital for \$ 1,260,060,188 (\$ 2,638,923,085 in constant currency as of December 31, 2020).

On April 30, 2020, at the Annual Ordinary Shareholders' Meeting of Grupo Clarín S.A., the shareholders decided, among other things, to absorb the negative balance of retained earnings as of December 31, 2019 through the partial reversal of the Paid-in capital.

b. ARTEAR

On April 22, 2019, the shareholders of ARTEAR decided, among other issues, to appropriate retained earnings for the year ended December 31, 2018 in the amount of \$ 25 million (\$ 52 million in constant currency as of December 31, 2020) to the voluntary reserve. In addition, the shareholders decided to delegate to the Board of Directors the power to reverse, totally or partially, the reserve to pay dividends.

On May 28, 2020, the shareholders of ARTEAR decided, among other issues, to appropriate the accumulated retained earnings as of December 31, 2019 that amounted to \$ 341 million in historical currency as of that date (\$ 464 million in constant currency as of December 31, 2020) as follows: (i) \$ 157 million (\$ 213 million in constant currency as of December 31, 2020) to increase the Legal Reserve and (ii) \$ 184 million (\$ 251 million in constant currency as of December 31, 2020) to increase the voluntary reserve. In addition, the shareholders decided to delegate to the Board of Directors the power to partially reverse the Voluntary Reserve up to \$ 250 million to pay dividends.

At the General Extraordinary Shareholders Meeting held on September 9, 2020, the shareholders of ARTEAR approved the partial reversal of the Voluntary Reserve in the amount of US\$ 6,000,000 (equivalent to \$ 448,230,000 as of that date at the exchange rate prevailing on the previous day and \$ 499,001,236 in constant currency as of December 31, 2020). Such amount was appropriated to the distribution of dividends, of which approximately \$ 434.22 million (\$ 438.40 million in constant currency as of December 31, 2020) belonged to the Company, which were collected in the same month.

c. TRISA

In April 2019, the shareholders of TRISA decided, among other things, to distribute dividends in the amount of \$ 173 million (\$ 313 million in constant currency as of December 31, 2020) of which \$ 86.5 million (\$ 157 million in constant currency as of December 31, 2020) corresponds to the Company under its indirect holding in that company. As of December 31, 2019, TRISA paid all of the distributed dividends.

In April 2020, the shareholders of TRISA decided, among other things, to approve the distribution of dividends in the amount of \$ 170 million (\$ 212 million in constant currency as of December 31, 2020) of which \$ 85 million (\$ 106 million in constant currency as of December 31, 2020) corresponds to the Company on account of its indirect holding in that company. As of December 31, TRISA had paid all of the distributed dividends.

NOTE 14 - NON-CONTROLLING INTEREST

	December 31, 2020	December 31, 2019
Balances as of January 1	281,175,171	255,346,645
Changes in Other Reserves	11,709,643	-
Equity in the Earnings from Associates for the year	(190,698,877)	65,645,114
Dividends and Other Movements of Non-Controlling Interest	(6,216,445)	(33,076,906)
Variation in Translation Differences of Foreign Operations	13,180	(6,739,682)
Balance at the end of the year	95,982,672	281,175,171

As of December 31, 2020 and 2019, the non-controlling interests are not significant on an individual or a joint basis.

NOTE 15 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The following table contains the outstanding balances with related parties:

	December 31, 2020	December 31, 2019
<u>Other Receivables</u>		
Non-Current		
Other Related Parties	4,200	5,718
Under Joint Control	-	39,821,122
	<u>4,200</u>	<u>39,826,840</u>
Current		
Under Joint Control	51,797,390	41,726,194
Other Related Parties	29,383,584	45,235,797
	<u>81,180,974</u>	<u>86,961,991</u>
<u>Trade Receivables</u>		
Current		
Under Joint Control	467,016,391	77,060,814
Other Related Parties	160,732,050	629,979,389
	<u>627,748,441</u>	<u>707,040,203</u>
<u>Trade and Other Payables</u>		
Current		
Under Joint Control	10,785,406	23,360,617
Other Related Parties	189,573,161	145,362,160
	<u>200,358,567</u>	<u>168,722,777</u>
<u>Financial Debt</u>		
Current		
Under Joint Control	17,086,921	19,861,681
	<u>17,086,921</u>	<u>19,861,681</u>
<u>Other Liabilities</u>		
Current		
Other Related Parties	5,840,731	13,939,609
	<u>5,840,731</u>	<u>13,939,609</u>

The following table shows the operations with related parties for the years ended December 31, 2020 and 2019:

	Item	December 31, 2020	December 31, 2019
Under Joint Control	Advertising Sales	27,596,118	60,183,352
	Printing Services Sales	4,161,344	165,548,113
	Other Sales	393,850,219	422,547,643
	Printing and Distribution Costs	(35,326,624)	(85,759,932)
	Interest Income	22,833,564	22,330,130
	Interest on Financial Debt	(9,190,993)	(4,401,285)
	Other Purchases	(263,681)	(374,474)
	Other Revenues	67,937,323	122,462,053
	Advertising and Promotion Expenses	(8,597,185)	(15,406,544)
Other Related Parties	Advertising Sales	462,704,031	572,782,211
	Printing Services Sales	21,739,696	42,103,177
	Circulation Sales	4,173,000	3,883,028
	Television Signals Sales	1,415,463,747	1,496,061,112
	Other Sales	821,027,986	963,804,532
	Fees for Services	(35,122,306)	(10,546,975)
	Services and Satellites Expenses	(31,274,311)	(43,905,202)
	Communication Expenses	(58,236,614)	(51,600,931)
	Other Purchases	(415,241,376)	(867,568,615)
	Other Expenses	(9,082,026)	(4,870,498)

The fees paid to the Board of Directors and the Upper Management of Grupo Clarín for the years ended December 31, 2020 and 2019 amounted to approximately \$ 683 million and \$ 741 million, respectively.

NOTE 16 – EARNINGS PER SHARE

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net Income used in the Calculation of Basic Earnings per Share:	(274,351,674)	(2,052,076,145)
Weighted Average of the Number of Common Shares used in the Calculation of Basic Earnings per Share	106,774,807	106,774,519
Loss per Share	(2.57)	(19.22)

The weighted average of outstanding shares for the year ended December 31, 2020 was 106,774,807. Since no debt securities convertible into shares were recorded, the same weighted average should be used for the calculation of diluted earnings per share.

NOTE 17 - COVENANTS, SURETIES AND GUARANTEES PROVIDED

As of December 31, 2020, the following covenants, sureties and guarantees were in effect:

- a. IESA is subject to contractual restrictions on the transfer of its equity interest in TRISA and Tele Net Image Corp.
- b. AGEA holds a joint and several guarantee for the loan granted by ICBC to AGL.
- c. The Company became guarantor of certain financial obligations of AGEA and some of its subsidiaries with Banco Itaú Argentina S.A.
- d. The Company became guarantor of certain obligations relating to the purchase of supplies by AGEA, CIMECO, Tinta Fresca and OSA for up to EUR 12 million, until December 2020. It was not renewed after the closing of the year.

NOTE 18 - LONG-TERM SAVINGS PLAN FOR EMPLOYEES

During the last quarter of 2007, the Company, together with its subsidiaries, began to implement a long-term savings plan for certain executives (directors and managers comprising the “executive payroll”), which became effective in January 2008. Executives who adhere to such plan undertake to contribute regularly a portion of their salary (variable within a certain range, at the employee’s option) to a fund that will allow them to strengthen their savings capacity. Each company of the Group where those executives render services will match the sum contributed by such executives. This matching contribution will be added to the fund raised by the employees. Under certain conditions, the employees may access such funds upon termination of their participation in the long-term savings plan.

In addition, such plan provides for certain special conditions for those managers who were in the “executive payroll” before January 1, 2007. Such conditions consist of supplementary contributions made by each company to the plan related to the executive’s years of service with the Group. As of December 31, 2020, such supplementary contributions made by the Company on a consolidated basis amount to approximately \$ 35 million, and the charge to income is deferred until the retirement of each executive.

During 2013, certain changes were made to the savings system, although its operation mechanism and the main characteristics with regard to the obligations undertaken by the company were essentially maintained.

Pursuant to IAS No. 19, the above-mentioned savings plan qualifies as a Defined Contribution Plan, which means that the companies’ contributions shall be charged to income on a monthly basis as from the date the plan becomes effective.

NOTE 19 – OPERATING LEASES**19.1 The Company as Lessee**

As of December 31, 2020 and 2019, the Company is a party to non-cancellable operating leases, which are currently effective and have different terms and renewal rights. The total amount of minimum future payments for non-cancellable operating leases is the following (in millions of \$):

	December 31, 2020	December 31, 2019
1 year	75	106
Between 1 and 5 years old	39	76
	<u>114</u>	<u>182</u>

19.2 The Company as Lessor

The total amount of minimum future collections for non-cancellable operating leases of certain property is the following (in millions of \$):

	December 31, 2020	December 31, 2019
1 year	14	19
Between 1 and 5 years old	29	63
	<u>43</u>	<u>82</u>

NOTE 20 – TAX REFORM IN ARGENTINAIncome Tax

On December 29, 2017, the National Executive Branch enacted Law No. 27,430 - Income Tax. This law introduced several changes in the treatment of income tax, among which the following are the most important:

(i) Income tax rate: Income tax rates for Argentine companies were reduced from 35% to 30% for fiscal periods beginning as from January 1, 2018 until December 31, 2019, and to 25% for fiscal periods beginning on or after January 1, 2020.

On December 23, 2019, Law No. 27,541 (the Social Solidarity and Production Reactivation Law) was enacted, regulated under Decree No. 99/2019, whereby the tax rate reduction from 30% to 25% was suspended until fiscal years beginning on or after January 1, 2021.

(ii) Tax on Dividends: The new law introduces a tax on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: Individuals, undivided estates or foreign beneficiaries, with the following considerations: (a) dividends derived from profits generated during fiscal years on or after January 1, 2018 and until December 31, 2019 will be subject to a 7% withholding; and (b) dividends derived from profits generated during fiscal years beginning on or after January 1, 2020, will be subject to a 13% withholding.

Dividends derived from profits generated up to and including the fiscal year preceding the fiscal year beginning on or after January 1, 2018 continued to be subject, for all the beneficiaries of those dividends, to a 35% withholding on the dividends distributed in excess of the accumulated taxable income (transition period of the equalization tax).

Law No. 27,541 mentioned above maintained the 7% withholding until fiscal years beginning on or after January 1, 2021.

(iii) Optional Revaluation for Tax Purposes: The law provides that companies may opt to make a revaluation for tax purposes of assets located in Argentina that generate taxable income. The special tax on the amount of the revaluation depends on the asset: 8% for real estate that does not qualify as inventories, 15% for real estate that qualifies as inventories, and 10 % for chattel and other assets. The taxpayer that opts for the special revaluation regime must do so for all the assets that belong to the same category. The special revaluation tax may not be deducted from income tax, and the taxable income generated by the revaluation is not subject to income tax. The Company and its subsidiaries did not opt for that regime.

(iv) Inflation Adjustment of Deductions: Acquisitions or investments made in fiscal years beginning on or after January 1, 2018 are restated for inflation based on the percentage variations of the Consumer Price Index (IPC, for its Spanish acronym) published by the National Institute of Statistics and Census. Such adjustment will increase deductible amortization and tax cost in the event of a sale.

(v) Inflation Adjustment: Notwithstanding the above-mentioned regime, Law No. 27,430 and its amending Law No. 27,468 provide that, effective as from fiscal years beginning on or after January 1, 2018, the inflation adjustment procedure set out in Title VI of the income tax law shall be applicable in fiscal years in which the variation of IPC is higher than 55%, 30% and 15% for fiscal years 2018, 2019, 2020, respectively. Said law also provided that the acquisitions or investments made as from fiscal years beginning as from January 1, 2018 shall be adjusted by the CPI.

As of December 31, 2020, the variation of the IPC was 36.14%. Therefore, the Company has calculated the income tax charge taking into consideration the inflation adjustment for tax purposes.

In addition, said law provided that the positive or negative inflation adjustment, as the case may be, corresponding to the first, second and third fiscal years beginning on or after January 1, 2018, that must be calculated if the triggers set forth in the bill occur, shall be allocated as follows: one third in that fiscal period, and the other two thirds, equally, in the immediately following two fiscal periods.

Law No. 27,541 mentioned above provided that the application of the inflation adjustment for tax purposes corresponding to the first and second fiscal years beginning on or after January 1, 2019 must be allocated, equally, during six fiscal years.

Tax on assets

Law No. 27,260 repealed the tax on assets for fiscal years beginning on or after January 1, 2019.

Value Added Tax

Through Decree No. 1,094/18, the Executive Branch enacted Law No. 27,467, which introduces amendments regarding value added tax ("VAT"):

(i) Allocation of Social Security Contributions: Entities may allocate employer's contributions on the payroll as a tax credit against VAT. These contributions must have been accrued in the fiscal period and effectively paid at the moment of submitting the VAT return. Qualifying entities are those engaged in the following activities: broadcast television or physical link and/or radio electric link subscription television services, audio broadcasting, cable television signals, newspaper, magazine or periodical publishing companies or companies engaged in digital journalism, and the distributors of those publishing companies. In case the payment of that amount is made after the time provided, entities may allocate employer's contributions on the payroll as a tax credit against VAT in the tax return for the fiscal period in which social contributions were paid. As provided above, when the salaries that give rise to the employer's contributions that may be allocated as a tax credit against VAT are also related to other activities outside the scope of this benefit, the amounts of those contributions will be allocated pro rata for the sole purpose of calculating the ratable portion that qualifies for the benefit. The amounts of such employer's contributions shall be counted as a VAT credit up to the amount of the output tax for the relevant period, before allocating the other tax credits. It shall apply to qualifying amounts as from January 1, 2019.

(ii) VAT Exemption: As from January 1, 2019, the sales, leases related to the development, construction or manufacturing of chattel at the request of a third party, imports and leases and services relating to the following items, are exempted from VAT: books, brochures and similar printed products, including book series or loose leaves that make up the whole work or part of it, and newspapers, magazines and similar periodic printed publications, as well as subscriptions to digital periodic editions of online information, throughout the entire marketing and distribution chain, in all cases irrespective of the support or means used for their dissemination. The distribution, classification, delivery and/or return of newspapers, magazines, and periodical publications provided to entities engaged in editorial production do not qualify for VAT exemption.

(iii) Special Treatment. Tax Credit related to newspapers, magazines, digital editions and books: The entities engaged in editorial printing and/or production of books, brochures and similar printed publications, or of newspapers, magazines and periodical publications, as well as digital journalistic editions of online information and their distributors, to the extent all of them qualify for the tax exemption under the VAT Law as from January

1, 2019, may allocate the tax credit generated by transactions that qualify for the above-mentioned exemption against the output tax generated by other transactions subject to VAT. Any unused balance can be credited against other taxes controlled by AFIP, or be returned or transferred to responsible third parties in the manner, terms and conditions established by the AFIP to such end.

Tax on Personal Assets (substitute taxpayer):

Law No. 27,541 (the Social Solidarity and Production Reactivation Law), regulated under Decree No. 99/2019, increased to 0.5%, for fiscal year 2019 onwards, the rate to be applied by Argentine issuers in their capacity as substitute taxpayers for shareholder individuals residing in Argentina or abroad, on the value of the shares.

NOTE 21 - LAW No. 26,831 CAPITAL MARKETS

Capital Markets Law – Law No. 26,831, as amended

On December 28, 2012, Capital Markets Law No. 26,831 was published in the Official Gazette. This law eliminated the self-regulation of the capital market, granted new powers to the CNV, and repealed Law No. 17,811 and Decree No. 677/01, among other regulations. Law No. 26,831 became effective on January 28, 2013. As from its effective date, the Public Tender Offer regime applies to all listed companies.

Productive Financing Law

On May 11, 2018, Productive Financing Law No. 27,440 was published in the Official Gazette. This law introduced several amendments to the Capital Markets Law No. 26,831 regarding the extent of the powers of the CNV; the exercise of preemptive rights on shares offered through public offering in the case of capital increases; private placements; public tender offers; the jurisdiction of the federal commercial courts of appeals to review the resolutions issued or sanctions imposed by the CNV, among other amendments.

With respect to public tender offers, under the previous regime, the offeror was obliged to formulate a “fair” price to be set by weighing the results of different company valuation methods, with a minimum floor related to the average market price for the six-month period immediately preceding the date of the agreement. Pursuant to the amendments introduced by Law No. 27,440 to the Capital Markets Law, the obligation is objective and consists in offering the higher of two existing prices: the price paid or agreed by the offeror during the 12 months immediately preceding the first day of the public tender offer period, and the average price of the securities subject to the offer during the semester immediately preceding the date of the announcement of the transaction under which the change of control is agreed upon.

On December 28, 2018, General Resolution No. 779/2018, whereby the CNV established the regulatory framework applicable to public tender offers, was published in the Official Gazette.

On August 20, 2013, at the request of Mr. Rubén Mario Szwarc, a minority shareholder of the Company, and by means of public deed number two hundred forty five, the Company was served notice of the decision rendered by Chamber A of the National Court of Appeals on Commercial Matters on August 12, 2013, in re “SZWARC, Rubén Mario v. National Government and Others on injunction” File No. 011419/2013. That Chamber decided, among other things, (i) to declare the unconstitutionality of Sections 2, 4, 5, 9, 10, 11, 13, 15 and 16 of Law No. 26,854, and (ii) to order the provisional, injunctive suspension of Section 20, subsection a), second part, paragraphs I and II (or 1 and 2) of Law No. 26,831 and of all laws, rules or administrative acts issued or that may be issued pursuant to such legal provisions, with respect to Grupo Clarín S.A., until the judge that is finally declared competent to render a decision on the merits assumes full jurisdiction of the case and renders a final decision relating to the injunction.

NOTE 22 - IMPACT OF CORONAVIRUS

Given the magnitude of the spread of the virus called “Coronavirus” (COVID-19) at a global level, in Argentina, the National Government implemented a series of measures aimed at reducing the movement of the population, ordering the Mandatory and Preventive Social Isolation (MPSI) as from March 20, 2020, allowing the movement of only those people involved in the provision/production of essential or exempted services and products. The Government made changes to and extended such isolation measures in different stages by geographical regions and may extend them as deemed necessary according to the epidemiological situation of each city.

On November 9, 2020, the National Government ordered the Mandatory and Preventive Social Distancing for all persons who reside or transit in urban centers and in districts and departments of the Argentine provinces that do not have a sustained community transmission of the virus and they positively verify certain epidemiological and sanitary parameters. The locations where these parameters were not met continued with the Mandatory and Preventive Social Isolation. During the effectiveness of the Mandatory and Preventive Social Distancing, several services and activities are still declared “essential” as they had been defined during the effectiveness of the Mandatory and Preventive Social Isolation.

During this year, the Company has carried out its activities under challenging circumstances derived from the pandemic. Even though the print media, radio and audiovisual communication services, which are the Group's main businesses, have been exempted from the MPSI, the Company has experienced or is expected to experience the following impacts:

- A decline in the sale of advertising in all the media of Grupo Clarín, mainly due to the cuts in the customers' advertising budgets. However, ARTEAR is showing a gradual and continued recovery since September 2020 to date;
- A drop in circulation, with an impact on subscriptions as from the second quarter of the year;
- An increase in the overdue collection of receivables;
- Television audience levels were affected by the lack of production of certain contents for prime time, which were suspended due to the pandemic. The Company expects to air contents that generally lead to an increase in audience levels as from April 2021;
- Several difficulties that hinder our operations, such as:
 - o Those related to the logistics regarding the commute of employees, performers and journalists;
 - o The reconfiguration of some programs due to social distancing measures;
 - o The implementation of home office mainly for our back office staff;
 - o Strict sanitation, disinfection and prevention protocols at our offices;
 - o The incorporation of technologies required to ensure the virtual presence of talents in the production of contents.

In order to help companies mitigate the economic impacts of the pandemic, the National Government launched a series of financial aid measures. Among the companies that qualify for such financial aid, certain subsidiaries of the Company have benefited from the Emergency Assistance Program for Work and Production from April to September 2020 and, subsequently, to a lesser extent, the Program for Productive Recovery II as from November 2020, whereby the National Government has assumed the burden of a portion of the wage costs and has allowed for reductions/deferment of the payment of certain employers' social security contributions.

In addition, other activities which have a smaller weight in the Group's operations taken as a whole were heavily affected since the MPSI entered into effect, such as the operations of Autosports, Pol-ka and Cúspide. These companies were forced to reduce or suspend most of their operations and the commercialization of their products. In the case of Pol-ka, the economic impacts have been very significant, because it has been unable during 2020 to produce contents for the subsequent commercialization and, consequently, it is having difficulties in meeting its financial, commercial and labor commitments. Therefore, the continuity of its operations may be affected.

In addition, with respect to Pol-ka, at the Annual General Ordinary and Extraordinary Shareholders' Meeting held in July 2020, the shareholders of that company decided to increase its equity. Within the framework of said equity increase, and since ARTEAR exercised its preemptive and accretion rights, ARTEAR subscribed 34,476,636 non-endorsable, registered common shares with nominal value of \$ 1 each, entitled to one vote per share and with a premium of \$10.58 per issued share of Pol-ka. At the time of exercising the preemptive and accretion rights, ARTEAR paid in 25% of the value of the shares subscribed, and the remaining 75% shall be paid in within a term of two years, pursuant to the terms of the subscription and issuance of the new shares. As of December 31, 2020, ARTEAR paid approximately \$ 387.8 million and, after the closing of the year, \$ 11.4 million, thus paying the full amount subscribed.

As a result of the foregoing, the interest of ARTEAR in the capital stock and votes of Pol-Ka is of approximately 91.3%.

Pursuant to the guidelines of IAS 36, taking into consideration that the decline in activities during 2020 in the industries in which certain subsidiaries of the Group operate, mainly the print and audiovisual production industries, is an indication of impairment, the Company's Management has assessed the recoverable value of its fixed assets as of December 31, 2020.

The recoverable amount of each CGU has been determined as per its value in use, calculated based on operating cash flows estimated in the financial budgets, which comprise a period ranging from one to three years. Cash flows not included in those periods are projected using a growth rate, assessed based on statistical data and historical indicators of Argentina, which does not exceed the long-term average growth of each business.

The gross margin used in each case for the calculation of the value in use allocated to each CGU arises from budgets prepared by each business for the period under consideration, which are in line with the historical data and the expectations regarding market development and evolution of the respective businesses.

The discount rate used in each case for the calculation of the value in use allocated to each CGU takes into account the risk-free rate, the country risk premium and the premium for risks specific to each business, and the indebtedness structure of each CGU.

As of December 31, 2020, as a result of the recoverability assessment described above, the Company recognized impairment losses of 100% in the goodwill held by ARTEAR in Telecor, Telba, Bariloche TV, and Pol-Ka, and a portion of the goodwill of Patagonik, for an aggregate amount of approximately \$ 1,295.7 million, in constant currency as of such date, together with the impairment of certain assets of Pol-Ka.

The ultimate effects of COVID-19 and its impact on the global and local economy are unknown and impossible to be reasonably predicted. However, even though the Company has suffered and is expected to suffer short term effects, it does not expect that they will affect the continuity of the Group's businesses.

The Board of Directors is closely monitoring the evolution of the situation and taking the necessary measures available to preserve the safety and health of the employees and the Company's activities.

NOTE 23 – SUBSEQUENT EVENTS

- a) The events that took place subsequent to the closing of this year related to provisions and contingencies are described in Note 8.
- b) On January 13, 2021, AGEA acquired 13,429,076 common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one (1) vote per share, of the capital stock and votes of Urbano Express Argentina S.A. ("Urbano") in the amount of US\$ 1,310,000 payable through the delivery of advertising spaces and/or seconds (as the case may be) in AGEA and/or through AGEA, in certain related companies, as established in the purchase agreement.

On the same date, AGEA sold to Urbano 36,900,000 shares representing 100% of the capital stock and votes of Unir S.A.U for \$ 90 million, which originated a credit in favor of AGEA. At the Shareholders' Meeting held on January 13, 2021, the shareholders of Urbano decided to approve the capitalization of such credit of AGEA and an increase in the capital stock of \$ 15,662,647 with paid-in capital of \$ 74,337,353. Through this capitalization, AGEA became the holder of 15,662,647 common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one (1) vote per share of Urbano.

As a result of those transactions, AGEA became the holder of 29,091,723 common, registered, non-endorsable shares, with nominal value of \$ 1 each and entitled to one (1) vote per share, representing 30% of the capital stock and votes of Urbano. As from January 13, 2020, AGEA has significant influence over Urbano and is conducting the necessary analyses for recording the acquisition of this associate in conformity with IAS 28.

NOTE 24 - APPROVAL OF FINANCIAL STATEMENTS

Grupo Clarín's Board of Directors has approved the consolidated financial statements and authorized their issue for March 11, 2021.

These consolidated financial statements for the year ended December, 31 2020, and for the purposes of their filing with the LSE, have been approved by Grupo Clarín's Board of Directors on April 22, 2021.



Independent auditor's report

To the Shareholders, President and Directors of
Grupo Clarín S.A.

Opinion

We have audited the consolidated financial statements of Grupo Clarín S.A. ("the Company") and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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

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

Independence

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

Key audit matters

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

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Key audit matter

How our audit addressed the key audit matter

Impairment of Property, plant and equipment, Intangible assets, Goodwill and Investments in Unconsolidated Affiliates

In the Group's Consolidated Financial Statements at December 31, 2020, the balance of assets included in Property, plant and equipment, Intangible assets, Goodwill and Investments in Unconsolidated Affiliates is \$7,034,951,442, \$457,786,092, \$22,073,350, and \$2,688,625,846, respectively.

In particular, our audit focused on the review of the recoverable value of the real property and goodwill recognized in relation to the following cash generating units ("CGU"): Telecor, Pol-Ka and Telba, and of investments in associates: Papel Prensa and TRISA due to the materiality of the balances at issue.

Accounting policies on "Property, plant and equipment", "Intangible assets", "Goodwill", and "Investments in Unconsolidated Affiliates" as well as those associated with "Impairment of non-financial assets" are detailed in Notes 2.15, 2.16, 2.8, 2.6, and 2.17 to the Consolidated Financial Statements, respectively.

The current scenario, largely due to the COVID-19 pandemic, has affected the industries in which the Group operates, with a direct impact on the Group's business and projections. This is a key issue, as calculating the recoverable value of these assets requires Management to make estimates and exercise its professional judgment. In addition, a great extent of professional judgment and efforts were required from the auditor to evaluate Management's cash flow projections and test significant assumptions.

The audit procedures performed included the following, among others:

- Evaluating the procedure followed by Management to identify the different CGUs.
- Evaluating the procedure followed by Management to estimate the value in use of Property, plant and equipment, Intangible assets and CGUs.
- Evaluating the appropriateness of the discounted cash flow model.
- Testing the completeness, accuracy and relevance of the underlying data used in that model.
- Evaluating the significant assumptions used by Management, including the discount rate, the long-term growth rate, the projected operating profit, the value in use at the end of fixed assets useful lives, and certain macroeconomic variables, such as projected inflation and exchange rates.
- Performing a sensitivity analysis. To verify the appropriateness of the future cash flows used in the calculation, among other procedures, we compared such information with the current budget for the one-year plan adopted by Management and approved by the Board, and with general and sector-specific market expectations, including the country's macroeconomic expectations. Regarding the value in use at the end of fixed assets useful lives, the value of certain significant pieces of real property was compared with real estate appraisals.

Being aware that even relatively small changes in the discount rate used may have significant effects on the value-in-use amount thus calculated, we requested the assistance of our valuation experts to focus our tests on the parameters used to determine the discount rate applied, including the weighted average capital cost, and repeated the calculations.



Key audit matter

How our audit addressed the key audit matter

Advertising revenue

We have identified a critical area in relation to the timing of revenue recognition of advertising sales because of the nature of these services, comprising different schemes of services provision and pricing, which represents a significant inherent risk of misstatement, and due to the involvement of manual activities, as part of the business process for this revenue stream.

The accounting policies for revenue recognition are set out in Note 2.9. to the consolidated financial statements and the different revenues streams for the Group have been disclosed in Note 6.1. to the consolidated financial statements.

The audit procedures performed included the following, among others:

- Understanding the procedure performed by Management to determine and recognize revenue from advertising.
- Evaluating the relevant information system and the design and operational effectiveness of the control over the capture and recording of revenue transactions. To this end, our Information Technology specialists have assisted us in the audit of automated controls, including controls over the interface between the various system applications. We also performed tests on access controls and change management controls for the Group's billing systems.
- Evaluating current manual controls in place over the authorization of changes to rates, the introduction of discounts, the effective provision of the service, and the entry of that information into the billing systems.
- Performing tests, based on a sample of customer invoices, on the accuracy of rates and discounts.
- Performing tests on key reconciliations used by Management to assess the completeness and accuracy of revenue.
- Performing tests on the documentation supporting manual journal entries to revenue accounts to identify unusual items.
- Requesting confirmations based on a sample of account receivables transactions.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially



misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Autonomous City of Buenos Aires, April 22nd, 2021.



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