



Compañía de Transporte de Energía Eléctrica en Alta Tensión TRANSENER S.A.

December 2022

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Industry Drivers



- Promote private ownership and market-based economic incentives
- Reward efficiency and penalize non-availability
- Regulate natural monopolies for transmission and distribution
- Guarantee open access and safety of the grid
- Protect rights of users and monitor quality of service



Generation

- 429 Generators
- 42.899 MW installed capacity
 - 58,9% Thermal
 - 25,3% Hydro
 - 11,7% Renewable
 - 4,1% Nuclear



Transmission

- One extra high voltage (500-220 kV) transmitter (Transener)
- 6 regional transmitters (including Transba) (220/132kV)
- 2 international transmitters



Distribution

- 28 significant players
- 133.878 GWh/year



Consumption

- Industrial (26%)
- Residential (46%)
- Commercial (28%)

Source: Transener and CAMMESA

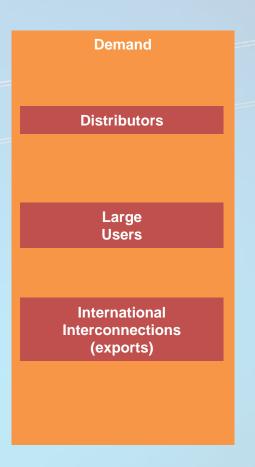
Argentine Electricity Market Players



 CAMMESA is responsible for, among other things, billing and collecting charges from WEM agents and making payments for transmission services









Transener

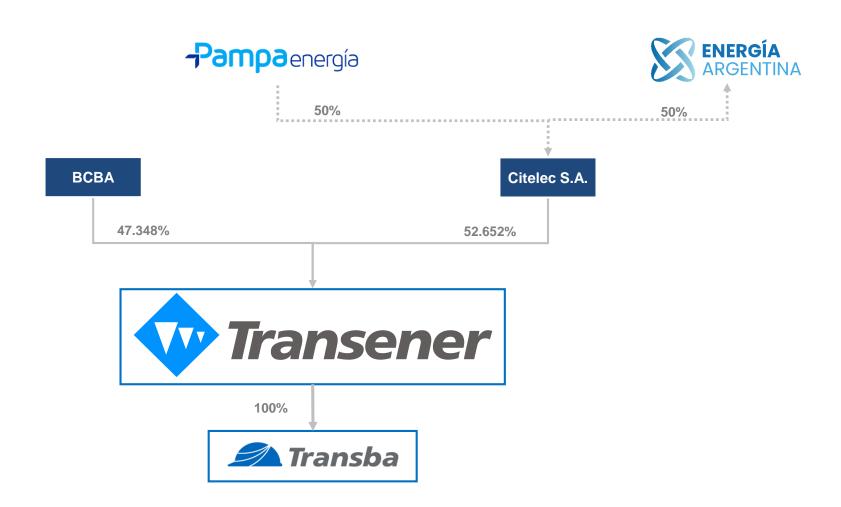


- Privatized in July 1993 with an exclusive 95-year concession to operate and maintain approximately 85% of the 500 kV extra high voltage network in Argentina.
- The Company is in charge of the operation and maintenance of the 500 kV and 220 kV network along the whole country, under the rights and obligations established in the Concession Agreement.
- Operation of approximately 12,810 km of lines and 51 substations.
- The remaining 15% of the 500kV network is operated and maintained by independent transmitters under the supervision of Transener.



Corporate Structure





TRANSBA



- Privatized in August 1997 with an exclusive 95-year concession to operate and maintain the transmission lines in the Province of Buenos Aires (~39% of Argentina's population)
- One of six regional transmission networks in Argentina with operations of over 6,771 km of 220, 132 and 66 kV lines and 109 substations.

Links with National Interconnected System:

- Five connections of 500 kV
- Two connections of 220 kV
- Ten connections of 132 kV



Business Overview Unique business in Argentina



Regulated Business

Transener Network

- er
- Operates 85% of the 500 kV extra high voltage network in Argentina.
- Operation of approximately 12,810 km of lines and 51 substations.
- Grid expansion projects supervision.

Transba Network

- Operates and maintains the transmission lines in the Province of Buenos Aires, which concentrates approximately 39% of the country's population.
- Operation of over 6,771 km of 220, 132 and 66 kV lines and 109 substations.
- Grid expansion projects supervision.

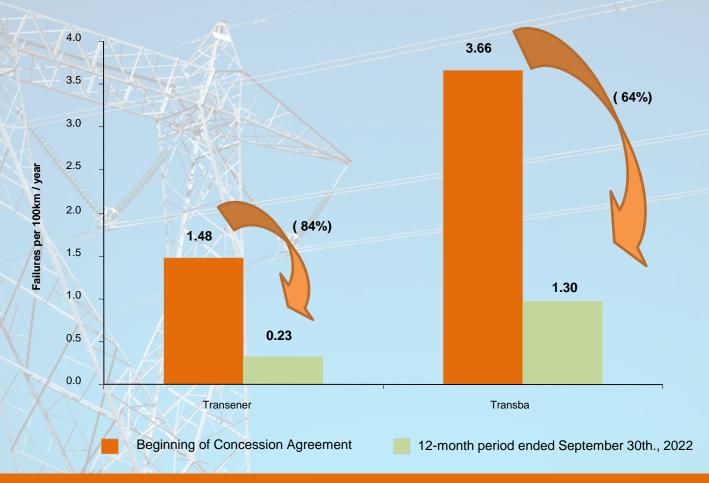
Non Regulated Business

- Operation and maintenance services provided to third parties.
- Supervision of independent transmission companies performing construction operation and maintenance contracts ("COM Contracts").
- System expansion projects under COM Contracts.
- Technical assistance and inspections (local and international).
- Equipment installation and training.
- Engineering services.



Significant improvement in Operating Performance





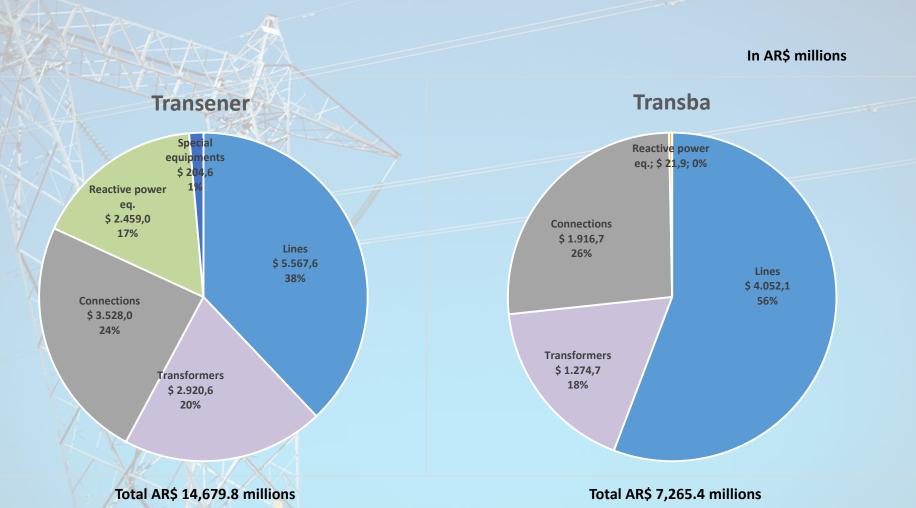
Maximum amount as per concession agreement

Transener: **2.5** forced outages per 100km over a 12-month Period Transba: **7** forced outages per 100km over a 12-month period



Current Annual Regulated Revenues



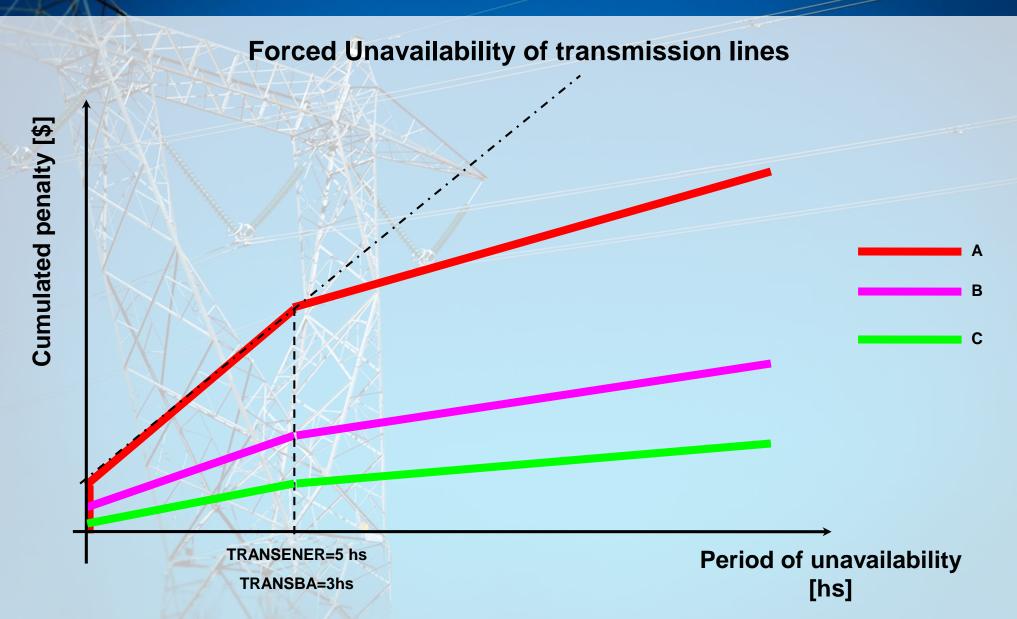


Penalty System



- The Concession Agreements establish a system of penalties that we may incur if defined parts of the Networks are not available to transmit electricity.
- Non-availability is divided into two types:
 - Scheduled (which typically result from planned maintenance, incur a reduced penalty of 10% of the rate for forced outages)
 - Forced
- Penalties for forced outages are proportional to the connection and capacity revenues for the equipment involved, taking into account the following considerations:
 - (i) duration of the outage in hours;
 - (ii) number of previous forced outages during such year; and
 - (iii) increase in electricity costs caused by restrictions in the transmission system.
- The minimum amount of penalties levied for a forced outage of a transmission line is that corresponding to an outage of a 100km transmission line, in the case, of Transener and of a 25km transmission line, in the case of Transba.





Penalty System - Cap



- The penalties which Transener or Transba may be required to pay in respect of any calendar month cannot exceed:
 - 50% of Transener or Transba's non-consolidated monthly regulated revenue related to electricity transmission revenue, transmission capacity revenue and connection revenue (as determined by dividing annual regulated revenue by twelve)
 - and, in respect of any twelve-month period, 10% of such annual regulated revenue

Transener Concession Agreement



- The Transener Concession Agreement may only be terminated:
 - by the Government if Transener becomes bankrupt or
 - by Transener if the Government breaches the Transener Concession Agreement
- On the Transener Transfer Date, Citelec created a pledge in favor of the Government over the Class A shares which constitute the Transener Controlling Stake
- Upon the occurrence of certain events of default, the Government <u>may</u> enforce the Transener Pledge on our Class A shares, and sell the Transener Controlling Stake in a public bidding. <u>Among others</u>:
 - (i) penalties in any 12-month period exceed 15% of our total regulated revenue during such 12-month period,
 - (ii) a transmission line or connection equipment is out of service for more than 30 days,
 - (iii) the Transener Network has on average, more than 2.5 forced outages per 100km over a 12-month period or
 - (iv) a transformer is out of service for more than 30 days

Current regulatory situation



- Decree No. 1020/2020, published on December 17, 2020, provided for the commencement of the RTI process applicable to natural gas and electric power transmission and distribution public service providers subject to federal jurisdiction. In general, said Decree provides as follows:
 - the renegotiation period will not exceed two years counted from the effective date of the Decree; during such term, the agreements related to the respective RTIs then in force were to be suspended;
 - the RTI process will end up with the execution of a Definitive Memorandum of Understanding ("Definitive Agreements") that will trigger the start of a new tariff period under each regulatory framework, temporary adjustments of tariffs may be agreed upon during the renegotiation period ("Transitory Agreements");
 - both Definitive Agreements and Transitory Agreements shall be formalized by means of Memorandums of Understanding signed by: (a) the concessionaires or licensees, and (b) the heads of ENARGAS and ENRE, and (c) the Ministry of Economy, subject to approval of the Argentine Executive Branch;
 - if no agreement can be reached, the regulatory entities (ENRE and ENARGAS) will propose the applicable new tariff scheme, subject to approval of the Executive Branch;
 - the freeze of electric power and natural gas tariffs is extended for a 90-day term or until the new transitory tariff schemes under the Transitory Agreements become effective

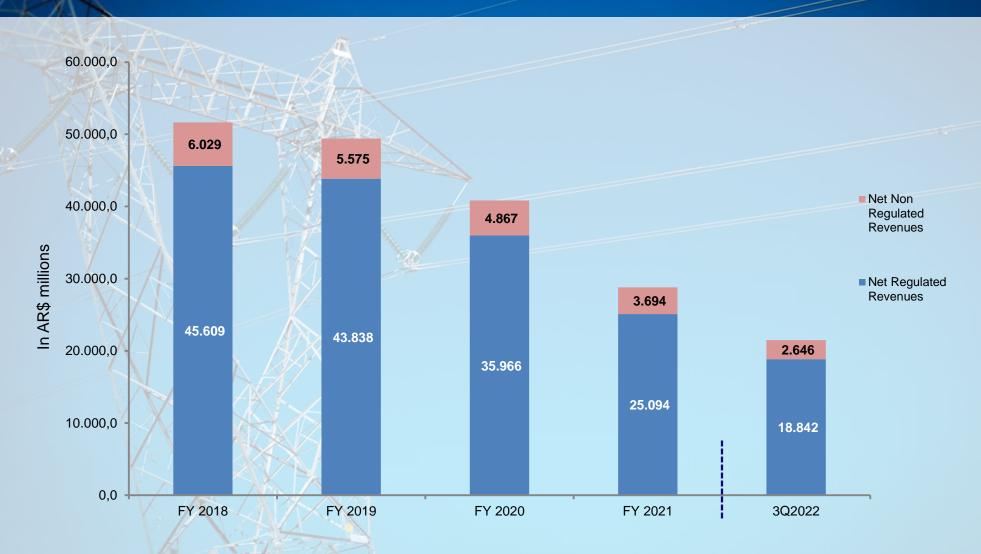
Current regulatory situation – recent events



- On January 26th, 2022, under published Resolution No. 25/22 in the Official Bulletin, the ENRE called a new public hearing on February 17th, 2022, in order to negotiate, among other matters, the proposals from the companies of electric transportation for tariff updating, due to the lack of any tariff update since August 2019.
- 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.
- On May 9th, 2022, under Resolutions No.147/22 and No.148/22 and as a response for the appeal for reconsideration, the ENRE approved a new tariff scheme from February 1st, 2022, establishing and additional increase of 33.6% for Transener and 37.4% for Transba over the aforementioned Resolutions No 68/22 and 69/22
- On October 20th, 2022, the ENRE, under Resolution No. 539/2022, called to a public hearing to be held on November 30th, 2022, in order to inform and listen the opinions regarding the proposals of the concessionaires of the public electricity transmission service, aimed at obtaining a temporary update of the tariff scheme, within the RTI renegotiation process and prior to defining the tariffs to be applied by the concessionaires.

Revenue Breakdown





Values expressed in AR\$ adjusted by inflation as of September 2022.

Leverage Profile





Values corresponding to periods ended as from December 31, 2018 have been converted to US\$ from AR\$ adjusted by inflation at the exchange rate at the end of the period.

^{*} It does not include VN US\$ 12,5 MM notes in Transba's portfolio

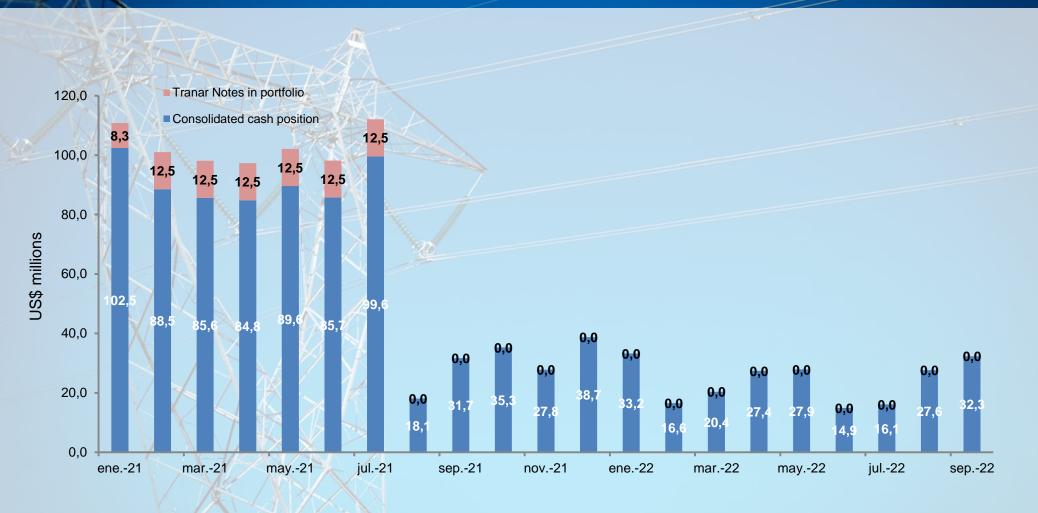
Annual cash flow in US\$ MM



CONSOLIDATED IN U\$SMM	2017	2018	2019	2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Regulated EBITDA +T.I.	180	155	143	96	15	11	10	8	7	24	10
Non Regulated EBITDA	8	6	8	6	2	2	3	4	2	2	1
Capex	-46	-74	-62	-48	-12	-8	-5	-12	-5	-6	-5
Income Tax	-37	-30	-29	-23	-4	-4	-2	-3	-3	-2	-2
Working capital variation (a)	-5	-2	-19	3	-9	-3	19	8	-19	-22	9
Consolidated operational cash flow	100	55	41	34	-9	-3	24	5	-18	-3	14
Interests/Principal	-10	-10	-10	-10	-5	0	-80	2	0	1	4
Dividends	0	-40	-74	0	0	0	0	0	0	0	0
Other financial ítems	-3	-9	-12	8	-4	3	2	0	0	-3	0
Net Cash Flow	88	-3	-54	32	-17	0	-54	7	-18	-5	17

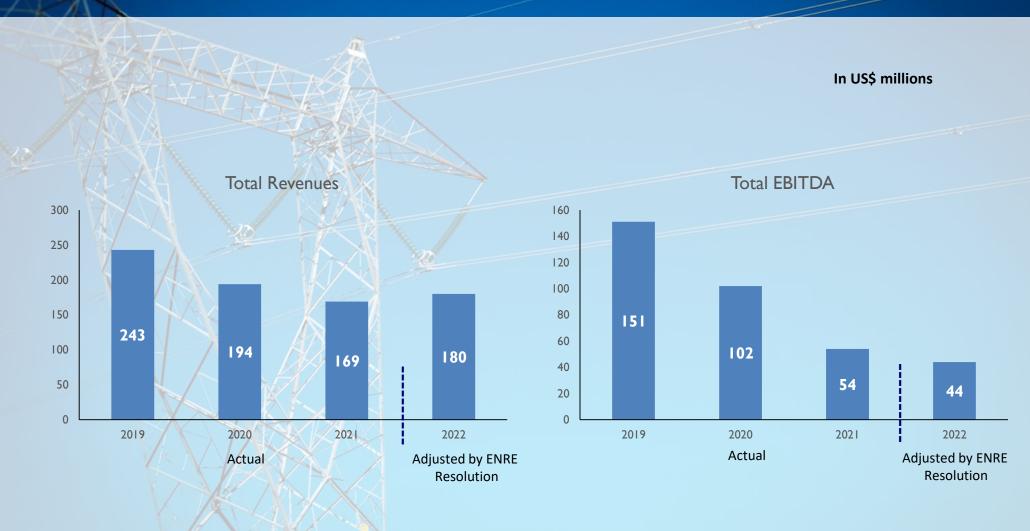
Cash position - evolution





Transition period





Financial debt evolution



