



**CLISA**

*Compañía Latinoamericana de  
Infraestructura & Servicios S.A.*

# **Earnings Release**

**9M 2020**

*January 1, 2020 to September 30, 2020*

**November 30, 2020**

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**The present Earnings Release report is based on financial statements that fully comply with IFRS, including the adjustment for inflation in accordance with IAS 29.**

**Figures in this Earnings Release are expressed in millions of Argentine Pesos (AR\$) and have been restated to September 2020 prices, except when noted otherwise.**

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## Highlights

- Clisa's consolidated sales for the nine-month period ended September 30, 2020 ("9M 2020") totaled AR\$ 28,902 million, an AR\$ 16,688 million, or 36.6% decrease in real terms as compared to the nine-month period ended September 30, 2019 ("9M 2019").
- 9M 2020 Adjusted EBITDA amounted to AR\$ 5,861 million, an AR\$ 2,203 million, or 27.3% decrease in real terms as compared to 9M 2019.

### **Impact of COVID-19 on the Company's business operations**

During this period, the Company developed its activities in the context of the Covid-19 outbreak, that was declared a global pandemic on March 11 by the World Health Organization. This pandemic continues generating various consequences on global and local business. In Argentina, the National Government implemented a series of measures aimed at decreasing the population movement and provided for preventive and compulsory social isolation since March 20, allowing the circulation only of those people related to the provision and / or production of essential services and products. That isolation has been successively extended, allowing for different levels of relaxation, according to the criteria adopted by the different provincial and municipal authorities. As of November 9, the so-called "social, preventive and compulsory distancing" is in force to all people who reside or circulate in urban agglomerates, parties and departments of the Argentine provinces, as long as certain epidemiological and sanitary parameters are observed.

In relation to the waste management segment, the activities carried out in this segment have been declared essential. In this sense, the provision of services continues regularly. At the beginning of the preventive and compulsory social isolation measures imposed by the National Government, there were restraints in economic activities that affected the normal provision of services. However, they were solved due to the work of all the parties involved and the subsequent relaxing

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of certain isolation measures. Likewise, the Company implemented internal procedures to preserve the health of workers, their families, customers and suppliers. Thus, the Company continues providing services in a committed manner, just as before this exceptional pandemic situation began. However, it is worth mentioning that Covid-19 has had a negative impact on some economic and financial variables of the subsidiaries in this segment of activity, resulting in lower efficiency in the management of operations, new costs associated with mitigating the effect of the pandemic, a certain slowdown in waste transport and disposal operations caused by the decline in economic activity, and a certain delay on the part of clients in the approval and payment of price adjustments in contracts.

In relation to the transport segment, that activity has also been considered essential by the national authorities and, for this reason, the provision of services must be guaranteed. In this sense, Metrovías has taken preventive actions and measures, giving priority to the health of workers and users. Additionally, the Company implemented measures aimed at a strict control of the demand in stations, thus generating a safe space for the movement of users, as well as strong user awareness campaigns. Likewise, the restrictions imposed to prevent the spread of the pandemic led to a drop in ridership from March 2020 onwards. The consequent fall in revenues from fares was, regarding the Subway and Premetro operations, mostly offset by an increase in government contributions received in compensation for operating costs, in order to balance Metrovías' economic and financial equation. On the other hand, the decrease in revenues from fares in the Urquiza Railway has not been compensated by the National Government. In both cases, the drop in revenues was partially offset by a reduction in certain variable operating expenses. In addition, the level of activity of Benito Roggio Transporte S.A. and Benito Roggio Ferroindustrial S.A. was partially reduced, as well as they have been granted with the Emergency Assistance of Work and Production Programme (ATP, for its acronym in Spanish), for which the National Government has paid a portion of the wage cost and has allowed to postpone the payment of certain social security contributions.

Regarding the construction segment, the Covid-19 outbreak deepened the decline in activity that affects the Company and the other players in the construction industry in Argentina, and particularly public works contractors, which had started primarily as a consequence of the decrease in investment in public works by the National Government and the different provincial states due to budget constraints. As a consequence of this situation, the companies involved in this activity segment are currently carrying out an analysis and monitoring of their cost structure. Likewise, some of the Argentine subsidiaries in this segment have also accessed the ATP Programme. As of the date of issuance of these Earnings Release, certain works that had come to a halt when the preventive and mandatory social isolation was declared or that had been suspended for government budget restrictions, have been allowed to restart. The resumption of works is taking place gradually and the pace of execution is lower than usual due to the mobility restrictions and the implementation of the safety and hygiene protocols necessary for the pandemic. Consequently, it should be noted that Covid-19 had a significant and negative impact on the economic and financial variables of the Company's construction segment, resulting in a

lower level of construction activity in general, lower efficiency in the management of operations, and new costs associated with mitigating the effect of the pandemic.

Construction activities outside of Argentina have suffered an uneven effect from Covid-19. While in Paraguay our activities have hardly been affected, the operations and financial condition of our subsidiary Haug in Peru have been significantly and adversely affected, resulting in a lower level of activity, less efficiency in the management of operations and new costs associated with mitigating the effect of the pandemic.

In regard to the water supply segment, this activity has also been considered essential and the Company continues providing services regularly, having implemented all the procedures necessary to take care of its workforce, suppliers and customers. However, it is worth mentioning that Covid-19 had a negative impact on some economic and financial variables in this segment, resulting mainly in delays in the approval of tariff adjustments, certain general lengthening of the payment terms, lower efficiency in the management of operations and new costs associated with mitigating the effect of the pandemic.

The final extent of the Covid-19 outbreak and its impact on the economies of the countries where the Company does business is unknown and cannot be reasonably foreseen. Although to date there have been various difficulties, the Company understands that it has been able to deal with them effectively and plans to continue to do so in the future.

### **Public Bid for the concession of the Subway and Premetro Network in the City of Buenos Aires**

The new concession for the operation and maintenance of the Subway and Premetro Network in the City of Buenos Aires will have a twelve-year term, renewable for a further three years. Clisa submitted its offer under the current bidding process through a consortium formed by its subsidiaries Metrovias S.A. and Benito Roggio Transporte S.A. The tender includes the technical assistance of Deutsche Bahn, the most important German railway operator and of the largest transportation conglomerates in the world. Clisa has successfully passed the prequalification stage and is currently the only bidder in this process, since the other two consortia have withdrawn their proposals. On March 16, 2020, the bid envelope containing the Economic Bid submitted by the Consortium Metrovías-BRT was opened. On April 13, 2020, Metrovías was notified of the report issued by the Bid Evaluation Committee, proposing the awarding of the contract to the Consortium Metrovías-BRT.

As of the date of this Earnings Release, the Government of the City of Buenos Aires has not set a schedule for the award of the new contract or the date of commencement thereof.

### **IAS 29 “Financial Reporting in Hyperinflationary Economies”**

Since certain macroeconomic indicators have fluctuated significantly in recent years, the International Accounting Standards Board (IASB) determined that Argentine economy meets the requirements set out by IAS 29 “Financial Reporting in Hyperinflationary Economies” to be considered a hyperinflationary economy since July 1, 2018 and, therefore, financial statements must be restated according to the guidelines provided by this standard.

For a brief description of the restatement procedures, please see page 22.

## 1. Results from Consolidated Operations

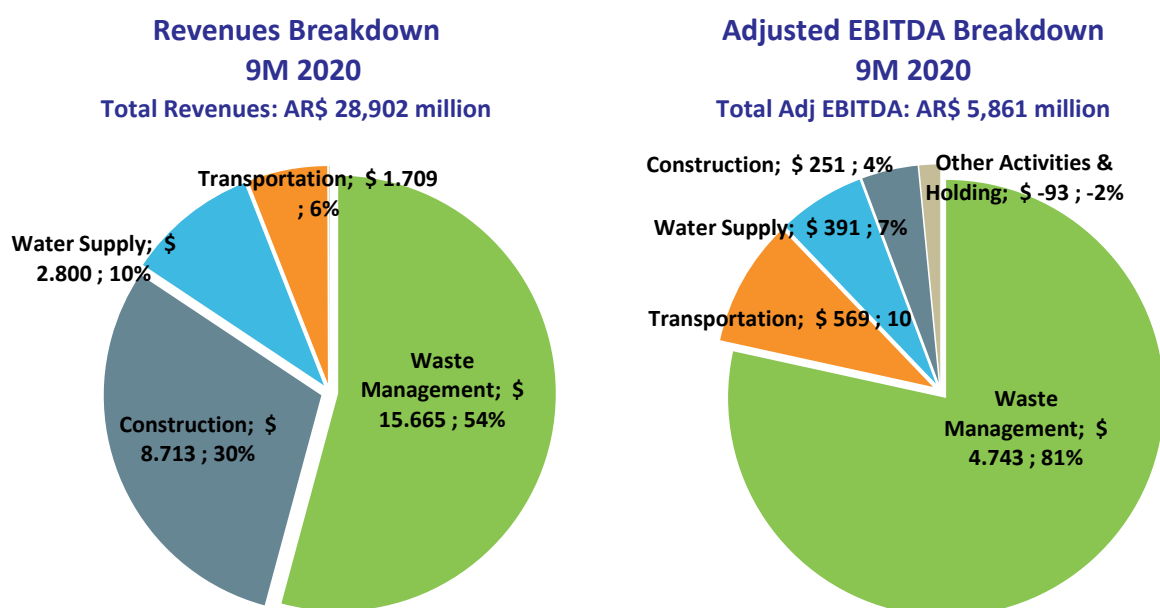
|                         | 2020<br>9M    | 2019<br>9M    | Δ             | Sep.20<br>LTM | Sep.19<br>LTM | Δ             |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenues</b>         | <b>28,902</b> | <b>45,590</b> | <b>-36.6%</b> | <b>42,505</b> | <b>60,739</b> | <b>-30.0%</b> |
| Gross Profit            | 8,220         | 12,646        | -35.0%        | 11,234        | 16,682        | -32.7%        |
| Gross Margin            | 28.4%         | 27.7%         |               | 26.4%         | 27.5%         |               |
| Operating Income        | 2,466         | 4,225         | -41.6%        | 3,221         | 5,304         | -39.3%        |
| Operating Income Margin | 8.5%          | 9.3%          |               | 7.6%          | 8.7%          |               |
| <b>Adjusted EBITDA</b>  | <b>5,861</b>  | <b>8,064</b>  | <b>-27.3%</b> | <b>7,773</b>  | <b>10,236</b> | <b>-24.1%</b> |
| Adjusted EBITDA Margin  | 20.3%         | 17.7%         |               | 18.3%         | 16.9%         |               |

9M 2020 Clisa's consolidated revenues totaled AR\$ 28,902 million, an AR\$ 16,668 million, or 36.6%, decrease in real terms as compared to 9M 2019. 9M 2019 figures, disclosed for comparative purposes, are expressed in September 2020 prices, adjusted by the consumer price index (CPI) reported by the Argentine Bureau of Statistics, as required by Argentine accounting boards. CPI increased 36.6% from September 2019 to September 2020.

The decline in revenues was primarily due to a decrease in the Construction segment by AR\$ 10,856 million, in the Transportation segment by AR\$ 4,759 million, in the Waste Management segment by AR\$ 951 million and in the Water Supply segment by AR\$ 105 million.

9M 2020 Adjusted EBITDA was AR\$ 5,861 million, an AR\$ 2,203 million, or 27.3% decrease in real terms as compared to 9M 2019. EBITDA decreased AR\$ 2,725 million YoY in Construction and AR\$ 253 million in Transportation, partially offset by an AR\$ 587 million increase in Waste Management, and an AR\$ 34 million rise in Water Supply.

Adjusted EBITDA margin increased to 20.3% for 9M 2020 from 17.7% in 9M 2019.



Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

## 1.1 Waste Management

|                               | 2020<br>9M    | 2019<br>9M    | Δ            | Sep.20<br>LTM | Sep.19<br>LTM | Δ            |
|-------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Landfill operations           | 6,940         | 8,060         | -13.9%       | 9,468         | 10,785        | -12.2%       |
| Urban waste mgmt              | 6,312         | 6,141         | 2.8%         | 8,424         | 8,378         | 0.6%         |
| Industrial services           | 1,235         | 1,194         | 3.4%         | 1,657         | 1,645         | 0.7%         |
| Waste valorization            | 1,179         | 1,221         | -3.5%        | 1,622         | 1,368         | 18.6%        |
| <b>Revenues</b>               | <b>15,665</b> | <b>16,617</b> | <b>-5.7%</b> | <b>21,171</b> | <b>22,176</b> | <b>-4.5%</b> |
| Gross Profit                  | 5,090         | 4,725         | 7.7%         | 6,870         | 6,091         | 12.8%        |
| Gross Margin                  | 32.5%         | 28.4%         |              | 32.4%         | 27.5%         |              |
| Operating Income              | 2,813         | 2,025         | 38.9%        | 3,740         | 2,584         | 44.8%        |
| Operating Income Margin       | 18.0%         | 12.2%         |              | 17.7%         | 11.7%         |              |
| <b>Adjusted EBITDA</b>        | <b>4,743</b>  | <b>4,157</b>  | <b>14.1%</b> | <b>6,269</b>  | <b>5,438</b>  | <b>15.3%</b> |
| <b>Adjusted EBITDA Margin</b> | <b>30.3%</b>  | <b>25.0%</b>  |              | <b>29.6%</b>  | <b>24.5%</b>  |              |

- Revenues of our Waste Management segment decreased by AR\$ 951 million, or 5.7% in real terms, to AR\$ 15,665 million in 9M 2020, as follows:
  - Landfill operations decreased AR\$ 1,120 million, or 13.9%, mainly due to:
    - ✓ A temporary stop in capacity increase works in one of the leachate treatment plants in Norte III landfill and the finalization of expansion works in the General Pueyrredon landfill, both of which had generated revenues in 9M2019;
    - ✓ A decline in revenues from Norte III landfill operations in real terms, mainly due to a decrease in waste disposal, as described below;
    - ✓ The finalization of the contract for the operation of the Neuquén landfill in November 2019.
  - Urban waste management revenues rose AR\$ 170 million, or 2.8% in real terms, mainly in the Buenos Aires contract, because price adjustments exceeded the annual inflation since they are not synchronized, partially offset by a decrease in San Isidro due to a reduction of additional services.
  - Revenues for industrial services provided by Taym and Envairo increased AR\$ 40 million, or 3.4%;
  - Revenues in waste valorization fell AR\$ 42 million, or 3.5% mainly because of a decrease in waste processed in the mechanical and biological treatment plant.
- Adjusted EBITDA in our Waste Management segment increased AR\$ 587 million to AR\$ 4,743 million in 9M 2020, due to the postponement of maintenance operations in many contracts and different cost reduction efforts to compensate for the delay in the approval and payment of cost adjustment clauses, principally in landfill and urban waste management.
- Adjusted EBITDA margin increased to 30.3 % in 9M 2020 from 25.08 % in 9M 2019.

Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

**Key Indicators**

|  | 2020<br>9M | 2019<br>9M | Δ      | Sep.20<br>LTM | Sep.19<br>LTM | Δ      |
|--|------------|------------|--------|---------------|---------------|--------|
| Landfill operations (million of tons disposed) | 3.8        | 4.5        | -16.4% | 5.2           | 6.2           | -14.8% |

Waste disposal in landfills reached 3.8 million tons during 9M 2020, which represents a 16.4 % decrease as compared to 9M 2019, mainly attributable to a decline both in household waste and construction debris generated in the City of Buenos Aires due to the contraction in activity brought about by Covid-19.

## 1.2 Construction

|                               | 2020<br>9M   | 2019<br>9M    | Δ             | Sep.20<br>LTM | Sep.19<br>LTM | Δ             |
|-------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Benito Roggio e Hijos (Arg)   | 2,531        | 11,024        | -77.0%        | 4,069         | 16,210        | -74.9%        |
| Haug                          | 2,375        | 5,699         | -58.3%        | 4,548         | 6,988         | -34.9%        |
| Benito Roggio e Hijos (Py)    | 3,196        | 2,093         | 52.8%         | 4,566         | 2,753         | 65.8%         |
| Sehos                         | 610          | 743           | -18.0%        | 793           | 1,029         | -22.9%        |
| Benito Roggio Panamá          | 1            | 9             | -85.3%        | 0             | -666          | -100.0%       |
| <b>Revenues</b>               | <b>8,713</b> | <b>19,569</b> | <b>-55.5%</b> | <b>13,977</b> | <b>26,314</b> | <b>-46.9%</b> |
| Gross Profit                  | 941          | 3,965         | -76.3%        | 1,178         | 5,499         | -78.6%        |
| Gross Margin                  | 10.8%        | 20.3%         |               | 8.4%          | 20.9%         |               |
| Operating Income              | -750         | 1,679         | -144.7%       | -961          | 2,257         | -142.6%       |
| Operating Income Margin       | -8.6%        | 8.6%          |               | -6.9%         | 8.6%          |               |
| <b>Adjusted EBITDA</b>        | <b>251</b>   | <b>2,977</b>  | <b>-91.6%</b> | <b>445</b>    | <b>3,751</b>  | <b>-88.1%</b> |
| <b>Adjusted EBITDA Margin</b> | <b>2.9%</b>  | <b>15.2%</b>  |               | <b>3.2%</b>   | <b>14.3%</b>  |               |

- Revenues in our Construction segment plummeted 55.5% in real terms, or AR\$ 10,856 million, to AR\$ 8,713 million in 9M 2020 mainly due to:
  - a AR\$ 8,493 million, or 77.0%, decrease in real terms in BRH, basically due to the finalization of certain works performed in 2019, the suspension of projects due to Covid-19 and a context of continued slowdown in the construction industry in Argentina as a consequence of the decline in investment in public works by the National Government and the different provincial states due to budget constraints,
  - a AR\$ 3,325 million, or 58.3%, decrease in Haug, basically due to the interruption of Haug's works in particular and the slowdown in the construction and mining industry in general in Peru due to Covid-19,
  - partially offset by a AR\$ 1,104 million increase in BRH Paraguay, as a result of increased activity in the two main works in progress as well as the start of new projects.
- Adjusted EBITDA in our Construction activities decreased by AR\$ 2.725 million, or 91.6%, to AR\$ 251 million in 9M 2020, mainly in BRH, due to Covid-19 and the decrease in public expenditures explained above, and Haug, primarily due to Covid-19; partially compensated by an increase in BRH Paraguay.
- Adjusted EBITDA margin decreased to 2.9% in 9M 2020 from 15.2% in 9M 2019.

## Backlog

- As of September 30, 2020, BRH's total backlog amounted to AR\$ 21,097 million, a 2.0% increase over December 31, 2019. This variation is expressed in nominal terms, since backlog figures as of December 31, 2019 have not been adjusted for inflation.

- Figures include BRH's construction subsidiaries, affiliates and joint ventures, at BRH's portion of revenue in these entities where applicable.
- Figures reflect prices with the latest price adjustments approved by the clients. Therefore, they do not reflect accumulated inflation since then. According to our estimations, there are price adjustments for works in Argentina still pending approval for approximately AR\$ 7,450 million as of September 30, 2020.
- This increase is mainly the consequence of :
  - Price adjustments approved by clients in BRH contracts in Argentina;
  - The renewal of several contracts for maintenance services provided by Sehos to hospitals and schools in the city of Buenos Aires;
  - The depreciation of the peso against the U.S. dollar and other currencies, which increased BRH's foreign subsidiaries backlog in peso terms;
  - partially offset by the execution of outstanding works.
- Additionally, BRH have submitted the lowest bid for the construction of a wastewater treatment plant in the Province of Tucuman, which would represent estimated revenues in an amount of AR\$ 904.6 million. As of the date of Earnings Release, the client has yet to determine the result of the bidding process.
- At the date of this Earnings Release, inactive works represents approximately 42% of total backlog in Argentina.

| Backlog by country | Sep 2020      | Dec 2019      |
|--------------------|---------------|---------------|
| Argentina          | 14,341        | 11,308        |
| Peru               | 3,797         | 4,690         |
| Paraguay           | 2,854         | 3,218         |
| Chile              | 81            | 1,429         |
| Brazil             | 25            | 36            |
| <b>Total</b>       | <b>21,097</b> | <b>20,682</b> |

| Backlog by sector             | Sep 2020      | Dec 2019      |
|-------------------------------|---------------|---------------|
| Road                          | 6,498         | 6,678         |
| Rail Road                     | 4,902         | 3,024         |
| Tanks & Metallic Structures   | 3,878         | 6,120         |
| Hydraulic                     | 3,592         | 2,638         |
| Electricity                   | 781           | 361           |
| Maintenance                   | 580           | 288           |
| Civil works - Mining projects | 367           | 639           |
| Engineering                   | 161           | 370           |
| Water Treatment               | 0             | 30            |
| Others                        | 338           | 535           |
| <b>Total</b>                  | <b>21,097</b> | <b>20,682</b> |

(\*) Backlog figures as of December 2019 have not been adjusted for inflation.

### 1.3 Transportation

|                               | 2020<br>9M   | 2019<br>9M   | Δ             | Sep.20<br>LTM | Sep.19<br>LTM | Δ             |
|-------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Metrovias                     | 1,213        | 5,734        | -78.8%        | 2,875         | 7,601         | -62.2%        |
| Benito Roggio Ferroindustrial | 26           | 14           | 84.0%         | 29            | 83            | -65.1%        |
| BRT & Others                  | 470          | 721          | -34.8%        | 722           | 811           | -11.0%        |
| <b>Revenues</b>               | <b>1,709</b> | <b>6,469</b> | <b>-73.6%</b> | <b>3,626</b>  | <b>8,496</b>  | <b>-57.3%</b> |
| Gross Profit                  | 919          | 2,614        | -64.8%        | 1,577         | 3,310         | -52.4%        |
| Gross Margin                  | 53.8%        | 40.4%        |               | 43.5%         | 39.0%         |               |
| Operating Income              | 554          | 793          | -30.2%        | 763           | 770           | -0.8%         |
| Operating Income Margin       | 32.4%        | 12.3%        |               | 21.1%         | 9.1%          |               |
| <b>Adjusted EBITDA</b>        | <b>569</b>   | <b>822</b>   | <b>-30.8%</b> | <b>783</b>    | <b>874</b>    | <b>-10.4%</b> |
| <b>Adjusted EBITDA Margin</b> | <b>33.3%</b> | <b>12.7%</b> |               | <b>21.6%</b>  | <b>10.3%</b>  |               |

- Revenues in our Transportation segment decreased AR\$ 4,759 million, or 78.8%, to AR\$ 1,213 million in 9M 2020, mainly as a result of a decrease in real terms in revenues for transportation services performed by Metrovias as well as in revenues for works performed by Benito Roggio Transporte on the subway network.
- The decrease in revenues in real terms for transportation services performed by Metrovias is basically due to the combined effect of:
  - a 73% drop in ridership, as explained below,
  - a 22% decrease, in real terms, in the subway fare. The subway fare rose 6.2% in nominal terms from 17.9 pesos in average in 9M2019 to 19 pesos in 9M2020. Meanwhile the annual inflation rate recorded was 36.6%.
- In addition, the Subway and Premetro Operation Agreement includes an incentive for Metrovias to maximize ridership, which triggers when paying passengers surpass a certain threshold and is calculated as 50% of the ticket collection over such limit. The sharp decrease in passengers due to transport restrictions imposed by Covid-19 (as explained below) has denied Metrovias of such incentive.
- The resulting drop in revenues was partially offset by an increase in the subsidies received by Metrovias in compensation for cost increases in the Subway and Premetro operations. On the other hand, the decrease in revenues from fares in the Urquiza Railway has not been compensated by the National Government. It must be noted that subsidies are deducted from cost of providing services, administrative and selling expenses, instead of being registered as revenues.
- As a result, Adjusted EBITDA in our Transportation segment decreased AR\$ 253 million to AR\$ 569 million in 9M 2020, since the reduction in revenues and the loss of the incentive was only partially offset by the increase in subsidies (please see next paragraph) and the decrease in certain direct operating expenses such as energy, collection, cost of trip cards, maintenance of the stations (that

were closed to prevent the spread of Covid-19) and in the maintenance of railcars (due to reduced services).

- Adjusted EBITDA margin increased to 33.3% in 9M 2020 from 12.7% in 9M 2019.

### Key Indicators

|   | 2020<br>9M  | 2019<br>9M   | Δ           | Sep.20<br>LTM | Sep.19<br>LTM | Δ           |
|---|-------------|--------------|-------------|---------------|---------------|-------------|
| Subway (million paying passengers)          | 64.2        | 242.3        | -74%        | 148.3         | 328.1         | -55%        |
| Urquiza Railway (million paying passengers) | 6.6         | 20.5         | -68%        | 12.8          | 27.9          | -54%        |
| <b>Total</b>                                | <b>70.8</b> | <b>262.7</b> | <b>-73%</b> | <b>161.1</b>  | <b>355.9</b>  | <b>-55%</b> |

Metrovias carried 70.8 million paying passengers during 9M 2020, a 73.1% decrease as compared to 9M 2019. Ridership aggregate figures show a 95% decrease since the start of the restrictions imposed to limit the spread of Covid-19 and the subsequent enforcement of the mandatory preventive isolation by the National Government as from March 20, 2020

In this sense, the Government of the City of Buenos Aires established a special schedule for the Subway and Premetro services starting on March 19 this year. Measures also included cutting back the number of operating stations and reducing operating hours. Currently 50 stations, out of the 90 that make up the network, are operational and service runs on a Sunday schedule, to which additional services are added.

The National Government also set a reduced schedule for commuter railway lines that serve the Metropolitan Area of the City of Buenos Aires, including the Urquiza Railway, as from March 19. All the stations are operational and service runs on a weekday schedule, with reduced services on non-peak hours.

In addition to these measures, only seated passengers, keeping safe distance, are allowed both in the Subway, while in the Urquiza Railway only a number of passengers equivalent to the seats available in each car is allowed, also respecting the current social distancing measures.

## 1.4 Water Supply Services

|                         | 2020<br>9M   | 2019<br>9M   | Δ            | Sep.20<br>LTM | Sep.19<br>LTM | Δ            |
|-------------------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Revenues</b>         | <b>2,800</b> | <b>2,905</b> | <b>-3.6%</b> | <b>3,705</b>  | <b>3,712</b>  | <b>-0.2%</b> |
| Gross Profit            | 1,305        | 1,364        | -4.3%        | 1,692         | 1,767         | -4.3%        |
| Gross Margin            | 46.6%        | 46.9%        |              | 45.7%         | 47.6%         |              |
| Operating Income        | -31          | 2            | -1800.4%     | -121          | -21           | 476.4%       |
| Operating Income Margin | -1.1%        | 0.1%         |              | -3.3%         | -0.6%         |              |
| <b>Adjusted EBITDA</b>  | <b>391</b>   | <b>357</b>   | <b>9.4%</b>  | <b>433</b>    | <b>433</b>    | <b>-0.1%</b> |
| Adjusted EBITDA Margin  | 14.0%        | 12.3%        |              | 11.7%         | 11.7%         |              |

- Revenues of our Water Supply Services segment decreased AR\$ 105 million, or 3.6% in real terms, to AR\$ 2,800 million for 9M 2020.
- Two tariff increases were approved in the last twelve months (10.0% effective October 2019 and 14.1% effective January 2020), that compensate for cost increases occurred between January and August 2019.
- Pursuant to the provisions of the concession contract, Aguas Cordobesas has also requested in the course of 2020 for three additional tariff adjustments (9.6%, 13.6% and 8.6%, which totals an aggregate 35%) to compensate for cost increases occurred between September 2019 and August 2020, which have not yet been approved as of the date of this Earnings Release.
- Despite the decrease in revenues, in real terms, Adjusted EBITDA in our Water Supply segment rose AR\$ 34 million to AR\$ 391 million in 9M 2020, as a result of a decrease, in real terms, mainly in salaries and social security contributions and water treatment chemicals. Adjusted EBITDA margin increased from 12.3% to 14.0%.

### Key Indicators

|                                     | 2020<br>Sept 30 | 2019<br>Sept 30 | Δ    |
|-------------------------------------|-----------------|-----------------|------|
| Clients (in thousands)              | 536.1           | 526.3           | 1.9% |
| Supply Network (in thousands of km) | 4.7             | 4.5             | 4.7% |

Aguas Cordobesas had 536.1 thousand clients as of September 30, 2020, a 1.9% increase as compared to September 30, 2019. Supply network also grew 4.7% in the same period.

## 2. Consolidated Results

|   | 2020<br>9M    | 2019<br>9M    | Δ             | Sep.20<br>LTM | Sep.19<br>LTM | Δ              |
|---|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>Operating Income</b>   | <b>2,466</b>  | <b>4,225</b>  | <b>-41.6%</b> | <b>3,221</b>  | <b>5,304</b>  | <b>-39.3%</b>  |
| <b>Financial income</b>   | <b>1,270</b>  | <b>570</b>    | <b>122.9%</b> | <b>1,530</b>  | <b>784</b>    | <b>95.1%</b>   |
| Interest income   | 687           | 405           |               | 826           | 510           |                |
| Exchange differences generated by assets  | 324           | 98            |               | 502           | 231           |                |
| Exchange differences generated by liabilities   | 0             | 0             |               | 0             | 0             |                |
| Other financial income  | 258           | 66            |               | 202           | 43            |                |
| <b>Financial expenses</b>   | <b>-6,735</b> | <b>-7,228</b> | <b>-6.8%</b>  | <b>-6,282</b> | <b>-3,393</b> | <b>85.1%</b>   |
| Interest expense  | -3,236        | -2,456        |               | -3,944        | -3,386        |                |
| Exchange differences generated by liabilities   | -1,521        | -2,839        |               | 9             | 2,210         |                |
| Loss due to the effect of inflation on net monetary position  | -782          | -1,081        |               | -1,132        | -850          |                |
| Other financial expenses  | -1,196        | -852          |               | -1,216        | -1,367        |                |
| <b>Share of net income of associates and joint arrangements accounted for under the equity method</b> | <b>-40</b>    | <b>-192</b>   | <b>-79.0%</b> | <b>-76</b>    | <b>-96</b>    | <b>-20.9%</b>  |
| <b>Goodwill impairment</b>  | <b>0</b>      | <b>0</b>      |               | <b>0</b>      | <b>-12</b>    | <b>-100.0%</b> |
| <b>Income tax</b>   | <b>-611</b>   | <b>-960</b>   | <b>-36.3%</b> | <b>-873</b>   | <b>-1,400</b> | <b>-37.6%</b>  |
| <b>Net gain / (loss) for the period</b>   | <b>-3,651</b> | <b>-3,585</b> | <b>1.8%</b>   | <b>-2,480</b> | <b>1,187</b>  |                |

In hyperinflationary environments, interest rates and foreign exchange rates somehow include a premium to compensate for inflation. The portion of interest income/expense as well as the portion of income/expenses generated by assets/liabilities for changes in FX rate that compensates for inflation have been segregated and offset against the gain or loss due to the effect of inflation on net monetary position in these financial statements. Therefore, these line items now reflect figures in real terms.

- **Financial income**

Financial income amounted to AR\$ 1,270 million in 9M 2020, an AR\$ 700 million, or 122.9%, increase as compared to 9M 2019, primarily due to

- an AR\$ 282 million increase in interest income, mainly generated by bonds received from the City of Buenos Aires in payment for trade receivables and by the accrual of interest for the delay in the payments of our receivables in Norte III.
- a AR\$ 226 million increase in foreign currency exchange differences, mainly generated by assets in our Peruvian subsidiaries.

- **Financial expenses**

Financial expenses decreased AR\$ 493 million, or 6.8%, to AR\$ 6,735 million in 9M 2020, from AR\$ 7,228 million in the same period in 2019, mainly explained by:

- (i) an AR\$ 1,318 million decrease - in real terms – in exchange differences expense generated by liabilities, since the peso depreciated ~ 3.6% against the U.S. dollar in real terms in 9M 2020, as compared to a 8.0% depreciation in 9M 2019;
- (ii) an \$ 780 million increase in interest expenses, mainly due to an increase in our peso denominated indebtedness in nominal terms because of inflation, the issuance of the US\$ 27 million BRCC Notes between October 2019 and January 2020, and the issuance of US\$ 15.8 million additional Clisa's Senior Secured Notes in July 2020 due to the exercise of the PIK option; partially offset by the repayment of Clisa's USD 17.6 million Series 4 Notes at its maturity in October 2019. On the other hand, there was a decrease in the applicable interest rates, since the Badlar rate – a reference rate in pesos of the Argentine economy - decreased from 49.1% in average during 9M2019 to 29.1% in average for 9M2020;
- (iii) a AR\$ 344 million increase in other financial expenses, mainly attributable to fees and expenses in connection with the exchange of the Clisa's 9.5% Senior Notes due 2023;

- **Share of net profit of associates and joint arrangements accounted for under the equity method**

Share of net income of associates and joint arrangements accounted for under the equity method generated an AR\$ 40 million loss in 9M 2020, as compared to a net loss of AR\$ 192 million in the same period during 2019. This change was primarily due to a decrease in the net loss contributed by CV1 – Concesionaria Vial S.A. in 2019 as a result of the expiration of its concession contract.

- **Income Tax**

Income tax decreased AR\$ 349 million to an AR\$ 611 million loss in 9M 2020, from an AR\$ 960 million loss in the same period in 2019, mainly due to a decrease in BRH, Haug and Metrovias, as a consequence of the decline in activity, as previously explained; partially compensated by an increase in Cliba, mainly due to an increase in its taxable income, and in ACSA, since it had recorded a tax recovery in 2019 due to the application of new tax rules that allowed for the revaluation of several assets.

- **Net loss for the period**

Net Loss reached AR\$ 3,651 million in this period, a 1.8% increase as compared to a net loss of AR\$ 3,585 million in 9M 2019, mainly explained by a drop in operating income in our Construction segment and an increase in interest expense, partially offset by the decrease in foreign currency exchange differences generated by liabilities and income tax.

### 3. Financial indebtedness

#### Net Debt Breakdown and Evolution

|  | Dec-19        | Sep-20        |
|--|---------------|---------------|
| Debt in foreign currency                               | 21,140        | 28,389        |
| Other Debt in Argentine Pesos                          | 5,160         | 6,190         |
| <b>Financial Debt</b>                                  | <b>26,300</b> | <b>34,579</b> |
| Cash & Cash Equivalents                                | -3,087        | -2,489        |
| Debt arising from factoring transactions with recourse | -3,884        | -5,526        |
| <b>Net Financial Debt</b>                              | <b>19,328</b> | <b>26,564</b> |

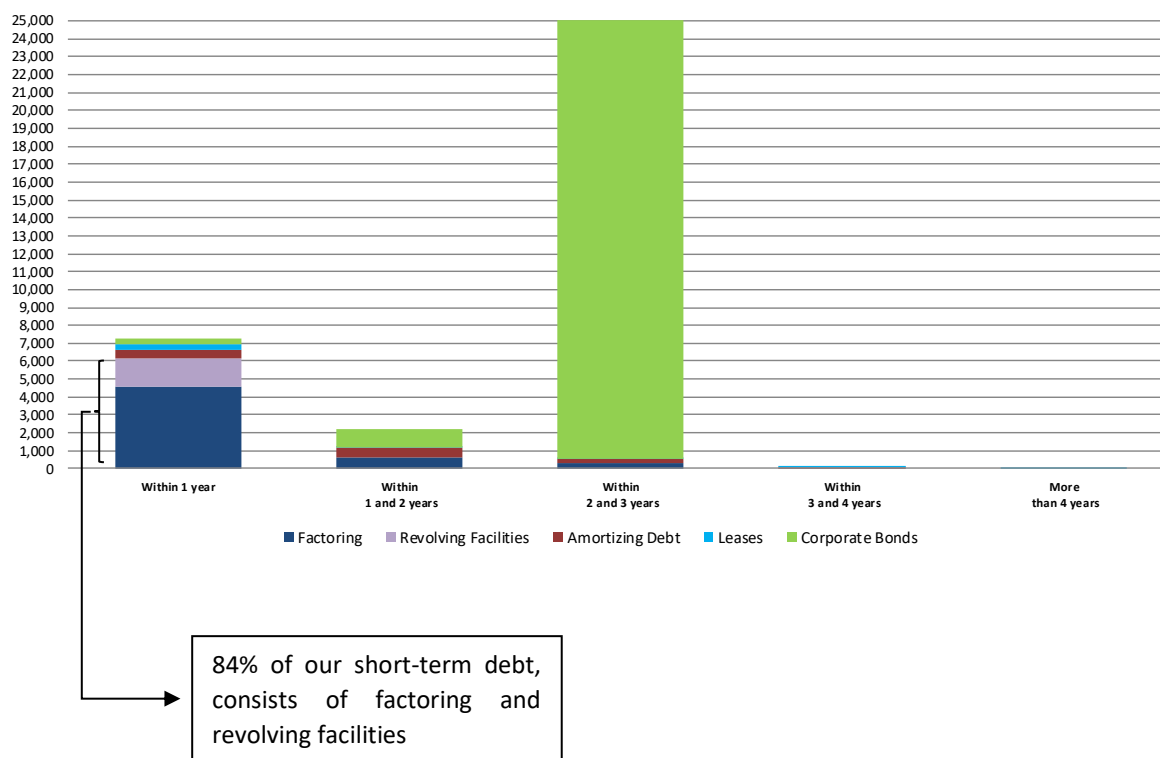
(\*) Indebtedness figures as of December 2019 has not been adjusted for inflation.

- Total Financial Debt amounted to AR\$ 34,579 million as of September 30, 2020, an AR\$ 8,279 million, or 31.5% increase, as compared to December 31, 2019, mainly due to:
  - a AR\$ 7,250 million, or 34.3% increase in debt denominated in foreign currency mainly as a result of (i) a 27.2% depreciation of the peso against the U.S. dollar in nominal terms during 9M 2020, which increased our U.S. dollar debt in peso terms; (ii) the issuance of US\$ 15.8 million additional Clisa's Senior Secured Notes due to the exercise of the Pik option; and (ii) the issuance of the second tranche of the BRCC Notes in an amount of the US\$ 14.1 million.
  - a AR\$ 1,029 million increase in debt denominated in local currency principally because of an increase in debt arising from factoring transactions with recourse due to higher nominal value of the invoices discounted, because of inflation.
- 82.1% of total debt as of September 30, 2020 was denominated in foreign currency, mainly US dollars.
- Financial debt as of September 30, 2020 consisted mainly of corporate bonds (75%) and factoring (16%).
- Cash and cash equivalents totaled AR\$ 2,489 million as of September 30, 2020. This figure does not include restricted cash for AR\$ 104 million.

**Debt Maturity Profile (as of September 30, 2020) (\*)**

|                      | Maturity      |                      |                      |                      |                   | TOTAL         | %           |
|----------------------|---------------|----------------------|----------------------|----------------------|-------------------|---------------|-------------|
|                      | Within 1 year | Within 1 and 2 years | Within 2 and 3 years | Within 3 and 4 years | More than 4 years |               |             |
| Revolving Facilities | 1,527         | 0                    | 0                    | 0                    | 0                 | 1,527         | 4%          |
| Factoring            | 4,592         | 656                  | 278                  | 0                    | 0                 | 5,526         | 16%         |
| Amortizing Debt      | 546           | 478                  | 249                  | 47                   | 0                 | 1,320         | 4%          |
| Leases               | 303           | 36                   | 8                    | 5                    | 3                 | 356           | 1%          |
| Corporate Bonds      | 290           | 1,027                | 24,533               | 0                    | 0                 | 25,850        | 75%         |
| <b>Total</b>         | <b>7,258</b>  | <b>2,197</b>         | <b>25,069</b>        | <b>52</b>            | <b>3</b>          | <b>34,579</b> | <b>100%</b> |
| <i>Maturity - %</i>  | <i>21%</i>    | <i>6%</i>            | <i>72%</i>           | <i>0%</i>            | <i>0%</i>         | <i>100%</i>   |             |

(\*) Total financial and bank debt figures as per Clisa's financial statements. Debt includes accrued interest and when applicable, as in the case of the Clisa Notes, is recorded at fair value, net of transaction costs.

**Debt Maturity (in AR\$ millions)(as of September 30, 2020)**


Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise



## Consolidated Financial Statements

### Balance Sheet

|  | September 30,<br>2020 | December 31,<br>2019 |
|--|-----------------------|----------------------|
| Property, plant and equipment            | 27,241.1              | 26,235.0             |
| Intangible Assets                        | 3,745.9               | 3,828.0              |
| Goodwill                                 | 722.0                 | 752.4                |
| Investments in associates                | 317.5                 | 364.7                |
| Deferred tax assets                      | 211.7                 | 305.3                |
| Other receivables                        | 1,377.3               | 1,441.9              |
| Trade receivables                        | 1,257.2               | 703.0                |
| <b>Total non-current assets</b>          | <b>34,872.7</b>       | <b>33,630.2</b>      |
| Contractual assets                       | 836.0                 | 1,108.8              |
| Other receivables                        | 4,568.5               | 3,912.7              |
| Inventories                              | 2,096.2               | 2,339.7              |
| Trade receivables                        | 19,275.5              | 18,117.4             |
| Other investments                        | 402.8                 | 169.1                |
| Cash and cash equivalents                | 2,592.6               | 4,074.7              |
| <b>Total current assets</b>              | <b>29,771.6</b>       | <b>29,722.5</b>      |
| <b>TOTAL ASSETS</b>                      | <b>64,644.3</b>       | <b>63,352.7</b>      |
| Attributable to the owners of the parent | 65.0                  | 1,413.5              |
| Non-controlling interests                | 1,512.2               | 1,643.1              |
| <b>TOTAL EQUITY</b>                      | <b>1,577.2</b>        | <b>3,056.6</b>       |
| Bank and financial debts                 | 27,320.8              | 23,471.8             |
| Provisions for contingencies             | 1,049.1               | 957.5                |
| Contractual liabilities                  | 47.4                  | 62.3                 |
| Deferred tax liability                   | 4,561.2               | 4,219.0              |
| Other liabilities                        | 2,787.0               | 3,593.6              |
| Trade payables                           | 509.4                 | 541.7                |
| <b>Total non-current liabilities</b>     | <b>36,274.8</b>       | <b>32,845.9</b>      |
| Bank and financial debts                 | 7,258.1               | 8,689.8              |
| Provisions for contingencies             | 214.1                 | 161.4                |
| Contractual liabilities                  | 368.4                 | 480.3                |
| Other liabilities                        | 10,312.7              | 9,326.2              |
| Trade payables                           | 8,639.0               | 8,792.4              |
| <b>Total current liabilities</b>         | <b>26,792.3</b>       | <b>27,450.1</b>      |
| <b>TOTAL LIABILITIES</b>                 | <b>63,067.2</b>       | <b>60,296.1</b>      |
| <b>Total liabilities and equity</b>      | <b>64,644.3</b>       | <b>63,352.7</b>      |

Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

## Income Statement

|  | 2020<br>9M       | 2019<br>9M       | Δ           | Sep.20<br>LTM    | Sep.19<br>LTM   | Δ           |
|--|------------------|------------------|-------------|------------------|-----------------|-------------|
| Revenues from contracts with customers   | 28,902.2         | 45,590.3         | -37%        | 42,505.0         | 60,738.6        | -30%        |
| Cost of providing services   | (20,682.3)       | (32,944.6)       | -37%        | (31,271.3)       | (44,056.7)      | -29%        |
| <b>Gross Profit</b>  | <b>8,219.9</b>   | <b>12,645.7</b>  | <b>-35%</b> | <b>11,233.7</b>  | <b>16,681.9</b> | <b>-33%</b> |
| Administrative expenses  | (4,091.9)        | (5,402.6)        | -24%        | (5,702.0)        | (7,318.3)       | -22%        |
| Selling and other operating expenses   | (1,874.3)        | (3,100.5)        | -40%        | (2,715.2)        | (4,227.0)       | -36%        |
| Other operating income and expenses, net   | 212.5            | 82.2             | 159%        | 405.0            | 167.5           | 142%        |
| <b>Operating income</b>  | <b>2,466.1</b>   | <b>4,224.8</b>   | <b>-42%</b> | <b>3,221.4</b>   | <b>5,304.0</b>  | <b>-39%</b> |
| Financial income   | 1,269.8          | 569.6            | 123%        | 1,530.0          | 784.1           | 95%         |
| Financial expenses   | (6,735.2)        | (7,228.1)        | -7%         | (6,282.3)        | (3,393.4)       | 85%         |
| Share of net income of associates and joint arrangements accounted for under the equity method | (40.4)           | (191.8)          | -79%        | (75.9)           | (95.9)          | -21%        |
| Goodwill impairment  | -                | -                | -           | -                | (12.3)          | -           |
| <b>Loss before tax</b>   | <b>(3,039.7)</b> | <b>(2,625.6)</b> | <b>16%</b>  | <b>(1,606.7)</b> | <b>2,586.5</b>  | <b>-</b>    |
| Income tax   | (611.1)          | (959.8)          | -36%        | (873.0)          | (1,399.5)       | -38%        |
| <b>Net loss for the period</b>   | <b>(3,650.8)</b> | <b>(3,585.4)</b> | <b>2%</b>   | <b>(2,479.8)</b> | <b>1,187.0</b>  | <b>-</b>    |
| <b>Net (loss)/income for the period attributable to:</b>                                       |                  |                  |             |                  |                 |             |
| Owners of the parent   | (3,835.1)        | (4,093.7)        | -6%         | (2,729.8)        | 694.6           | -           |
| Non-controlling interests  | 184.3            | 508.3            | -64%        | 250.1            | 492.4           | -49%        |
|  | <b>(3,650.8)</b> | <b>(3,585.4)</b> | <b>2%</b>   | <b>(2,479.8)</b> | <b>1,187.0</b>  | <b>-</b>    |
| Operating income   | 2,466.1          | 4,224.8          | -42%        | 3,221.4          | 5,304.0         | -39%        |
| Depreciation and amortization  | 3,394.8          | 3,839.4          | -12%        | 4,551.7          | 4,931.8         | -8%         |
| <b>Adjusted EBITDA</b>   | <b>5,860.9</b>   | <b>8,064.2</b>   | <b>-27%</b> | <b>7,773.2</b>   | <b>10,235.8</b> | <b>-24%</b> |

Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

## Cash Flow Statement

|  | 2020<br>9M       | 2019<br>9M       |
|--|------------------|------------------|
| <b>Cash from operating activities</b>  |                  |                  |
| Net loss for the period  | (3,650.8)        | (3,585.4)        |
| Adjustments for:   |                  |                  |
| Depreciation and amortization  | 3,394.8          | 3,839.4          |
| Income tax   | 611.1            | 959.8            |
| Loss / (gain) from sales of property, plant and equipment                                      | (33.8)           | 6.1              |
| Share of net income of associates and joint arrangements accounted for under the equity method | 40.4             | 191.8            |
| Net loss for derecognition of property, plant and equipment                                    | -                | 23.3             |
| Net loss for derecognition of intangible assets  | -                | 9.1              |
| Other operating and financial income and expenses, net   | 1,932.1          | 3,351.1          |
| Interest income and interest expense, net  | 2,548.6          | 2,050.9          |
| <b>Changes in operating assets and liabilities:</b>  |                  |                  |
| (Increase) / Decrease in inventories   | 40.0             | (400.5)          |
| Increase in allowances and provisions for contingencies  | 743.0            | 736.2            |
| (Increase) / decrease in investments   | (8.5)            | (26.9)           |
| Increase in operating receivables  | (8,057.3)        | (7,097.5)        |
| Increase in operating liabilities  | 5,110.3          | 3,890.6          |
| <b>Net cash flow provided by operations</b>  | <b>2,669.8</b>   | <b>3,948.2</b>   |
| Payments and collection of interests, net  | (3,982.2)        | (4,563.0)        |
| Payments of income tax   | (314.4)          | (548.3)          |
| <b>Net cash flow used in operating activities</b>  | <b>(1,626.7)</b> | <b>(1,163.2)</b> |
| Cash from investing activities   |                  |                  |
| Purchases of property, plant and equipment   | (569.7)          | (948.9)          |
| Increases of intangible assets   | (289.2)          | (312.0)          |
| Proceeds from sales of other investments   | (305.2)          | 15.8             |
| Proceeds from sales of property, plant and equipment   | 198.2            | 92.5             |
| Dividends collected  | -                | 11.7             |
| <b>Net cash flow used in investing activities</b>  | <b>(965.9)</b>   | <b>(1,140.8)</b> |
| Cash from financing activities   |                  |                  |
| Changes in other receivables and other liabilities   | (351.7)          | (617.2)          |
| Dividends paid to non-controlling interests  | (179.3)          | (70.6)           |
| Proceeds from issuance of Corporate Bonds  | 1,020.7          | -                |
| Repayment of Leases  | (243.1)          | (348.4)          |
| Repayments of and proceeds from self-liquidating debt  | 439.9            | 2,764.7          |
| Proceeds from other bank and financial debts   | 5,522.2          | 3,581.6          |
| Repayment of other bank and financial debts  | (4,921.4)        | (3,193.3)        |
| <b>Net cash flow provided by financing activities</b>  | <b>1,287.3</b>   | <b>2,116.9</b>   |
| Subtotal   | (1,305.3)        | (187.1)          |
| Effect of inflation in cash and cash equivalents   | (161.4)          | (781.5)          |
| Effect of foreign currency exchange differences and translation on cash and cash equivalents   | (15.3)           | 41.7             |
| <b>on cash and cash equivalents</b>  | <b>(1,482.0)</b> | <b>(926.9)</b>   |
| Cash and cash equivalents as of the beginning of the period                                    | 4,074.7          | 4,950.9          |
| <b>Cash and cash equivalents as of the end of period</b>                                       | <b>2,592.6</b>   | <b>4,024.0</b>   |

Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

## Notes and Disclaimer

### Financial Information

The consolidated financial statements of Clisa and subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

### Capitalized term and acronyms

Capitalized terms and acronyms used but not defined in this Earnings Release shall have the meanings assigned thereto in our Unaudited Condensed Interim Consolidated Financial Statements as of and for the period ended June 30, 2020

### IAS 29 "Financial Reporting in Hyperinflationary Economies"

#### Brief description of the restatement procedures

IAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy should be stated in terms of the measuring unit current at end of the reporting period.

In short, IAS 29 establishes that monetary items (such as cash or trade receivables) are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. Assets and liabilities subject to adjustments in accordance with specific agreements, shall be restated based on these agreements. Non-monetary items (such as property, plant and equipment, or inventories) that are carried at amounts current at the end of the reporting period, such as net realizable value or others, shall not be restated. All other non-monetary assets and liabilities are restated by applying a general price index.

All items in the statement of comprehensive income must be also adjusted for inflation, by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

Every item that must be restated, is restated against gain or loss on the net monetary position. However, it must not be forgotten that, in fact, a loss on the net monetary position derives from the loss of purchasing power that affects an entity holding an excess of monetary assets over monetary liabilities in a period of inflation. On the other hand, a gain on the net monetary position is the result of the gain of purchasing power of an entity with an excess of monetary liabilities over monetary assets.

The gain or loss on the net monetary position is registered as profit or loss under the "Financial Income" and "Financial Expenses" line items of the Income Statement, respectively, and must be disclosed separately.

Comparative information disclosed in financial statements has also been restated to the level of prices of September 30, 2020.

### Presentation of Non-IFRS Information

We report our financial results in accordance with IFRS. However, we have included in this Earnings Release certain financial measures and ratios that are not recognized financial measurements under IFRS, which we believe gives investors information useful to assess our performance. Adjusted EBITDA is not a financial measure recognized by IFRS and should not be interpreted as an alternative measure of operational results or cash generated by the operations. "Adjusted EBITDA," a measure used to evaluate ongoing performance, refers to net income (loss) plus financial results, net, plus/less income tax, plus depreciation and amortization, less/plus share of net profit/loss of associates and joint arrangements accounted for using the equity method, and plus goodwill impairment. Adjusted EBITDA may also be measured as revenue from contracts with customers less cost of providing services, less administrative expenses, less selling expenses and other operating expenses, plus/less other operating income and expenses, net, plus depreciations and amortizations. The measurements of Adjusted EBITDA contained herein are not defined under IFRS, are not measures of operating profit, operating performance or liquidity presented in accordance with IFRS and are subject to important limitations. Adjusted EBITDA does not have a standardized meaning and may not be comparable to those used by other companies. Accordingly, the measurements of Adjusted EBITDA contained herein may not be calculated in the same manner as similarly titled measurements used by other companies which may limit their usefulness as a comparative measurement. Because of these limitations, the measurements of Adjusted EBITDA contained herein should not be considered a measurement of discretionary cash available to us to invest in the growth of our business or as a measurement of cash that will be available to us to meet our obligations, nor should they be construed as alternatives to other titled measures determined in accordance with IFRS.

### Rounding

Certain figures included in this Earnings Release have been rounded for ease of presentation. Percentage figures have not been calculated in all cases based on such rounded figures but based on such amounts prior to rounding. For this reason, percentage amounts in this Earnings Release may vary from those obtained by performing the same calculations using the figures in Clisa's Audited Consolidated Financial Statements and Clisa's Unaudited Condensed Interim Consolidated Financial Statements. Certain other amounts that appear in this Earnings Release may not sum due to rounding.

### Exchange Rates

Figures in this report are expressed in millions of Argentine Pesos (AR\$), except when noted otherwise

Figures in this Earnings Release are expressed in millions of Argentine Pesos (AR\$), unless otherwise specified.

For your convenience, the following table sets forth the average and period-end exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation.

*Average AR\$/US\$ exchange rate*

| 2020<br>9M | 2019<br>9M | Sep.20<br>LTM | Sep.19<br>LTM |
|------------|------------|---------------|---------------|
| 68.39      | 45.80      | 66.25         | 43.63         |

The average AR\$/US\$ exchange rate is the average selling exchange rates reported by Banco de la Nación Argentina on the last day of each month during the annual period.

*End of Period AR\$/US\$ exchange rate*

| Sept 30, 2020 | December 31,<br>2019 | Sept 30, 2019 |
|---------------|----------------------|---------------|
| 76.18         | 59.89                | 57.59         |

### Forward – looking Statements

This Earnings Release may contain statements that constitute “forward-looking statements”. The words “believe,” “could,” “may,” “estimate,” “continue,” “potential,” “anticipate,” “intend,” “expect,” “will,” “should” and “plan,” among others, are intended to identify forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and, therefore, depend on circumstances that may or may not occur in the future. Forward-looking statements include, but are not limited to, statements regarding our officers’ intent, belief or current expectations with respect to, among other things, the use of proceeds of this offering, our financing plans, trends affecting our business, the impact of competition and future plans and strategies. Our future results may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict. Investors are cautioned not to put undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date they were made and neither the managers nor we undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.