



Financial Press Release

Edesur registers losses in 1H 2020 due to the tariff freeze, but continues to invest in the quality of the electrical service

“The rate freeze and the absence of alternative resources by the State have deprived electricity distributors of the income necessary to be able to operate normally. We are confident that a level of legal certainty will be restored soon, allowing the electricity sector to function, ensuring this essential service for all,” said Nicola Melchiotti, Country Manager of Enel in Argentina.

MAIN FINANCIAL HIGHLIGHTS

The figures corresponding to the previous period have been restated to consider changes in the purchasing power of the Argentine peso, in accordance with the provisions of IAS 29 and General Resolution No. 777/2018 of the CNV..

(millions of Argentine pesos, ARS)	Jan/Jan 2020	Jan/Jan 2019	Change (%)
Revenues	28.717	37.508	(23%)
EBITDA	448	16.789	(97%)
EBIT	(1.485)	15.047	(110%)
Net income	(2.586)	12.267	(121%)
Net debt	8.446	8.610*	(2%)
Capex	3.500	7.274	(52%)

*As of December 31st 2020.

Buenos Aires, July the 27, 2020- The Directory of Empresa Distribuidora Sur S.A. (“Edesur”) approved on the date of its condensed interim financial statements as of June 30, 2020.

Revenues registered a decrease of 23% during the first semester of 2020 compared to the first semester of 2019, as a consequence of the current rate freeze and the effects of the pandemic (COVID 19).

EBITDA is affected by the freezing of rates (falling revenues).

Compared to the same period of 2019, the effects of the agreement signed with the national authorities for the resolution of pending regulatory matters related to the period 2006-2017 are added, such agreement patrimonially regularizes the company's financial statements, but has not meant a contribution in cash.

EBIT worsened in line with the decrease in EBITDA.

The decrease in the period is mainly explained by the registered operating loss and a lower inflation adjustment gain, partially offset by a lower income tax charge and lower financial costs.

Net Debt decreased 2% compared to the same period in 2019. Edesur continues without distributing dividends.

Capex in the first semester of 2020 reached 3,500 million pesos which, added to the more than 700 million dollars invested in the last four years (2016-2019), have made it possible to improve the



reduction in the average duration of cuts by 29 % compared to same period 2019 and 40% compared to 2016.

Additionally, in June 2020 the first installment of the mutual that Edesur has contracted with CAMMESA expired. That fee was paid according to agreement between the parties.

MAIN OPERATIONAL INDICATORS

During the first semester of 2020, there was a growth in demand of 0.2% compared to the same period of the previous year. From the beginning of the social isolation measures, we observed a migration of consumption from areas such as the micro-center of Buenos Aires, towards greater consumption in residential areas (particularly in the Province of Buenos Aires).

- Due to an increase in energy losses, sales in the first half of 2020 fell to 7,976 GWh (- 1.9%) compared to the 8,133 GWh sold during the same period of the previous year.
- The average duration of the cuts (SAIDI) has had an improvement of 29% compared to the first half of 2019.
- The number of clients registered a slight increase, of the order of 0.8%, due to the growth of T1 rate clients - small demands for residential use.