

## Results for three-month period ended on March 31<sup>st</sup>, 2021

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for three-month period ended on March 31<sup>st</sup>, 2021

### Stock Information



Bolsas y Mercados Argentinos  
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces results for three-month period ended on March 31<sup>st</sup>, 2021.

### Main results for three-month period ended on March 31<sup>st</sup>, restated in constant currency at March, 2021<sup>1</sup>

**Consolidated net revenues of AR\$ 3.702,4 million**, 26,1% lower than the AR\$ 5.009,5 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\$ 1.572,0 million**, 41,6% lower than the AR\$ 2.692,7 million for same period last year, mainly due to a decrease of AR\$ 1.307,1 million in net revenues, partially offset by lower operating and administrative expenses of AR\$ 117,5 million.

**Consolidated net profit attributable to the owner of the parent of AR\$ 443,7 million**, 70,4% lower than the AR\$ 1.497,2 million for same period last year, mainly due to a lower operating profit of AR\$ 1.174,0 million and a higher loss in financial results of AR\$ 116,7 million, partially offset by a lower income tax charge of AR\$ 237,3 million.

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

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

## 1. Financial Situation

As of March 31<sup>st</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.

These notes will fully amortize in August 2021 and there is no additional financial debt due until that date.

Regarding Transener's ratings, in March 2021 S&P Global Ratings modified the global rating of "CCC+" to "CCC-", and the local rating of "raBB" to "raCCC", in both cases with a negative 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 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 current FTR review 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 FTR Review 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 review process and with prior character to the tariff definition.

On April 14<sup>th</sup>, the Closing of the Public Hearings Report was published in the Official Bulletin. As of the date of issuance of this report, the ENRE has not issued the final resolution.

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. 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 March 31<sup>st</sup>, 2021 should be read in light of these circumstances.

### 4. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of March 31<sup>st</sup>, 2021 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 2.476 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.

- **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 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 Completion - 132kV output to Caleta Olivia**

- Expansion to be completed by YPF Luz in order to interconnect the Parque Eólico Cañadón León.

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

- **Almafuerte Substation**

- Acquisition of a new 500/132kV-300MVA transformer.

- **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 EHVL and Complementary Works**

Construction of the microwave link to provide communications assistance to the works in progress.  
Detailed engineering revision in advance.

**Santa Cruz Norte Substation - Expansion of the capacity in transformation 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:

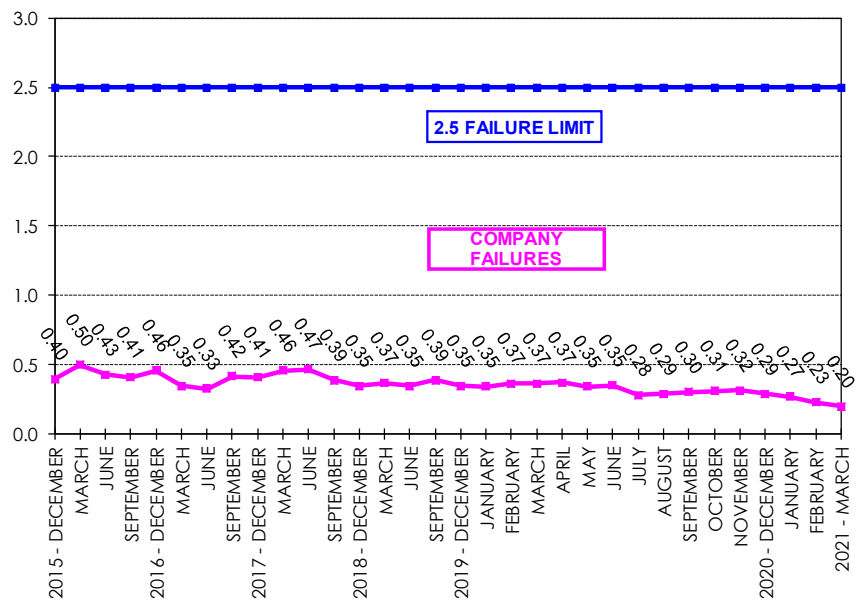
- Minera Alumbreira Ltd.
- Yacylec S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Transportel Minera II S.A.

### Rate of failures

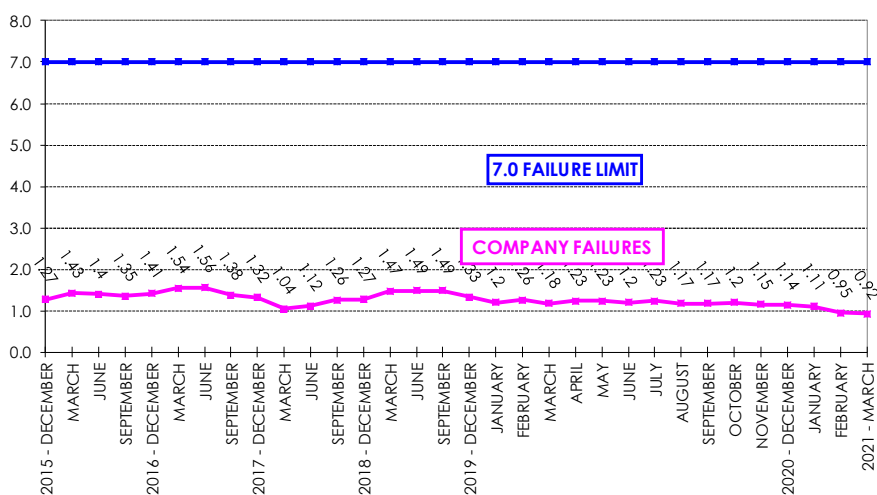
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2015.

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



## 5. Significant Financial Information

### 5.1 Consolidated Statements of Operations

| In AR\$ MM  | Three-month period ended on March 31st, |                |
|---|---|----------------|
|   | 2021                                    | 2020           |
| Net Revenues  | 3,702.4                                 | 5,009.5        |
| Operating expenses                                  | (2,356.1)                               | (2,444.1)      |
| Gross income  | 1,346.3                                 | 2,565.4        |
| Administrative expenses                             | (288.3)                                 | (317.8)        |
| Other gains / (expenses), net                       | (10.4)                                  | (25.9)         |
| Operating income                                    | 1,047.6                                 | 2,221.7        |
| Finance income                                      | 606.9                                   | 502.8          |
| Finance costs                                       | (426.3)                                 | (415.9)        |
| Other financial results                             | (407.8)                                 | (197.3)        |
| Income before taxes                                 | 820.5                                   | 2,111.2        |
| Income tax  | (376.8)                                 | (614.1)        |
| Income for the period                               | 443.7                                   | 1,497.2        |
| <b>Income attributable to :</b>                     |   |                |
| Owners of the parent                                | 443.7                                   | 1,497.2        |
| Non-controlling interests                           | 0.0                                     | 0.0            |
| Total for the period                                | 443.7                                   | 1,497.2        |
| <b>Other consolidated comprehensive results</b>     |   |                |
| Income for the period                               | 443.7                                   | 1,497.2        |
| Other comprehensive results, net of tax             | 0.0                                     | 0.0            |
| Total comprehensive income for the period           | 443.7                                   | 1,497.2        |
| <b>Total comprehensive attributable to :</b>        |   |                |
| Owners of the parent                                | 443.7                                   | 1,497.2        |
| Non-controlling interests                           | 0.0                                     | 0.0            |
| Total for the period                                | 443.7                                   | 1,497.2        |
| <b>EBITDA</b>                                       | <b>1,572.0</b>                          | <b>2,692.7</b> |
| <b>Acquisition of property, plant and equipment</b> | <b>568.8</b>                            | <b>1,059.4</b> |
| <b>Depreciation</b>                                 | <b>524.4</b>                            | <b>471.0</b>   |

## 5.2 Consolidated Balance Sheets

| In AR\$ MM                                  | As of March 31st,<br>2021 | As of December 31st,<br>2020 |
|---|---------------------------|------------------------------|
| <b>ASSETS</b>                               |                           |                              |
| <b>Non-current assets</b>                   |                           |                              |
| Property, plant and equipment               | 34,041.5                  | 33,997.1                     |
| Inventories                                 | 1,428.5                   | 1,394.0                      |
| <b>Total Non-current assets</b>             | <b>35,470.0</b>           | <b>35,391.1</b>              |
| <b>Current assets</b>                       |                           |                              |
| Trade accounts receivable                   | 3,988.0                   | 4,468.8                      |
| Other receivables                           | 1,761.1                   | 1,829.2                      |
| Investments at fair value                   | 6,832.2                   | 8,720.5                      |
| Investments at amortized cost               | 55.5                      | 57.4                         |
| Cash and cash equivalents                   | 984.0                     | 1,018.4                      |
| <b>Total Current assets</b>                 | <b>13,620.9</b>           | <b>16,094.4</b>              |
| <b>TOTAL ASSETS</b>                         | <b>49,090.8</b>           | <b>51,485.5</b>              |
| <b>EQUITY</b>                               |                           |                              |
| Common stock                                | 444.7                     | 444.7                        |
| Inflation adjustment on common stock        | 14,160.6                  | 14,160.6                     |
| Legal reserve                               | 1,135.1                   | 1,135.1                      |
| Optional reserve                            | 678.7                     | 678.7                        |
| Voluntary reserve                           | 10,382.6                  | 10,382.6                     |
| Other comprehensive results                 | (640.5)                   | (640.5)                      |
| Retained earnings                           | 5,146.5                   | 4,702.8                      |
| <b>TOTAL EQUITY</b>                         | <b>31,307.7</b>           | <b>30,864.0</b>              |
| <b>LIABILITIES</b>                          |                           |                              |
| <b>Non-current liabilities</b>              |                           |                              |
| Deferred tax payable                        | 4,856.1                   | 4,903.2                      |
| Employee benefits payable                   | 776.7                     | 811.3                        |
| Trade accounts payable                      | 8.7                       | 14.6                         |
| <b>Total Non-current liabilities</b>        | <b>5,641.4</b>            | <b>5,729.2</b>               |
| <b>Current liabilities</b>                  |                           |                              |
| Provisions                                  | 144.9                     | 156.7                        |
| Bonds and other indebtedness                | 7,981.3                   | 8,971.0                      |
| Income tax payable                          | 1,129.0                   | 1,208.2                      |
| Taxes payable                               | 160.8                     | 265.5                        |
| Payroll and social securities taxes payable | 1,036.0                   | 1,563.6                      |
| Employee benefits payable                   | 194.2                     | 202.8                        |
| Trade accounts payable                      | 1,495.5                   | 2,524.4                      |
| <b>Total Current liabilities</b>            | <b>12,141.7</b>           | <b>14,892.3</b>              |
| <b>TOTAL LIABILITIES</b>                    | <b>17,783.1</b>           | <b>20,621.4</b>              |
| <b>TOTAL LIABILITIES AND EQUITY</b>         | <b>49,090.8</b>           | <b>51,485.5</b>              |

### 5.3 Additional information

| In AR\$ MM, nominal values                          | Three-month period ended on March 31st, |                |
|---|---|----------------|
|   | 2021                                    | 2020           |
| Net Revenues  | 3,547.7                                 | 3,426.6        |
| Operating and administrative expenses               | (2,122.6)                               | (1,616.9)      |
| Other gains / (expenses), net                       | (10.8)                                  | (17.8)         |
| <b>Operating income</b>                             | <b>1,414.3</b>                          | <b>1,791.9</b> |
| <b>EBITDA</b>                                       | <b>1,522.4</b>                          | <b>1,865.7</b> |
| <b>Acquisition of property, plant and equipment</b> | <b>543.9</b>                            | <b>724.1</b>   |
| <b>Depreciation</b>                                 | <b>108.0</b>                            | <b>73.8</b>    |

## 6. Analysis of results for three-month period ended on March 31<sup>st</sup>, 2021 compared to same period last year

### Net revenues

Consolidated net revenues for three-month period ended on March 31<sup>st</sup>, 2021 resulted in AR\$ 3.702,4 million, 26,1% lower than the AR\$ 5.009,5 million for same period last year.

Consolidated net regulated revenues for three-month period ended on March 31<sup>st</sup>, 2021 amounted to AR\$ 3.254,0 million, 26,6% lower than the AR\$ 4.432,0 million for same period last year, mainly due to the lack of the semiannual tariff adjustments since February 2020.

Consolidated net non-regulated revenues for three-month period ended on March 31<sup>st</sup>, 2021 amounted to AR\$ 448,4 million, 22,3% lower than the AR\$ 577,5 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 three-month period ended on March 31<sup>st</sup>, 2021, amounted to AR\$ 2.644,4 million, 4,3% lower than the AR\$ 2.761,9 million for same period last year, mainly due to a decrease of AR\$ 186,7 million in salaries and wages and of AR\$ 51,3 million in operating and administrative expenses, mainly due to a lower activity because of the COVID-19 pandemic, partially offset by an increase of AR\$ 53,4 million in depreciation of property, plant and equipment, and of AR\$ 67,1 million in allowance for doubtful accounts.

### Other gains / (expenses), net

Consolidated other gains / (expenses), net for three-month period ended on March 31<sup>st</sup>, 2021, amounted to a loss of AR\$ 10,4 million, 60,0% lower than the loss of AR\$ 25,9 million for same period last year, mainly due to an increase of AR\$ 19,7 million in recoveries of insurance claims.

### Operating profit

Consolidated operating profit for three-month period ended on March 31<sup>st</sup>, 2021, amounted to AR\$ 1.047,6 million, 52,8% lower than the AR\$ 2.221,7 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 three-period ended in March 31<sup>st</sup> , 2021 amounted to a loss of AR\$ 227, 1 million, 105,7% higher than the loss of AR\$ 110,4 million for same period last year, due to (i) a higher loss in other financial results of AR\$ 210,4 million due to the exposure to change in purchasing power of currency (RECPAM) and exchange rate differences generated by bonds and other indebtedness, (ii) a higher loss in financial costs of AR\$ 10,4, partially offset by, (iii) a higher profit in financial income of AR\$ 104,1 million due to regulatory interests and financial investments.

## Income tax

Consolidated income tax charge for three-month period ended in March 31<sup>st</sup>, 2021 amounted to AR\$ 376,8 million, 38,6% lower than the AR\$ 614,1 million for same period last year.

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)