

Results for three-month period ended on March 31st, 2022

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 31st, 2022

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

For further information, contact:

José S. Refort
Chief Financial Officer

Andrés G. Colombo
Accounting and Tax Manager
(Andres.Colombo@transener.com.ar)

Marcelo A. Fell
Financial Manager
(Marcelo.Fell@transener.com.ar)

investor@transener.com.ar

Tel: (5411) 5167-9301
www.transener.com.ar
www.transba.com.ar

Transener, Argentina’s leading electricity transmission company, announces results for three-month period ended on March 31st, 2022.

Main results for three-month period ended on March 31st, 2022, restated in constant currency at March, 2022¹

Consolidated revenues of AR\$ 4,370.5 million, 23.9% lower than the AR\$ 5,742.7 million for same period last year, mainly due to the fact that the tariff adjustments granted by ENRE Resolutions No. 68/2022 and 69/2022 were not sufficient to maintain the revenues level, measured in constant currency.

Consolidated EBITDA² of AR\$ 981.1 million, 59.8% lower than the AR\$ 2,438.3 million for same period last year, mainly due to the decrease of AR\$ 1,372.2 million in revenues.

Consolidated profit attributable to the owners of the company of AR\$ 105.6 million, 84.6% lower than the AR\$ 688.2 million for same period last year, mainly due to the decrease in revenues of AR\$ 1,372.2 million, a lower loss in financial result of AR\$ 307.2 million as a result of the cancellation of the Class 2 Notes in 2021, and a lower income tax charge of AR\$ 550.2 million mainly due to the a decrease in the profit before tax.

¹Expressed in constant currency, in accordance with IAS 29.

²Consolidated EBITDA represents consolidated operating results before depreciation.

1. Financial Situation

As of March 31st, 2022, Transener maintains a principal balance of AR\$ 777.8 million from a loan for working capital of AR\$ 1,000 million, entered into with the Banco de la Nación Argentina in July 2021.

Regarding Transener's ratings, Fix Scr S.A. Credit Rating Agency maintained the long-term issuer rating of A+ (arg) with stable outlook.

2. Tariff Situation

On February 25th, 2022, under Resolutions No. 68/22 and No. 69/22, the ENRE approved the new tariff scheme from February 1st, 2022, establishing an increase of 25% for Transener and 23% for Transba, applicable to the values of August 2019. Considering the difference between the Financial and Economic Projections filed before the ENRE and the granted tariff amounts, the Company requested access to the file and a preliminary challenge. On March 15th, 2022, the Company filed an appeal for reconsideration against Resolutions No. 68/2022 and 69/2022. At the date of issue of this report, the Company has not received an answer from the ENRE yet.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of March 31st, 2022 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 2,069 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**

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

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

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

- **New 25 de Mayo Substation**

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

- **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**

- Anticipated detailed engineering revision and inspections in factories.

- **Resistencia Substation - Fields 01 and 02 outputs in 132kV (SECHEEP)**

- Adequacy of both line outputs with equipment update.

- **Cobos Substation - DAG Hub Node (Puna Solar-Altiplano Solar-Cauchari Solar Generators)**

- Installation required by DAG (Automatic Generation Disconnection) system and covered by the photovoltaic generators mentioned above.



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.

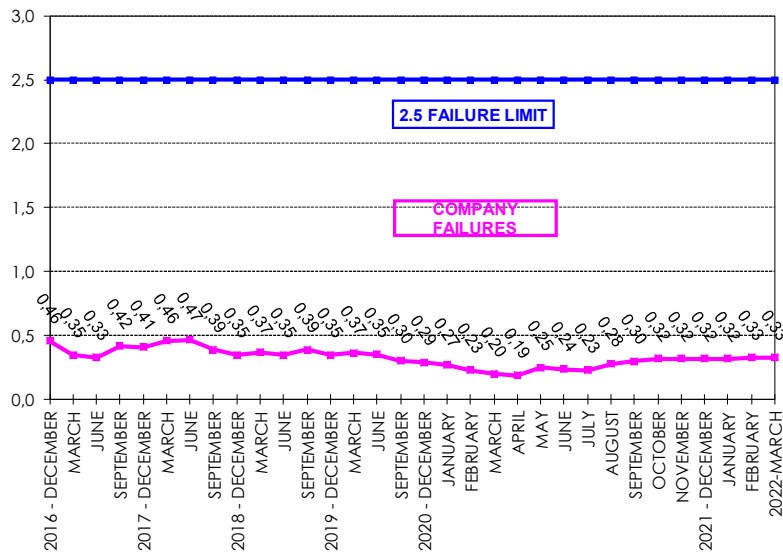


Rate of failures

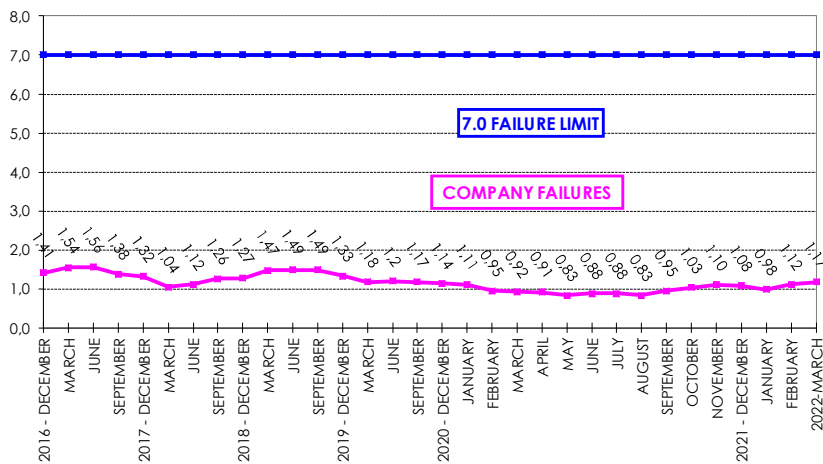
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2016.

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



4. Significant Financial Information

4.1 Consolidated Statements of Operations

In AR\$ MM	Three-month period ended on March 31st	
	2022	2021
Revenues	4,370.5	5,742.7
Operating costs	(3,758.7)	(3,654.5)
Gross profit	611.8	2,088.2
Administrative expenses	(428.8)	(447.2)
Other operating income/(expenses), net	2.0	(16.1)
Operating income	185.0	1,625.0
Finance income	535.5	941.4
Finance costs	(500.2)	(661.2)
Other financial results	(3.4)	(526.7)
RECPAM	(77.0)	(105.8)
Profit before tax	139.9	1,272.7
Income tax	(34.3)	(584.5)
Profit for the period from continuing operations	105.6	688.2
Profit for the period attributable to :		
Owners of the company	105.6	688.2
Total for the period	105.6	688.2
Other comprehensive results		
Income for the period	105.6	688.2
Other comprehensive results for the period from continuing operations	0.0	0.0
Comprehensive income for the period	105.6	688.2
Comprehensive income for the period attributable to :		
Owners of the company	105.6	688.2
Total comprehensive income for the period	105.6	688.2
EBITDA	981.1	2,438.3
Acquisition of property, plant and equipment	593.6	882.2
Depreciation	796.1	813.3

4.2 Consolidated Balance Sheets

In AR\$ MM	As of March 31st, 2022	As of December 31st, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	53,367.8	53,571.6
Inventories	2,173.1	2,223.2
Other receivables	439.6	0.0
Total Non-current assets	55,980.6	55,794.9
Current assets		
Trade accounts receivable	3,964.9	3,322.0
Other receivables	933.8	1,505.5
Investments at fair value	1,483.0	4,599.3
Investments at amortized cost	825.7	0.0
Cash and cash equivalents	35.3	55.4
Total Current assets	7,242.8	9,482.1
TOTAL ASSETS	63,223.3	65,277.0
LIABILITIES		
Non-current liabilities		
Bonds and other indebtedness	444.4	612.6
Deferred tax payable	9,263.7	9,425.9
Employee benefits payable	1,277.4	1,293.4
Trade accounts payable	258.7	127.3
Total Non-current liabilities	11,244.3	11,459.1
Current liabilities		
Provisions	211.8	230.2
Bonds and other indebtedness	364.7	404.3
Income tax payable	1,118.1	1,432.4
Taxes payable	262.4	296.2
Payroll and social securities taxes payable	1,489.7	2,378.4
Employee benefits payable	319.4	323.3
Trade accounts payable	1,853.6	2,499.2
Total Current liabilities	5,619.6	7,564.1
TOTAL LIABILITIES	16,864.0	19,023.2
EQUITY		
Common stock	444.7	444.7
Inflation adjustment on common stock	22,209.1	22,209.1
Legal reserve	2,125.4	2,125.4
Optional reserve	1,052.7	1,052.7
Voluntary reserve	23,033.7	23,033.7
Other comprehensive results	(1,093.6)	(1,093.6)
Retained earnings	(1,412.6)	(1,518.2)
TOTAL EQUITY	46,359.4	46,253.7
TOTAL LIABILITIES AND EQUITY	63,223.3	65,277.0

4.3 Additional information

In AR\$ MM, nominal values	Three-month period ended on March 31st	
	2022	2021
Revenues	4,132.2	3,547.7
Operating and administrative expenses	(3,344.0)	(2,122.6)
Other operating income/(expenses), net	14.4	(10.8)
Operating income	802.6	1,414.3
EBITDA	923.3	1,522.3
Acquisition of property, plant and equipment	545.2	543.9
Depreciation	120.7	108.0

5. Analysis of results for three-month period ended on March 31st, 2022 compared to same period last year

Revenues

Consolidated revenues for three-month period ended on March 31st, 2022 amounted to AR\$ 4,370.5 million, 23.9% lower than the AR\$ 5,742.7 million for same period last year.

Consolidated regulated revenues for three-month period ended on March 31st, 2022 amounted to AR\$ 3,810.6 million, 24.5% lower than the AR\$ 5,047.1 million for same period last year, mainly due to the fact that the tariff adjustments granted by Resolutions ENRE No. 68/2022 and 69/2022 were not sufficient to maintain the revenues level, measured in constant currency.

Consolidated non-regulated revenues for three-month period ended on March 31st, 2022 amounted to AR\$ 559.9 million, 19.5% lower than the AR\$ 695.6 million for same period last year, mainly due to the fact that the tariff adjustments granted by Resolution ENRE No. 68/2022, applicable to Cuarta Línea, Choele Choel - Puerto Madryn y TIBA, were not sufficient to maintain the revenues level, measured in constant currency.

Operating and administrative expenses

Consolidated operating and administrative expenses for three-month period ended on March 31st, 2022, amounted to AR\$ 4,187.5 million, 2.1% higher than the AR\$ 4,101.6 million for same period last year, mainly due to an increase of AR\$ 222.8 million in salaries, partially offset by a decrease of AR\$ 136.9 million in the rest of the operating and administrative expenses.

Other operating income/(expenses), net

Consolidated other operating income/ (expenses), net for three-period month ended on March 31st, 2022, resulted in a profit of AR\$ 2.0 million, compared to a loss of AR\$ 16.1 million for same period last year, mainly due to an increase in awards for quality service.

Operating profit

Consolidated operating profit for three-month period ended on March 31st, 2022, amounted to AR\$ 185.0 million, 88.6% lower than the AR\$ 1,625.0 million for same period last year, mainly due to the decrease in revenues measured in constant currency.



Financial results

Consolidated financial results for three-month period ended on March 31st, 2022 resulted in a loss of AR\$ 45.1 million, 87.2% lower than the loss of AR\$ 352.3 million for same period last year, mainly due to a lower net loss in interests and exchange rate differences generated by loans and by short-term investments, due to the cancellation of the Class 2 Notes in August 2021.

Income tax

Consolidated income tax for three-month period ended on March 31st, 2022 resulted in a charge of AR\$ 34.3 million, 94.1% lower than the charge of AR\$ 584.5 million for same period last year, mainly due to a decrease in the profit before tax.

You may find additional information on the Company at:

www.transener.com.ar

www.transba.com.ar

www.cnv.gob.ar