Transener

2023

Annual and Financial Report

A Message from the CEO

Pablo Tarca
CEO of Transener

Welcome to Transener 2023 Annual Report, where you will find an account of our management highlights in 2023 and the journey we embarked on to rethink us as a company undergoing a cultural transformation. “Looking inwards” to carry out an efficient change involves looking at the actions leading companies take in today’s world and going beyond the service standards established by the regulatory framework to be better through projects, tangible initiatives, and several programs that contribute to the refoundation we have begun looking to “2035.” We know that we can generate a positive impact on people, on the development of the electricity transmission system in which we operate, and on the environment.

During 2023, we maintained and strengthened our pillars—safety, efficiency, transparency, competence, knowledge management, and communication—while striving to improve our processes with a focus on the service we are responsible for providing. To achieve this:

- We redesigned and reallocated our resources in the country.
- We developed new forms of communication within our teams to strengthen and share lessons learned and knowledge.
- We worked on risk management and on the consolidation of a safety culture in each of our tasks.

We know that we are navigating a challenging context. However, we work with the system stakeholders to diagnose the situation and identify opportunities for improvement through proposals. We also understand the importance of every decision we make to promote and develop the well-being of the community and the environment. That is why we state our action lines for “2035,” as we navigate the cultural transformation our company is undergoing to sustain and enhance our processes and, thereby, the high-voltage electricity transmission system in Argentina. In addition, to supplement Transener 2023 Annual Report, we present a brief overview of our Reference Guide to the High-Voltage Power Transmission System.

I invite you to continue reading Transener 2023 Annual Report to get to know our people, our businesses, our energy system, and our future in high-voltage electricity transmission.

Thank you!

Transener

Table of Contents

Who We Are and What We Do

At Transener, we are engaged in the operation and maintenance of the Argentine high-voltage power transmission system.

During 2023, we developed and pursued projects aimed at fostering a cultural transformation.

Our Company

We are responsible for the operation and maintenance of

15.408 km
of transmission lines in 500kV and 220 kV

13.302 km
directly

2.106 km
for independent carriers under our supervision.

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener") is the holder of a Concession Agreement awarded by the Argentine Government by means of Decree No. 2743/1992 and Decree No. 1501/1993, as amended by Decree No. 1462/2005, for the operation and maintenance of the high-voltage power transmission system throughout the Argentine territory.

Transener's capital stock is comprised by Class A registered non-endorsable common shares accounting for 51% of the total capital stock and by Class B book-entry common shares accounting for the remaining 49%. Class B shares are listed and admitted to trading in Bolsas y Mercados Argentinos S.A. Each share has a nominal value of one Peso and is entitled to one vote.

Citelec is Transener's controlling shareholder, with a 52.65 per cent equity interest in the Company. Citelec owns all Class A shares and a 1.65 percent interest in Class B shares.

In addition, FGS ANSES owns an approximately 19.57 per cent interest in the remaining 47.35 per cent of Class B shares, with the other 27.78% being floating capital.

We began our activities on July 17, 1993. At present, we are responsible for the operation and maintenance of 15,408 kilometers of transmission lines at 500 kV and 220 kV, out of which we maintain and operate 13,301.8 kilometers directly, representing 85.8 % of the national extra high-voltage electricity network. The remaining 2,106.2 km are operated by independent transmission companies under our supervision. We are also responsible for the operation and maintenance of 60 transforming substations which are part of the Extra High-voltage System (53 of them directly and other 7 through the supervision of independent transmission companies), and for the operation and maintenance of the associated protection, communication, reactive power compensation, and automatic control systems.

We own and operate the network of Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires, Transba S.A., holder of a Concession Agreement awarded by the Argentine Government by Resolution No. 346/1997, as amended by Decree No. 1460/2005. Transba operates and maintains 6,982.3 kilometers of high-voltage transmission lines ranging from 66kV to 220kV and 112 transforming substations.

As concession holders, we oversee projects and execute works for the enhancement of the transmission network and grant commercial operation permits. We also offer our customers assistance with technical issues in connection with the operation conditions and improvements of the network, and the needs for enhancing the transmission capacity to execute new projects.

We are a leading company in Argentina and a regional benchmark as a result of the ongoing improvement of our operating principles, service quality, and use of cutting-edge technology, and also as a result of our strong commitment to social development, respect and care for the environment, and energy efficiency.

Related Parties

Compañía Inversora en Transmisión Eléctrica Citelec S.A. (Citelec S.A.), a company primarily engaged in investing activities, is the controlling shareholder and owner of a 52.65 per cent equity interest in Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (Transener S.A.), a 1 per cent equity interest in Transener Internacional Ltda., and a 0.0000004784 per cent equity interest in Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires
Sociedad Anónima Transba S.A. (Transba S.A.).

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 network of Transener S.A. Transener S.A.'s privatization involved the sale of its majority equity interest by means of a public bidding process required by the Electric Power Law. On July 16, 1993, the majority equity interest in Transener S.A. was awarded to Citelec S.A.

Citelec S.A.'s capital stock is comprised as follows:

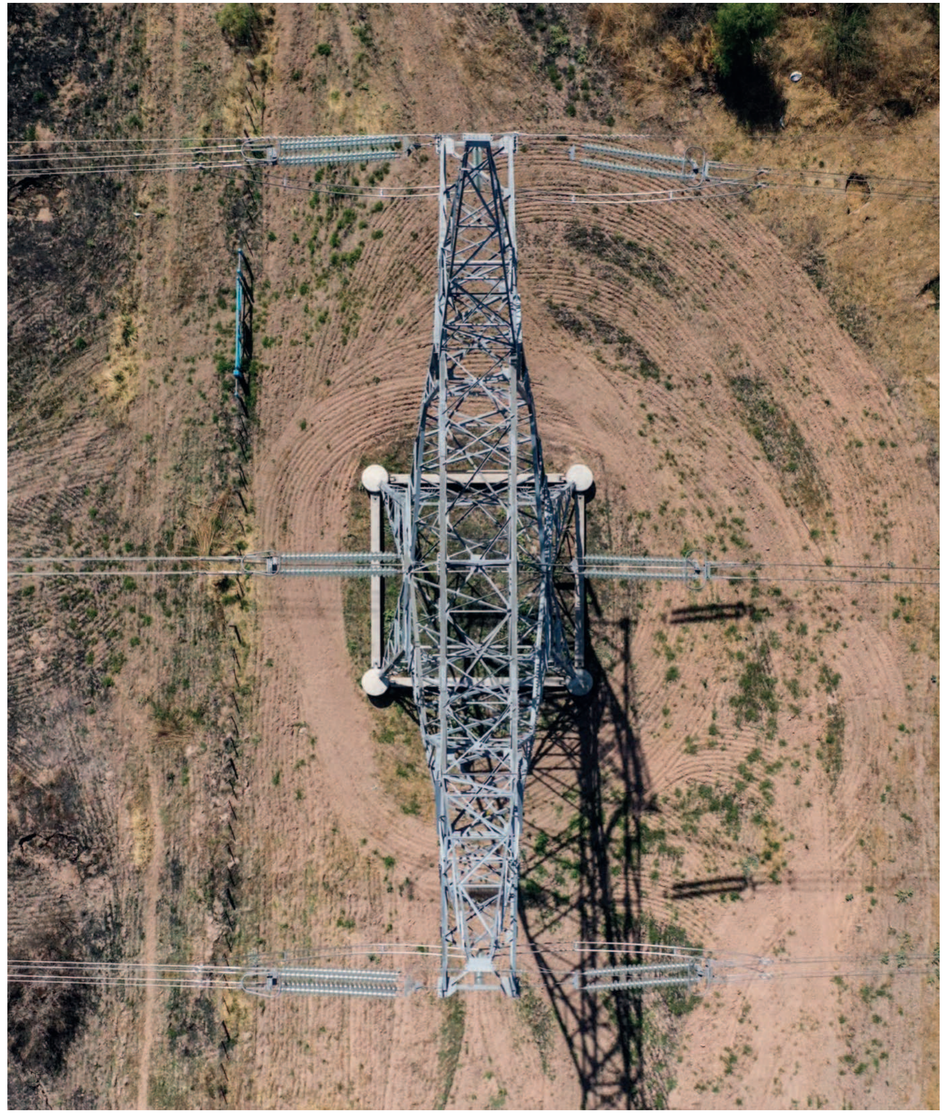
a. 50% is owned by Pampa Energía S.A., and
b. 50% is owned by Energía Argentina S.A.

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

- Pampa Energía S.A. is 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. It is also engaged in the business of investing 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. is an Argentine corporation controlled by the Argentine Government pursuant to Law No. 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. 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 was created for the benefit of 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

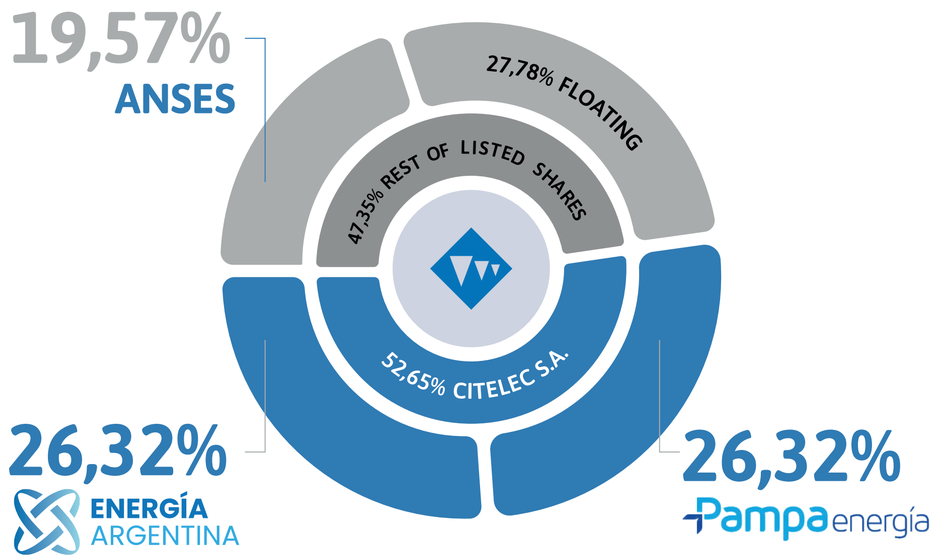
b. 10% was allocated to the PPAP, at a price which was recognized in "Other non-current receivables" at historical cost.

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, subscribing 99% of its shares of stock. On March 25, 2012, the Board of Directors approved the release of Transener Internacional Ltda.'s operation and maintenance agreements.

CAPITAL STRUCTURE

ARGENTINE GOVERNMENT
45,89%



Mission

Ensure the realization of our vision with a level of quality and efficiency that meets the expectations of the electrical market agents, employees, the community we serve, and our shareholders.

Vision

Lead the power transmission sector, orienting our management actions to the efficiency of international standards and sustainable development.

Corporate Values

We embrace ethical conduct that emphasizes the fulfillment of our mission while ensuring the safety of our employees and environmental stewardship, while abiding by applicable laws and regulations and our commitment to social responsibility.

To us, our primary assets are our human capital and its know-how.

We establish risk prevention as an operational philosophy that must be applied as rigorously as we seek to ensure our equipment ongoing availability.

The active involvement of our employees and teamwork are differentiating values above our economic and technological resources.
We are determined to improve every day, with technical excellence, addressing the expectations of the intended recipients of our work.

Main Consolidated Economic and Financial Indicators*

	2023	2022
Revenues	130.451,6	98.235,1
Operating income	13.806,8	5.772,3
Income before tax	11.196,2	8.452,8
Income for the year	6.577,9	5.324,9
Adjusted EBITDA (1)	30.448,9	22.565,3
Net earnings per share	14,39	9,73
Total assets	351.739,2	337.294,5
Capital expenditures	20.298,0	12.726,5
Shareholders' equity	252.455,5	246.057,6
Short-term financial indebtedness	249,9	1.331,4
Long-term financial indebtedness	-	605,5
Interest coverage	2,5 x	2,2 x
Financial indebtedness over total capitalization (2)	0,1%	0,8%

(*) In million Pesos, except for per share information or where otherwise stated.
(1)) Adjusted EBITDA: Operating income plus depreciation and amortization.
(2) Total capitalization includes financial indebtedness plus shareholders' equity.

Board of Directors

CHAIRMAN
Agustín Gerez

VICE CHAIRMAN
Ricardo Torres

PERMANENT DIRECTORS
Brian R. Henderson
Martín Latorre
Carlos Iglesias
Martín Fagoaga
Marianela Lago
Flavia Bevilacqua

DEPUTY DIRECTORS
María C. Sigwald
Pablo Díaz
Carlos Pérez Bello

AREA HEADS

CEO
Pablo F. Tarca

ADMINISTRATION AND FINANCE
José S. Refort

TECHNICAL AREA
Carlos E. Borga

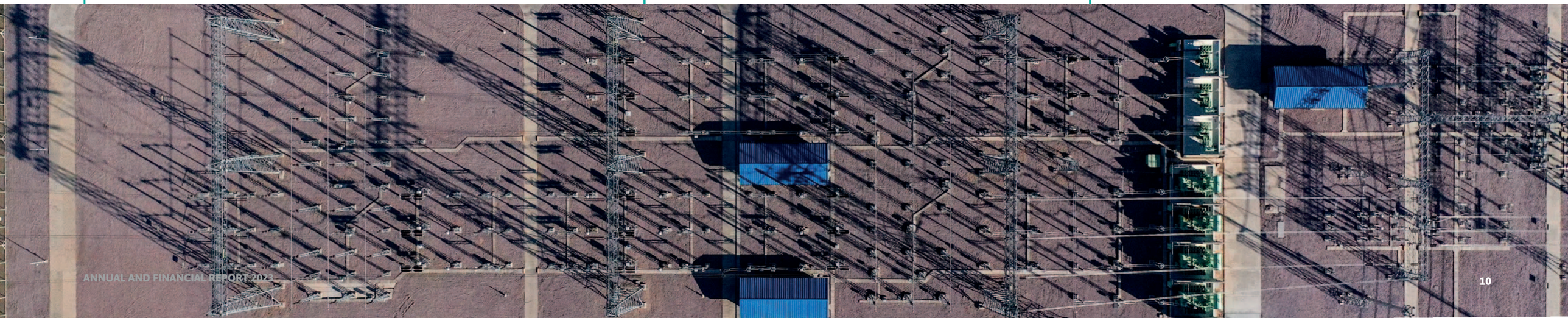
HUMAN RESOURCES
Gastón Orazi

LEGAL AND REGULATORY AFFAIRS
Armando M. Lenguitti

SUPERVISORY COMMITTEE

PERMANENT MEMBERS
José D. Abelovich
Guido A. Braghieri
Sandra Auditore

DEPUTY MEMBERS
Marcelo H. Fuxman
Norma Vicente Soutullo



Global Outlook

In 2023, we carried out the following actions:

Applied Safety Department:

We established the Applied Safety Department aimed at training and developing skills, incorporating safe habits and practices as an integral part of our tasks.

Knowledge Forum:

We reinforced our knowledge management efforts by organizing the first Knowledge Forum—an internal sharing platform to understand the latest advancements in our practices and processes.

TESLA Project:

We developed the TESLA project based on the transformation and simplification of high-voltage system operation and maintenance processes to make them increasingly efficient.

Risk Management:

We continued updating our risk management system, simplifying and adjusting the model scales, and defining contingency plans to ensure increasingly safe operations.

Environmental Policy:

Every day, we strengthen our commitment to environmental preservation through our Environmental Policy, alongside sustainable actions in the execution of our tasks and community projects for biodiversity conservation.

Central East Regional Management Office:

We redesigned our regional offices, streamlining the distribution of our resources by establishing the Central East Regional Management Office.

MEGA Project:

We made progress with the implementation of the MEGA project by establishing a Research and Development department and undergoing a migration process in our asset management strategy based on a predictive model.

Critical Infrastructure Works:

We supervised and managed critical infrastructure works to enhance the robustness of the power transmission system.

Enterprise Social Responsibility:

We reinforced our commitment to the community through various Enterprise Social Responsibility programs related to education, job creation, inclusion, health, equity, and environmental stewardship, in line with the UN 2030 Agenda for Sustainable Development and the Global Compact.

Reference Guide:

We developed the Reference Guide to the High-Voltage Power Transmission System 2024-2031, presenting the main assumptions adopted for the period 2024-2031 regarding demand growth rates, expected additions of transmission equipment and transformation of the Argentine Electrical Grid (locally known as SADI) and the electricity generation sector, as well as the enhancements the system would require.

Our People

The operation and maintenance of the High Voltage Transmission System is in charge of many people that are part of several teams ensuring its efficiency.

Service transparency and safety position us as electrical market leaders in the region.

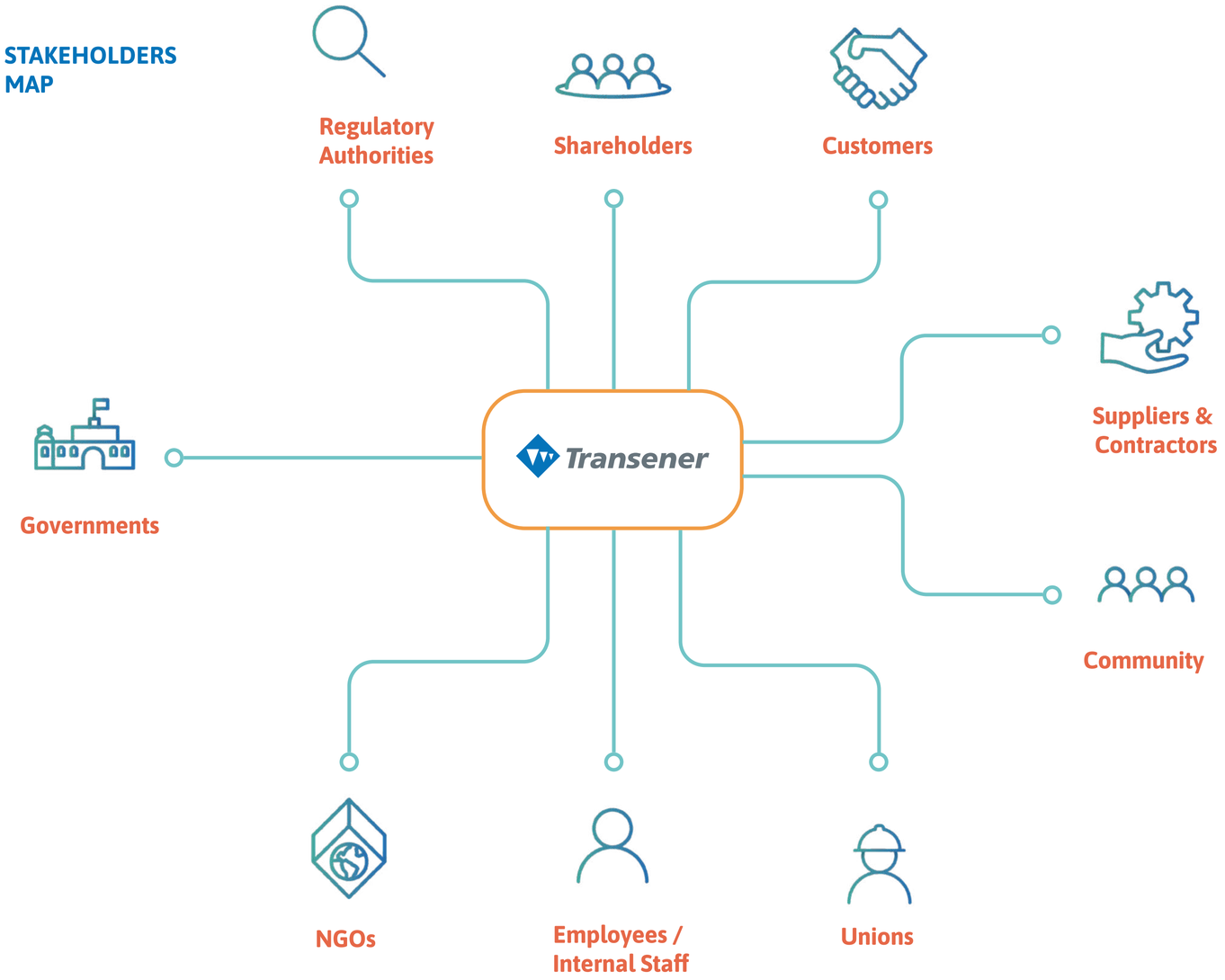
Currently, Transener comprises over 1,100 employees working across different areas.

The technical departments are at the operational core of the business and are distributed across 3 regions with over 60 transforming substations. Additionally, our company has several areas including technology, finance, human resources, and regulatory and legal affairs, i.e., a diverse team of professionals dedicated to delivering a reliable and high-quality service.

As part of the cultural transformation initiated in 2023, within Asset Safety, Environmental Health, and Human Resources, we developed safety programs, implementing improvements in communication strategies, and establishing new learning and knowledge programs. We also redistributed resources across the territory to enhance efficiency, and continued expanding our community engagement and environmental stewardship efforts.

As part of our daily activities, we foster our relationship with each stakeholder group, aiming to strengthen our bonds and meet their expectations.

STAKEHOLDERS MAP



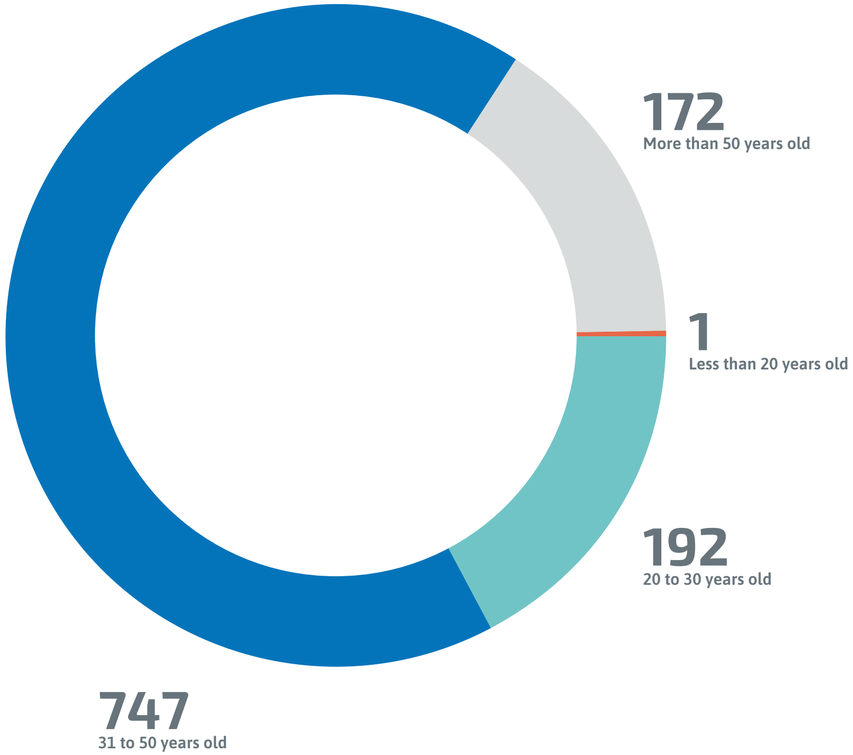
Who Works at Transener?

We believe that safe working conditions, a positive work climate, and professional growth are fundamental aspects for people's quality of life. Therefore, we maintain safe and healthy workspaces that ensure the well-being of each member of the Company and foster their interest in acquiring new knowledge, developing creativity, and promoting innovation.

Our challenge for the coming years is to continue being attractive for our professionals. In this regard, we are rethinking our benefits and value proposition as employers, focusing on the development, strengthening, and sustainability of our teams in the future.

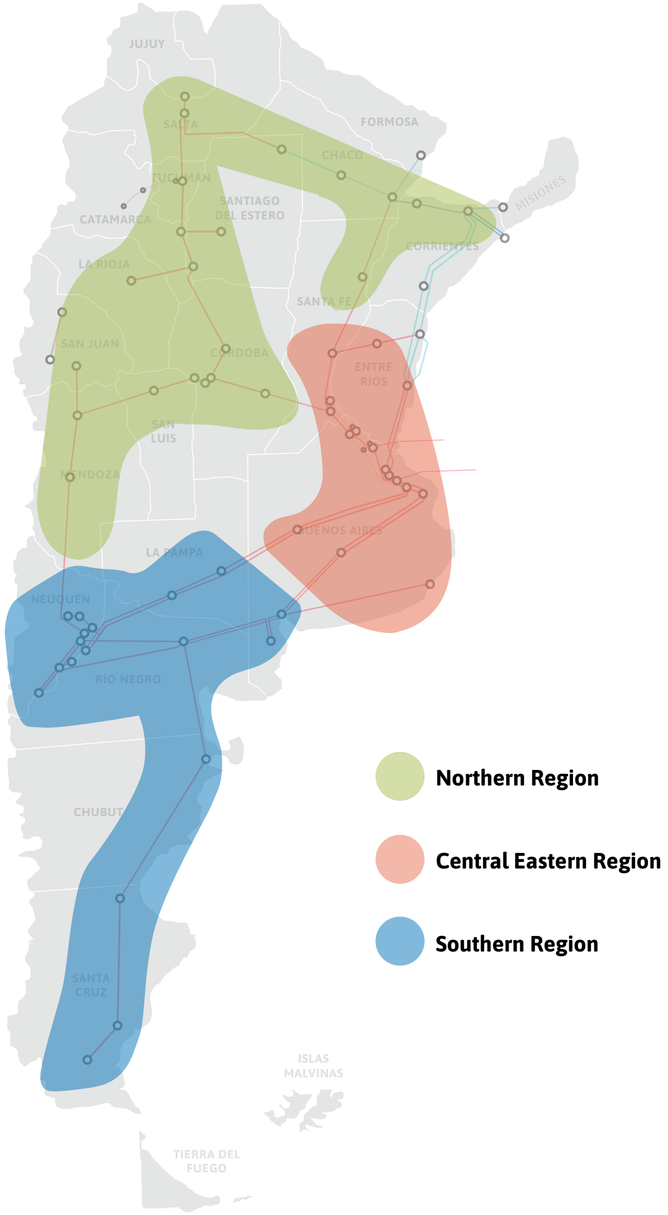
1112
employees

Employees by age range



Regional Redesign

In May 2023, we created the Central East Regional Management Office seeking to improve resource distribution equitably and focusing on efficiency and alignment of management styles. Transener has the following presence across the territory:



We are responsible for the operation and the maintenance of the

60

substations

included in the extra high voltage system

Knowledge Management:

As part of the Knowledge Management program, which provides essential training for each Transener's member to be able to carry out their work in the most updated and effective manner, we work with a Knowledge Management Matrix. This matrix allows us to have traceable information over time regarding the fulfillment of 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.

Knowledge Forum

In 2023, we held the first Knowledge Forum, an event designed to showcase successful projects implemented at the Company.

Starting from a diagnosis that 80% of the training included in the Knowledge Matrix is conducted by Transener personnel, the Knowledge Management area developed an activity to value intra-company know-how, and appreciate the work done by the several areas and the tasks performed, in addition to strengthening teamwork.

In this way, we launched an internal call for those interested in submitting projects with the aim of sharing these learnings. Then, the submitted projects were selected by an Evaluation Committee (composed of a representative from each area) to be shared with all Company's members in two in-person sessions and via streaming.

Given the success of the call, we expect to replicate this event in 2024, incorporating a dedicated session specifically to work on Applied Safety to keep strengthening and valuing the knowledge and experience of our staff.

NEW PROFESSIONALS

New Professionals

At Transener, we are convinced that our main asset lies in the knowledge of our teams. Besides, as a company in constant evolution, we are interested in adding associates who are eager to grow and innovate. Focusing on the new generations and with the aim of knowing and valuing the experiences and interests of the youth in our community, we developed and implemented the New Professionals program.

Through this program, we seek to attract proactive, innovative individuals committed to our values. We encourage collaborative work and project-based learning, fostering critical and creative thinking.

We are looking for professionals or students from all over the country in the following fields:

- Electrical Engineering
- Electromechanical Engineering
- Electronic EngineeringCivil Engineering
- Mechanical Engineering
- Telecommunications Engineering
- IT Bachelors or Engineers
- Industrial Engineering
- Business Administration
- Health and Safety Bachelors and Engineers
- Human Resources, Labor Relations, or the like
- Economics
- Law
- Accounting
- Surveying
- Cybersecurity Experts (with certifications)
- Data Management Experts (with certifications)

We offer opportunities for training, networking and rotation across areas to get a comprehensive and global view of the Company.

In 2023, as result of a process in which more than 1500 applications were received, 150 applicants participated in the selection process, and we hired 34 new professionals. They participated in visits to the power stations, training sessions, and knowledge forums, and received great support from our teams in this educational fieldwork experience for our industry.

Let's be Safe

Let's Be Safe continues to be one of our core programs since all our activities are based on safe work practices. In 2023:

1. We held the first Safety Congress.
2. We implemented new safe work methodologies.
3. We introduced mandatory "pre-task check-ins" at the beginning of any equipment intervention.
4. We created instructional audiovisual materials for working at height on transformers and maintaining microwave antennas.

Additionally, we established the **Applied Safety** department, which, in coordination with Occupational Safety, reviews and implements best work practices from a safety perspective.

We continue to strengthen **safety alerts** as a communication tool that raises awareness and informs about workplace incidents and accidents, seeking to reduce recurrence.

Assets and Public Safety

At Transener, we consider safety a value and something we are all responsible for. We are a company recognized for our know-how and also for our commitment to providing a public service with the safety of our people, the community, and the environment in mind.

Assets Safety

As part of our Assets Safety and Risk Management Strategic Plan, we work on:

1. **Electronic and physical security measures in Transforming Substations.** We have implemented 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.** We have implemented protection measures which, given their geographic location or 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** We have assessed the scope of the AVIGILON platform as technological solution for crime prevention and forensic investigation, comprising video surveillance systems and intrusion alarms, to formalize control routines on the Company's assets.

4. **New Regional Monitoring Centers.** At Transener, we have incorporated the Colonia Valentina Monitoring Center, which relies on the Avigilon management platform, strengthening crime prevention at transforming substations in the region. Additionally, we have recovered and renewed the technological infrastructure of electronic security systems installed at Santiago del Estero, Lavalle, and La Rioja stations.

5. **Vehicle Fleet Monitoring.** We have deployed a "panic alarm" in vehicles so that users can immediately and efficiently report emergencies. We continue to make progress in the implementation of overspeed buzzer systems.

Public Safety

In 2023, we conducted several initiatives related to public safety in collaboration with different community stakeholders:

- Informational meetings with authorities from different municipalities.
- Crime prevention actions in critical areas (meetings with the Ministry of Security of the Province of Mendoza and the Ministry of Security of the Province of Buenos Aires).
- Training for firefighters and brigades from several regions of the country.
- Awareness campaigns at primary and secondary schools in the provinces of Jujuy, Salta, Catamarca, and Tucumán, in collaboration with the NOA Fire Table and in partnership with firefighters, brigades, and other community organizations.
- Awareness activities at educational establishments nearby our facilities.
- Informational talks with owners whose properties are crossed by busways.

Transener, the Community, and the Environment

Our company provides a public service and, as such, we understand that every decision we make has a significant impact on our customers, the community, the environment, and the families of those who work with and for us.

Our work spans across all areas under a commitment to the United Nations' 2030 Agenda for Sustainable Development and Global Compact, adhering to the 10 principles on human rights, labor, environment, and anti-corruption.

RSE

Enterprise Social Responsibility

Our E**nterprise Social Responsibility (ESR) Policy**, as an ethical and transparent management approach embedded into the provision of the power transmission service, is guided by the following principles:

- **Prioritize** ethical conduct that emphasizes respect for human rights, labor rights, environmental stewardship, and anti-corruption efforts.
- **Contribute** to sustainable development processes, reducing social inequality and childhood malnutrition.
- **Promote** the comprehensive development of employees and their families within their areas of responsibility.
- **Encourage** citizenship, solidarity, and volunteering.
- **Train, motivate, and engage** members of our company to act with social responsibility.
- **Ensure** equal treatment and non-discrimination among individuals.
- **Comply** with applicable laws and any other voluntarily assumed commitment.
- **Foster an inclusive culture** where each employee, regardless of ethnicity, gender, religion, nationality, age, socioeconomic status, sexual orientation, or ability, feels safe and secure, respected, and free to be who they are, recognizing that all individuals are unique.

Enterprise Social Responsibility Programs

RSE

Academic Leveling Program

- **Motivational talks** aimed at students nationwide in their final two years of high school, explaining the importance of continuing education. Attendants are given information on the beginning of college life, vocational testing sites, and other tools to promote motivation for personal development and knowledge.
  - **19 talks**
  - **+1750 students**
  - **52 institutions**
  - **16 provinces**
  - **43 bridge individuals**

- **Internship programs** aiming to provide a progressive approach to the occupational field towards which secondary technical-professional education is oriented. These programs are framed within the implementation of new Technical-Professional Education syllabus and meet the pedagogical requirements of the New Secondary School, offering this space as a mandatory curricular unit for sixth-year students in technical schools.
  - **+50 students**
  - **1 Province**
  - **1 educational institution**

- **Onsite visits** which provide an opportunity for students to enhance observation, data collection, and interpretation processes, among others, thereby expanding theoretical knowledge provided in educational settings and within this program.
  - **19 visits**
  - **+360 students**
  - **19 institutions**
  - **9 provinces**
  - **27 bridge individuals**

- **Academic leveling courses** for students in their final year of high school and in the first years of college to help them identify their learning strengths and overcome weaknesses for progress. Through mentorships, students are supported during the transition to college to help them continue their career plans.
- Professional tests conducted by the consulting firm Talentum by ProyectOneto, which has joined our program as a bridge company and provides free tests to help make career choices.
  - **+120 applications**
  - **9 provinces**
  - **1 bridge company**

Child Nutrition Program

We conducted a general mapping across areas with the highest levels of child malnutrition, based on studies conducted by the Institute of Social, Economic and Citizen Policy Research (ISEPCi), UNICEF, and CONIN. These studies revealed that 40.97% of children and adolescents in the province of Santiago del Estero were malnourished.

BENEFIT DINNER

- **74 companies**
- **282 attendees**
- **More than AR$20.00 million raised**
- **179 sponsorships**

At Transener, we decided to sponsor a reputable institution such as Asociación Haciendo Camino, to work together. This NGO has been implementing programs since 2006 to promote the comprehensive development and growth of socially vulnerable children and families in the northern region of the country.

We were able to visit their center in Suncho Corral and see firsthand the economic and social difficulties faced by the people who go there. Then, we defined an action line to support the annual cost of the nutrition program for the 80 families attending the center.

- **3 days of work**
- **8 bridge individuals**
- **Painting and conditioning works at the care center and early childhood space.**
- **Visits to families attending the center.**
- **Participation in the several trades.**

Diversity, Equality and Inclusion Program

Our Diversity, Equity, and Inclusion (DEI) Program deals with the following main topics:

- **DEI Awareness Workshops** mandatory for all personnel, regardless of their position. The aim is to bring to the table the principles of diversity, equity, inclusion, and otherness, among others, and discuss them from a corporate perspective.
  - **+930 Workshop Attendees**
  - **1 In-house Disability Workshop**
- **Creation of an inquiry and/or contribution channel** separate from the one dedicated to report complaints. Through this channel, employees can express their doubts, questions, concerns, and contributions.

- **DEI Policy and Action Protocol:** Through an external study specialized in the subject matter in conjunction with the HR, Legal, Labor Affairs, and ESR areas, we worked on the development of a DEI policy and its respective action protocol.
- **Alliances** with leading entities in the field (ADEEI, INMULA, CILSA, PROACTIVA) have allowed us to carry out volunteering actions and internal and external training, as well as managing scholarships for higher education students and hiring people with disabilities at our Company.
  - CILSA: Wheelchairs, scholarships, parade.
  - Scholarships for 10 individuals to continue pursuing their higher education and university studies.
  - ADEEI: Talks on disability and entry into the working life.
  - INMULA: Presentation of successful cases of labor inclusion of people with disabilities.
  - INPROAL: Creation and implementation of nutritional food for families in an Assistance Center in Suncho Corral.
- **Inclusive companies** hired as suppliers.
- **Personnel selection and labor inclusion** through the New Professionals program: job searches without discriminating on the basis of gender or age.

+60

New Suppliers (Sustainable, Micro-entrepreneurs, and Inclusive Businesses)

37

Outside the Province of Buenos Aires

Program for the Development of Micro-entrepreneurs, Sustainable Companies, and Inclusive Businesses

We pursue several goals under this program: SMETA 4P audits and the visualization of regional economies, generating a database of micro-entrepreneurs, sustainable companies, and inclusive businesses, while fostering the circular economy.

Through our Audit Plan, we assessed the potential negative impacts that are being worked on, such as lack of labor and business ethics, environmental impact, and worker well-being in terms of occupational health and safety.

Currently, 95% of our suppliers have been assessed under SMETA 4P. No significant deviations were found among suppliers, and in a few cases, improvement actions were designed for monitoring in 2025 when they will be evaluated again.

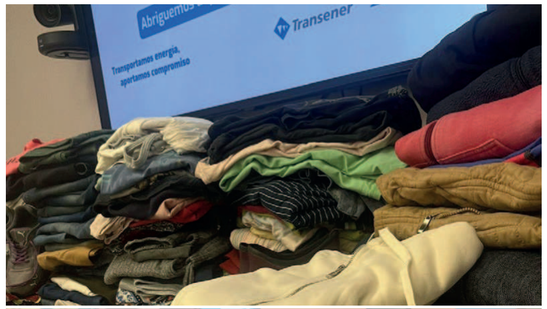
Integrity Program

At Transener, we also developed the Integrity Program, based on the Law on Criminal Liability of Legal Entities and in line with our Code of Ethics. In addition to the mandatory elements required by such law, the program also contains additional components that enrich it and facilitate its

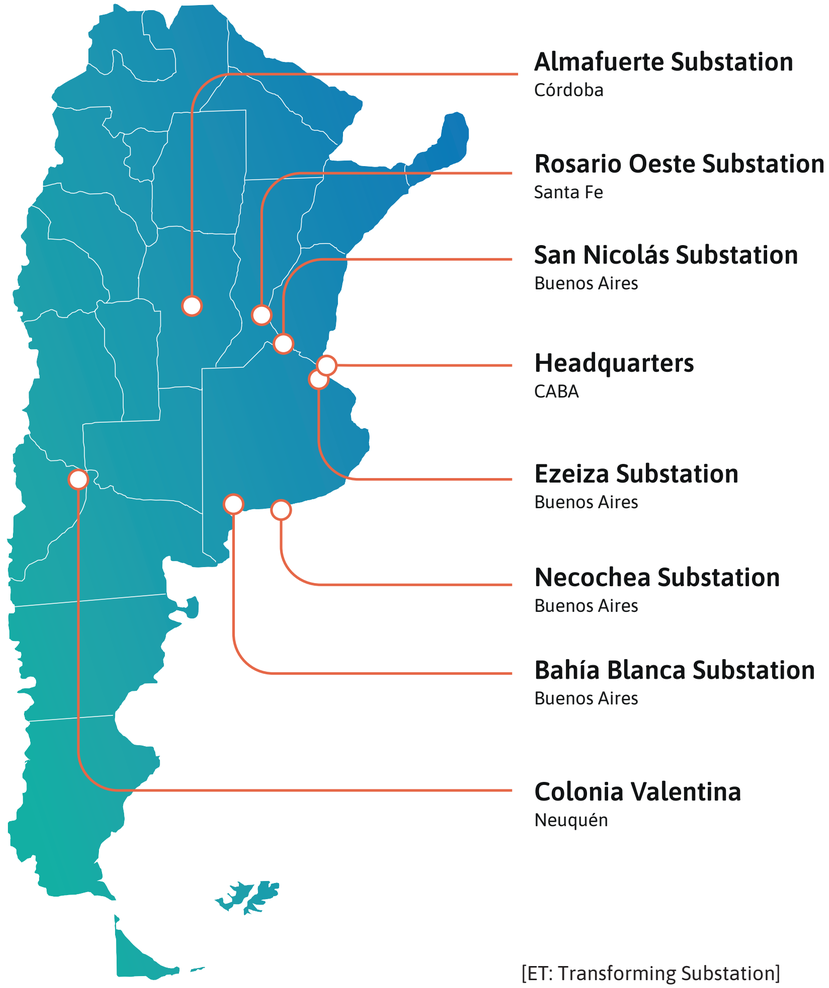
Fundraising Program

During 2023, we carried out several solidarity campaigns:

- School supplies
- Toys
- Warm clothing and blankets
- Dinner for the Christmas gift basket
- Work clothes in good condition
- Volunteering for wheelchair delivery (City of Buenos Aires)
- Children's Day celebration (Caleta Olivia)
- Painting work at Haciendo Camino (Suncho Corral)



Additionally, we have solidarity baskets where employees can leave their donations at different points across the country.



Almafuerte Substation
Córdoba

Rosario Oeste Substation
Santa Fe

San Nicolás Substation
Buenos Aires

Headquarters
CABA

Ezeiza Substation
Buenos Aires

Necochea Substation
Buenos Aires

Bahía Blanca Substation
Buenos Aires

Colonia Valentina
Neuquén

[ET: Transforming Substation]

Community Information

Our Public Safety department has carried out initiatives related to public safety in several areas:

- Talks on "Prevention of Electrical Accidents on High Voltage Lines" at schools (Bahía Blanca).
- Informational meetings with the Municipality's urban tree sector (Bahía Blanca).
- Informational meetings with residents of Parque Patagonia neighborhood and representatives of their neighborhood association (Bahía Blanca).
- Talks on public safety at EXPOAGRO 2023 (San Nicolás).
- Dissemination of public safety aspects in civil organizations and educational and business establishments, and among owners of property affected by domain restrictions (administrative busway easement).
- Television and radio campaigns to raise awareness and prevent the burning of sugarcane fields near High Voltage Lines in the northern area of Santa Fe and the Province of Tucumán.
- Crime prevention meetings in critical areas with the Ministry of Security of the Province of Mendoza.
- Awareness activities for owners about grounding in vineyards and grapevines.

Environmental Policy

At Transener, we are committed to preserving the environment in which we operate for the provision of the power transmission service through our Environmental Policy, which is guided by the following principles:

- **Protecting** the environment and preventing pollution by controlling the significant environmental aspects of our activity to minimize environmental impacts and risks.
- **Training and raising** awareness among members of our company and their contractors to act responsibly towards the environment.
- **Continuously improving** the environmental management system to consolidate its implementation according to international ISO 14000 standards, enhancing environmental performance, and maintaining the certification effective.
- **Complying** with applicable laws and any other voluntarily assumed commitments.
- **Making** rational use of renewable and non-renewable natural resources to contribute to sustainable development.

In 2023 we started a measurement process that allows us to identify our direct and indirect sources of greenhouse gas emissions, and contribute to quantify the emissions and analyze them along with improvements ideas. To measure our carbon footprint will allow us to make decisions in order to minimize the impact of our activity in the environment.

Planet Sustainability

Committed to protecting our local biodiversity, the Environmental department developed a specific operational control procedure aimed at caring for soil, flora, and wildlife.

The document seeks to minimize the environmental impact on natural resources resulting from maintenance and cleaning activities of sites and busway easement strips, both during operation and maintenance stages, as well as in works that may be developed within the affected premises.

Additionally, we conduct environmental audits of works related to requests for access and enhancement of the power transmission system submitted by third parties. The Environmental department analyzes and approves the environmental impact assessments presented by works contractors to the Bureau of Regulatory Engineering (DIR). Then, these documents are submitted for ENRE approval, and once authorization is obtained, the project begins. At this stage, the Environmental department monitors these activities to ensure the project is carried out under the guidelines established by applicable laws and regulations. Once the work is completed, a closing environmental audit is conducted with its related report.

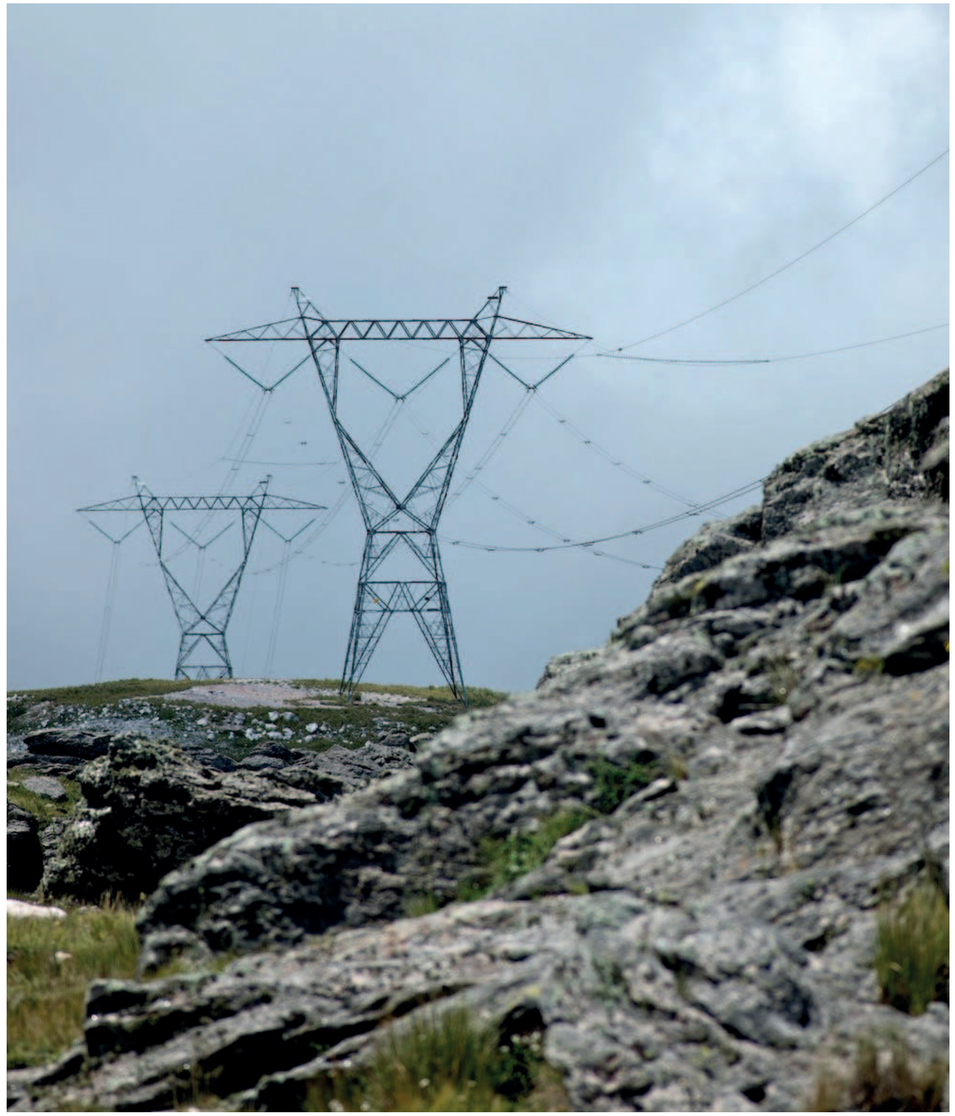
Environmental Policy Programs

Awareness on sugarcane burning

In an effort to reduce sugarcane burning in the surroundings of high-voltage lines, awareness campaigns are conducted among producers in the months leading up to the sugarcane harvest, primarily in Tucumán, and also in Salta and Jujuy, to a lesser extent.

Additionally, an Environmental Management Table was established in the Province of Tucumán seeking to reduce the impacts on the community in which we are immersed.

More information can be found at https://www.mgatucuman.org/



Material circularity

At Transener, we prioritize processes for recycling and reusing materials. We manage our waste in accordance with applicable environmental laws in each jurisdiction.

Recognizing the importance of environmental stewardship, we have implemented a "Paperless" strategy by digitizing existing institutional documentation and recycling unused paper.

Our Business

We derive revenue and make investments to sustain and expand quality and efficiency levels in the operation and maintenance service of the extra high-voltage transmission system.

Economic Context

The Company operated amidst a complex economic context, the main variables of which have recently suffered strong volatility, both at the local and the international level.

Key economic indicators in Argentina:

- According to preliminary GDP data, at the end of 2023, local economic activity declined by 1.4%.

- From January 1 to December 31, 2023, inflation grew to 211% (CPI).

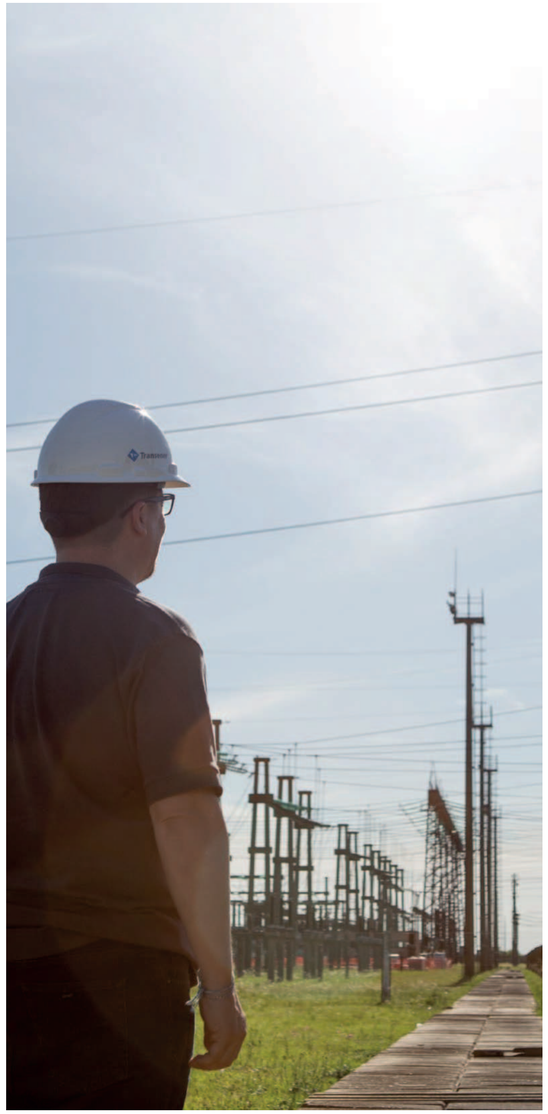
- From January 1, 2023 to December 31, 2023, the peso depreciated against the U.S. dollar, from 180 AR$/US$ at the beginning of the year to 808 AR$/US$ at year-end.

- The Argentine Central Bank imposed exchange restrictions to contain the demand for dollars, including, among other things, securing its prior authorization to make payments abroad, such as dividend payments to non-residents, repayment of foreign financial loans, and payment for imports of certain goods and services, among others.

On December 10, 2023, a newly elected President took office in Argentina whose agenda include establishing a new economic regime, proposing comprehensive reforms to laws and regulations.

The new government plans to implement significant economic deregulation and structural reforms to remove barriers to make investments and operate in the country, including gradually easing the above-mentioned exchange controls, seeking to eliminate them once the macroeconomic conditions so allow.

As part of its initial measures, the new government issued an Emergency Decree, repealing and/or modifying around 300 laws, introducing reforms in the labor market, the Customs Code, and the status of state-owned companies, among others. While the Emergency Decree must be discussed and ratified by at least one of the chambers of the National Congress, its provisions have been partially in effect since December 29, 2023, considering a number of legal actions that have suspended certain changes.



As of December 31, 2023, the situation, including the main measures affecting our business that are already in effect, is as follows:

- The restrictions to access the official exchange market remain in place.

- Import taxes remain in place.

The prevailing volatility and uncertainty persist as of the date of this Annual Report. The reforms proposed by the new government are undergoing legislative discussion. At this time, we cannot predict how they will evolve or if new measures will be announced. Management permanently monitors the evolution of the variables affecting our business to determine the potential actions to be taken and identify the potential impacts on our financial position.

Transener's consolidated and separate financial statements should be read in light of these circumstances.

Tariffs

With the enactment of the Solidarity Law and its supplementing rules and regulations, effective from December 23, 2019, the government mandated that power transmission tariffs under federal jurisdiction would remain unchanged for up to 450 days or until the entry into force of new temporary tariff schedules, delegating on the Executive Branch the power to conduct an extraordinary review of the Comprehensive Tariff Review.

On the other hand, on December 17, 2020, the Executive Branch enacted Decree No. 1020/20, marking the beginning of the Comprehensive Tariff Review renegotiation process and which term could not exceed 2 years from the date of enactment. The term of Decree No. 1020/20 was then extended for one year pursuant to Executive Decree No. 815/22 dated December 6, 2022.

Against this backdrop, in February 2022 (Resolutions 68/22 and 69/22, as amended by Resolutions 147/22 and 148/22 for Transener S.A. and Transba S.A., respectively), ENRE adjusted the Company's revenues, establishing 67% and 69% increases in the tariffs that had been in force since August 2019 for Transener S.A. and Transba S.A., respectively, in order to cover the operating costs and investments needed to maintain the service quality required by law.

On December 29, 2022, in an attempt to maintain throughout 2023 the purchasing power of the revenues, by means of its Resolutions No. 698/22 and 702/22, ENRE established the hourly prices effective as from January 1, 2023, granting 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.

However, during 2023, actual macroeconomic variables substantially differed from those considered by ENRE in determining revenues under Resolutions No. 698/22 and 702/22. Consequently, on September 8, 2023, by means of its Resolutions No. 661/23 and 660/23, ENRE adjusted the tariff schedules effective as from August 1, 2023, granting increases of 20.9% and 20.84% to the tariffs that had been prevailing since January 2023 for Transener S.A. and Transba S.A., respectively. It further established the adjustment formulas based on wage, wholesale price and consumer price indexes to be applied by each company on a quarterly basis. As a result of the aforementioned adjustment formulas, on November 1, 2023 ENRE issued Resolutions No. 781/23 and 780/23 adjusting tariff schedules effective from November 2023, establishing increases of 37.33% and 38.44% to the tariffs that had been prevailing since August 2023 for Transener S.A. and Transba S.A., respectively.

On the other hand, through Decree 55 dated December 16, 2023, the Executive Branch declared a state of emergency in the National Energy Sector until December 31, 2024, concerning the power generation, transmission, and distribution segments under federal jurisdiction. Section 3 of such decree established the beginning of the tariff review pursuant to Section 43 of Law No. 24,065 for power distribution and transmission service providers under federal jurisdiction, providing that the resulting tariff schedules should enter into force no later than December 31, 2024.

In this respect, on January 2, 2024, by means of Resolution No. 3/2024, ENRE called for a Public Hearing which was held on January 29, 2024, in order to inform about and receive feedback on the transition tariff adjustments proposed by electric power transmission service concession holders, before setting the tariffs to be applied by concession holders.

Finally, by means of Resolutions No. 104/24 and 105/24, ENRE established the hourly prices effective as from February 19, 2024 (publication date in the Official Gazette), granting increases of 179.7% and 191.1% to the tariffs that had been prevailing since November 2023 for Transener S.A. and Transba S.A., respectively. ENRE also established that tariffs should be adjusted on the basis of wage, wholesale

Our operating revenues primarily derive from two sources:

- **Revenues from regulated sales**
- **Revenues from non-regulated sales**

Revenues from regulated sales

These revenues are derived from the monthly remuneration paid by Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA) to the Company for making its electricity transmission assets available to the Argentine Electrical Grid.

OPERATING REVENUES

Revenues from transmission capacity (related to the operation and maintenance of the transmission lines comprising the networks).

Connection and transformation revenues (related to the operation and maintenance of connection and transformation equipment).

Reactive equipment revenues (related to the operation and maintenance of reactive power equipment, such as reactors, capacitors and synchronous condensers).

Revenues from automatic controllers (due to the operation and maintenance of control and communication equipment related to automatic controllers that maintain the Argentine Electrical Grid stability upon regional failures).

Revenues from non-regulated sales

We derive other net revenues from services rendered to third parties, including from:

- Construction and installation of electrical structures and equipment;
- Operation and maintenance of off-network lines; and
- Operation and maintenance of the Fourth Line and TIBA.

We also derive revenues from the supervision of:

- Argentine Electrical Grid expansion works;
- Facilities under the operation and maintenance of independent transmission companies.

Our Energy System

At Transener, we work day to day to plan, sustain, and enhance the extra high-voltage transmission system. This involves operational and maintenance tasks based on assessments of demand and system enhancement needs, with a focus on risk management, training, and efficiency.

Transener Across the Territory

The extra high-voltage system operated by us 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 our transmission network are linked, through international interconnection lines, to the transmission systems in Brazil, Paraguay, Uruguay and Chile.

500kV Transforming Substations

500 kV High-voltage Line*

220 kV High-voltage Line*

500 kV High-voltage Line (owned by third parties and operated by Transener)*

220kV Transforming Substations

500 kV High-voltage Line (owned by third parties and operated by Transener)*

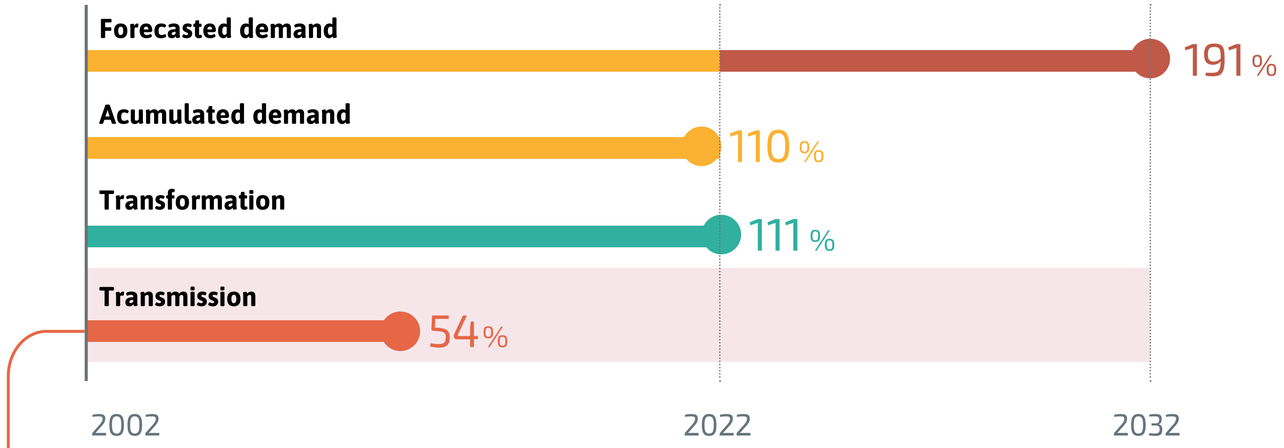
500 kV High-voltage Line (owned by third parties and operated by Transener)(Rodeo-Calingasta)*

220 kV High-voltage Line (owned by third parties and operated by Transener)(Minera Alumbrera)*

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

System Status

The power transmission system determines the maximum service quality end-users can receive. It is the raw material utilized by distribution to meet demand. The system operates centrally and remotely, on a 24/7 basis.



SATURATED SYSTEM

Requires

TARIFF (Quality and continuity):
Mantain the availability of the equipment

EXTENSIONS FOR:

- Reduce shipping costs
- Security N-1 levels
- Productive potencial developments

Not included in the tariff

Implies

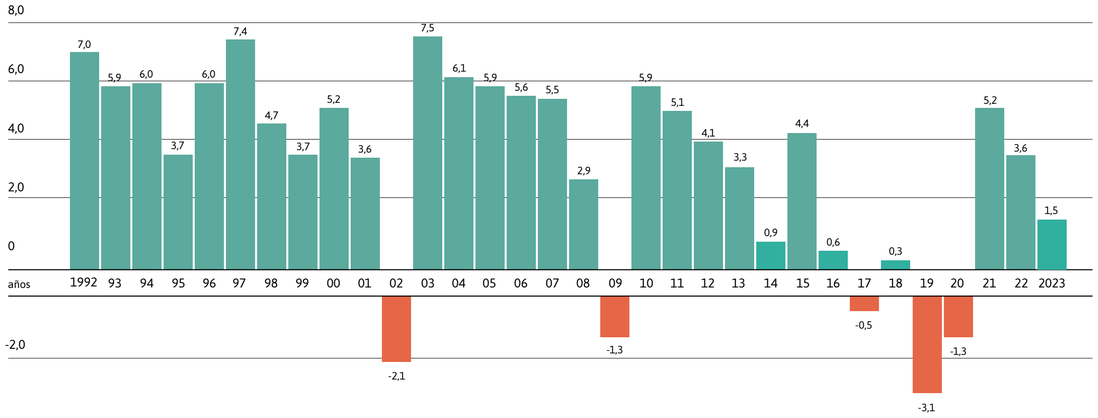
Higher maintenance costs (increased wear, higher equipments requires, limitations on work day and time)

Demand Growth Rate

During 2023, the electricity demand growth rate increased by 1.5% compared to 2022.

DEMAND GROWTH RATE

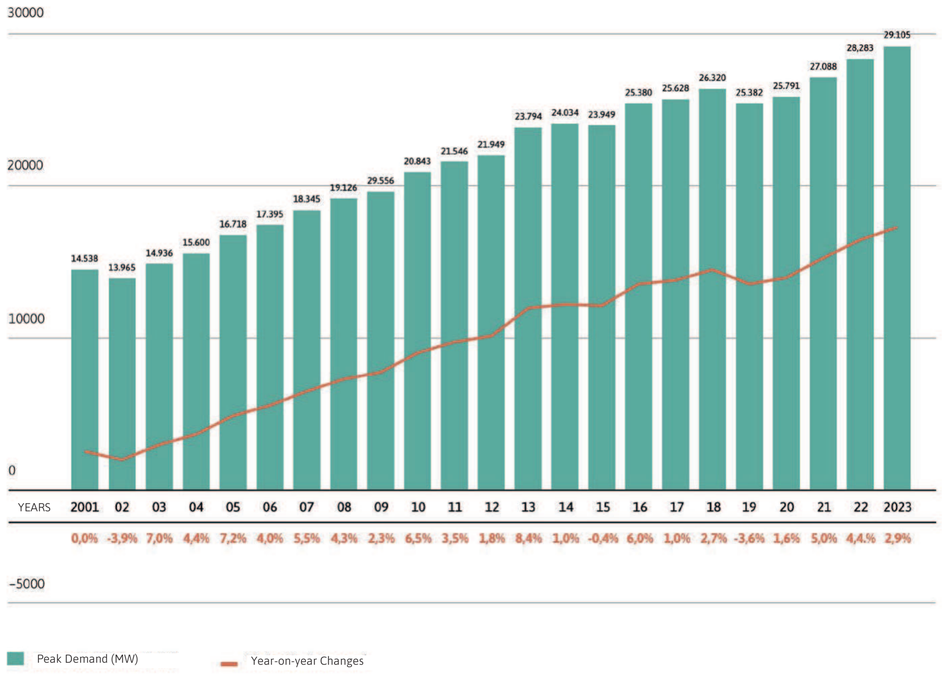
As a %



It should be noted that 60% of demand is from Buenos Aires Metropolitan Area.

Year after year, the high-voltage power transmission system that we operate and maintain undergoes significant demands. In this respect, on March 13, 2023, there was a new historical record of power demanded by the Argentine Electrical Grid, reaching 29,105 MW. The following graph shows peak power values recorded since 2001 and year-on-year changes thereto.

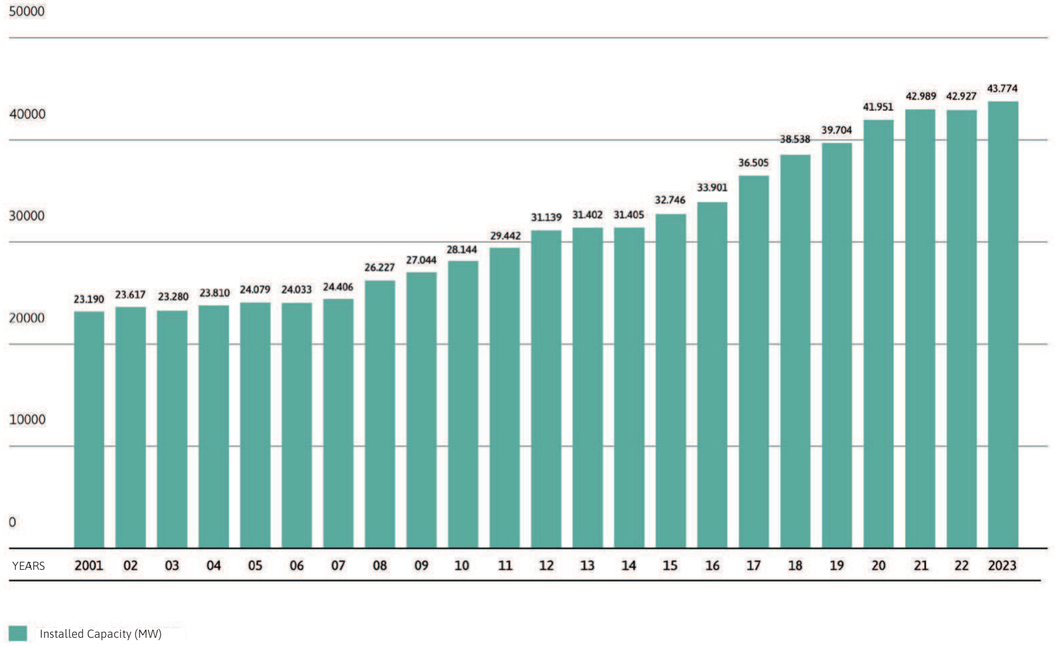
CHANGES IN PEAK POWER DEMAND FROM ARGENTINE ELECTRICAL GRID
In MW



Electricity Generation

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

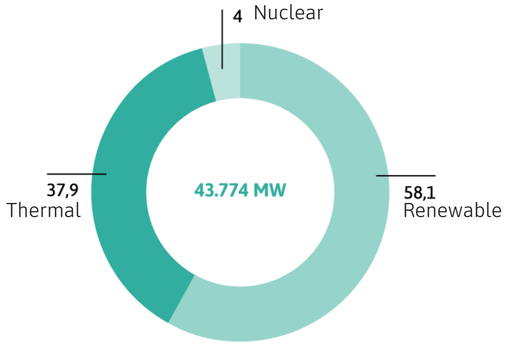
CHANGES IN THE ARGENTINE ELECTRICAL GRID'S INSTALLED CAPACITY
In MW



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

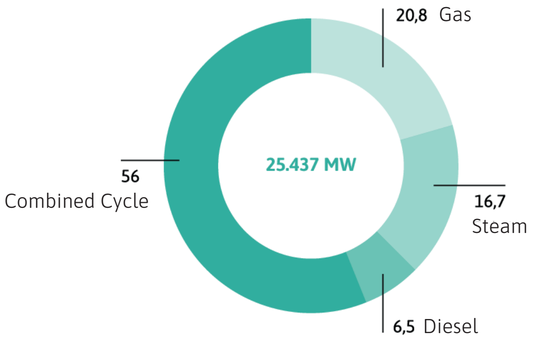
INSTALLED CAPACITY BY SOURCE

As a % (december 2023)



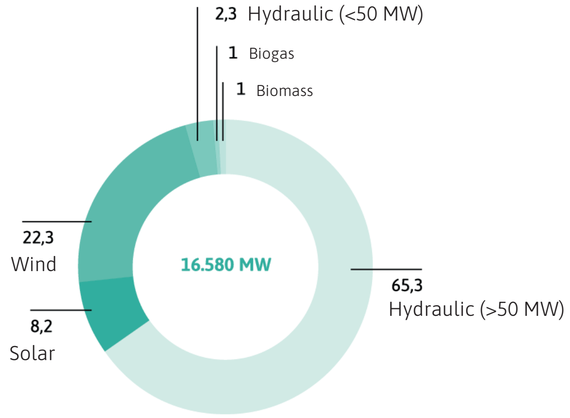
THERMAL GENERATION

As a %



RENEWABLE GENERATION

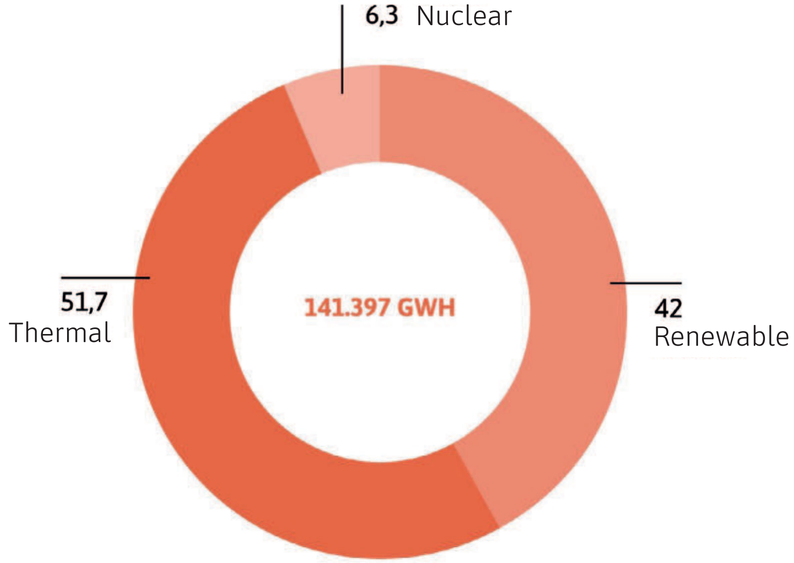
As a %



Thermal generation was the main source of supply of the generated power (52%), followed by renewable energy (42%), and nuclear generation (6%), as shown in the following graph.

GROSS GENERATION AS AT DECEMBER 2023

As a % (

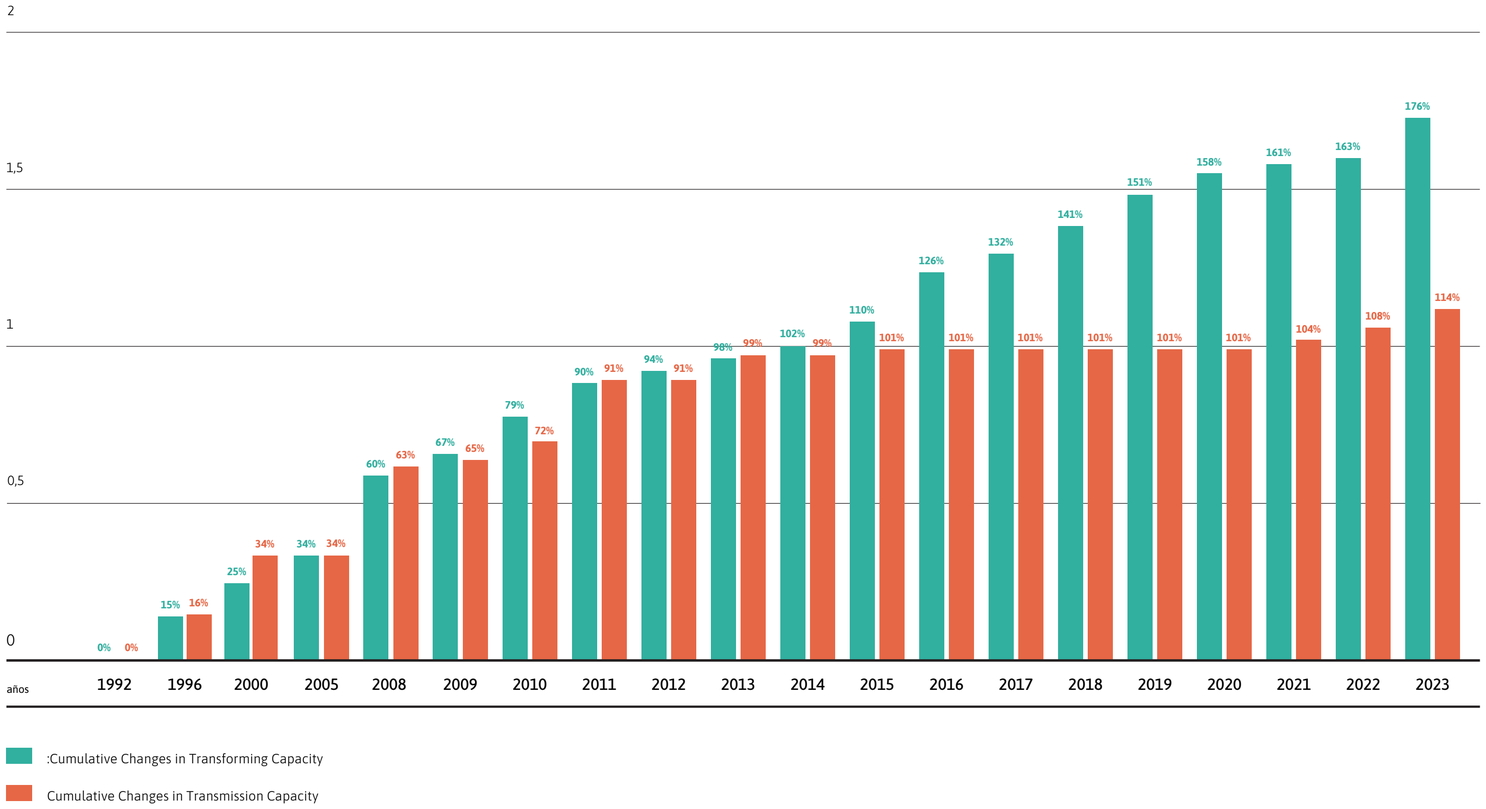


System Growth

As shown in the following graph, the high voltage transmission system has experienced substantial growth since 2005, primarily as a result of the Federal Plan for Transmission at 500 kV.

HIGH VOLTAGE TRANSMISSION SYSTEM EVOLUTION

As a %



System Growth

The following projects were commissioned in 2023:

- **500 kV Bahía Blanca - Vivoratá line**
- **25 de Mayo Transforming Substation**
- **Shunt Capacitors at Ezeiza Transforming Substation**

500kV Bahía Blanca – Vivoratá Line

The line connects the 500 kV Guillermo Brown, Bahía Blanca and Vivoratá transforming substations with a 451 km line and two 500/132 kV transforming banks of 450 MVA each at Vivoratá Transforming Substation, where the connection of Mar del Plata, Villa Gesell and Balcarce transforming substations of the Transba network was reinforced.

- Improve the power supply reliability along the entire Atlantic coast, especially during the peak demand period in summer.
- Optimize the voltage profile at the 132 kV network stations, such as Villa Gesell, Mar del Plata, Necochea, and Balcarce.
- Generate savings in local generation dispatch costs, which are currently associated with high operating costs.
- Develop electrical infrastructure for the connection of new renewable generation capacity, laying the foundation for improving power and energy exchanges, especially with Buenos Aires Metropolitan Area, once the 500 kV Plomer-Vivoratá interconnection project is completed.

25 de Mayo Transforming Substation

It sections the 500 kV Ezeiza - Henderson 2 line at the intersection with Route 51 and features two 500/132 kV transformers, each with a capacity of 300 MVA, where the Transba network was reinforced with 132 kV lines to the Saladillo, Bragado, and Chivilcoy transforming substations.
:

This project helps

- Avoid demand constraints.
- Save generation liquid fuels at the Bragado node.
- Operate normally at the Bragado steelworks (without restrictions during peak hours).

Shunt Capacitors at Ezeiza Transforming Substation

The project involves the commissioning of two 125 MVAr shunt capacitor banks, laying two underground 220 kV triad cables, and installing two connection fields to the 220 kV bars at the Ezeiza transforming substation.

This project helps:

- Improve voltage control at the Ezeiza node, especially during peak demand periods. This node has significant influence on the supply of demand in the southern region of Buenos Aires Metropolitan Area.

Technology & Innovation

The implementation of new technologies, constant innovation, and the development of new solutions that enhance service quality are part of our fundamental management pillars. In this regard, we continue to invest in providing resources to areas that drive both research and development and the analysis of new applied technologies.

Research & Development and Technical Training

We continue to optimize our processes as part of a policy to invest in the development of new solutions based on research, training, and technology; focused on ensuring the strength of our performance and service quality. With this goal in mind, we have recently created the Research & Development and Technical Training area, aiming to ensure the continuity and consistency of the Technical Directorate's and General Management's goals through the active participation of their members across the organization's several areas. Some of the main topics and projects we worked on in 2023 include:

- Circuit Breaker Replacement Ranking (CBRR). EPRI.
- Artificial Intelligence applications for the analysis of High Voltage Line inspection images.
- Cybersecurity review. KPMG audit.
- Acquisition of a camera for SF6 visualization.
- Natural Language Processing (NLP) applications.
- Robotics for transformer oil inspection.
- Software for analysis of High Voltage Line inspection images.
- Comprehensive Asset Monitoring at transforming substations (Interrupt AT / Transformers).
- Transformer oil contamination (EPRI/CIGRE).
- WinSoe Renewal - OPC Technology.
- Digital Twin Technologies.
- Technology application projects related to Let's be Safe and Knowledge Management: Virtual reality (lockout and tagout), steps to set up facilities such as Training Centers, Road Safety, Smartwatch for vital signs, among others.

- Rosario Oeste Transforming Substation Training Center, already operational, and Ezeiza Transforming Substation (Protections and Control).

Additionally, through the Research & Development and Technical Training area, we regularly participate in technical knowledge and project exchanges with professionals from other countries related to the energy industry.

Middle and High Voltage Assay Lab (LEMAT)

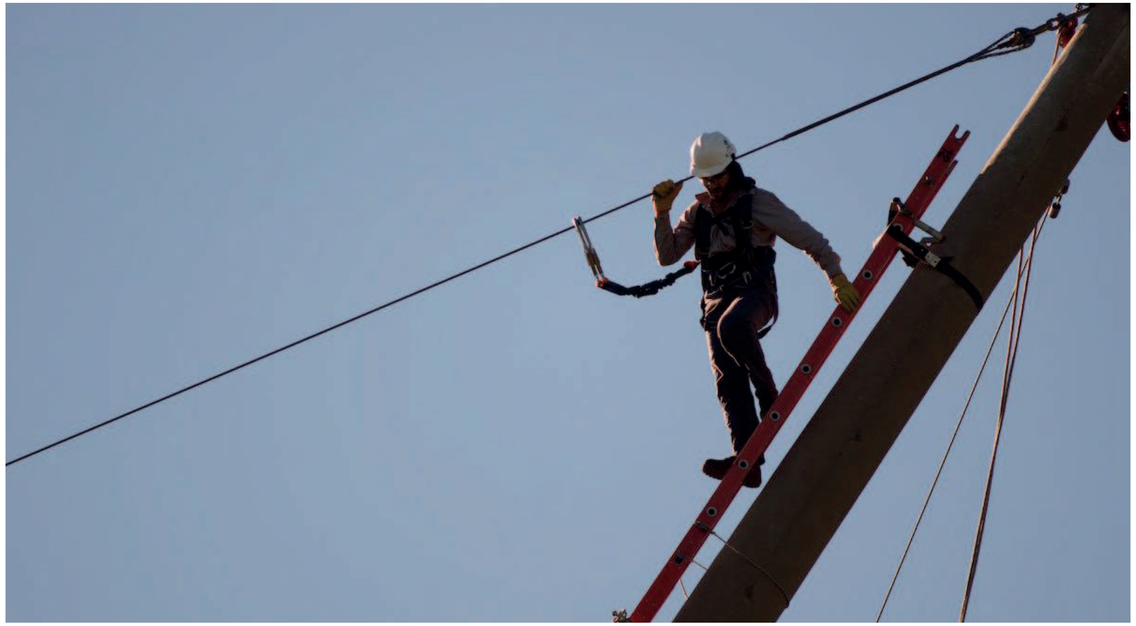
During 2023, at LEMAT we conducted equipment tests submitted to he laboratory, field tests, and technical training. Among many other actions:

- We conducted the following training sessions: "Electrical Measurements in Power Machines" and "Thermography."
- We performed tests on polymeric insulators used as interface separators in the cold line (5PYZN1).
- We provided operational support for transformer tests at Transba's transforming substations due to the climate emergency on December 16, where a power transformer was tested in record time to restore the normal electricity service in Zárate and Campana. We collaborated with the Maintenance area in the adjustment and replacement of the 500 kV SF6 bushing central conductor.

- Among other tasks, we conducted tests on 500 kV capacitive voltage transformers and 132 kV voltage transformers.
- Additionally, we conducted end-of-life tests on an asset, yielding significant insights to establish or reinforce decision-making criteria at the company.
- We replaced a power transformer at the Campana 132 kV transforming substation.
- We delivered the "Electrical Testing of Transformers and Reactors" course, which was incorporated into Transener's Knowledge Matrix implemented in 2022 and is available to personnel involved in testing, as well as personnel at stations who must make decisions based on test results.

Voltage Work Center (cTcT)

- We drafted and updated technical specifications for the purchase of tools and devices.
- We tested 1592 tools and equipment at our in-house labs (Bahía Blanca, Rosario Oeste, Recreo).
- We conducted on-site acceptance tests on an isolated scaffold and three crane insulated extensions, with a visit to the manufacturing site and the tool development department for CTcT at Ritz Brazil.



- We renewed and granted permits to 79.05% of the personnel nominated for CTcT, while the remaining 20.95% are suspended for various reasons. 50% of the personnel with permits received training at the Training Center.
- As part of our Technical Consolidation Plan:
  - We conducted a workshop for Regional and CTcT Instructors.
  - We redesigned and delivered, with our own personnel, the Electrical Risk module applied in the Basic Plan II, conducting 10 workshops.
  - We redesigned and delivered 2 workshops on regulatory updates and practical training for drone operators.
  - We participated in CE21 AEA study committees and, through the latter, in IEC TC78 (voting on regulatory updates to 4 international documents).
- During the first semester, we conducted aerial patrolling walk-arounds on a total of 5,500 km of lines using our own chopper. During the second semester, we hired patrolling services for other 3,420 km, including the delivery of aerial photographs and footage, having patrolled a total of 8,920 km of lines.
- We updated 8 documents, including work instructions, t echnical sheets, or equipment use instructions.
- We developed the methodology and trained RDI high voltage line and GM high voltage line maintenance personnel to carry out the replacement of insulator chains with rigid extensions in the false retention structure of LU transforming substation.
- We performed support tasks, measured pollution indexes, and mobilized TcT washing equipment during the service restoration tasks of MA transforming substation and 5MARE1 and 5AMMA1 high voltage lines in an extraordinary weather event that caused saline contamination.
- We performed support tasks during the collapse of structures in lines 5BBOL1 and 5BBOL1 due to a tornado in the Bahía Blanca area.
- We developed the methodology and trained high-voltage line maintenance personnel, supporting them in retightening Line 5GPAST1 (RO and ST maintenance bases/16 workers and 2 foremen trained).
- We performed TcT work to repair conductors in a span, with active reclosers, in the Olavarría area, Line 5ABOL1, with personnel from the Henderson Line Maintenance base.

Chemical Lab

Our chemical laboratories provide key services. To us, 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.

We have the following facilities available:

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

During 2023, the Chemical Lab conducted mineral insulating oil and water analyses as described below:

- Total number of oil analyses: 5320
  - Northern Region: 2608
  - Southern Region: 1084
  - Central Eastern Region: 1628
- Total number of water analyses: 102
  - Northern Region: 44
  - Southern Region: 33
  - Central Eastern Region: 25

In addition:

- We conducted oil analyses to diagnose failures, schedule maintenance, and install and start up various reactors and transformers for the different transforming substations.
- We provided analysis services for samples coming from the DMU unit and issued the Laboratory Report for submission to the Provincial Agency for Sustainable Development [OPDS].
- We delivered services to external customers, including GENELBA (Pampa Energía) thermal power plant.
- We delivered training sessions, such as updates on High-Performance Liquid Chromatography (HPLC) and Gas Chromatography (TOGA).

Technology

- We migrated our data center in Pacheco to the cloud.
- We carried out technological upgrades of hyper-convergent equipment at the main transforming substation.
- We improved connectivity at 25 sites, including enhancements and new links.
- We replaced technological equipment and implemented networking equipment at 27 transforming substations.
- We implemented 15 new links.
- We installed structured cabling at 13 transforming substations.
- We made 16 improvements to our own links in terms of capacity and VLANs.
- We installed biometric devices for attendance control at 18 transforming substations.

Applied Safety Department

Our organization is characterized by a high level of technical specificity and a service-oriented mindset that we proudly embody collectively.

Our challenge lies in leveraging that technical expertise and service culture towards a safety-oriented culture.

The creation of the Applied Safety Department is based on two pillars: strengthening containment systems (procedures, methodologies, instructions, etc.) and supplementing the development of skills and abilities designed on the basis of specific risks.

Therefore, the project involves the formation of a team of Applied Safety Instructors, following the functional model already established at the Voltage Work Center. Our Applied Safety Instructors are specialized in the maintenance areas already established at our company (Lines, Transforming Substations, Protections, Communications, Control, etc.) in order to achieve a more focused impact on each area.

This new team reports to the Technical Directorate and provides services across all departments; it operates independently from the Health, Safety and Security in the Workplace department, while maintaining a close relationship in terms of legal support, regulatory compliance, and document support.

Activities of Applied Safety Instructors: the content, scope, and methodology of training and applied safety activities are determined by mutual agreement with the operating areas, with significant involvement of the pertinent CD&M areas, based on feedback from Health, Safety and Security in the Workplace personnel, Cascade Controls, Accident/Incident Reports, prioritizing topics according to their impact, whether by exposure frequency, risk consequences, or a combination of both.

TESLA

Applications and Processes

- TESLA Project. We redefined and improved processes supported by SAP S4. We initiated the project and completed the design phase in December.
- We renewed the SAP S4 Contract, under the RISE model, which is now ready to enhance our internal digitization process.

Data and Projects

- We developed 10 new dashboards designed to enhance strategic decision-making.
- We implemented 3 new solutions based on Robotic Process Automation (RPA) technology for operational process efficiency and improvement.
- We expanded the number of users accessing the dashboards, reflecting a significant increase in the adoption of these analytical tools.
- We projected the implementation of SAP S4 - Comprehensive project management in all its stages, completing the design phase.
- We standardized small project management through the use of Project Management practices and tools.

Cybersecurity

- We conducted a phishing awareness campaign.
- We implemented attack detection solutions and Ransomware, self-service passwords, and zero-trust remote access (ZTNA).

Help Desk

We enhanced the use of the Invgate tool to provide traceability for various company processes that were previously managed manually or via email.

Risk Management

The maintenance of the power transmission system entails the ongoing update of our Risk Management plans. At Transener, our primary concern is people safety. Therefore, we analyze how to face such risk in each of our tasks and in relation to the community.

Risk Management and Technical Audits

During 2023, with the support of external specialists, we identified and classified stakeholders for a more in-depth analysis.

Additionally, we adjusted the severity analysis of the risks managed by us to improve risk management prioritization.

Simultaneously, we monitored our plans to close control gaps (year 1).

We also reviewed the existence, documentation, and sustainability of contingency plans associated with each risk. Finally, we conducted a survey across the entire company to assess the penetration-knowledge of the risk management culture within the organization, aiming to design communication and training plans.

This year we manage:

20 nivel 1 risks

65 nivel 2 risks

20 contingency plans

29 stakeholders

HEAT MAP (CURRENT SEVERITY)

All areas Level 1

Review as of September 13, 2023			Consequences				
			1 to 2 Negligible	10 to 20 Minor	50 to 100 Moderate	200 to 500 Major	>500 Catastrophic
Likelihood	100 to 50	Highly likely				PER.accid.01	
	50 to 20	Likely		OYM.demsu.01	OYM.segpa.01	TEC.cibsg.01 OYM.dañeq.01 FIN.insre.01	
	20 to 10	Possible			NOR.debge.01 PER.knoho.01 OYM.medam.01	OYM.incen.01 NOR.segpu.01 STA.comun.01 STA.difac.01 NOR.conce.01	
	10 to 2,5	Unlikely			NOR.compl.01 PER.epide.01	STA.sindi.01 OYM.apago.01	
	<2,5	Rare					NOR.ejepr.0

Risk Matrix

Every year, we assess workplace safety and health risks through the development of a Risk Matrix to define action plans leading to reduce the gap between the actual and intrinsic value of risks. These action plans are focused on reducing the impact of our three major risks: electrical risk, risk of falls from height, and road risk.

Creation of the Applied Safety Department

In 2023, we created the Applied Safety department in order to train our staff in system maintenance activities from a safety perspective, integrating technical knowledge with a safety perspective as a value in each task performed at the company.

From this department, we seek to standardize the training of new hires and work with the staff to be granted permits, streamlining processes and enhancing quality. Looking to 2024, we expect to launch personnel training on maintenance activities from a centralized training campus.

Quality Management

During 2023, 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 No. 15 (SE 208/1998), Public Safety System (ENRE 57/2003 and 620/2017), and Risk Management included:

- Re-certification of the Quality Management System (ISO 9001:2015).
- Re-certification of the Environmental Management System (ISO 14001:2015).
- Validation of the Contingency Plan for 2023 (Resolution ENRE 22/2010).

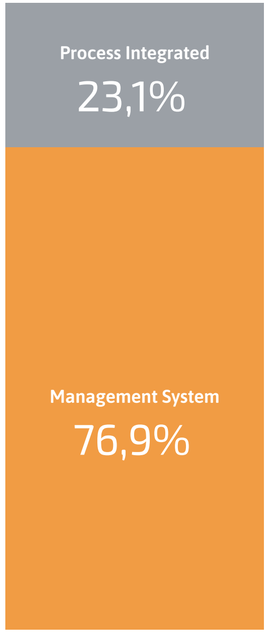
These achievements were attained by successfully passing the External Audits conducted in September and December.

Besides, twenty six (26) Internal Audits were conducted with the participation of Quality Assurance (25 scheduled audits and 1 non-scheduled audit).

INTERNAL AUDITS BY STATUS

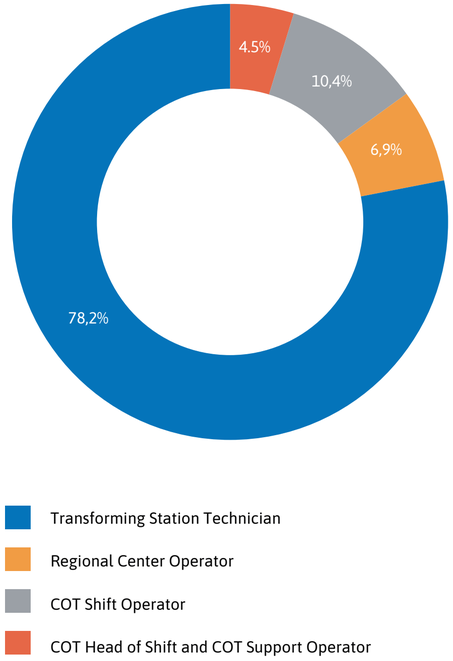
Scheduled	Non-scheduled
Completed: 25	Completed: 1
Scheduled: 0	Scheduled: 0
Cancelled: 0	Cancelled: 0

INTERNAL AUDITS BY TYPE



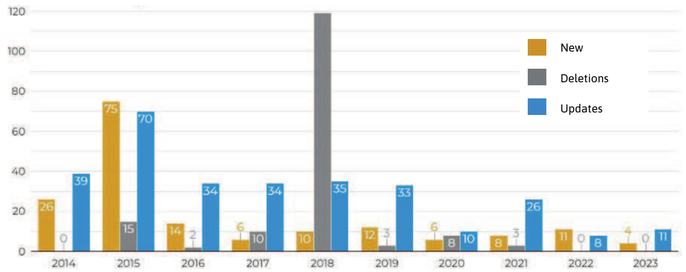
In compliance with CAMMESA's Technical Procedure No. 15 to grant permits to operations personnel, 117 persons received their permits and renewals thereof for operation of the High-voltage Power Transmission System in Argentina. To such end, we verified all documents related to each operator and handled and successfully passed the required external audits.

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 15 documents from the Integrated Management System.

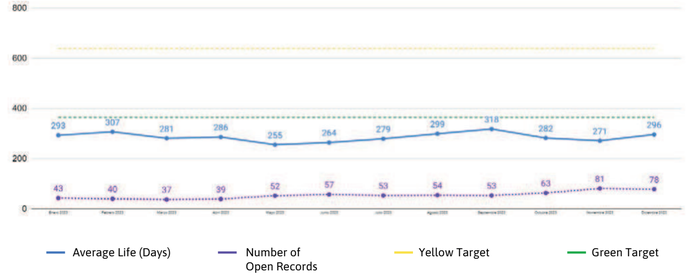
DOCUMENTS (NEW, DELETIONS AND UPDATES) PER YEAR



The 2023 external customer satisfaction surveys are underway to measure the transmission system operation and maintenance service and the service provided by the Engineering Management Department.

To comply with Resolutions ENRE No. 558/2022 and ASPYMA No. 1/2023, Quality Assurance took part in the preparation of the Report on Degree of Progress in the Environmental Plan that was submitted to ENRE. We also prepared the Corrective and Preventative Action Average Life Indicator on a monthly basis and worked together with the application supplier to implement new reports directly in the Corrective and Preventative Actions application to streamline and facilitate the monthly indicator preparation.

KEY INDICATOR – OPEN ACTIONS – QUALITY



ALSO DURING 2023, QUALITY MANAGEMENT:

- 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 it and improve it.
- Continued maintaining the application "Corrective and Preventative Actions," with enhancements in several processes, such as registration, de-registration and modification of users and their profiles, thanks to a better link to the information from the Information Technology department. Improvements were also introduced to the application and the Ticket system managed by Quality Assurance related to the Corrective and Preventative Actions application.
- Published half-year reviews of the Matrix of Environmental Legal Requirements.
- Organized 4 training courses on matters associated to the Company's Integrated Management System, participating in the New Professionals and Corporate Onboarding trainings.
- Implemented, together with the IT department, the digital signature module for documents from the Integrated Management System issued by Quality Assurance. The digital signature is scheduled for implementation in 2024 in internal audit reports.
- Updated the contents of the Intranet website for Quality Management and the Regulatory Engineering department on the SAP JAM platform. In addition, the Company entrusted to its IT department the creation of a new Intranet website for the Internal Audit area to transfer the contents of the Quality Management, Risk Management, and Technical Audits website, due to its new reporting line.
- 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.
- Continued to monitor the measurement of hydrocarbons in water that are part of Environmental Planning, getting in touch with the pertinent parties when there are delays against the annual plan. The area has continued to register a non-conformance in the system upon receiving a report from the Chemical Lab in excess of the permitted thresholds.
- Updated the management indicators published in Quality Assurance's Intranet page (Data Studio interactive platform).
- In January/February, specific Management Reports were developed and submitted for each Regional Department (similar to a mini report for management review), with information from 2022.
- Reviewed the SAP platform (under development) for administering permits to operations personnel. The issues requiring improvement were notified to Information Technology.

Operations

During the year, our Operations Control Center (COT) carried out several activities:

Permits for Operators

- Renewal of the permits of 5 heads of shift and 8 COT operators.
- Application for the first permit of 5 new COT operators.
- Granting and/or renewal of permits for 93 Transforming Substation Technicians.

Education and Training

Training courses were delivered to Operators, Heads of Shift and Programming Personnel on a weekly and daily basis:

- System recovery after a total collapse. Service Order No. 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.
- Request and lock-out process of transmission network facilities.
- Network synchronization and criteria to adjust synchronism verifiers.
- Operation of SCADA Monarch.
- Use of the OTS for Operators' training.

We continued working with the Operator Training Simulator (OTS) at the new Operator Training Room. In 2023, we held individual day meetings with the involvement of all 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.

We carried out system recovery mocks after a total collapse, with the participation of CAMMESA and all agents of the Argentine Electrical Grid and an entire on-call shift, including heads of shift and operators. We checked our ability to successfully recover the high-voltage power transmission system within the expected time.

Manuals for the ransforming Substations

During 2023, we updated the Manuals of Standard Operating Procedures at Puelches and Santiago del Estero Transforming Substations. We also submitted for consideration proposed updates to Manuals of Standard Operating Procedures of Ezeiza, El Bracho, Macachín, Guillermo Brown and Cobos Transforming Substations.

Transener's Maintenance Facilities Requests

During the year, we managed maintenance facilities requests and held weekly meetings to coordinate with CAMMESA in order to facilitate the formation of consent with CAMMESA and the several participants of the electrical market.

We continued working jointly with CAMMESA's specialists 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.

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 439 reports were prepared concerning Anomalies and Disruptions during 2023. As part of CAMMESA's Technical Procedure No. 11 entitled "Disruption Analysis" 405 Preliminary Reports and 33 Final Disruption Reports were prepared.

Operational Aspects

As part of the Let's be Safe program, we updated and published Service Order No. 3 "Procedure to request high-voltage transmission network equipment or installations for maintenance," including a new version of the Work License Book, inducing field personnel to perform a double-check with the COT Operator on the safety measures established in Work Licenses. The update also includes an Exhibit entitled "Summary of the process to request equipment for maintenance," which details the real-time interaction that should exist among the employee requesting a field work license, the Transforming Substation Technician and the COT Operator.

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 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 equipment refurbished by CAPEX 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).

- **REINSTATEMENT OF THE 500 KV BAHÍA BLANCA - CHOELE CHOEL 2 LINE**

Reinstatement of the fourth line of the Comahue system in the Bahía Blanca and Choele Choel section. The line had been sectioned to connect Guillermo Brown Transforming Substation. In 2023, the new 500 kV Bahía Blanca - Guillermo Brown 1 line was commissioned, enabling the reconfiguration of the original Bahía Blanca - Choele Choel 2 line.

- **500kV BAHÍA BLANCA – VIVORATÁ 1 LINE**

Installation of a new 408 km long 500 kV Bahía Blanca - Vivoratá 1 line, featuring a line reactor of 150 MVAr at the Bahía Blanca end, and two line reactors of 80 MVAr each at the Vivoratá end. Energization and commissioning of the T1VIV 500/138/34.5 kV - 450/450/100 MVA transformer bank, in addition to the T2VIV transformer, which was previously energized from the 132 kV bars supplying Vivoratá Transforming Substation's auxiliary services.

- **VIVORATÁ TRANSFORMING SUBSTATION**

New connection point at 132 kV for the connection of the Vivoratá - Vivoratá Wind Farm 1 line.

- **GRAN FORMOSA TRANSFORMING SUBSTATION**

New connection point at 132 kV for the connection of the Formosa Dos - Gran Formosa 2 line.

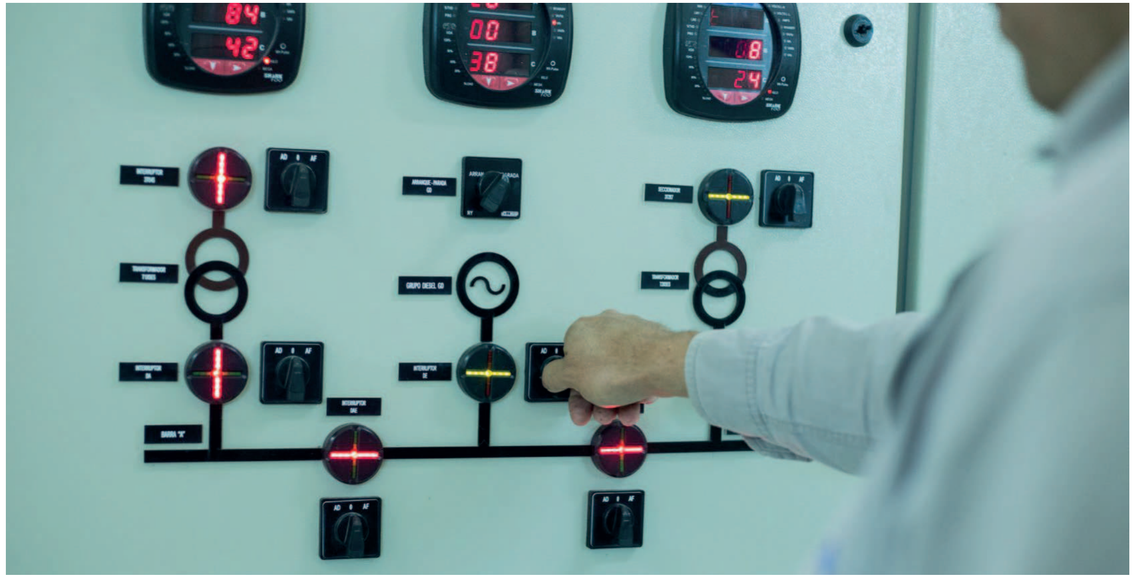
- **25 DE MAYO TRANSFORMING SUBSTATION**

The new 25 de Mayo Transforming Substation was powered by sectioning the old 500 kV Ezeiza - Henderson 2 line, resulting in the Ezeiza - 25 de Mayo 2 line spanning 139.1 km and the Henderson - 25 de Mayo 2 line spanning 174.3 km. The new transforming substation features a 500/138/34.5 kV - 300/300/67 MVA transformer and an identical back-up unit. Two new connection points to the Saladillo - 25 de Mayo 1 and Bragado - 25 de Mayo 1 lines were incorporated to the 132kV bars.

- **EZEIZA TRANSFORMING SUBSTATION**
  - Installation of new shunt capacitors of 132 kV K5EZ and K6EZ of 65 MVAr each, linked to the tertiary winding at 132 kV of the 500/220/132 kV T7EZ transformer.
  - Installation of new shunt capacitors of 220 kV K1EZ and K2EZ of 115 MVAr each, linked to Ezeiza Transforming Substation's 220 kV bars.

Operations Engineering

- We conducted the electrical studies required for the system's special operation conditions both in the case of lengthy forced outages and scheduled maintenance tasks.
- We carried out analyses and follow-ups of the Maintenance Programs applicable to Transmission Equipment in support of Transener S.A.'s area responsible for weekly and daily programming (COT), gearing efforts to discuss with CAMMESA refusals to grant authorizations which are considered doable from the standpoint of Transener S.A. These cases were documented in minutes sent to CAMMESA.
- We updated the real-time sectioning application for Ezeiza Transforming Substation, considering the enhancements in Vivoratá Transforming Substation, 25 de Mayo Transforming Substation, TV5 and TV6 of Ezeiza Thermal Power Plant.
- We analyzed and modified the Comahue DAG tables due to the disappearance of events 5N and 5M (new BB-GBR section and subsequent reconfiguration of the 4th line), and the appearance of events 5O and 5P (new 25 de Mayo Transforming Substation). We made the required corrections in the new tables that emerged during the operation.
- We updated the transmission limits in N and N-1 networks for the Comahue-Buenos Aires Metropolitan Area system by means of dynamic checks.
- We made changes to equations, priority lists and primary correlation of NEA DAG tables in response to own concerns, system enhancements, and CAMMESA's concerns.
- We conducted analysis and reports for the energization of lines 5BB-VIV1, and new subsections adjacent to 25 de Mayo.
- We updated the allowable power value for closing the ring between Tucumán and Salta.
- We performed dynamic studies, failure analysis, DAG performance, and analysis of records related to the triple release of the lines from Gral. Rodríguez Transforming Substation to the north.
- We conducted extreme performance studies of Ezeiza Synchronous Compensators due to over excitation upon failures that simulate a fast voltage collapse.
- We carried out studies to determine the minimum transmitted power to achieve the closing of the ring of the new 5BB-VIV1 line.
- We developed an automatic report in ABB's MicroSCADA to verify the correct operation of the NEA DAG.
- We updated limits in the Seasonal Programming associated with the Comahue area (RES Nos. 1, 19, 20, 21, 22, 23, 24, 26, 28, and 36).
- We carried out analysis and proposed improvements resulting in the acceptance of stage II studies for new generation to the Argentine Electrical Grid (25 de Mayo, Pampa Energía VI Wind Farm, Chaco Transforming Substation's Transformer No. 2).
- We helped the Technical Directorate assess Operations Personnel (COT Operators and Transforming Substation Technicians) with a view to renewing their licenses under the Technical Procedure No. 15. As a part of this task, training was delivered to the Control Center's new hires.
- A CAMMESA-TRANSENER joint task force was built to implement loggers/PMU Reason.



- Relevant Situations Reports were prepared for the 2023 winter and the 2023/2024 summer.
- The single-line diagram database of Transener's network was updated. Support was also given to codify future facilities (Bahía Blanca, Ezeiza, DAG Events, La Escondida Wind Farm, AMBA I and II Project, Rincón, Fachinal, Alto Uruguay, Vivoratá, Olavarría, Robles, Gran Formosa, Alumbrera, Arroyo Cabral, Luján, Baigorrita, Pampa Energía VI Wind Farm, Henderson, Ramallo, La Rioja Sur, Choele Choel and Transener's simplified single-line diagram).
- Records of the several Oscillation Monitoring Systems were submitted to CAMMESA concerning major events at the Argentine Electrical Grid.
- We cooperated by contributing arguments to defend the penalties of the Temporary Service Quality Document.
- We prepared and disclosed a weekly DAG report describing the generation percentage to be disconnected in respect of the demand from the Argentine Electrical Grid.
- We performed budgetary monitoring across the GPOR, issuing detailed and periodical expense control reports, in addition to covering COTDT management leaves. Similarly, CAPEX projects were created and monitored.
- We studied and determined synchronism check equipment adjustments for the new facilities commissioned or to be commissioned (Rosario Oeste fields 4 and 8, and Bahía Blanca egress point to Vivoratá).
- We collaborated with the commissioning of 25 de Mayo Transforming Substation, including changes to the PLCs of HE and EZ and Comahue Master Station.
- We addressed management's express requests for pre-feasibility studies related to the thermal power plant at Gran Paraná Transforming Substation.
- This area also submitted the following items to CAMMESA:
  - Service Order No. 33 (internal) - Technical limitations of the transmission network's equipment and facilities.
  - Service Order No. 52 (internal) - Control of abnormal points issued by the Real Time Operation System (SOTR).
  - Service Order No. 14 - Voltage work on the High-Voltage Transmission Network.
  - Service Order No. 2 - Identification codes and characteristics of the power stations and equipment comprising Transener network.
  - Service Order No. 16 - Transener Network Operation.
  - Service Order No. 36 - Transener S.A.'s network operation in the event of irregularities in the Control System.

Network Planning

- **WE DEVELOPED TRANSENER'S 2024-2031 REFERENCE GUIDE.**

- **WE EVALUATED TECHNICAL ELECTRICAL FEASIBILITY STUDIES FOR ACCESS AND EXPANSION (STAGE 1 - CAMMESA's TECHNICAL PROCEDURE 1) CONCERNING THE FOLLOWING PROJECTS:**

  - Request for CAMMESA's opinion on the request submitted by ENERGÍAS RENOVABLES LOS ARROYOS S.A. for the connection of its future 100.8 MW Los Arroyos Wind Farm to the Argentine Electrical Grid through the future Los Arroyos Transforming Substation, which will be connected to Pichi Mahuida Transforming Substation (under the jurisdiction of APELP).

  - Analysis of comments submitted by CAMMESA to ENRE on the request from Villa Ángela Solar Farm of the 100 MW to be connected by sectioning the 132 kV Chaco - Villa Ángela line, approximately 15 km far from the latter.

  - Studies submitted by TRANSNOA for Cauchari IV and Cauchari V Solar Farms of 100 MW each (total 200 MW).

  - Request from Pampa Energía for a 10 MW increase in demand to connect a data center at the 11.5 kV level of Loma de la Lata Thermal Power Plant, which is linked to Planicie Banderita node.

  - Request submitted by VERANO CAPITAL SOLAR II S.A. for the connection to the Argentine Electrical Gride of its future 100 MW Photovoltaic Solar Farm named Verano San Rafael I.

  - Request submitted by Pampa Energía for its new 139.5 MW Pampa Energía VI Wind Farm, which will be connected to the private 500 kV Bahía Blanca - Luis Piedrabuena 2 line in two stages—the first one with 94.5 MW and the second one with 45 MW—with the 500 kV line egress field of the Bahía Blanca Transforming Substation being the point of connection with the Transmission System.

  - Request for the construction of the 132 kV field 04 at Gran Formosa Transforming Substation for the new line egress to Pirané Transforming Substation.

  - Analysis of third-party feedback on the request submitted by EPSE for the connection to the Argentine Electrical Grid of its future solar farms named Tocota 6 (140 MW), Tocota 7 (90 MW), and Tocota 8 (120 MW), in Iglesia department, Province of San Juan. The solar farms are expected to be connected to the new Tocota 1 Transforming Substation, which will be linked to the Bauchaceta Transforming Substation via a 132 kV DT High Voltage Line.

  - Request from CAPEX for its 100.08 MW Agua del Cajón Wind Farm, which will be connected to the 132 kV switchyard where CAPEX's thermal generation is located. New version of Stage 1 studies for the Bella Vista Solar Farm, following the feedback received.

  - Technical opinion request on the current validity of previous Stage I Electrical Studies of Pomona III Wind Farm, which is connected to the Choele Choel Transforming Substation, due to changes in power and farm configuration (from 100 MW to 105.4 MW) and changes to the transforming substation, which falls under the jurisdiction of Transcomahue.

  - Request submitted by EPRESJ for the supply and installation of the second 500/132 kV - 450 MVA transforming bank at Nueva San Juan Transforming Substation (T2NSJ), including the incorporation of a concentrator node at the NSJ Transforming Substation.

- Request for access submitted by SPSE for the construction of a new 132 kV line egress field at Río Santa Cruz Transforming Substation towards Puerto San Julián. Within TRANSPA jurisdiction, the project also includes a 134 km-long 132 kV line and the new Puerto San Julián Transforming Substation.

- Request for access from Argentina Fortescue Future Industries S.A. (AFFISA) related to the 300 MW Cerro Policía Wind Farm, which would section the 500 kV Chocón Oeste - Choele Choel line at approximately 33.8 km from Chocón Oeste.

- Request for enhancement submitted by the Province of Misiones for the construction of a new 500 kV Rincón Santa María - Fachinal - Alto Uruguay interconnection in the province.

- Request for access for the new 148.8 MW Los Sabios I Wind Farm, to be connected at Vivoratá Transforming Substation, with a proposed enhancement of its 132 kV bars. The project includes a new 132 kV line between VIV and the wind farm's transforming substation, which will have its connection point at 132 kV.

- Request for CAMMESA's opinion regarding the request for access of the new 360 Energy Colonia Elía solar farm of 300 MW, which would be connected to the 132 kV bars of the Colonia Elía Transforming Substation, under ENERSA's jurisdiction.

- Request submitted by the Energy Bureau of the Province of Corrientes (DPEC) for the incorporation of a 132 kV field at Paso de La Patria Transforming Substation for the line to Pirayú, currently connected in T with one of the triads leading to Corrientes Transforming Substation.

- Request submitted by the Energy Bureau of the Province of Santiago del Estero for the construction of the new Robles Transforming Substation of 500/132 kV (1x450 MVA) and a 500 kV High Voltage Line of 77.9 km to the Santiago del Estero Transforming Substation.

- Request for CAMMESA's opinion regarding the request for access to transmission capacity submitted by Agencia de Inversiones del Neuquén (ADINQN), involving the installation of a new 235 MW wind farm named Loma Jarillosa, which would be connected to the 132 kV Medanito - Sierras Blancas high-voltage line, owned by TRANSCOMAHUE.

- Request for Technical Opinion on the pre-feasibility of interconnection and access to transmission capacity for the Yuncón Wind Project, located in the Province of Neuquén, nearby Piedra del Águila Transforming Substation.

- Request from GENNEIA for the construction of a new line egress field at 132 kV at Chocón Oeste Transforming Substation to connect the 260.4 MW Coirón I Wind Park through a 132 kV High Voltage Line at adjacent areas of Villa El Chocón, Province of Neuquén.

- Request for approval of pre-feasibility electrical studies for the connection of Sullair generation projects from the thermal power stations to Resistencia, Gran Formosa, Mar de Ajó, and Brandsen nodes, under Resolution SE No. 621/23.

- Request for approval from Central Puerto S.A. of the connection report and pre-feasibility electrical studies on the connection of a 300 MW thermal generation project at 500 kV to the Arroyo Cabral Transforming Substation, under Resolution SE N° 621/23.

- Review of the request submitted by EDET for the replacement of the double triad conductor of the 132 kV El Bracho - Cevil Pozo station for a 1,200 A high-efficiency carbon-core conductor (under TRANSNOA's jurisdiction). At El Bracho Transforming Substation, replacement in fields 06 and 08 of sectioning equipment, current transformers, and carrier waves.

- Request for a technical pre-feasibility report on a generation project involving the modernization of Cruz Alta Thermal Power Plant (Pluspetrol Norte), which is currently linked to the 132 kV bars of El Bracho Transforming Substation (2 gas turbines of 116 MW each, operating in open cycle).

- Request for technical opinion on ENRE's Note regarding the incorporation of the 500/132 kV 300 MVA transformer (T3BB) at Bahía Blanca Transforming Substation, as an increase in its transforming capacity.

- Request submitted by DEPROMINSA for its Josemaría mining project, with a transforming capacity of 600 MVA at the 220 kV transforming substation at the mining site, Rodeo 500/220 kV - 600 MVA transforming substation, change of operating voltage from 132 to 500 kV of Nueva San Juan – Rodeo line, new lines Rodeo - Chaparro (500 kV, 167 km) and Chaparro – Josemaría (DT 220 kV, 93 km), Josemaría 500/220 kV - 450 MVA transforming substation.

- Request for technical pre-feasibility report on alternative connection for the 168 MW Aromos wind farm, with a new 132 kV transforming substation and a dedicated double circuit 132 kV line linked to Olavarría 132 kV Transforming Substation.

- Request for technical pre-feasibility report submitted by MSU for the connection of a 425 MW thermal power plant to the 500 kV bars of the AB transforming substation.

- PCR's proposal for repowering series capacitor banks at Olavarría transforming substation, together with two shunt filter banks at the 220 kV Ezeiza transforming substation to provide transmission capacity for renewable generation (500 kV COM-PAT-BUE-GBA system).

- Request for technical opinion on the 105.4 MW Hucalito wind farm, submitted by CAMMESA. The wind farm would section the 132 kV General Acha - Guatraché high-voltage line in the APELP system.

- Request for CAMMESA's opinion regarding the request from Parques Eólicos Vientos del Sur S.A. for its 39.6 MW La Banderita Wind Farm, linked to APELP facilities, at the 132 kV Gral Acha – Puelches high-voltage line (incorporation of four additional wind turbines, increasing capacity from 39.6 MW to 57.6 MW).

- Request for CAMMESA's opinion on Stage 1 studies by SCC Power Energy for its 242 MW Abasto I thermal power plant, to be connected at 220 kV from Edesur (project awarded under Resolution SE No. 621/23, TerConf Bidding Process).

- Request for CAMMESA's opinion on Stage 1 studies by MSU Energy for its 208 MW Abasto II thermal power plant, to be connected at 220 kV from Edesur (project awarded under Resolution SE No. 621/23, TerConf Bidding Process).

- **STUDIES CONDUCTED AND INFORMATION FURNISHED UPON REQUEST FROM INTERNAL CLIENTS OR OUR MANAGEMENT:**

  - Calculation of short-circuit currents in transformer tertiary windings for the specification of temporary grounding, for intervention and maintenance, at the following locations: BB Transforming Substation - 13.2 kV; CL Transforming Substation - 13.2 kV; MC Transforming Substation - 33 kV; GBR Transforming Substation - 6.6 kV.

  - Review of T2CHA Stage 2 Studies. Evaluation of energization transients.

  - Simulation studies of electromagnetic transients of shunt capacitor banks of the EZ 2 x 65 MVAr – 132 kV transforming substation, for general design verification (switching surges, ferroresonance, voltage amplification with 220 kV banks), based on the scheme awarded to SIEYUAN.

  - Management and supervision of the preparation of the IIEE-UNSJ – CONICET document ("MCCAET-01-2023-IEE UNSJ CONICET v3.pdf"), "Risks when exceeding the maximum permissible short-circuit current at a Transforming Substation," prepared for the Argentine Association of Electricity Transmission Companies (ATEERA).

  - Electric and magnetic field studies at the Ramallo Transforming Substation and the Rosario Oeste Transforming Substation. Request for maximum loads for the 2023 summer peak from the 2023-2030 Reference Guide.

- Analysis of an alternative shunt compensation scheme for line 5HERD1 in AMBA II.
- Preparation of the required sheets for financing purposes, with a summary of priority transformation works.
- Review of sub-synchronous resonance studies of CTPB included in Stage No. 2 electrical studies, submitted by Pampa Energía for its Pampa Energía VI wind farm.
- Analysis of technical offers for 2x65 MVAr – 132 kV shunt capacitors at EZ Transforming Substation.
- Approximate assessments of matching wire kilometers for OPGW in 5BBCL3, 5CLPY2, 5BAICCH1, and 5BAIPLO1 lines to be adopted in Bidding Specifications.
- Analysis and studies for the specification of a short-circuit limiting reactor between Manuel Belgrano 500 kV Transforming Substation bars.

- **PARAMETER VALUE CONSISTENCY ANALYSIS TO INCLUDE IN DATABASES/REVIEW OF SHEETS FOR THE NATIONAL PARAMETER BANK:**
  - Field 15 at 132 kV, VIV Transforming Substation.
  - 25 de Mayo Transforming Substation.
  - Field 08 at 132 kV, Gran Formosa Transforming Substation.
  - Field 02 at 132 kV to Caleta Olivia, Santa Cruz Norte Transforming Substation.
  - Atlantic Interconnection, 500 kV BB and VIV Transforming Substations.

- **STUDIES TO FOSTER OR IMPROVE PROJECTS:**
  - Stage 1 studies for the enhancement of Ramallo Transforming Substation, incorporating T2RA 500/132 kV - 300 MVA and T3RA 500/220 kV - 300 MVA transformers.
  - Stage 1 studies for the enhancement of Rosario Oeste Transforming Substation, including a new T9RO 500/132 kV - 600 MVA transformer and a new 132 kV switchyard (GIS).
  - Stage 1 studies for the commissioning of the 500/132 kV - 600 MVA transformer at Malvinas Transforming Substation.
  - Stage 1 studies (under consultancy and in coordination with CAMMESA) to establish the basic requirements for a new joint voltage control to be implemented at Ezeiza 500 kV Transforming Substation, together with new +/- 250 MVAr static compensation equipment (STATCOM) to be linked at 132 kV of T7EZ, integrating into the control, apart from STATCOM, the existing 6 synchronous compensators and the two 220 kV - 115 MVAr shunt capacitor banks, while envisaging in the design architecture the adaptability to changes that the Argentine Electrical Grid could experience in the area in the short and medium term, regarding other planned voltage and reactive power control resources, beyond Ezeiza Transforming Substation.
  - Evaluation of pre-feasibility studies for the separation of the 500 kV system with OST relays, as a backup measure for out-of-design contingency control.
  - Simplified studies for defining basic specifications of preliminary projects for the following priority 500 kV works ("Priority A"): AMBA II, 500 kV Choele Choel – Puerto Madryn (5CLPY2) Second Line, 500 kV Bahía Blanca – Choele Choel (5BBCL3) Third Line, and 500 kV Coronel Charlone – O'Higgins – Plomer System.

- **PREPARATION AND REVIEW OF TECHNICAL SPECIFICATIONS AND BIDS:**
  - Technical specifications for backup +/- 125 MVAR STATCOM of Transener S.A. at Ezeiza transforming substation.
  - Technical specifications for a +/- 250 MVAr STATCOM to be installed at 132 kV of T7EZ pursuant to Resolution SE No. 01/2003.
  - Transener S.A.'s shunt capacitor project at 132 kV of EZ Transforming Substation, 2 x 65 MVAr, considering potential risks for T7EZ. Purchase request basic specifications, including simplified studies and analysis.
  - Technical specification for priority 500 kV works ("Priority A"): AMBA II, 500 kV Choele Choel – Puerto Madryn (5CLPY2) Second Line, 500 kV Bahía Blanca – Choele Choel (5BBCL3) Third Line, and 500 kV Coronel Charlone – O'Higgins – Plomer System.

Operation Networks 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.
- 250 processed requests to update Monarch databases (works, improvements and other updates).
- Generation of 5 complex historical data reports upon external requests. This activity also aims at reducing the number of external connections to enhance safety.
- Advanced training delivered to the COT's new hires on SCADA and Electrical Applications.
- Attendance to several webinars held by the SCADA provider to enhance the team's knowledge on the system and keep information up to date.
- These activities include:

  - SCADA system training for the Control Center's new operators.
  - Onboarding sessions for new professionals.
  - All the scheduled preventative maintenance tasks (COT, ECC, OTS, PDS).
  - Scheduled preventative maintenance at the Monarch and Data Center nodes.
  - Scheduled maintenance of the Control Center's UPS and battery banks.
  - UPS battery replacement at the COT.
  - VideoWall maintenance.
  - Building maintenance works at GPOR area.

- Installation of the Operation Systems and SCADA system security patches as indicated as indicated under the support agreement with the supplier.
- Installation and configuration of state-of-the-art PaloAlto firewalls.
- As part of the cybersecurity assessment of SCADA systems, the following works were completed:

  - Drafting and documentation of procedures carried out in the area.
  - Implementation of firewall rules at layer 7.
  - Arrangements for the acquisition of perimeter fences for the critical area of the building.
  - Creation of maintenance tasks at SAP PM according to the tasks performed in the area, providing more transparency in the SAP system.
  - Installation of a virtual platform to centralize support products for the Scada System (vendor remote access, UPS system access, etc.).

- Creation of an interface in the Scada system for sending reactive power orders, as requested by CAMMESA, through ELCOM messages.

Our Future

As part of our cultural transformation process and looking forward, we drive projects and programs that span across all areas of our Company.

- **Asset Management Strategy Migration (MEGA) Project**
- **Efficient Transformation Streamlining Administration (TESLA) Project**
- **Let's be Safe**
- **Knowledge Management**
- **Risk Management**

The Asset Management Strategy Migration (MEGA) project is a research and development project primarily aimed at achieving best asset management practices to optimize our service quality levels. To this end, we have changed and optimized the working system in order to reduce the level of preventive intervention on assets, transitioning to predictive maintenance (based on condition). These efforts have allowed us to minimize maintenance tasks performed under frequency and task lists, seeking to map the health of our assets to intervene as needed, from their design to their final disposal.

How does MEGA work?

This project involves research and operational teams, strategically coordinated with working plans and periodically pre-defined and monitored actions in order to attain the proposed objectives.

RESEARCH AND DEVELOPMENT DEPARTMENT

7 TEAMS

70 EMPLOYEES FROM TRANSENER'S DIFFERENT AREAS AND DEPARTMENTS

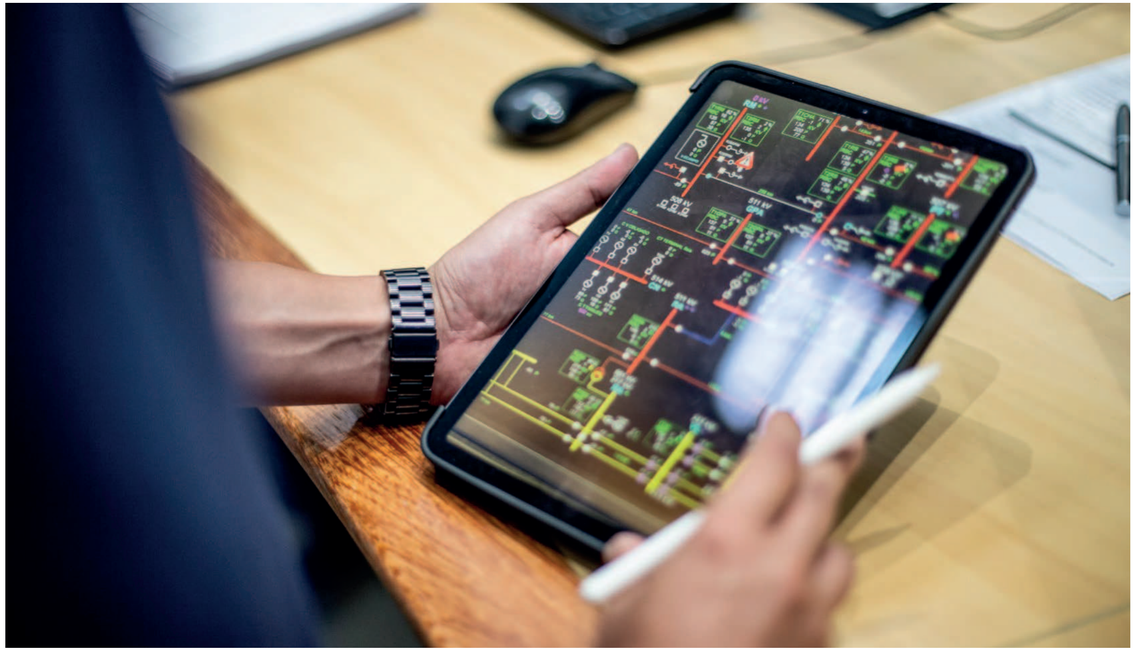
4 TEAMS
RESEARCH PROFESSIONALS

3 TEAMS
OPERATING PROFESSIONALS

Coordinated by a Strategic Action Committee, the teams work with ongoing feedback. They conduct research and analyses on the needs for improvement in assets and carry out operating tasks, based on a health analysis of such assets, looking to implement improvements

With MEGA, we managed to:

- Reduce the number of land and air transfers for preventive maintenance.
- Reduce periods of equipment scheduled unavailability entailing less efficient energy dispatch.
- Achieve the Zero Paper goal by entirely eliminating work orders and defect reports in paper format.
- Decrease the number and length of aerial rounds by replacing manned aircraft with unmanned aerial vehicles (UAV).
- Implement the use of augmented reality devices for online remote assistance at 3 transforming substations.
- Conduct experimental flights with several UAV technologies.
- Incorporate artificial intelligence (AI) software for automatic recognition of anomalies in photos and videos, recognized by the Electric Power Research Institute (EPRI).
- Carry out field measurements for early detection of SF6 gas.



Currently, one of the main emerging aspects of the progress made against the MEGA project lies in the need to delve into:

- **progress with SAP mobility;**
- **process digitation;**
- **improvements in databases, technical and administrative network connectivity;**
- **diagnosis tests and proof of concept of unprecedented developments; and**
- **online monitoring of variables and online remote assistance of collaborators with Peer to Peer (P2P) technology.**

TESLA

The Efficient Transformation Streamlining Administration (TESLA) project leverages the SAP upgrade to enhance the Company's processes that support the operation and maintenance of the high-voltage transmission system.

This transformation is based on three dimensions:

- **Information**
- **Control**
- **Efficiency**

Envisioning our company through 2035, 80 individuals from all areas of Transener, led by 15 managers, are working in teams analyzing which processes can be improved and proposing projects to do so through standard and simplified solutions.

TESLA project was launched in April 2023, and its implementation is in charge of Accenture.

Let's be Safe Program

This program seeks to embrace safety as a value in each of the actions we undertake in our daily work. We understand that instilling this habit requires doing it on a daily basis, in every task, and so we do at several instances:

- Safety moments: At all our corporate meetings and work gatherings, we take a few minutes to discuss safety regarding a particular project or safety-related actions in each area to share experiences or reinforce ideas on the subject.
- Bi-monthly safety meetings across all areas of the Company.
- Supervision reports on safety control activities (6 times per year). The outcomes are shared in semi-annual and annual meetings held by the different supervision teams.
- Safety alerts: Reports on safety procedure analysis upon incidents are shared company-wide to understand the root-causes and to serve as learning experiences for new procedures.
- Every year, we assess the workplace safety risks through the development of a Risk Matrix to define action plans leading to bridge the gap between the actual and intrinsic value of risks. These action plans are focused on reducing the impact of our three major risks: electrical risk, risk of falls from height, and road risk.
- We have developed training centers with simulators to apply operational and maintenance safety procedures.

Our goal in 2024:

Create a safety training campus in Córdoba for various processes.

Knowledge Management Program

This program is based on the necessary and mandatory training for each Transener's member to be able to carry out their work in the most updated and effective manner.

The Knowledge Management Matrix has 6 modules that are shared with all the organization's members and 6 specific modules according to different areas. These modules cover technical topics with training tailored to the specific needs of each area and also provide training in management topics aimed at developing soft skills.

We entered into 4 agreements with universities from all over the country in order to conduct apprenticeships and internships.

Risk Management

The cultural change in safety also entails the ongoing update of our Risk Management plans. At Transener, our primary concern is people safety. Therefore, we analyze how to face such risk in each of our tasks and in relation to the community.

Financial Information

Below you will find the Consolidated Statements of Comprehensive Income of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. and the related Consolidated Balance Sheets and Consolidated Statements of Changes in Shareholders' Equity, and Cash Flows for the fiscal year ended December 31, 2023, which arise from the Consolidated Financial Statements as of December 31, 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PFor fiscal years ended December 31, 2023 and 2022 (stated in thousands of Pesos)

CONSOLIDATED RESULTS	31.12.2023	31.12.2022
Revenues	130.451.632	98.235.088
Operating costs	-101.986.271	-83.510.278
Gross profit	28.465.361	14.724.810
Administrative expenses	-13.434.837	-10.572.252
Other operating (expense)/ income, net	-1.223.703	1.619.755
Operating income	13.806.821	5.772.313
Finance income	37.023.493	17.531.000
Finance costs	-11.971.953	-10.394.645
Other financial results	-1.458.351	178.423
Loss on net monetary position	-26.203.785	-4.634.323
Income before tax	11.196.225	8.452.768
Income tax	-4.618.370	-3.127.882
Profit for the year from continuing operations	6.577.855	5.324.886

PROFIT FOR THE YEAR ATTRIBUTABLE TO:	31.12.2023	31.12.2022
Owners of the company	6.577.855	5.324.886
Total for the year	6.577.855	5.324.886

OTHER COMPREHENSIVE INCOME	31.12.2023	31.12.2022
Items that will not be reclassified to profit or loss		
Recognition of actuarial gains (losses) from employee benefit plans	-276.799	-1.534.788
Tax effect of actuarial gains (losses) from employee benefit plans	96.880	537.176
Other comprehensive loss, net of taxes	-179.919	-997.612
Comprehensive income/(loss) for the year	**6.397.936**	**4.327.274**

COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:	31.12.2023	31.12.2022
Owners of the company	6.397.936	4.327.274
Total for the year	6.397.936	4.327.274
Comprehensive earnings for the year per basic and diluted share attributable to the owners of the Company ($ per share):		
Comprehensive earnings for the year	14,39	9,73

CONSOLIDATED BALANCE SHEET

As of December 31, 2023 and 2022 (stated in thousands of Pesos)

ASSETS	31.12.2023	31.12.2022
Non-current assets		
Property, plant and equipment	278.910.373	275.838.293
Inventories	13.518.555	11.538.257
Other receivables	3.494.886	2.627.616
Total Non-current assets	295.923.814	290.004.166
Current Assets		
Trade accounts receivables	28.381.282	21.047.333
Other receivables	10.627.696	6.498.606
Investments at fair value	3.543.181	3.739.755
Cash and cash equivalents	13.263.274	16.004.659
Total Current assets	55.815.433	47.290.353
Total assets	351.739.247	337.294.519

LIABILITIES	31.12.2023	31.12.2022
Non-current liabilities		
Loans	-	605.515
Deferred tax liabilities	44.452.901	46.199.315
Employee benefits payable	6.656.350	6.757.528
Contract liabilities	2.943.679	3.293.354
Trade accounts payable	639.895	628.524
Total Non-current liabilities	54.692.825	57.484.236
Current liabilities		
Provisions	913.014	1.053.601
Loans	249.946	1.331.366
Income tax liability	6.774.795	5.361.685
Taxes payable	754.649	1.439.208
Payroll and social security taxes payable	11.241.899	11.398.164
Employee benefits payable	1.664.087	1.689.382
Contract liabilities	210.263	235.240
Trade accounts payable	22.782.247	11.244.051
Total Current liabilities	44.590.900	33.752.697
Total Liabilities	99.283.725	91.236.933

EQUITY	31.12.2023	31.12.2022
Share capital	444.674	444.674
Share capital adjustment	117.947.846	117.947.846
Legal reserve	11.373.884	11.107.637
Optional reserve	6.712.857	5.501.419
Voluntary reserve	116.291.182	112.443.981
Other comprehensive income (loss)	-6.892.776	-6.712.857
Retained earnings	6.577.855	5.324.886
Total equity	252.455.522	246.057.586
Total Equity and liabilities	351.739.247	337.294.519

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For fiscal years ended December 31, 2023 and 2022 (stated in thousands of Pesos)

	Share capital	Share capital adjustment	Legal reserve	Optional reserve	Voluntary reserve	Other comprehensive income (loss)	Retained earnings	Total equity
Balance as of December 31, 2021	**444.674**	**117.947.846**	**11.107.637**	**5.501.419**	**120.378.380**	**-5.715.245**	**-7.934.399**	**241.730.312**
Ordinary General Meeting of Shareholders held on April 21, 2022								
- Retained earnings absorption	-	-	-	-	-7.934.399	-	7.934.399	-
Income for the year	-	-	-	-	-	-	5.324.886	5.324.886
Other comprehensive income (loss) for the year	-	-	-	-	-	-997.612	-	-997.612
Balance as of December 31, 2022	**444.674**	**117.947.846**	**11.107.637**	**5.501.419**	**112.443.981**	**-6.712.857**	**5.324.886**	**246.057.586**
Ordinary General Meeting of Shareholders held on April 19, 2023								
- Legal reserve	-	-	266.247	-	-	-	-266.247	-
- Optional reserve	-	-	-	1.211.438	-	-	-1.211.438	-
- Voluntary reserve	-	-	-	-	3.847.201	-	-3.847.201	-
Income for the year	-	-	-	-	-	-	6.577.855	6.577.855
Other comprehensive income (loss) for the year	-	-	-	-	-	-179.919	-	-179.919
Balance as of December 31, 2023	**444.674**	**117.947.846**	**11.373.884**	**6.712.857**	**116.291.182**	**-6.892.776**	**6.577.855**	**252.455.522**

CONSOLIDATED STATEMENT OF CASH FLOWS

For fiscal years ended December 31, 2023 and 2022 (stated in thousands of Pesos)

CASH FLOWS FROM OPERATING ACTIVITIES	31.12.2023	31.12.2022
Comprehensive income/(loss) for the year	6.397.936	4.327.274
Reconciliation adjustments for:		
Depreciation of property, plant and equipment	16.642.055	16.793.008
Provisions	759.170	588.094
Allowance for bad debts	177.293	650.498
Employee benefits plan	7.817.965	4.412.071
Income tax expense accrued during the year	4.618.370	3.127.882
Loans financial results	836.109	2.079.013
Other financial results	-13.275.278	-4.124.130
Interest and foreign exchange results generated by investments at fair value	-2.147.528	-855.972
Interest and foreign exchange results generated by investments at amortized cost	-1.316	-1.782.041
Interest and foreign exchange results generated by mutual funds	-12.407.245	-5.015.579
Financial results from cash and cash equivalents	-66.410	-19.592
Other comprehensive results	179.919	997.612
Interest on tax liabilities	566.353	1.054.971
Retirements of property, plant and equipment	583.885	70.044
Gain on net monetary position	26.203.785	4.634.323
Changes in operating assets and liabilities:		
Increase in trade accounts receivables	-35.823.750	-17.779.048
Increase in other receivables	-12.186.006	-5.867.357
Increase in trade accounts payable	24.576.095	7.583.672
(Decrease)/increase in liabilities contracts	-374.652	2.840.679
Increase in payroll and social security taxes payable	9.902.412	5.043.457
Increase in taxes payable	389.823	355.032
Decrease of employee benefits payable	-1.048.273	-882.871
Income tax payment	-1.942.505	-5.936.349
Net cash generated by operating activities	20.378.207	12.294.691

CASH FLOWS FROM INVESTING ACTIVITIES	31.12.2023	31.12.2022
Acquisition of property, plant and equipment	-16.715.492	-10.239.019
Increase in inventories	-3.111.803	-390.959
Increase in investments at fair value	-106.194	-3.095.446
(Decrease)/increase in investments at amortized cost	661	-278.111
Net cash used in investing activities	-19.932.828	-14.003.535

CASH FLOWS FROM FINANCING ACTIVITIES	31.12.2023	31.12.2022
Increase of loans	1.581.991	-
Payments of loans - Capital	-2.118.821	-1.450.535
Payments of loans - Interest	-708.058	-1.680.014
Payments of lease liabilities	-213.317	-199.555
Net cash used in financing activities	-1.458.205	-3.330.104
Decrease in cash and cash equivalents	-1.012.826	-5.038.948
Financial results from cash and cash equivalents	-1.728.559	-1.902.739
Cash and cash equivalents at the beginning of the year	16.004.659	22.946.346
Cash and cash equivalents at year-end	13.263.274	16.004.659
Non cash significant transactions:		
Acquisition of property, plant and equipment	-3.582.528	-2.487.455
Decrease in other receivables	3.582.528	2.487.455
Total	-	-

General Considerations

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 No. 19,550.

As regards executive staff, compensation consists in a monthly salary and a variable annual payment. The monthly salary is based on the characteristics and duties inherent to 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 Transener's and its various departments' operational and financial performance. 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, Transener's Board of Directors has agreed not to submit proposals to the Shareholders' meeting concerning the reversal of the Company's reserves for distribution as dividends to the shareholders for as long as the loan is pending settlement. Furthermore, in case of losses affecting reserves, for as long as the loan is pending settlement, the Board of Directors will not propose the distribution of earnings up to such time as reserves have been replenished at the then current levels.

Internal Control

Transener 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 Company 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 terms of article 109 of the Capital Markets Law, Transener 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 February 24, 2023, the Audit Committee approved its action plan for the year 2023. On March 4, 2024, it issued its annual report giving an account of the treatment afforded to the issues for which it is responsible.

Supervisory Committee

Transener'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, 2023 amounted to AR$6,578 million.

Consolidated net revenues for fiscal year ended December 31, 2023 totaled AR$ 130,452 million, representing a 32.8% increase relative to the AR$98,235 million posted in fiscal year 2022.

Consolidated net regulated revenues for fiscal year ended December 31, 2023 totaled AR$116,299 million, or a 35.1% increase relative to the AR$86,060 million in fiscal year 2022. Such increase is attributable to tariff adjustments applied in January, August, and November 2023.

Consolidated net non-regulated revenues for fiscal year ended December 31, 2023 totaled AR$14,153 million, or a 16.2% increase relative to the AR$12,175 million recorded in fiscal year 2022. Such increase is attributable to the tariff adjustments applied in January, August, and November 2023 for the Fourth Line, Choele Choel - Puerto Madryn, and TIBA.

Consolidated operating costs for fiscal year ended December 31, 2023 were AR$115,421 million, 22.7% higher than the AR$94,083 million recorded in 2022, primarily due to a 20.6% increase (AR$10,835 million) in payroll costs and a 421.6% increase (AR$8,317 million) in equipment maintenance costs, primarily attributable to the repair of synchronous compensators 3 and 4 at Ezeiza transforming substation.

Consolidated other operating (expenses)/revenues, net for fiscal year ended December 31, 2023 amounted to a loss of AR$1,224 million compared to a gain of AR$1,620 million posted in the previous fiscal year, primarily due to an increase in service quality penalties.

Consolidated operating profit for fiscal year ended December 31, 2023 amounted to AR$13,807 million, 139.2% higher than the AR$5,772 million recorded in fiscal year 2022, primarily due to the 32.8% increase in revenues from sales, net of the 22.7% increase in operating costs and the increase in service quality penalties.

Consolidated financial results for fiscal year ended December 31, 2023 amounted to a loss of AR$2,611 million compared to a gain of AR$2,680 million recorded in the previous fiscal year, primarily due to an increased loss on the net monetary position. Consolidated income tax expense for fiscal year ended December 31, 2023 amounted to a loss of AR$4,618 million, 47.7% higher than the AR$3,128 million recorded in fiscal year 2022, primarily due to an increase in income before taxes.

COMPARATIVE RATIOS

	Separado		Consolidado	
	2023	2022	2023	2022
Solvency (a)	339 %	373 %	254 %	270 %
Indebtedness (b)	30 %	27 %	39 %	37 %
Current liquidity (c)	101 %	126 %	125 %	140 %
Equity multiplier (d)	77 %	79 %	72 %	73 %
Non-Current Assets / Total Assets (e)	89 %	90 %	84 %	86 %
Return on equity (f)	3 %	2 %	5 %	3 %
Financial leverage (g)	1.3 x	1.4 x	2.5 x	2.2 x
Asset turnover (h)	0.3 x	0.2 x	0.4 x	0.3 x

(a) Solvency: Shareholders' Equity / Total Liabilities
(b) Indebtedness: Total Liabilities / Shareholders' Equity
(c) 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 / Shareholders' Equity excluding comprehensive 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 before depreciation.

COMPARATIVE BALANCE SHEET INFORMATION
(IN THOUSANDS OF PESOS)

	Separate		Consolidated	
	2023	2022	2023	2022
Current assets	36.291.135	30.760.540	55.815.433	47.290.353
Non-current assets	290.672.193	281.303.684	295.923.814	290.004.166
Total assets	**326.963.328**	**312.064.224**	**351.739.247**	**337.294.519**
Current liabilities	35.830.803	24.331.677	44.590.900	33.752.697
Non-current liabilities	38.677.003	41.674.961	54.692.825	57.484.236
Total liabilities	**74.507.806**	**66.006.638**	**99.283.725**	**91.236.933**
Shareholders' equity	252.455.522	246.057.586	252.455.522	246.057.586
Total	**326.963.328**	**312.064.224**	**351.739.247**	**337.294.519**

COMPARATIVE STATEMENT OF OPERATIONS INFORMATION
(IN THOUSANDS OF PESOS)

	Separate		Consolidated	
Continuing operations	2023	2022	2023	2022
Operating income	566.953	677.802	13.806.821	5.772.313
Financing and holding gains (losses)	(1.439.679)	1.917.354	(2.610.596)	2.680.455
Subtotal	(872.726)	2.595.156	11.196.225	8.452.768
Share of profit or loss of subsidiaries	7.545.431	3.228.824	-	-
Income before tax	6.672.705	5.823.980	11.196.225	8.452.768
Income tax	(94.850)	(499.094)	(4.618.370)	(3.127.882)
Net income for the year from ordinary operations	6.577.855	5.324.886	6.577.855	5.324.886
Other comprehensive income (loss) for the year, net of taxes	(179.919)	(997.612)	(179.919)	(997.612)
Total comprehensive income for the year	6.397.936	4.327.274	6.397.936	4.327.274

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

	Separado		Consolidado	
	2023	2022	2023	2022
Net cash provided by operating activities	11.503.946	7.503.934	20.378.207	12.294.691
Cash flows and cash equivalents applied to investment activities	(10.794.902)	(6.541.605)	(19.932.828)	(14.003.535)
Cash flows and cash equivalents applied to financing activities	(1.458.205)	(4.611.162)	(1.458.205)	(3.330.104)
Financial results from cash and cash equivalents	(1.206.580)	(1.032.617)	(1.728.559)	(1.902.739)
Cash flows and cash equivalents at the beginning of the fiscal year	10.245.263	14.926.713	16.004.659	22.946.346
Cash and cash equivalents at fiscal year end	8.289.522	10.245.263	13.263.274	16.004.659

Future Outlook

Transener 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.

Following the tariff updates granted in January, August, and November 2023, we have resumed our investment plan, despite the prevailing significant delays in having both our own and our suppliers' imports authorized by the pertinent authorities. In this regard, we have already asserted to the authorities the critical nature of the equipment that we import either directly or through our suppliers, detailing the requirements for the year.
On the other hand, through Decree 55 dated December 16, 2023, the Executive Branch declared a state of emergency in the National Energy Sector concerning the power generation, transmission, and distribution segments under federal jurisdiction until December 31, 2024.

Section 3 of such decree established the beginning of the tariff review pursuant to Section 43 of Law No. 24,065 for power distribution and transmission service providers under federal jurisdiction, providing that the new tariff schedules resulting from such review should enter into force no later than December 31, 2024.
In this respect, on January 2, 2024, by means of Resolution No. 3/2024, ENRE called for a Public Hearing which was held on January 29, 2024, in order to inform about and receive feedback on the transition tariff adjustments proposed by electric power transmission service concession holders, before setting the new tariffs that would result from the aforementioned tariff review.

On February 19, 2024, by means of Resolutions Nos. 104/2024 and 105/2024, ENRE established the hourly prices effective as from such date, granting increases of 179.7% and 191.1% to the tariffs that had been prevailing since November 2023 for Transener S.A. and Transba S.A., respectively. ENRE also established that tariffs should be adjusted by a formula based on wage, wholesale price and consumer price indexes to be applied on a monthly basis since May 2024.

Although the current transition tariff will allow us to meet the commitments already assumed with suppliers of goods and services to go on with the execution of projects underway, it compels us to rethink the proposed investment plan based on a more restrictive scenario.

Our investment plan was primarily intended to resume the strategy to mitigate risks associated with the obsolescence of facilities and equipment, as well as to extend their useful life and technological adequacy. Our transition proposal also envisaged the recognition of a rate of return aligned with the tariff principles set forth in Law 24,065, since the current one is below the market rate.

We requested that both issues be reviewed by ENRE. In turn, we will require that they be considered in the tariff review process that should be carried out by December 31, 2024, based on the principles established in Law 24,065 and applicable laws and regulations.

It is essential that we resume an investment plan that will lead to mitigate equipment and facility obsolescence, and ensure the continuity of the required improvements and adjustments. Such investment plan encompasses the renewal of switchyard, measurement and control units which have already exhausted their useful lives, replacing them with more modern pieces of equipment capable of responding to the network's high operational demands. Likewise, public safety projects have high priority, in line with our strong commitment to this area.

To this end, we stated to ENRE our need to implement an additional charge to finance the execution of such investments. Furthermore, to avoid liquidity issues, we also asked ENRE, in exercise of the powers vested on it, to take the necessary actions to ensure that we receive 100% of the monthly remuneration duly updated and within the terms established in applicable laws and regulations.

Against this backdrop, we will continue adopting systems and technologies which provide the highest reliability and predictability levels in the supply of the power transmission service We will also keep strengthening our organizational culture based on a robust cost awareness policy that will lead to increased efficiency levels.

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, hindering the efforts to satisfy demand

growth with operational safety and ensure a cost-effective dispatch, we have developed a 10-year power transmission expansion plan, together with several electricity transmission companies under the umbrella of ATEERA. Such plan was submitted to the Secretariat of Energy, CAMMESA and the Federal
Energy Commission, in an attempt to create a road map that reflects the short- and medium-term network requirements and arrange works by priorities, based on criticality, while securing in advance the resources required for completion, considering the long execution terms and substantial financing that such works require.

Our company is currently modernizing its management model. Some of its main actions in this regard include reshaping internal processes and making a strong investment in human capital. In this vein, we have launched the Transener/Transba 2035 project, through which we aim to project ourselves in the long term by pursuing agility, efficiency, and value creation for our shareholders, users, customers, and employees, based on the provision of a public service under world-class quality and reliability standards and the provision of outstanding non-regulated services. This project encompasses a cultural transformation and is embodied in the following initiatives driving this vision:

MEGA

We have adopted the most efficient asset management technologies. This project represents a cutting-edge initiative in the local and regional market, not only because of its conception but also because of its size and stated goals, seeking to achieve the highest excellence in the operation and maintenance of High-voltage Power Transmission Systems.

Let's be Safe

Further with the cultural change, we embrace safety as a value to be considered in all actions carried out at the workplace.

Knowledge Management

We focus on knowledge development across all areas through training and the use of available technology. In this regard, we have defined different lines of action: Development of Knowledge Matrix by position, Specific Training Cycles, Case Method, Virtual Library Development, and Knowledge Forums.

TESLA

We enhanced the operation and maintenance of the electric power transmission system through the simplification of administrative processes by redefining and updating them from a technological standpoint, with a broad scope that includes all support processes for operational tasks.

Risk Management

We are developing a model to instill appropriate risk management awareness in each employee. The efficiency of this model, through the implementation of suitable monitoring and prevention measures, goes beyond the financial investment that is usually required, and is supported by our vision of a strong cultural change. In this respect, we have also made progress with contingency plans that allow us to take immediate actions upon situations that may arise, in spite of the risk mitigation strategies in place.

On the other hand, our human capital investment is underpinned by 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 by mid-2023, to attract the talents that in the future will contribute to take the Company to the forefront in management.

Based on the foregoing and considering the deleveraging process that began with the settlement of Negotiable Obligations in 2021, the Company expects to fully develop its business plan, ensuring an outstanding service quality and expecting to conclude the Comprehensive Tariff Review by December 31, 2024, with the ensuing definition of new tariffs. This will allow the Company to maintain an outstanding service quality as it has done so far, while also achieving fair and reasonable profitability levels, within a foreseeable framework and with an adequate tariff protection against rising inflation at the local level, in accordance with the terms of Law No. 24,065.

Proposals 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.

Buenos Aires, March 4, 2024
THE BOARD OF DIRECTORS


Transener