

Buenos Aires, May 6th, 2024

Results for three-month period ended on March 31st, 2024

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, 2024

Stock Information



Bolsas y Mercados Argentinos
Ticker: TRAN

For further information, contact:

José S. Refort
Chief Financial Officer

Andrés G. Colombo
Accounting and Tax Manager
(Andres.Colombo@transener.com.ar)

Marcelo A. Fell
Financial Manager
(Marcelo.Fell@transener.com.ar)

investor@transener.com.ar

Tel: (5411) 5167-9101
www.transener.com.ar
www.transba.com.ar

Transener, Argentina’s leading electricity transmission company, announces the results for three-month period ended on March 31st, 2024.

Main results for three-month period ended on March 31st, 2024, restated in constant currency at March, 2024¹

Consolidated revenues of AR\$ 52,411 million, 13.8% lower than the AR\$ 60,768 million for same period last year, due to the fact that the tariff adjustment determined for the first quarter of 2024 took effect as from February 19th, 2024, while for the first quarter of 2023, the tariff adjustment was implemented as from January 1st, 2023.

Consolidated EBITDA² of AR\$ 20,373 million, 33.4% lower than the AR\$ 30,607 million for same period last year, mainly due to the decrease of 13.8% in revenues.

Consolidated profit attributable to the owners of the company of AR\$ 10,333 million, 38.1% lower than the AR\$ 16,684 million for same period last year.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

1. Financial Situation

As of March 31st, 2024, Transener maintains a principal balance of AR\$ 111 million from a loan with the Banco de la Nación Argentina.

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 16th, 2023, through Decree No. 55/2023, the National Executive Power declared the state of emergency in the National Energy Sector until December 31st, 2024 related to the generation, transmission and distribution of electric energy under federal jurisdiction.

Art.3 of the aforementioned decree determined the beginning of the Tariff Review according to art. 43 of Law No. 24,065 concerning the generation, transmission and distribution of electric energy under federal jurisdiction, establishing that the entry into force of the resulting tariff schedules should not exceed December 31st, 2024.

On January 2nd, 2024, through Resolution No. 3/2024, the ENRE called for a public hearing, which was held on January 29th, 2024, in order to inform and listen to opinions regarding the proposals of the concessionaires of the public electric energy transmission service for a temporary tariff adjustment, prior to defining the rates to be applied by the concessionaires.

Consequently, the ENRE, by Resolutions No. 104/2024 and 105/2024, determined the hourly values of remuneration effective as from February 19th, 2024, establishing an increase of 179.7% and 191.1% for Transener and Transba, respectively, over the tariff values of November 2023. Likewise, a tariff adjustment formula was established, based on salary variation index, wholesale prices and consumer prices, with monthly application starting from May 2024.

On April 15th, 2024, through Resolution No. 223/2024, the ENRE approved the "Program for the Tariff Review of Electricity Transmission in 2024", establishing the methodology and criteria for the Full Tariff Review to be considered by the companies of electricity transmission for their tariff proposals to be applied since January 1st, 2025. The ENRE formally requested information in order to determine the capital base and to evaluate operating costs and the investment plan. The information of capital base, historical costs, property, plant and equipment, status of easements and existing facilities must be submitted to the ENRE before May 17th, 2024, and the projected costs, investments and annual remuneration required must be submitted before September 14th, 2024.

Due to liquidity constraints as a consequence of the delays in the collection of the remuneration for the electricity transmission service, the Company required the ENRE and the Secretary of Energy to arbitrate the necessary measures in order to ensure the transmission companies the collection of 100% of the monthly remuneration, duly updated, within the deadlines established in the existing regulations.

In this sense, on March 18th, 2024, through Resolution No. 34/2024, the Secretary of Energy modified the priority order of CAMMESA payments, prioritizing payments to transmission companies over generation companies.

As of the issuance date of this report, Transener S.A. has not registered delays in the collection of its remuneration.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of March 31st, 2024 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 27,500 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**

- The commissioning of the 150 MVar reactor bars of the new 500/132kV Vivoratá Substation was completed during the first quarter of 2024, already with the eight 132kV outputs and the 500kV 5BBVIV1 EHVL in service since June 2023.

- **Chaco Substation Expansion - Second 300MVA Transformerx**

- New transformation field for the backup transformer. The work is on hold, due to the pending update of the contract by the contracting authority.

- **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**
In December 2023, progress was made in the engineering analysis and revision (33% approved). As of March 31st, 2024, the work is hold, foreseeing for the next months a scope revision and the contractual price by the contracting authority.

- **Resistencia Substation - Fields 01 and 02 outputs in 132kV**

- Adequacy of both line outputs with equipment update. The pending engineering works are in progress, foreseeing the commissioning in September 2024.

- **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 a 600 MVA transformer bank in 500/138/34.5kV (T3PY), foreseeing the commissioning in August 2024.

- **Rosario Oeste Substation Expansion (for EPESF) - Output in 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 underground cable.

- **Gran Mendoza Substation - Outputs in 200 kV to Godoy Cruz**

- Work in the final stage, new outputs in 200 kV for EDEMSA (June 2024).

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

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

Sur Substation

New Sur Substation in Bahía Blanca with 2 45/30/45 MVA transformers in 132/33/13.2kV and opening of Chañares - Petroquímica 132kV HVL.

Ayacucho Substation

New Ayacucho Substation with capacity of 2x30/20/30 MVA, which will be connected to the Tandil - Las Armas 132kV HVL, the construction of a 3.4 km double-circuit, and new 4x33 kV + 4x13.2kV outputs.

Numancia Substation

New Numancia 33/132kV Substation, to which it will be connected the 160 MW Eolic Park La Elbita (36 wind turbines of 4.2 MW), sectioning Tandil - Necochea HVL, 42 km away from Tandil.

North San Nicolás Substation

Electromechanical assembly of the new North San Nicolás 132/33/13.2kV - 2x40/40/40 MVA + 6Px33-8Px13 Substation, sectioning the San Nicolás - General Lagos 132kV HVL, and a third connection of the lines from Laminados Industriales.

La China Substation

New substation to connect the Vientos Olavarría 100.8 MW Eolic Park, sectioning the Olavarría - Henderson HVL.

Gonzalez Chaves Substation Expansion

Commencement of works for the installation of 2 132/33/13 kV-15MVA transformers. One replaces the 10 MVA T1CH and the other one replaces a 5MVA transformer of 33/13 kV.

New Cangrejales Substation

Replacement of the current Profertil Substation with the new Cangrejales Substation. The new substation will feature a double set of bars with an interior GIS coupler technology, providing 2 outputs to Profertil Plant and 3 line outputs to Petroquímica Bahía Blanca Substation.

New Guaminí Substation

New Guaminí 132/33/13.2 kV - 2x30/30/20 MVA Substation and the connection of a 132kV high voltage overhead line of 63km to Coronel Suárez Substation.

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. Likewise, it maintains installations of communications that are affected by dark fiber lease contracts.

Transener maintains its main contracts with the following customers:

- Minera Alumbrera Ltd.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Silica Networks Argentina S.A.
- Capex S.A.

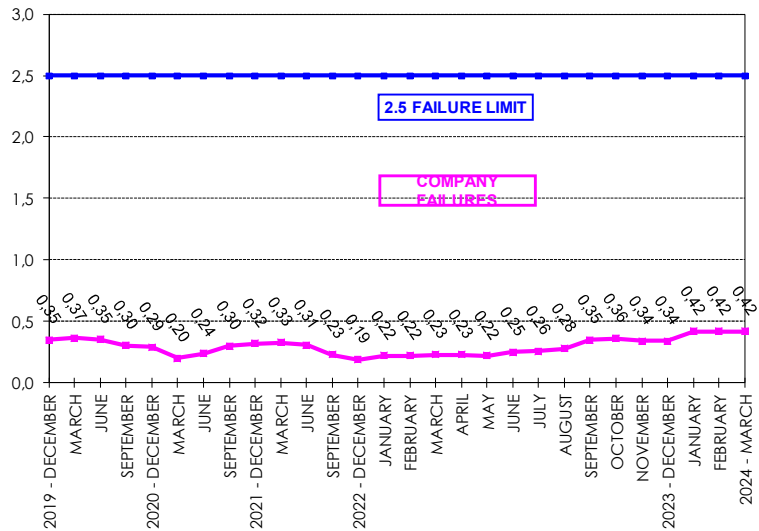


Rate of failures

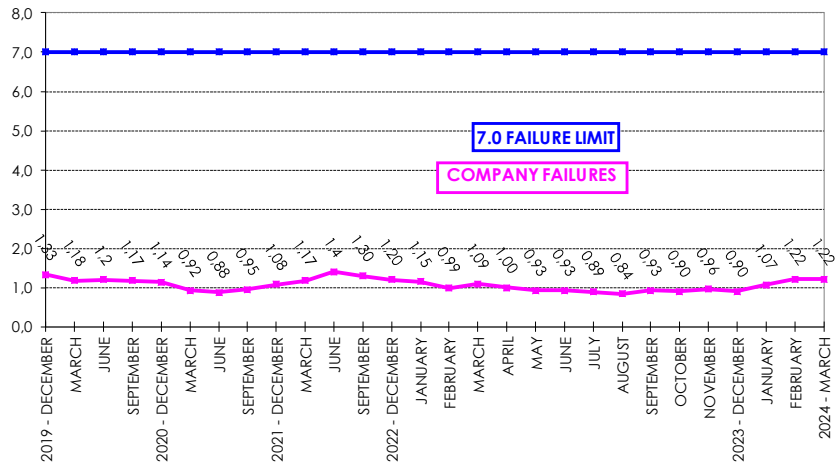
The following charts show the rate of failures of Transener and Transba as from December 2019.

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	
	2024	2023
Revenues	52,411	60,768
Operating costs	(35,531)	(31,175)
Gross profit	16,880	29,593
Administrative expenses	(4,868)	(3,850)
Other operating income/(expenses), net	1,995	(1,575)
Operating income	14,008	24,167
Finance income	10,746	7,895
Finance costs	(4,334)	(3,996)
Other financial results	(4,721)	(305)
Loss on net monetary position	(843)	(2,219)
Profit before tax	14,857	25,542
Income tax	(4,524)	(8,859)
Profit for the period from continuing operations	10,333	16,684
Profit for the period attributable to :		
Owners of the company	10,333	16,684
Total for the period	10,333	16,684
Other comprehensive results		
Profit for the period	10,333	16,684
Other comprehensive results for the period, net of taxes	-	-
Comprehensive profit for the period	10,333	16,684
Comprehensive profit for the period attributable to :		
Owners of the company	10,333	16,684
Total for the period	10,333	16,684
EBITDA	20,373	30,607
Acquisition of property, plant and equipment	4,854	3,446
Depreciation	6,365	6,439

4.2 Consolidated Balance Sheets

In AR\$ MM	As of March 31st, 2024	As of December 31st, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	420,919	422,889
Inventories	21,153	20,497
Other receivables	5,232	5,299
Total Non-current assets	447,304	448,685
Current assets		
Trade accounts receivable	44,983	43,032
Other receivables	11,693	16,114
Investments at fair value	4,693	5,372
Cash and cash equivalents	19,229	20,110
Total Current assets	80,597	84,628
TOTAL ASSETS	527,902	533,314
LIABILITIES		
Non-current liabilities		
Contract liabilities	4,347	4,463
Deferred tax liabilities	67,286	67,400
Employee benefits payable	10,098	10,092
Trade accounts payable	635	970
Total Non-current liabilities	82,366	82,926
Current liabilities		
Provisions	1,120	1,384
Loans	129	379
Income tax payable	11,261	10,272
Taxes payable	1,181	1,144
Payroll and social securities taxes payable	14,110	17,045
Employee benefits payable	2,525	2,523
Contract liabilities	348	319
Trade accounts payable	21,752	34,543
Total Current liabilities	52,425	67,610
TOTAL LIABILITIES	134,790	150,536
EQUITY		
Share capital	445	445
Share capital adjustment	179,064	179,064
Legal reserve	17,245	17,245
Optional reserve	10,178	10,178
Voluntary reserve	176,323	176,323
Other comprehensive results	(10,451)	(10,451)
Retained earnings	20,307	9,973
TOTAL EQUITY	393,111	382,778
TOTAL LIABILITIES AND EQUITY	527,902	533,314

5. Analysis of results for three-month period ended on March 31st, 2024 compared to same period last year

Revenues

Consolidated revenues for three-month period ended on March 31st, 2024 amounted to AR\$ 52,411 million, 13.8% lower than the AR\$ 60,768 million for same period last year.

Consolidated regulated revenues for three-month period ended on March 31st, 2024 amounted to AR\$ 44,599 million, 18.0% lower than the AR\$ 54,381 million for same period last year, due to the fact that the tariff adjustments determined for the first quarter of 2024 took effect as from February 19th, 2024, while for the first quarter of 2023, the tariff adjustment was implemented as from January 1st, 2023.

Consolidated non-regulated revenues for three-month period ended on March 31st, 2024 amounted to AR\$ 7,812 million, 22.3% higher than the AR\$ 6,387 million for same period last year.

Operating and administrative expenses

Consolidated operating and administrative expenses for three-month period ended on March 31st, 2024 amounted to AR\$ 40,399 million, 15.3% higher than the AR\$ 35,025 million for same period last year, mainly due to an increase of 18.7% in labor costs (mainly due to long term employee benefits payable costs).

Other operating income/(expenses), net

Consolidated other operating income/(expenses), net for three-month period ended on March 31st, 2024 resulted in a profit of AR\$ 1.995 million, compared to a loss of AR\$ 1.575 million for same period last year, mainly due to an increase in results from sales of property, plant and equipment and in insurance claims recoveries, and a decrease in penalties for service quality.

Operating profit

Consolidated operating profit for three-month period ended on March 31st, 2024, amounted to AR\$ 14,008 million, 42.0% lower than the AR\$ 24,167 million for same period last year, mainly due to the decrease of 13.8% in revenues and the increase of 15.3% in operating and administrative expenses, partially offset by a higher profit in other operating income and expenses.

Financial results

Consolidated financial results for three-month period ended on March 31st, 2024 resulted in a profit of AR\$ 849 million, 38.2% lower than the AR\$ 1.375 million for same period last year, mainly due to a higher loss in exchange rate differences, net of inflation.

Income tax

Consolidated income tax for three-month period ended on March 31st, 2024 resulted in a loss of AR\$ 4,524 million, 48.9% higher than the AR\$ 8,859 million for same period last year, mainly due to a lower profit before tax.

You may find additional information on the Company at:

www.transener.com.ar
www.transba.com.ar
www.cnv.gob.ar