

Buenos Aires, November 4th, 2024

Results for the nine-month period ended on September 30th, 2024

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for the nine-month period ended on September 30th, 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 the nine-month period ended on September 30th, 2024.

Main results for the nine-month period ended on September 30th, 2024, restated in constant currency at September, 2024¹

Consolidated revenues of AR\$ 231,377 million, 11.4% higher than the AR\$ 207,787 million for the same period last year, due to the effect of the tariff adjustment, net of inflation.

Consolidated EBITDA² of AR\$ 100,166 million, 19.1% higher than the AR\$ 84,127 million for the same period last year, mainly due to the increase in revenues and other operating income, net of an increase in operating costs.

Consolidated profit attributable to the owners of the Company of AR\$ 45,356 million, 18.4% higher than the AR\$ 38,314 million for the same period last year.

Main results for the Third Quarter of 2024³

Consolidated revenues of AR\$ 78,949 million, 31.3% higher than the AR\$ 60,144 million for the same period last year, due to the effect of the tariff adjustment, net of inflation.

Consolidated EBITDA² of AR\$ 38,492 million, 140.0% higher than the AR\$ 16,038 million for the same period last year, principally due to the increase in revenues and other operating income, and a decrease in operating costs.

Consolidated profit attributable to the owners of the Company of AR\$ 17,638 million, 231.3% higher than the AR\$ 5,324 million for the same period last year.

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

²Consolidated EBITDA represents consolidated operating results before depreciation.

³The financial information presented in this document for the quarters ended on September 30th, 2024 and 2023 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 30th, 2024 and 2023.

1. Financial Situation

As of June 30th, 2024, Transener hasn't has financial debts.

On October 30th, 2024, the National Securities Commission (CNV) authorized the creation of a Global Program for the issuance of Bonds by the Company, with a total value of up to U\$S 300,000,000 (or the equivalent in other currencies or units of value) (hereinafter referred to as the "Program"). Under this Program, simple bonds not convertible into shares may be issued, secured by common, special and/or floating guarantees, and/or other forms of security (including, without limitation, third-party guarantees), whether subordinated or not.

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 in May 2024.

However, on May 9th, 2024, the ENRE informed Transener and Transba that, following instructions from the Ministry of Economy, the updating of the tariff adjustment settled in Resolutions No. 104/2024 and 105/2024 for May, 2024, would be suspended. This decision was strongly opposed by Transener and Transba due to the adverse impact on their revenues, which are essential for service operation.

On June 11th, 2024, the ENRE, following instructions from the Ministry of Economy, suspended the monthly tariff update for June 2024, and modified the tariff adjustment formula as from July 2024, based on the forecasted inflation for the semester July/December 2024. Transener and Transba reiterated their opposition to these measures due to the uncertainty in the methodology and undefined ratings calculation, requesting that the ENRE take appropriate actions to restore revenues in accordance with Resolutions No. 104/2024 and 105/2024.

On July 2nd, 2024, the ENRE, following instructions from the Ministry of Economy, suspended the monthly tariff update for July 2024. This decision was once again rejected by Transener and Transba, requesting the ENRE to promptly regularize the revenues update.

On August 5th, 2024, by instruction of the Ministry of Economy, through Resolutions No. 512/2024 and 513/2024, the ENRE determined the hourly remuneration values effective from August 1st, 2024, establishing an increase of 6% over the values of February 2024 for Transener and Transba. Likewise, on August 30th, 2024, through Resolutions No. 581/2024 and 580/2024, an additional 6% increase was set, effective from September 1st, 2024, over the values of August. On October 1st, 2024, through Resolutions No. 696/2024 and 692/2024, a 2.7% increase was established, effective from October 1st, 2024, over the values of September. Finally, on November 1st, 2024, through Resolutions No. 901/2024 and 902/2024, a 6% increase was established, effective from November 1st, 2024, over the values of October.

On the other hand, 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 Quinquennial Tariff Review to be considered by the companies of electricity transmission for their tariff proposals to be applied as from 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 was to be submitted to the ENRE before May 17th, 2024, which was presented as requested, while the projected costs, investments and annual remuneration was submitted on September 16th, 2024.

On August 21st, 2024, the ENRE issued Resolution No. 554/2024, which established the rate of return applicable to the concessionaire companies of the public service of high-voltage electric transmission for the period 2025-2029, determining that it will be 10.14% after taxes.

On October 2nd, 2024, through Resolution No. 705/2024, the ENRE called a Public Hearing in order to inform and hear opinions regarding the tariff proposals presented by the concessionaire companies of the public electric energy transmission service. The hearing was scheduled to take place on November 5th, via a digital platform.

However, on October 14th, 2024, the ENRE, through Resolution No. 743/2024 and citing the positive reaction of the economy to the actions implemented by the Ministry of Economy, as well as the notable inflationary deceleration observed to date, considered reasonable and prudent to postpone the Public Hearing, thereby suspending the call made by Resolution No. 705/2024.

Finally, on October 3rd, 2024, through Resolution No. 706/2024, the ENRE initiated the procedure for determining the remuneration of Independent Transmission Companies, which will be applicable during the upcoming tariff period starting on January 1st, 2025. This group of Independent Transmission Companies includes Transener, as the operator of the Fourth Line and the Choele Choel - Puerto Madryn Interconnection, as well as Transba for the facilities corresponding to the Independent Transmission Company of Buenos Aires (TIBA).

This process contemplates the submission of operating cost information and investments and the intended remuneration by the Independent Transmission Companies before November 20th, 2024, along with the opinion of the supervising Transmission Company.

3. Operating Information

The Company continues to carry out the execution of the investment plan, maintaining as of September 30th, 2024 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 22,000 million.

Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the follow-up of the expansions requested by the users of the network.

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

- **Federal Plan for Transmission Works**

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

- New transformation bay for the backup transformer. The work is currently on hold, pending an update of the contract price 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 New 500kV Jorge Cepernic Substation

In December 2023, progress was made in the engineering analysis and revision, with 33% of the work approved. As of September 30th, 2024, the work is on hold, foreseeing for the next months a scope revision and contractual price by ENARSA as the contracting authority and the UTE responsible of the execution.

Resistencia Substation - Bays 01 and 02 for line outputs in 132kV

Adaptation of both line outputs with equipment updates. The remaining engineering works are in progress.

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

Installation required by AGD (Automatic Generation Disconnection) system and covered by the photovoltaic generators in NOA area.

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 before the end of 2024, enabling the export of renewable energy to the SADI (Argentine Interconnection System).

Rosario Oeste Substation Expansion (for EPESF) - Bay Output in 132 kV DL HVL to Godoy Substation

Commissioning of Bay No. 4 of the 132kV Rosario Oeste Substation yard for new line output to the Provincias Unidas Substation in Santa Fe Province, via underground cable.

Gran Mendoza Substation - Outputs in 220 kV to Cruz de Piedra

Work in the final stage to connect two new outputs in 220 kV for Distrocuyo distributor.

Alicurá Substation - Bay 132 kV and line output to the New Dina Huapi Substation

In June 2024, a new contract was signed with Transcomahue to upgrade the 132 kV Alicurá Substation. This upgrade will enable the connection to the new 132kV HVL of the ALPIBA II project.

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. Estimated commissioning date: November 2024.

Ayacucho Substation

New Ayacucho Substation with capacity of 2x30/20/30 MVA, which will be connected to the Tandil - Las Armas 132kV HVL, including the construction of a 3.4 km double-circuit, and new 4x33 kV + 4x13.2kV outputs. Estimated commissioning date: April 2025.

Numancia Substation

In June 2024, the new Numancia 33/132kV Substation was partially commissioned, to which it will be connected to the 160 MW Eolic Power plant La Elbita (36 wind turbines of 4.2 MW), sectioning Tandil - Necochea HVL, 42 km from Tandil.

San Nicolás Norte Substation

Electromechanical assembly of the new San Nicolás Norte 132/33/13.2kV - 2x40/40/40 MVA + 6Px33-8Px13.2 Substation, opening the San Nicolás - General Lagos 132kV HVL, and a third connection of the line from Laminados Industriales. Estimated commissioning date: February 2025.

La China Substation

New substation to connect Vientos Olavarria 100.8 MW Eolic Park, sectioning the Olavarria - Henderson HVL. Estimated commissioning date: November 2024.

Gonzales Chaves Substation Expansion

In March 2024, works for the installation of 2 132/33/13 kV-15MVA transformers were commenced. One replaces the 10 MVA T1CH and the other one replaces a 5MVA transformer of 33/13 kV. Estimated commissioning date: T1CHA in November 2024 - T2CHA in June 2025.

New Cangrejales Substation

Replacement of the current Profertil Substation with the New Cangrejales Substation. The new substation will feature a double set of bars in 132kV with an interior GIS coupler technology, providing 2 outputs to Profertil Plant and 3 line outputs to Petroquímica Bahía Blanca Substation. Estimated commissioning date: October 2025.

New Guaminí Substation

In May 2024, the construction of the New Guaminí 132/33/13.2 kV - 2x30/30/20 MVA Substation was started, along with the connection of a 132kV HVL of 63km to Coronel Suárez Substation. Estimated commissioning date: September 2026.

New Chivilcoy 2 Substation

Construction of the New Chivilcoy 2 Substation, with Transformers of 2x 30/20/30 MVA + 16,2km of double line circuit, sectioning the existing 1CIVM1 line, therefore this new substation will be bound to Chivilcoy and 25 de mayo substations. Estimated commissioning date: November 2026.

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:

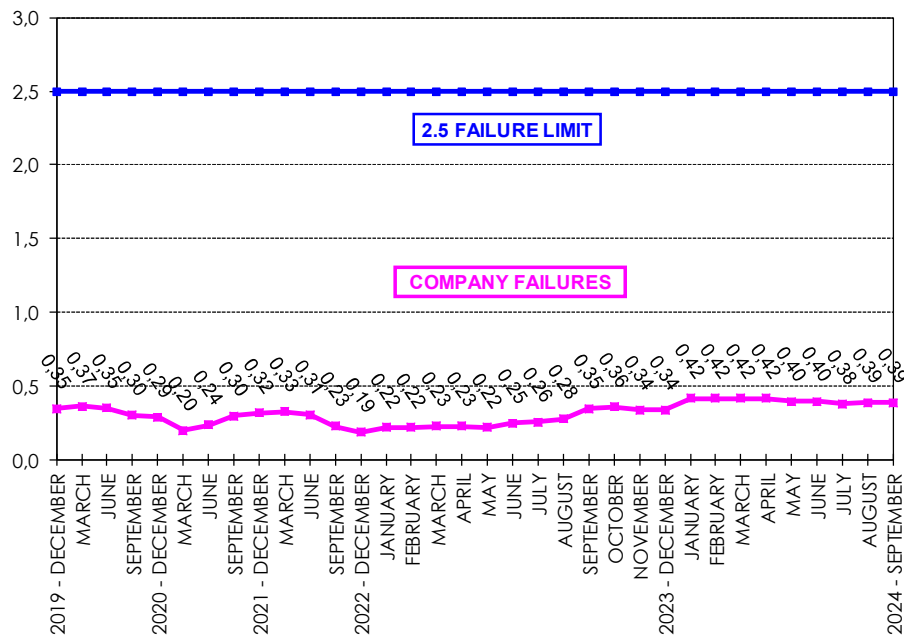
- Minera Alumbrera Ltd.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Silica Networks Argentina S.A.
- Capex S.A.

Rate of failures

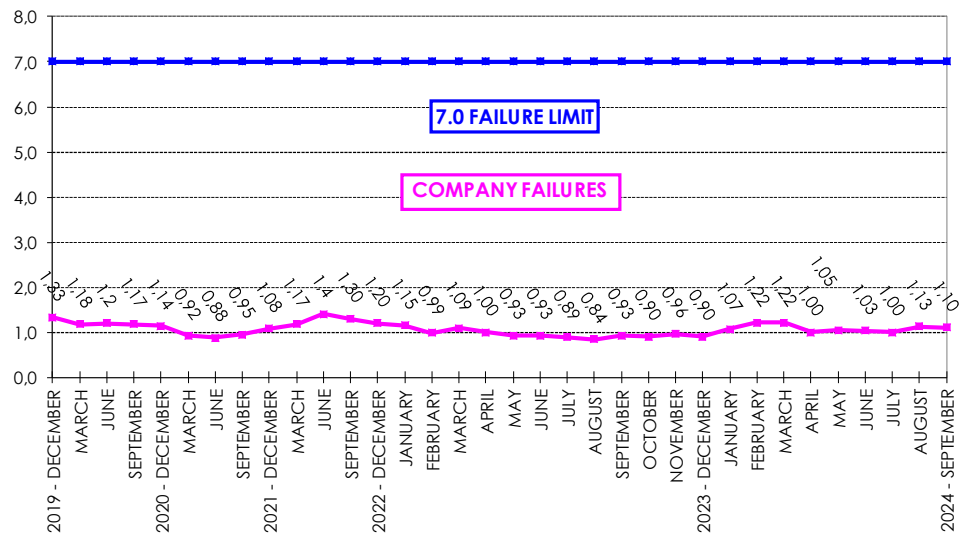
The following charts show the rate of failures of Transener and Transba as from December 2019.

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	Nine-month period ended on September 30th		Three-month period ended on September 30th	
	2024	2023	2024	2023
Revenues	231,377	207,787	78,949	60,144
Operating costs	(144,004)	(131,330)	(44,506)	(45,752)
Gross profit	87,373	76,457	34,443	14,392
Administrative expenses	(17,990)	(16,584)	(4,927)	(5,983)
Other operating income/(expenses), net	4,339	(1,344)	89	(806)
Operating income	73,721	58,528	29,605	7,603
Finance income	21,950	48,869	1,713	24,098
Finance costs	(5,207)	(17,357)	4,713	(6,376)
Other financial results	(7,847)	(1,918)	(649)	(659)
Loss on net monetary position	(14,459)	(28,630)	(7,882)	(15,629)
Profit before tax	68,159	59,492	27,501	9,037
Income tax	(22,802)	(21,177)	(9,863)	(3,713)
Profit for the period from continuing operations	45,356	38,314	17,638	5,324
Profit for the period attributable to :				
Owners of the company	45,356	38,314	17,638	5,324
Total for the period	45,356	38,314	17,638	5,324
Other comprehensive results				
Profit for the period	45,356	38,314	17,638	5,324
Comprehensive profit for the period	45,356	38,314	17,638	5,324
Comprehensive profit for the period attributable to :				
Owners of the company	45,356	38,314	17,638	5,324
Total for the period	45,356	38,314	17,638	5,324
EBITDA	100,166	84,127	38,492	16,038
Acquisition of property, plant and equipment	28,435	28,952	12,302	10,353
Depreciation	26,444	25,599	8,887	8,435

4.2 Consolidated Balance Sheets

In AR\$ MM	As of September 30th, 2024	As of December 31st, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	563,524	562,230
Inventories	31,318	27,251
Other receivables	6,484	7,045
Total Non-current assets	601,326	596,526
Current assets		
Trade accounts receivable	56,524	57,211
Other receivables	12,712	21,423
Investments at fair value	12,103.45	7,142
Cash and cash equivalents	53,593	26,736
Total Current assets	134,932	112,513
TOTAL ASSETS	736,258	709,039
LIABILITIES		
Non-current liabilities		
Contract liabilities	5,547	5,934
Deferred tax liabilities	86,958	89,609
Employee benefits payable	12,225	13,418
Trade accounts payable	591	1,290
Total Non-current liabilities	105,321	110,250
Current liabilities		
Provisions	1,409	1,840
Loans	-	504
Income tax payable	29,015	13,657
Taxes payable	4,650	1,521
Payroll and social securities taxes payable	21,115	22,662
Employee benefits payable	3,056	3,354
Contract liabilities	462	424
Trade accounts payable	16,971	45,925
Total Current liabilities	76,678	89,887
TOTAL LIABILITIES	181,999	200,137
EQUITY		
Share capital	445	445
Share capital adjustment	238,212	238,212
Legal reserve	23,591	22,928
Optional reserve	13,895	13,532
Voluntary reserve	246,655	234,421
Other comprehensive results	(13,895)	(13,895)
Retained earnings	45,356	13,260
TOTAL EQUITY	554,259	508,902
TOTAL LIABILITIES AND EQUITY	736,258	709,039

5. Analysis of results for the nine-month period ended on September 30th, 2024 compared to the same period last year

Revenues

Consolidated revenues for the nine-month period ended on September 30th, 2024 amounted to AR\$ 231,377 million, 11.4% higher than the AR\$ 207,787 million for the same period last year.

Consolidated regulated revenues for the nine-month period ended on September 30th, 2024 amounted to AR\$ 204,170 million, 10.1% higher than the AR\$ 185,373 million for the same period last year, due to the effects of the tariff adjustments, net of inflation.

Consolidated non-regulated revenues for the nine-month period ended on September 30th, 2024 amounted to AR\$ 27,207 million, 21.4% higher than the AR\$ 22,414 million for the same period last year, due to the effects of the tariff adjustments of Fourth Line, Choel-Choel - Puerto Madryn and TIBA, net of inflation.

Operating and administrative expenses

Consolidated operating and administrative expenses for the nine-month period ended on September 30th, 2024 amounted to AR\$ 161,994 million, 9.5% higher than the AR\$ 147,915 million for the same period last year, mainly due to an increase in labor costs (mainly due to long-term employee benefits payable costs), equipment maintenance and insurance.

Other operating income/(expenses), net

Consolidated other operating income/(expenses), net for the nine-month period ended on September 30th, 2024 resulted in a profit of AR\$ 4,339 million, compared to a loss of AR\$ 1,344 million for the same period last year, mainly due to an increase in insurance claims recoveries and gains from asset sales, net of higher losses in penalties/rewards for service quality.

Operating profit

Consolidated operating profit for the nine-month period ended on September 30th, 2024, amounted to AR\$ 73,721 million, 26.0% higher than the AR\$ 58,528 million for the same period last year, as a result of aforementioned factors.

Financial results

Consolidated financial results for the nine-month period ended on September 30th, 2024 resulted in a loss of AR\$ 5,563 million, compared to a profit of AR\$ 964 million for the same period last year, mainly due to a higher loss from exchange rate differences and a decrease in late payments interests from CAMMESA, net of inflation.

Income tax

Consolidated income tax for the nine-month period ended on September 30th, 2024 resulted in a loss of AR\$ 22,802 million, 7.7% higher than the AR\$ 21,177 million for the 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