

Buenos Aires, November 6th, 2023

Results for nine-month period ended on September 30th, 2023

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for nine-month period ended on September 30th, 2023

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces the results for nine-month period ended on September 30th, 2023.

Main results for nine-month period ended on September 30th, 2023, restated in constant currency at September, 2023¹

Consolidated revenues of AR\$ 67,245 million, 31.3% higher than the AR\$ 51,203 million for same period last year, due to the tariff adjustments of 154.5% and 154.1% as from January 2023 over the tariff values of February 2022, and of 20.9% and 20.84% as from August 2023 over the tariff values of January 2023 for Transener and Transba, respectively.

Consolidated EBITDA² of AR\$ 27,225 million, 64.3% higher than the AR\$ 16,566 million for same period last year, mainly due to the increase of 31.3% in revenues, partially offset by an increase of 9.8% in operating and administrative expenses.

Consolidated profit attributable to the owners of the company of AR\$ 12,399 million, 138.3% higher than the AR\$ 5,204 million for same period last year.

Main results for the third Quarter of 2023³

Consolidated revenues of AR\$ 19,464 million, 26.0% higher than the AR\$ 15,446 million for the same period last year, due to the tariff adjustments of 154.5% and 154.1% as from January 2023 over the tariff values of February 2022, and of 20.9% and 20.84% as from August 2023 over the tariff values of January 2023 for Transener and Transba, respectively.

Consolidated EBITDA² of AR\$ 5,190 million, 42.8% higher than the AR\$ 3,634 million for the same period last year, mainly due to the increase of 26.0% in revenues, partially offset by an increase of 11.9% in operating and administrative expenses.

Consolidated profit attributable to the owners of the company of AR\$ 1,723 million, 216.1% higher than the AR\$ 545 million for the same period last year.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

³The financial information presented in this document for the quarters ended on September 30th, 2023 and 2022 is based on the unaudited condensed interim consolidated financial statements prepared according to the accounting framework established by the National Securities Commission (CNV), corresponding to the three-month and nine-month periods ended on September 30th, 2023 and 2022.

1. Financial Situation

As of September 30th, 2023, Transener maintains a principal balance of AR\$ 278 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 December 29th, 2022, the ENRE, in order to maintain in 2023 the purchasing power of the revenues granted by Resolutions No. 147/2022 y 148/2022, through Resolutions No. 698/2022 and 702/2022 set the hourly values of remuneration as from January 1st, 2023, establishing an increase of 154.5% and 154.1% for Transener and Transba, respectively, over the tariff values of February 2022.

On April 20th, 2023, the ENRE, under Resolution No. 364/2023, initiated the Full Tariff Review process for the electricity transmission companies, in compliance with Laws No. 24,065 and 27,541, setting a term of 30 days for the elaboration of the guidelines and of the schedule for its development.

On May 29th, 2023, the ENRE, under Resolution No. 421/2023, approved the Program for the Full Tariff Review for electricity transmission in the year 2023 and 1st quarter of 2024, in which it is foreseen that during September and October 2023, the ENRE will notify the schedule and information requirements. The ENRE notified the first information requirement on October 26th, 2023, mainly related with a description of the Transmission System facilities, expansions in progress, investment plans and saturation of corridors status, among others. On October 27th, 2023, Transener and Transba answered that, although the information requirement will be fulfilled properly, it is necessary for the ENRE to establish: i) the complete schedule of the FTR process; ii) the regulatory, economic and financial criteria on which the ENRE will run the process, iii) proposals made for the First Management Period.

On September 8th, 2023, the ENRE, in order to maintain the purchasing power of the revenues granted by Resolutions No. 147/2022 and 148/2022, through Resolutions No. 661/2023 and 660/2023 set the hourly values of remuneration as from August 1st, 2023, establishing an increase of 20.9% and 20.84% for Transener and Transba, respectively, over the tariff values of January 2023. Likewise, through Resolutions No. 780/2023 and 781/2023 the ENRE set the hourly values of remuneration as from November 1st, 2023, establishing an increase of 37.33% and 38.44% for Transener and Transba, respectively, over the tariff values of August 2023.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of September 30th, 2023 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 17,600 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 EHV.

- **Works under the SE Resolutions No. 1/2003 and 821/2006**
Ezeiza Substation - Installation of shunt capacitive compensation banks
Output on Transener's side in 220 kV to EDESUR's side, where the banks will be installed.
- **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
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.
Puerto Madryn Substation Expansion - Transformation Capacity (Goldwing Loma Blanca VI Eolic Park)
Installation of 600 MVA of 500/138/34.5 kV transformers bank (T3PY).
Rosario Oeste Substation Expansion (for EPESF) - Output in 132 kV DT HVL to Godoy Substation
Commissioning of the Field N° 4 of the 132kV Rosario Oeste Substation yard for line output to Provincias Unidas, by armored cable.
Chaco Substation Expansion - Second Transformer in 300 MVA
New transformation field applying the backup transformer.
Gran Formosa Substation - Output in 132 kV.
New line output field.
Gran Mendoza Substation - Outputs in 200 kV to Godoy Cruz
New outputs in 200 kV for EDEMSA.

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

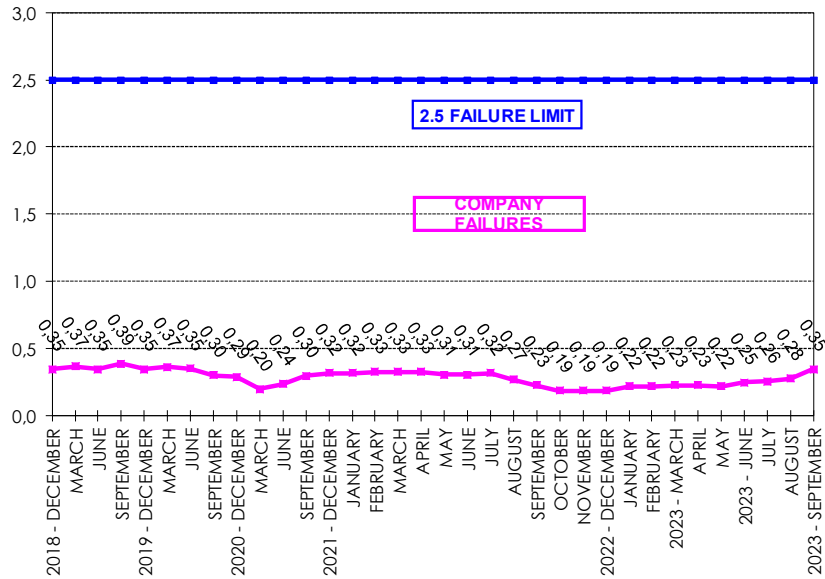


Rate of failures

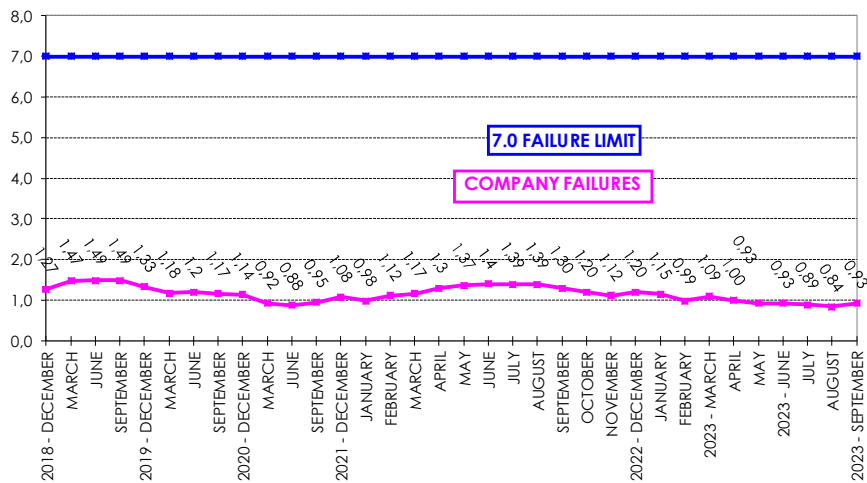
The following charts show the rate of failures of Transener and Transba as from December 2018.

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	Nine-month period ended on September 30th		Three-month period ended on September 30th	
	2023	2022	2023	2022
Revenues	67.245	51.203	19.464	15.446
Operating costs	(42.502)	(38.984)	(14.806)	(13.103)
Gross profit	24.743	12.219	4.658	2.343
Administrative expenses	(5.367)	(4.627)	(1.936)	(1.855)
Other operating (expenses)/income, net	(435)	797	(261)	443
Operating income	18.941	8.388	2.461	931
Finance income	15.815	7.123	7.799	3.245
Finance costs	(5.617)	(4.917)	(2.063)	(1.664)
Other financial results	(621)	(201)	(213)	(81)
Loss on net monetary position	(9.265)	(2.775)	(5.058)	(1.876)
Profit before tax	19.253	7.618	2.925	555
Income tax	(6.853)	(2.415)	(1.202)	(10)
Profit for the period from continuing operations	12.399	5.204	1.723	545
Profit for the period attributable to :				
Owners of the company	12.399	5.204	1.723	545
Total for the period	12.399	5.204	1.723	545
Other comprehensive results				
Profit for the period	12.399	5.204	1.723	545
Other comprehensive results for the period, net of taxes	-	-	-	-
Comprehensive profit for the period	12.399	5.204	1.723	545
Comprehensive profit for the period attributable to :				
Owners of the company	12.399	5.204	1.723	545
Total for the period	12.399	5.204	1.723	545
EBITDA	27.225	16.566	5.190	3.634
Acquisition of property, plant and equipment	9.370	5.582	3.350	1.554
Depreciation	8.284	8.177	2.730	2.703

4.2 Consolidated Balance Sheets

In ARS MM	As of September 30th, 2023	As of December 31st, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	180.996	179.947
Inventories	8.915	7.527
Other receivables	2.010	1.714
Total Non-current assets	191.921	189.188
Current assets		
Trade accounts receivable	20.729	13.731
Other receivables	3.983	4.239
Investments at fair value	3.126	2.440
Cash and cash equivalents	10.892	10.441
Total Current assets	38.729	30.850
TOTAL ASSETS	230.650	220.038
LIABILITIES		
Non-current liabilities		
Loans	-	395
Contract liabilities	1.955	2.148
Deferred tax liabilities	30.254	30.139
Employee benefits payable	3.024	4.408
Trade accounts payable	312	410
Total Non-current liabilities	35.546	37.501
Current liabilities		
Provisions	549	687
Loans	360	869
Income tax payable	7.585	3.498
Taxes payable	1.185	939
Payroll and social securities taxes payable	6.443	7.436
Employee benefits payable	756	1.102
Contract liabilities	140	153
Trade accounts payable	5.168	7.335
Total Current liabilities	22.186	22.019
TOTAL LIABILITIES	57.731	59.520
EQUITY		
Share capital	445	445
Share capital adjustment	76.790	76.790
Legal reserve	7.420	7.246
Optional reserve	4.379	3.589
Voluntary reserve	75.864	73.354
Other comprehensive results	(4.379)	(4.379)
Retained earnings	12.399	3.474
TOTAL EQUITY	172.918	160.519
TOTAL LIABILITIES AND EQUITY	230.650	220.038

4.3 Additional information

In AR\$ MM, nominal values	Nine-month period ended on September 30th		Three-month period ended on September 30th	
	2023	2022	2023	2022
Revenues	46.875	17.049	17.293	6.077
Operating and administrative expenses	(29.492)	(12.298)	(12.863)	(5.000)
Other operating (expense)/income, net	(144)	311	(162)	166
Operating profit	17.239	5.061	4.268	1.244
EBITDA	17.870	5.432	4.531	1.375
Acquisition of property, plant and equipment	6.760	1.847	2.960	613
Depreciation	631	371	263	131

5. Analysis of results for nine-month period ended on September 30th, 2023 compared to same period last year

Revenues

Consolidated revenues for nine-month period ended on September 30th, 2023 amounted to AR\$ 67,245 million, 31.3% higher than the AR\$ 51,203 million for same period last year.

Consolidated regulated revenues for nine-month period ended on September 30th, 2023 amounted to AR\$ 59,991 million, 33.6% higher than the AR\$ 44,898 million for same period last year, due to the tariff adjustments of 154.5% and 154.1% as from January 2023 over the tariff values of February 2022, and of 20.9% and 20.84% as from August 2023 over the tariff values of January 2023, for Transener and Transba, respectively.

Consolidated non-regulated revenues for nine-month period ended on September 30th, 2023 amounted to AR\$ 7,254 million, 15.0% higher than the AR\$ 6,306 million for same period last year, due to the tariff adjustment of 154.5% as from January 2023 over the tariff values of February 2022, and of 20.9% as from August 2023 over the tariff values of January 2023, for Cuarta Línea, Choele Choel - Puerto Madryn and TIBA,.

Operating and administrative expenses

Consolidated operating and administrative expenses for nine-month period ended on September 30th, 2023 amounted to AR\$ 47,869 million, 9.8% higher than the AR\$ 43,611 million for same period last year, mainly due to an increase of AR\$ 2,904 million in labor costs and AR\$ 490 million in other personnel costs.

Other operating (expenses)/income, net

Consolidated other operating (expenses)/income, net for nine-month period ended on September 30th, 2023 resulted in a loss of AR\$ 435 million, compared to a profit of AR\$ 797 million for same period last year, mainly due to an increase in penalties for service quality.

Operating profit

Consolidated operating profit for nine-month period ended on September 30th, 2023, amounted to AR\$ 18,941 million, 125.8% higher than the AR\$ 8,388 million for same period last year, mainly due to the increase of 31.3% in revenues, partially offset by the increase of 9.8% in operating and administrative expenses and higher penalties for service quality.



Financial results

Consolidated financial results for nine-month period ended on September 30th, 2023 resulted in a profit of AR\$ 312 million, compared to a loss of AR\$ 770 million for same period last year.

Income tax

Consolidated income tax for nine-month period ended on September 30th, 2023 resulted in a loss of AR\$ 6,853 million, 183.8% higher than the AR\$ 2,415 million for same period last year, mainly due to a higher profit before tax.

You may find additional information on the Company at:

www.transener.com.ar

www.transba.com.ar

www.cnv.gob.ar