

Buenos Aires, August 7th, 2023

Results for six-month period ended on June 30th, 2023

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for six-month period ended on June 30th, 2023

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

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Transener, Argentina’s leading electricity transmission company, announces the results for six-month period ended on June 30th, 2023.

Main results for six-month period ended on June 30th, 2023, restated in constant currency at June, 2023¹

Consolidated revenues of AR\$ 35,440 million, 33.6% higher than the AR\$ 26,522 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\$ 16,344 million, 70.4% higher than the AR\$ 9,592 million for same period last year, mainly due to the increase of 33.6% in revenues, partially offset by an increase of 8.6% in operating and administrative expenses and higher penalties for service quality.

Consolidated profit attributable to the owners of the company of AR\$ 7,919 million, 129.2% higher than the AR\$ 3,455 million for same period last year, mainly due to the increase of 33.6% in revenues, measured in constant currency.

Main results for the Second Quarter of 2023³

Consolidated revenues of AR\$ 16,047 million, 3.7% higher than the AR\$ 15,470 million for the same period last year.

Consolidated EBITDA² of AR\$ 6,576 million, 7.5% lower than the AR\$ 7,111 million for the same period last year, principally due to an increase in operating and administrative expenses of 11.7%.

Consolidated profit attributable to the owners of the company of AR\$ 2,595 million, 18.6% lower than the AR\$ 3,188 million for the same period last year, mainly due to an increase in operating and administrative expenses of 11.7%.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

³ The financial information presented in this document for the quarters ended on June 30th, 2023 and 2022 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 six-month periods ended on June 30th, 2023 and 2022.

1. Financial Situation

As of June 30th, 2023, Transener maintains a principal balance of AR\$ 361 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 for the electricity transmission companies, in compliance with Laws No. 24,065 and 27,541, setting a term of 30 days for the elaboration of the guidelines and of the schedule for its development.

On May 29th, 2023, the ENRE, under Resolution No. 421/2023, approved the Program for the Full Tariff Review for electricity transmission in the year 2023 and 1st quarter of 2024, in which it is foreseen that during September and October 2023, the ENRE will notify the schedule and information requirements.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of June 30th, 2023 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 13,000 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 EHVL.

- **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 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 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.

Chaco Substation Expansion - Second Transformer in 300 MVA
New transformation field applying the standby transformer.

Gran Formosa Substation - Output 132 kV.
Line output of new output field 08.

Vivoratá Substation -Vivoratá Eolic Park (PCR)
New field 15 in 132 kV.

Gran Mendoza Substation - Outputs 200 kV to Godoy Cruz
New outputs in 200 kV for EDEMSA.

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

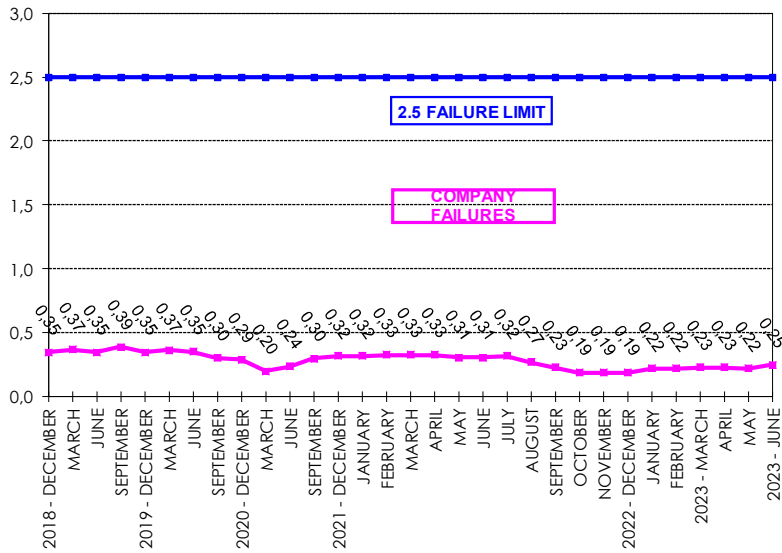


Rate of failures

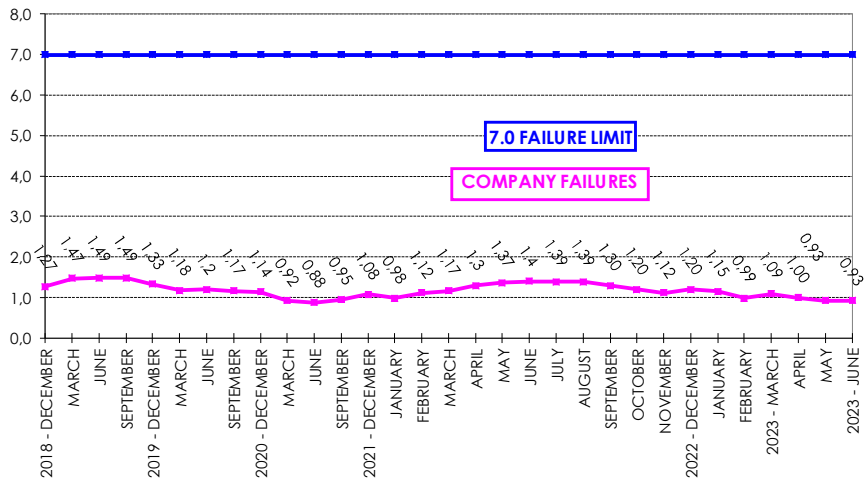
The following charts show the rate of failures of Transener and Transba as from December 2018.

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	Six-month period ended on June 30th		Three-month period ended on June 30th	
	2023	2022	2023	2022
Revenues	35,440	26,522	16,047	15,470
Operating costs	(20,542)	(19,196)	(10,593)	(9,691)
Gross profit	14,898	7,325	5,454	5,778
Administrative expenses	(2,545)	(2,056)	(1,316)	(972)
Other operating (expenses)/income, net	(129)	262	373	257
Operating income	12,224	5,531	4,511	5,063
Finance income	5,946	2,876	3,426	1,522
Finance costs	(2,636)	(2,413)	(1,361)	(1,148)
Other financial results	(302)	(89)	(205)	(80)
Loss on net monetary position	(3,121)	(667)	(2,413)	(472)
Profit before tax	12,111	5,239	3,960	4,885
Income tax	(4,192)	(1,783)	(1,365)	(1,697)
Profit for the period from continuing operations	7,919	3,455	2,595	3,188
Profit for the period attributable to :				
Owners of the company	7,919	3,455	2,595	3,188
Total for the period	7,919	3,455	2,595	3,188
Other comprehensive results				
Profit for the period	7,919	3,455	2,595	3,188
Other comprehensive results for the period, net of taxes	0	0	0	0
Comprehensive profit for the period	7,919	3,455	2,595	3,188
Comprehensive profit for the period attributable to :				
Owners of the company	7,919	3,455	2,595	3,188
Total for the period	7,919	3,455	2,595	3,188
EBITDA	16,344	9,592	6,576	7,111
Acquisition of property, plant and equipment	4,465	2,988	3,365	1,486
Depreciation	4,120	4,061	2,065	2,048

4.2 Consolidated Balance Sheets

In ARS MM	As of June 30th, 2023	As of December 31st, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	133,788	133,470
Inventories	6,279	5,583
Other receivables	1,363	1,271
Total Non-current assets	141,430	140,325
Current assets		
Trade accounts receivable	18,505	10,184
Other receivables	2,981	3,144
Investments at fair value	1,006	1,810
Cash and cash equivalents	5,417	7,744
Total Current assets	27,908	22,882
TOTAL ASSETS	169,338	163,207
LIABILITIES		
Non-current liabilities		
Loans	28	293
Contract liabilities	1,476	1,594
Deferred tax liabilities	22,124	22,355
Employee benefits payable	2,750	3,270
Trade accounts payable	247	304
Total Non-current liabilities	26,626	27,815
Current liabilities		
Provisions	437	510
Loans	424	644
Income tax payable	5,577	2,594
Taxes payable	1,010	696
Payroll and social securities taxes payable	4,135	5,515
Employee benefits payable	688	817
Contract liabilities	105	114
Trade accounts payable	3,357	5,441
Total Current liabilities	15,733	16,332
TOTAL LIABILITIES	42,359	44,147
EQUITY		
Share capital	445	445
Share capital adjustment	56,842	56,842
Legal reserve	5,504	5,375
Optional reserve	3,248	2,662
Voluntary reserve	56,270	54,408
Other comprehensive results	(3,248)	(3,248)
Retained earnings	7,919	2,577
TOTAL EQUITY	126,979	119,060
TOTAL LIABILITIES AND EQUITY	169,338	163,207

4.3 Additional information

In AR\$ MM, nominal values	Six-month period ended on June 30th		Three-month period ended on June 30th	
	2023	2022	2023	2022
Revenues	29,582	10,972	15,015	6,839
Operating and administrative expenses	(16,629)	(7,298)	(9,404)	(3,954)
Other operating income, net	18	145	275	130
Operating profit	12,972	3,818	5,887	3,015
EBITDA	13,339	4,057	6,085	3,134
Acquisition of property, plant and equipment	3,800	1,234	2,974	688
Depreciation	368	239	198	119

5. Analysis of results for six-month period ended on June 30th, 2023 compared to same period last year

Revenues

Consolidated revenues for six-month period ended on June 30th, 2023 amounted to AR\$ 35,440 million, 33.6% higher than the AR\$ 26,522 million for same period last year.

Consolidated regulated revenues for six-month period ended on June 30th, 2023 amounted to AR\$ 31,669 million, 35.4% higher than the AR\$ 23,389 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 six-month period ended on June 30th, 2023 amounted to AR\$ 3,771 million, 20.4% higher than the AR\$ 3,133 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 six-month period ended on June 30th, 2023 amounted to AR\$ 23,087 million, 8.6% higher than the AR\$ 21,253 million for same period last year, mainly due to an increase of AR\$ 937 million in labor costs and AR\$ 397 million in maintenance costs.

Other operating (expenses)/income, net

Consolidated other operating (expenses)/income, net for six-month period ended on June 30th, 2023 resulted in a loss of AR\$ 129 million, compared to a profit of AR\$ 262 million for same period last year, mainly due to an increase in penalties for service quality.

Operating profit

Consolidated operating profit for six-month period ended on June 30th, 2023, amounted to AR\$ 12,224 million, 121% higher than the AR\$ 5,531 million for same period last year, mainly due to an increase of 33.6% in revenues, partially offset by the increase of 8.6% in operating and administrative expenses and higher penalties for service quality.



Financial results

Consolidated financial results for six-month period ended on June 30th, 2023 resulted in a loss of AR\$ 113 million, 61.4% lower than the AR\$ 292 million for same period last year.

Income tax

Consolidated income tax for six-month period ended on June 30th, 2023 resulted in a loss of AR\$ 4,192 million, 135% higher than the AR\$ 1,783 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