Transener

2022

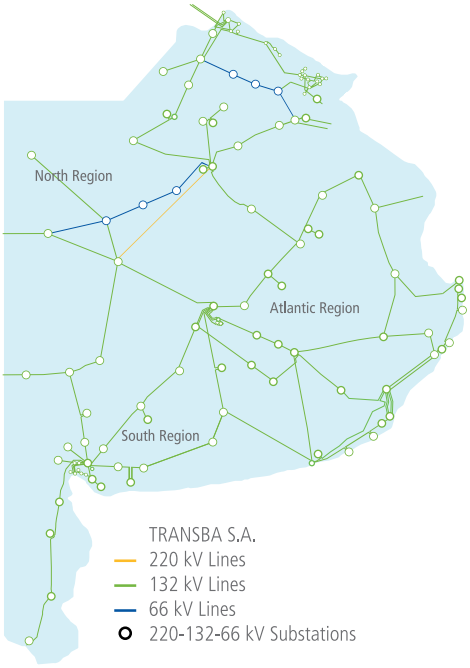
Memoria / Informe Contable
Annual Report / Financial Statements

Transmission System

- 500 kV Substation
- 220 kV Substation
- 500 kV Lines
- 220 kV Lines
- 500 kV Lines (Third parties' property, operated by Transener)*
- 500 kV Lines (Third parties' property, operated by Third parties)*
- 500 kV Lines (Initially energized in 132 kV)*
- 220 kV Lines (Third parties' property, operated by Transener) (Minera Alumbrera)*

*The color indicates owner and responsible for operation and maintenance.

TRANSBA TRANSMISSION SYSTEM



TRANSBA S.A.
- 220 kV Lines
- 132 kV Lines
- 66 kV Lines
- 220-132-66 kV Substations

Company's Profile

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. is the holder of a Concession Agreement awarded by Decree N° 2743/1992 dated December 29, 1992, and Decree N° 1501/1993 dated July 16, 1993, as amended by Decree N° 1462/2005, for the operation and maintenance of the Extra High Voltage Electricity Transmission System throughout Argentina.

Transener started business on July 17, 1993. At present, it operates and maintains 14,489 kilometers of transmission lines at 500 kV and 220 kV, out of which it maintains and operates 12,383 kilometers directly, accounting for 85.4% of the national extra high voltage electricity network. The other 2,106 kilometers are operated by Independent Transmission Companies, under the supervision of Transener S.A. Transener is also responsible for the operation and maintenance of 57 transforming substations which are part of the Extra High Voltage System, 50 of them directly and the other 7 under the supervision of Independent Transmission Companies. Transener is also responsible for the operation and maintenance of the associated protection, communication, reactive power compensation, and automatic control systems.

On the other hand, as concession holder, Transener oversees projects and executes works for the enhancement of its transmission network under its jurisdiction and grants commercial operation permits.

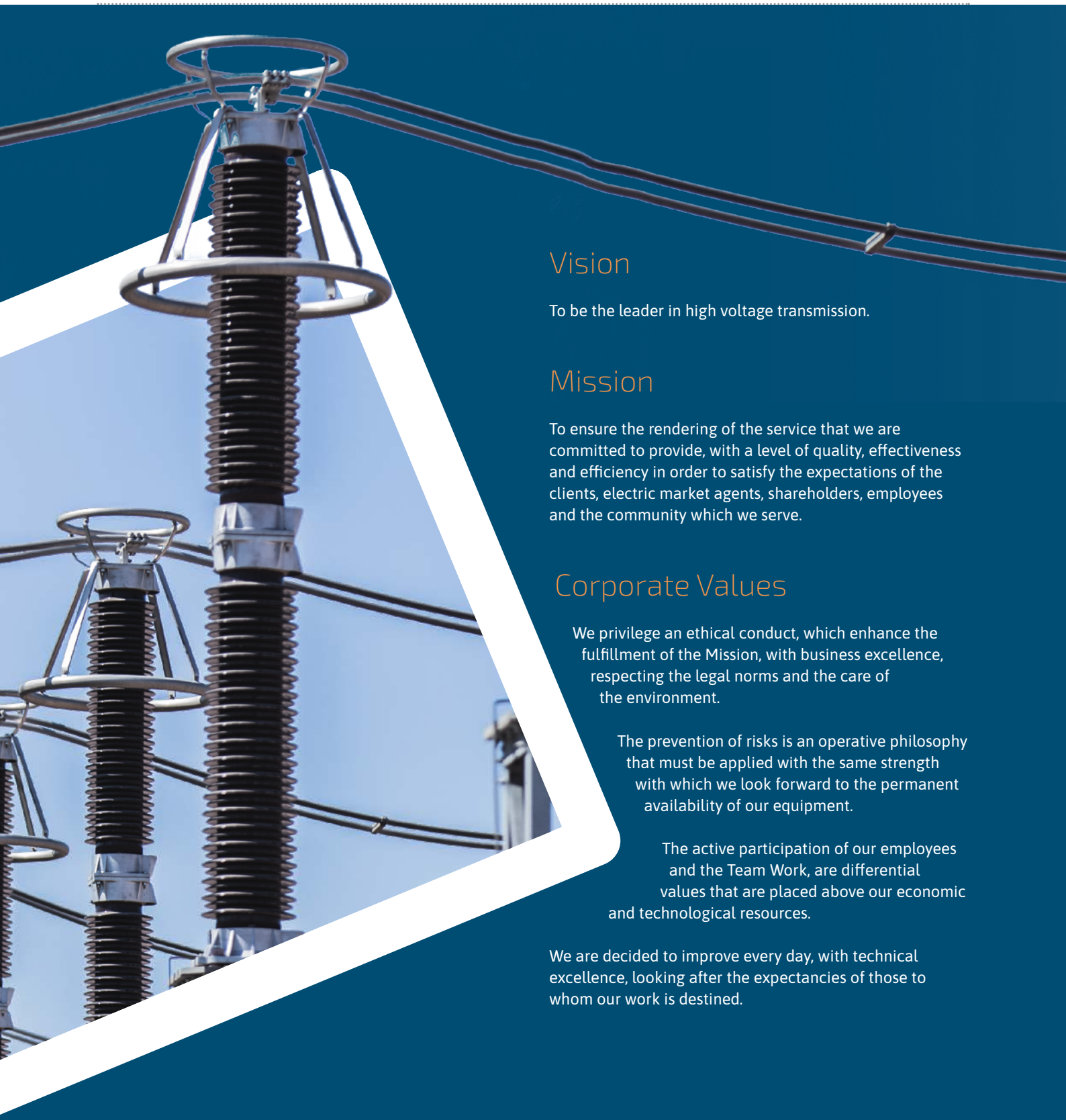
Similarly, as part of its corporate strategy, Transener provides assistance with technical issues and the electrical market in connection with the network operation conditions, proposed improvements for connection to such network, and the needs for enhancing the transmission capacity to execute new projects.

The Extra High Voltage System operated by Transener is present countrywide, except for the province of Tierra del Fuego, Antarctica and the South Atlantic Islands. Transener S.A.'s customers include the largest power stations, large demand industrial facilities, trunk distribution companies, federal distribution companies, and most provincial companies. Besides, several nodes of Transener's transmission network are linked, through international interconnection lines, to the transmission systems in Brazil, Paraguay, Uruguay and Chile.

On the other hand, Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires, Transba S.A., a subsidiary of Transener, is the holder of a Concession Agreement awarded by the Argentine Government by Resolution N° 346/1997 of the former Secretariat of Energy and Ports, as amended by Decree N° 1460/2005. Transba S.A. operates and maintains 6,492 kilometers of high-voltage transmission lines ranging from 66 kV to 220 kV and 104 transforming substations.

Based on the principles enshrined in its "Vision, Mission and Values," Transener strengthens its profile as an active organization, focused on technological and professional upgrades, improvements in its Regional Sites' and its Subsidiary's operating capacity, and on its approach oriented at achieving efficiency, productivity and profitability gains, containing expenses and looking for additional sources of revenues. This is reflected in consistent improvements in efficiency and profitability ratios, and in its consolidated reputation associated to the quality of its services.

Transener is a leading company in Argentina and has become a regional benchmark by upholding its operating and service quality principles and embracing cutting-edge technology. Moreover, in conducting its extra high voltage electricity transmission activities, Transener has assumed a strong commitment to social development, respect and care for the environment, and energy efficiency.



Vision

To be the leader in high voltage transmission.

Mission

To ensure the rendering of the service that we are committed to provide, with a level of quality, effectiveness and efficiency in order to satisfy the expectations of the clients, electric market agents, shareholders, employees and the community which we serve.

Corporate Values

We privilege an ethical conduct, which enhance the fulfillment of the Mission, with business excellence, respecting the legal norms and the care of the environment.

The prevention of risks is an operative philosophy that must be applied with the same strength with which we look forward to the permanent availability of our equipment.

The active participation of our employees and the Team Work, are differential values that are placed above our economic and technological resources.

We are decided to improve every day, with technical excellence, looking after the expectancies of those to whom our work is destined.

Financial and Economic Consolidated Highlights*

	2022	2021
Revenues	31,545.5	33,766.2
Operating income	1,852.9	5,245.4
Profit before tax	2,714.4	3,491.0
Profit/(loss) of the year from continuing operations	**1,709.9**	**(2,547.9)**
EBITDA (1)	7,245.5	10,728.3
Net income/(loss) per share	3.12	(6.11)
Total assets	108,312.9	109,550.6
Fixed assets additions	4,086.8	6,950.8
Equity	79,014.6	77,625.0
Short term financial debt	427.5	678.6
Long term financial debt	194.4	1,028.1
Interests coverage	2.2 x	2.5 x
Financial debt on total capitalizations (2)	0.8%	2.2%

(*) In million of pesos, except information per shares or where it is indicated.
(1) EBITDA is calculated as operating income plus depreciation and amortization.
(2) Total capitalization consists of financial debt and equity.

Board of Directors

CHAIRMAN
Agustín Gerez

VICE CHAIRMAN
Ricardo Torres

DIRECTORS
Brian R. Henderson
Martín Latorre
Carlos Iglesias
Benjamín Navarro
Ignacio Amigorena
Martín Fagoaga
Ricardo Matuk

ALTERNATE DIRECTORS
María C. Sigwald
Pablo Díaz
Carlos Pérez Bello
Paola L. Rolotti
Marianela Lago
Pablo Pereira

Senior Staff

CHIEF EXECUTIVE OFFICER
Pablo F. Tarca

EXECUTIVE DIRECTOR OF HUMAN RESOURCES
Gaston Orazi

CHIEF FINANCIAL OFFICER
José S. Refort

EXECUTIVE DIRECTOR OF REGULATORY ENGINEERING
Armando M. Lenguitti

EXECUTIVE TECHNICAL DIRECTOR
Carlos E. Borga

EXECUTIVE DIRECTOR OF LEGAL AND INSTITUTIONAL AFFAIRS
Mariano Palacios

Surveillance Commission

SYNDICS
José D. Abelovich
Guido A. Braghieri
Sandra Auditore

ALTERNATE SYNDICS
Marcelo H. Fuxman
Norma Vicente Soutullo

Annual Report

Annual Report

To the Shareholders of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.:
In accordance with statutory provisions and the Company's by-laws currently in force, we submit to your consideration the Financial Statements as of December 31, 2022 and for the thirtieth fiscal year then ended.


CAMPO 09
CAMPO 10

Global Outlook

The Company continues to render operation and maintenance services for the Extra High Voltage Trunk Distribution System in the Province of Buenos Aires exhibiting adequate performance in terms of service quality, easily surpassing the quality and efficiency ratios required in the concession agreements and remaining at levels that point to outstanding performance under both local and international standards, outperforming the network's operational demands.

After two years without tariff adjustments (2020 and 2021), in 2022 ENRE established a 67% and 69% increase to the tariffs that had been prevailing since August 2019 for Transener S.A. and Transba S.A., respectively, to be applicable as from February 2022. On December 29, 2022, ENRE established the hourly prices effective as from January 1, 2023, establishing an increase of 154.5% and 154.1% to the tariffs effective since February 2022 for Transener S.A. and Transba S.A., respectively. (See Tariffs). Therefore, the Company has resumed the investment plan that will lead to neutralize the obsolescence of equipment and facilities, and ensure the continuity of improvement and adjustment actions to keep a good service quality.

The Company continues with its endeavors to operate and maintain the system under its concession in a safe, reliable and regular manner, with outstanding quality service levels, consolidating training and specialization for its personnel, furthering its risk management and technical audit plan; with high levels of investment vis-à-vis its total revenues, while sticking to its commitment to People's Safety, service quality and the environment.

Against this backdrop, the Company continued with the development of the MEGA Project (which in Spanish stands for Asset Management Migration Strategy), launched in 2021. The main purpose of such project is attaining asset management best practices. This project represents a cutting-edge initiative in the local and regional market, not only because of its conception but also because its size and stated goals, aspiring to achieve the highest standards of excellence in the operation and maintenance of High-voltage Power Transmission System in the future.

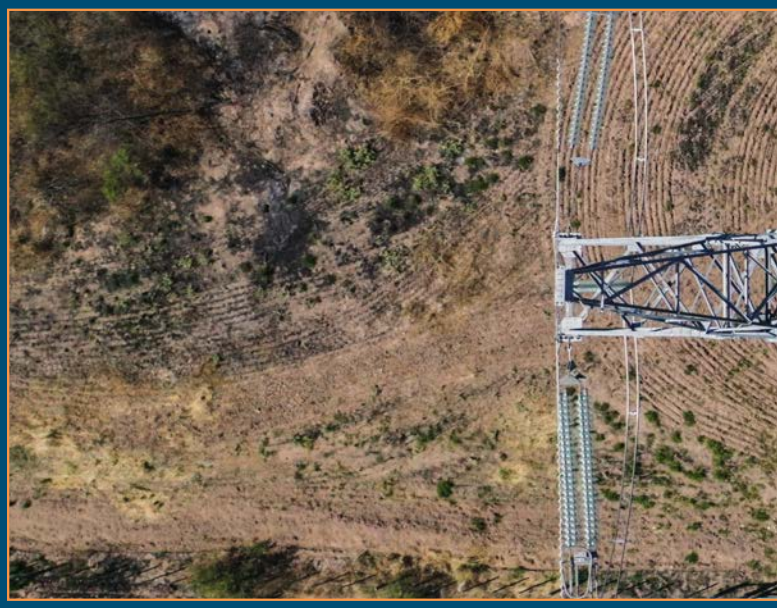
On the other hand, since 2004, Transener S.A. and Transba S.A. have joined the United Nations' Global Pact, being committed to fulfil its ten principles comprising Human Rights, Labor, Environment, and Anti-corruption.

Commencing in 2022, as part of its ethics, transparent, and sustainable management approach, the Company set out to work on ESR programs based on the United Nations' Sustainable Development Goals (SDGs).

Besides, building upon the work done in 2021 in connection with the Let's be Safe program and in order to further strengthen the notion that Health and Safety at the Workplace is a value, in 2022 the Company held workshops with the employees comprising the program. The Company also implemented improvements in working procedures and management tools, based on the findings from the program.

Concerning risk management, during the year the Company consolidated the segmentation of risks under management by levels, and the assessment of the existing control gap and risk mitigation action plans.

In terms of cybersecurity, during the year, the Company continued to reinforce the joint work with technical areas and managed to generate an increasingly stronger cybersecurity vision present in each administrative process/task or technique, implementing technology solutions to address the business own requirements and seeking to upgrade systems amidst a safe environment.



Business Overview

Transener S.A. owns, operates and maintains the Extra High Voltage Transmission Network (14,926 km-long transmission lines and 60 transforming substations), under a Concession Agreement, according to which it has an exclusive right to provide the high-voltage electric power transmission service (550 kV) within its Network, for a term of 95 years counted as from July 17, 1993 (Transener S.A.'s transfer date). On the other hand, Transba S.A. owns and operates its Network (6,771 km-long transmission lines and 110 transforming substations) under its Concession Agreement, according to which it has an exclusive right to provide the electric power transmission service in the Province of Buenos Aires (66 kV to 220 kV) by trunk distribution lines across its Network, for a term of 95 years counted as from August 5, 1997 (Transba S.A.'s transfer date).

Transener S.A. and Transba S.A. derive operating revenues primarily from two sources: (i) revenues from regulated sales, and (ii) revenues from non-regulated sales.

(i) **Revenues from regulated sales**
Revenues from regulated sales are derived from the monthly remuneration paid by CAMMESA to the Company for making its electricity transmission assets available to the Argentine Electrical Grid. Revenues from regulated sales include (a) revenues from transmission capacity (related to the operation and maintenance of the transmission lines comprising the Networks), (b) connection and transformation revenues (related to the operation and maintenance of connection and transformation equipment), (c) reactive equipment revenues (related to the operation and maintenance of reactive power, such as reactors, capacitors and synchronous condensers), (d) revenues from automatic controllers (related to the operation and maintenance of control and communication equipment related to automatic controllers that maintain the Argentine Electrical Grid stability upon regional failures).

The Company also derives revenues from (a) the supervision of the Argentine Electrical Grid expansion works, and (b) the supervision of facilities under the operation and maintenance of Independent Transmission Companies.

(ii) **Revenues from non-regulated net sales**
The Company derives other net revenues from services rendered to third parties. The other net revenues are derived from (a) the construction and installation of electrical structures and equipment, (b) the operation and maintenance of off-network lines, (c) the operation and maintenance of the Fourth Line and TIBA, and (d) other services.

Related Parties

As part of its state-owned company privatization program, the Argentine Government incorporated Transener S.A. on May 31, 1993 in order to own and operate the transmission assets comprising the Transener S.A. Network. Transener S.A.'s privatization involved the sale of a majority interest in its capital stock by means of a public bidding process required by the Electric Power Law. On July 16, 1993, the majority interest in Transener S.A.'s capital stock was awarded to Compañía Inversora en Transmisión Eléctrica Citelec S.A. (Citelec S.A.).

Citelec S.A. is the controlling shareholder, with a 52.65% interest in Transener S.A.'s outstanding shares of stock (51% in Class A and the rest in Class B shares) (the latter of them are listed in Bolsas y Mercados Argentinos S.A.). The remaining 47.35% of the shares are listed and admitted to trading in Bolsas y Mercados Argentinos S.A.

Citelec S.A.'s capital stock is comprised as follows: (i) 50% is owned by Pampa Energía S.A. and (ii) 50% is owned by Energía Argentina S.A.

Below is a brief summary of Citelec S.A.'s current shareholders and their respective equity interests in that company:

- Pampa Energía S.A., owner of a 50% equity interest in Citelec S.A., an Argentine corporation (sociedad anónima) incorporated in accordance with the laws of the Argentine Republic, which is primarily engaged in the study, exploration and exploitation of hydrocarbon wells, development of mining activities, manufacture, transportation and marketing of hydrocarbons and its derivatives; and electric power generation, transmission and distribution. Investments in ventures and companies of any kind on its own behalf or on behalf of third parties or their associates in the Argentina Republic or abroad.
- Energía Argentina S.A. (on February 27, 2023, the shareholder notified the Company of the change of corporate name, registered with the Argentine Corporate Registrar (Inspección General de Justicia, IGJ) on July 28, 2022, from its former name Integración Energética Argentina S.A.), owner of a 50% interest in Citelec S.A., is an Argentine corporation controlled by the Argentine Government pursuant to Law N° 25,943.

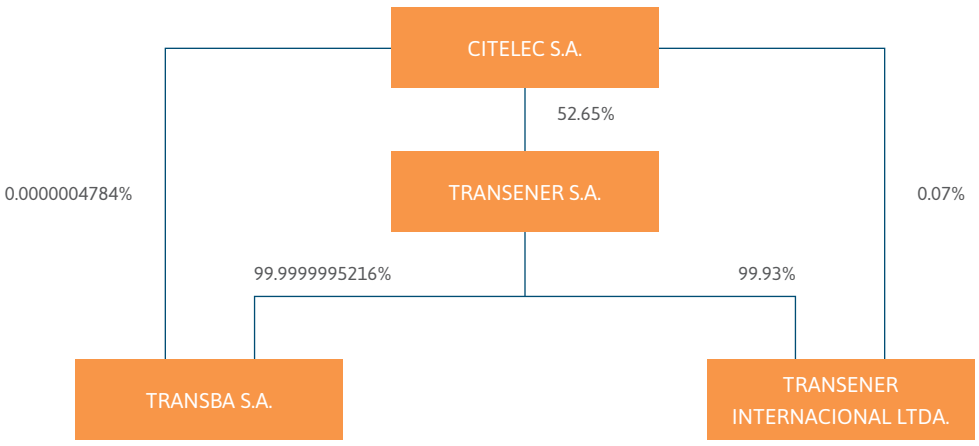
In 1997, the Executive Branch of the Province of Buenos Aires awarded to Transener S.A. all of its Class "A", "B" and "C" shares of Transba S.A's capital stock for an amount of US$ 220.2 million. Class "C" shares were awarded on condition that they were allocated to the Employee's Stock Ownership Program ("PPAP") in accordance with the provisions in Chapter XII of Transba S.A.'s Bidding Terms and Conditions. Such program comprises benefits for certain employees of Transba S.A.

As a result, Transener S.A. held an 89.9999995216% interest in Transba S.A.'s capital stock. The remaining interest was broken down as follows: a) 0.0000004784% was held by Citelec S.A. and b) 10% was allocated to the PPAP, at a price which was recognized in "Other non-current receivables" at historical cost.

On June 28, 2019, Transener S.A. became the owner of all shares allocated to the PPAP (41,806,717 Class "C" shares). Accordingly, Transener S.A. owns a 99.9999995216% interest in Transba S.A.'s capital stock.

On August 16, 2002, Transener S.A. incorporated Transener Internacional Ltda., a company based in the City of Brasilia, Republic of Brazil. As of the date of this annual report, Transener S.A. owns a 99.93% interest in Transener Internacional Ltda.'s capital stock. On March 25, 2012, the Board of Directors approved the release of Transener Internacional Ltda.'s operation and maintenance agreements.

The following chart shows the organizational structure of Transener S.A. and its subsidiaries:



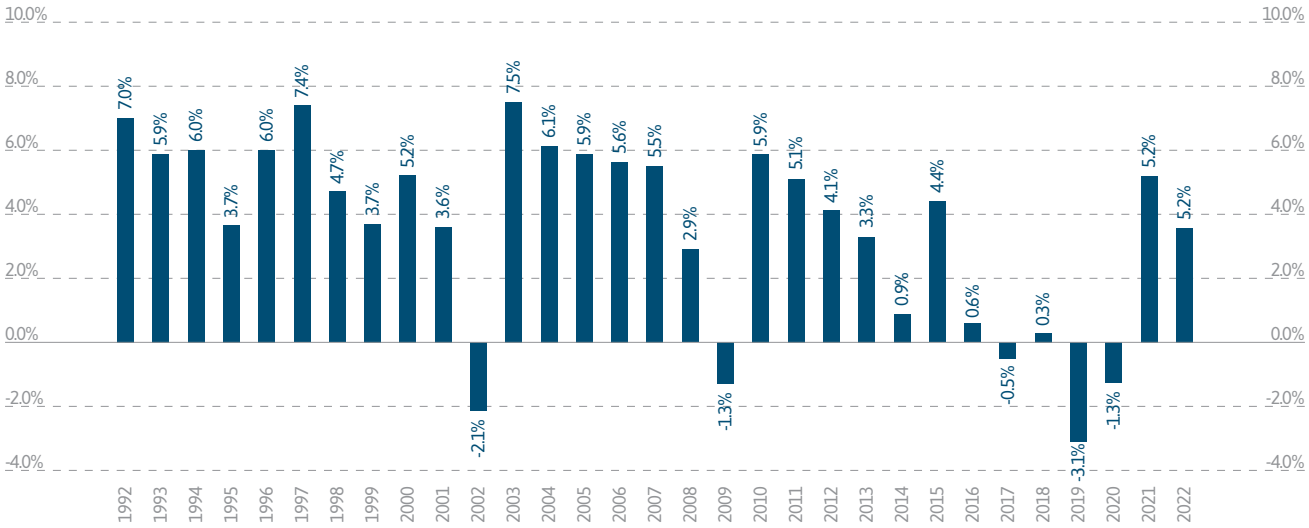
Balances and transactions with subsidiaries and other related companies are disclosed in Note 23 to the consolidated financial statements and to the separate financial statements.

Evolution of the Wholesale Electricity Market (WEM)

Demand Growth Rate

During 2022, electricity demand growth rate rose by 3.6%, compared to 2021. The following graph depicts the evolution of such rate during the 1992-2022 period:

EVOLUTION OF THE RATE OF GROWTH OF THE DEMAND



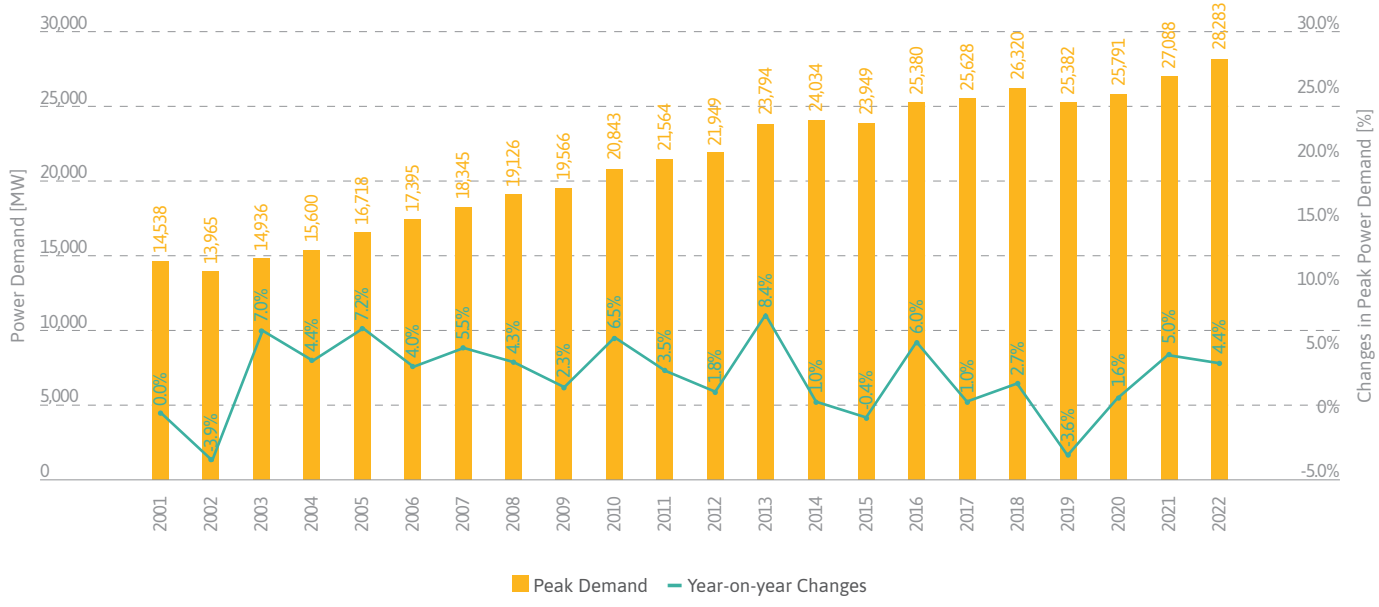
Source: CAMMESA

In this regard, it should be noted that 38% of demand is from Buenos Aires Metropolitan Area, while the remaining 62% comes from the rest of the country. Total demand is also broken down as follows: Residential Demand 47.1%, Commercial Demand, 25.6% and the remaining 27.3% is Industrial Demand.

Year after year, the High Voltage Electric Power Transmission System, operated and maintained by Transener S.A., has been subject to significant demands. In this respect, on January 14, 2022, the historical record of power demanded by the Argentine Electrical Grid in 2021 (27,088 MW on December 29, 2021) was surpassed, reaching 28,231 MW. Then, on December 6, 2022 a new historical record of 28,283 MW was recorded, thereby exceeding 2021's record high by 4.4%.

The following graph shows peak power values recorded since 2001 and year-on-year changes thereto: :

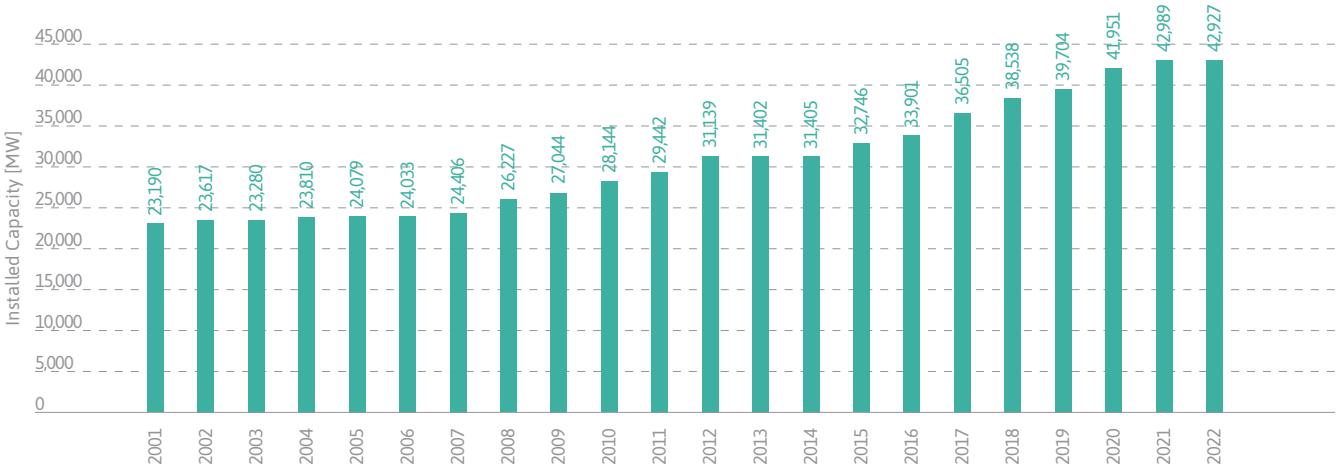
CHANGES IN PEAK POWER DEMAND FROM ARGENTINE ELECTRICAL GRID



Electricity Generation

The following graph shows the changes in the electricity generation sector's installed capacity since 2001.

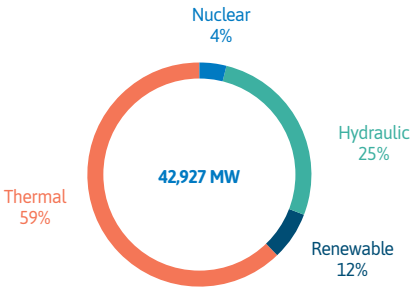
CHANGES IN INSTALLED CAPACITY



Source: CAMMESA

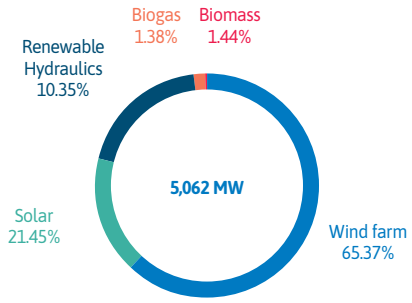
The following graph shows the percentage share of installed capacity in the Argentine Electrical Grid by origin (hydraulic, thermal, nuclear and renewable):

INSTALLED CAPACITY AS AT DECEMBER 2022



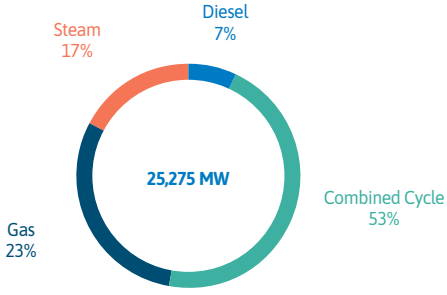
The following graphs present a breakdown of Renewable and Thermal Generation.

RENEWABLE GENERATION

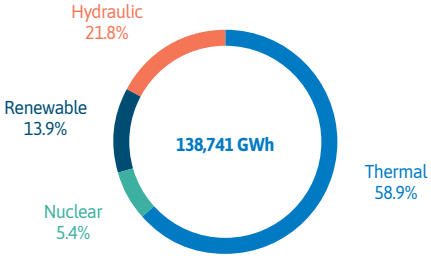


Thermal generation was the main source of supply of the generated power (58.9%), followed by hydraulic generation (21.8%), renewable energy (13.9%), and nuclear generation (5.4%), as shown in the following graph.

THERMAL GENERATION



GROSS GENERATION AS AT DECEMBER 2022

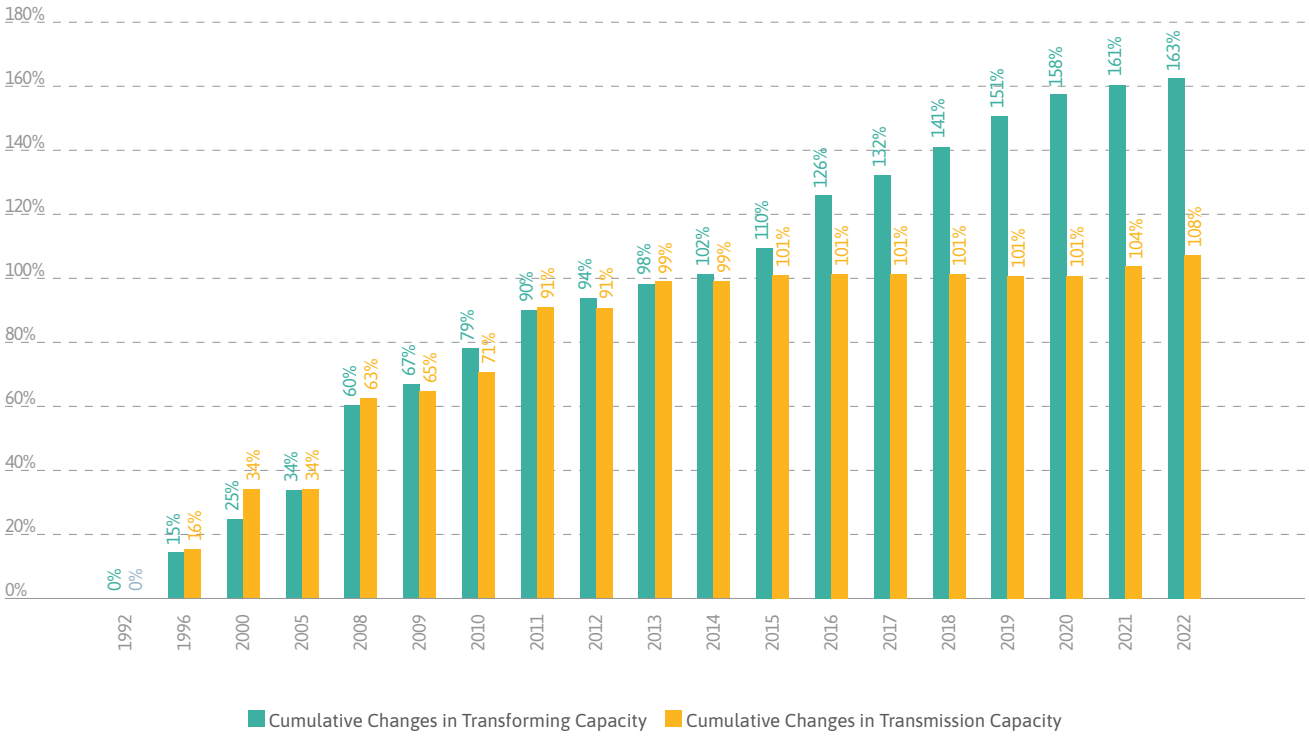


Source: CAMMESA

System Growth

I) HIGH VOLTAGE TRANSMISSION SYSTEM EVOLUTION

The following graph shows the changes in accumulated growth of transforming capacity and number of kilometers of the High Voltage Transmission System line for the years 1996, 2000, 2005 and the 2008 – 2022 period relative to 1992.



As shown in the graph above, the High Voltage Transmission System has experienced substantial growth since 2005, primarily as a result of the Federal Plan for Transmission at 500 kV.

The execution of such Federal Plan has provided increased stability to the Argentine Electrical Grid, improving the conditions to meet the growing demand.

The Argentine Government continued with the implementation of the Federal Plan for the Transmission of Electricity at 500 kV (known as "Federal Plan"). Thus, the 270 km-long 500 kV Rincón Santa María – Resistencia II interconnection was incorporated into the system. Besides, the Bahía Blanca – Vivoratá interconnection construction works continued during the year.

Likewise, other major works were completed and commissioned in 2022:

- Two 132 kV fields at Santiago del Estero Transforming Substation, to link line egress fields to Santiago Centro and Primera Junta owned by the trunk-distribution electric power transmission company Transnoa.
- A 132 kV field at Rodeo Transforming Substation to link Bauchaceta Transforming Substation owned by the distribution company Energía San Juan.
- A 132 kV field at La Rioja Sur Transforming Substation to link the line egress filed of PM San Martin 1 owned by the trunk-distribution electric power transmission company Transnoa.

As concerns the works covered by the Energy Secretariat's Resolution SE N° 1/2003, in 2022 the Company completed major works to ensure the Transmission System safe supply, including the construction of two 500/132 kV transforming banks of 600 MVA and its assembly was lengthened to Rosario Oeste and Malvinas Argentinas Transforming Substations, and the assembly of a 300 MVA 500/132 kV back-up unit at Almafuerte Transforming Substation. Also in 2022, the Company continued with the construction of the new 25 de Mayo 500/132 kV Transforming Substation which will deliver 600MVA in transformation capacity and with the enhancement of the 132 kV system in the Province of Buenos Aires' central area. Besides, the Company commenced the civil works and the assembly of two shunt capacitor banks at the Ezeiza Transforming Substation.

II) TRANSMISSION NETWORK ENHANCEMENT PROJECTS

The Company expects to complete the following works in the Transmission System:

II.1.- Federal Plan

Bahía Blanca – Vivoratá Interconnection:
- Construction of the 500 kV Bahía Blanca – Vivoratá Extra High Voltage Transmission Line (400 km). New 500/132 kV Vivoratá Transforming Substation (2x450 MVA).
- Status: Under construction.

II.2.- Electricity System Expansion Works Plan

PROASTEE I Project:
- New Plomer transforming substation, with two 500/220 kV machines at 855 MVA in power each, a 500/132 kV machine with 450 MVA in power and shunt compensation (2x125 MVAr), a +/- 250 MVAr STATCOM, and links to 220 and 132 kV systems.
- Plomer - Atucha Interconnection, construction of a 98 km-long 500 kV Extra High Voltage Transmission Line.
- Vivoratá - Plomer Interconnection, construction of a 358 km-long 500 kV Extra High Voltage Transmission Line, with series compensation at the Vivoratá transforming substation over the Bahía Blanca – Vivoratá 500 kV Extra High Voltage Transmission Line and Plomer – Vivoratá 500 kV Extra High Voltage Transmission Line.
- Ezeiza - Plomer Interconnection, construction of 35 km-long 500 kV Extra High Voltage Transmission Line, equipped with a double triad and short-circuit arrester reactors.
- Re-routing of 25 de Mayo - Ezeiza 500 kV Extra High Voltage Transmission Line (5EZVM2) and 500 kV Ezeiza – Gral. Rodríguez Extra High Voltage Transmission Line (5EZRG2) from Ezeiza to Gral. Rodríguez.
- Automatic Generation Disconnect Automatism, upgrade and segregation of the NEA, Litoral region and Comahue Generation Disconnect Automatism:
- Status: Request for access and enhancement submitted.

Plomer – O'Higgins Interconnection:
- Construction of Plomer - O'Higgins 500 kV Extra High Voltage Transmission Line (200 km).
- Status: Under review.

O'Higgins - Cnel. Charlone Interconnection:
- Construction of O'Higgins - Cnel. Charlone 500 kV Extra High Voltage Transmission Line (225 km) and the new 500/132 kV O'Higgins Transforming Substation (600 MVA).
- Status: Under review.

Río Diamante - Cnel. Charlone Interconnection:
- Construction of the Río Diamante – Cnel. Charlone 500 kV Extra High Voltage Transmission Line and the new Cnel. Charlone Transforming Substation with a transforming capacity of 600 MVA at 500/132 kV.
- Status: Under review.

Choele Choel – Pto. Madryn Interconnection:
- Construction of the second Choele Choel – Pto. Madryn 500 kV Extra High Voltage Transmission Line (350 km).
- Status: Under review.

Rodeo – La Rioja Sur Interconnection:
- Construction of Rodeo Transforming Substation at 500 kV.
- Construction of the second Choele Choel – Bahía Blanca 500 kV Extra High Voltage Transmission Line (335 km).
- Status: Under review. Technical alternatives are being analyzed.

Comodoro Rivadavia Oeste Transforming Substation:
- Construction of Comodoro Rivadavia Oeste 500/132 kV Transforming Substation.
- Status: Under review.

II.3.- Works under Resolution SE N° 1/2003 and 821/2006

25 de Mayo Transforming Substation:
- Sectioning of the Henderson – Ezeiza 2 Extra High Voltage Transmission Line.
- Installation of a 500/132 kV transformer with capacity to deliver 300 MVA.
- Enhancement of the 132 kV system operated by Transba S.A.
- Status: Under construction.

Malvinas Argentinas Transforming Substation:
- Connection of a 500/132 kV transformer bank at 600 MVA at Malvinas Argentinas Transforming Substation.
- Status: Under review.

Rosario Oeste Transforming Substation:
- Connection of a 500/132 kV transformer bank at 600 MVA at Rosario Oeste Transforming Substation.
- Status: Under review. Technical alternatives are being analyzed.

II.4.- Other works to be executed by WEM Agents that are pending and/or underway

Rosario Oeste Transforming Substation:
- Construction of a 132 kV field to link a 132 kV line towards the Godoy Transforming Substation (EPESF).
- Status: Construction to begin soon.

Hidroeléctricas del Río Santa Cruz Interconnection:
- Construction of Cóndor Cliff Transforming Substation to link Presidente Néstor Kirchner Hydropower station.
- Construction of the 500 kV Condor Cliff – La Barrancosa Extra High Voltage Transmission Line (70 km).
- Construction of Barrancosa Transforming Substation to link Gobernador Jorge Cepernic Hydropower station.
- Construction of the 500 kV La Barrancosa – Rio Santa Cruz Extra High Voltage Transmission Line (102 km).
- Construction of 500 kV capacitors at Rio Santa Cruz Transforming Substation for Rio Santa Cruz – Santa Cruz Norte Extra High Voltage Transmission Line (5RSC-ZN1).
- Status: Construction to begin soon.

Vivoratá Transforming Substation:
- Construction of a 132 kV field to link the 50 MW Vivoratá Wind Farm (Luz de Tres Picos).
- Status: Construction to begin soon.

Tariffs

TRANSMISSION SYSTEM COMPREHENSIVE TARIFF REVIEW

On February 25, 2022, ENRE communicated Resolutions N° 68/2022 and 69/2022, whereby the new hourly prices were approved. They came into force on February 1, 2022, establishing a 25% and 23% increase in the prices that had been in force since August 2019 for Transener S.A. and Transba S.A., respectively. In the light of the difference between the financial forecasts submitted and the values finally approved by the ENRE, the Company filed a petition to review the case files and preliminary challenges. Then, on March 15, 2022, the Company filed appeals for reconsideration against Resolution N° 68/2022 and Resolution N° 69/2022. Therefore, on May 9, 2022, by means of Resolutions N° 147/22 and 148/22, ENRE partially sustained the appeals filed by the Company and amended the hourly prices effective as from February 1, 2022, establishing a 67% and 69% increase in respect to the values that had been in force since August 2019 for Transener S.A. and Transba S.A., respectively.

Since August 2022, the Company has been filing notices and holding meetings with the Secretariat of Energy and ENRE, asking for an adjustment to the transition tariffs effective as from September 2022, on account of the increase to the determined for 2023. To such end, the Company filed the 2023 financial forecast, along with an explanatory document and a detail of the projected investment plan. The Company also made a filing with CAMMESA's Board of Director, stating the critical status of the transmission sector.

On October 20, 2022, by means of Resolution N° 539/2022, ENRE called for a Public Hearing to be held on November 30, 2022, in order to inform about and receive feedback on the transition tariff adjustments proposed by the concession holders of the electric power transmission service, as part of the Comprehensive Tariff Review renegotiation process and before setting the tariffs to be applied by concession holders.

On the other hand, on December 6, 2022, by means of Executive Decree N° 815/22, the Executive Branch extended for one year the original term of Emergency Decree N° 1020/20, enacted on December 17, 2020, which marked the beginning of the Comprehensive Tariff Review renegotiation process and which term could not exceed 2 years from the date of enactment.

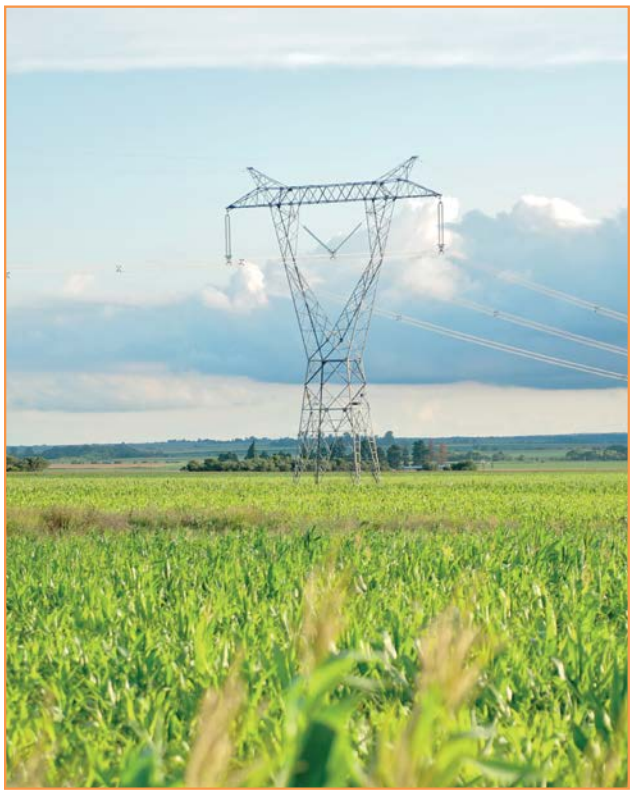
Then, on December 29, 2022, in an attempt to maintain throughout 2023 the purchasing power of the revenues established under Resolution N° 147/22 y Resolution N° 148/22, ENRE, by means of Resolution N° 698/22 and Resolution N° 702/22, established the hourly prices effective as from January 1, 2023, establishing increases of 154.5% and 154.1% to the tariffs that had been prevailing since February 2022 for Transener S.A. and Transba S.A., respectively.

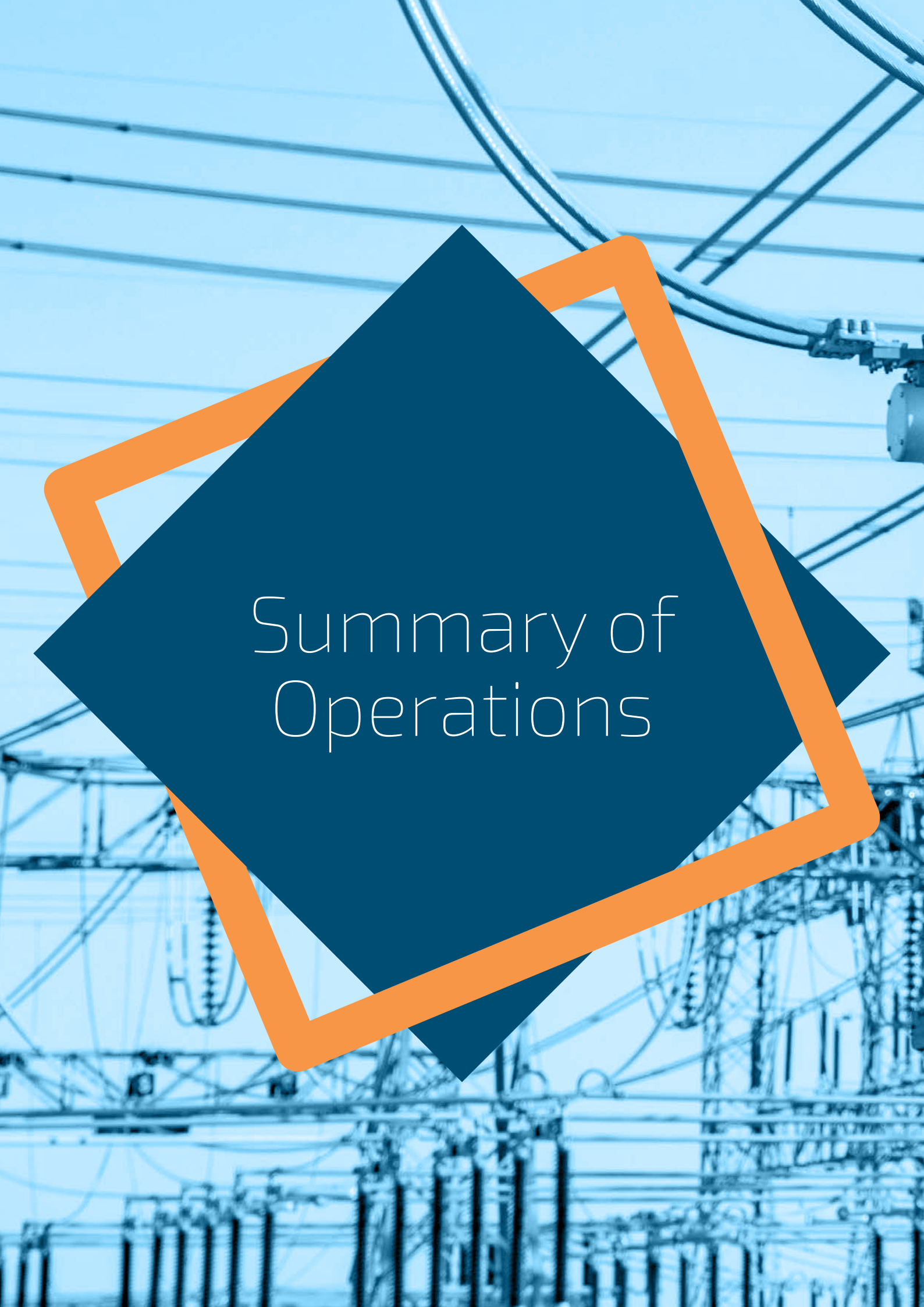
Economic Context

The Company operates amidst a complex economic context and is exposed to several financial risks associated with its activities, namely, market risk (including exchange rate risk, interest rate risk, and pricing risk), credit risk, and liquidity risk. In this regard, the Company operates in a complex economic context, the main variables of which have recently suffered strong volatility, both in the domestic and the international scenarios. All this has had a negative impact on financial markets affecting the cost of borrowing, hedge activities, liquidity, and access to capital in general.

The Argentine Government has imposed certain exchange restrictions seeking to limit the access to the foreign exchange market (locally known as "MULC"). In order to curb the demand for U.S. dollars, the Central Bank's previous consent is required for certain transactions, including payments of dividends; payments abroad of certain imported goods or settlement of indebtedness arising from imports and purchase of external assets.

The Company has adopted certain measures to mitigate the main impacts of the aforementioned circumstances. In this respect, management permanently monitors the evolution of the variables affecting its business to determine the potential actions to be taken and identify the potential impacts on its financial position.





Summary of Operations

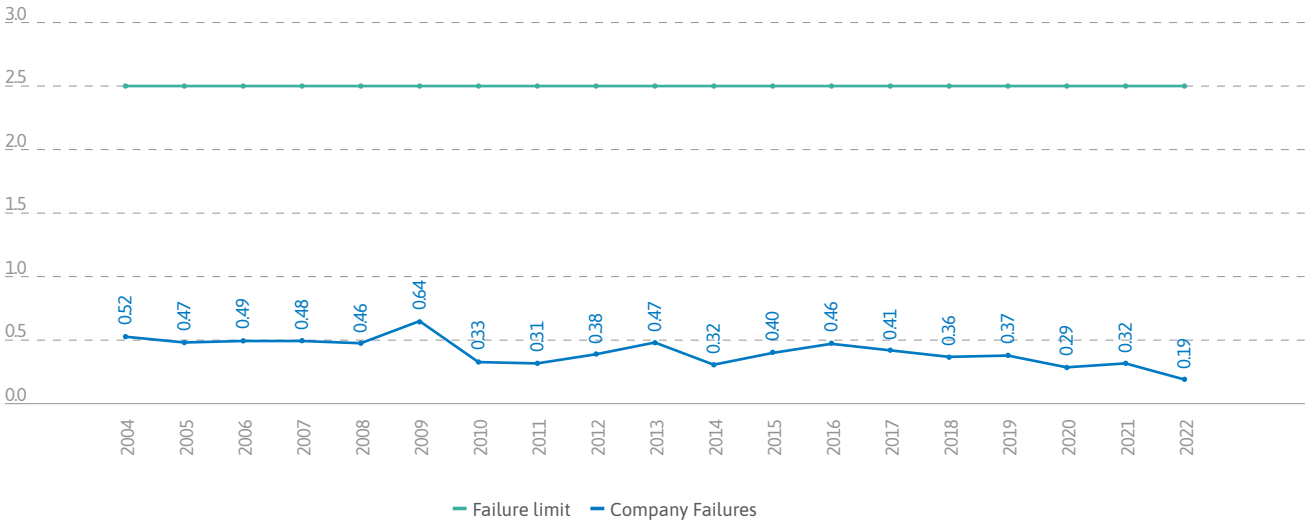
Maintenance

SERVICE QUALITY

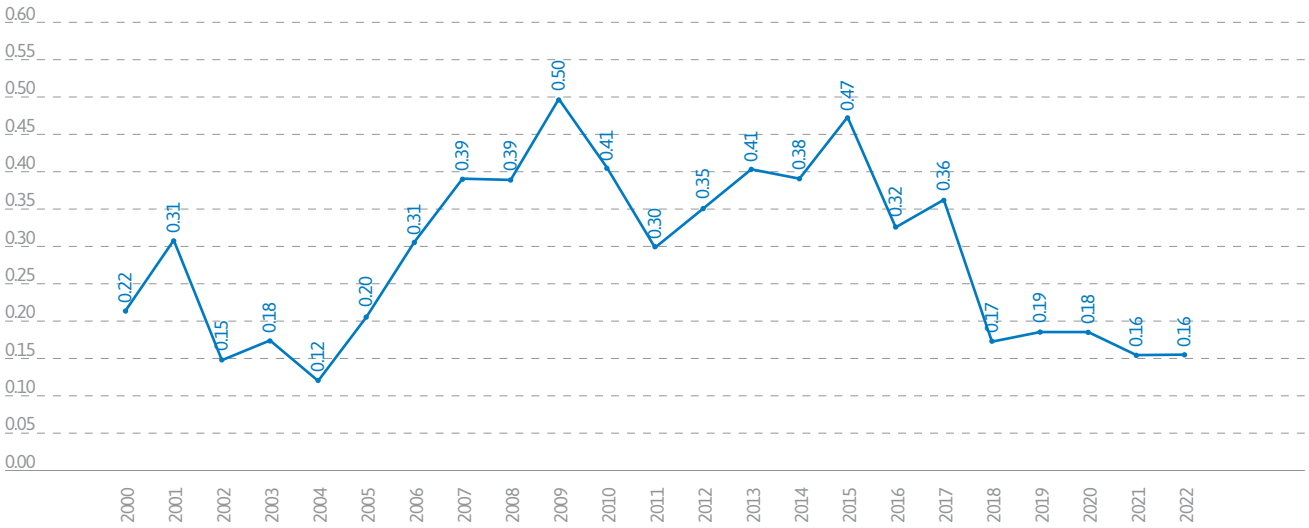
The power peak reached in Summer exceeded the historical record of 27,088 MW (recorded on December 29, 2021 at 2:28 p.m.) four times in 2022, and rose to 27234 MW on January 11 at 1:10 p.m., 27550 MW on January 13 at 03:14 p.m., 28241 MW on January 14 at 02:12 p.m., and 28283 MW on December 6 at 02:43 p.m.

In spite of the huge volume of requests placed on the system, service quality throughout 2022 was totally acceptable considering the requirements imposed on a company such as Transener S.A. At year-end, the rate of failures was 0.19 faults every 100 kilometers of line, which is totally aligned with generally accepted international parameters applicable to companies that manage and run extra high voltage transmission systems. As a result of a recently conducted benchmark analysis, it was found that the Company's quality indexes (rate of failures and facilities' availability) both in the case of transmission lines and transforming equipment spearhead the region's values.

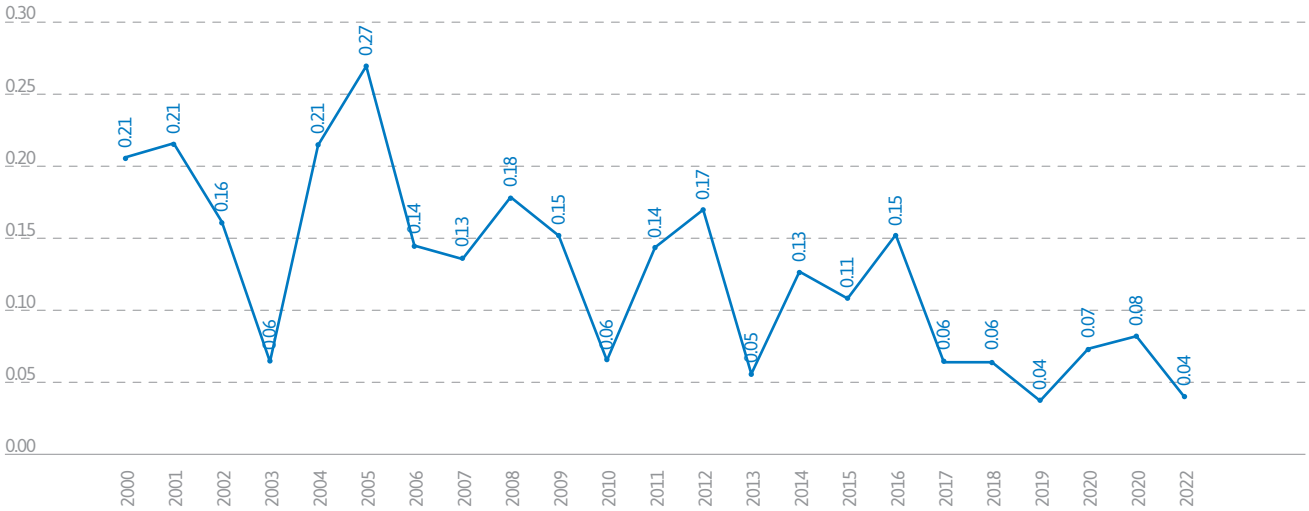
The following chart shows the failure index of 500 kV lines per each 100 kilometers as provided by the Company in the period 2000 to 2022:



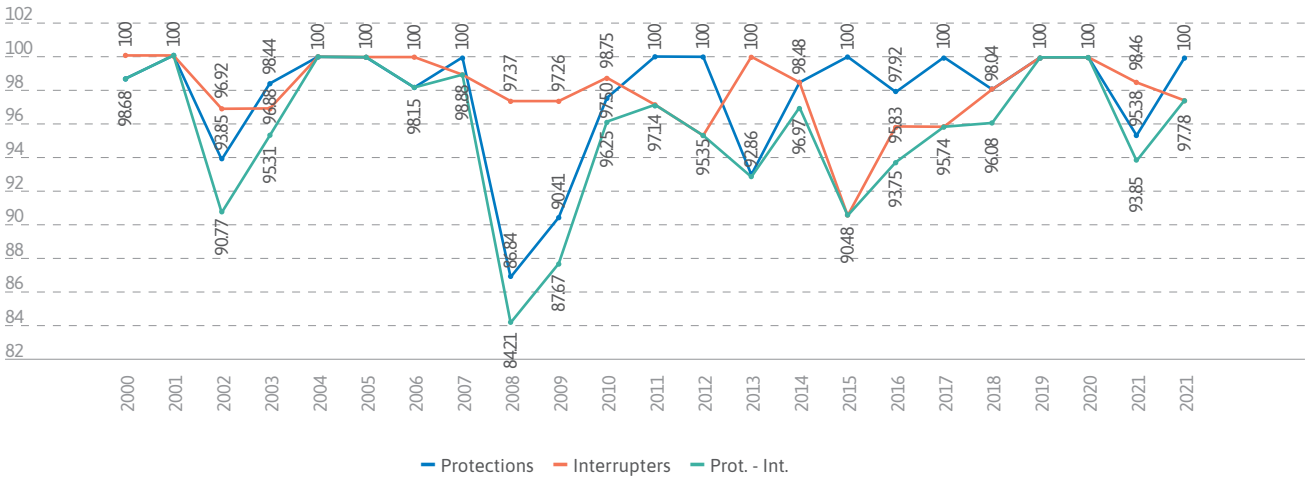
ANNUAL INDEX OF REGULATED AND NON-REGULATED TRANSFORMER DISCONNECTIONS IN THE PERIOD JANUARY TO DECEMBER 2022



ANNUAL INDEX OF REGULATED AND NON-REGULATED REACTORS DISCONNECTIONS IN THE PERIOD JANUARY TO DECEMBER 2022



EFFECTIVENESS OF HIGH VOLTAGE TRANSMISSION LINES AT 220 KV SHIELDS AND SWITCHES (CUMULATIVE AS OF DECEMBER 2022)



Committees of Development and Improvement

As has been done for the past 8 years uninterruptedly, in the course of 2022 work continued with the Technical Committees where several procedures were discussed and improved. Below is a detail of each one of the machines involved in such committees:

Transmission lines that are higher than or equal to 220 kV.	MT switches and sectioning devices.
Transmission lines that are smaller than or equal to 220 kV.	Ancillary services.
AT switches and sectioning devices.	Maintenance Management System.
On-load tap changers.	Protections.
Communications.	Warehouse handling and management.
Maintenance strategy.	Machines (transformers and reactors).

Chemical Lab

During 2022, Transener S.A.'s Chemical Labs continued with its activities as usual, offering key services to ensure the Company's appropriate operation and maintenance. To the Company, the highest performance of these services in due time and form is totally critical, which ratifies and strengthens the policy and strategic decision of having in-house labs, ensuring the ongoing pursuit for excellence in managing mineral insulating oil.

Available facilities:

- Laboratorio Químico Metro (LQM), located at Ezeiza Transforming Substation (Marcos Paz, Province of Buenos Aires).
- Laboratorio Químico Norte (LQN), located at Malvinas Transforming Substation (Montecristo, Province of Córdoba).

During 2022, the Chemical Lab conducted mineral insulating oil and water analyses as described below:

- Total oil analyses: 4,968, broken down as follows:
  - › Northern Region: 2,599
  - › Southern Region: 1,516
  - › Metropolitan Region: 853
- Total quantity of water analyses: 121, broken down as follows:
  - › Northern Region: 34
  - › Southern Region: 57
  - › Metropolitan Region: 30

The Chemical Labs conducted oil analyses to diagnose failures, schedule maintenance, and install and start up various reactors and transformers for the different transforming substations. Work carried out on the following Transforming Substations must be emphasized: Bahía Blanca Olavarría, Macachín Transforming Substations - Oil treatment at reactors / Major-minor maintenance: R2L5OL/R1B5OL/R2L5BB/R1L5MC. Works and enhancements: 25 de Mayo / Vivorata / Bahía Blanca Transforming Substations; New back-up transformer at Chocón Oeste Transforming Substation. Malvinas Argentinas Transforming Substation (T3MA R-S-T-RES), Rosario Oeste Transforming Substation (T9RO R-S-T; R3L5RO R-S-T)), Santo Tomé Transforming Substation (R3L5ST R-S-T) and Almafuerte Transforming Substation (GE back-up serial number 111725U).

Likewise, it is worth noting the analysis and assistance service for specific work carried out at: Corrective maintenance activities at: Resistencia Transforming Substation (R6L5RS), Rosario Oeste Transforming Substation (T3RO), Ramallo Transforming Substation (T5RA relocation due to loaned equipment). Oil regeneration at units in Rosario, Romang and Santo Tomé Transforming Substations. The lab also provided analysis services for samples coming from the DMU Unit and subsequent issuance of Laboratory Report for submission to the Provincial Agency for Sustainable Development [OPDS].

Also remarkable is the service delivered in the DBDS depolarizing process at Choele Choel Transforming Substation and the oil treatment performed at Ezeiza Transforming Substation's units.

The lab also rendered services to external customers, including:

- GENELBA Thermal Power Plant (Pampa Energía)
- Central Piedra Buena (Pampa Energía).

Finally, specific training continued to be delivered in connection with the High Pressure Liquid Chromatograph (HPLC) in 2022, which allowed us to continue with analyses to determine furan contents in all the insulating oils contained in Transba S.A.'s Power Transformers.

A specific training was also delivered in connection with the Gaseous Chromatograph which helps strengthen the analysis of gases dissolved in oil.

Voltage Work Center (cTcT)

During 2022, Transener S.A.'s Voltage Work Center carried out the activities described below:

Testing of Voltage Work tools:

- Drafting and update of technical specifications for the purchase of tools and devices. 23 specifications.
- 1,416 tools and equipment tested at our in-house labs (Bahía Blanca, Rosario Oeste, Recreo).
- Conduction of 3D simulation studies and structural calculation by finite element in non-standard critical tools to determine safety ratios.

Technical training:

- 79% of the personnel who applied was renewed and enabled in TCT, with the remaining 21% having been suspended for several reasons.
- * Technical strengthening plan.
  a) Workshop held for Regional and Voltage Work Center (cTcT) coaches.
  b) Three (3) workshops on thermographies in lines.
  c) Reshaping and delivery of the Electrical Risk module applied in Basic Plan II with in-house personnel. Six (6) workshops held.

Participation in international Voltage Work conference organized by the Argentine Committee of the Regional Energy Integration Commission (CACIER, as per its Spanish acronym).

Active involvement, both in the organization and in lectures and contribution of theoretical presentations and practical experiences, at the 9th International Conference on Voltage Work and Security in Electric Power Transmission and Distribution, held from March 29 to April 1, 2022 in the city of Concordia, Entre Ríos, belonging to CACIER.

Nine (9) employees of Transener S.A. participated in the event as authors of 15 theoretical-technical papers, five of which received an award or a merit recognition. Three (3) authors were participants of the technical committee, 5 were room moderators, and 6 were field work coordinators. Fifteen (15) employees participated in 3 field works at 500 kV.

Studies concerning regulatory changes in 2022:

Changes were discussed and the new version of the Voltage Work rules was disclosed.

Voltage Work methods in lines were developed with active reclosers, following the guidelines in the current Voltage Work rules and regulations.

Special studies 2022:

Eight (8) in-service polymeric insulators (500 kV) were tested to determine whether the original mechanical and hydrophobic properties have experienced changes over the time. IEC 61109 reference standard

"Composite suspension and tension insulators for A.C. systems with a nominal voltage greater than 1 000 V - Definitions, test methods and criteria" and CIGRE 545 document "Assessment of in-service Composite Insulators by using Diagnostic Tools".

Aerial rounds:

- Aerial patrolling rounds; the service was resumed using our own chopper. 100% of the area was patrolled as planned, with two (2) post-emergency patrolling rounds.
- Inspections with drones:
  - 242 flights covering a distance of 104.3 km and 33.35 hours of flight.
  - Two (2) theoretical update workshops and two (2) practical training courses were delivered for drone operators.

Highlights:

- Insulation and contamination analysis at Rio Coronda CN Transforming Substation.
- Withdrawal of nest at 132 kV coupling breaker in high rise at GPA Transforming Substation. "Manual method".
- Participation in CE21 AEA, CE54 AEA study committees (a minimum safe distance proposal was submitted).
- Submission of new Voltage Work rules and regulations to the Four-party Board of the Superintendence of Occupational Risks.
- Assays of third-party tools - Acindar Grupo ArcelorMittal.
- Traction mechanical assays in polymeric insulators carried out at UNLP.
- Studies concerning the yielding level in new and used conductive suits (LEMAT).

Middle and High Voltage Assay Lab [Laboratorio de Ensayos de Media y Alta Tensión (LEMAT)]

Disassembly at LEMAT of two Arteche CTH500 Current Transformers

As part of an investigation about behavior of a current transformer model, due to the lack of a unit at Transener S.A., the Company and the manufacturer agreed to disassemble at LEMAT two identical transformers located at phases nearby the defective unit. In 2020, partial discharges and Delta Tangent measurements were conducted according to IEC recommendations to test equipment removed from service, with the remote participation of the manufacturer's personnel. In 2022, two current transformers were disassembled with the participation of the manufacturer's personnel at LEMAT, in order to find some specific signs of deterioration. No findings arose from these tasks. Besides, paper samples were collected from several locations to analyze aging.

Field assays at 500 kV-50 MVAr T1AG transformer at Agua del Cajón Transforming Substation

At the request of Capex SA, LEMAT's services were retained to carry out a dielectric spectroscopy test at the T1AG 500 kV power transformer bushing. Tests carried out:

- High voltage (500 kV) bushing dielectric spectroscopy.
- Medium voltage (132 kV) bushing dielectric spectroscopy.

Collaboration with GRS in making changes to SF6 500 kV bushings

The Maintenance Area of GRS' Transforming Substation required LEMAT's collaboration to carry out the replacement of the 500 kV SF6 bushing central conductor. These tasks have been ongoing since 2021.

WS 525 capacitor voltage transformer tests

The Maintenance Area of GRS' Transforming Substation asked to have tests done on three capacitor voltage transformers which were removed from service by the protection systems' actions, and which were suspected to have a bearing on the recorded failure mode. The transformers were installed at PB and CC Transforming Substations.

ABB AOK 525 current transformer tests

The Maintenance Area of GRS' Transforming Substation asked to have tests done on a current transformer to assess its insulation status. The machine comes from the MC Transforming Substation and, after completion of the tests, was sent to Warehouses to be made available if required.

Installation of an on-line partial discharge logger

A Techimp partial discharge logger was installed at Planicie Banderita Transforming Station, which is used by LEMAT to monitor and acquire partial discharge signals at 132 kV cables of the T2PB power transformer. This logger will be installed for a long term to capture data at different times and under different charge conditions of the transformer.

Training on thermography for Lines and Stations areas

In 2022, the Company retained the services of a local specialized company to deliver thermography training. Courses were split into two major topics—Lines and Transforming Substations—to address

characteristics and problems inherent to each area. Due to logistics reasons and in order for the training to be delivered to employees engaged in thermography activities, the course was delivered several times at different locations, such as Colonia Valentina, Ezeiza and Malvinas. The courses targeted at Lines personnel involved the assistance and coordination of the Voltage Work area's personnel.

Training on transformer and reactor electrical tests
LEMAT delivered training on transformer and reactor electrical tests to employees engaged in conducting electrical tests at the Company. This course was included in the knowledge matrix implemented by Transener S.A. in 2022. The course was delivered by LEMAT's personnel, covering electrical measurement theory, real case discussion, and electrical measurement practice at two transformers.

Demonstration of SF6 gas leak detector operation
After contacting the supplier, together with LEMAT and the R&D and Technical Training area, a demo of the SF6 gas leak detector was arranged at the Company's four Transforming Substations. The tour included Resistencia, Romang and Bahía Blanca Transforming Substations owned by Transener S.A. and the Profertil Transforming Substation owned by Transba S.A. The tasks conducted included the inspection of several switches, which have SF6 insulating gas leak loggers, a demo with witness elements, and talks about the gas leak detector operation.

Drone inspection at High Voltage line
At the 5PYZN1 Patagonia line, there are phase separation insulators in place, at several tranches, to cushion the galloping effect caused by strong winds. In response to the need of GRS' Lines area for learning about the insulator status, a drone inspection was conducted, using visible spectrum cameras and infrared (thermography). Due to the particular features of the land where the separation insulators are located—most of them are installed at places where the line crosses canyons and great heights to the line, with ever-present strong winds—LEMAT retained the services and accompanied a local specialized company. The results were too satisfactory.

Man-Machine Interface PDD Software
The Company is at the final stage of development of the interface software that will allow to increase the partial discharge detector (PDD) function. These tasks are in charge of an external software development provider. The PDD is a piece of equipment already developed, which alerts on the existence of partial discharges at the Transforming Substations. This development allows to make the interpretation more intuitive, increase the analyzing power, and provide a knowledge base.

Maintenance of On-Load Tap Changers (OLTC)
In the course of 2022, a major overhaul was carried out over 31 OLTC out of a total of 48 scheduled maintenance sessions. Due to external operating limitations (foreign supplier's restrictions), the other services for 2023 had to be rescheduled, monitoring anyway the normal operation of the E/S equipment.

Oil Decontamination Treatment
DBDS depolarizing program:
- 23,161 liters of oil treated.
- Work was performed at the R5L5CL R and R5L5CL N reactors, located in Cholele Choel Transforming Substation, in the Province of Rio Negro.

Degassing and/or regeneration program
- 479,800 liters of oil treated.
- Work was done at the R5L5CL T and R5L5CL S reactors and at a 14,000 liter-tank, located at the Choele Choel Transforming Substation, Province of Rio Negro and at the T9EZ R, T9EZ S, T9EZ T, T3EZ S and T5EZ transformers, located at Ezeiza Transforming Substation, Province of Buenos Aires.

Maintenance Management System
Transener's Operations and Maintenance Management system encompasses 4 modules that will be integrated into the SAP Fiori platform, including service news, maintenance ratios, work leaves, and penalties.

Also, during 2022 progress was made in uploading to SAP PM all equipment technical databases, obtaining data defined by catalogs and standardized in a single database. This will allow to have management tools available for the prompt identification of equipment and its technical features.

As a management tool, the SAP Mobility software has been deployed and is available at mobile devices. At present, the first stage of the process that involves technicians and linesmen has been completed. This leads to the elimination of the use of paper and also helps streamline the processing of work orders and manage control variables, standardizing the information captured from maintenance activities and inspections, in order to obtain reliable documentation at the time of conducting new maintenance activities.

Failures Analysis
The Company completed the 1506_22 failure analysis, which resulted in the proposal of several ways to mitigate the impact of a 500 kV Extra High Voltage Transmission Line on birds. The pertinent corrective and preventative actions required for implementation were generated. The Maintenance Assistance (AaM) area worked on improvements to capture, process and view data to be able to identify the root cause of failures and outages.

Follow-up meetings were held with the sectors involved to review the most significant outages which served as a springboard to address different topics and implement the actions necessary to avoid future occurrences.

Technical Consolidation Training Program
The Company continued with the development of this program, incorporating additional modules while taking care of other critical needs to maintain and reinforce the Company's technical expertise and incorporating teaching improvements in the learning exchanges as for instance through computerized e-learning tools and Google forms.

Based on the design of the Technical Training and Instruction Matrix, in 2022 there was a program in place to deliver training by position and by specialty. In addition, this allowed to measure compliance, continue working on improvements based on the needs and weaknesses identified by specialty.

On the other hand, progress continued to be made on the design and development of a supplementary plan to deliver training through activities at Training Centers in order to increase the practical component in personnel training.

Some of the main training activities developed in 2022 include:
- Transforming Substation Technicians: training sessions were delivered on Protection Systems, Communications Systems and on site trainings (at each Transforming Substation) to the whole headcount of technicians.
- Middle-management. Predictive models. Event and alarm management. Oil evaluation systems and Machine diagnosis. Protection system for non-specialists, etc.
- Training sessions were generated for a specialty in the field of digital technical networks and communications.
- Management training sessions were generated on topics to deal with process improvements (Management Indicators /PM Workshops / Transportation / Equipment ABM).

MEGA Project

Background
In 2019, the Development and Improvement Committee associated to "Maintenance Engineering and Strategies" was created in order to analyze the state of the art when it comes to tools to manage assets that should be better and/or supplementary to those presently performed at Transener S.A. This led to the conclusion that the maintenance strategy based on interventions as from "fixed" time frequencies and with the same list of tasks, they are being surpassed by other that complement Predictive Techniques. This implementation is possible thanks to new associated technologies. This way, and given the identification that it is not enough to think about maintenance associated phases, the aim is Asset Management, from inception and design until final disposal after the attainment of the useful life. To do this, a more transcendental, global and comprehensive of systems is required.

Development
The objective of this project arises as one of the Guidelines of the Office of the General Manager and its main objective is to attain best practices in the Company's Asset Management.

Accordingly, the project named "MEGA", which in Spanish stands for Migration to Asset Management Strategy, was conceived by mid-2021, engaging research and operational teams, strategically coordinated with working plans and periodically pre-defined and reviewed actions in order to attain the proposed objectives.

This project is a fully innovative initiative for the local and regional market, not only because of its design but also because of its size and stated goals, envisaging "the TRANSENER of 2035" at the forefront of excellence in operation and maintenance of High-voltage Power Transmission Systems.

Current Status
Under the MEGA Project, the Company has engaged in a standardized and organized study of Asset Management (GdA), whose main objective is to diagnose improvement gaps. Seven (7) research groups are currently working in the MEGA Project. These groups are named Professional Research Team (EPI as per the initials in Spanish) and Operational Professional Teams (EPO as per the initials in Spanish), with findings and conclusions that mean a valuable source of support and back-up. These teams currently comprise 70 members from several departments and areas.

The activities include:
- Progress Report panels with working teams, also involving the participation of Managers and Directors. At the same time, feedback meetings with the teams were held.
- Monthly follow-up meetings were held with the office of the General Manager.
- Coordination and liaisons among working teams are continuously monitored in a manner such as to address concerns and direct the project's guidelines.
- A first stage of Data Governance and Management Analysis is being analyzed. Looking forward, this aspect requires a given order and a plan for implementation.

As a strategic tool to develop the MEGA Project, the Company added its membership to the EPRI - Electric Power Research Institute, a globally recognized entity to foster the Research and Development of Utilities in the electrical market at the global level.

Transener S.A.'s membership in the EPRI Program is an achievement that must be celebrated by the whole Company thanks to the technology, research and development contribution that this relationship entails. This initiative was submitted to Transener S.A. following a proposal by the Development and Improvement Committee, in the face of the need to shift from preventative to predictive maintenance.

To provide some background information, the EPRI continuously works on the research and analysis of topics related to electricity generation, distribution and use. In addition, it takes an active role in the industry's environmental impact. Apart from being a major step for the technical knowledge of our workers, this relationship brings about huge benefits for the Argentine electrical industry.

Transener S.A. is a leading player in the following segments:
- P34.001: Analysis of transmission asset management: principles, practices and technological transfer.
- P34.002: Transforming substation asset analysis.

The liaison with EPRI allows us to avail of endless and valuable contributions of details and knowledge which would otherwise be impossible to obtain due to an extension in quantity and quality. The main benefits for Transener S.A. include:
- Develop data models to understand the current status of assets, creating specific policies for their use and management.

- Access a database of assets and industry metrics to anticipate failures and analyses so that we can rely on increased capital management foreseeability.
- Develop algorithms to assess asset health and risk mitigation strategies.
- Develop a consistent analytical basis to make CAPEX and OPEX decisions.
- Provide cooperation environments to share the lessons learned and the best practices.

At present, one of the major findings from the MEGA Project development lies on the need for consolidating the progress made with SAP Mobility, Process Digitization, Database Improvements, Technical and Administrative Network Connectivity, diagnosis and proof-of-concept tests on novel developments, on-line monitoring of variables, on-line remote employee assistance with Peer-to-Peer (P2P) technology, etc. All these aspects pose an operational challenge that requires human and material resources to ensure their development and continuity over the time.

R&D and Technical Training

In October 2022, a new sector was created at the Company, under the purview of the Technical Coordination department, which reports to the Technical Directorate. The team comprises a group of specialized professionals with broad experience at the Company and is structurally defined as follows:

Area's Purpose, Need and Critical Points:

This team was created in response to the Company's need for having a minimum feasible structure in place engaged full time in R&D and Technical Training, not operationally separate from the contribution of the several Technical Directorate's departments. It requires coordinated contributions and workforce. In other words, ensuring the long-term continuity and consistency of goals, without being tied to the operation and maintenance context.

This implies an active involvement of the R&D and Technical Training team as co-investigator and co-instructor, together with Regional and Operations Departments, as well as a leading role in the coordination of developments arising from the MEGA Project, by means of a smooth interaction among its work teams (EPI/EPO).

Some of the main activities conducted by the R&D and Technical Training team so far include:

- Launch of research & development projects, such as:
  - › SF6 leak detection technologies at switches.
  - › Alternative technologies for aerial inspection using small-sized DRONES at Transforming Substation facilities.
- Miscellaneous developments, applying data sciences, leading to achieve improvements in calculating the remaining useful life of AT equipment (such as switchers, bushings) as well as in protection systems.
- Exploration of technologies leading to integrate data as an asset (information), such as by means of machine learning techniques, digital twins, natural language processing, etc.
- Launch of Training and Instruction Centers relating to specific operation and maintenance activities:
  - › Identification of building adjustments to be made on the premises of future Training and Instruction Centers
  - › Identification of the first topics to be addressed in upcoming training sessions
  - › Acquisition of learning support materials and investments in equipment
  - › Definition of trainer teams together with DT/GCT specialists
  - › Identification of the personnel to be trained and their specific needs based on their responsibilities
  - › Preparation of the associated reference literature.

Besides, as part of the sector's strategic development and based on the experience gained from the MEGA Project, the Company implemented a direct interaction with the EPRI - Electric Power Research Institute to achieve synergies that would take it to the forefront of the investigation and analysis of topics related to electric power generation, distribution and use.

Operations

COT – OPERATIONS CONTROL CENTER

Permits for Operators

The Company renewed the Permits of three Heads of Shift. In addition, this area renewed the Permits of other two COT Operators and the first license for a new COT Operator was applied for.

The Company renewed and/or granted the Permit of 25 Transforming Substation Technicians. The permits of the rest of the Company's operations personnel are still valid. They will be renewed as soon as their validity terms expire as prescribed by Technical Procedure N° 15 of Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA).

Training

The following training courses were delivered to Operators, Heads of Shift and personnel of the Weekly and Daily Programming Area:

COURSE
System recovery after total collapse. Service Order N° 8.
Protections for COT operators.
Studies and simulations for the system operation.
Power flows, short-circuits and electrical and mechanic stability.
Generation Automatic Disconnects (DAG).
Wholesale Electricity Market Regulation.
Communications Systems applied to electricity transmission.
Requests and consignment of transmission network facilities.
Network synchronization and criteria to adjust synchronism verifiers.
Operation of SCADA Monarch.
Use of the OTS for Operators' training.

The Operator Training Simulator (OTS) continued to be used at the new Operator Training Room. During the year, individual day meetings were held with the involvement of COT operators. During the training sessions, a number of operational situations were discussed, both programmed maneuvers and untimely equipment disconnects. Some of the exercises proposed to operators included the recovery of several systems of the Argentine Electrical Grid as well as the black start of several sub-systems.

System recovery mocks after a total collapse

Two system recovery mocks after a total collapse were carried out during the year, with the participation of CAMMESA and all agents of the Argentine Electrical Grid. The Head of Shift and the Operators of each on-call shift participated at each mock. The high-voltage power transmission system could be successfully recovered at both mocks, within the expected time.

Manuals for the Transforming Substations

The Company updated two Manuals of Standard Operating Procedures at La Rioja Sur and Choele Choel Transforming Substations. The Company also completed the first version of Rodeo Transforming Substation's Manual of Standard Operating Procedures and submitted for consideration the proposed update to Puelches Transforming Substation's Manual of Standard Operating Procedures.

Transener S.A.'s Maintenance Facilities Requests

The process to manage requests for installations for maintenance was followed along normal channels. Weekly meetings to coordinate with CAMMESA continued to be held in order to facilitate the formation of consent between CAMMESA and the several participants of the Electrical Market.

The Company continued working jointly with CAMMESA's professionals in the maintenance coordination task force. In this respect, meetings continued to be held to discuss the monthly maintenance programs submitted by Transener S.A. in order to pave the way to obtain CAMMESA's authorization to perform maintenance on elements of the transmission system.

Such task force drafted an agreed-upon document that summarizes the Technical Criteria applied by CAMMESA to grant authorization to perform the requested maintenance on equipment comprising the high-voltage electric power transmission network.

Besides, the shift system implemented was maintained for delivery of Work Permits to order and optimize this task at the Control Center Management.

Disruption Reports

A total of 409 reports were prepared concerning Anomalies and Disruptions during 2022. As part of CAMMESA's Technical Procedure N° 11 entitled "Disruption Analysis" 355 Preliminary Reports and 35 Final Disruption Reports were prepared.

Operational Aspects

A full update to Service Order N° 3 "Procedure to request high voltage transmission network equipment or installations for maintenance" was published.

Some of the changes introduced to the new version of Service Order N° 3 included a new version of the Work License Book, inducing field personnel (Foreman and Transforming Substation Technician) to perform a double-check with the COT Operator on the safety measures established in Work Leaves.

The new Service Order also includes a new Exhibit named "Summary of the process to request equipment for maintenance." The Exhibit details the real-time interaction that should exist among the employee requesting a field work leave, the Transforming Substation Technician and the COT Operator.

The Service Order N° 16 "Transener S.A. Network Operation" was also updated, incorporating issues related to safety in the operation.

All these changes in operational documents are meant to lead actions to ensure a safer operation.

On the other hand, in order to ensure that new installations are adequately phased into service in the Argentine Electrical Grid, this area reviewed the different energization plans submitted by the contractors throughout the year in order to have the new equipment enabled, assessing in each case the incidence on the equipment in service and on the network operation in general. Several energization plans were also arranged for the commissioning of upgraded equipment as part of the investment plan or after long-term interventions for major maintenance.

As a result of the enhancements conducted in the Argentine Electrical Grid, new transformers and connection points at 500 kV and at 132 kV were incorporated into the supervision and remote command from Transener S.A.'s Operations Control Center (COT).

Below is a detail of the new facilities incorporated into the grid in 2022:

- Resistencia Transforming Substation
  New 271.2 km-long 500 kV Rincón – Resistencia line with an 80 MVAr R10L5RS line reactor at Resistencia Transforming Substation end, and 80 MVAr R9B5RS bar reactor at Resistencia Transforming Substation.
- Rodeo Transforming Substation
  New 132 kV bars at Rodeo Transforming Substation and new connection at 132 kV with Bauchaceta – Rodeo line in the Province of San Juan, connection with Nueva San Juan – Rodeo line, and bar coupler field.
- Macachín Transforming Substation
  New 33 kV cells which allow to provide an alternative supply source to the Transforming Substation's ancillary services from the T2MC transformer.

Operations Engineering

- In 2022, the area supported operations with the performance of the Electrical Studies required for special system operation conditions both in the case of lengthy forced outages and of scheduled maintenance tasks.
- Analyses and follow-ups were performed of the Maintenance Programs applicable to Transmission Equipment in support of Transener S.A.'s area responsible for weekly and daily programming (COT) with efforts geared towards discussing with CAMMESA refusals to grant authorizations which are considered doable from the standpoint of Transener S.A. These cases were documented in the minutes sent to CAMMESA.
- The real-time sectioning application was updated for Gral. Rodriguez Transforming Substation.
- Algorithms for the DAG Comahue were discussed and modified to address N-2 or worse configurations, and the priority lists for DAG5 were enhanced.
- Multiple changes were introduced to equations, priority lists and primary correlation of NEA DAG tables in response to own concerns, system enhancements, and CAMMESA's concerns.
- Changes were made to NOA DAG due to a limitation in the NEA-NOA system caused by oscillations reported by CAMMESA.
- An internal system was implemented to verify changes in all DAG tables.
- Analysis and reports were carried out to energize lines (5RISG1).
- A study was performed to determine the export limit from Patagonia with the capacitor in Puerto Madryn f/s under several network conditions.
- The new export limits were calculated and reported for the Rincon Transforming Substation and for the central-NOA region with the commissioning of the 5RIRS2 line in the N-1 network.
- Seasonal Programming limits were updated for the NOA, Litoral, Central and Cuyo areas (Res. Nos. 2, 4, 6, 11, 13, 14, 17, 18, 60, 68, 71, 73, 74, 75, 76, 78 and 85).
- Analyses were carried out, improvements were proposed and stage II studies were agreed for new generation to the Argentine Electrical Grid (25 de Mayo, 5BB-VIV2, Sierras de Ullum and Río Turbio).
- Aid was lent to the Technical Directorate for the assessment of Operations Personnel (COT Operators and Transforming Substation Technicians) with a view to renewing their licenses under the Technical Procedure N° 15. As a part of this task, this area provided training for the Control Center's new hires.
- A CAMMESA-Transener S.A. joint task force was built to implement loggers/PMU Reason.
- Relevant Situations Reports were prepared for the 2022 winter and the 2022/2023 summer.
- The single-line diagram database of Transener S.A.'s network was maintained. Support was also given to codify future facilities (Chaco, Rincón, Bahía Blanca, Malvinas, Unifilar General de Transener S.A., Ramallo, El Espinillo, Ezeiza, Rodeo, Puerto Madryn, Resistencia, DAG Events, and Yacyretá).
- Records of the several Oscillation Monitoring Systems were submitted to CAMMESA concerning major events at the Argentine Electrical Grid.
- Cooperation was lent contributing arguments to defend the penalties of the Temporary Service Quality Document.
- A weekly DAG report was prepared and disclosed, describing the generation percentage to be disconnected in respect of the demand from the Argentine Electrical Grid.
- Budgetary monitoring across the GPOR was performed, issuing detailed and periodical expense control reports, in addition to covering COTDT management leaves. Similarly, CAPEX projects were created and monitored.
- Synchronism check equipment adjustments were studied and determined for the new facilities commissioned or to be commissioned (Almafuerte, Esperanza, 25 de Mayo).
- Analysis of transmission limits with the Río Coronda- Santo Tomé F/S line, considering local generation dispatch.
- Aid was lent with the engineering for the 25 de Mayo expansion at DAG Comahue.
- Analysis of the necessary conditions for the system operation with a Gral. Rodriguez F/S Transforming Substation bar.
- Analysis and simulation of the voltage collapse that occurred on January 15, 2022 in Buenos Aires Metropolitan Area. Creation of a task force with CAMMESA, EDENOR and SACME. Several solutions were proposed, including their respective impacts and estimated costs.

This area also submitted the following items to CAMMESA:

- Transener S.A.'s Service Order N° 36: Transener S.A.'s network operations in the event of irregularities in the Control System.
- Transener S.A.'s Service Order N° 03: Procedure to request equipment or facilities in the High Voltage Transmission Network for Maintenance purposes.
- Transener S.A.'s Service Order N° 18: Operation Standards for Transener S.A.'s connection to the nuclear power stations Atucha I and Atucha II.
- Transener S.A.'s Service Order N° 50: Controlling over excitation in power transformers.
- Transener S.A.'s Service Order N° 43: Operation of the Oscillation Monitoring System (SMO).
- Transener S.A.'s Service Order N° 02: Codes for identification and characteristics of sub-stations and equipment in Transener S.A. network.
- Transener S.A.'s Service Order N° 16: Transener S.A.'s Network Operation.
- Transener S.A.'s Service Order N° 61: Operation of the Ezeiza Transforming Substation and description of the Demand Disconnect Automatism (DAD).

Network Planning

- Preparation of Transener S.A.'s 2023 – 2030 Reference Guide.
- Evaluation of the Access and Enhancement Technical Feasibility Electrical Studies (Stage 1 – CAMMESA's Technical Procedure N° 1) for the following projects:
  - First Stage 1 (50 MW) of Vivoratá Wind Farm connected at 132 kV to Vivoratá Transforming Substation.
  - First Stage of the 171 MW Vientos del Atlántico I Wind Farm connected at 132 kV to Vivoratá Transforming Substation.
  - 100 MW El Zonda Solar Farm to be connected to Bauchaceta Transforming Substation, San Juan (at the request of CAMMESA).
  - New 132 kV Bell Ville Transforming Substation owned by EPEC, sectioning the 132 kV Arrollo Cabral - Leones line.
  - Installation of a second 500/132 - 300 MVA transformer at Chaco Transforming Substation (T2CHA).
  - 70 MW Sierras de Ullum Solar Farm (at the request of CAMMESA).
  - Cauchari IV and Cauchari V Solar Farms with a capacity of 100 MW each (total of 200 MW).
  - 200 MW Bella Vista Solar Farm to be connected at 132 kV to Bauchaceta Transforming Substation, within the jurisdiction of Energía San Juan (at the request of CAMMESA).
  - 185 MW Las Campanas Wind Farm (PELC) to be connected at 132 kV to El Chocón Transforming Substation, Province of Neuquén.
  - Request for enhancement from the Electric Power Transmission System Special Unit (UESTEE) to Transener S.A. and Transba S.A. in connection with Stage I of the Electric Power Transmission Enhancement Project (PROASTEE), previously known as AMBA I.
  - 202.5 MW "San Luis Norte" Wind Farm to be located approximately 60 km north of the city of San Luis, by sectioning the 132 kV DT High Voltage Line that connects Luján Transforming Substation and Parque Industrial SL.
  - Request for CAMMESA's opinion on the request for access filed by PV LA PERLA S.A., to connect its future 100 MW solar farm named "Los Molles" to the Argentine Electrical Grid located on km 40 of National Route N° 40, in Malargüe, Province of Mendoza, by sectioning the 132 kV Puesto Rojas - Malargüe high-voltage line, within the jurisdiction of EDEMSA.
  - Analysis of supplementary studies requested by Transnoa concerning power/energy exchanges between Argentina and Chile by means of the 345 kV Cobos-Andes Extra High Voltage Transmission Line under special conditions.
  - Request for CAMMESA's opinion on the request filed by Intermepro Generación with Transnoa, for the installation of a Solar Farm that will inject 200 MW (in stages) substantially on La Rioja Sur Transforming Substation bar, opening the La Rioja Sur (Transener S.A.) - San Martín Transforming Substation (Transnoa) line at just 300 m from the former Transforming Substation.
  - Preliminary information on Josemaría mining project provided by EPRE San Juan, for purposes of the shunt compensation analysis required in the 500 kV 5NSJ-ROD1 line and in the 500 kV line at the mine's 500 kV Vicuña Transforming Substation.
  - PROASTEE (former AMBA I), new Circular 9 draft, containing additional studies of Stage 1 due to changes in the request concerning expected enhancements at 220 kV.
  - Request for access from Luz de Tres Picos for its Vivoratá Wind Farm, for the incorporation of Stages 2, 3 & 4 of the wind farm final project (399 MW), involving 148.5 MW additional to the initial 50 MW (Stage 1), through the first connection envisaged for such wind farm at 132 kV to Vivoratá Transforming Substation.
  - Request from Luz de Tres Picos for its Vivoratá Wind Farm for its Stages 5, 6 & 7 for a capacity of 202.5 MW, with the wind farm's total capacity reaching 399 MW (50 MW for stage 1 and 148.5 MW for stages 2, 3 & 4). It includes bar enhancement at VIV and second feeder at 132 kV.
- Studies and information required by internal customers or by the Company's management:
  - Analysis and processing of available information from CAMMESA on the Argentine Electrical Grid's annual dispatch costs, without performing detailed dispatch studies, and on the identification of an approximate financial indicator showing the convenience of carrying out the works plan proposed in the Reference Guide.
  - Studies carried out by CAMMESA- Transener S.A. joint task force to analyze critical disturbances occurred in the Argentine Electrical Grid in 2022, analyzing available records and demand characteristics and performing multiple studies and simulations used to adjust Buenos Aires Metropolitan Area's dynamic demand model, thereby replicating the voltage collapse event that occurred in Buenos Aires Metropolitan Area on January 15, 2022, identifying its nature and recommending potential solutions.
  - Analysis and determination of 500 and 132 kV design short-circuit powers at the new El Espinillo Transforming Substation (EDET S.A.).
  - Preliminary analysis of electromagnetic transient studies Stage 1 hired by EDET S.A., to determine the basic project before filing the request for El Espinillo Transforming Substation.
  - Consistency analysis of the specifications for the arresters envisaged for the 500 kV Cóndor Cliff - La Barrancosa - Río Santa Cruz lines with the results of Stage 1 design studies.
  - Analysis of suitability of the characteristics of the new arresters proposed by Teyma for the line reactor with isolated neutral at Vivoratá end, in replacement of the originally planned for.
  - Determination of short-circuit currents at the 500 kV transformer compensation winding of El Bracho Transforming Substation to determine the specification of the reactor connection cable.
  - Analysis of potential energization alternatives for 500 kV transformers from 132 kV for 4 Transforming Substations of GRN.
  - Analysis and studies to give advice to the Voltage Work area on expected overvoltage upon typical failures at 500 kV lines and induced voltages at a transforming substation.
- Studies to foster or improve projects:
  - Approximate studies and analysis for reviewing the specifications of matching wire and OPGW at PROASTEE Stage I (former AMBA I) lines, determining the length of the matching wire required as guard wire in 500 kV lines, based on the characteristics of the line under review (length and design characteristics) and based on the design short-circuit powers of main stations.
- Review/preparation of specifications for the technical bid documents and permits:
  - Recommended replacement reactors to include in El Espinillo Transforming Substations.
  - Feasibility analysis to perform the two incomplete transpositions envisaged at each of the three lines 5EZVM2, 5HEVM2 and 5HEMC2 by stages.
  - Recommendable architecture analysis for 220 kV switchyard at Plomer Transforming Substation and voltage control therein.
  - Review of PDTG basic specifications at El Espinillo Transforming Substation for reactors and the transformer.
  - Review of Bidding Terms and Conditions and circulars published by CAF for constructing the enhancement for the commissioning of a 500/132 kV 300 MVA second transformer at Chaco Transforming Substation (T2CHA).
  - Review of new descriptive report for Río Santa Cruz Hydroelectric Power Stations project.

Operating Network Management

- Tasks associated to the renewal of the SCADA system:
  - › Incorporation into Transener S.A.'s Real-Time Operation System, Electrical Applications and Training Simulator (OTS) of all the changes requested due to modifications, additions and enhancements in the transforming substations being supervised.
  - › Point-to-point testing prior to commercial commissioning of all changes.
  - › All of the additions included diagrams for remote viewing and all the support programs.
  - › 243 processed requests to update Monarch databases (works, improvements and other updates).
- Building maintenance works at GPOR area.
- Full upgrade of VideoWall software to correct errors and failures. The upgrade supports the input of external video signal under safe conditions.
- Advanced training delivered to the COT's new hires on SCADA and Electrical Applications.
- Installation of the Operation Systems and SCADA system security patches as indicated by the PMS (Patch Management Service), included in GOLD support with the supplier of SCADA OSI system.
- Onsite management of scheduled maintenances of the Control Center's UPS and battery banks.
- All the scheduled preventative maintenance tasks were completed (COT, ECC, OTS, PDS).
- The Company generated 17 complex historical data reports upon external requests. This activity also aims at reducing the number of external connections to enhance security.
- Execution of scheduled preventative maintenance at the 4 communication nodes of the SCADA Monarch system.
- Execution of scheduled preventative maintenance at Data Center.
- Installation of new communication node at El Bracho Transforming Substation to improve alternative communication links to the area's RRTTUU.
- UPS monitoring at the monitoring interface of SCADA Infrastructure in Monarch.
- Communication links were migrated from WEM Agents to TCP/IP.
- The new ARO RO member was enabled as foreman for Transener S.A. becoming a constructive and valuable member of the work team.
- Creation of maintenance routes at SAP PM to control the execution of SCADA system backups.
- Completed configuration of the SCADA network, having defined the routing through the RIP protocol, thereby solving the network switching issues that were being perceived when a link suffered a glitch.
- 19 new tickets were processed and 10 direct calls to the customer service number were handled in connection with the GOLD support of the Monarch system provided by OSI.
- End of the cybersecurity assessment together with Information Security and preparation of a corrective plan to begin in 2023, hand in hand with the development of capital expenditures.
- Arrangements for capital expenditures in the installation of the 6th console. Issuance of purchase orders for furniture, console hardware, chair and telephone console. The installation was delayed due to import restrictions.
- Arrangements for the acquisition of Firewalls.
- Arrangement for the acquisition of virtual servers to install NON-SCADA services. The provision of the equipment is delayed due to import restrictions.
- As part of the cybersecurity assessment of SCADA systems, the following works were completed.
  - › Update and implementation of anti-virus policies.
  - › Update and implementation of backup methodologies.
  - › All SAP PM equipment was assigned critical status.

Business Development

ENGINEERING SERVICES - WORKS

As concerns the works for the expansion of the electrical system, Transener S.A. focused its efforts on those works for which it has competitive advantages, prioritizing those to be performed on the 500 kV and 132 kV system.

In 2022, the area continued providing support to renewable energy generation works in connection with ancillary communication services to implement the systems for controlling generation and demand (Automatic Export Demand Disconnect and Automatic Generation Disconnect) and SOTR (which in Spanish stands for Real Time Operation System), and Power Station Engineering for a new Wind Farm. Transener S.A.'s experience has been a decisive factor for customers who have desired to delegate the performance of critical tasks to the company. Some of the major works include the ADSS wiring among Gonzalez Chavez- Chillar - Olavarria Transforming Substations - Provision of engineering and clamps and Transforming Substation Engineering service (Technical Specifications) and Vientos Olavarria Wind Farm connection.

Together with these tasks, this area continued with the supply of energy equipment in remote sites based on the capture thread system for communication systems related to leases of fiber optics for third parties.

SERVICES ASSOCIATED TO ELECTRICITY TRANSMISSION

Operation, maintenance and other services, such as specific assays requested by customers in the private sector who are owners of transmission facilities which comprise both the equipment they use privately and the equipment allocated to public service (Independent Transmission Companies and International Transmission Companies) are services that Transener S.A. has been rendering ever since its inception.

In addition, some of the tasks performed by Transener S.A. include bushing replacements, oil analyses, diagnoses assays, repairs of optic fiber, fiber optic fusions in repeating splicing boxes, cleaning of insulating devices, measurements of electrical and magnetic fields, implementation of automation mechanisms, maintenance of lines and equipment in transforming substations, to name but a few.

As regards all of its service agreements, the actual values of Transener S.A.'s remuneration were maintained and most of these contracts have been uninterruptedly renewed since their inception, which attests to the quality of the services and the degree of customer satisfaction.

COMMUNICATIONS

During 2022, Transener S.A. continued to provide infrastructure services to a number of communications companies. These services comprise both the assignment of dark fiber optics over its own system (the Fourth Line) and leases of space in the micro-wave stations and in their antenna-support structures. The growing demand from communication companies has led to a significant increase in these revenues, both in terms of volume and of higher prices. Besides, Transener S.A. continued to provide support services to operational communications and to data transmission to the WEM agents.

Administration and Finance

Finance

In the course of 2022, Transener S.A. and Transba S.A. invested their idle funds in a prudent manner, using several available instruments in the market to maximize the portfolio yield and hedge their obligations in foreign currency through an optimal currency mix.

As of December 31, 2022, the consolidated financial debt amounted to $ 528 million exclusively on account of the balance of a loan borrowed from Banco de la Nación Argentina, for up to $ 1 billion in July 2021.

This loan was granted for a three-year term, at BADLAR plus 8%. Principal is to be repaid in monthly and consecutive installments by application of the German system and payable as from August 2021. The loan proceeds shall be used for working capital. It must be highlighted in this respect that according to the Bank's previous request, the Company's Board of Directors has agreed not to submit proposals to the Shareholders' meeting concerning the reversal of Company's reserves for distribution to shareholders as dividends for the effective term of the loan. Also, in the event of losses impacting reserves, the Board has agreed not to propose the distribution of earnings up and until they have been reinstated to the then current levels for as long as the loan remains unpaid.

On the other hand, concerning the loan that Transener S.A. borrowed from its subsidiary Transba S.A. for up to $ 442 million and due on August 12, 2022, the parties agreed to extend its term until August 14, 2023 and to pay interest accrued as of the original maturity date, with all other loan conditions remaining unaltered. Interest is accrued at BADLAR plus 3.5%. On September 9, 2022, Transba S.A.'s shareholders, gathered at an Ordinary General Shareholders' Meeting, approved the distribution of dividends for an amount equal to the principal due by Transener S.A. On September 12, 2022, dividends were offset against the principal due by the Company, after having settled interest accrued as of such date, upon which Transener S.A.'s obligation was fully discharged.

Concerning Transener S.A.'s risk rating, Fix Scr S.A., a Risk Rating Agent, retained the long-term issuer rating "A+(arg)," with stable prospects.

Administration

The Company continued with its ongoing improvement process on all administrative workflows in order to streamline processes within an intensive internal control framework.

The Company has fulfilled all reporting requirements regulated or requested by CNV, Bolsas y Mercados Argentinos S.A. and ENRE, among others.

On the tax front, the Company has complied with all tax liabilities in due time and form. Administration has continued to deal with municipal claims requiring compliance with alleged control measure obligations and payment of duties. According to regulatory provisions, the Company's activities are subject to stringent technical controls imposed by ENRE. Therefore, the municipal measures seeking to implement the same controls often interfere with activities and are only intended to collect duties. Due to the fact that such controls and services sought to be implemented by municipalities are never addressed on an individual basis, and are contrary to the rules governing the Company's activities, the claims for payment of duties are illegitimate and, therefore, are not contemplated in the remuneration scheme. All these claims are jointly addressed by the Legal area and by our legal advisors, seeking ENRE's intervention. In most of these cases, the Company has sought injunctive relief and brought actions for declaratory judgment with federal courts. Even though in some cases the municipalities succeeded in levying attachment in respect of the amounts claimed, in general terms, the defense strategy has yielded outcomes favorable to the Company's position.

Information Technology

During the year, the Company continued with the strategic transformation to maintain Transener S.A. in a leadership role when it comes to knowledge, appropriation and use in the exercise of technical and administrative functions by fostering creativity and innovation plus an avant-garde management of the emerging technologies applied to process optimization.

The main functions were based on planning and leading the acquisition, upgrading, implementation and operation of Information Technology services, products and infrastructure to address needs and requirements with adequate technological solutions that should be both timely and cutting edge, ensuring quality and optimizing the cost-benefit ratio in the investments made with a view to the attainment of institutional objectives.

This leads us to continue deploying the strategy proposed in 2013 in order to cut costs without disregarding the Company's needs and aligning the business objectives, supplying better service management and internal customer support to complement purely technical or technological skills.

Regardless of the innovation, digital transformation and process optimization, the Company also performed operation and maintenance activities for the required server and communication infrastructure to develop and manage over 50 business and information technology systems within a framework of Cybersecurity and geographical service coverage that is growing constantly and gradually throughout the Argentine territory. In addition, it provides support and service to approximately 1,000 users in the various transforming substations throughout the country.

INFORMATION TECHNOLOGY AND NETWORKS

Mobility

By definition, every application to be implemented must be suitable for use from any device. Mobility is key.

The wireless service continued to be enhanced at transforming substations, incorporating new Internet access links, supporting the business needs, and understanding that connectivity is an essential element to deliver a safe and quality service.

In addition, we have renewed our 585 cell phones via a technological upgrade of more than 180 terminals, maintaining the centralized control and management of the devices and continuing, strategically, with the Samsung brand as technological standard.

Infrastructure

In 2022, we geared efforts to preventative and corrective maintenance of our systems and their technological updates and upgrades, providing a more robust and safer base. Supported by a new work structure comprising strategic suppliers highly trained in their areas of expertise who provide the required support, the Company has managed to carry out scheduled activities and projects, adopting the pertinent best practices. One significant project completed in due time and form and without any service disruption was the datacenter moving to new facilities. The moving was completed in a single weekend, together with the Networks area.

Infrastructure Milestones:

- Datacenter center moving from Paseo Colón to Pampa Energía building.
- Service planning and arrangement at new building, on three floors:
- Meeting rooms / videoconference equipment.
- Arrangement of training room with cutting-edge technology.
- Implementation of new signage.
- Support to other service-related areas in new building.
- Implementation of unchangeable backup at Headquarters, Ezeiza and Rosario.
- Contracting of third parties' support service for distributed hardware.
- OS migration from ERP to latest version.
- Periodical update of MS Windows platform across all servers distributed countrywide.
- Update of MS-Active Directory Domain Services.
- Full DC update.
- Implementation of new hypervisors standardizing and updating unsupported legacy platforms.

Micro informatics

During the year, the Company continued to strengthen mobility, working actively in the renewal of workstations' technology, replacing all AIO PCs with notebooks. To such end, the Company purchased more than 300 state-of-the-art computers and monitors, in line with a replacement plan for final users. Aligned with this goal, the Company continued adding value to the SAP Mobility project, giving support and completing the technological replacement of tablets for field use, jointly with the defined strategy for the standardization of mobile apps and device protection.

Micro-informatics Milestones:

- Service planning and arrangement at new building, on three floors:
- Purchase and distribution of accessories and inputs, supporting the user experience with the new facilities.
- Workstation assembly based on the new hybrid in-person/remote work schedule.
- Support to Infrastructure and Networks at new implementations.
- Replacement of more than 150 notebooks countrywide.
- Purchase, assembly and renewal of videoconference rooms.
- Safe flight and drone maintenance trainings.
- Inventory system update.

Networks / Communications

During 2022, the Company continued to decentralize and optimize the use of Internet, incorporating new links together with suitable equipment to provide a secure and quality service, also incorporating new VPN site-to-site connections to internal services. The datacenter moving to new facilities was completed in due time and form and without any service disruption. The moving was completed in a single weekend, together with the Infrastructure area.

Networks Milestones:

- Execution of the Structured Wiring Master Agreement to facilitate wiring project management, in support of the business needs.
- Contracting of third parties' support service for distributed hardware.
- Planning and assembly of Video Surveillance Monitoring Center Transener S.A. / Transba S.A. Norte.
- Technological replacement of firewalls and switches.
- Structured wiring works.
- Traffic reengineering implemented to enable the moving and redundancies with Rosario and Ezeiza occurring during the traffic over VPN.
- Enhancement of the following links:
  - › Internet Ezeiza at 100 mbps.
  - › Internet Rosario at 100 mbps.
  - › Internet Colonia Valentina at 100 mbps.
  - › Internet Puerto Madryn at 50 mbps.
  - › Internet Gran Mendoza at 50 mbps.
  - › Internet Resistencia at 50 mbps.
- Implementation of the following links:
  - › Secondary Internet Rosario 50 mbps.
  - › Internet Campana 20 mbps.
- Service planning and arrangement at new building, on three floors.
- Wired and Wireless network
- Implementation of new APs WiFi 6.
- Arrangement of training room with cutting-edge technology.
- Implementation of new signage.
- Support to other service-related areas in new building.

Outsourcing / Datacenter

During the year, the Company succeeded in satisfying the availability commitment of critical services for the normal business operation with the objective being an excess of 95%.

The annual services and compliance levels were as follows:

INDICADORES SLA REALES

INDICADORES	ENE	FEB	MAR	ABR	MAY	JUN	JUL	AGO	SEP	OCT	NOV	DIC	ANUAL
DC Telecom	99,95%	99,95%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	99,97%	99,97%	99,75%	99,75%	99,95%
Google Apps	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
Internet	98,77%	99,45%	99,89%	99,88%	97,00%	99,99%	99,98%	99,86%	99,48%	99,99%	99,74%	99,60%	99,47%
SAP	99,98%	100,00%	100,00%	100,00%	100,00%	99,93%	99,99%	99,99%	100,00%	100,00%	99,81%	99,57%	99,94%
TOTAL	99,68%	99,85%	99,97%	99,97%	99,25%	99,98%	99,99%	99,96%	99,86%	99,99%	99,83%	99,73%	99,84%

CYBERSECURITY

During 2022, the Company continued to reinforce work, jointly with technical areas and managed, also, to generate an increasingly stronger safety vision present in each process/administrative process/ task or technique.

Thanks to the technological solutions implemented together with the work performed with operational/technical areas, we provided a response to the business' intrinsic requirements.

Also during the year, the Company conducted a general cybersecurity assessment across all of its networks, resulting in a diagnosis that includes a detailed corrective plan.

BUSINESS APPLICATIONS

In 2022, the Applications area endeavored to execute projects in line with the business objectives taking into account the premises of cooperation and mobility and using technological tools to increase the Company's productivity.

Besides, the implementations focused on digital transformation, with such strategy being underpinned by the use of Cloud tools that are integrated into the solutions already installed, such as SAP ECC 7.0.

Within this framework, the following were implemented:

- SAP Concur travel.
- SAP Operations - Improvements in Work Leaves system.
- SAP Operations - Improvements in the Permits system.
- SAP Mobility - Upgrade to support Android 11.
- SAP Mobility - Delivery of tablets and training to all Transforming Substations' and High-voltage Lines' Technicians.
- SAP Mobility - Improvements in the finished work order printing process.
- Meridian - Improvements in monitor vaults for Transener S.A.'s documents.
- Virtual Campus (HR) implementation.
- Netcontent Viafirma Implementation for document signature.
- Netcontent Onboarding implementation.
- Pay slip - Electronic signature.
- HR assessments - Improvement package.

DATA MANAGEMENT AND PROCESSES

During the year, the Company continued pursuing efforts to strengthen the notion of Data as one of its strategic assets. In this respect, the progress made with the MEGA Project underscored further the need for improving data management throughout their life cycle. Progress was made in the action plan to implement market best practices to develop a methodology which allows the Company to define a Data Governance and Management policy. At the same time,

the Company continued to develop applications that allow to monitor process health by means of decision-making indicators.

- Implementation of cutting-edge Business Intelligence software to develop the following management scorecards:
  - › Key Indicators.
  - › Risk Management.
  - › Environment.
  - › Health and Safety.
  - › Thermographies.
  - › Fleet Costs Phase II.
  - › Foreign Trade.
  - › Capital expenditure payment projections.

The Processes area continued with the construction of the digital vision. In this respect, progress was made with the development of the BPM methodology to build the Company's comprehensive process matrix with end-to-end visibility, classifying processes as Strategic, Operational and Support, and identifying the owners of such processes, as well as their respective risks, health indicators and controls.

PROJECTS CURRENTLY UNDERWAY

Below is a detail of the main projects under development and in design phase for implementation during 2023:

Applications
- Requests for Access and Enhancement Management System at Meridian
- Automated calculation of Awards and Revenues - Transener S.A.
- New Public Safety System
- New Health and Safety System
- Virtual Campus
- PT15 assessments
- Health and Safety assessments
- SAP S4 implementation (given the project size, completion is expected in 2024).

Dashboards in BI tools
- Supplier Qualification.
- Architecture and data assessment.
- DCO Selection and waste disposal.
- Mobile Public Indicators.

Mapping and improvement of the following business processes
- Incoming Stock.
- Strategic Maintenance Plan.
- End-to-end Process Matrix.

Cybersecurity
- Remediation Cybersecurity Gap in PyC networks (Year 1)
- Remediation Cybersecurity Gap in DAG networks (Year 1)
- Remediation Cybersecurity Gap in SCADA networks (Year 1)
- Remediation Cybersecurity Gap in SVV networks (Year 1)
- Remediation Cybersecurity Gap in IT network.

HELP DESK

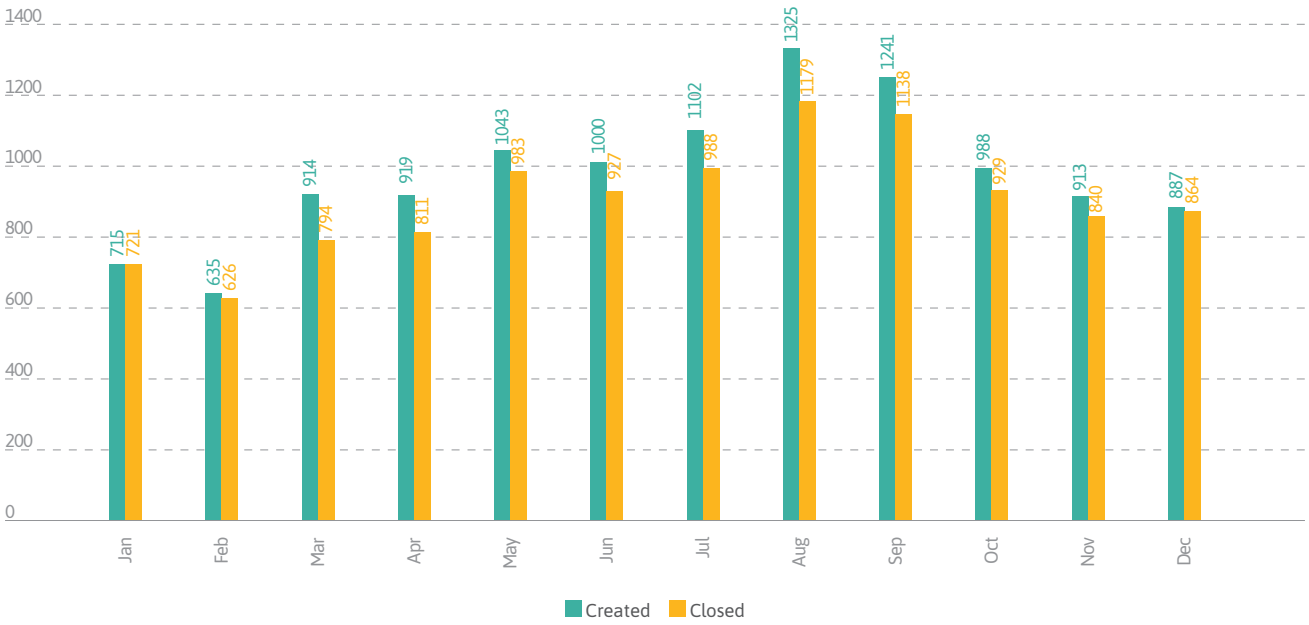
During 2022, 11,682 Tickets generated by 1,015 employees were managed (Total consolidated employees: 1,516).

Below is a detail of the status of Tickets issued during 2022:
- Tickets Created: 11,682
- Tickets Closed: 10,800
- Tickets Backlog: 882.

Of those Tickets, 92% were resolved.

MONTHLY EVOLUTION (2022)

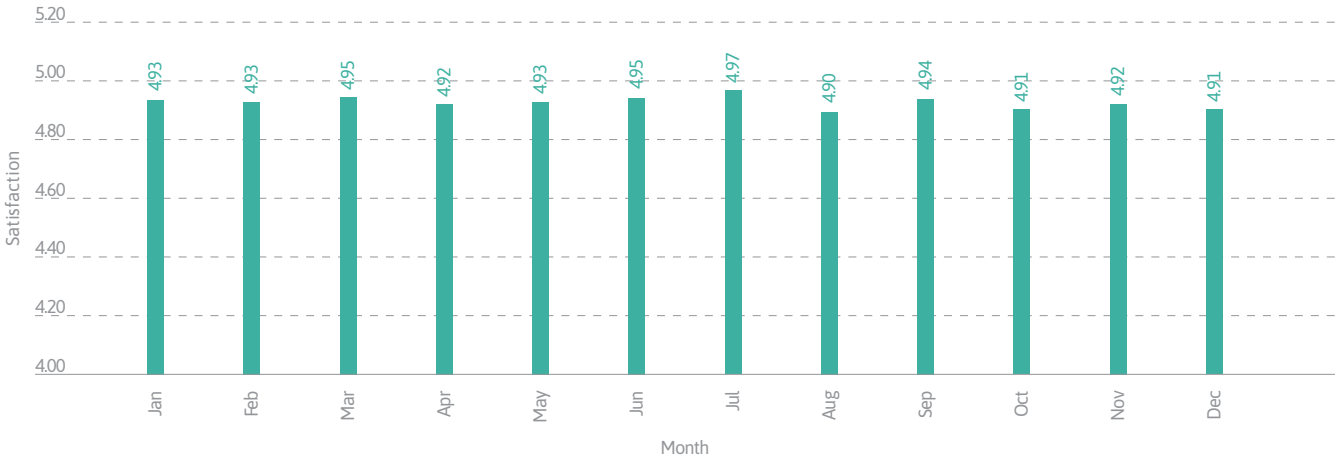
The chart shows management of monthly Tickets demand (Requested / Resolved), with 93% Monthly Resolution on average.



CUSTOMER SATISFACTION

In compliance with the definition agreed upon with Management with a focus on customer satisfaction, the following chart shows the Monthly Index taking as Values 1 as a Minimum and 5 as a Maximum.

The annual average for such year was 4.93.



Supplies and Procurement

Regarding Foreign Trade transactions, restrictions associated to import payments seriously hindered equipment and materials purchase management.

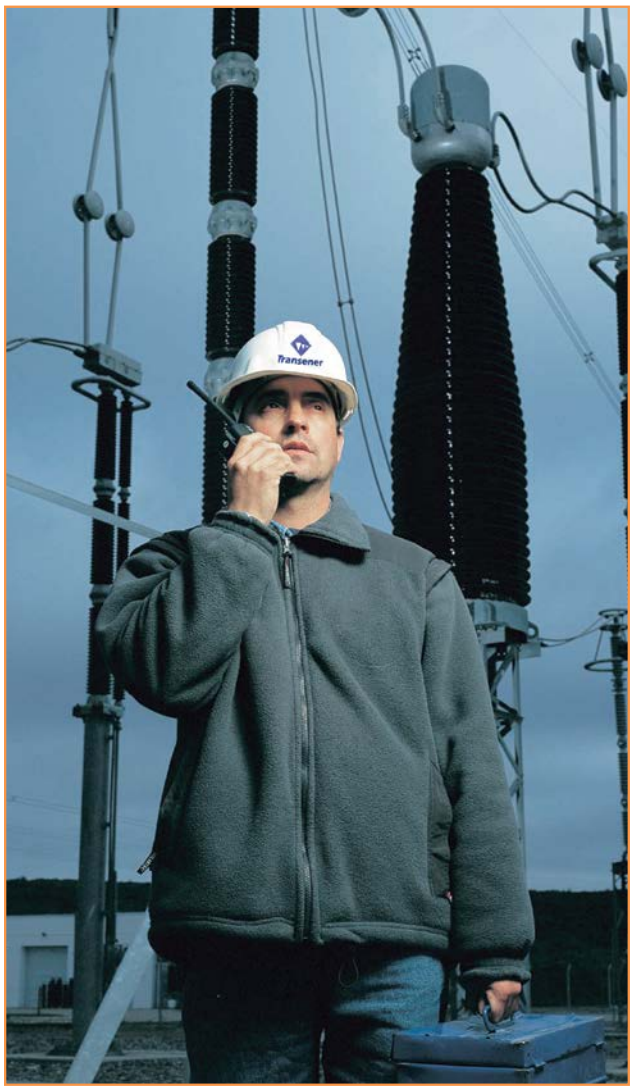
Besides, the new Registry of Suppliers was finally completed on the basis of the SAP platform, which shall result in a better follow-up of suppliers' performance and higher quantity of valid offers in the bids.

Budget planning and control

During 2022, the Company primarily worked on preparing and consolidating the information requested by ENRE and on taking care of the several requested requirements. During the year, the Company prepared its 2022-2023 financial forecasts and the respective Exhibits thereto and explanatory documents in order to reflect its operating needs and the revenues required to maintain and develop operation and maintenance activities.

On November 8, the Company submitted to ENRE a financial forecast containing an increase in tariffs. Such increase was then submitted to consideration at a Public Hearing. Finally, in December ENRE granted such 154.5% increase applicable as from January 2023.

During the year, efforts were also engaged in improving the Management Systems, primarily those concerned with the Company's investment plans. Also, key indicators were published monthly which are useful to measure the course of business.



Human Resources

Labor relationships – Conflict management

- New job bank arrangement - Luz y Fuerza trade union
- Collective bargaining agreements in line with inflation rates
- Management of contractors' claims
- Penalty procedure management
- Implementation of SIE application. Submission of telegrams by means of a platform maintained by the Argentine postal service
- Knowledge management: Workshops on Labor Relationships for Middle-management
- In 2022, the Company endeavored to improve its relationship with several unions by negotiating several wage items.

Human Capital

SELECTION:

Below is a detail of new hires:
- 51 employees to replace personnel who left the Company
- 23 workers for new positions and facilities
- 4 internships.

Career Development

During the year, we continued working on a new proposal for the Career Development Program to be implemented at the Company during the coming period, which takes into account the specific needs of the areas and promotes the development of organizational talents in technical and management careers.

Position description analyses were performed, follow-up of appointments to new functions and management of coaching processes for specific functions.

Training

During 2022, we continued to reinforce personnel training. Based on the development of the epidemiological situation, in-person training was resumed, taking the required precautions. This way, at the end of the period we attained 90% of compliance with the Company's Training Plan.

We continued to add courses to the Company's e-learning platform for employees to strengthen their technical knowledge. As of the date of this report, 13 courses are delivered online: Electrical Market, Lock-out/Tag-out, Manual for New Hires, Manual for Linesmen, Manual for Transforming Substations, Handheld Grounding Acquisition Management, and Public Safety and Quality Assurance, SAP Mobility, Protections Systems. Basic level for Transforming Substation Technicians, Chemical lab, SAP and Cybersecurity.

Corporate Onboarding sessions were carried out under this new format, covering 100% of the new hires.

Knowledge Management Program

We continued to work on Knowledge Management as one of the main work axes. During the reporting period, the company-wide Training Matrix was implemented for each position. The matrix helps identify essential trainings for each sector in accordance with the positions occupied by each worker. Last year, we conducted an actual vs. forecast analysis to be able to plan for medium-term compliance. The goal is to have the first round completed during 2024 / 2025. As of the date of this report, the Company managed to comply with 43% of the total matrix. Looking to ongoing improvement and in line with technological breakthroughs, the Company worked on the digitization of the Knowledge Management Matrix, which will provide traceable information over the time on the compliance with the Corporate Training Plan. The matrix is also useful for each leader to be able to manage with his/her team the courses due and be able to assign specific training.

Training continued to be delivered on the following (i) technical topics, such as: Predictive Systems - Transformer Aging - Protections for Non-specialists for COT, Transforming Substation Technicians, Voltage Work, Middle Management, SAP PM Application - Thermography at High Voltage Line - Handheld Grounding Acquisition, Control and Management - Lock-out/Tag-out; SSMA (ii), administrative: Google Tools - SAP: Receipts, Authorizations and Penalties Process, Store-rooms, Projects, SAP Concur, Order and Direct Order Requests - Budget entry into BPC – Public speaking as well as management of forklift permits, hydraulic cranes, cranes, telescopic handling plus the relevant follow-up on the team of supervisors.

Besides, we continued to offer training sessions to ensure that Transforming Substation technicians have an adequate knowledge of their functions, onsite equipment, failure detection, blueprint reading and updating. These sessions were taught by internal and external trainers. External trainers have experience in the Company because they were part of the headcount. Training was delivered remotely. This year, some in-person sessions were included to reinforce the contents discussed and gain hands-on experience. Training reached 100% of the transforming substations.

We generated 4 agreements with universities from all over the country in order to conduct apprenticeships and internships. We continued relying on an IT tool to digitally administer the technical examinations generating questions on a random basis. A Virtual Library was also developed accessible by all personnel, which contains publications of technical material of interest for the areas involved in the Company. As of the date of this report, the Company has 9 publications. During 2022, we carried out the Case Method activity targeted at area heads, supervisors and professionals in the Transforming Substations and Protections areas. In this activity, an incident occurred at the Company is presented and solutions are jointly proposed to prevent its recurrence.

Institutional Communications

This year, we continued to work on this issue that is key for the organization in accordance with the context where it operates on the basis of huge geographic coverage and governmental orders. For these reasons, we continued working and fostering the use of the SAP JAM Internal Social Network and WhatsApp groups for the whole technical personnel provided with corporate cell phones. There, we periodically updated all information concerning the pandemic and were able to generate interaction with all users.

The existing Internal Communication Channels were maintained, the "Inside Energy" magazine in a virtual format, Digital Billboards, SAP JAM (internal social network), Corporate Intranet, LinkedIn and Twitter.

The Company continues to work on several Communication Campaigns through all channels to report, raise awareness and manage change among its personnel. The topics addressed included:

- Let's be Safe campaign
- MEGA campaign
- COVID-19 campaign
- Public Safety campaign
- Occupational Health campaign - COVID-19 blog
- Campaign to re-launch the new Enterprise Social Responsibility policy
- Corporate Work ·Axes campaign.

Enterprise Social Responsibility

Since 2004, Transener S.A./Transba S.A. have adhered to the UN Global Pact, being committed to fulfil its ten principles comprising Human Rights, Labor, Environment, and Anti-corruption. Commencing in 2022, as part of its ethics, transparent, and sustainable management approach, the Company started to work on ESR programs based on the United Nations' Sustainable Development Goals (SDGs).

Child Nutrition Program based on the SDG N° 2 "Zero Hunger:

- Alliance with the NGO Haciendo Camino, sponsoring the nutritional center based in Suncho Corral, Santiago del Estero which convenes more than 80 families.
- ARGENUT - HACIENDO CAMINO - Transener S.A./Transba S.A. alliance to make a nutritional food product as a nutrient substitute for kids attending Suncho Corral center.
- Voluntary drive to assemble Christmas' gift boxes with items for the Christmas Eve dinner.
- Academic Levelling Program based on the SDG N° 4 "Quality Education":
- 13 motivational talks (11 virtual and 2 in-person at rural schools in the Province of Tucumán).
- 1 academic levelling course; 9 virtual meetings (technical and non-technical modules and final assessment).
- 9 visits to the Company's sites.

All these initiatives involved 54 educational institutions and 1,020 students.

Sustainable Suppliers Development Program based on the SDG N° 12 "Responsible Production and Consumption":

As part of this program, the Company pursues several goals, such as visualization of regional economies; SMETA 4P audits (having achieved 52% degree of completion), and preparation of the Guide for Sustainable Suppliers, Inclusive Businesses and Micro-entrepreneurs.

In 2022, twenty two (22) micro-entrepreneurs and/or inclusive businesses were included in the Company's supplier database (both for benefits and year-end celebrations), generating circular commerce and revenues for these micro-entrepreneurs that doubled their annual estimates relative to 2021.

ESR Events Program, based on the SDG N° 17 "Alliances for Goal Attainment":

This program supports all other programs. In 2022, the Company reinforced the purpose of the child nutrition program, organizing the first dinner of Transener S.A. and Transba S.A. to raise funds for the NGO Haciendo Camino in order to cover the annual cost of its nutrition program at Suncho Corral center (Santiago del Estero), which benefits more than 80 families. More than 50 companies participated at the dinner, in addition to new 125 sponsors for the NGO's kids.

Diversity, Equality and Inclusion (DEI) Program based on the SDG N° 5 "Gender Equality" and the SDG N° 10 "Reduced Inequality":

- Nineteen (19) DEI awareness workshops were organized, with the attendance of more than 55% of the Company's personnel. 100% attendance is expected by 2023, for this training is mandatory for all personnel.
- A mailbox was created to send DEI-related questions (consultasdei@transener.com.ar) so as to have a dedicated channel separate from the whistleblowing one, where employees are free to state their doubts, questions or concerns on this topic.
- We hired a new employee in alliance with ADEEI (a NGO that fosters the active and full participation of people with disability).
- We sponsored the inclusive fashion show organized by the NGO CILSA.
- Together with Health, Safety and Security in the Workplace, the Company engaged in the purchase of work apparel according to the current law on sizes and female clothing and footwear.

For all these programs, we rely on the cooperation of more than 112 volunteers (company employees and third parties). The Company also carried out voluntary drives to collect school supplies, toys and Christmas boxes for different institutions countrywide. At the beginning of the year, the Company organized an exceptional drive for the benefit of the volunteer firemen of the Province of Corrientes in the wake of the fires that hit the area's forests.

Other initiatives completed during the year:

- Work collaboration agreement executed with the Municipality of Marcos Paz
- "People" Award: Transener S.A. and Transba S.A. were candidates to the award for their work done on DEI and PNA topics and were recognized for their HR good practices.
- Alliance with Carbón Neutral Plus for the use of the GHG (Greenhouse Gas) effect quantification calculator. 35% progress in measurements.

- Legal area's contact with Jujuy, Tucumán, Córdoba, Catamarca, Neuquén and Mendoza provincial governments to coordinate volunteers to plant native trees in 2023.
- 73,537 kilograms of paper recycled since 2008 for the benefit of the Garrahan children's hospital.
- Design and commissioning of the donation ticket system.
- Purchase of recycled material bins for waste separation.
- Purchase of recycled material bins from an inclusive business to conduct voluntary drives.

Assets safety

Since 2022, the Company has implemented an Assets Safety Strategic Plan to bridge the risk gap existing in Transener S.A.'s assets comprising:

1. **Electronic and physical security measures in Transforming Substations**
   Implementation of protection measures based on Assets Safety Studies, such as perimeter enhancement, lighting, intrusion detection sensors, etc.

2. **Electronic and physical security measures in Communication Repeaters**
   Implementation of protection measures which, given their geographic location and in some cases their isolation condition, may deter or detect the perpetration of a crime.

3. **Analysis for the implementation of a Regional Monitoring Center Transener S.A. GRS**
   Scope assessment of AVIGILON platform as technological solution for crime prevention and forensic investigation at Transener S.A., comprising video surveillance systems and intrusion alarms, to formalize control routines on the Company's assets.

Below is a summary of benefits derived from such plan:

- Determination of the improvements to be made to Physical and Electronic Security: Implementation, update, enhancement or adjustments to border fences, lighting, access controls, intrusion alarms, and video surveillance systems.
- Interconnection of Chocón and Chocón Oeste Transforming Substations, to gradually integrate them to the Regional Monitoring Center in Colonia Valentina.
- Gradual decrease in the current costs of maintaining 29 surveillance services at several Transforming Substations, where the human factor (security guard) is not enough to make the most of the electronic security tools available.
- Integration by means of BOSCH Management platforms of the transforming substations equipped with video surveillance services, with 24/7 monitoring and immediate intervention protocols.
- Improvements to the Preventative and Corrective Maintenance Plan on video surveillance services, relying on a company with a nationwide logistics structure, which allows to reduce current costs.

In addition, the Company further developed the Assets Safety Program through the following actions:

- Assets inspections following the ANSI/API 780 standards, issuing the recommendations to mitigate risks. All transforming stations of the 3 Regional Departments were walked around to perform a security check at each of them, weighing risks in a matrix to be able to mitigate them with future actions.
- Investigations on thefts and joint actions with provincial and national security forces in the jurisdictions where the Company has transforming stations and crossing lines.
- Contacts with ministerial/municipal authorities to work jointly in the development of crime prevention activities at the areas where the Transforming Stations are based.

- Creation of incident record databases.
- Pilot project on Santiago del Estero Transforming Substation to develop a plan to recover and enhance the security systems in place, in view of the characteristics found at such Transforming Substation. This same plan is replicated at Lavalle and La Rioja transforming substations, as well as in those where these circumstances were found during the security surveys and assessments performed.
- Together with the Engineering area and contractors, we strived to implement the required security measures from the development of the new transforming substations to ensure they are protected. A transforming substation security manual was also developed, which provides the required security measures for new transforming substations developed in the future.

Within the framework of the training sessions for the Regional Departments, sessions were carried out through presentations and concrete examples, illustrated with pictures and videos, conveying aspects that should be taken into account when it comes to compliance with technical specifications by security and safety services providers, and the comprehensive utilization of Video-surveillance Systems as well as general considerations of physical security.

Training was also delivered to staff personnel discussing the GSP's activities, projects and their respective statuses, and the role of each of their members. Similarly, awareness was raised on the idea that security is a matter that involves all of us, with emphasis on what each of us can do to cooperate.

Below is a detail of the activities conducted in connection with fleet management:

- Fleet Vehicle Emergency Plan: The Company drafted a procedure entitled Panic Alarm in Vehicles with AVL 09_G_SPA_00_12_00. These events could occur when the user triggers the panic button upon an emergency. Accordingly, the procedure was drafted to coordinate the actions to be taken by the Company's personnel and Sitrack Monitoring Center.
- Equipment preventative/corrective maintenance: The Company strived to shorten the response time for maintenance in view of the Transforming Substations' disperse location, managing to reinforce the support of field technicians and to regularize the documents required for onsite access.
- Over Speed Buzzer Installation: Currently, 76% of the fleet have buzzers to prevent over speed by the Company's personnel, directly impacting on monthly indicators which displayed considerable decreases.

HR Administration

Further with the purpose of streamlining, systematizing and organizing the area's processes simply, reliably and safely, reducing paper consumption, in 2022 projects were developed aimed at digitizing information, such as:

- Migration of employee files to a more agile and efficient cloud platform
- Final stages of the process to digitalize documentation for new hires (Onboarding).
- Improvements in personnel administrative procedures associated to governmental agencies (certification of years of services, verifications, etc.).
- Improvements in digital pay slip.
- Digitalization of union dues, attachments, alimony and others.

During the year and at ENRE's request, labor projections were performed in order to comply with the financial forecast for the transition period (Tariff recognition for the 2022-2023 periods). The Company worked on a new Variable Compensation Bonus policy for its non-bargaining employees, which is aligned with the business and tied to the Company's performance. The Company implemented new fringe benefits in line with its employee retention and personal wellbeing policies, including:

- Extended marriage, maternity, and post-maternity leaves.
- Flex vacations.
- Extended time off for study.
- Moving.
- General wellbeing platform.
- Birthday leave.

Integrated Risk Management

Health, Safety and Security in the Workplace

Further with the work done in 2021 on the Let's be Safe program, and in order to keep reaffirming the notion that Health, Safety and Security in the Workplace is a value, in 2022 the Company carried out workshops with employees who are part of the program. These meetings were developed at the organization's several regions to share experiences, strengthen safety and security concepts, and enable discussion spaces to improve existing tools and address participants' doubts. The Company also implemented improvements in working procedures and management tools, based on the findings from the program.

All actions developed by the area are within the framework of the Let's be Safe program's pillars, with the clear goal of contributing to the cultural change and facilitate the incorporation of Safety and Security as a value to be considered in all actions carried out at the workplace.

On the other hand, as a significant result of management efforts in this respect, indicators displayed improvements with a declining trend in Transener S.A.'s Frequency Index (FI) by approximately 33% vis-a-vis 2021. Such FI in 2022 stood at 1.67. Importantly, all events recorded during the period were mild or minor, with no electrical accidents, accidents at height, or lethal accidents having been reported.

Further with management efforts, dashboards were implemented at Health, Safety and Security in the Workplace in order for leadership groups to be able to easily view the non-conformances found during inspections on the premises, and peer observations made by the area. Dashboards were shared at all levels, with unrestricted user access.

Besides, Health, Safety and Security in the Workplace risks were assessed within the Company's Risk Matrix, in order to define action plans leading to reduce the gap between the actual and intrinsic value of risks.

In 2022, in line with the key management indicators determined by the organization and in order to curb over speed incidence and, therefore, the potential occurrence of road accidents, the Company set out to work on the implementation of a Road Safety campaign, including:

- Commentary driving courses to identify unsafe habits and reinforce preventive behaviors when driving. Attendance of 89% of target personnel.
- Generation and launch of three-sided flyers and brochures with prevention messages, through the several communication channels used by the Company (Intranet, Digital Pay Slip, etc.).
- Recording of videos sharing safe practices at different driving settings and for several scenarios.

In this respect, it is worth noting that the "over speed kilometer" indicator decreased 38% relative to 2021, from 0.34% to 0.21%.

The Company developed a new Secure Work Assignment (ATS, as per its initials in Spanish) model involving all maintenance areas from the several Regions. This change is reflected in the issuance of four formats specific to High-voltage Line maintenance tasks, Transforming Substations, Transforming Substations Maintenance, Communications, Protections and Control.

As part of the proposed developments established in the area's work plan for 2022, specific studies were carried out to review nest withdrawal activities, placing hand-held PaT during maintenance activities at Transforming Substations to improve such processes. In turn, together with the Occupational Medicine area, the Company implemented ergonomics studies

at operational workstations related to the withdrawal of nests at 500 kV Transforming Substations.

In terms of Communications, the Company recorded works in height at communication towers. The goal was reviewing, improving and communicating safe working methodologies for these activities. In addition, the Company restated and issued a new reading-friendly version of Safety Alerts, with intensive visual content.

As concerns the training plan, the Company fulfilled 91% of the training scheduled for the sector during the period, involving 428 employees across the several activities. In addition, together with Safety and Health and the technical areas, the Company made improvements to the Electrical Risk - Consignment module.

In terms of operations, the presence of Safety and Health in the Workplace personnel in the regions, either to make field visits, deliver training or attend cascade controls, increased 3% relative to 2021. In turn, an annual average of 80% of observations/ inspections were completed at the Regional Departments.

Finally, the Company analyzed alternatives and defined the elements of the work-in-height and height rescue kit, leading to improve the working methods when performing maintenance at power equipment.

OCCUPATIONAL MEDICINE

Based on the area's work axes, in 2022 the results of 657 periodical medical exams and 81 fit-for-work medical check-ups of new hires were cleared, filed and returned.

Certain specific health checkups were also performed related to lumbosacral spine risks and pathologies, statistical hearing-loss analysis, ticks and birds at Transforming Substations (Psittacosis).

In addition, as part of a collaborative work with the Health, Safety and Security in the Workplace area, the Company assessed the ergonomic risks associated with the remote withdrawal of nests at 500 kV switches and sectioning devices.

Besides, the Company arranged the purchase and distribution of prescribed glasses to be placed in the frames of 81 employees' safety goggles.

The following Health preventative materials were prepared:
- COVID-19 (Update to preventative materials).
- Health Moments.
- Influenza and flu vaccination.

Concerning the latter, the Company carried on the flue vaccination campaign in 2022, this year under an expense reimbursement arrangement.

The sector also monitored and followed up on work accidents occurred during the period, all of which were classified as mild.

Finally, concerning employee's permits, the area carried on the required fit-for-work clearance procedures for:
- Operators (PT15): 43 operators and technicians.
- Voltage Work: 242 operators and technicians.

ENVIRONMENT

In line with one of our management's action lines, during 2022 the Company devised a proposal to integrate environment-related issues as part of the Let's be Safe program, seeking to contribute to the cultural change that is being fostered within the organization.

Pursuant to this proposal, the Company also launched audiovisual material (how-to videos, flyers, presentations) offering interesting information on the Company's environmental procedures and measures to prevent environmental damages:

- Videos on Environmental Incident Management and Spill Control
- Environmental Moments: Preparation of slides with brief explanations on environmental topics to project the beginning of working meetings and trainings.

Building upon the previous year's efforts, new talks were held with transforming substation's technical staff, doubling the number of employees covered in 2021. These meetings seek to foster a preventative approach and strengthen environmental concepts concerning internal procedures and environmental topics in general.

For the second consecutive year, the Company estimated the SF6 emissions index, based on installed capacity. This index served as the baseline to work on emission-reducing actions.

The Company carried out a comprehensive environmental risk assessment within the corporate risk matrix, establishing actual and intrinsic risk values and developing proposed actions to close gaps in risks that so required.

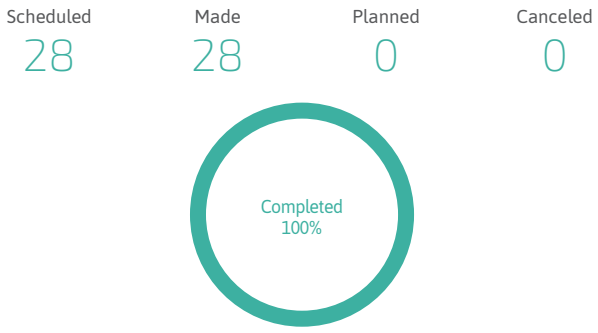
Pursuant to the change in environmental regulations implemented by ENRE, and upon the enactment of Resolution N° 558/22, which has an impact on the Company' environmental plan, the Company started to work together with the Regulatory Engineering area and the Regional Departments on changes in processes, procedures and records related to environmental issues. These changes are necessary for the successful compliance with new regulations.

Quality Assurance

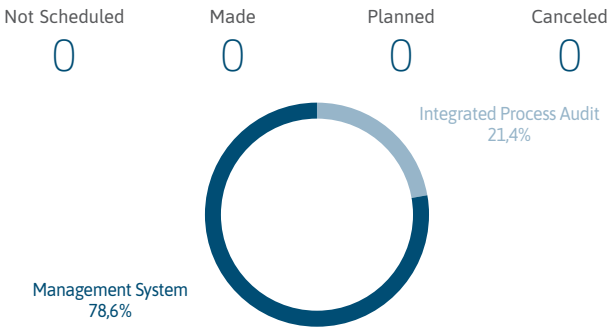
During the year, the most relevant aspects of the Integrated Quality Management (ISO 9001), Environment (ISO 14001), Occupational Health and Safety Standard, Emergency Plan (ENRE 22/2010) Technical Procedure N° 15 (SE 208/1998), Public Safety System (*) (ENRE 57/2023 and 620/2017) and Risk Management (*) were the following:

- Maintenance of the Quality Management System (ISO 9001:2015) certification
- Maintenance of the Environmental Management System (ISO 14001:2015) certification.
- Validation of the Contingency Plan for 2022 (Resolution by the ENRE 22/2010).
- These achievements were attained by successfully passing the External Audits conducted in September.
- Twenty eight (28) Internal Audits were conducted with the participation of Quality Assurance. All of them were scheduled audits.

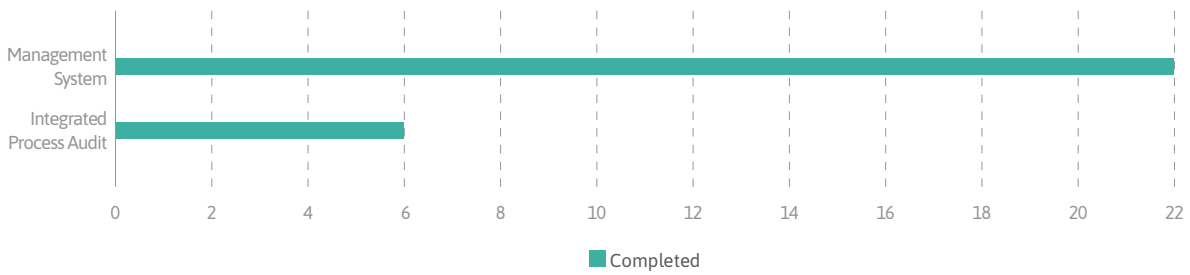
INTERNAL AUDITS BY STATUS



INTERNAL AUDITS BY TYPE

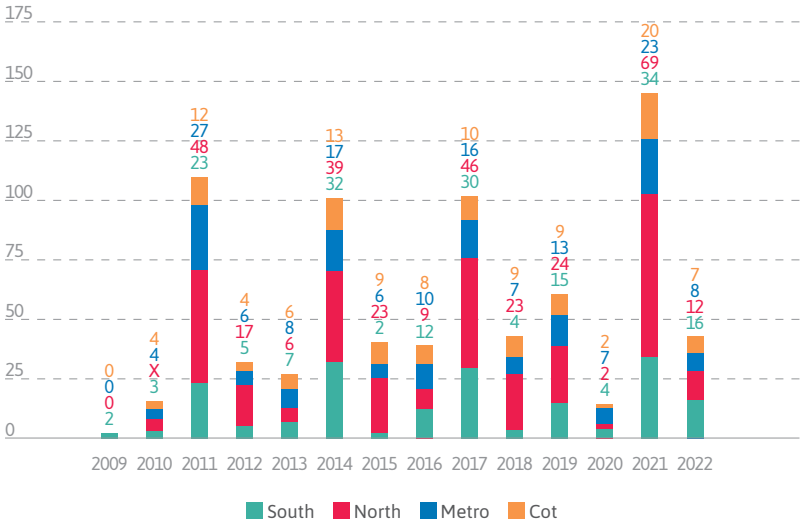


INTERNAL AUDITS, NUMBER BY TYPE AND STATUS

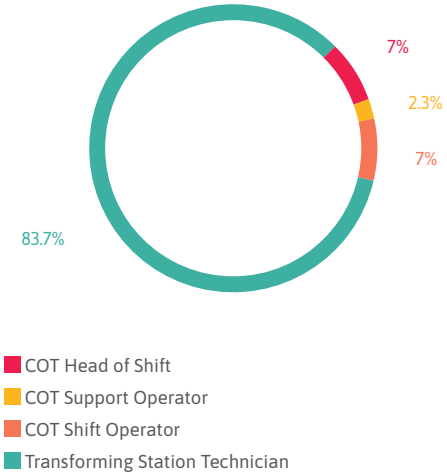


To comply with CAMMESA's Technical Procedure N° 15 to grant permits to operations personnel, 43 persons received their permits and renewals thereof for operation of the High-voltage Power Transmission System in Argentina. To such end, the area verified all documents related to each operator and handled and successfully completed the required external audits.

PERMITS OF OPERATIONS PERSONNEL BY AREA AND BY YEAR

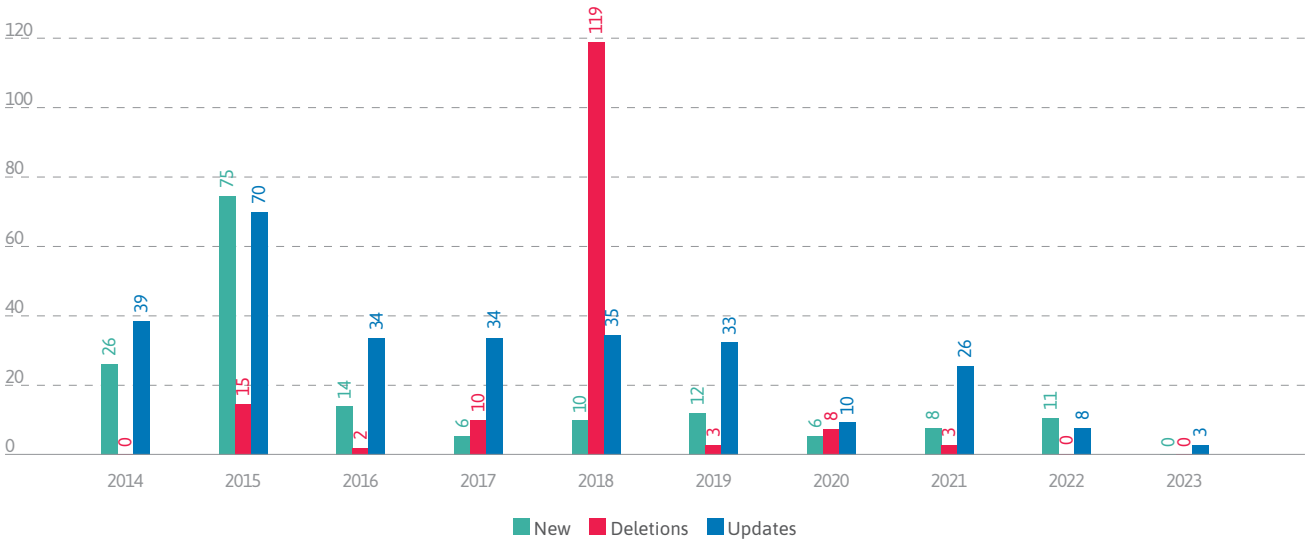


PERMITS OF OPERATIONS PERSONNEL BY FUNCTION



Like every year, a report for management's review was prepared, including all Integrated Management System information. Based on the specific needs of each area, Quality Assurance revised and issued 19 documents from the Integrated Management System.

DOCUMENTS (NEW, DELETIONS AND UPDATES) PER YEAR

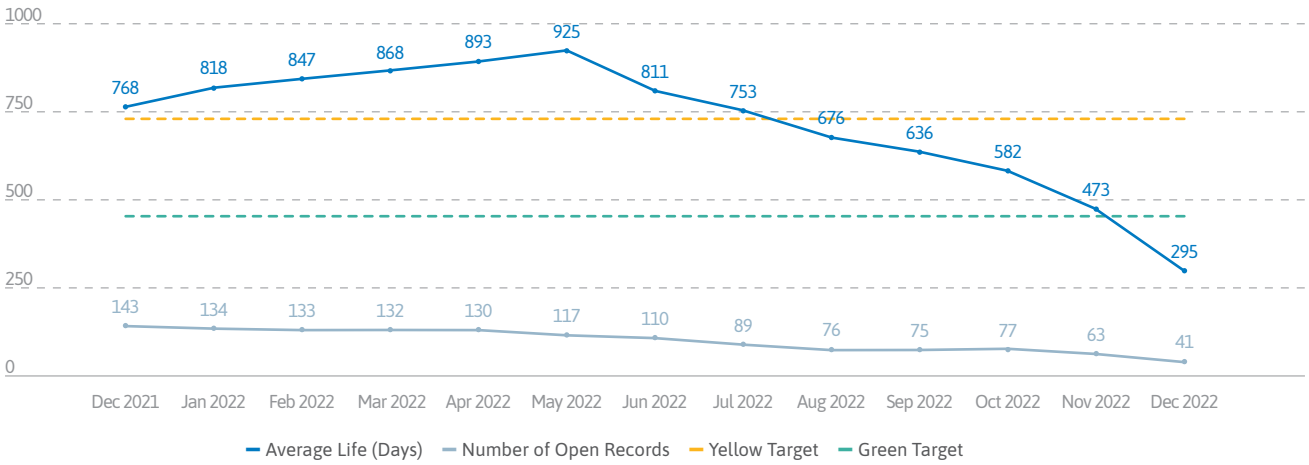


During the second half of the year, the area conducted external customer satisfaction surveys to measure the transmission system operation and maintenance service and the service provided by the Engineering Management Department. The results were published on the Company's intranet.

To comply with Resolutions ENRE N° 555/2001 and N° 178/2007, Quality Assurance took part in the preparation of the Reports on Degree of Progress in the Environmental Plan that were filed with ENRE in due time and manner (in January, the report for the second half of 2021 and in July, the report for the first half of 2022).

Quality Assurance prepared the Corrective and Preventative Action Average Life Indicator and worked together with the application supplier to implement new reports in 2023 directly in the Corrective and Preventative Actions application to make the monthly indicator preparation faster and simpler.

KEY INDICATOR – OPEN ACTIONS – QUALITY



- In 2022, Quality Assurance implemented several reports for the Company's departments and areas, including a detail of the Corrective and Preventative Action Average Life Indicator to help each area identify the records that have the most significant impact on the indicator to complete them and improve the indicator.

- Quality Assurance continued maintaining the application "Corrective and Preventative Actions," with enhancements in several processes, including registration, de-registration and modification of users and their profiles, thanks to a better link to the information from the Information Technology Department. In addition, the application was subject to improvements to streamline its use. Improvements were also made to the Ticket system managed by Quality Assurance related to the Corrective and Preventative Actions application.

- The area reviewed and published half-year reviews of the Matrix of Environmental Legal Requirements.

- Quality Assurance organized 5 training courses on matters associated to the Company's Integrated Management System, directly administered by the area.

- Quality Assurance members completed 100% of the training committed for 2022, under several modalities: In person, remote and e-learning.

- Together with the IT department, the Company worked on the digital signature implementation for documents from the Integrated Management System issued by Quality Assurance Digital signature is scheduled for implementation in 2023.

- The contents of the Intranet website were updated for the entire Regulatory Engineering Department on the SAP JAM platform. In addition, the Company created a new Intranet website for the Legal and Institutional Affairs area to transfer the contents of the Public Safety website.

- As usual, the Company continued with the follow-up on non-conformances arising from internal and external audits to streamline pending tasks that delay action closing and to support the action log of each area involved.

- The Company continued to monitor the measurement of hydrocarbons in water that are part of the Environmental Planning, getting in touch with the pertinent parties when there are delays against the annual plan. Quality Assurance continues to create a non-conformance in the system upon receiving a report from the Chemical Lab in excess of the permitted thresholds.

- The management indicators published in Quality Assurance's Intranet page (Data Studio interactive platform) were updated several times.

- In January/February 2022, specific Management Reports were developed for each Regional Department (similar to a mini report for management review), with information from 2021.

- The Company reviewed the SAP platform (under development) for administering permits to operations personnel. The issues requiring corrections or improvement were notified to Information Technology.

(*) The most relevant topics in the Public Safety System and Risk Management System are reported when it comes to "Public Safety" and "Risk and Technical Audit Management".

RISK MANAGEMENT AND TECHNICAL AUDITS

During fiscal year 2022, the Company consolidated the segmentation of risks under management by levels, and the assessment of the existing control gap and risk mitigation action plans. The Company designed and implemented a dashboard for use by risk managers. As a result, it appraised and reported in the financial forecast for the 2023 transition the requirements for the year 1 of implementation of gap closing plans.

Compensation of the Board of Directors and Main Executives

In accordance with Section 29 of the Company's By-laws, the compensation of the members of the Board of Directors is established by the Shareholders' Meeting, complying in turn with the provisions under section 261 of the Argentine Companies Law N° 19,550.

As regards executive staff, compensation consists in a monthly salary and a variable annual payment. The monthly salary is established on the basis of the characteristics and duties inherent in the position as well as the qualifications, competencies and experience of each executive. The annual variable payment comprises a bonus subject to objectives related to the Company's and its various departments' operational and financial performance and the attainment of individual targets. The Company does not have in place any stock option scheme.

Dividend Policy

The Argentine Companies Law requires that no less than 5% of the realized and liquid profits disclosed in the statement of income for the year should be maintained as a statutory reserve up to 20% of the Company's capital stock. The declaration and payment of dividends on the Company's common shares are determined through the vote of a majority of shareholders who are in possession of said shares and who vote as a single class.

In accordance with the terms of the loan agreement entered into with Banco de la Nación Argentina, the Company's Board of Directors has agreed not to submit proposals to the Shareholders' meeting for the term during which the loan was pending settlement, concerning the reversal of Company reserves for distribution as dividends to the shareholders. Along the same lines, in case of losses affecting reserves, the agreement is not to propose during the term outstanding, distribution of earnings up to the moment reserves have been reinstated at the then current levels.

Internal Control

Transener S.A. has processes in place underpinned by systems and procedures conceived in accordance with basic principles of internal control.

Besides, the Company has an Internal Audit area which carries out independent and unbiased assurance and consulting activities and which was conceived to add value and enhance the organization's operations. Its mission is to help the organization accomplish its goals, providing a systematic and disciplined approach to assess and enhance the effectiveness and efficiency of control and governance processes.

AUDIT COMMITTEE

In line with the provisions of article 109 of the Capital Markets Law, the Company has an Audit Committee, which is composed of three regular members, most of whom are independent according to the independence criteria stipulated by the rules of the CNV. The members of the Audit Committee have professional experience in financial, accounting, legal and/or business matters.

Every year, subsequent to the Company's Ordinary Shareholders' Meeting and Special Class A and B Shareholders' Meetings, the Company's Board of Directors appoints the directors who shall make up the Audit Committee. On March 2, 2022, the Committee approved its Action Plan for the year 2022 and on March 7, 2023 it issued its annual report giving an account of the treatment afforded to the issues for which it is responsible.

SUPERVISORY COMMITTEE

The Company's internal oversight duties have been entrusted to a Supervisory Committee made up by three regular Statutory Auditors and three alternate Statutory Auditors appointed by the Ordinary Special Class A and B Shareholders' Meetings for the term of one fiscal year in office, subject to indefinite re-election in accordance with the Company's By-law.

Results of Operations

The Company's consolidated net profit attributable to its owners for fiscal year ended December 31, 2022 amounted to AR$ 1,709.9.

Consolidated net revenues for fiscal year ended December 31, 2022 totaled AR$ 31,545.5 million, 6.6% decrease relative to the AR$ 33,766.2 million in fiscal year 2021.

Consolidated net regulated revenues for fiscal year ended December 31, 2022 totaled AR$ 27,635.9 million, 6.1% decrease relative to the AR$ 29,433.3 million in fiscal year 2021, due to the fact that the tariff adjustments determined by ENRE in May 2022, on a retroactive basis to February 2022 (67% and 69% for Transener S.A. and Transba S.A., respectively) were not sufficient to keep the level of revenues in constant currency.

Consolidated net non-regulated revenues for fiscal year ended December 31, 2022 totaled AR$ 3,909.6 million, that is, 9.8% lower than the AR$ 4,332.9 million recorded in 2021, due to the fact that the tariff adjustments determined by ENRE in May 2022, on a retroactive basis to February 2022, applicable to the Fourth Line, Choele Choel - Puerto Madryn and TIBA, were not sufficient to keep the level of revenues in constant currency.

Consolidated operating costs for fiscal year ended December 31, 2022 were AR$ 30,212.8 million, 4.9% higher than the AR$ 28,808.6 million recorded in 2021, primarily due to an increase of AR$ 1,165.0 million in payroll costs.

Consolidated other operating revenues, net for fiscal year ended December 31, 2022 amounted to a profit of AR$ 520.1 million, representing an increase of 80.8% compared to the AR$ 287.8 million recorded in the previous fiscal year, primarily due to an increase in service quality rewards.

Consolidated operating profit for fiscal year ended December 31, 2022 amounted to AR$ 1,852.9 million, 64.7% lower than the profit of AR$ 5,245.4 million recorded in fiscal year 2021, primarily due to the 6.6% decrease in revenues from sales and a 4.9% increase in operating costs measured in constant currency.

Consolidated financial results for fiscal year ended December 31, 2022 accounted for a profit of AR$ 861.5 million compared to a loss of AR$ 1,754.4 million posted in 2021, primarily due to the total settlement of Class 2 Negotiable Obligations in August 2021.

Consolidated income tax expense for fiscal year ended December 31, 2022 amounted to a loss of AR$ 1,004.4 million, 83.4% lower than the AR$ 6,038.9 million posted in 2021, primarily due to a lesser loss in deferred income tax due to the increase in the income tax rate established by Law N° 27,630, which effect had an impact in 2021.

COMPARATIVE RATIOS:

	INDIVIDUAL		CONSOLIDATED	
	2022	2021	2022	2021
Solvency (a)	317%	315%	270%	243%
Indebtedness (b)	27%	32%	37%	41%
Current liquidity (c)	126%	106%	140%	121%
Equity multiplier (d)	79%	76%	73%	71%
Fixed asset to equity capital (e)	90%	89%	86%	86%
Return on equity (f)	2%	2%	3%	4%
Financial leverage (g)	4.2 x	3.3 x	10.9 x	6.2 x
Asset turnover (h)	0.2 x	0.2 x	0.3 x	0.3 x

(a) Solvency: Shareholders' Equity / Total Liabilities.
(b) Indebtedness: Total Liabilities / Shareholders' Equity.
(c) Current liquidity: Current Assets / Current Liabilities.
(d) Equity multiplier: Shareholders' Equity / Total Assets.
(e) Fixed asset to equity capital: Non-Current Assets / Total Assets.
(f) Return on equity: Net income excluding Income tax / Sahreholders' Equity excluding net income for the year.
(g) Financial leverage: EBITDA (1) / Interest expense generated by liabilities.
(h) Asset turnover: Revenues / Total Assets.

(1) EBITDA is calculated as operating income plus depreciation.

COMPARATIVE BALANCE SHEET INFORMATION (IN THOUSANDS OF PESOS):

	INDIVIDUAL		CONSOLIDATED	
	2022	2021	2022	2021
Current Assets	9,877,902	10,776,127	15,185,997	15,399,919
Non-current Assets	90,332,940	91,488,169	93,126,860	94,150,692
Total Assets	**100,210,842**	**102,264,296**	**108,312,857**	**109,550,611**
Current Liabilities	7,813,449	10,213,833	10,838,752	12,694,387
Non-current Liabilities	13,382,767	14,425,422	18,459,479	19,231,183
Total Liabilities	**21,196,216**	**24,639,255**	**29,298,231**	**31,925,570**
Equity	79,014,626	77,625,041	79,014,626	77,625,041
Total	**100,210,842**	**102,264,296**	**108,312,857**	**109,550,611**

COMPARATIVE STATEMENT OF OPERATIONS INFORMATION (IN THOUSANDS OF PESOS):

	INDIVIDUAL		CONSOLIDATED	
	2022	2021	2022	2021
Continuing operations				
Operating income	218,419	2,564,566	1,852,877	5,245,401
Total financial results, net	614,944	(1,638,094)	861,497	(1,754,440)
Subtotal	**833,363**	**926,472**	**2,714,374**	**3,490,961**
Participation in controlled companies	1,036,848	291,062	0	0
Profit before tax	**1,870,211**	**1,217,534**	**2,714,374**	**3,490,961**
Income tax	(160,270)	(3,765,448)	(1,004,433)	(6,038,875)
Profit/(loss) of the year from continuing operations	**1,709,941**	**(2,547,914)**	**1,709,941**	**(2,547,914)**
Other comprehensive loss of the year	(320,356)	(168,129)	(320,356)	(168,129)
Total comprehensive income/(loss) of the year	**1,389,585**	**(2,716,043)**	**1,389,585**	**(2,716,043)**

COMPARATIVE STATEMENTS OF CASH FLOWS INFORMATION (IN THOUSANDS OF PESOS):

	INDIVIDUAL		CONSOLIDATED	
	2022	2021	2022	2021
Net cash generated by operating activities	2,409,678	5,686,447	3,948,100	9,223,913
Net cash (used in)/generated by investing activities	(2,100,652)	9,236,960	(4,496,848)	(2,640,220)
Net cash used in financing activities	(1,480,748)	(20,929,652)	(1,069,371)	(19,075,929)
Financial results from cash and cash and equivalents	(331,597)	(1,324,225)	(611,013)	(2,801,702)
Cash and cash and equivalents at the beginning of the year	4,793,303	12,123,773	7,368,588	22,662,526
Cash and cash and equivalents at the end of the year	**3,289,984**	**4,793,303**	**5,139,456**	**7,368,588**

Future Outlook

The Company continues to render operation and maintenance services for the Extra High Voltage Trunk Distribution System in the Province of Buenos Aires exhibiting adequate performance in terms of service quality, which easily surpass the quality and efficiency indices required in the concession agreements and remain at levels that point to outstanding performance under both local and international standards, outperforming the network's operational demands.

During the current year, ENRE approved the new hourly prices which come into effect on February 1, 2022, establishing a 67% and 69% increase vis-à-vis the prices that had been in force starting since August 2019 for Transener S.A. and Transba S.A., respectively.

The Public Hearing called for by ENRE was held on November 30, 2022, in order to inform about and receive feedback on the transition tariff adjustments proposed by the electric power transmission service concession holders, as part of the transition process towards the Comprehensive Tariff Review and before setting the tariffs to be applied by such concession holders.

On December 29, 2022, in an attempt to maintain throughout 2023 the purchasing power of the revenues, ENRE established the hourly prices effective as from January 1, 2023, granting an increase of 154.5% and 154.1% to the tariffs that had been prevailing since February 2022 for Transener S.A. and Transba S.A., respectively. Such values are based on an estimated 60% inflation rate for 2023, and will be adjusted accordingly if inflation is not line with such estimate.

Therefore, the Company has resumed its investment plan that will lead to neutralize the obsolescence of its equipment and facilities, and ensure the continuity of improvements and adjustments to keep its outstanding service quality. This plan encompasses the renewal of switchyard, measurement and control units which have already exhausted their useful lives, replacing them with other more modern pieces of equipment capable of responding to the high operational demands posed by the network. Within the investment plans, public safety projects are a top priority, reaffirming the Company's strong commitment in this regard. Against this backdrop, the Company will continue embracing systems and technologies which provide the highest reliability and predictability levels in the supply of the electricity transmission service. Furthermore, the Company continues to strengthen an organizational culture based on a robust cost awareness policy that leads to increased efficiency levels.

In connection with the above-described investment plan, since mid-year, the delays in obtaining import permits from pertinent authorities have been increasing considerably, both for the Company's and for suppliers' imports, which, if not resolved, will jeopardize the fulfilment of the plan in due time and form, or will otherwise represent substantial cost increases when receiving offers for nationalized equipment to be bought by the supplier, without settlement through the Argentine official exchange market.

The Company has already stated to the authorities the critical nature of the equipment that it imports either directly or through its suppliers, indicating the requirements for the year, as well as the operations that are currently delayed. The Company will also continue to take actions leading to execute its plans in due time and form, within the expected costs.

Apart from the effort to neutralize and revert the obsolescence process, given the infrastructure limitations existing in the High Voltage and Trunk Distribution Transmission System in the several regions of the country that hinder the efforts to satisfy demand growth with operational safety and ensure a cost-effective dispatch, the Company, together with the several electric power transmission companies convened by ATEERA, the Argentine Association of Electric Power Transmission Companies, prepared and filed with the Secretariat of Energy, CAMMESA and the Federal Energy Commission, a 10-year electric power transmission expansion plan, in attempt to create a road map to learn about the short- and medium-term network requirements and arrange works by criticality-based priorities, while securing in advance the resources required for completion, considering the long execution terms and substantial financing that such works require.

The Company is currently upgrading its management model. Some of the main actions in this regard include reshaping its main internal processes and making a strong investment in human capital. In this respect, the Company will continue developing the MEGA Project in order to embrace more efficient technologies to manage its assets, in addition to reshaping the main administrative processes, including technological migration to a new SAP version.

On the other hand, the human capital investment is underpinned in key personnel retention pillars by developing benefits that offer value to the most outstanding employees, making broad and extensive investments in technical and management training, and launching the Young Professionals Program expected to occur by mid-2023, to attract talents that in the future will contribute to take the Company to the forefront in management.

Concerning risk management, the Company will continue to develop a model leading to minimize risks to an efficient extent, by implementing suitable monitoring and prevention measures which, regardless of the financial investment that most of them entail, envisage a strong cultural change for each employee to raise awareness on adequate risk management. Based on the foregoing and considering the deleveraging process that began in 2021 with the settlement of Negotiable Obligations, the Company expects to fully develop its business plan, ensuring an outstanding service quality and seeking to begin the Comprehensive Tariff Review process within a reasonable term, which is expected to result in the definition of tariffs that will allow it to maintain an outstanding service quality as it has done so far, while achieving fair and reasonable profitability levels, within a foreseeable environment and with adequate tariff protection against rising inflation at the local level, in accordance with the terms of Law N° 24,065.

Proposal by the Board of Directors

The Board of Directors has not prepared any proposal to distribute unappropriated retained earnings and it has decided that it will be the Ordinary General Shareholders' Meeting which must decide how to appropriate them.

This has been a year of major challenges and there is no way they could have been successfully surpassed without the efforts made by the Company's human resources. To them and to their customers and suppliers, our warmest gratefulness.

Buenos Aires, March 7, 2023
THE BOARD OF DIRECTORS

Financial Information

Here follows the Consolidated Statements of Operations of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. and the corresponding Consolidated Balance Sheets, Consolidated Statements of Changes in Shareholders' Equity and Consolidated Statements of Cash Flows for the fiscal year ended December 31, 2022.

Consolidated Statements of Operations

For the fiscal years ended December 31, 2022 and 2021 (Expressed in thousands of Argentine Pesos)

CONSOLIDATED INCOME STATEMENT	12.31.2022	12.31.2021
Revenues	31,545,497	33,766,226
Operating costs	(26,817,197)	(25,636,627)
Gross profit	4,728,300	8,129,599
Administrative expenses	(3,395,562)	(3,171,960)
Other operating income, net	520,139	287,762
Operating income	1,852,877	5,245,401
Finance income	5,629,598	5,299,651
Finance costs	(3,337,954)	(4,247,770)
Other financial results	58,038	(1,408,271)
Loss on net monetary position	(1,488,185)	(1,398,050)
Profit before tax	2,714,374	3,490,961
Income tax	(1,004,433)	(6,038,875)
Profit/(loss) of the year from continuing operations	**1,709,941**	**(2,547,914)**

PROFIT/(LOSS) OF THE YEAR ATTRIBUTABLE TO :	12.31.2022	12.31.2021
Owners of the company	1,709,941	(2,547,914)
Total for the year	**1,709,941**	**(2,547,914)**

OTHER COMPREHENSIVE RESULTS	12.31.2022	12.31.2021
Items that will not be reclassified to profit or loss		
Recognition of actuarial income in retirement benefits plans	(492,855)	(331,528)
Income tax effect on actuarial income in retirement benefits plans	172,499	163,399
Other comprehensive loss of the year	**(320,356)**	**(168,129)**
Comprehensive income/(loss) for the year	**1,389,585**	**(2,716,043)**

COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:	12.31.2022	12.31.2021
Owners of the company	1,389,585	(2,716,043)
Total comprehensive income/(loss) of the year	**1,389,585**	**(2,716,043)**
Earning per share attributable to the equity holders of the Company ($ per share)	**3.12**	**(6.11)**

Consolidated Balance Sheets

As of December 31, 2022 and 2021 (Expressed in thousands of Argentine Pesos)

ASSETS	12.31.2022	12.31.2021
Non-current assets		
Property, plant and equipment	88,577,881	89,906,230
Inventories	3,705,192	3,731,121
Other receivables	843,787	513,341
Total Non-current assets	93,126,860	94,150,692
Current Assets		
Trade accounts receivable	6,758,772	5,575,049
Other receivables	2,086,849	2,013,283
Investments at fair value	1,200,920	442,999
Cash and cash equivalents	5,139,456	7,368,588
Total Current assets	15,185,997	15,399,919
Total Assets	108,312,857	109,550,611

LIABILITIES	12.31.2022	12.31.2021
Non-current liabilities		
Loans	194,444	1,028,075
Deferred tax liabilities	14,835,638	15,818,942
Employee benefits payable	2,169,994	2,170,584
Liability contracts	1,057,570	209,860
Trade accounts payable	201,833	3,722
Total Non-current liabilities	18,459,479	19,231,183
Current liabilities		
Provisions	338,335	386,395
Loans	427,532	678,595
Income tax payable	1,721,758	2,403,921
Taxes payable	462,162	497,160
Payroll and social securities taxes payable	3,660,207	3,991,460
Employee benefits payable	542,499	542,646
Liability contracts	75,541	11,045
Trade accounts payable	3,610,718	4,183,165
Total Current liabilities	10,838,752	12,694,387
Total Liabilities	29,298,231	31,925,570

EQUITY	12.31.2022	12.31.2021
Share capital	444,674	444,674
Share capital adjustment	37,573,828	37,573,828
Legal reserve	3,566,912	3,566,912
Optional reserve	1,766,629	1,766,629
Voluntary reserve	36,108,292	38,656,206
Other comprehensive income	(2,155,650)	(1,835,294)
Retained earnings	1,709,941	(2,547,914)
Total equity	79,014,626	77,625,041
Total Equity and liabilities	108,312,857	109,550,611

Consolidated Statements of Changes in Equity

For the fiscal years ended December 31, 2022 and 2021 (Expressed in thousands of Argentine Pesos)

	SHARE CAPITAL	SHARE CAPITAL ADJUSTMENT	LEGAL RESERVE	OPTIONAL RESERVE	VOLUNTARY RESERVE	OTHER COMPREHENSIVE INCOME	RETAINED EARNINGS	TOTAL EQUITY
Balance as of December 31, 2020	444,674	37,573,828	2,954,826	1,766,629	27,026,569	(1,667,165)	12,241,723	80,341,084
Ordinary General Meeting of Shareholders held on April 21, 2021:								
- Legal reserve	0	0	612,086	0	0	0	(612,086)	0
- Voluntary reserve	0	0	0	0	11,629,637	0	(11,629,637)	0
Results of the year	0	0	0	0	0	0	(2,547,914)	(2,547,914)
Other comprehensive loss of the year	0	0	0	0	0	(168,129)	0	(168,129)
Balance as of December 31, 2021	444,674	37,573,828	3,566,912	1,766,629	38,656,206	(1,835,294)	(2,547,914)	77,625,041
Ordinary General Meeting of Shareholders held on April 21, 2022:								
- Retained earnings absortion	0	0	0	0	(2,547,914)	0	2,547,914	0
Results of the year	0	0	0	0	0	0	1,709,941	1,709,941
Other comprehensive loss of the year	0	0	0	0	0	(320,356)	0	(320,356)
Balance as of December 31, 2022	**444,674**	**37,573,828**	**3,566,912**	**1,766,629**	**36,108,292**	**(2,155,650)**	**1,709,941**	**79,014,626**

Consolidated Statements of Cash Flows

For the fiscal years ended December 31, 2022 and 2021 (Expressed in thousands of Argentine Pesos)

CASH FLOWS FROM OPERATING ACTIVITIES:	12.31.2022	12.31.2021
Comprehensive income/(loss) for the year	1,389,585	(2,716,043)
Reconciliation of total comprehensive income/(loss) to cash flows provided by operating activities:		
Depreciation of property, plant and equipment	5,392,612	5,482,883
Provisions	188,850	197,447
Impairment results of financial instruments	208,890	265,175
Employee benefits plan	1,416,816	957,406
Income tax expense accrued during the year	1,004,433	6,038,875
Loans financial results	667,618	4,730,304
Other financial results	(1,324,351)	(1,601,844)
Interest and foreign exchange results generated by investments at fair value	(1,885,488)	(3,697,863)
Interest and foreign exchange results generated by investments at amortized cost	(572,254)	(26,501)
Other comprehensive results	320,356	168,129
Taxes payable interests	338,775	331,648
Retirements of property, plant and equipment	22,491	58,347
Gain on net monetary position	1,488,185	1,398,050
Changes in operating assets and liabilities:		
(Increase)/Decrease in trade accounts receivables	(5,709,252)	3,088,089
Increase in other receivables	(1,884,140)	(2,017,043)
Increase/(decrease) in trade accounts payable	2,428,997	(1,458,768)
Increase in liabilities contracts	912,206	220,905
Increase in payroll and social securities taxes payable	1,619,567	1,309,029
Increase/(Decrease) in taxes payable	114,008	(47,779)
Decrease of employee benefits payable	(283,509)	(208,895)
Income tax payment	(1,906,295)	(3,247,638)
Net cash generated by operating activities	**3,948,100**	**9,223,913**

CASH FLOWS FROM INVESTING ACTIVITIES:	12.31.2022	12.31.2021
Acquisition of property, plant and equipment	(3,287,976)	(3,220,580)
Increase in inventories	(125,547)	(315,701)
(Increase)/Decrease in investments at fair value	(703,390)	808,131
(Increase)/Decrease in investments at amortized cost	(379,935)	87,930
Net cash used in investing activities	**(4,496,848)**	**(2,640,220)**

CASH FLOWS FROM FINANCING ACTIVITIES:	12.31.2022	12.31.2021
Increase of loans	0	2,277,837
Payments of loans - Capital	(465,799)	(18,850,600)
Payments of loans - Interest	(539,490)	(2,407,432)
Payments of lease liabilities	(64,082)	(95,734)
Net cash used in financing activities	**(1,069,371)**	**(19,075,929)**

Decrease in cash and cash equivalents	(1,618,119)	(12,492,236)
Financial results from cash ans cash equivalents	(611,013)	(2,801,702)
Cash and cash equivalents at the beginning of the year	7,368,588	22,662,526
Cash and cash equivalents at the end of the year	5,139,456	7,368,588

Non cash significant transactions:		
Acquisition of property, plant and equipment	(798,778)	(3,730,173)
Decrease in other receivables	798,778	3,730,173
Total	0	0