

Buenos Aires, March 4th, 2024

Results for fiscal year ended on December 31st, 2023

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for fiscal year ended on December 31st, 2023

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces the results for fiscal year ended on December 31st, 2023.

Main results for fiscal year ended on December 31st, 2023, restated in constant currency at December, 2023¹

Consolidated revenues of AR\$ 130,452 million, 32.8% higher than the AR\$ 98,235 million for last year, due to the tariff adjustments as from January, August and November, 2023.

Consolidated EBITDA² of AR\$ 30,449 million, 34.9% higher than the AR\$ 22,565 million for last year, mainly due to the increase of 32.8% in revenues, partially offset by an increase of 22.7% in operating and administrative expenses.

Consolidated profit attributable to the owners of the company of AR\$ 6,578 million, 23.5% higher than the AR\$ 5,325 million for last year.

Main results for the Fourth Quarter of 2023

Consolidated revenues of AR\$ 27,373 million, 38.6% higher than the AR\$ 19,746 million for the same period last year, due to the tariff adjustments as from January, August and November, 2023.

Consolidated negative EBITDA² of AR\$ 11,285 million, 299.0% higher than the AR\$ 2,828 million for the same period last year, mainly due to an increase in costs of maintenance equipment for the repair of synchronous compensators No. 3 and 4 in Ezeiza Substation.

Consolidated loss attributable to the owners of the company of AR\$ 12,429 million, 368.7% higher than the AR\$ 2,652 million for the same period last year.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

1. Financial Situation

As of December 31st, 2023, Transener maintains a principal balance of AR\$ 194 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 and 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. 781/2023 and 780/2023 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.

On December 16th, 2023, through Decree No. 55/2023, the National Executive Power declared the emergency of the National Energy Sector related to the generation, transmission and distribution of electric energy under federal jurisdiction.

Art.3 of the aforementioned decree determined the beginning of the Tariff Review according to art. 43 Law No. 24,065 regarding the generation, transmission and distribution of electric energy under federal jurisdiction, establishing that the entry into force of the resulting tariff schedules should not exceed December 31st, 2024.

On January 2nd, 2024, under Resolution No. 3/2024, the ENRE scheduled a public hearing which was held on January 29th, 2024, in order to inform and listen to opinions regarding the proposals of the concessionaires of the public electric energy transmission service for a temporary adjustment of tariffs, prior to defining the rates to be applied by the concessionaires.

Finally, the ENRE, by Resolutions No. 104/2024 and 105/2024, granted the hourly values of remuneration as from February 19th, 2024, establishing an increase of 179.7% and 191.1% for Transener and Transba, respectively, over the tariff values of November 2023. Likewise, it was determined a tariff adjustment formula, based on salaries rates, wholesale prices and consumer prices, to be applied monthly as from May 2024.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of December 31st, 2023 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 29,800 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**

- The energisation and commissioning of the 150 MVar reactor bars of the new 500/132kV Vivoratá Substation is in progress, already with the eight 500/132kV outputs and the 500kV EHV in service since June 2023.

- **Fields 2x132kV El Bracho Substation**

- Fields 19 and 20 new outputs in 132kV for a double circuit between El Bracho and Villa Quinteros.

- **Works under 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.

- **Alicurá Substation - New output in 132 kV**

- Output to the new Dina Huapi Substation, including command and expansion of SCADA system.

- **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 EHV 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 a 600 MVA transformer bank in 500/138/34.5kV (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 underground cable.

- **Chaco Substation Expansion - Second 300MVA Transformer**

- New transformation field for the backup transformer.

- **Gran Mendoza Substation - Outputs in 200 kV to Godoy Cruz**

- New outputs in 200 kV for EDEMSA.

Here follows the most significant works in progress under Transba's supervision:

- **Other works to be undertaken by the Wholesale Electricity Market (WEM) Agents**

South Substation

New South Substation in Bahía Blanca with 2 45/30/45 MVA transformers in 132/33/13.2kV and opening of Chañares - Petroquímica 132kV HVL.

Ayacucho Substation.

New Ayacucho Substation with capacity of 2x30/20/30 MVA, which will be connected to the Tandil - Las Armas 132kV HVL, the construction of a 3.4 km double-circuit, and new outputs 4x33 kV + 4x13.2kV.

Numancia Substation

New Numancia 33/132kV Substation, to which it will be connected the 160 MW Eolic Park La Elbita (36 wind turbines of 4.2 MW), sectioning Tandil - Necochea HVL, 42 km from Tandil.

North San Nicolás Substation

Electromechanical assembly of the new North San Nicolás Substation 132/33/13.2kV - 2x40/40/40 MVA + 6Px33-8Px13. Sections the San Nicolás - General Lagos 132kV HVL, and a third connection of the lines from Laminados Industriales.

La China Substation

New substation to connect the Vientos Olavarria 100.8 MW Eolic Park, sectioning the Olavarría - Henderson HVL.

Olavarría - Barker 2 HVL modification

Modification of the Olavarría - Barker 2 HVL, transmission towers N° 162 and N° 178 incorporating 3.5 km of 132kV HVL.

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. Likewise, it maintains installations of communications that are affected by dark fiber lease contracts.

Transener maintains its main contracts with the following customers:

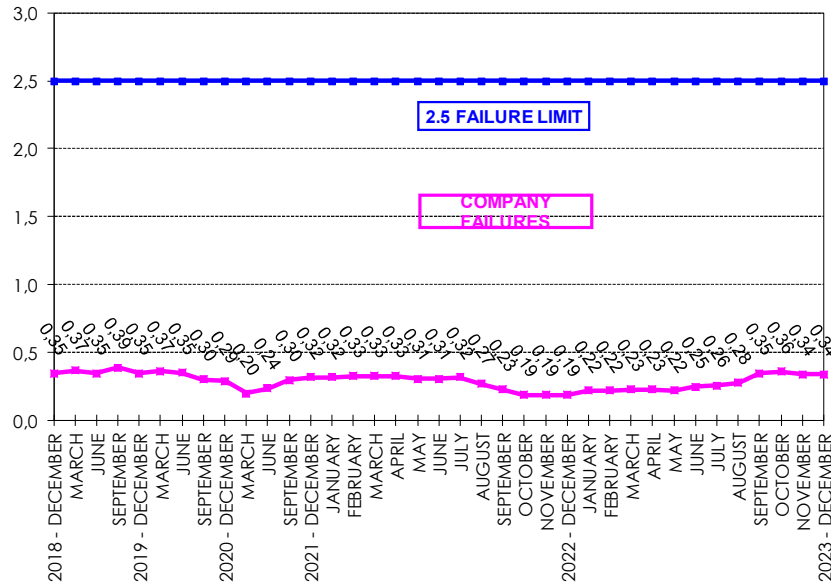
- Minera Alumbreira Ltd.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Silica Networks Argentina S.A.
- Capex S.A.

Rate of failures

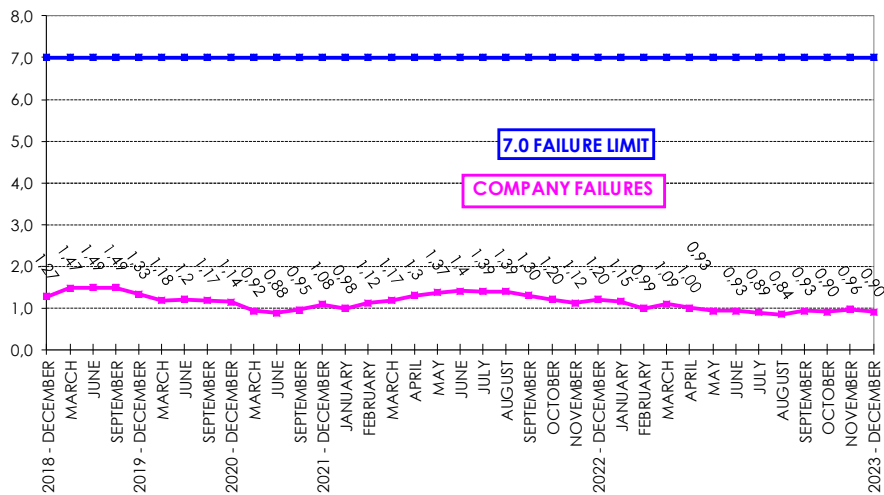
The following charts show the rate of failures of Transener and Transba as from December 2018.

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	Fiscal year ended on		Three-month period ended on	
	December 31st		December 31st	
	2023	2022	2023	2022
Revenues	130,452	98,235	27,373	19,746
Operating costs	(101,986)	(83,510)	(36,836)	(23,752)
Gross profit/(loss)	28,465	14,725	(9,463)	(4,005)
Administrative expenses	(13,435)	(10,572)	(5,208)	(3,479)
Other operating (expenses)/income, net	(1,224)	1,620	(557)	399
Operating income/(loss)	13,807	5,772	(15,228)	(7,086)
Finance income	37,023	17,531	12,781	6,613
Finance costs	(11,972)	(10,395)	(3,361)	(2,857)
Other financial results	(1,458)	178	(507)	486
Loss on net monetary position	(26,204)	(4,634)	(12,001)	(381)
Profit/(loss) before tax	11,196	8,453	(18,316)	(3,225)
Income tax	(4,618)	(3,128)	5,887	574
Profit/(loss) for the year from continuing operatio	6,578	5,325	(12,429)	(2,652)
Profit/(loss) for the year attributable to :				
Owners of the company	6,578	5,325	(12,429)	(2,652)
Total for the year	6,578	5,325	(12,429)	(2,652)
Other comprehensive results				
Profit/(loss) for the year	6,578	5,325	(12,429)	(2,652)
Other comprehensive results for the year, net of taxes	(180)	(998)	(180)	(998)
Comprehensive profit/(loss) for the year	6,398	4,327	(12,609)	(3,649)
Comprehensive profit/(loss) for the year attributable to :				
Owners of the company	6,398	4,327	(12,429)	(2,652)
Total for the year	6,398	4,327	(12,429)	(2,652)
EBITDA	30,449	22,565	(11,285)	(2,828)
Acquisition of property, plant and equipment	20,298	12,726	5,936	4,170
Depreciation	16,642	16,793	3,943	4,258

4.2 Consolidated Balance Sheets

In AR\$ MM	As of December 31st, 2023	As of December 31st, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	278,910	275,838
Inventories	13,519	11,538
Other receivables	3,495	2,628
Total Non-current assets	295,924	290,004
Current assets		
Trade accounts receivable	28,381	21,047
Other receivables	10,628	6,499
Investments at fair value	3,543	3,740
Cash and cash equivalents	13,263	16,005
Total Current assets	55,815	47,290
TOTAL ASSETS	351,739	337,295
LIABILITIES		
Non-current liabilities		
Loans	-	606
Contract liabilities	2,944	3,293
Deferred tax liabilities	44,453	46,199
Employee benefits payable	6,656	6,758
Trade accounts payable	640	629
Total Non-current liabilities	54,693	57,484
Current liabilities		
Provisions	913	1,054
Loans	250	1,331
Income tax payable	6,775	5,362
Taxes payable	755	1,439
Payroll and social securities taxes payable	11,242	11,398
Employee benefits payable	1,664	1,689
Contract liabilities	210	235
Trade accounts payable	22,782	11,244
Total Current liabilities	44,591	33,753
TOTAL LIABILITIES	99,284	91,237
EQUITY		
Share capital	445	445
Share capital adjustment	117,948	117,948
Legal reserve	11,374	11,108
Optional reserve	6,713	5,501
Voluntary reserve	116,291	112,444
Other comprehensive results	(6,893)	(6,713)
Retained earnings	6,578	5,325
TOTAL EQUITY	252,456	246,058
TOTAL LIABILITIES AND EQUITY	351,739	337,295

4.3 Additional information

In AR\$ MM, nominal values	Fiscal year ended on		Three-month period ended on	
	December 31st		December 31st	
	2023	2022	2023	2022
Revenues	69,625	23,080	22,750	6,031
Operating and administrative expenses	(64,369)	(19,513)	(34,877)	(7,215)
Other operating (expense)/income, net	(65)	448	79	137
Operating profit/(loss)	5,192	4,015	(12,047)	(1,046)
EBITDA	6,107	4,546	(11,763)	(886)
Acquisition of property, plant and equipment	11,608	3,126	4,848	1,279
Depreciation	915	530	285	160

5. Analysis of results for fiscal ended on December 31st, 2023 compared to last year

Revenues

Consolidated revenues for fiscal year ended on December 31st, 2023 amounted to AR\$ 130,452 million, 32.8% higher than the AR\$ 98,235 million for last year.

Consolidated regulated revenues for fiscal year ended on December 31st, 2023 amounted to AR\$ 116,299 million, 35.1% higher than the AR\$ 86,060 million for last year, due to the tariff adjustments as from January, August and November 2023.

Consolidated non-regulated revenues for fiscal year ended on December 31st, 2023 amounted to AR\$ 14,153 million, 16.2% higher than the AR\$ 12,175 million for last year, due to the tariff adjustment as from January, August and November 2023, for Cuarta Línea, Choele Choel - Puerto Madryn and TIBA.

Operating and administrative expenses

Consolidated operating and administrative expenses for fiscal year ended on December 31st, 2023 amounted to AR\$ 115,421 million, 22.7% higher than the AR\$ 94,083 million for last year, mainly due to an increase of 20.6% (AR\$ 10,835 million) in labor costs and 421.6% (AR\$ 8,317 million) in maintenance equipment costs due to the repairs of synchronous compensators No. 3 and 4 in Ezeiza Substation.

Other operating (expenses)/income, net

Consolidated other operating (expenses)/income, net for fiscal year ended on December 31st, 2023 resulted in a loss of AR\$ 1.224 million, compared to a profit of AR\$ 1.620 million for last year, mainly due to an increase in penalties for service quality.

Operating profit

Consolidated operating profit for fiscal year ended on December 31st, 2023, amounted to AR\$ 13,807 million, 139.2% higher than the AR\$ 5,772 million for last year, mainly due to the increase of 32.8% in revenues, partially offset by the increase of 22.7% in operating and administrative expenses and higher penalties for service quality.



Financial results

Consolidated financial results for fiscal year ended on December 31st, 2023 resulted in a loss of AR\$ 2.611 million, compared to a profit of AR\$ 2.680 million for last year, mainly due to a higher loss generated by exposure to inflation of net monetary assets and liabilities.

Income tax

Consolidated income tax for fiscal year ended on December 31st, 2023 resulted in a loss of AR\$ 4,618 million, 47.7% higher than the AR\$ 3,128 million for 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