

## Results for nine-month period ended on September 30<sup>th</sup>, 2022

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for nine-month period ended on September 30<sup>th</sup>, 2022

### Stock Information



Bolsas y Mercados Argentinos  
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces results for nine-month period ended on September 30<sup>th</sup>, 2022.

### Main results for nine-month period ended on September 30<sup>th</sup>, 2022, restated in constant currency at September, 2022<sup>1</sup>

**Consolidated revenues of AR\$ 21,488.4 million**, 4.3% lower than the AR\$ 22,465.6 million for same period last year, due to the tariff adjustments granted by ENRE in May 2022, retroactive to February 2022 (67% Transener and 69% Transba), are not sufficient to maintain the revenues level, measured in constant currency.

**Consolidated EBITDA<sup>2</sup> of AR\$ 6,952.1 million**, 15.9% lower than the AR\$ 8,263.4 million for same period last year, mainly due to the decrease of 4.3% in revenues, measured in constant currency.

**Consolidated profit attributable to the owners of the company of AR\$ 2,183.8 million**, compared to a loss of AR\$ 1,780.4 million for same period last year, mainly due to a lower income tax charge of AR\$ 4,451.3 million originated in the impact of the tax rate increase in 2021 on the deferred tax payable.

### Main results for the Third Quarter of 2022<sup>3</sup>

**Consolidated revenues of AR\$ 6,482.3 million**, 5.7% lower than the AR\$ 6,872.5 million for the same period last year. The tariff adjustments granted by ENRE in May 2022, retroactive to February 2022 (67% Transener and 69% Transba), are not sufficient to maintain the revenues level, measured in constant currency.

**Consolidated EBITDA<sup>2</sup> of AR\$ 1,525.0 million**, 33.5% lower than the AR\$ 2,292.4 million for the same period last year, principally due to a decrease in revenues of 5.7% and an increase of 6.8% in operating costs.

**Consolidated profit attributable to the owners of the company of AR\$ 228.7 million**, 76.0% lower than the AR\$ 951.7 million for the same period last year, mainly due to the decrease in EBITDA of 33.5%.

<sup>1</sup>Expressed in constant currency, in accordance with IAS 29.

<sup>2</sup>Consolidated EBITDA represents consolidated operating results before depreciation.

<sup>3</sup>The financial information presented in this document for the quarters ended on September 30<sup>th</sup>, 2022 and 2021 is based on the unaudited condensed interim consolidated financial statements prepared according to the accounting framework established by the National Securities Commission (CNV), corresponding to the three-month and nine-month periods ended on September 30<sup>th</sup>, 2022 and 2021.

## 1. Financial Situation

As of September 30<sup>th</sup>, 2022, Transener maintains a principal balance of AR\$ 611.1 million from a loan for working capital of AR\$ 1,000 million, entered into with the Banco de la Nación Argentina in July 2021.

Regarding Transener's ratings, Fix Scr S.A. Credit Rating Agency maintained the long-term issuer rating of A+ (arg) with stable outlook.

## 2. Tariff Situation

On February 25<sup>th</sup>, 2022, under Resolutions No. 68/2022 and No. 69/2022, the ENRE approved the new tariff scheme from February 1<sup>st</sup>, 2022, establishing an increase of 25% for Transener and 23% for Transba, applicable to the values of August 2019. Considering the difference between the Financial and Economic Projections filed before the ENRE and the granted tariff amounts, the Company requested access to the file and a preliminary challenge.

On March 15<sup>th</sup>, 2022, the Company filed an appeal for reconsideration against Resolutions No. 68/2022 and 69/2022. On May 9<sup>th</sup>, 2022, under Resolutions No. 147/2022 and No. 148/2022, the ENRE reconsidered and modified the actual values since February 1<sup>st</sup>, 2022, establishing an increase of 67% for Transener and of 69% for Transba, applicable to the values of August 2019.

Since August 2022, the Company submitted notes to and held meetings with the Secretariat of Energy and ENRE in order to request the updates of the transitory tariff scheme applicable since September 2022, on account of the tariff increase to be determined for 2023. For such purposes, the Company filed the Financial and Economic Projections for 2023 along with a detailed explanatory document and the capital expenditures plan. Likewise, the Company made a presentation to the Board of Directors of CAMMESA, indicating the criticality of the electricity transmission sector. Negotiations with the regulatory authorities continue and a definition for the next steps for tariff updates have been requested.

On October 20<sup>th</sup>, 2022, the ENRE, under Resolution No. 539/2022, called to a public hearing to be held on November 30<sup>th</sup>, 2022, in order to inform and listen the opinions regarding the proposals of the concessionaires of the public electricity transmission service, aimed at obtaining a temporary update of the tariff scheme, within the RTI renegotiation process and prior to defining the tariffs to be applied by the concessionaires.

## 3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of September 30<sup>th</sup>, 2022 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 3,600 million.

Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the expansions of the network.

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

- **Federal Plan for Transmission Works**

- **Electrical Interconnection in 500kV Bahía Blanca - Mar del Plata, Connection in 132kV to Villa Gesell and Complementary Works - North Trench**

- Construction and assembly of the new Vivorata 500/132kV Substation, with eight 132kV outputs and expansion of Bahía Blanca Substation. Construction of the 500kV EHVL.

- **Works under the SE Resolutions N° 1/2003 and 821/2006**
  - New 25 de Mayo Substation**  
Civil works and electromechanical assembly of the new 500/132kV Substation.
  - ET Ezeiza - Shunt Capacitors Bank**  
Civil works and electromechanical assembly in 200 kV.
- **Other works to be undertaken by the Wholesale Electricity Market (WEM) Agents**
  - Río Santa Cruz Hydroelectric Exploitation**  
**Cóndor Cliff and La Barrancosa Hydroelectric Power Plants- 500kV EHVL and Complementary Works**  
Anticipated detailed engineering revision and inspections in factories.
  - Resistencia Substation - Fields 01 and 02 outputs in 132kV**  
Adequacy of both line outputs with equipment update.
  - Cobos Substation - DAG Hub Node (Puna Solar-Altiplano Solar-Cauchari Solar Generators)**  
Installation required by DAG (Automatic Generation Disconnection) system and covered by the photovoltaic generators mentioned above.
  - Puerto Madryn Substation Expansion - Transformation Capacity (Goldwing Loma Blanca VI Eolic Park)**  
Installation of 600 MVA of 500/138/34.5 kV transformers bank (T3PY).
  - Rosario Oeste Substation Expansion (for EPESF) - Output HVL DT 132 kV to Godoy Substation**  
Commissioning of the Field N° 4 of the Rosario Oeste substation yard of 132 kV for line output to Provincias Unidas, by armored cable.

### **Business Development**

Given its position as a leader in electricity transmission, Transener is involved in the supply of operation and maintenance services, engineering, testing and commissioning of lines and substations for new works or for the expansion of existing works in the 500kV system.

Transener maintains its main contracts with the following customers:

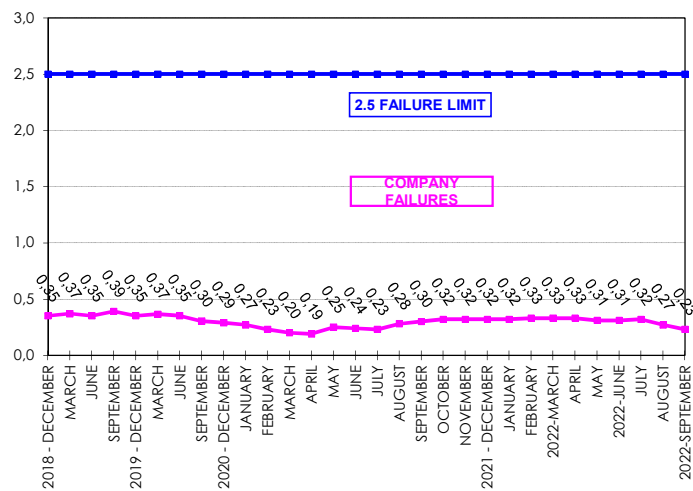
- Minera Alumbrera Ltd.
- Yacylec S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Transportel Minera II S.A.

### Rate of failures

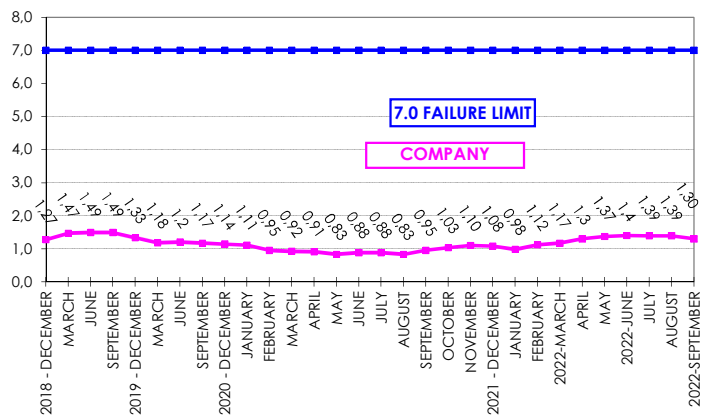
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2018.

Transener and Transba Concession Agreements state a maximum rate of failures of 2.5 and 7.0 outages per 100 km over a 12-month period, respectively.

#### Transener



#### Transba



## 4. Significant Financial Information

### 4.1 Consolidated Statements of Operations

In AR\$ MM	Nine-month period ended on September 30th,		Three-month period ended on September 30th,	
	2022	2021	2022	2021
Revenues	21.488,4	22.465,6	6.482,3	6.872,5
Operating costs	(16.360,6)	(16.008,6)	(5.499,1)	(5.216,8)
Gross profit	5.127,8	6.457,0	983,1	1.655,6
Administrative expenses	(1.941,8)	(1.878,4)	(778,3)	(663,0)
Other operating income, net	334,3	159,1	185,9	118,1
Operating income	3.520,3	4.737,7	390,8	1.110,7
Finance income	2.989,2	3.574,8	1.361,7	1.083,8
Finance costs	(2.063,6)	(2.905,1)	(698,3)	(912,9)
Other financial results	(84,2)	(1.215,8)	(34,0)	(190,4)
Loss on net monetary position	(1.164,6)	(507,4)	(787,2)	(156,1)
Profit before tax	3.197,1	3.684,2	233,0	935,2
Income tax	(1.013,4)	(5.464,6)	(4,3)	16,5
Profit/(loss) of the period from continuing operations	2.183,8	(1.780,4)	228,7	951,7
<b>Profit/(loss) for the period attributable to :</b>				
Owners of the company	2.183,8	(1.780,4)	228,7	951,7
Total for the period	2.183,8	(1.780,4)	228,7	951,7
<b>Other comprehensive results</b>				
Profit/(loss) for the period	2.183,8	(1.780,4)	228,7	951,7
Other comprehensive results of the period, net of taxes	0,0	0,0	0,0	0,0
Comprehensive profit/(loss) for the period	2.183,8	(1.780,4)	228,7	951,7
<b>Comprehensive profit/(loss) for the period attributable to :</b>				
Owners of the company	2.183,8	(1.780,4)	228,7	951,7
Total for the period	2.183,8	(1.780,4)	228,7	951,7
<b>EBITDA</b>	<b>6.952,1</b>	<b>8.263,4</b>	<b>1.525,0</b>	<b>2.292,4</b>
<b>Acquisition of property, plant and equipment</b>	<b>2.342,7</b>	<b>4.768,5</b>	<b>652,3</b>	<b>1.845,7</b>
<b>Depreciation</b>	<b>3.431,8</b>	<b>3.525,6</b>	<b>1.134,2</b>	<b>1.181,7</b>

## 4.2 Consolidated Balance Sheets

In AR\$ MM	As of September 30th, 2022	As of December 31st, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75.559,4	76.650,7
Inventories	3.166,4	3.181,0
Other receivables	499,5	0,0
<b>Total Non-current assets</b>	<b>79.225,3</b>	<b>79.831,8</b>
<b>Current assets</b>		
Trade accounts receivable	7.549,8	4.753,1
Other receivables	954,9	2.154,1
Investments at fair value	4.331,1	6.580,6
Investments at amortized cost	611,7	0,0
Cash and cash equivalents	52,7	79,2
<b>Total Current assets</b>	<b>13.500,2</b>	<b>13.567,1</b>
<b>TOTAL ASSETS</b>	<b>92.725,5</b>	<b>93.398,8</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans	277,8	876,5
Deferred tax liabilities	12.694,6	13.486,7
Employee benefit payable	1.554,4	1.850,6
Trade accounts payable	1.111,5	182,1
<b>Total Non-current liabilities</b>	<b>15.638,3</b>	<b>16.395,8</b>
<b>Current liabilities</b>		
Provisions	229,7	329,4
Loans	434,1	578,5
Income tax payable	2.247,6	2.049,5
Taxes payable	770,5	423,9
Payroll and social securities taxes payable	2.578,3	3.403,0
Employee benefit payable	388,6	462,6
Trade accounts payables	2.074,3	3.575,8
<b>Total Current liabilities</b>	<b>8.723,2</b>	<b>10.822,8</b>
<b>TOTAL LIABILITIES</b>	<b>24.361,5</b>	<b>27.218,6</b>
<b>EQUITY</b>		
Share capital	444,7	444,7
Share capital adjustment	31.968,5	31.968,5
Legal reserve	3.041,0	3.041,0
Optional reserve	1.506,2	1.506,2
Voluntary reserve	30.784,6	32.956,9
Other comprehensive results	(1.564,7)	(1.564,7)
Retained earnings	2.183,8	(2.172,3)
<b>TOTAL EQUITY</b>	<b>68.364,0</b>	<b>66.180,3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>92.725,5</b>	<b>93.398,8</b>

### 4.3 Additional information

In AR\$ MM, nominal values	Nine-month period ended on September 30th,		Three-month period ended on September 30th,	
	2022	2021	2022	2021
Revenues	17.048,5	10.755,4	6.077,0	3.632,2
Operating and administrative expenses	(12.298,2)	(7.229,5)	(4.999,8)	(2.565,6)
Other operating income, net	311,0	55,3	166,5	32,3
Operating income	5.061,3	3.581,2	1.243,7	1.098,9
<b>EBITDA</b>	<b>5.432,0</b>	<b>3.910,2</b>	<b>1.375,0</b>	<b>1.214,7</b>
<b>Acquisition of property, plant and equipment</b>	<b>1.847,0</b>	<b>2.344,2</b>	<b>613,4</b>	<b>983,7</b>
<b>Depreciation</b>	<b>370,6</b>	<b>329,0</b>	<b>131,3</b>	<b>115,8</b>

## 5. Analysis of results for nine-month period ended on September 30<sup>th</sup>, 2022 compared to same period last year

### Revenues

Consolidated revenues for nine-month period ended on September 30<sup>th</sup>, 2022 amounted to AR\$ 21,488.4 million, 4.3% lower than the AR\$ 22,465.6 million for same period last year.

Consolidated regulated revenues for nine-month period ended on September 30<sup>th</sup>, 2022 amounted to AR\$ 18,842.2 million, 4.2% lower than the AR\$ 19,677.1 million for same period last year, due to the tariff adjustments granted by ENRE in May 2022, retroactive to February 2022 (67% Transener and 69% Transba), are not sufficient to maintain the revenues level, measured in constant currency.

Consolidated non-regulated revenues for nine-month period ended on September 30<sup>th</sup>, 2022 amounted to AR\$ 2,646.3 million, 5.1% lower than the AR\$ 2,788.5 million for same period last year, due to the tariff adjustments granted by ENRE in May 2022, retroactive to February 2022, applicable to Cuarta Línea, Choele Choel - Puerto Madryn and TIBA, are not sufficient to maintain the revenues level, measured in constant currency.

### Operating and administrative expenses

Consolidated operating and administrative expenses for nine-month period ended on September 30<sup>th</sup>, 2022 amounted to AR\$ 18,302.4 million, 2.3% higher than the AR\$ 17,887.0 million for same period last year, due to an increase of AR\$ 562.4 million in salaries, and a decrease of AR\$ 146.9 million in the rest of the operating and administrative expenses.

### Other operating income, net

Consolidated other operating income, net for nine-month period ended on September 30<sup>th</sup>, 2022 resulted in a profit of AR\$ 334.3 million, 110.1% higher than the AR\$ 159.1 million for same period last year, mainly due to an increase in awards for quality service.

### Operating profit

Consolidated operating profit for nine-month period ended on September 30<sup>th</sup>, 2022, amounted to AR\$ 3,520.3 million, 25.7% lower than the AR\$ 4,737.7 million for same period last year, mainly due to the decrease of 4.3% in revenues measured in constant currency.



## Financial results

Consolidated financial results for nine-month period ended on September 30<sup>th</sup>, 2022 resulted in a loss of AR\$ 323.2 million, 69.3% lower than the loss of AR\$ 1,053.5 million for same period last year, mainly due to a lower net loss in interests and exchange rate differences generated by loans and by short-term investments, mainly due to the cancellation of the Class 2 Notes in August 2021.

## Income tax

Consolidated income tax charge for nine-month period ended on September 30<sup>th</sup>, 2022 amounted to AR\$ 1,013.4 million, 81.5% lower than the AR\$ 5,464.6 million for same period last year, mainly due to a lower deferred income tax charge originated in the impact of the income tax rate increase in 2021, established by Law No. 27,630.

You may find additional information on the Company at:

[www.transener.com.ar](http://www.transener.com.ar)

[www.transba.com.ar](http://www.transba.com.ar)

[www.cnv.gob.ar](http://www.cnv.gob.ar)