

## Results for fiscal year ended on December 31<sup>st</sup>, 2020

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for fiscal year ended on December 31<sup>st</sup>, 2020

### Stock Information

Bolsas y Mercados Argentinos  
Ticker: TRAN



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Transener, Argentina’s leading electricity transmission company, announces results for fiscal year ended on December 31<sup>st</sup>, 2020.

### Main results for fiscal year 2020, restated in constant currency at December, 2020<sup>1</sup>

**Consolidated net revenues of AR\$ 16.289,1 million**, 17,4% lower than the AR\$ 19.712,1 million for last year, mainly due to the lack of the semiannual tariff adjustments that should have been applied in 2020.

**Consolidated EBITDA<sup>2</sup> of AR\$ 8.577,6 million**, 30,1% lower than the AR\$ 12.279,2 million for last year, mainly due to a decrease of AR\$ 3.423,0 million in net revenues, and a higher loss in other gains and expenses, net of AR\$ 406,0 million, offset by lower operating and administrative expenses of AR\$ 127,4 million.

**Consolidated net profit attributable to the owner of the parent of AR\$ 4.163,5 million**, 23,3% lower than the AR\$ 5.425,0 million for last year, mainly due to a lower operating profit of AR\$ 3.915,3 million and a higher loss in financial results of AR\$ 459,7 million, offset by a lower income tax charge of AR\$ 3.014,6 million.

### Main results for the fourth quarter of 2020

**Consolidated net revenues of AR\$ 3.571,5 million**, 25,4% lower than the AR\$ 4.787,1 million for the same period last year, mainly due to the lack of the semiannual tariff adjustments that should have been applied in 2020.

**Consolidated EBITDA<sup>2</sup> of AR\$ 1.568,1 million**, 44,0% lower than the AR\$ 2.799,2 million for the same period last year, principally due to a decrease in net revenues of AR\$ 1.215,7 million, and a higher loss in other gains and expenses, net of AR\$ 31,7 million, offset by a decrease in operating and administrative expenses of AR\$ 16,2 million.

**Consolidated net profit attributable to the owner of the parent of AR\$ 460,6 million**, 72,4% lower than the AR\$ 1.667,6 million for the same period last year, mainly due to a lower operating profit of AR\$ 1.286,2 million, a higher loss in financial results of AR\$ 286,1 million, offset by a lower income tax charge of AR\$ 365,4 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 December 31<sup>st</sup>, 2020, consolidated outstanding principal debt amounted to US\$ 98,5 million, corresponding exclusively to the Class 2 Notes at 9,75%, of which US\$ 7,0 million have been purchased by Transba, and were in the portfolio as of that date. During January and February, 2021, Transba purchased US\$ 5,5 million of additional Class 2 Notes, remaining a total amount of US\$ 12,5 million in portfolio as of the date of presentation of the financial statements.

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

Regarding Transener's ratings, S&P Global Ratings modified, in March 2021, 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 settlement of the public service of transportation transitional tariff scheme, in order to determine a Transitional Tariff Scheme Period until the Definitive FTR Review Agreement is achieved. The Company received an information requirement to initiate this process.

As of the date of presentation of the financial statements, the Company has complied with the requirement, prioritizing the operating and administrative expenses and capital expenditures necessary in order to maintain the quality of the service.

On March 3<sup>rd</sup>, 2021, under Resolutions No. 54/21 and 55/21 for Transener S.A. and Transba S.A. respectively, 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, within the FTR definitive review and before the tariff definition.

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

Due to the spread of COVID - 19 in Argentina, the Executive settled the preventive and mandatory social isolation as from March 20<sup>th</sup>, 2020; however, due to the epidemiological situation, this isolation was renewed several times, introducing certain more flexible measures according to the epidemiological circumstances in the different regions of the country. As from November 9<sup>th</sup>, 2020, the Executive announced the preventive and mandatory social distancing phase for the Metropolitan Region of Buenos Aires, with no modifications as of the date of presentation of the financial statements.

The management of the Company is monitoring the situation and taking action to continue operating and preserving its financial situation. Although there have been adverse effects in the short term, they are not expected to affect the continuity of the Company's business.

### 4. Solidarity Law

On December 23<sup>rd</sup>, 2019 the Solidarity Law became effective, which declared a public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health and social matters, vesting in the National Executive Power the authority conferred by such Law until December 31<sup>st</sup>, 2020. The main measures are described below:

- The maintenance of tariff schemes for electricity and natural gas under federal jurisdiction and the initiation of an extraordinary renegotiation or review of the current FTR for a maximum term of 180 days, which was extended for another 180 days (Decree No. 543/20), and an additional period of 90 days or until the new transitional tariff schemes come into force (Decree No. 1020/20);
- The maintenance of the ENRE's authority over Edenor's and Edesur's electricity distribution utility service until December 31<sup>st</sup>, 2020, which was extended for another year or until the end of the current FTR definitive review (Decree No. 1020/20);
- The setting of the income tax rate and tax on dividends rate at 30% and 7%, respectively, until the fiscal years starting from 2021;
- The inflation adjustment resulting from the application of the comprehensive adjustment provided for by the Income Tax Law, corresponding to the first and second fiscal years as from 2019, shall be charged as follows: 1/6 during such fiscal year, and the remaining 5/6, in equal parts, in the immediately following five periods.

### 5. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of December 31<sup>st</sup>, 2020 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 2.711 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.

**Paso de la Patria Substation**

Civil works and electromechanical assembly for the back-up transformer connection.

**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**

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.

**Puerto Madryn Substation - Expansion 132kV**

Outputs to Parque Eólico GENNEIA and Goldwind.

**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:

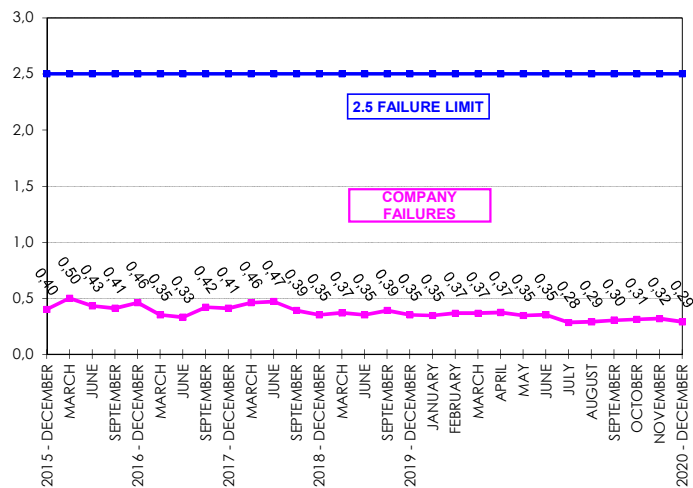
- Minera Alumbrera Ltd.
- Yacylec S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Transportel Minera II S.A.

### Rate of failures

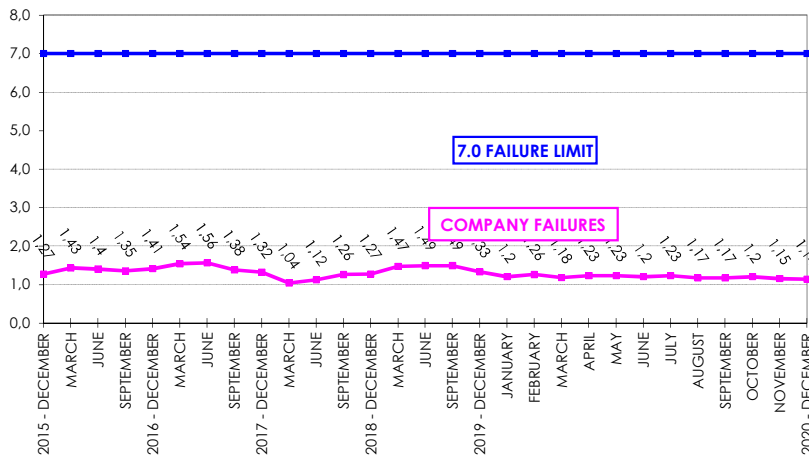
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2015.

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	Fiscal year ended on December 31st,		Three-month period ended on December 31st,	
	2020	2019	2020	2019
Net Revenues	16.289,1	19.712,1	3.571,5	4.787,1
Operating expenses	(8.251,2)	(8.114,0)	(2.159,6)	(2.072,5)
Gross income	8.037,9	11.598,1	1.411,9	2.714,7
Administrative expenses	(1.061,9)	(1.112,6)	(279,0)	(327,3)
Other gains / (expenses), net	(147,5)	258,5	(5,6)	26,1
Operating income	6.828,5	10.743,9	1.127,2	2.413,5
Finance income	1.809,7	2.180,8	686,9	861,1
Finance costs	(1.566,1)	(1.516,9)	(409,5)	(423,6)
Other financial results	(1.127,4)	(1.088,1)	(516,4)	(390,3)
Income before taxes	5.944,7	10.319,7	888,3	2.460,7
Income tax	(1.781,2)	(4.795,8)	(427,7)	(793,1)
Income for the year	4.163,5	5.523,9	460,6	1.667,6
<b>Income attributable to :</b>				
Owners of the parent	4.163,5	5.425,0	460,6	1.667,6
Non-controlling interests	0,0	98,9	0,0	(0,0)
Total for the year	4.163,5	5.523,9	460,6	1.667,6
<b>Other consolidated comprehensive results</b>				
Income for the year	4.163,5	5.523,9	460,6	1.667,6
Other comprehensive results, net of tax	(8,6)	42,4	(8,6)	42,4
Total comprehensive income for the year	4.154,9	5.566,3	452,0	1.709,9
<b>Total comprehensive attributable to :</b>				
Owners of the parent	4.154,9	5.467,4	452,0	1.709,9
Non-controlling interests	0,0	98,9	0,0	(0,0)
Total for the year	4.154,9	5.566,3	452,0	1.709,9
<b>EBITDA</b>	<b>8.577,6</b>	<b>12.279,2</b>	<b>1.568,1</b>	<b>2.799,2</b>
<b>Acquisition of property, plant and equipment</b>	<b>3.529,3</b>	<b>4.563,3</b>	<b>1.178,9</b>	<b>1.450,8</b>
<b>Depreciation</b>	<b>1.749,1</b>	<b>1.535,3</b>	<b>440,8</b>	<b>385,8</b>

## 6.2 Consolidated Balance Sheets

In AR\$ MM	As of December 31st, 2020	As of December 31st, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30.098,5	28.412,6
Inventories	1.234,1	1.003,7
<b>Total Non-current assets</b>	<b>31.332,6</b>	<b>29.416,3</b>
<b>Current assets</b>		
Trade accounts receivable	3.956,3	4.288,1
Other receivables	1.619,5	1.777,4
Investments at fair value	7.720,5	5.702,6
Investments at amortized cost	50,8	0,0
Cash and cash equivalents	901,6	60,5
<b>Total Current assets</b>	<b>14.248,8</b>	<b>11.828,6</b>
<b>TOTAL ASSETS</b>	<b>45.581,3</b>	<b>41.244,9</b>
<b>EQUITY</b>		
Common stock	444,7	444,7
Inflation adjustment on common stock	12.485,7	12.485,7
Legal reserve	1.005,0	698,4
Optional reserve	600,8	600,8
Reserve for acquisition of non-controlling interests	0,0	706,8
Voluntary reserve	9.192,0	3.366,7
Other comprehensive results	(567,0)	(558,4)
Retained earnings	4.163,5	5.425,0
<b>TOTAL EQUITY</b>	<b>27.324,7</b>	<b>23.169,7</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bonds and other indebtedness	0,0	7.356,6
Deferred tax payable	4.340,9	4.610,9
Employee benefits payable	718,3	746,9
Trade accounts payable	13,0	39,8
<b>Total Non-current liabilities</b>	<b>5.072,2</b>	<b>12.754,1</b>
<b>Current liabilities</b>		
Provisions	138,8	147,5
Bonds and other indebtedness	7.942,3	278,9
Income tax payable	1.069,7	1.327,7
Taxes payable	235,0	241,8
Payroll and social securities taxes payable	1.384,3	1.221,6
Employee benefits payable	179,6	146,7
Trade accounts payable	2.234,9	1.956,9
<b>Total Current liabilities</b>	<b>13.184,5</b>	<b>5.321,0</b>
<b>TOTAL LIABILITIES</b>	<b>18.256,7</b>	<b>18.075,2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>45.581,3</b>	<b>41.244,9</b>

## 6.3 Additional information

In AR\$ MM, nominal values	Fiscal year ended on December 31 <sup>st</sup> ,		Three-month period ended on December 31 <sup>st</sup> ,	
	2020	2019	2020	2019
Net Revenues	13.846,4	11.898,2	3.908,7	3.389,3
Operating and administrative expenses	(6.662,6)	(4.972,1)	(2.414,9)	(1.597,3)
Other gains / (expenses), net	(128,5)	153,1	(36,2)	18,0
<b>Operating income</b>	<b>7.055,3</b>	<b>7.079,3</b>	<b>1.457,7</b>	<b>1.810,1</b>
<b>EBITDA</b>	<b>7.406,2</b>	<b>7.301,5</b>	<b>1.557,9</b>	<b>1.873,1</b>
<b>Acquisition of property, plant and equipment</b>	<b>3.069,3</b>	<b>2.755,2</b>	<b>804,6</b>	<b>896,9</b>
<b>Depreciation</b>	<b>350,8</b>	<b>222,2</b>	<b>100,2</b>	<b>63,0</b>

## 7. Analysis of results for fiscal year ended on December 31<sup>st</sup>, 2020 compared to last year

### Net revenues

Consolidated net revenues for fiscal year ended on December 31<sup>st</sup>, 2020 resulted in AR\$ 16.289,1 million, 17,4% lower than the AR\$ 19.712,1 million for last year.

Consolidated net regulated revenues for fiscal year ended on December 31<sup>st</sup>, 2020 amounted to AR\$ 14.347,7 million, 18,0% lower than the AR\$ 17.488,1 million for last year, mainly due to the lack of the semiannual tariff adjustments that should have been applied in 2020.

Consolidated net non-regulated revenues for fiscal year ended on December 31<sup>st</sup>, 2020 amounted to AR\$ 1.941,4, million, 12,7% lower than the AR\$ 2.224,0 million for last year, mainly due to the lack of the semiannual tariff adjustments that should have been applied in 2020 for the Fourth Line and TIBA.

### Operating and administrative expenses

Consolidated operating and administrative expenses for fiscal year ended on December 31<sup>st</sup>, 2020, amounted to AR\$ 9.313,0 million, 0,9% higher than the AR\$ 9.226,7 million for last year, mainly due to an increase of AR\$ 213,8 million in depreciation of property, plant and equipment, AR\$ 135,2 million in salaries and wages and AR\$ 59,3 million in allowance for doubtful accounts, offset by a decrease of AR\$ 321,9 million in operating and administrative expenses, mainly due to a lower activity because of the COVID-19 situation.

### Other gains / (expenses), net

Consolidated other gains / (expenses), net for fiscal year ended on December 31<sup>st</sup>, 2020, amounted to a loss of AR\$ 147,5 million, compared to a profit of AR\$ 258,5 million for last year, mainly due to a decrease in quality service awards and in recoveries of insurance claims.

### Operating profit

Consolidated operating profit for fiscal year ended on December 31<sup>st</sup>, 2020, amounted to AR\$ 6.828,5 million, 36,4% lower than the AR\$ 10.743,9 million for last year, mainly due to the lack of the semiannual tariff adjustments that should have been applied in 2020.



## Financial results

Consolidated financial results for fiscal year ended on December 31<sup>st</sup> , 2020 amounted to a loss of AR\$ 883, 8 million, 108,4% higher than the loss of AR\$ 424,2 million for last year, mainly due to a lower profit in financial income of AR\$ 371,2 million, a higher loss in result from exposure to change in purchasing power of currency (RECPAM) of AR\$ 814,3 million, and a higher loss in financial cost of AR\$ 49,2 million, partially offset by a lower loss in exchange rate differences of AR\$ 408,8 million and a lower loss in results of fair value valuation of financial assets of AR\$ 366,1 million.

## Income tax

Consolidated income tax charge for fiscal year ended on December 31<sup>st</sup>, 2020 amounted to AR\$ 1.781,2 million, 62,9% lower than the AR\$ 4.795,8 million for 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)