

In this annual report, except as otherwise specified, references to “U.S.\$” and “Dollars” are to U.S. Dollars, and references to “Ps.”, “ARS” and “Pesos” are to Argentine Pesos. Solely for the convenience of the reader, we have converted certain amounts included in this annual report from Pesos into Dollars using, for the information provided as of December 31, 2023, the selling exchange rate reported by the Banco Nación, as of December 31, 2023, which was Ps.808.45 to U.S.\$1.00 unless otherwise indicated. These conversions should not be considered representations that any such amounts have been, could have been or could be converted into U.S. Dollars at that or at any other exchange rate. On April 22, 2024, the exchange rate was Ps. 872.00, to U.S.\$1.00. As a result of fluctuations in the Dollar Peso exchange rate, the exchange rate at such date may not be indicative of current or future exchange rates.

		Low	High	Average	Period End
		(Pesos per U.S. Dollar)			
Year ended December 31,					
	2019	36.90	60.40	47.82	(1) 59.89
	2020	59.82	84.15	70.87	(1) 84.15
	2021	84.15	105.20	95.13	(1) 102.72
	2022	102.72	177.16	131.08	(1) 177.16
	2023	808.45	177.16	280.92	(1) 808.45
Month					
	November-23	349.95	360.50	353.64	(2) 360.50
	December-23	361.10	808.45	645.59	(2) 808.45
	January-24	808.45	826.40	817.88	(2) 826.40
	February-24	826.90	842.20	834.15	(2) 842.20
	March-24	842.50	858.00	850.76	(2) 858.00

(1) Represents the average of the exchange rates on the last day of each month during the period.
(2) Average of the lowest and highest daily rates in the month.

RISK FACTORS

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D. “Risk Factors” of this annual report for a more thorough description of these and other risks:

Risks Related to Argentina

- A global or regional financial crisis and unfavorable credit and market conditions may negatively affect our liquidity, users, business, and results of operations.
- The Argentine economy remains vulnerable and any significant decline may adversely affect our business, results of operations, and financial condition.
- Economic and political developments in Argentina, and future policies of the Argentine Government may affect the economy as well as the operations of the energy distribution industry, including Edenor.

- If high levels of inflation continue, the Argentine economy and our results of operations could be adversely affected.
- The Peso currently qualifies as a currency of a hyperinflationary economy and we are required to restate our historical financial statements in accordance with IFRS, in terms of the measuring unit current at the end of the reporting year, which could adversely affect our results of operations and financial condition.
- Argentina's ability to obtain financing from international markets could be limited, which may impair its ability to implement reforms and foster economic growth and, consequently, affect our business, results of our operations and growth prospects.
- Fluctuations in the value of the Peso could adversely affect the Argentine economy and could in turn adversely affect our results of operations.
- Intervention by the Argentine Government may adversely affect the Argentine economy and, as a result, our business and results of operations.
- Argentine public expenditures may adversely affect the Argentine economy.
- The Argentine economy remains vulnerable to external shocks that could be caused by significant economic difficulties facing Argentina's major regional trading partners, or by more general "contagion" effects. Such external shocks and "contagion" effects could have a material adverse effect on Argentina's economic growth and, therefore, on our results of operations and financial condition.
- The application of certain laws and regulations could adversely affect our results of operations and financial condition.
- The Argentine economy and finance may be adversely affected as a consequence of a decrease in the international prices of commodities that Argentina exports.
- Any downgrade in the credit rating or rating outlook of Argentina could adversely affect the rating and the market price of our ADS, our Class B common shares and our corporate debt, affecting also our liquidity.

Risks Relating to the Electricity Distribution Sector

- The Argentine Government has intervened in the electricity sector in the past and may continue to intervene.
- There is uncertainty as to what other measures the Argentine Government may adopt in connection with tariffs on public services and their impact on the Argentine economy.
- Electricity demand may be affected by tariff increases, which could lead distribution companies, such as us, to record lower revenues.
- Energy shortages may act as a brake on growing demand for electricity and disrupt distribution companies' ability to deliver electricity to their customers, which could result in customer claims and material penalties imposed on these companies.
- If the demand for energy is increased suddenly, the difficulty in increasing the capacity of distribution companies in a short or medium term, could adversely affect the Company, which in turn could result in customer complaints and substantial fines for any interruptions.

Risks Relating to Our Business

- We operate our business pursuant to our Concession Agreement granted by the Argentine Government, the revocation or termination of which would have a material adverse effect on our business.
- Downgrades in our credit ratings could have negative effects on our funding costs and business operations.
- Our business is subject to risks arising from natural disasters, catastrophic accidents and terrorist attacks. Additionally, our businesses are subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfil our contractual commitments and thus adversely affect our business and financial performance.
- Our operations could cause environmental risks and any change in environmental laws, climate change legislation or regulations restricting emissions of greenhouse gases ("GHGs") and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our business and result in increased operating costs.
- Changes in weather conditions or the occurrence of severe weather (whether or not caused by climate change or natural disasters), could adversely affect our operations and financial performance.
- Failure or delay to negotiate further improvements to our tariff structure, including increases in our distribution margin, and/or to have our tariffs adjusted to reflect increases in our distribution costs in a timely manner or at all, have affected and may continue to affect our capacity to perform our commercial obligations and could also have a material adverse effect on our ability to perform our financial obligations.
- Our distribution tariffs may be subject to challenges by Argentine consumer and other groups.
- We have been, and may continue to be, subject to fines and penalties that could have a material adverse effect on our financial condition and results of operations.
- The increase in the illegal neighborhoods within our Concession area may affect the Company's ability to distribute energy to its customers, as well as produce an increase in public safety risks.
- If we are unable to control our energy losses, especially the theft of energy, our results of operations could be adversely affected.
- Under the Concession Agreement, the Argentine Government could foreclose on its pledge over our Class A common shares under certain circumstances, which could have a material adverse effect on our business and financial condition.
- Default by the Argentine Government could lead to termination of our concession, and have a material adverse effect on our business and financial condition.
- The expiration of the management period could result in the sale of the Company's controlling interest.
- We may be unable to import certain equipment to meet growing demand for electricity, which could lead to a breach of our Concession Agreement and could have a material adverse effect on our operations and financial position.
- We employ a largely unionized labor force and could be subject to an organized labor action, including work stoppages that could have a material effect on our business.
- We could incur material labor liabilities in connection with our outsourcing that could have an adverse effect on our business and on our results of operations.
- We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in Argentina. Any violation thereunder could have a material adverse effect on our reputation and the results of our operation.

- We are involved in various legal proceedings which could result in unfavorable decisions for us, which could in turn have a material adverse effect on our financial position and results of operations.
- In the event of an accident or other event not covered by our insurance, we could face significant losses that could materially adversely affect our business and results of operations.
- We currently are not able to effectively hedge our currency risk in full and, as a result, a devaluation of the Peso may have a material adverse effect on our results of operations and financial condition.
- A substantial number of our assets are not subject to attachment or foreclosure and the enforcement of judgments obtained against us by our shareholders may be substantially limited.
- The exclusivity of electricity distribution in our service area may be adversely affected by technological or other changes in the energy distribution industry, which could have a material adverse effect on our business.
- We may not be able to raise the funds necessary to repay our commercial debt with CAMMESA, our major supplier.
- We may not have the ability to collect the amounts corresponding to the discounts of the Social Rate, the ceilings of the Social Rate and the bonuses for neighbourhood clubs, that must be financed by the Province of Buenos Aires and the Autonomous City of Buenos Aires.
- All of our outstanding financial indebtedness contains bankruptcy, reorganization proceedings and expropriation events of default, and we may be required to repay all of our outstanding debt upon occurrence of any such events.
- We may not have the ability to raise the funds necessary to finance a change of control offering as required by our Senior Notes.
- The New York Stock Exchange and/or BYMA may suspend trading and/or delist our ADSs and Class B common shares, upon the occurrence of certain events relating to our financial situation.
- Cybersecurity events, such as interruptions or failures in our information technology systems as well as cyber-attacks, could adversely affect our business, financial condition, results of operations and cash flows.

Risks relating to our ADSs and Class B common shares

- Restrictions on the movement of capital out of Argentina may impair the ability of holders of ADSs to receive dividends and distributions on, and the proceeds of any sale of, the Class B common shares underlying the ADSs, which could affect the market value of the ADSs.
- Our shareholders' ability to receive cash dividends may be limited.
- Holders of ADSs may be unable to exercise voting rights with respect to the Class B common shares underlying the ADSs at our shareholders' meetings.
- Our shareholders may be subject to liability for certain votes of their securities.
- A potential nationalization or expropriation of 51% of our capital stock, represented by Class A shares, may limit the ability of Class B shares to participate in the Board of Directors.
- If we fail to maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud and investor confidence and the market price of our securities may be adversely impacted.
- Provisions of Argentine securities laws could deter takeover attempts and have an adverse impact on the price of our shares and ADSs.

Risks Related to Argentina

Overview

We are a stock corporation (*sociedad anónima*) incorporated under the laws of the Republic of Argentina and all of our revenues are earned in Argentina and all of our operations, facilities, and users are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic, regulatory, political and financial conditions prevailing in Argentina, including growth rates, inflation rates, currency exchange rates, taxes, interest rates, and other local, regional and international events and conditions that may affect Argentina in any manner. For example, a slowdown in economic growth or economic recession could lead to a decreased demand for electricity in our concession area or a decline in the purchasing power of our users, which, in turn, could lead to a decrease in collection rates from our users or increased energy losses due to illegal use of our service. Several factors have impacted the Argentine economy in the recent past, and may continue to impact it in the future, including among others, inflation rates, exchange rates, commodity prices, public debt, availability of IMF assistance, amendments to the tax regime and policies on trade and fiscal balances.

Our activity is highly regulated and subject to uncertainties due to politic and economic factors, changes in legislation, termination and modification of contractual rights, control of prices and currency fluctuations, among others.

We cannot assure that the Argentine Government will not adopt policies that could adversely affect the Argentine economy or our business, financial condition or results of operations. In addition, we cannot assure you that future economic, regulatory, social and political developments in Argentina will not impair our business, financial condition or results of operations, or cause the market value of our Senior Notes, ADSs and Class B common shares to decline.

A global or regional financial crisis and unfavorable credit and market conditions may negatively affect our liquidity, users, business, and results of operations

The effects of a global or regional financial crisis and related turmoil in the global financial system may have a negative impact on our business, ability to access credit and the international capital markets, financial condition and results of operations, which is likely to be more severe on an emerging market economy, such as Argentina. See “Item 3. Key Information–Risk Factors–Factors Relating to Argentina–Argentina’s ability to obtain financing from international markets could be limited, which may impair its ability to implement reforms and foster economic growth and, consequently, affect our business, results of our operations and growth prospects”.

Global economic and financial crises negatively affect emerging economies like Argentina’s. Additionally, abrupt changes in monetary and fiscal policies or foreign exchange regimes could rapidly affect local economic output, while lack of appropriate levels of investment in certain economy sectors could reduce long-term growth. Access to the international financial markets could be limited. Consequently, an increase in public spending not correlated with an increase in public revenues could affect Argentina’s fiscal results and generate uncertainties that might affect the economy’s growth levels.

In recent years, several trading partners of Argentina (such as Brazil, Europe and China) have experienced significant slowdowns or recession periods in their economies. While the vast majority of economies recovered during 2021 and 2022 after the global COVID-19 pandemic, if such slowdowns or recessions were to recur, this may impact the demand for products coming from Argentina and hence affect its economy. Additionally, there is uncertainty as to how the trade relationship between the Mercosur member States will unfold, in particular between Argentina and Brazil. We cannot predict the effect on the Argentine economy and our operations of trade disputes that may arise between Argentina and Brazil, or in case either country decided to exit the Mercosur.

In addition, the global macroeconomic environment faces various challenges. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies in 2020 and 2021, including the United States and China. There have been concerns about unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Israel, Iran, Ukraine, Syria and North Korea. There have also been concerns regarding the relationship among China and other Asian countries, which may result in or intensify potential conflicts in relation to territorial disputes, and the possibility of a trade war between the United States and China. In addition, the United Kingdom exited the European Union (“Brexit”) on January 31, 2020. The medium and long term implications of Brexit could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets.

In February 2022, Russian troops invaded Ukraine. Although the severity and duration of the ongoing military action are unpredictable, the conflict in Ukraine, Russia’s prior annexation of Crimea, the recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military interventions in Ukraine have led to sanctions being levied by the United States, the European Union and other countries against Russia. Russia’s military incursion and the market volatility that followed have adversely affected and may continue to affect the global economy and financial markets and thus could affect our business, financial condition or results of operations. The extent and duration of the military action, sanctions and resulting market disruptions are difficult to predict, but could be substantial. Any such disruption caused by Russian military action or resulting sanctions may magnify the impact of other risks described in this annual report and may result in compliance and operational challenges for the Company. Trade restrictions imposed on Russia have led to increasing oil process, fluctuation in commodities markets and foreign currency exchange volatility. Further escalation of such armed conflict could lead to supply disruptions and higher energy costs, among others, which could adversely affect our results of operations.

In addition, in October 2023, conflict broke out between Israel and Hamas in the Gaza Strip. The Palestinian movement Hamas, which has controlled the Gaza Strip for more than 15 years, infiltrated across the militarized border with Israel. The Hamas attacks prompted an immediate response from Israel, which declared a state of war and launched “Operation Iron Sword”. The Israeli army mobilized to reinforce the borders, encircle the Gaza Strip and search for Hamas terrorists left behind in Israeli territory. As of the date of this annual report, the conflict continues, and it is not possible to anticipate what the consequences will be should it escalate beyond the borders of the two countries. An escalation of the conflict could cause disruption, volatility and instability in the global markets, and in turn in the Argentine economy and, consequently, on our business, financial condition or results of operations.

The effects of an economic crisis on our users and on us cannot be predicted. Weak global and local economic conditions, together with increased international tension and oil & gas constraints, could lead to reduced demand or lower prices for energy, hydrocarbons and related oil products and petrochemicals, which could have a negative effect on our revenues. Economic factors such as unemployment, inflation and the unavailability of credit could also have a material adverse effect on the demand for energy and, therefore, on our business, financial condition and results of operations. The financial and economic situation in Argentina or in other countries in Latin America, such as Brazil, may also have a negative impact on us and third parties with whom we do, or may do, business.

The Argentine economy remains vulnerable and any significant decline may adversely affect our business, results of operations, and financial condition

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency depreciation. Sustainable economic growth in Argentina depends on a variety of factors including the international demand for Argentine exports, the stability and competitiveness of the Peso against foreign currencies, confidence among consumers and foreign and domestic investors and a stable rate of inflation, national employment levels and the circumstances of Argentina’s regional trade partners. The Argentine macroeconomic environment, in which we operate, remains vulnerable, as reflected by the following economic conditions:

- according to the recent data published by the INDEC in 2024, for the year ended December 31, 2023, Argentina’s real GDP decreased by 1,4% compared to the same period in 2022;
- inflation remains high (11% in March 2024) and may continue at those levels in the future, while regulated tariffs may lag behind;
- continued increases in public expenditures have resulted and could continue to result in fiscal deficit and affect economic growth;
- investment as a percentage of GDP remains low to sustain the growth rate of the past decades;
- protests or strikes may adversely affect the stability of the political, social and economic environment and may negatively impact the global financial market’s confidence in the Argentine economy;
- energy or natural gas supply by generators may not be sufficient to supply increased industrial activity (thereby limiting industrial development) and consumption, mostly at peak demand such as in the winter season;
- unemployment and informal employment remain high, which could have a bearing on energy theft levels potentially impacting our results and operations; and
- the Argentine Government’s economic expectations may not be met and the process of restoring the confidence in the Argentine economy may take longer than anticipated.

As in the recent past, Argentina’s economy may be adversely affected if political and social pressures inhibit the implementation by the Argentine Government of policies designed to control inflation, generate growth and enhance consumer and investor confidence, or if policies implemented by the Argentine Government that are designed to achieve these goals are not successful. These events could materially affect our financial condition and results of operations, or cause the market value of our ADSs and our Class B common shares to decline.

The Peso has been subject to significant depreciation against the U.S. dollar in the past and may be subject to fluctuations in the future. We cannot predict whether and to what extent the value of the Peso could depreciate or appreciate against the U.S. Dollar and the way in which any such fluctuations could affect our business. The value of the Peso compared to other currencies is dependent, in addition to other factors listed above, on the level of international reserves maintained by the Central Bank of the Republic of Argentina (Banco Central de la República Argentina, the “Central Bank” or “BCRA”), which has also shown significant fluctuations in recent years. As of December 31, 2023, the international reserves of the BCRA totaled U.S.\$23,073 million. According to the exchange rate information published by Banco Nación, the Peso depreciated by 356.3% against the U.S. dollar during the year ended December 31, 2023 (compared to 72.5% and 22.1% in the years ended December 31, 2022, and 2021, respectively).

In 2019, as a result of the economic instability, economic uncertainty, and rising inflation rates, the former Argentine administration and the BCRA adopted a series of measures reinstating foreign exchange controls, which applied with respect to access to the foreign exchange market by residents for savings and investment purposes abroad, the payment of external financial debts, the payment of dividends in foreign currency abroad, payments of goods and services in foreign currencies, payments of imports of goods and services, which has been simplified by the new administration since December 10, 2023.

Nevertheless, there can be no assurances regarding future modifications to the exchange controls regime. Exchange controls could adversely affect our financial condition or results of operations and our ability to meet our foreign currency obligations and execute our financing plans.

The success of these or other measures that the BCRA may implement in the future, is uncertain and any further depreciation of the Peso or our inability to acquire foreign currency could have a material adverse effect on our financial condition and results of operations. We cannot predict whether, and to what extent, the value of the Peso may depreciate or appreciate against the U.S. Dollar or other foreign currencies, and how these uncertainties will affect the demand for electricity. Furthermore, no assurance can be given that, in the future, no additional currency or foreign exchange restrictions or controls will be imposed. Existing and future measures may negatively affect Argentina's international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business and results of operations. We cannot predict how these conditions will affect the demand for services provided by Edenor or our ability to meet our liabilities denominated in currencies other than the Peso, including our Senior Notes Class 1, 2 and 3. Any restrictions on transferring funds abroad imposed by the Government could undermine our ability to pay dividends on our ADSs or make payments (of principal or interest) under our outstanding indebtedness in U.S. Dollars, as well as to comply with any other obligation denominated in foreign currency.

Economic and political developments in Argentina, and future policies of the Argentine Government may affect the economy as well as the operations of the energy distribution industry, including Edenor

The Argentine Government has historically exercised significant influence over the economy, and our Company has operated in a highly regulated environment. The Argentine Government may promulgate numerous, far-reaching regulations affecting the economy and electricity companies in particular.

In the event of any economic, social or political crisis, companies operating in Argentina may face the risk of strikes, expropriation, nationalization, mandatory reformation of existing contracts, and changes in taxation policies, including tax increases and retroactive tax claims. In addition, Argentine courts have ruled on modifications on rules related to labor matters, requiring companies to assume greater responsibility for costs and risks associated with subcontracted labor and the calculation of salaries, severance payments and social security contributions. Since we operate in a context in which the governing law and applicable regulations change frequently, also as a result of changes in government administrations, it is difficult to predict if and how our activities will be affected by such changes.

We cannot assure you that future legal reforms and/or economic, regulatory, social and political developments in Argentina will not adversely affect our business, financial condition or results of operations, or cause the decrease of the market value of our securities.

If the high levels of inflation continue, the Argentine economy and our results of operations could be adversely affected

Historically, inflation has materially undermined the Argentine economy and the Argentine Government’s ability to create conditions that allow growth. In recent years, Argentina has confronted inflationary pressures, evidenced by significantly higher fuel, energy and food prices, among other factors.

During the first quarter of 2024, according to data published by INDEC, Consumers Price Index (“CPI”) rates were 11%, 13,2% and 20,6% for March, February and January 2024, while for 2023, 2022, and 2021 were 211.4%, 94.8% and 50.9%, respectively. The Argentine Government’s adjustments to electricity and gas tariffs, as well as the increase in the price of gasoline have affected prices, creating additional inflationary pressure. If the value of the Peso cannot be stabilized through fiscal and monetary policies, an increase in inflation rates could be expected.

A high inflation rate environment affects Argentina’s foreign competitiveness by diluting the effects of the Peso depreciation, negatively impacting employment and the level of economic activity and undermining confidence in Argentina’s banking system, which may further limit the availability of domestic and international credit to businesses. In turn, a portion of the Argentine debt continues to be adjusted by the Stabilization Coefficient (*Coeficiente de Estabilización de Referencia*, or “CER”), a currency index, that is strongly correlated with inflation. Therefore, any significant increase in inflation would cause an increase in the Argentine external debt and consequently in Argentina’s financial obligations, which could exacerbate the stress on the Argentine economy. The efforts undertaken by the Argentine Government to reduce inflation have not achieved the desired results so far. A continuing inflationary environment could undermine our results of operations, adversely affect our ability to finance the working capital needs of our businesses on favorable terms, and adversely affect our results of operations and cause the market value of our ADSs and our Class B common shares to decline.

There is uncertainty regarding the effectiveness of the policies implemented by the Argentine Government to reduce and control inflation and the potential impact of those policies. An increase in inflation may adversely affect the Argentine economy, which in turn may have a negative impact on our financial condition and own results of operations.

The Peso currently qualifies as a currency of a hyperinflationary economy and we are required to restate our historical financial statements in accordance with IFRS, in terms of the measuring unit current at the end of the reporting year, which could adversely affect our results of operations and financial condition

The Peso currently qualifies as a currency of a hyperinflationary economy and we are required to restate our historical financial statements by applying inflationary adjustments to our financial statements.

Pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be restated for the effects of changes in a suitable general price index. IAS 29 does not prescribe when hyperinflation arises, but includes several characteristics of hyperinflation. The IASB does not identify specific hyperinflationary jurisdictions. However, in June 2018, the International Practices Task Force of the Centre for Quality (“IPTF”), which monitors “highly inflationary countries”, categorized Argentina as a country with projected three-year cumulative inflation rate greater than 100%. Additionally, some of the other qualitative factors of IAS 29 were present, providing prima facie evidence that the Argentine economy was hyperinflationary for the purposes of IAS 29. Therefore, Argentine companies using IFRS are required to apply IAS 29 to their financial statements for periods ending on and after July 1, 2018.

Any further inflation adjustments into our financial statements may have effects on our business, results of operations and financial condition.

Argentina’s ability to obtain financing from international markets could be limited, which may impair its ability to implement reforms and foster economic growth and, consequently, affect our business, results of our operations and growth prospects

Argentina’s history of defaults on its external debt and related litigation may reoccur in the future and prevent Argentine companies such as us from accessing the international capital markets readily or may result in higher costs and more onerous terms for such financing, and may therefore negatively affect our business, results of operations, financial condition, the value of our securities, and our ability to meet our financial obligations.

Following the default on its external debt in 2001, Argentina sought to restructure its outstanding debt through exchange offers in 2005 and again in 2010. Holders of approximately 93% of Argentina’s defaulted debt participated in the exchanges. Nonetheless, a number of bondholders held out from the exchange offers and pursued legal actions against Argentina. In 2016, the Argentine Government settled several agreements with the defaulted bondholders, ending more than 15 years of litigation.

In 2020, the Argentine Government reached an agreement with private creditors to renegotiate certain debt conditions as maturity dates and interest rates applicable for the following years. On April 21, 2020, Argentina invited holders of approximately U.S.\$66.5 billion aggregate principal amount of its foreign currency external bonds to exchange such bonds for new bonds. The invitation contemplated the use of collective action clauses included in the terms and conditions of such bonds, whereby the decision by certain majorities would bind holders that did not tender into the exchange offer. On August 31, 2020, Argentina announced that it had obtained the bondholder consents required to exchange and or modify 99.01% of the aggregate principal amount outstanding of all series of eligible bonds invited to participate in the exchange offer. The restructuring settled on September 4, 2020. As a result of the invitation, the average interest rate paid on Argentina’s foreign currency external bonds was lowered to 3.07%, with a maximum rate of 5.0%, compared to an average interest rate of 7.0% and maximum rate of 8.28% prior to the invitation. In addition, the aggregate amount outstanding of Argentina’s foreign currency external bonds was reduced by 1.9% and the average maturity of such bonds was extended.

On June 22, 2021, the Minister of Economy announced that the Argentine Government had obtained a “time bridge” within the framework of the Paris Club negotiations, consequently avoiding default. The understanding provides that the Argentine Government will have until March 31, 2022 to reach a restructuring agreement with the Paris Club members, which was further extended until July 31, 2022. On October 28, 2022, the Minister of Economy announced a new agreement with the Paris Club, which was an addendum to the Paris Club 2014 Settlement Agreement. This new agreement recognized a principal amount of U.S.\$1.97 billion, extending the repayment period to thirteen semi-annual installments, starting in December 2022 to be repaid in full by September 2028. As part of the agreement, the interest rate applicable to the first three installments was reduced from 9% to 3.9%, with subsequent gradual increases to 4.5%. The payment profile implies semi-annual payments averaging U.S.\$170 million (principal and interest included). After two years, Argentina will have repaid 40% of the principal amount outstanding.

On January 28, 2022, the IMF and the Argentine authorities reached an understanding on key policies as part of their ongoing discussions on an IMF-supported program for the refinancing of U.S.\$44.1 billion debt which was set to mature in 2022 and 2023. On March 4, 2022, the Argentine Government reached a staff-level agreement with the IMF and a bill was sent to the Argentine Congress. On March 11, 2022, the lower house of the Argentine Congress passed and sent to the Senate the bill that supports the agreement between Argentina and the IMF. On March 17, 2022, the Senate approved the agreement “Program of Extended Facilities” between the Argentine Government and the IMF, following the Argentine Congress’ endorsement of the understanding with the IMF, and on March 25, the Program of Extended Facilities was approved by the Executive Board of the IMF.

As a result, the Law No. 27,668 was sanctioned on March 18, 2022, and consequently the Program of Extended Facilities was approved, allowing the IMF to pay out U.S.\$44.500 million. This agreement includes an obligation to develop an energetic plan, that focuses on improving energy efficiency, and researching for a cleaner and cheaper way to produce and distribute electricity among other goals to achieve. Furthermore, the law reinforces Argentina's commitment to create a new subsidy segmentation scheme, concentrated on improving the energy distribution as well as protecting the low- and middle-income users.

In June 2022, the IMF's staff published the first review of the Program of Extended Facilities, taking into the account the exceptional risk resulting from the war in Ukraine, a resurgence of the pandemic and a slowdown in key emerging economies. The IMF strongly supported the Decree No. 332/2022, which created a new subsidy segmentation scheme, eliminating the subsidies for the top 10 percent of residential consumers with the highest income level.

On September 19, 2022, the second review of the arrangement took place. Although it acknowledged the registered growth of real GDP and the decisive steps taken by the authorities to restore macroeconomic stability, the Staff reiterated the need to significantly reduce subsidies for residential users with greatest payment capacity and commercial users. In addition, the IMF encouraged the Argentine Government to continue reducing subsidies, while improving its performance in the following aspects: database improvement, allowing consumers to self- declare their income and assets and reduce the number of non-registered consumers; linkage of prices to cost, instead of wages; less generous consumption ceilings, together with the introduction of a ceiling for low-income consumers, focusing on energy efficiency; and enhanced targeting, composed of three groups and the chance of reconsideration.

On December 2, 2022, the IMF Staff published a third review, with positive feedback on macroeconomic aspects, but underlining the challenging global environment. Focusing on the energy aspect, the IMF reinforced the need to reduce subsidies for residential users with the greatest payment capacity and commercial users. In both cases, the remaining subsidies would be removed in February 2023, establishing a cap for electricity and gas prices during peak consumption months to ensure the fiscal targets. On the other side, middle and low-income residential users would cap the cost of energy at 40 percent and 80 percent of growth in the wage index, respectively. Furthermore, the tariff agreements with electricity distributors within the metropolitan region of Buenos Aires would be updated in February 2023 to improve CAMMESA's income, including an arrangement to eliminate distributors' arrears to or from CAMMESA and therefore alleviate the pressures on government finances.

In March 2023, the IMF concluded their fourth review. In August 2023, published the fifth and sixth review allowing the IMF to pay out U.S.\$ 5,400 million and U.S.\$ 7,500 million, respectively. Upon concluding their review, IMF emphasized that the key program target expected for 2023 had not been met due to several deviations in economic policy, requiring further approval of waivers for non-compliance.

Additionally, waivers were approved related to the adoption for temporary measures that led to the intensification of exchange restrictions and multiple exchange rate practices.

Program targets were modified based on ambitious plans adopted by to realign with the IMF Program and restore macroeconomic stability.

Currently, the Program of Extended Facilities has been extended until December 31, 2024 and a recalibration of planned disbursements under the current program was also approved.

We cannot assure that a new agreement with the IMF will not affect Argentina's ability to implement reforms and public policies and boost economic growth, nor the impact that any renegotiation will have on Argentina's ability to access the international capital markets (and indirectly on our ability to access those markets), on the Argentine economy and on our economic and financial situation or ability to extend the maturity dates of our debt obligations nor modify other conditions all of which could affect our results and operations or businesses.

Fluctuations in the value of the Peso could adversely affect the Argentine economy and could in turn adversely affect our results of operations

The Peso suffered important fluctuations during the last years. We are unable to predict the future value of the Peso against the U.S. Dollar. If the Peso devaluates further, any negative effects on the Argentine economy could have adverse consequences on our business, our results of operations and the market value of our ADSs, including as measured in U.S. Dollars.

Fluctuations in the value of the Peso may adversely affect the Argentine economy, our financial condition and results of operations. The Peso has been subject to significant depreciation against the U.S. dollar in the past and may be subject to further fluctuation in the future. A depreciation of the Peso against major foreign currencies may also have an adverse impact on our capital expenditure program and increase the Peso amount of our trade liabilities and financial debt denominated in foreign currencies. The depreciation of the Peso may have a negative impact on the ability of certain Argentine businesses to service their foreign currency-denominated debt, lead to high inflation, significantly reduce real wages, jeopardize the stability of businesses whose success depends on domestic market demand, including public utilities and the financial industry and adversely affect the Argentine Government's and our ability to honor its foreign debt obligations.

Intervention by the Argentine Government may adversely affect the Argentine economy and, as a result, our business and results of operations

In the recent past, the Argentine Government intervened in the economy, including through the implementation of expropriation and nationalization measures, price controls and exchange controls, among others.

Even though the current administration has announced that it plans to lift exchange controls in the near future, new exchange controls could be introduced in the future which, along with any other then existing transfer restrictions, could in turn, affect our ability to access the international capital markets. Such restrictions and measures may generate political and social tensions and deteriorate the Argentine Government's public finances, as has occurred in the past, generating an adverse effect on economic activity and, in consequence, adversely affect our business and the result of our operations, and cause the market value of our ADSs and our Class B common shares to decline. See "Item 10. Additional Information- Exchange Controls." Moreover, we cannot predict the measures that may be adopted by the current or any future government, such as expropriation, nationalization, forced renegotiation or modification of existing contracts, new taxation policies, changes in laws, regulations and policies affecting foreign trade and investments, restrictions to transfers to other countries or to capitals movement, or exclude that an important fluctuation of the Peso may have a material adverse effect on the Argentine economy and, as a consequence, adversely affect our financial condition, our results of operations or cause the market value of our ADSs and our Class B common shares to decline.

Argentine public expenditure may affect the Argentine economy

Public expenditure increased throughout the last decade in Argentina. The Argentine Government adopted several measures to finance its public expenditure.

The new administration has announced the goal to reduce public spending, including energy and transportation subsidies, and a significant reduction in the transfer of federal funds to the provinces. However, high public expenditure levels could continue or reoccur in the future.

As of the date of this annual report, we cannot predict how the measures that the Argentine Government has applied and may continue to apply will impact the Argentine economy, and, in turn, our business, our financial condition and the results of our operations.

The Argentine economy remains vulnerable to external shocks that could be caused by significant economic difficulties facing Argentina’s major regional trading partners, or by more general “contagion” effects. Such external shocks and “contagion” effects could have a material adverse effect on Argentina’s economic growth and, therefore, on our results of operations and financial condition

Although economic conditions vary from country to country, investors’ perceptions of events occurring in certain countries have in the past substantially affected, and may continue to substantially affect, capital flows into and investments in securities of issuers from other countries, including Argentina. There can be no assurance that the Argentine financial system and securities markets will not be adversely affected by policies that may be adopted by foreign governments or the Argentine Government in the future. Argentina can also be adversely affected by negative economic or financial events that take place in other countries, subsequently affecting our operations and financial condition, including our ability to repay our debt at maturity.

Argentina’s economy is vulnerable to external shocks. For example, economic slowdowns, especially in Argentina’s major trading partners such as Brazil, have led to declines in Argentine exports in the past. Specifically, fluctuations in the price of commodities sold by Argentina and a significant fluctuation of the Peso against the U.S. dollar could harm Argentina’s competitiveness and affect its exports. In addition, international investors’ reactions to events occurring in one market may result in a “contagion” effect which could lead to an entire region or class of investment being disfavored by international investors. Additionally, financial and securities markets in Argentina are also influenced by economic and market conditions in other markets worldwide.

The situation of the U.S. economy and the economic measures taken by the federal administration could adversely affect the economy of developing countries, including Argentina. The U.S. economy has recently registered its highest inflation rates over the last decades, although inflation appears to be falling faster in the United States than in other economies. We cannot predict the decisions and policies that the U.S. administration will adopt in the future, which could generate uncertainty in the international markets and could have a negative effect on developing economies, such as Argentina.

In July 2019, the Southern Common Market (“MERCOSUR”) signed a strategic partnership agreement with the European Union (the “EU”), subject to the approval of the corresponding legislatures of each member country. Such approval is pending as of the date of this annual report, as some member countries are demanding amendments to the agreement (for example, the French government has demanded the inclusion of guarantees regarding the protection of the Amazon, compliance with European agri-food and phytosanitary standards and the fight against climate change). The objective of this agreement is to promote investment, regional integration, increase the competitiveness of the economy and achieve an increase in GDP. However, in January 2024 a European Commission spokesman reported that conditions are not in place to conclude the negotiations. The effect that this agreement could have on the Argentine economy and on the policies implemented by the Argentine Government is uncertain. Regarding other free trade agreement negotiations, the current Argentine Government announced its intention to engage in talks with other groups of countries, including the European Free Trade Area (EFTA), made up of Switzerland, Norway, Iceland and Liechtenstein.

Moreover, the challenges faced by the EU in stabilizing some of its member economies have had and may continue to have international implications affecting the stability of global financial markets, which has hampered economies around the world.

In sum, international investors' perceptions of events occurring in one market may generate a "contagion" effect by which an entire region or class of investment is disfavored by international investors. Argentina could be adversely affected by negative economic or financial developments in other emerging and developed countries, which in turn may have material adverse effects on the Argentine economy and, indirectly, on our business, financial condition and results of operations, and the market value of our ADSs and Class B common shares.

The application of certain laws and regulations could adversely affect our results of operations and financial condition

The Company's operations and business could be affected by the adoption of restrictions on the import of products.

As of the date of this annual report, Edenor cannot guarantee that in the future, measures limiting or restricting the import of products will not be adopted which may have an impact on the goods used by the Company as inputs, causing the Company an adverse effect on its net worth, economic, financial or other situation, its results of operations, business operations and/or its ability to comply with its obligations in general.

On August 7, 2014, Law No. 26,944 on State Responsibility was enacted to regulate the liability of the Argentine Government and public officers, including state liability for unlawful and lawful actions. In particular, it states that the Argentine Government shall not be liable for the damages caused by public services concessionaires.

On September 18, 2014, the Argentine Congress enacted Law No. 26,991 amending Law No. 20,680 (the "Supply Law"), which became effective on September 28, 2014, to increase control over the supply of goods and provision of services. The Supply Law includes the ability of the Argentine Government to regulate consumer rights under Article 42 of the Constitution and permits the creation of an authority to maintain the prices of goods and services (the "Observer of Prices of Goods and Services"). The Observer of Prices of Goods and Services was created by Law No. 26,992.

However, by means of Executive Order No. 70/23 (the "DNU"), the new administration abrogated the Supply Law and Law No. 26,992. Additionally, the DNU included several measures to reduce the size of the public administration and public spending at the federal level, and to deregulate the economy. The DNU, which became effective on December 29, 2023, declared an economic, social security, tariff, health and social emergency until December 31, 2025 and promoted the deregulation of trade, services and industry throughout the national territory.

Most notably, the DNU amended the following bodies of law: Law No. 18,425 (*Gondola Law*), Law No. 27,221 (*Real Estate Leasing Law*), Law No. 20,680 (*Supply Law*), Law No. 27,437 (*Buying Law (with the exception of criminal offences)*), Law No. 20,705 (*State-Owned Companies Law*) and Law 13,653 (*Regime for the Operation of State-owned Companies*).

In energy matters, Decrees Nos. 1060/00 (*Hydrocarbon Supply Contracts*), 1491/2002 (*electricity export contracts*), 634/2003 (*Extensions of High-voltage Electricity Transmission and Trunk Distribution*) and 311/2006 (*Refundable Loans from the National Treasury to the Unified Fund*) were repealed, as well as Law No. 25822 (*Federal Electricity Transmission Plan*). In relation to the existing Regime for the Promotion of distributed generation of renewable energy integrated to the electricity grid, the trust fund for the development of distributed generation, the promotional benefits and the regime for the promotion of the national industry were also repealed.

On December 16, 2023, by means of Decree No. 55/2023, the government declared an emergency in the energy sector and instructed the Secretariat of Energy to implement a course of actions in relation to each segment of electricity generation, transmission and distribution. It also determined the start of a comprehensive tariff review to be implemented before December 31, 2024, and provided for the continuity of ENRE's intervention. Likewise, the proposed Omnibus Act also includes the unification of the gas and electricity governmental bodies which would continue the agency's intervention. The Omnibus Act proposes to liberalize in the electricity market, unify the control bodies and to establish legal framework for the development of infrastructure by the private sector in the areas of hydrocarbons and energy transport.

Regarding the unification of the bodies that regulate the sector, the Omnibus Act creates the National Regulatory Body for Gas and Electricity, which, once established, would replace and assume the functions of the ENRE and ENARGAS.

The Secretariat of Energy was also empowered to redetermine the structure of subsidies in force in order to ensure end users' access to basic and essential provision of: (i) electricity under Laws Nos. 15.336 and 24.065, as supplemented, amended and regulated eligibility; and (ii) natural gas under Laws Nos. 17.319 and 24.076, as supplemented, amended and regulated. Eligibility for this benefit shall mainly consider a percentage of the income of the cohabiting group, individually or jointly for electricity and natural gas, to be established by the regulation. For the purpose of calculating the cost of basic consumption, the tariffs in force at each supply point shall be considered.

The Secretariat of Energy shall define the specific mechanisms for the allocation and effective collection of subsidies by users.

In addition to the review by Congress, the DNU may also be subject to judicial review as to its constitutionality, in cases arising from its enforcement or application. Some courts have already suspended the application of certain sections. It is not possible to predict whether the DNU will remain in force after its review by Congress, nor whether the new administration will issue new decrees that could affect our business.

Moreover, on December 27, 2023, the new administration sent to the Congress a bill entitled "Bases and Starting Points for the Freedom of Argentines" (the "Omnibus Act"). Such proposed Omnibus Act was amended and a new draft was sent to the Congress on April 9, 2024. The Omnibus Act declares a public emergency in economic, financial, fiscal, social security, defense, tariff, energy, health and social matters and delegates a series of legislative powers to the Argentine executive branch for the duration of the emergency. The Omnibus Act also includes a series of legal, institutional, tax and criminal law reforms affecting various sectors of the economy, which aim to promote economic freedom, the protection of property rights, production and development, together with the promotion of free play between supply and demand as a way of organizing the economy.

As of the date of this annual report, the Omnibus Act has not been passed by Congress. It is difficult to predict the final outcome of this bill, as well as the impact that other reform proposals may have on the Argentine economy, our business, financial condition and results of operations.

The implementation of the aforementioned laws and regulations has modified or could modify, as applicable, Argentina's legal system. Future changes in applicable laws and regulations (including as a result of a change in government administration), administrative or judicial proceedings, including potential future claims by us against the Argentine Government, cannot be predicted and we cannot assure you that such changes will not adversely affect our business, financial condition and results of operations.

The Argentine economy and finance may be adversely affected as a consequence of a decrease in the international prices of commodities that Argentina exports

The global commodities market is characterized by its volatility. Commodities exports have contributed significantly to the Argentine Government’s revenues. Accordingly, the Argentine economy has remained relatively dependent on the price of its exports (mainly soy).

A sustained decrease in the international price of the main commodities exported by Argentina, or any future climate event or condition may have an adverse effect on the agriculture, and therefore on the Argentine Government’s revenues and its capacity to comply with the payments on its public debt, eventually generating recessive or inflationary pressures, and in turn affecting our business, financial situation and the results of our operations.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina’s economy and financial condition

A lack of a solid and transparent institutional framework for contracts with the Argentine Government and its agencies and corruption allegations have affected and continue to affect Argentina. Argentina ranked 98 of 180 in the Transparency International’s 2023 Corruption Perceptions Index.

In the past, various investigations into allegations of money laundering and corruption being conducted by the Office of the Argentine Federal Prosecutor, including the largest such investigation, known as Los Cuadernos de las Coimas (the “Notebooks Investigation”) have negatively impacted the Argentine economy and political environment.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina’s international reputation and ability to attract foreign investment, the Argentine Government announced several measures aimed at strengthening Argentina’s institutions and reducing corruption. These measures have included the reduction of criminal sentences in exchange for cooperation with the government in corruption investigations, increased access to public information, the seizing of assets from corrupt officials, increasing the powers of the Anticorruption Office (Oficina Anticorrupción), submitting a bill for the issuance of a new public ethic law, among others. The Argentine Government’s ability to implement any of these initiatives is uncertain as it would be subject to independent review by the judicial branch, as well as legislative support from opposition parties.

We cannot estimate the impact that current or future anti-corruption initiatives and investigations may have on the Argentine economy. Similarly, it is not possible to predict the duration or how far-reaching the effects of any investigation might be, particularly in the energy sector, or if there will be any future investigation in this or other industry. In turn, the decrease in investor confidence resulting from any of these, among other issues, could have a significant adverse effect on the growth of the Argentine economy, which could, in turn, harm our business, our financial condition and operational results and affect the trading price of our Class B common shares and ADSs.

Any downgrade in the credit rating or rating outlook of Argentina could adversely affect the rating and the market price of our ADS, our Class B common shares and our corporate debt, affecting also our liquidity

On June 24, 2021, Morgan Stanley Capital International (“MSCI”) announced the reclassification of Argentina to the standalone or independent category with effect as of November 2021, thus being excluded from the MSCI indexes. In June 2019, Argentina had entered the emerging market category. According to MSCI, the main reason for this downgrade lied in the reinstatement of exchange controls, which have been in force since September 2019.

There can be no assurance that Argentina’s credit rating or rating outlook will not be downgraded further in the future, which could have an adverse effect both on the rating and the market price of our ADS, our Class B common shares and our Senior Notes, affecting our own liquidity.

Risks Relating to the Electricity Distribution Sector

The Argentine Government has intervened in the electricity sector in the past, and may continue to intervene

Historically, the Argentine Government has exerted a significant influence on the economy, including the energy sector, and companies such as us that operate in such sector have done so in a highly regulated context that aims mainly at guaranteeing the supply of domestic demand.

To address the Argentine economic crisis in 2001 and 2002, the Argentine Government adopted the Public Emergency Law and other regulations, which made a number of material changes to the regulatory framework applicable to the electricity sector. These changes severely affected electricity generation, distribution and transmission companies and included the freezing of nominal distribution margins, the revocation of adjustment and inflation indexation mechanisms for tariffs, a limitation on the ability of electricity distribution companies to pass on to the user increases in costs due to regulatory charges and the introduction of a new price-setting mechanism in the Wholesale Electric Market (*Mercado Eléctrico Mayorista* or “WEM”) which had a significant impact on electricity generators and generated substantial price differences within the market. From time to time, the Argentine Government intervened in this sector by, for example, granting temporary nominal margin increases, proposing a new social tariff regime for residents of poverty-stricken areas, removing discretionary subsidies, creating specific charges to raise funds that were transferred to government-managed trust funds that finance investments in generation and distribution infrastructure and mandating investments for the construction of new generation plants and the expansion of existing transmission and distribution networks.

On December 17, 2015, the Argentine Government issued Decree No. 134/15 declaring the emergency of the national electricity sector which was in effect until December 31, 2017. On February 1, 2017, an RTI process was completed and a new tariff scheme for the following five-year period was enacted. However, on December 21, 2019, the Argentine Congress adopted the Law No. 27,541 on Social Solidarity and Productive Reactivation in the Framework of the Public Emergency, as amended and supplemented (the “Productive Reactivation Law”), which declared a public emergency in tariffs and energy matters until December 31, 2020, and delegated to the Federal Executive Power certain powers normally reserved to Congress or otherwise not within the purview of the Argentine Executive Power (including the ability to make determinations in the renegotiation of public tariffs). Additionally, on December 16, 2020, the Executive Branch issued Decree No. 1020/20 which extended the freeze on electricity rates prescribed by the Productive Reactivation Law or until the new transitional electricity rate schedules come into effect.

On December 16, 2023, by means of Decree No. 55/2023, the government declared an emergency in the energy sector and instructed the Secretariat of Energy to implement a course of actions in relation to each segment of electricity generation, transmission and distribution. It also determined the start of a comprehensive tariff review to be implemented before December 31, 2024, and provided for the continuity of ENRE’s intervention. Likewise, the proposed Omnibus Act also includes the unification of the gas and electricity governmental bodies which would continue the agency’s intervention.

The Secretariat of Energy of the Ministry of Economy is empowered to redetermine the structure of subsidies in force in order to ensure end users access to basic and essential consumption of: (i) electricity under Laws Nos. 15.336 and 24.065, as supplemented, amended and regulated; and (ii) natural gas under Laws Nos. 17.319 and 24.076, as supplemented, amended and regulated, respectively. This benefit shall mainly consider a percentage of the income of the cohabiting group, individually or jointly for electricity and natural gas, to be established by the regulations. For the purpose of calculating the cost of basic consumption, the tariffs in force at each supply point shall be considered.

The aforementioned Secretariat of Energy shall be empowered to define the specific mechanisms for the allocation and effective collection of subsidies by users, determining the roles and tasks to be performed in a mandatory manner by the different public actors, concessionary companies, and other actors or agents that make up the systems of the public service in question, in their capacity as primary responsible parties.

In addition, within the framework of the emergency in the National Electricity Sector established by Decree No. 55/2023, the SE has been instructed to prepare, put into effect and implement a program of necessary and indispensable actions in relation to the segments included in the aforementioned emergency, in order to establish price sanction mechanisms under competitive and free access conditions, maintain income levels in real terms and cover investment needs, so as to guarantee the continuous provision of public electricity and natural gas transmission and distribution services under appropriate technical and economic conditions for providers and users of all categories. However, we cannot assure whether the implementation of the program would regularize the operating deficit of the WEM's power and energy compensation funds and accounts. See "Item 4-Information on the Company-The Argentine Electricity Industry-The Wholesale Electricity Market (WEM)-Operation of the WEM".

On February 16, 2024 ENRE issued Resolution No. 102/2024 notifying the new tariff table and the values per category of the of own distribution costs ("CPD", also referred as value added for distribution ("VAD")). Low-income consumers (categorized as N2) will see an increase of around 70%. Meanwhile, middle-income consumers (known as N3) will see an increase of around 65%, although for the last universe if they exceed 600 KW/h the jump will be in the area of 130%. Lastly, high income consumers (N1) will see an increase of around 150%.

Since the new RT should become effective prior to December 31, 2024, Edenor is preparing all the necessary information and documentation to support the request of additional increases. Nevertheless, the Company has still not been able to resolve the income deficit or recover its credits against the Federal Government resulting from the freeze on electricity rates and, thus, if the RT does not contemplate such Edenor's regulatory credits, our ability to cover any further increase of our costs could be affected and may have a direct negative impact on our results of operations.

There is uncertainty as to what other measures the Argentine Government may adopt in connection with tariffs on public services and their impact on the Argentine economy

As explained in other risk factors in this annual report, following the economic crisis of 2001-2002, the subsequent freeze on electricity rates in Pesos and the significant depreciation of the Argentine Peso against the U.S. dollar, there was a lack of acknowledgement by governmental authorities of the actual increasing cost of our operations. Since the RTI process was completed by 2017, all other transitional adjustment resulted in lower determinations based on a Net Replacement Value ("NVR") methodology over a slightly lower base capital than the one we had submitted in our proposals.

The ENRE also established a non-automatic mechanism to adjust our tariffs, as it had done under the original Concession Agreement and the Adjustment Agreement (as defined below), in order to preserve the economic and financial sustainability of the concession in the event of price fluctuations in the economy. This mechanism has a biannual basis and includes a combined formula of wholesale and consumer price indexes (WPI, CPI and salaries increases) which trigger the adjustment of tariffs when the result is above 5%.

We filed an administrative appeal ("recurso de reconsideración") against ENRE's Resolution No. 63/17. On October 25, 2017, the ENRE, through Resolution No. 524/17, rejected the appeal filed by Edenor.

Since 2018, new adjustments to CPD were approved. Lastly, on February 16, 2024 ENRE issued Resolution No. 102/2024 notifying the new tariff table and the values per category of the CPD, As well as automatic mechanism to adjust our tariffs.

A full RT process has yet to be completed. Notwithstanding the measures recently adopted as provisory increase of electricity rates, there is uncertainty as to what measures the Argentine Government may adopt in connection with tariffs, whether tariffs will be updated in connection with the RT which is expected to take place by December 31, 2024, and from time to time to reflect our increase in operating costs, and their impact on demand. Likewise, no assurance can be given that any future reduction in subsidies will not increase our clients' delinquency rates or a delay in our collections.

Electricity demand may be affected by tariff increases, which could lead distribution companies, such as us, to record lower revenues

From 2013 through 2023, electricity demand in Argentina increased by 14,5%, which in part reflects the relative low cost, in real terms, of electricity to users due to the freezing of tariffs and therefore the distribution margins, the establishment of subsidies in the purchase price of energy and the elimination of the inflation adjustment provisions in distribution concessions.

In 2023, the Company's electricity demand amounted to 27,676GWh, which represented a 2% increase compared to 2022, while the WEM demand amounted to 140,883GWh (+1.5% year-on-year). The variation in the Company's demand was mainly due to temperature, elasticity, price and the level of economic activity.

We cannot make any assurance that any future increases in the cost of electricity will not have a material adverse effect on electricity demand or result in a decline in collections from users. In this respect, we cannot assure you that these measures or any future measure will not lead electricity companies, like us, to record lower revenues and results of operations, which may, in turn, have a material adverse effect on the market value of our ADSs and Class B common shares.

Energy shortages may act as a brake on growing demand for electricity and disrupt distribution companies' ability to deliver electricity to their customers, which could result in customer claims and material penalties imposed on these companies

The recurring economic crises and the resulting emergency measures have had and continue to have a material adverse effect on other energy sectors, including oil and gas companies, which has led to a significant reduction in natural gas supplies to generation companies that use this commodity in their generation activities. In addition, Argentina needs to import energy or gas and their prices have recently risen. In addition, voltage breakdowns have occurred in several occasions during 2023 due to failure in the transportation system, lack of carrier's investments and lack of contributions by the Federal Government to the stabilization fund which is required to maintain a minimum amount to cover payments to generators and carriers. See "Item 4—Information on the Company—The Argentine Electricity Industry—The Wholesale Electricity Market (WEM)—Stabilization Fund".

As a result, the supply of energy to our company could be affected and any failures in the transportation system could also jeopardize our distribution network, which, in turn, could prevent us, from experiencing continued growth in our business and could lead to failures to provide electricity to customers. Under Argentine law, distribution companies are responsible to their customers for any disruption in the supply of electricity. As a result, distribution companies may face customer claims and fines and penalties for disruptions caused by energy shortages even when these are attributable to generators and transportation companies unless the relevant Argentine authorities determine that energy shortages constitute force majeure. To date, the Argentine authorities have not been called upon to decide under which conditions energy shortages may constitute force majeure. In the past, however, the Argentine authorities have recognized the existence of force majeure only in limited circumstances, such as internal malfunctions at the customer's facilities, extraordinary meteorological events (such as major storms) and third-party work in public thoroughfares. We cannot make assurances that we will not experience a lack of energy supply that could adversely affect our business, financial condition and results of operations, as well as our ability to repay our debts.

If the demand for energy is increased suddenly, the difficulty in increasing the capacity of distribution companies in a short or medium term, could adversely affect the Company, which in turn could result in customer complaints and substantial fines for any interruptions

In recent years, the increase in electricity demand was greater than the structural increase in electricity distribution capacities, which led to power shortages and disruptions, in certain occasions. A sustained increase in electricity demand could generate future shortages. In addition, the condition of the Argentine electricity market has provided little incentive to generators and distributors to further invest in increasing their generation and distribution capacity, respectively, which would require material long-term financial commitments. In 2021, 2022, and 2023, the increase in the capacity of our own facilities resulting from the investment process was higher than the increase in demand, and the service quality indicators have continued improving. Regarding the coming years, there is uncertainty about the availability of resources to continue with this process. With respect to generation, depending on the availability of water and fuels, supply could be affected. For these cases, we are exempted from liability against users according to Resolution ENRE No. 63/2017.

Additionally, according to Argentine law, distribution companies, such as us, are responsible to their users for any disruption in the supply of electricity. Consequently, customers can direct their claims to the distribution companies. Also, distribution companies are subject to fines and penalties for service disruptions caused by energy shortages, unless the respective Argentine authorities determine that energy shortages constitute force majeure events. As a result, we could face user claims and fines and penalties for service disruptions caused by energy shortages unless the relevant Argentine authorities determine that energy shortages constitute force majeure.

We cannot assure that we will not experience a lack in the supply of energy or that any claims, fines, penalties or government intervention will not have a materially adverse effect on our financial condition and results of operations and cause the market value of our Senior Notes, ADSs and Class B common shares to decline.

Risks Relating to Our Business

We operate our business pursuant to our Concession Agreement granted by the Argentine Government, the revocation or termination of which would have a material adverse effect on our business

We conduct our business pursuant to our concession agreement dated August 5, 1992 (“Concession Agreement”) granted by the Argentine Government. Such agreement contains several requirements regarding the operation of our business and compliance with laws and regulations. Compliance with our obligations under our Concession Agreement is secured by a pledge of our Class A common shares in favor of the Argentine Government. Accordingly, upon the occurrence of specified events of default under our Concession Agreement, the Argentine Government would be entitled to foreclose on its pledge on our Class A common shares, which would have a severe negative impact on our ability to operate a material portion of our business, and as a result, our results of operations would be materially adversely affected. Finally, our Concession Agreement also generally provides for termination in the case of our insolvency or bankruptcy. If our Concession Agreement is terminated or if the Argentine Government forecloses its pledge over Class A common shares, we may not be able to continue to operate as a going concern, and in turn our consolidated results of operations would be materially adversely affected and the market value of our Class B common shares and ADSs could decline.

Downgrades in our credit ratings could have negative effects on our funding costs and business operations

Credit ratings are assigned to the Company. The credit ratings are based on information furnished by us or obtained by the credit rating agencies from independent sources and are also influenced by the credit ratings of Argentine Government bonds and general views regarding the Argentine financial system as a whole. The credit ratings are subject to revision, suspension or withdrawal by the credit rating agencies at any time. A downgrade, suspension or withdrawal in our credit ratings could result in, among others, the following: (i) increased funding costs and other difficulties in raising funds; (ii) the need to provide additional collateral in connection with financial market transactions; and (iii) the termination or cancellation of existing agreements. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our business is subject to risks arising from natural disasters, catastrophic accidents and terrorist attacks. Additionally, our businesses are subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfil our demand and thus adversely affect our business and financial performance

The electric power distribution infrastructure that we rely on, may be damaged by flooding, hurricanes, strong windstorms, fires, earthquakes, extreme weather temperatures, heat waves and other catastrophic disasters arising from natural or accidental or intentional human causes. We could experience severe business disruptions, significant decreases in revenues based on lower demand arising from catastrophic events, or significant additional costs to us not otherwise covered by insurance policies. There may be an important time lag between a major accident, catastrophic event or terrorist attack and our definitive recovery from our insurance policies, which typically carry non-recoverable deductible amounts. In addition, any of these events could cause adverse effects on the energy demand of some of our customers and of consumers generally in the affected market. Some of these considerations, could have a material adverse effect on our business, financial condition and our result of operations.

During the month of March 2023, there were several factors that affected our activity: (i) a “heat wave” with temperatures above 38.9°C; (ii) an energy demand of 29,105MW (an increase of 40% nationally and 60% in our Concession, compared to the same period in 2022); and (iii) a large fire that affected the high voltage electrical transmission system, causing an extraordinary interruption and loss of generation (7,000MW) and demand (11,000MW), disconnecting Córdoba, Santa Fe, La Rioja, Tucumán, La Pampa, Río Negro, Neuquén, Mendoza, San Juan and the metropolitan area of Greater Buenos Aires. As part of our duties under the Concession Agreement, we implemented an emergency plan which had an impact on our operative costs.

Additionally, our assets are subject to the risk of mechanical or electrical failures and may experience periods of unavailability affecting our ability to fulfil our energy demand. Any unplanned unavailability of our energy demand, so we could be subject to fines and penalties. We cannot assure that any other event in the Argentine network will not affect our facilities and consequently their availability to fulfil our energy demand and our operational results.

Our operations could cause environmental risks and any change in environmental laws, climate change legislation or regulations restricting emissions of greenhouse gases (“GHGs”) and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our business and result in increased operating costs

In December 1993, Argentina approved the United Nations Framework Convention on Climate Change (“UNFCCC”) through Law No. 24,295. The UNFCCC, which entered into force on March 21, 1994, deals with the stabilization of the GHGs concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

On June 20, 2001, Argentina approved the Kyoto Protocol to the UNFCCC (“Protocol”), which entered into force on February 16, 2005. This Protocol deals with the reduction of certain Greenhouse Gases (“GHGs”) (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride) in the atmosphere.

On April 29, 2015, Argentina approved the Doha Amendment through Law No. 27,137, which entered into force in 2015.

Later, the 2015 United Nations Climate Change Conference adopted by consensus the Paris Agreement, which is known to be the successor of the Protocol. The agreement deals with GHG emission reduction measures, targets to limit global temperature increases and requires countries to review and “represent a progression” in their intended nationally determined contributions. Countries agreed they will aim to achieve the long term goal to limit global warming to well below 2°C above pre-industrial levels, and pursue efforts to further limit the temperature increase to 1.5°C. On October 5, 2016, the threshold for entry into force of the Paris Agreement was achieved. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions. Under Federal Law No. 27,270, dated September 1, 2016, Argentina approved the Paris Agreement.

Furthermore, Argentine Law No. 26,190, as amended and complemented by Law No. 27,191 and its implementing decrees, established a legal framework which promotes an increase in the participation of energies from renewable sources in Argentina's electricity market.

During 2023 the 28th Conference of the Parties (COP 28), also known as the Climate Summit, took place. Under the umbrella of COP28, 198 countries have signed the Dubai Agreement. Said agreement recognizes the need for deep, rapid and sustained reductions in GHG, and states that said gases must be reduced by 43% by 2030 and 60% by 2035, from 2019 levels, and achieve net zero carbon dioxide emissions by 2050. It also sets the 2030 target of tripling global renewable energy capacity and doubling the global average annual rate of improvement in energy efficiency.

Compliance with legal and regulatory changes relating to climate change, including those resulting from the implementation of international treaties, may in the future increase our costs to operate and maintain our facilities, install new emission controls on our facilities and administer and manage any GHG emissions program. More stringent environmental regulations can result in the imposition of costs associated with GHG emissions, either through environmental agency requirements relating to mitigation initiatives or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our operating costs.

Some of our operations are subject to environmental risks that could arise unexpectedly and cause material adverse effects on our results of operations and financial condition. In addition, the occurrence of any of these risks could lead to personal injury, loss of life, environmental damage, repair and expenses, equipment damage and liability in civil and administrative proceedings. We cannot assure you that we will not incur additional costs related to environmental issues in the future, which could adversely affect our results of operations and financial condition. In addition, we cannot ensure that our insurance coverage is sufficient to cover the losses that could potentially arise from these environmental risks.

In addition, we are subject to a broad range of environmental legislation in Argentina. Local, provincial and national authorities in Argentina may implement new environmental laws and regulations and may require us to incur higher costs to comply with new standards. The imposition of more stringent regulatory and permit requirements in relation to our operators in Argentina could significantly increase the costs of our activity.

We cannot predict the general effects of the implementation of any new environmental laws and regulations on our financial condition and results of operations.

Changes in weather conditions or the occurrence of severe weather (whether or not caused by climate change or natural disasters), could adversely affect our operations and financial performance

Weather conditions have influenced and in the future may influence the demand for electricity, our ability to provide it and the costs of providing it. In particular, severe weather may adversely affect our results of operations by causing significant demand increases, which we may be unable to meet without a significant increase in operating costs. This could strongly impact the continuity of our services and our quality indicators. For example, the exceptional heat wave that occurred in January 2022 and March 2023 and the thunderstorms occurred in December 2023 affected the continuity of our services, both in the low voltage and medium voltage networks. See "Item 4. Information on the Company-Business Overview-Quality Standards-Edenor Concession". Furthermore, any such disruptions in the provision of our services could expose us to fines and orders to compensate those users affected by any such power cuts, as has occurred in the past (see "Item 4. Information on the Company-Business Overview-Quality Standards-Fines and Penalties"). Our financial condition, results of operations and cash flows could therefore be negatively affected by increased operating costs, litigation or decreases in revenue relating to changes in weather conditions and severe weather.

Failure or delay to negotiate further improvements to our tariff structure, including increases in our distribution margin, and/or to have our tariffs adjusted to reflect increases in our distribution costs in a timely manner or at all, have affected and may continue to affect our capacity to perform our commercial obligations and could also have a material adverse effect on our ability to perform our financial obligations

Since the execution of the agreement entered into between us and the Argentine Government on February 13, 2006, relating to the adjustment and renegotiation of the terms of our Concession Agreement (“Acta Acuerdo sobre la Adecuación del Contrato de Concesión del Servicio Público de Distribución y Comercialización de Energía Eléctrica” or the “Adjustment Agreement”) and as required by the Argentine Government, we were engaged in an RTI with the ENRE through February 1, 2017.

The Adjustment Agreement contemplated a cost adjustment mechanism for the transitional period during which an RTI process was being conducted. However, no RTI was completed since then.

Furthermore, on December 16, 2023, by means of Decree No. 55/2023, the government determined the start of a comprehensive RT to be implemented before December 31, 2024, and provided for the continuity of ENRE's intervention.

Even we have had a recent provisory increase in our electricity rates, we may not be able to adjust our tariffs to reflect increases in our distribution costs in a timely manner, or at all, which may have a material adverse effect on our results of operations.

If we are not able to recover all future cost increases and have them reflected in our tariffs, and/or if there is a significant lag of time between when we incur the incremental costs and when we receive increased income we may be unable to comply with our financial obligations, we may suffer liquidity shortfalls and we may need to restructure our debt to ease our financial condition, any of which, individually or in the aggregate, could have a material adverse effect on our business and results of operations and may cause the value of our ADSs and Class B common shares to decline. For more information, see “Item 5. Operating and Financial Review and Prospects–Operating Results–Tariffs.”

Our distribution tariffs may be subject to challenges by Argentine consumer and other groups

In recent years, our tariffs have been challenged by Argentine consumer associations, such as three actions brought against us between 2009 and 2022 by Argentine consumer associations. See “Item 8. Financial Information–Legal and Administrative Proceedings–Legal Proceedings”.

If those or any future legal challenge were successful and prevented us from implementing any tariff adjustments granted by the Argentine Government, we could face delay or decline in collections from our users, and a decline in our results of operations, which could have a material adverse effect in our financial condition and the market value of our ADSs and Class B common shares.

We have been, and may continue to be, subject to fines and penalties that could have a material adverse effect on our financial condition and results of operations

We operate in a highly regulated environment and have been, and in the future may continue to be, subject to significant fines and penalties imposed by regulatory authorities, including for reasons outside our control, such as service disruptions attributable to problems at generation facilities or in the transmission network that result in a lack of electricity supply. Since 2001, the amount of fines and penalties imposed on our Company has increased significantly. As of December 31, 2023, 2022 and 2021, our accrued fines and penalties totaled Ps. 62,880 million Ps.23,032 million, and Ps.25,183 million at nominal values, respectively (taking into account adjustments made to fines and penalties following the ratification of the Adjustment Agreement and recent regulation). See “Item 4. Information on the Company–Business Overview–Fines and Penalties.”

The increase in the illegal neighborhoods within our Concession area may affect the Company’s ability to distribute energy to its customers, as well as produce an increase in public safety risks.

Within the second and third regions of the greater Buenos Aires metropolitan area, the number of illegal settlements has increased over the years, and the existing ones have grown larger in terms of the number of people living in them as well as in terms of the size and complexity of the constructions built to foster its inhabitants. These phenomena is particularly present in the third ring of the Great Buenos Aires area, where energy theft represents the main cause of the company’s energy lost. Furthermore, such illegal connections to the electricity grid are performed in land over which Edenor has governmental permits to install high and medium voltage networks. The growth of such constructions on such land increases the risk of physical contact with such networks which may cause service interruption and even provoke accidents.

Edenor continuously reports to the community, the governmental authorities, and the ENRE about these cases and also files criminal proceedings in connection therewith. However, Edenor does not have the legal authority to remove such illegal constructions, and Edenor cannot assure that those construction will continue to grow and affect the electric system in general.

If we are unable to control our energy losses, especially the theft of energy, our results of operations could be adversely affected

Our concession does not allow us to pass through to our users the cost of additional energy purchased to cover any energy losses that exceed the loss factor contemplated by our concession, which is, on average, 10%. As a result, if we experience energy losses in excess of those contemplated by our concession, we may record lower operating profits than we anticipate. Prior to the 2001 and 2002 economic crisis in Argentina, we were able to reduce the high level of energy losses experienced at the time of the privatization down to the levels contemplated (and reimbursed) under our concession. However, during the last years, our level of energy losses, particularly our non-technical losses, started to grow again, in part as a result of the increase in poverty levels and the number of delinquent accounts and fraud. Although we continue to make investments to reduce energy losses, these losses continue to exceed the average 10% loss factor contemplated by the concession and, based on the current tariff schedule and the economic turmoil, we do not expect these losses to decrease in the near term. Our energy losses amounted to 14.87% in 2023, 15.89% in 2022, and 17.6% in 2021. We cannot assure you that our energy losses will not continue to increase in future periods, in particular due to the change of governmental policy on subsidies which may lead to lower margins and could affect our results of operations.

Under the Concession Agreement, the Argentine Government could foreclose on its pledge over our Class A common shares under certain circumstances, which could have a material adverse effect on our business and financial condition

Pursuant to our Concession Agreement and the provisions of the Adjustment Agreement, the Argentine Government has the right to foreclose on its pledge over our Class A common shares and sell these shares to a third-party buyer if:

- the fines and penalties incurred in any given year exceed 20% of our gross energy sales, net of taxes, which corresponds to our energy sales;
- we repeatedly and materially breach the terms of our concession and do not remedy these breaches upon the request of the ENRE;
- our controlling shareholder creates any lien or encumbrance over our Class A common shares (other than the existing pledge in favor of the Argentine Government);
- we or our controlling shareholder obstructs the sale of Class A common shares at the end of any management period under our concession;
- our controlling shareholder fails to obtain the ENRE’s approval in connection with the disposition of our Class A common shares; or
- our shareholders amend our articles of incorporation or voting rights in a way that modifies the voting rights of the Class A common shares without the ENRE’s approval.

In 2023, our fines and penalties represented 2.7% of our net energy sales. See “Item 4. Information on the Company–Business overview–Edenor Concession–Fines and Penalties.”

If the Argentine Government were to foreclose on its pledge of our Class A common shares, pending the sale of those shares, the Argentine Government would also have the right to exercise the voting rights associated with such shares. In addition, the potential foreclosure by the Argentine Government on its pledge over our Class A common shares could be deemed to constitute a change of control under the terms of our Senior Notes. If the Argentine Government forecloses on the pledge of our Class A common shares, our results of operations and financial condition could be significantly affected and the market value of our Class B common shares and ADSs could also be affected.

Default by the Argentine Government could lead to termination of our concession, and have a material adverse effect on our business and financial condition

If the Argentine Government breaches its obligations in such a way that we cannot comply with our obligations under our Concession Agreement or in such a way that our service is materially affected, we may request the termination of our concession, after giving the Argentine Government a 90 days' prior notice, in writing. Upon termination of our concession, all our assets used to provide the electricity distribution service would be transferred to a new state-owned company to be created by the Argentine Government, whose shares would be sold in an international public bidding procedure. The amount obtained in such bidding would be paid to us, net of the payment of any debt owed by us to the Argentine Government, plus an additional compensation established as a percentage of the bidding price, ranging from 10% to 30%, depending on the management period in which the sale occurs. Any such default could have a material adverse effect on our business and financial condition.

The expiration of the management period could result in the sale of the Company's controlling interest.

Our concession is currently set to expire on August 31, 2087, after a term of 95 years, and may be extended for one additional 10-year period if Edenor requests the extension at least 18 months before expiration. The term of the concession is divided into management periods. On February 25, 2021, through Resolution 65, the ENRE established that the first management period will be considered concluded at the end of the term established for the next RT, which has been postponed and is expected to take place by December 2024.

Six months before the end of each management period, the regulatory authority shall call an international public bidding on the Class "A" shares sale representing 51% of the share capital of Edenor, currently held by Empresa de Energía del Cono Sur S.A. ("Edelcos"). However, if Edelcos matches the highest bid or its bid represents the highest bid received, it will continue to hold the Class "A" shares, and no further disbursements will be necessary. On the contrary, if Edelcos's offer is not the highest, the Class "A" shares shall be awarded to the bidder who made the highest bid and the proceeds from the sale shall be payable by Grantor Government to Edelcos, net of any payments owed to the Argentine Government. The before mentioned price shall be delivered within the term of 30 days once the Grantor Control received it. The first management period commenced on September 1, 1992.

We may be unable to import certain equipment to meet growing demand for electricity, which could lead to a breach of our Concession Agreement and could have a material adverse effect on our operations and financial position

Certain exchange controls established by the Argentine Government and future restrictions on imports that may be adopted in the future could limit or delay our ability to purchase capital goods that are necessary for our operations (including carrying out specific projects). Under our concession, we are obligated to satisfy all of the demand for electricity originated in our concession area, maintaining at all times certain service quality standards that have been established for our concession. If we are not able to purchase significant capital goods to satisfy all of the demand or suffer unexpected delays in the import process, we could face fines and penalties which may, in turn, adversely affect our activity, financial position, results of operations and/or the market value of our ADSs and Class B common shares. For more information on exchange controls, see "Item 10. Additional Information—Exchange Controls".

We employ a largely unionized labor force and could be subject to an organized labor action, including work stoppages that could have a material effect on our business

As of December 31, 2023, we had 4635 employees, of which 79% were union members. Although our relations with unions are currently stable and we have had an agreement in place with the two unions representing our employees since 1995, we cannot assure you that we will not experience work disruptions or stoppages in the future, which could have a material adverse effect on our business and revenues. We cannot assure you that we will be able to negotiate salary agreements or labor conditions on the same terms as those currently in effect, or that we will not be subject to strikes or work stoppages before or during the negotiation process. If we are unable to negotiate salary agreements or if we are subject to demonstrations or work stoppages, our results of operations, financial condition and the market value of our ADSs, Class B common shares could be materially adversely affected.

We could incur material labor liabilities in connection with our outsourcing that could have an adverse effect on our business and results of operations

We outsource a number of activities related to our business to third-party contractors in order to maintain a flexible cost base. As of December 31, 2023, we had approximately 6,647 third-party employees related to third party's contracts. Although we have very strict policies regarding compliance with labor and social security obligations by contractors, we are not in a position to ensure that contractors will not initiate legal actions to seek indemnification from us based upon a number of judicial rulings issued by labor courts in Argentina which have recognized joint and several liability between the contractor and the entity to which it is supplying services under certain circumstances.

Our performance is largely dependent on recruiting and retaining key personnel

Our current and future performance and the operation of our business are dependent upon the contributions of our senior management and our skilled team of engineers and other employees. We depend on our ability to attract, train, motivate and retain key management and specialized personnel with the necessary skills and experience. There is no guarantee that we will be successful in retaining and attracting key personnel and the replacement of any key personnel who were to leave could be difficult and time consuming. The loss of the experience and services of key personnel or the inability to recruit suitable replacements and additional staff could have a material adverse effect on our business, financial condition and results of operations.

We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in Argentina. Any violation thereunder could have a material adverse effect on our reputation and the results of our operation

We are subject to national and international anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations. Likewise, we are subject to certain restrictions and our relationship with certain non-cooperative countries. Edenor has internal processes and an Ethic and Compliance Code that are mandatory for all its personnel and suppliers. However, no assurance can be given that such policies and processes are sufficient to prevent or detect fraud, violation of the law or inappropriate behavior from our employees, directors, officers, shareholders, agents and suppliers.

We are involved in various legal proceedings which could result in unfavorable decisions for us, which could in turn have a material adverse effect on our financial position and results of operations

We are party to a number of legal proceedings, some of which have been pending for several years. We cannot be certain that these claims will be resolved in our favor and responding to the demands of litigation may divert our management's time and attention and our financial resources and unfavorable decisions may have a material adverse effect on our financial position and results of operations. See "Item 8. Financial Information–Legal and Administrative Proceedings–Legal Proceedings."

In the event of an accident or other event not covered by our insurance, we could face significant losses that could materially adversely affect our business and results of operations

As of December 31, 2023, our physical assets were insured for up to U.S.\$1,816 million. However, we do not carry insurance coverage for losses caused by our network or business interruption, including for loss of our concession. See "Item 4. Information on the Company–Business Overview–Insurance." Although we believe our insurance coverage is commensurate with standards for the distribution industry, no assurance can be given of the existence or sufficiency of risk coverage for any particular risk or loss. If an accident or other event occurs that is not covered by our current insurance policies, we may experience material losses or have to disburse significant amounts from our own funds, which may have a material adverse effect on our financial condition and results of operations and the market value of our Class B common shares and ADSs.

We currently are not able to effectively hedge our currency risk in full and, as a result, a devaluation of the Peso may have a material adverse effect on our results of operations and financial condition

Our revenues are collected in Pesos pursuant to tariffs that are not indexed to the U.S. dollar, while a significant portion of our existing financial indebtedness is denominated in U.S. dollars, which exposes us to the risk of loss from devaluation of the Peso. We currently seek to hedge this risk in part by converting a portion of our excess cash denominated in Pesos into local U.S. dollar-denominated instruments such as local government bonds, but we continue to have substantial exposure to the U.S. dollar. The Argentine Government does not allow companies, including us, to access the market to acquire U.S. dollars to hedge our financial position. If we continue to be unable to effectively hedge all or a significant portion of our currency risk exposure, a devaluation of the Peso may significantly increase our debt service burden, which, in turn, may have a material adverse effect on our financial condition and results of operations, as well as our ability to repay our debts.

A substantial number of our assets are not subject to attachment or foreclosure and the enforcement of judgments obtained against us by our shareholders may be substantially limited

A substantial number of our assets are essential to the public service we provide. Under Argentine law, as interpreted by the Argentine courts, assets which are essential to the provision of a public service are not subject to attachment or foreclosure, whether as a guarantee for an ongoing legal action or in aid of enforcement of a court judgment. Accordingly, the enforcement of judgments obtained against us by our shareholders may be substantially limited to the extent our shareholders seek to attach those assets to obtain payment on their judgment.

The exclusivity of electricity distribution in our service area may be adversely affected by technological or other changes in the energy distribution industry, which could have a material adverse effect on our business.

Although our concession grants us the exclusive right to distribute electric energy within our service area, this exclusivity may be revoked in whole or in part if technological developments make it possible for energy distribution to evolve from its current condition of natural monopoly to a competitive business. In no event does the total or partial revocation of our exclusive distribution rights entitle us to claim or obtain reimbursement or indemnification. Although, to our knowledge, there are no current projects to introduce new technologies in the medium or long term that could reasonably modify the composition of the electricity distribution business, we cannot assure you that future developments will not allow competition in our sector that would adversely affect the exclusivity right granted to us under our concession. Any total or partial loss of our exclusive right to distribute electricity within our service area would likely lead to increased competition and result in lower revenues, which could have a material adverse effect on our financial condition, our results of operations and the market value of our Class B shares and our ADSs.

We may not be able to raise the funds necessary to repay our commercial debt with CAMMESA, our major supplier

Pending obligations with the WEM for electrical energy purchases through 2019 have been fully compensated. However, as a result of (i) the enactment of the Productive Reactivation Law (in the framework of the public emergency), (ii) the subsequent instruction to the Company to refrain from applying, as from January 1, 2020, the Electricity Rate Schedules Maintenance Agreement entered into between the Company and the Argentine Government on September 19, 2019 (the “Electricity Rate Schedules Maintenance Agreement”); and (iii) the lack of approval by ENRE of new tariff that are sufficient to cover our actual incremental cost, the Company partially postponed during 2023 payments to CAMMESA.

On December 29, 2022, we reached into an agreement with the Argentine Government to cover our debt with CAMMESA as of August 2002 (the “2022 Agreement”). Under the 2022 Agreement, the Company recognized an accumulated debt as of August 31, 2022, of Ps. 57,159 million and the Argentine Government also recognized a credit in favor of the Company of Ps. 24,174 million, reduced the outstanding debt to Ps.32,985 million, which will be paid in 96 installments; a six-month grace period (ending in August 2023), and accrue interest at a rate equivalent to 50% of the interest rate applicable by the WEM (i.e. as of December 2022, 41.47% on an annual basis). Under the 2022 Agreement, the Company acknowledged and accepted to pay 100% of its commercial debt with CAMMESA since March 2023.

In addition, on July 28, 2023, a debt regularization plan agreement was signed in accordance with Section No. 89 of Law No. 27,701 and Resolution SE No. 56/2023, whereby the Company acknowledged owing the WEM Ps.26,388 million for the period between September 2022 and February 2023, debt that was converted to megawatt hours and which the Company undertook to pay in 96 consecutive monthly installments, which may be paid by offsetting credits for electricity consumption in popular neighborhoods in the Province of Buenos Aires.

As of December 31, 2023 and 2022, we accumulated a past due principal balance with CAMMESA of Ps.197,731 million and Ps.56,479 million, respectively. Likewise, under the 2022 Agreement we have a past due balance of Ps.121,224 million.

We may not have the ability to collect the amounts corresponding to the discounts of the Social Rate, the ceilings of the Social Rate and the bonuses for neighbourhood clubs, that must be financed by the Province of Buenos Aires and the Autonomous City of Buenos Aires

If we are not able to recover the revenue corresponding to the discounts applied pursuant to the Social Rate regime, the ceilings of the Social Rate and the bonuses for neighborhood clubs (or any other similar benefits), and/or if there is a significant lag of time between the time we incur the incremental costs and when we receive the amounts related to these concepts, we may suffer liquidity shortfalls, any of which, individually or in the aggregate, could have a material adverse effect on our business and results of operations.

All of our outstanding financial indebtedness contains bankruptcy, reorganization proceedings and expropriation events of default, and we may be required to repay all of our outstanding debt upon occurrence of any such events

As of the date of this annual report, our outstanding financial debt includes the following: (i) U.S.\$ 27.2 million Senior Notes Class No. 2 due 2024 (the “Senior Notes Class 2”); (ii) U.S.\$55.2 million Senior Notes Class No. 1 due 2025 (the “Senior Notes Class 1”), (iii) U.S.\$95,7 million Senior Notes Class No. 3 due 2026 (the “Senior Notes Class 3”); all of which accrue interest at a fixed nominal annual interest rate of 9.75%; and (iv) Ps. 24,398 million Senior Notes Class No. 4 due 2025 which accrue interest at BADLAR (Buenos Aires Interbank Deposit Rate) plus 300 pbs (the “Senior Notes Class 4”) (collectively referred hereto as the “Senior Notes”). Under our Senior Notes, certain expropriation and condemnation events with respect to us may constitute an event of default, which, if declared, could trigger the acceleration of our obligations under the notes and require us to immediately repay all such accelerated debt. In addition, all of our outstanding financial indebtedness contains certain events of default related to bankruptcy and voluntary reorganization proceeding. If we are not able to comply with certain payment obligations as a result of our current financial situation and if the requirements set forth in the Argentine Bankruptcy Law No. 24,522 are met, any creditor, or even us, could file for our bankruptcy, or we could file for a voluntary reorganization proceeding. In addition, all of our outstanding financial indebtedness also contains cross-default provisions or cross-acceleration provisions that could cause all of our debt to be accelerated if the debt containing expropriation or bankruptcy and/or reorganization proceeding events of default goes into default or is accelerated. In such a case, we would expect to actively pursue formal waivers from the corresponding financial creditors to avoid such potential situation, but in case those waivers are not timely obtained and immediate repayment is required, we could face short-term liquidity problems, which could adversely affect our results of operations and cause the market value of our ADSs and Class B common shares to decline.

We may not have the ability to raise the funds necessary to finance a change of control offering as required by our Senior Notes

Under the terms of Senior Notes, in the event of a change of control, we must offer to repurchase any and all outstanding Notes at a purchase price equal to 100% of the aggregate principal amount of such Notes, plus accrued and unpaid interest thereon and additional amounts, if any, through the date of purchase. We may not have sufficient funds to make the required repurchases of our Senior Notes in the event of a change of control. If we fail to make the change of control offer, that could constitute an event of default under the terms and conditions of issuance, which in turn could trigger cross-default provisions under the terms of issuance of other debt instruments from time to time outstanding, whereby the results of operations could be adversely affected and the market value of our ADSs and Class B common stock could decline.

The New York Stock Exchange and/or BYMA may suspend trading and/or delist our ADSs and Class B common shares, upon the occurrence of certain events relating to our financial situation

The New York Stock Exchange (“NYSE”) and/or the Argentine stock exchange and markets (*Bolsas y Mercados Argentinos S.A.* or “BYMA”) may suspend and/or cancel the listing of our ADSs and Class B common shares, respectively, in certain circumstances, including upon the occurrence of certain events relating to our financial situation. For example, the NYSE may decide such suspension or cancellation if our shareholders’ equity becomes negative.

The NYSE may in its sole discretion determine on an individual basis the suitability for continued listing of an issue in the light of all pertinent facts. Some of the factors mentioned in the NYSE Listed Company Manual, which may subject a company to suspension and delisting procedures, include: “unsatisfactory financial conditions and/or operating results”, “inability to meet current debt obligations or to adequately finance operations,” and “any other event or condition which may exist or occur that makes further dealings or listing of the securities on the NYSE inadvisable or unwarranted in the opinion of NYSE.”

The BYMA may cancel the listing of our Class B common shares if it determines that our shareholders’ equity and our financial and economic situation do not justify our access to the stock market or if the NYSE cancels the listing of our ADSs.

We cannot assure you that the NYSE and/or the BYMA will not commence any suspension or delisting procedures in light of our financial situation, including if our shareholders’ equity becomes negative. A delisting or suspension of trading of our ADSs or Class B common shares by the NYSE and/or the BYMA, respectively, could adversely affect our results of operations and financial conditions and cause the market value of our ADSs and Class B common shares to decline.

Cybersecurity events, such as interruptions or failures in our information technology systems as well as cyber-attacks, could adversely affect our business, financial condition, results of operations and cash flows

We depend on the efficient and uninterrupted operation of internet-based data processing communication and information exchange platforms and networks, including administrative and business-related systems (such as Supervisory Control and Data Acquisition (“SCADA”) and DCS Software, Inc. (“DCS”). Cybersecurity risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. Through part of our grid and other initiatives, we have increasingly connected equipment and systems to the internet. Due to the critical nature of our infrastructure and the increased accessibility enabled through connection to the internet, we may face a heightened risk of cybersecurity incidents such as computer break-ins, phishing, identity theft and other disruptions that could negatively affect the security of information stored in and transmitted through our computer systems and network infrastructure. In the event of a failure of any of our information technology systems or a cyber-attack, we could have our business operations disrupted, property damaged, and user information stolen; experience substantial loss of revenues, response costs and other financial loss; and be subject to increased regulation, litigation and damage to our reputation. It should be mentioned that contingency plans in place may not be sufficient to cover liabilities associated with any such events and therefore, applicable insurance coverage may be deemed inadequate, preventing us from receiving full compensation for the losses sustained as a result of such a disruption. Although we intend to continue to implement security technology devices and establish operational procedures (such as, our Disaster Recovery Plan, which aims to respond and recover business’ core applications in the event of serious incidents) to prevent disruption resulting from, and counteract the negative effects of cybersecurity incidents within the next three years, it is possible that not all of our current and future systems are or will be entirely free from vulnerability and these security measures will not be successful.

As of the date of this annual report, we have not identified any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, operations results, or financial condition. However, we cannot eliminate all cybersecurity risks or provide assurances that we have not experienced an undetected cybersecurity incident in the past or that we will not experience one in the future. Any significant disruption to our service or access to our systems could result in revenue loss, legal actions, regulatory penalties, reputational harm, among other consequences. Accordingly, cybersecurity is an important risk for us and a cyber-attack could adversely affect our business, results of operations and financial condition. For more information see “Item 16 K. Cybersecurity”.

Risks relating to our ADSs and Class B common shares

Restrictions on the movement of capital out of Argentina may impair the ability of holders of ADSs to receive dividends and distributions on, and the proceeds of any sale of, the Class B common shares underlying the ADSs, which could affect the market value of the ADSs

The Argentine Government has adopted restrictions on the conversion of Argentine currency into foreign currencies and on the remittance to foreign investors of proceeds from their investments in Argentina. Conversion of dividends, distributions, or the proceeds from any sale of shares from Pesos into U.S. dollars, as well as the transfer of those funds abroad is limited. See “Item 10. Additional Information—Exchange Controls”. Future restrictions on foreign exchange market access, other than those already imposed, may affect even more the conversion of dividends, distributions, or the proceeds from any sale of shares, as the case may be, from Pesos into U.S. dollars and the remittance of such U.S. dollars abroad. Also, certain of our indebtedness includes covenants limiting the payment of dividends. We cannot assure you that the Argentine Government will not take new measures or deepen those already established in the future. The depositary for the ADSs may hold the Pesos it cannot otherwise convert for the account of the ADS holders who have not been paid. Any future adoption by the Argentine Government of constraints on the movement of capital out of Argentina may deepen the restrictions on the ability of our foreign shareholders and holders of ADSs to obtain the full value of their shares and ADSs, and may adversely affect the market value of our Class B common shares and ADSs.

Our shareholders’ ability to receive cash dividends may be limited

According to current regulations, transfer of funds abroad in order to pay dividends does not require Central Bank approval, to the extent such dividend payments are made in compliance with the requirements set forth under Central Bank (see “Item 10—Additional Information—Exchange Controls”). Our shareholders’ ability to receive cash dividends may be limited by the ability of the depositary to convert cash dividends paid in Pesos into U.S. dollars. Under the terms of our deposit agreement with the depositary for the ADSs, the depositary will convert any cash dividend or other cash distribution we pay on the common shares underlying the ADSs into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If this conversion is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. If the exchange rate fluctuates significantly during a time when the depositary cannot convert the foreign currency, shareholders may lose some or all of the value of the dividend distribution. Additionally, any payment of dividends may need to be approved by ENRE. We cannot assure you that your ability to receive dividends, as an ADSs holder, will not be affected due to current or future regulations, and that the Argentine Government will not adopt new measures or deepen those already implemented, which could result in more restrictions on the access to the foreign exchange market.

Holders of ADSs may be unable to exercise voting rights with respect to the Class B common shares underlying the ADSs at our shareholders' meetings

Shares underlying the ADSs are held by the depositary in the name of the holder of the ADS. As such, we will not treat holders of ADSs as one of our shareholders and, therefore, holders of ADSs will not have shareholder rights. The depositary will be the holder of the Class B common shares underlying the ADSs and holders may exercise voting rights with respect to the Class B common shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. There are no provisions under Argentine law or under our by-laws that limit the exercise by ADS holders of their voting rights through the depositary with respect to the underlying Class B common shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. For example, holders of our Class B common shares will receive notice of shareholders' meetings through publication of a notice in an official gazette in Argentina, an Argentine newspaper of general circulation and the daily bulletin of the Buenos Aires Stock Exchange ("BASE"), and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders, by comparison, do not receive notice directly from us. Instead, in accordance with the deposit agreement, we provide the notice to the depositary. If we ask it to do so, the depositary will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which instructions may be given by holders. To exercise their voting rights, ADS holders must then instruct the depositary as to voting the Class B common shares represented by their ADSs. Due to these procedural steps involving the depositary, the process for exercising voting rights may take longer for ADS holders than for holders of Class B common shares and Class B common shares represented by ADSs may not be voted as the holders of ADSs desire. Class B common shares represented by ADSs for which the depositary fails to receive timely voting instructions may, if requested by us, be voted at the corresponding meeting either in favor of the proposal of the Board of Directors or, in the absence of such a proposal, in accordance with the majority.

Our shareholders may be subject to liability for certain votes of their securities

Because we are a limited liability corporation, our shareholders are not liable for our obligations. Shareholders are generally liable only for the payment of the shares they subscribe. However, shareholders who have a conflict of interest with us and who do not abstain from voting at the respective shareholders' meeting may be liable for damages to us, but only if the transaction would not have been approved without such shareholders' votes. Furthermore, shareholders who willfully or negligently vote in favor of a resolution that is subsequently declared void by a court as contrary to the law or our by-laws may be held jointly and severally liable for damages to us or to other third parties, including other shareholders.

A potential nationalization or expropriation of 51% of our capital stock, represented by Class A shares, may limit the ability of Class B shares to participate in the Board of Directors.

As of the date of this annual report, ANSES owned shares representing 26.8% of our capital stock and jointly appointed five Class B and five Class C directors at our last shareholders' meeting. The remaining directors were appointed by Class A shares.

If the Argentine Government was to expropriate 51% of our capital stock, represented by our Class A shares, the Argentine Government would be the sole holder of the Class A shares and ANSES would hold the majority of the Class B shares. Certain strategic transactions require the approval of the holders of the Class A shares. Accordingly, the Argentine Government and ANSES could determine substantially all matters requiring the approval of a majority of our stockholders, including the election of a majority of our directors, and could direct our operations.

If the Argentine Government nationalizes or expropriates 51% of our capital stock, as represented by the Class A shares, our results and financial condition could be adversely affected and this could cause the market value of our ADSs and Class B shares to decline.

If we fail to maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud and investor confidence and the market price of our shares and ADSs may be adversely impacted.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to provide reasonable assurance of achieving the control objectives. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. If in the future we identify any material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or, if and when applicable, our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the market price of our shares and ADSs.

Provisions of Argentine securities laws could deter takeover attempts and have an adverse impact on the price of our shares and ADSs

Argentine securities Law No. 26,831 contains provisions that may discourage, delay or make more difficult a change in control of our Company, such as the requirement, upon the acquisition of a controlling interest in of our capital stock, to launch a mandatory tender offer to acquire all our voting stock and any securities convertible into, or entitling the holder thereof to subscribe for or acquire, any voting shares in our capital stock. These provisions may affect the market value of our shares and ADSs.