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Results for three-month period ended on March 31st, 2023

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for three-month period ended on March 31st, 2023

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces the results for three-month period ended on March 31st, 2023.

Main results for three-month period ended on March 31st, 2023, restated in constant currency at March, 2023¹

Consolidated revenues of AR\$ 15,667 million, 75.5% higher than the AR\$ 8,929 million for same period last year, due to the tariff adjustments (154.5% for Transener and 154.1% for Transba) as from January 2023 over the tariff values of February 2022.

Consolidated EBITDA² of AR\$ 7,891 million, 293.7% higher than the AR\$ 2,004 million for same period last year, mainly due to the increase of 75.5% in revenues, measured in constant currency.

Consolidated profit attributable to the owners of the company of AR\$ 4,301 million, 1.893% higher than the AR\$ 216 million for same period last year, mainly due to the increase of 75.5% in revenues, measured in constant currency.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

1. Financial Situation

As of March 31st, 2023, Transener maintains a principal balance of AR\$ 444 million from a loan for working capital of AR\$ 1,000 million, entered into with the Banco de la Nación Argentina in July 2021.

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

2. Tariff Situation

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

On April 20th, 2023, the ENRE, under Resolution No. 364/2023, initiated the Full Tariff Review (FTR) for the electricity transmission companies, in compliance with Laws No. 24,065 and 27,541, setting a term of 30 days for the elaboration of guidelines and of the schedule for its development, which will begin on June 1st, 2023.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of March 31st, 2023 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 5,200 million.

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

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

- **Federal Plan for Transmission Works**

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

Construction and assembly of the new Vivoratá 500/132kV Substation, with eight 132kV outputs and expansion of Bahía Blanca Substation. Construction of the 500kV EHV.

- **Works under the SE Resolutions No. 1/2003 and 821/2006**

New 25 de Mayo Substation

Civil works and electromechanical assembly of the new 500/132kV Substation.

Ezeiza Substation - Installation of shunt capacitive compensation banks

Output on Transener's side in 220 kV to EDESUR's side, where the banks will be installed.

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

Río Santa Cruz Hydroelectric Exploitation

Cóndor Cliff and La Barrancosa Hydroelectric Power Plants- 500kV EHV and Complementary Works
Anticipated detailed engineering revision and inspections in factories.

Resistencia Substation - Fields 01 and 02 outputs in 132kV

Adequacy of both line outputs with equipment update.

Cobos Substation - DAG Hub Node (Puna Solar-Altiplano Solar-Cauchari Solar Generators)

Installation required by DAG (Automatic Generation Disconnection) system and covered by the photovoltaic generators mentioned above.

Puerto Madryn Substation Expansion - Transformation Capacity (Goldwing Loma Blanca VI Eolic Park)

Installation of 600 MVA of 500/138/34.5 kV transformers bank (T3PY).

Rosario Oeste Substation Expansion (for EPESF) - Output 132 kV DT HVL to Godoy Substation

Commissioning of the Field N° 4 of the 132kV Rosario Oeste Substation yard for line output to Provincias Unidas, by armored cable.

Business Development

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

Transener maintains its main contracts with the following customers:

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

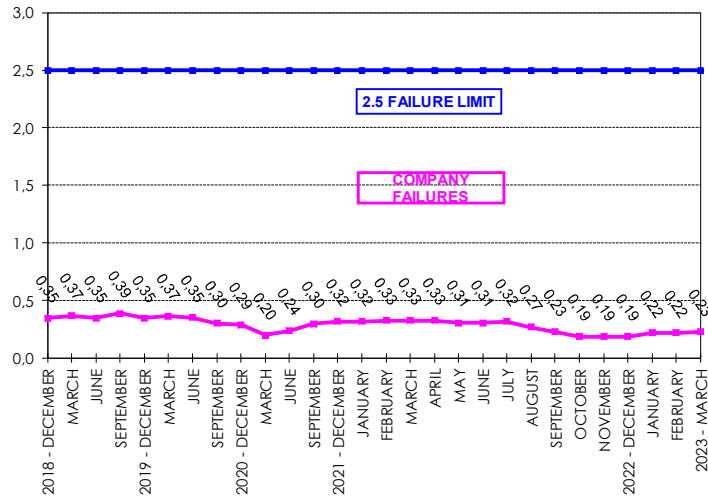


Rate of failures

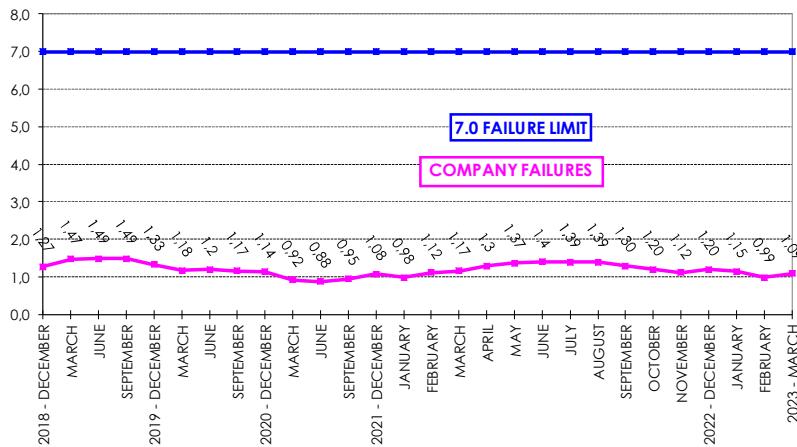
The following charts show the rate of failures of Transener and Transba as from December 2018.

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

Transener



Transba



4. Significant Financial Information

4.1 Consolidated Statements of Operations

In AR\$ MM	Three-month period ended on March 31st	
	2023	2022
Revenues	15,667	8,929
Operating costs	(8,037)	(7,679)
Gross profit	7,630	1,250
Administrative expenses	(993)	(876)
Other operating (expenses)/income, net	(406)	4
Operating income	6,231	378
Finance income	2,035	1,094
Finance costs	(1,030)	(1,022)
Other financial results	(79)	(7)
Loss on net monetary position	(572)	(157)
Profit before tax	6,585	286
Income tax	(2,284)	(70)
Profit for the period from continuing operations	4,301	216
Profit for the period attributable to :		
Owners of the company	4,301	216
Total for the period	4,301	216
Other comprehensive results		
Profit for the period	4,301	216
Other comprehensive results for the period, net of taxes	0	0
Comprehensive profit for the period	4,301	216
Comprehensive profit for the period attributable to :		
Owners of the company	4,301	216
Total for the period	4,301	216
EBITDA	7,891	2,004
Acquisition of property, plant and equipment	888	1,213
Depreciation	1,660	1,626

4.2 Consolidated Balance Sheets

In ARS MM	As of March 31st, 2023	As of December 31st, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	107,038	107,828
Inventories	4,968	4,510
Other receivables	1,236	1,027
Total Non-current assets	113,242	113,366
Current assets		
Trade accounts receivable	18,339	8,228
Other receivables	2,534	2,540
Investments at fair value	0	1,462
Cash and cash equivalents	1,741	6,256
Total Current assets	22,613	18,486
TOTAL ASSETS	135,855	131,852
LIABILITIES		
Non-current liabilities		
Loans	111	237
Contract liabilities	1,214	1,287
Deferred tax liabilities	17,942	18,060
Employee benefits payable	2,488	2,642
Trade accounts payable	220	246
Total Non-current liabilities	21,975	22,471
Current liabilities		
Provisions	486	412
Loans	1,025	520
Income tax payable	3,911	2,096
Taxes payable	1,081	563
Payroll and social securities taxes payable	2,755	4,456
Employee benefits payable	622	660
Contract liabilities	87	92
Trade accounts payable	3,426	4,395
Total Current liabilities	13,392	13,194
TOTAL LIABILITIES	35,367	35,665
EQUITY		
Share capital	445	445
Share capital adjustment	45,836	45,836
Legal reserve	4,342	4,342
Optional reserve	2,151	2,151
Voluntary reserve	43,955	43,955
Other comprehensive results	(2,624)	(2,624)
Retained earnings	6,383	2,082
TOTAL EQUITY	100,488	96,186
TOTAL LIABILITIES AND EQUITY	135,855	131,852

4.3 Additional information

In AR\$ MM, nominal values	Three-month period ended on March 31st	
	2023	2022
Revenues	14,567	4,132
Operating and administrative expenses	(7,225)	(3,344)
Other operating (expenses)/income, net	(257)	14
Operating profit	7,085	803
EBITDA	7,255	923
Acquisition of property, plant and equipment	826	545
Depreciation	170	121

5. Analysis of results for three-month period ended on March 31st, 2023 compared to same period last year

Revenues

Consolidated revenues for three-month period ended on March 31st, 2023 amounted to AR\$ 15,667 million, 75.5% higher than the AR\$ 8,929 million for same period last year.

Consolidated regulated revenues for three-month period ended on March 31st, 2023 amounted to AR\$ 14,020 million, 80.1% higher than the AR\$ 7,785 million for same period last year, due to the tariff adjustments (154.5% for Transener and 154.1% for Transba) as from January 2023 over the tariff values of February 2022.

Consolidated non-regulated revenues for three-month period ended on March 31st, 2023 amounted to AR\$ 1,647 million, 44.0% higher than the AR\$ 1,144 million for same period last year, due to the tariff adjustment of 154.5% applicable to Cuarta Línea, Choele Choel - Puerto Madryn and TIBA, as from January 2023 over the tariff values of February 2022.

Operating and administrative expenses

Consolidated operating and administrative expenses for three-month period ended on March 31st, 2023 amounted to AR\$ 9,030 million, 5.6% higher than the AR\$ 8,555 million for same period last year, mainly due to an increase of AR\$ 347 million in labor costs.

Other operating (expenses)/income, net

Consolidated other operating (expenses)/income, net for three-month period ended on March 31st, 2023 resulted in a loss of AR\$ 406 million, compared to a profit of AR\$ 4 million for same period last year, mainly due to an increase in penalties for service quality.

Operating profit

Consolidated operating profit for three-month period ended on March 31st, 2023, amounted to AR\$ 6,231 million, 1,548.5% higher than the AR\$ 378 million for same period last year, mainly due to an increase of 75.5% in revenues, measured in constant currency.



Financial results

Consolidated financial results for three-month period ended on March 31st, 2023 resulted in a profit of AR\$ 354 million, compared to a loss of AR\$ 92 million for same period last year, mainly due to an increase of the interests generated by delays in payments from CAMMESA.

Income tax

Consolidated income tax for three-month period ended on March 31st, 2023 resulted in a loss of AR\$ 2,284 million, 3,162.9% higher than the AR\$ 70 million for same period last year, mainly due to a higher profit before tax.

You may find additional information on the Company at:

www.transener.com.ar

www.transba.com.ar

www.cnv.gob.ar