

## Results for six-month period ended on June 30<sup>th</sup>, 2021

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for six-month period ended on June 30<sup>th</sup>, 2021

### Stock Information



Bolsas y Mercados Argentinos  
Ticker: TRAN

### For further information, contact:

José S. Refort  
Chief Financial Officer

Andrés G. Colombo  
Accounting and Tax Manager  
([Andres.Colombo@transener.com.ar](mailto:Andres.Colombo@transener.com.ar))

Marcelo A. Fell  
Financial Manager  
([Marcelo.Fell@transener.com.ar](mailto:Marcelo.Fell@transener.com.ar))

[investor@transener.com.ar](mailto:investor@transener.com.ar)

Tel: (5411) 5167-9301  
[www.transener.com.ar](http://www.transener.com.ar)  
[www.transba.com.ar](http://www.transba.com.ar)

Transener, Argentina’s leading electricity transmission company, announces results for six-month period ended on June 30<sup>th</sup>, 2021.

### Main results for six-month period ended on June 30<sup>th</sup>, 2021, restated in constant currency at June, 2021<sup>1</sup>

**Consolidated revenues of AR\$ 7,790.2 million**, 28.3% lower than the AR\$ 10,867.3 million for same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020.

**Consolidated EBITDA<sup>2</sup> of AR\$ 2,983.0 million**, 50.5% lower than the AR\$ 6,025.0 million for same period last year, mainly due to a decrease of AR\$ 3,077.1 million in revenues.

**Consolidated net loss attributable to the owners of the company of AR\$ 1,364.9 million**, compared to a profit of AR\$ 3,438.7 million for same period last year, mainly due to a decrease in revenues of AR\$ 3,077.1 million and a higher income tax charge of AR\$ 1,646.2 million due to the impact of the new income tax rate established by Law N° 27,630 on the current and deferred tax payable.

### Main results for the Second Quarter of 2021<sup>3</sup>

**Consolidated revenues of AR\$ 3,685.2 million**, 30.6% lower than the AR\$ 5,313.1 million for the same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020.

**Consolidated EBITDA<sup>2</sup> of AR\$ 1,240.1 million**, 59.2% lower than the AR\$ 3,039.5 million for the same period last year, principally due to a decrease in revenues of AR\$ 1,627.9 million.

**Consolidated net loss attributable to the owners of the company of AR\$ 1.856.9 million**, compared to a profit of AR\$ 1,778,7 million for the same period last year, mainly due to a decrease in revenues of AR\$ 1,627.9 million and a higher income tax charge of AR\$ 1,909.3 million due to the impact of the new income tax rate established by Law N° 27,630 on the current and deferred tax payable.

<sup>1</sup>Expressed in constant currency, in accordance with IAS 29.

<sup>2</sup>Consolidated EBITDA represents consolidated operating results before depreciation.

<sup>3</sup> The financial information presented in this document for the quarters ended on June 30<sup>th</sup>, 2021 and 2020 is based on the unaudited condensed interim consolidated financial statements prepared according to the accounting framework established by the National Securities Commission (CNV), corresponding to the three-month and six-month periods ended on June 30<sup>th</sup>, 2021 and 2020.

## 1. Financial Situation

As of June 30<sup>th</sup>, 2021, consolidated outstanding principal debt amounted to US\$ 98.5 million, corresponding exclusively to the Class 2 Notes at 9.75%, of which US\$ 12.5 million have been purchased by Transba, and were in the portfolio as of that date.

In July 2021, Transener purchased through a private operation at fair value, the Class 2 Notes owned by Transba. These Class 2 Notes were canceled by Transener, resulting a remaining amount of US\$ 86.0 million.

The Class 2 Notes will fully amortize on August 15<sup>th</sup>, 2021.

Additionally, in July 2021, Transener took a loan from the Banco de la Nación Argentina of AR\$ 1,000 million for working capital. The term is 3 years, with a BADLAR+8% rate, the principal amortization is in monthly and consecutive installments by the German amortization system. To meet the bank's requirements, the Company's Board of Directors agreed not to make proposals to the Ordinary General Meeting of Shareholders, during the term in which the loan is pending of cancellation, relating to dividends distribution using the reserves, and in case that these reserves are affected by losses, not to distribute profits until the reserves are reestablished to current amounts.

Regarding Transener's ratings, S&P Global Ratings maintained the global rating of "CCC-", and the local rating of "raCCC", in both cases with a negative outlook.

On the other hand, since June 2021, Transener has been qualified by FIX SCR. S.A. Credit Rating Agency, which granted a long-term issuer rating of A+ (arg) with stable outlook.

## 2. Tariff Situation

On December 23<sup>rd</sup>, 2019, the Solidarity Law entered into effect, establishing that the tariff schemes for electricity under federal jurisdiction would not have updates, with the possibility of initiating an extraordinary review of the current Full Tariff Review (FTR), for a term not exceeding 180 days.

During the year 2020, the ENRE did not apply the semiannual tariff adjustments according to the FTR, remaining effective the updated tariff scheme as of August 2019.

On December 16<sup>th</sup>, 2020, the Executive issued Decree No. 1020/20, initiating the renegotiation of the current FTR for the public service of natural gas and electricity transportation and distribution, under federal jurisdiction. This process cannot exceed 2 years. Taking into consideration public interest reasons, the current FTR agreements must be suspended until these reviews come to an end. The ENRE or ENARGAS, and the Economy Ministry will enter into the transitional and definitive agreements ad referendum of the Executive. Likewise, the abovementioned period of 180 days without tariff scheme updates was extended for 90 days or until the new transitional tariff schemes come into force.

On January 19<sup>th</sup>, 2021, under Resolution No. 17/21, the ENRE initiated the proceedings for the transitory settlement of the public service of transportation tariff, in order to determine a Transitional Tariff Scheme until the Definitive Renegotiation Agreement is achieved. The Company received an information requirement to initiate this process, which the Company has already complied with, prioritizing the operating and administrative expenses and capital expenditures necessary to maintain the quality of the service.

On March 3<sup>rd</sup>, 2021, under Resolutions No. 54/21 and 55/21, the ENRE called for a public hearing on March 29<sup>th</sup>, 2021, in order to inform and receive opinions regarding the Transitional Tariff Scheme of Transener and Transba, respectively, within the FTR Renegotiation Process and with prior character to the tariff definition.

On April 14<sup>th</sup>, 2021, the Closing of the Public Hearings Report was published in the Official Bulletin. As of the date of issuance of this report, the negotiations continue with the ENRE in order to achieve a Transitional Renegotiation Agreement of the FTR.

On the other hand, on July 3<sup>rd</sup>, 2018, the ENRE informed the initiation of the proceedings to determine the remuneration of the Independent Transmitters under the operation and maintenance period: TIBA (Transba), Fourth Line (Transener), YACYLEC and LITSA. Regarding this, on October 8<sup>th</sup>, 2018, the operating and

administrative expenses, the capital expenditures and the tariff pretension corresponding to Fourth Line and TIBA were presented to the ENRE. To date, the ENRE has not issued the Resolution on this matter yet.

### 3. Income Tax Rate and Dividends

The Law N° 27,630 of June 16<sup>th</sup>, 2021, established the following progressive tax rate scheme for the fiscal years initiated since January 1<sup>st</sup>, 2021:

Accumulated taxable net income	Income tax
AR\$ 0 million - AR\$ 5.0 million	25%
<AR\$ 5.0 million - AR\$ 50.0 million	AR\$ 1.25 million + 30% on the amount exceeding AR\$ 5.0 million
<AR\$ 50.0 million	AR\$ 14.75 million + 35% on the amount exceeding AR\$ 50.0 million

The amount of the accumulated net profits will be adjusted annually, as from January 1<sup>st</sup>, 2022, considering the annual variation of the consumer price index published by the INDEC.

On the other hand, even though Law N° 27,430 establishes that the dividends originated by profits of the fiscal years initiated since January 1<sup>st</sup>, 2020, are subject to a withholding tax of 13%, due to the modifications in Law N° 27,541 and 27,630, the withholding tax remains in 7% since December 31<sup>st</sup>, 2019, with no modifications for the following fiscal years.

### 4. The Impact of COVID - 19 in Argentina

The health emergency has brought about significant changes in the operational and management strategy, involving the implementation of certain policies and established protocols in the areas of the Company, particularly, at control centers and other critical operational areas, to prevent the spread of COVID-19 among employees and to ensure ongoing service supply.

It is not possible to anticipate how the impact of COVID-19 will continue to affect the economy, in general, and the Company, in particular, and to what extent the Company's business and the results of its operations will be affected in the future. However, given its current financial strength, the Company estimates that it will be able to continue meeting its financial commitments for the next twelve months.

The Company's management permanently monitors the variables that affect its business, to define its course of action and identify the potential impact on its equity and financial situation. The Company's interim condensed consolidated financial statements as of June 30<sup>th</sup>, 2021 should be read in light of these circumstances.

### 5. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of June 30<sup>th</sup>, 2021 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 1,846 million.

Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the expansions of the network.

Here follows the most significant works in progress under Transener's supervision:

- **Federal Plan for Transmission Works**

- **Nueva San Juan - Rodeo Substations Interconnection**

- Construction and assembly of approximately 162 km of a 500kV EHV, its connection to a new field in 132kV in the New San Juan Substation and construction of a 132kV courtyard in the Rodeo Substation. Provisionally, the EHV was linked to the Bauchaceta Substation while Rodeo Substation construction progresses.

**Electrical Interconnection in 500kV Bahía Blanca - Mar del Plata, Connection in 132kV to Villa Gesell and Complementary Works - North Trench**

Construction and assembly of the new Vivoratá 500/132kV Substation, with eight 132kV outputs and expansion of Bahía Blanca Substation. Construction of the 500kV EHV.

**Rincón Santa María - Resistencia II Interconnection**

Construction and assembly of approximately 275 km of 500kV EHV and expansion of Resistencia and Rincón Santa María Substations.

**Santa Cruz Norte Substation Completion - 132kV output to Caleta Olivia**

Expansion to be completed by YPF Luz in order to interconnect the Parque Eólico Cañadón León. The public service became operational in June 2021.

- **Works under the SE Resolutions N° 1/2003 and 821/2006**

**New 25 de Mayo Substation**

Civil works and electromechanical assembly of the new 500/132kV Substation.

**Fast connection works**

Fast back-up phase connection for Esperanza Substation.

**Expansion of Atucha 220/132 kV Substation - Auxiliary services**

Execution of 13,2kV outputs.

**Rosario Oeste and Malvinas Argentinas Substations**

Construction of the bases for two 3x200 MVA transformer banks with phases as spare parts.

- **Other works to be undertaken by the Wholesale Electricity Market (WEM) Agents**

**Río Santa Cruz Hydroelectric Exploitation**

**Cóndor Cliff and La Barrancosa Hydroelectric Power Plants- 500kV EHV and Complementary Works**

Anticipated detailed engineering revision and inspections in factories.

**Santa Cruz Norte Substation - Expansion of the transformation capacity for Parque Eólico Cañadón León (YPF Luz)**

Construction of a new structure with the incorporation of a third transformer.

**Gran Formosa Substation - Expansion 132kV**

Construction of a line output field for REFSA.

**Business Development**

Given its position as a leader in electricity transmission, Transener is involved in the supply of operation and maintenance services, engineering, testing and commissioning of lines and substations for new works or for the expansion of existing works in the 500kV system.

Transener maintains its main contracts with the following customers:

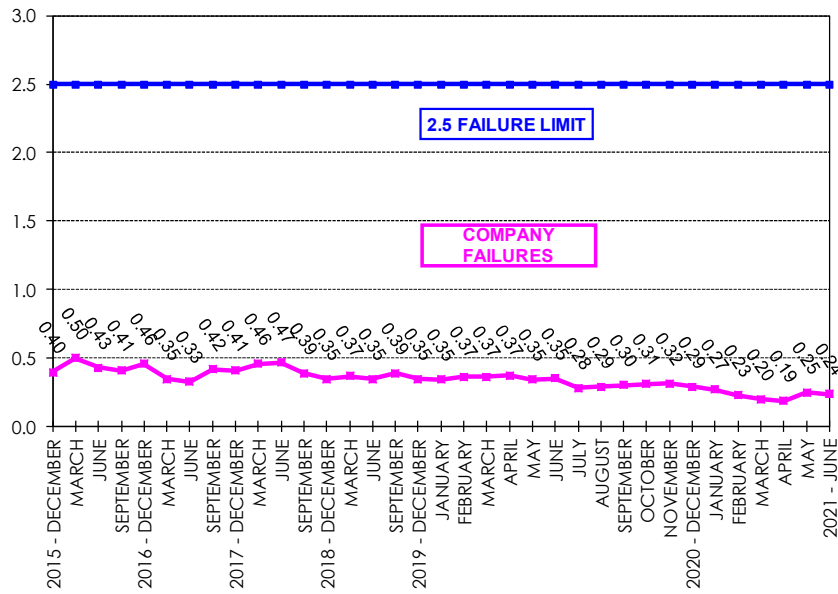
- Minera Alumbrera Ltd.
- Yacylec S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Transportel Minera II S.A.

### Rate of failures

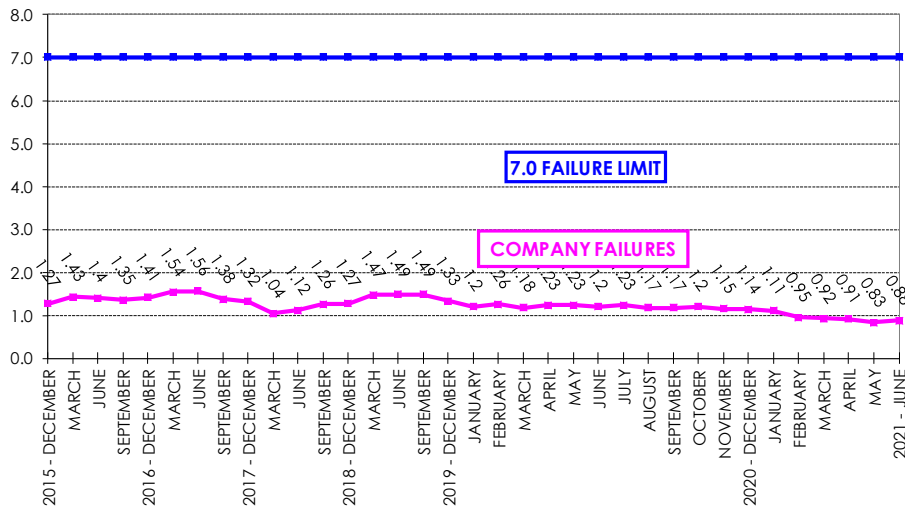
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2015.

Transener and Transba Concession Agreements state a maximum rate of failures of 2,5 and 7,0 outages per 100 km over a 12-month period, respectively.

#### Transener



#### Transba



## 6. Significant Financial Information

### 6.1 Consolidated Statements of Operations

In AR\$ MM	Six-month period ended on June 30th,		Three-month period ended on June 30th,	
	2021	2020	2021	2020
Revenues	7,790.2	10,867.3	3,685.2	5,313.1
Operating costs	(5,391.4)	(5,218.3)	(2,779.2)	(2,508.4)
Gross profit	2,398.7	5,649.0	906.0	2,804.7
Administrative expenses	(607.2)	(667.1)	(287.6)	(314.8)
Other operating (expenses) / income, net	20.5	(50.7)	32.0	(22.0)
Operating income	1,812.0	4,931.2	650.5	2,468.0
Finance income	1,244.5	1,116.0	571.6	558.6
Finance costs	(995.3)	(968.5)	(522.7)	(507.4)
Other financial results	(687.8)	(548.0)	(235.7)	(329.2)
Profit before tax	1,373.4	4,530.8	463.7	2,190.0
Income tax	(2,738.3)	(1,092.1)	(2,320.5)	(411.3)
(Loss)/profit of the period from continuing operations	(1,364.9)	3,438.7	(1,856.9)	1,778.7
<b>(Loss)/profit for the period attributable to :</b>				
Owners of the company	(1,364.9)	3,438.7	(1,856.9)	1,778.7
Non-controlling interests	0.0	0.0	0.0	0.0
Total for the period	(1,364.9)	3,438.7	(1,856.9)	1,778.7
<b>Other comprehensive (loss)/income</b>				
(Loss)/income for the period	(1,364.9)	3,438.7	(1,856.9)	1,778.7
Other comprehensive (loss)/income of the period from continuing operations	0.0	0.0	0.0	0.0
Comprehensive (loss)/income for the period	(1,364.9)	3,438.7	(1,856.9)	1,778.7
<b>Comprehensive (loss)/income for the period attributable to :</b>				
Owners of the company	(1,364.9)	3,438.7	(1,856.9)	1,778.7
Non-controlling interests	0.0	0.0	0.0	0.0
Total comprehensive (loss)/income of the period	(1,364.9)	3,438.7	(1,856.9)	1,778.7
<b>EBITDA</b>	<b>2,983.0</b>	<b>6,025.0</b>	<b>1,240.1</b>	<b>3,039.5</b>
<b>Acquisition of property, plant and equipment</b>	<b>1,460.2</b>	<b>1,884.9</b>	<b>829.5</b>	<b>710.3</b>
<b>Depreciation</b>	<b>1,171.0</b>	<b>1,093.8</b>	<b>589.6</b>	<b>571.6</b>

## 6.2 Consolidated Balance Sheets

In AR\$ MM	As of June 30th, 2021	As of December 31st, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,978.4	37,693.5
Inventories	1,623.6	1,545.5
<b>Total Non-current assets</b>	<b>39,602.0</b>	<b>39,239.0</b>
<b>Current assets</b>		
Trade accounts receivable	4,800.7	4,954.7
Other receivables	1,424.0	2,028.1
Investments at fair value	7,126.1	9,668.7
Investments at amortized cost	57.8	63.6
Cash and cash equivalents	1,024.2	1,129.2
<b>Total Current assets</b>	<b>14,432.7</b>	<b>17,844.3</b>
<b>TOTAL ASSETS</b>	<b>54,034.7</b>	<b>57,083.3</b>
<b>EQUITY</b>		
Common stock	444.7	444.7
Inflation adjustment on common stock	15,748.6	15,748.6
Legal reserve	1,519.3	1,258.6
Optional reserve	752.5	752.5
Voluntary reserve	16,464.9	11,511.4
Other comprehensive results	(710.1)	(710.1)
Retained earnings	(1,364.9)	5,214.1
<b>TOTAL EQUITY</b>	<b>32,854.8</b>	<b>34,219.7</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax payable	7,253.8	5,436.3
Employee benefits payable	840.5	899.5
Trade accounts payable	4.0	16.2
<b>Total Non-current liabilities</b>	<b>8,098.3</b>	<b>6,352.1</b>
<b>Current liabilities</b>		
Provisions	147.3	173.8
Bonds and other indebtedness	8,525.2	9,946.4
Income tax payable	1,171.7	1,339.6
Taxes payable	197.7	294.3
Payroll and social securities taxes payable	1,373.8	1,733.6
Employee benefits payable	210.1	224.9
Trade accounts payable	1,455.7	2,798.8
<b>Total Current liabilities</b>	<b>13,081.7</b>	<b>16,511.5</b>
<b>TOTAL LIABILITIES</b>	<b>21,179.9</b>	<b>22,863.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>54,034.7</b>	<b>57,083.3</b>

## 6.3 Additional information

In AR\$ MM, nominal values	Six-month period ended on June 30th,		Three-month period ended on June 30th,	
	2021	2020	2021	2020
Revenues	7,123.2	6,908.7	3,575.5	3,482.0
Operating and administrative expenses	(4,663.9)	(3,155.0)	(2,541.3)	(1,538.1)
Other operating (expenses) / income, net	23.0	(32.4)	33.8	(14.6)
Operating income	2,482.3	3,721.3	1,068.0	1,929.4
<b>EBITDA</b>	<b>2,695.5</b>	<b>3,880.6</b>	<b>1,173.2</b>	<b>2,014.8</b>
<b>Acquisition of property, plant and equipment</b>	<b>1,360.4</b>	<b>1,190.1</b>	<b>816.5</b>	<b>466.0</b>
<b>Depreciation</b>	<b>213.2</b>	<b>159.3</b>	<b>105.2</b>	<b>85.5</b>

## 7. Analysis of results for six-month period ended on June 30<sup>th</sup>, 2021 compared to same period last year

### Revenues

Consolidated revenues for six-month period ended on June 30<sup>th</sup>, 2021 amounted to AR\$ 7,790.2 million, 28.3% lower than the AR\$ 10,867.3 million for same period last year.

Consolidated regulated revenues for six-month period ended on June 30<sup>th</sup>, 2021 amounted to AR\$ 6,854.0 million, 28.7% lower than the AR\$ 9,608.1 million for same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020.

Consolidated non-regulated revenues for six-month period ended on June 30<sup>th</sup>, 2021 amounted to AR\$ 936.2 million, 25.7% lower than the AR\$ 1,259.2 million for same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020 for the Fourth Line, Choele-Madryn and TIBA.

### Operating and administrative expenses

Consolidated operating and administrative expenses for six-month period ended on June 30<sup>th</sup>, 2021, amounted to AR\$ 5,998.6 million, 1.9% higher than the AR\$ 5,885.4 million for same period last year, mainly due to an increase of AR\$ 121.8 million in equipment, electroduct and general maintenance, of AR\$ 82.8 million in allowance for doubtful accounts, and of AR\$ 77.2 million in depreciation of property, plant and equipment, partially offset by a decrease of AR\$ 73.1 million in salaries and of AR\$ 95.5 million in other operating and administrative costs.

### Other operating (expenses) / income, net

Consolidated other operating (expenses) / income, net for six-month period ended on June 30<sup>th</sup>, 2021, resulted in a gain of AR\$ 20.5 million, compared to a loss of AR\$ 50.7 million for same period last year, mainly due to an increase in recoveries of insurance claims and in awards for quality service.

### Operating profit

Consolidated operating profit for six-month period ended on June 30<sup>th</sup>, 2021, amounted to AR\$ 1,812.0 million, 63.3% lower than the AR\$ 4,931.2 million for same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020.



## Financial results

Consolidated financial results for six-month period ended on June 30<sup>th</sup>, 2021 resulted in a loss of AR\$ 438.6 million, 9.5% higher than the loss of AR\$ 400.4 million for same period last year, due to (i) a higher loss in other financial results of AR\$ 139.8 million mainly due to the result from exposure of monetary assets and liabilities to the effect of the inflation, (ii) a higher loss in financial costs of AR\$ 26.8, partially offset by, (iii) a higher profit in financial income of AR\$ 128.4 million due to commercial interests from the regulated activity and interests from financial investments.

## Income tax

Consolidated income tax for six-month period ended on June 30<sup>th</sup>, 2021 resulted in a loss of AR\$ 2,738.3 million, 150.7% higher than the AR\$ 1,092.1 million for same period last year, mainly due to the impact of the new income tax rate established by Law N° 27,630 on the current and deferred income tax payable.

You may find additional information on the Company at:

[www.transener.com.ar](http://www.transener.com.ar)

[www.transba.com.ar](http://www.transba.com.ar)

[www.cnv.gob.ar](http://www.cnv.gob.ar)