

Annual Report, Financial Statements and Informative Summary

Together with the Auditor and
the Supervisory Committee's Reports



AS OF DECEMBER 31, 2020 AND 2019

edenor[•]

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Appendix I – Corporate governance report

LETTER FROM THE CHAIRMAN

To the Shareholders:

I hereby submit for your consideration the Annual Report, the Financial Statements and other documentation relating to the fiscal year ended December 31, 2020, which the Board of Directors sends for its discussion to the Company's Annual General Meeting. The referred to documentation reflects the Company's performance in its twenty-eighth fiscal year.

The year that ended December 31, 2020 will be unforgettable for all of us. On this occasion, I am not referring to our country's macroeconomic instabilities, which continued to occur, or the regulatory shifts that have affected our activity for the last 20 years, which also continued to occur, but rather to the global pandemic caused by the COVID-19 virus. The pandemic has led us to face, both as a society and as a Company, an unprecedented situation with no easy solutions and which will leave a mark on the Company, which will surely define the near, and, in March 2021, still uncertain future, significantly.

Less than one month had elapsed since the approval by the Board of Directors of the 2019 financial statements when the mandatory lockdown was implemented. By the end of February, envisioning this situation, we set up a Crisis Committee, with the participation of renowned experts to help us with epidemiological issues, and prepared to face the sanitary and operational scourge.

We began by defining a service continuity plan, incorporating several measures and protocols that took into account the new aspects related to our people's health and safety. The essential nature of our service implied the continuity of on-site work for more than 2,700 employees and an acceleration in virtualization processes so that more than 1,700 people could work from home, including the closure of 25 commercial offices, the immediate activation of the backup control center in the event of infection, generation of permanent communication channels with our people, contractors and customers, and innumerable anecdotes and situations to resolve.

This health emergency context accelerated the digital transformation process initiated in 2018. Although the Company already had robust and proven systems in place as a result of years of sustained investment, 2020 put them to test and triggered their widespread use in all the Company's processes. This implied increasing the systems' processing capacity by 50% to not only support the growth of digital interactions but also strengthen cybersecurity-related aspects.

I would also like to highlight the company's commitment to contributing to the fight against the COVID-19 through a number of actions aimed at cooperating with the community and the authorities. On the one hand, we contributed through different works to the management of the COVID situation in hospitals and care centers of our concession area, such as the Dr. René Favaloro Hospital (La Matanza), Austral University Hospital (Pilar) -which implied the carrying out of works in record time– by providing electricity supply and technical equipment. It also involved donating transformers and the laying of low-voltage lines to hospitals of the Municipalities of Tigre, Moreno, Tres de Febrero, and Hurlingham. Furthermore, we donated two mobile units to function as laboratories for the early detection and prevention of COVID-19. On the other hand, we supported the scientific community and its research by strengthening its technical capabilities through donations to the IBYME-Conicet, University of San Martín, Fleni and CEMIC.

Additionally, and applying all the necessary protocols to take care of our personnel, we continued developing our activities, among which the following stand out: renewal of 4,200 medium-voltage and 51,000 low-voltage columns, pruning of more than 150,000 trees, meter inspections of nearly 1.4 million customers, 671 thousand of which were normalized after the detection of fraud and anomalies that directly impact our billing, and the carrying out of inspections to 100% of T2 and T3 Customers. Pursuant to the requirements of the law for customers who are dependent on electricity for medical reasons, we created the Diagnosis Center, through which we monitored the 2,500 registered customers.

From the regulatory point of view, as we noted in our letter of 2019, all the uncertainties about the transfer of jurisdiction were finally resolved with the annulment of the entire process - and therefore, the company's definitive return to the federal jurisdiction under the ENRE's authority-, and the future creation of a Tripartite Agency comprised of the Federal Government, the Province of Buenos Aires and the City of Buenos Aires.

Returning to the topic of the new regulatory developments, it is important to point out that on September 19, 2019, the Company had agreed with the Energy Government Secretariat to maintain, during the six-month period commenced on August 1, 2019, the electricity rate schedule that was in effect prior to the commencement of such period for all electricity rate categories. It had also been agreed that such deferral of revenue would be recovered by the Company in seven monthly installments as from January 1, 2020. However, on December 23, 2019, Law No. 27,541 on Social Solidarity and Production Reactivation was enacted, which provided for a new freeze on rates for an initial period of up to 180 days, period which has been successively extended most recently until March 31, 2021. As a result of these measures, edenor's electricity rates have not been adjusted since February 2019 –adjustment which included inflation until December 2018– with two years having elapsed without recognizing the increases in distribution costs, even when inflation in 2019 was the highest annual rate since 1991 and that in 2020 surpassed an additional 36%. Although the government has expressed its intention to begin to adjust rates from March 2021, as of to date, we are not certain that this will happen and if it actually occurs, how such adjustment would finally affect the Company's revenue.

While we are well aware of the economic situation that led to the declaration of the state of emergency in energy matters, both in the country and in the Province of Buenos Aires, it is our obligation to warn about the need to find, as soon as possible, a solution that will allow for the compliance with this Distributor's obligations and rights within the applicable regulatory framework in pursuit of the objectives declared by the national authorities, but ensuring the sustainability of the public service, object of the concession, with any subsidies from the public coffers being granted only to help those who need them. As always, we are at the disposal of the authorities to discuss ideas and projects aimed at improving this distribution.

We also understand social concerns about the level of electricity rates. In this regard, I believe that it is important to highlight that, at the date of this Annual Report, 82% of edenor's customers pay a bill that, on average, and including taxes, is below ARS 850, an amount that has not changed for the last two years and that is not only one of the lowest in the country but also much lower than the amount paid for services with almost the same penetration in households such as cable TV or mobile telephony and Internet.

We believe that a definitive solution should also be found to deal with the payment of the consumption of the vulnerable neighborhoods and shantytowns for which today no one takes responsibility. Nevertheless, it is noteworthy that the Federal Government has assumed the debts accumulated by the Province of Buenos Aires from 2017 to the end of fiscal year 2020, having been agreed that the amounts owed, which total ARS 2,600 million, will be allocated to an investment plan for the improvement of the network, to be carried out throughout 2021 and 2022.

Another important aspect regarding our level of revenues is related to the fall in demand recorded in recent years. The electricity rates should recognize the operating costs of an efficient company, the depreciation, and a reasonable profitability over the network's value, and are fixed by the regulator taking into account the expected demand for the tariff period. Although electricity sales grew 1% in 2020, they are approximately 20% lower than the estimated demand for this same year when the Tariff Structure Review was carried out in 2016, estimate which served as the basis for determining the electricity rates applicable to the entire five-year period.

A distinguishing feature of 2020 is the significant increase in delinquent payments due to the difficulties experienced by many customers during the year, which we expect will begin to normalize as economic activity recovers. Despite the freeze on rates for the last two years, due to the health situation, residential consumption has increased on average by 11.3% and could have affected some customers' ability to pay.

However, while the demand for electricity, as we have said, has decreased in recent years, the maximum demand for power continues to increase year after year, with the new record demand for power amounting to 5,248 MW in February 2021. This situation requires that the planned investments be carried out without delay, making it imperative that the Distributor's economic and financial equation be restored and given predictability, so much so that in 2020 alone we put into service another 475 MVA of power to increase our network's installed capacity. Among the significant works carried out we can mention the incorporation of 235 MVA capacitor banks in 220 kV busbars of Rodriguez substation that improve both the security conditions in energy supply and the security of all the AMBA's system; and the putting into service of the new "Jose C. Paz", "Libertad" and "El Cruce" substations, adding power and reliability to the network. In order to put those substations into service, the construction of 17.6 km of new high-voltage electrical transmission lines, in addition to the renewal and adjustment of 6.6 km of other electrical transmission lines, was necessary. The investments made in the 2020 period also include the expansion of the medium-voltage and low-voltage networks by 290 km and 276 km, respectively, together with the installation of 253 distribution transformers and the incorporation of 482 new medium-voltage network "remotely controlled" switchgear pieces of equipment.

All the investments made are an essential part of the support to the continuous improvement of the Service and Product Quality, which can be reflected in the reduction of both average frequency (SAIFI) and average duration (SAIDI) indicators.

Finally, with regard to our revenues, we cannot fail to mention the permanent increase of electricity theft. In trying to solve this problem, we incorporated new customers through the installation of "MIDE" (Energy Integrated Meter) meters program, which allows customers with irregular income to adapt their electricity purchases to their income as well as to improve their consumption administration. Additionally, we are already managing 31,000 of these meters remotely, through concentrators. Despite the implementation of these measures, the theft of electricity continues to be an immense challenge for the Company. In spite of some detected cases of very noticeable fraud, 349 pre-court agreements, 125 criminal complaints filed and 42 arrests made by the security forces, an enormous effort of all the staff, a new energy balance system and the development of micro-balances in gated communities, we have not been able to reduce non-technical losses. This being the case, they remained at high levels amounting to 19.6%, despite the different actions implemented to tackle them and a winter season with normal average temperatures, but with a noticeable fall in the consumption of large users in 2019 and 2020, affecting such ratio.

As I previously stated, investment requirements cannot be delayed if we want to continue moving along the path of service quality improvement we have followed since 2014. We are very proud of having reduced the average duration of power cuts per customer by 63% and their frequency by more than 51% since we embarked on that path, over-complying with the demanding path defined by the RTI. To achieve this, in edenor, we have continued to invest the totality of the available funds as no dividends have been distributed by the Company since 2001. The year's investments, though lower than those of prior years due to the effect of the sanitary measures, meant a considerable effort on the company's part in our present reality. In 2020 we achieved 99.82% network availability, the best record of the last 10 years and without a doubt one of the best in the country.

With reference to our relationship with customers, we may conclude that 2020 was the year of edenordigital. The restrictions of the ASPO (Mandatory and Preventive Social Isolation), the communication campaigns we made, and the user-friendliness of our app made it possible that 1 out of 2 residential customers made use of edenordigital by the end of this fiscal year. This migration to the digitization process places us at the forefront of public utility companies. Today, edenordigital is for many companies a model of how to interact with customers, both to manage their claims and to inform about commercial and technical matters.

We launched several initiatives to reduce service restoration times, which helped consolidate this path of improvement, among them the relocation of operational centers, the implementation of systems that allow us to take advantage of outages to carry out the necessary adjustments, the use of forecasting tools for maintenance activities, the implementation of tree pruning programs in HV and MV lines, the keeping in service of 700 high-voltage circuit breakers, the incorporation of more live-line working teams to decrease the need for power cuts to perform maintenance tasks and new works, and the putting into service of more than 2,350 remote control points and nearly 4,900 remote supervision points in our entire network, which resulted in 30% of medium-voltage switching operations being controlled remotely.

This ambitious investment plan and the sustained improvements in our management activities allowed us to achieve the best customer satisfaction index of the last 8 years. The result obtained in such index, which stood at 82.1%, constitutes an achievement of each and every member of edenor and a recognition of this effort by our customers.

I would also like to refer to the loss for the year, which amounts to ARS 17,698 million, and includes an ARS 9,766 million gain on the "Result of exposure to the changes in the purchasing power of the currency" (RECPAM) and an ARS 12,178 million loss (after tax) on the impairment of Property, plant and equipment, as a consequence of the previously mentioned regulatory situation that impact the cash flows projection used by the Company. The operating result, before the effect of the impairment of assets, decreased by ARS 9,142 million, from a profit of ARS 6,465 million in 2019 to a loss of ARS 2,676 million in 2020, due mainly to the freeze on electricity rates that does not allow for the offsetting of the increase in costs owing to inflation and the higher uncollectibility charge as a consequence of the significant increase in delinquent payments. These effects could not be offset in spite of a rational management of costs, which together with the lack of access to the financial market, led the Company, as a measure of last resort, to partially postpone payments to CAMMESA for the energy acquired in the MEM as from the maturity taking place in March. We expect that this emergency situation will be promptly rectified in order that we can honor our debts as we have always done when the regulatory framework is complied with.

The electricity distribution service involves us all, is essential for our daily lives and has enormous challenges lying ahead. We must improve it, achieve universal access and make electricity available to enable the planning of investments, thereby contributing to the development and growth of employment that will lead to a more fair society for everyone. To our customers, we would like to ratify each and every member of edenor's undertaking to make every effort to, on a daily basis, provide a better service, which is the essence of our mission.

Finally, I would like to express my recognition to the entire edenor team for its professionalism, effort and cooperation in the development of operation and support tasks that allowed us to successfully meet the demand and the many new challenges taken up during such a particular and challenging year, and to the Board of Directors and Supervisory Committee's members as well for always accompanying us along this path in a proactive manner.

Although the recently announced transfer of the Company's shares has not yet been approved by the regulatory authorities, I would like to take this opportunity to thank the current shareholders for the years of support to the Company management that allowed for investment levels never achieved before in the history of edenor, surpassing USD 1,700 million since 2014, with the consequent improvement in the quality of the service while the number of customers and the demand for electricity continued to grow considerably, and without receiving dividends for almost 20 years. I would like to wish the new shareholders and all the members of edenor every success in this new stage.

Finally, I would like to express my gratitude to all the Company members for their commitment and effort during the nearly 10 years I have had the honor and pleasure of being the chairman of the Company. It was a period full of learning experiences and achievements, the memories of which I will cherish forever. At the end of 2020 we can be proud that we have achieved the best service quality indexes, our customers' highest satisfaction and the best commitment and internal climate index since we began conducting surveys. Therefore, I invite you to continue making every effort to make edenor a better company every day, and in so doing contribute to the realization of our customers' and employees' personal aspirations, and the development of the communities in which we serve and for which we devote all our efforts and experience 24 hours a day, 365 days a year to continue improving.

Ricardo Torres
Chairman

GLOSSARY

ADR	American Depositary Receipt
ASPO	Mandatory and Preventive Social Isolation
AT	High voltage
BCRA	Central Bank of Argentina
BT	Low voltage
BUSHING	Transformer terminals
ByMA	Bolsas y Mercados Argentinos (Buenos Aires Stock Exchange)
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico (the company in charge of the regulation and operation of the wholesale electricity market)
CIF	Cost Insurance and Freight
CNV	National Securities Commission
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPD	Company's Own Distribution Cost
edenor	Empresa Distribuidora y Comercializadora Norte S.A.
E FACTOR	Stimulus Factor
ENRE	National Regulatory Authority for the Distribution of Electricity
FOB	Free on Board
GWh	Gigawatt hour
IMF	International Monetary Fund
INDEC	National institute of Statistics and Census
IRAM	Argentine Standardization and Certification Institute
ITF	Tax on financial transactions
IVR	Interactive Voice Response
kV - V	Kilovolt - Volt
kW	Kilowatt
LEBAC	Central Bank bills
LLW	Live-Line Working
LNG	Liquid Natural Gas
MEM	Wholesale Electricity Market
MERVAL	Mercado de Valores de Buenos Aires (Buenos Aires Securities Market)
MIDE	Energy Integrated Meter
MINEM	Energy and Mining Ministry
MSCI	Morgan Stanley Capital International
MT	Medium voltage
MULCON	Multiple Concentric
MVA	Megavolt-ampere
MW	Megawatt
MWh	Megawatt-hour
NYSE	New York Stock Exchange
PESA	Pampa Energía S.A.
ROLL-OVER	Risk associated with debt maturity mismatches and with the refinancing of debt
RTI	Tariff Structure Review
SAD	On-site Customer Service
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SEC	Securities and Exchange Commission
SEE	Electric Power Secretariat
SOX	Sarbanes-Oxley Act
RRRyME	Renewable Resources and Electricity Market Secretariat
TAM	Mobile Annual Rate

CHAPTER 01

Relevant data



ANNUAL REPORT 2020

CORPORATE PURPOSE AND CONCESSION AREA

edenor's corporate purpose is to provide electricity distribution and sale services within the concession area and under the terms of the concession agreement, as well as to invest in other electricity distribution companies and render consulting and advisory services related to its business.

The electricity distribution and sale service is provided on an exclusive basis to all the customers connected to the network within the area comprised of the following:

Region I: City of Buenos Aires, the area encompassing Dock "D", unnamed street, path of the Autopista Costera (coastline highway), extension of Pueyrredón Ave., Córdoba Ave., Ferrocarril San Martín railway tracks, General San Martín Ave., Zamudio, Tinogasta, General Paz Ave. and Río de La Plata river, and Province of Buenos Aires, the districts of San Martín, Tres de Febrero, San Isidro and Vicente López.

Region II: Province of Buenos Aires, the districts of Morón, Ituzaingó, Hurlingham, Merlo, Marcos Paz, Las Heras and La Matanza.

Region III: Province of Buenos Aires, the districts of San Fernando, Tigre, Escobar, Malvinas Argentinas, San Miguel, José C. Paz, Pilar, Moreno and General Rodríguez.



OUR SHAREHOLDERS

The share capital of **edenor** is represented by a total of 906,455,100 common, registered, non-endorsable shares, with a par value of ARS 1 each and the right to one vote per share, divided into three classes: the class “A” shares owned by the Controlling Group, the class “B” free float shares held by the market, and the class “C” shares that remain from the Employee Stock Ownership Program (ESOP).

The ownership of the Company’s common shares as of December 31, 2020 is as follows:

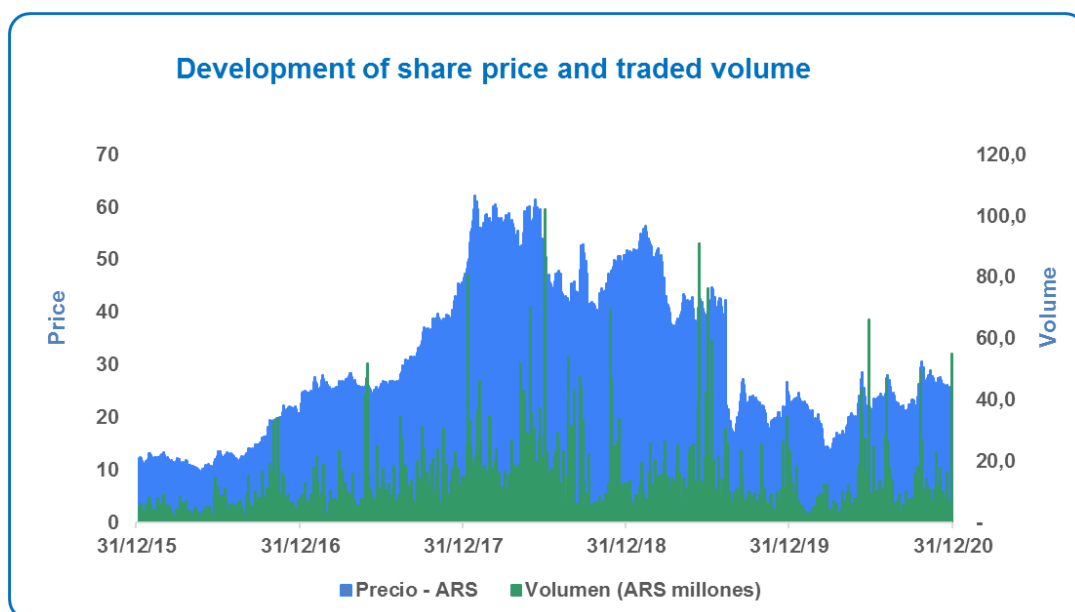


Stock performance

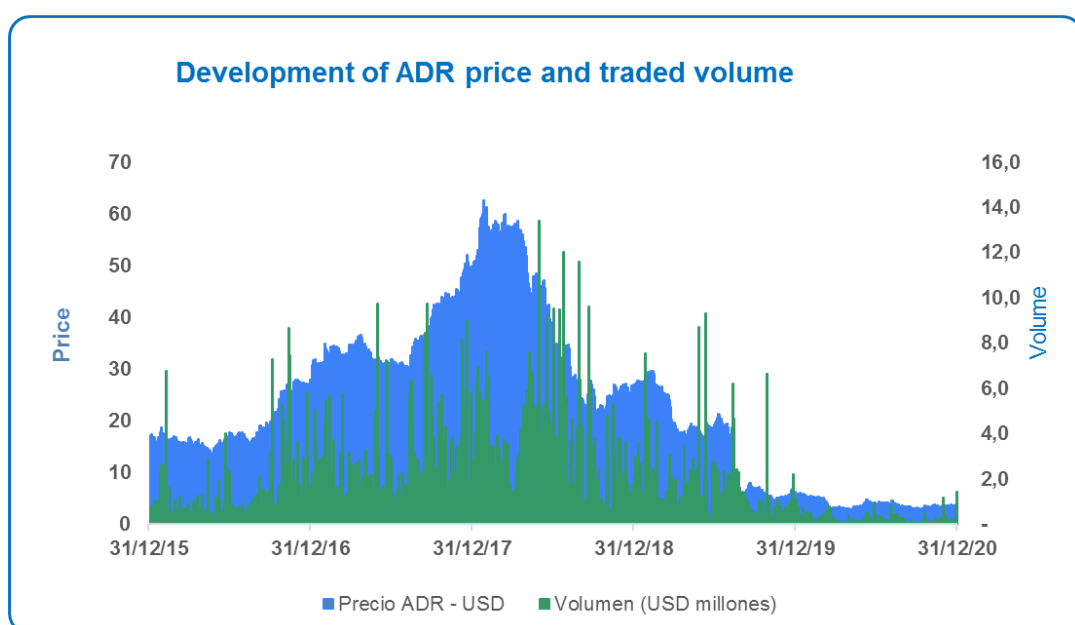
edenor is listed on ByMA, being one of the Argentine companies comprising the S&P Merval index [with a weighting of 0.55% as of December 31, 2020]. Furthermore, it has a Level-II ADR program in place, allowed to be listed on the NYSE, with each ADR representing 20 common shares.

Additionally, since December 2018, **edenor** is included in the Sustainability Index developed by ByMA and the Inter-American Development Bank that seeks to identify and recognize the leading companies in Environmental, Social, Sustainable Development and Corporate Governance matters among those listed on ByMA.

The following chart shows the development of **edenor**'s share price and volume traded on ByMA over the last five years:



The following chart shows the development of **edenor**'s ADR price and volume traded on the NYSE over the last 5 years:



CHAPTER 02

Managing and supervisory boards



BOARD OF DIRECTORS

The business of **edenor** is managed by the Board of Directors, which, in accordance with the Bylaws, is comprised of twelve directors and up to the same number of alternate directors, who hold office for a term of one year and are eligible for re-election. The holders of "Class A" common shares will be entitled to elect seven directors and seven alternate directors, whereas the holders of "Class B" and "Class C" common shares will be entitled to jointly appoint five directors and five alternate directors.

In turn, the Board of Directors delegates specific functions to an Executive Committee, which, as the Audit Committee, is comprised solely of regular Board members. As for the Audit Committee, it is entirely comprised of directors who qualify as independent.

The Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2020 appointed the members and alternate members of the Board of Directors for fiscal year 2020. Furthermore, the Board of Directors at the meeting held on May 11, 2020, subsequent to the Ordinary and Extraordinary Shareholders' Meeting, distributed the positions and approved the continuance of Mr. Ricardo Torres as chairman of the Board.

The Board of Directors' composition at the date of issuance of this Annual Report is as follows:

Name	Position	Class	Independence
Ricardo Torres	Chairman	Class A	Non-independent
Gustavo Mariani	Vice-Chairman	Class A	Non-independent
María Carolina Sigwald	Director	Class A	Non-independent
Diego Martin Salaverri	Director	Class A	Non-independent
Maria José Wuille Bille	Director	Class A	Independent
Carlos Perez Bello	Director	Class A	Independent
Carlos Alberto Iglesias	Director	Class A	Independent
Haroldo Arian Montagu	Director	Class B/C	Independent
Diego Leandro Rozengardt	Director	Class B/C	Independent
Juan Santiago Fraschina	Director	Class B/C	Independent
Federico Bernal	Director	Class B/C	Independent
Hernan Ferrera	Director	Class B/C	Independent
Leandro Montero	Alternate Director	Class A	Non-independent
Daniel Flaks	Alternate Director	Class A	Non-independent
Eduardo Abel Maggi	Alternate Director	Class A	Non-independent
Gerardo Ruben Tabakman	Alternate Director	Class A	Non-independent
Carlos Dionisio Ariosa	Alternate Director	Class A	Non-independent
Mariana de la Fuente	Alternate Director	Class A	Non-independent
Emilse Alejandra Juarez	Alternate Director	Class B/C	Independent
Maria Josefina Grosso	Alternate Director	Class B/C	Independent
Nicolas Sanvitale	Alternate Director	Class B/C	Independent
Martin Burgos Zeballos	Alternate Director	Class B/C	Independent
Benjamin Navarro	Alternate Director	Class B/C	Independent

In 2020, directors appointed by classes “B” and “C”, Alejandro Vanoli Long Biocca, Flavia Matilde Marrodan and Gonzalo Guilardes Deinert; alternate director appointed by classes “B” and “C”, Adriana Ávalos; and alternate directors appointed by Class “A” shareholders, Ariel Schapira and Mariano Batistella; all of whom had been appointed at the Ordinary and Extraordinary Shareholders’ Meeting held on April 28, 2020, tendered resignations, which were accepted by the Board of Directors at its different meetings.

On September 23, 2020, Mr. Gustavo Capatti requested a six-month leave of absence from his position as Director for the Class A due to personal reasons. Mr. Carlos Perez Bello, who had been duly appointed as Alternate Director by the same class of shareholders at the Ordinary and Extraordinary Shareholders’ Meeting held on April 28, 2020 and who, like Mr. Capatti, qualified as independent, accepted to take office in Mr. Capatti’s place. This was also recorded in the minutes of the Board of Directors meeting of October 30, 2020.

MANAGEMENT COMMITTEE

Detailed below is the list of **edenor**’s main executives.

Name	Position
Ricardo Torres	Chairman and Chief Executive Officer
Daniel Flaks	Technical Director
Eduardo Maggi	Operations Director
Gerardo Tabakman	Customer Service Director
Leandro Montero	Finance and Control Director
Luis Lenkiewicz	IT and Telecommunications Director
Mariana De La Fuente	Human Resources Director
Carlos Ariosia	Legal Affairs Manager

SUPERVISORY COMMITTEE

edenor has a Supervisory Committee in place, which is responsible for overseeing compliance with the Bylaws, the shareholders’ resolutions and the applicable laws. Furthermore, and without prejudice to the function developed by the External Auditor, the Supervisory Committee must submit to the Annual General Meeting a written report on the reasonableness of the information included in the Annual Report and the Financial Statements submitted by the Board of Directors.

In accordance with the Bylaws, the Supervisory Committee is comprised of three members and up to three alternate members elected by the shareholders at an Ordinary Shareholders’ Meeting for a term of one year and the right to reelection. The holders of “Class A” common shares will be entitled to elect two members and two alternate members. The holders of “Class B” and “Class C” common shares will be entitled to jointly appoint one member and one alternate member.

The Ordinary and Extraordinary Shareholders' Meeting held on April 28, 2020 appointed the members and alternate members of the Supervisory Committee for fiscal year 2020. The composition of the Supervisory Committee at the date of issuance of this Annual Report is as follows:

Name	Position	Class
Daniel Abelovich	President	A
Germán Wetzler Malbrán	Member	A
Jorge Roberto Pardo	Member	B/C
Martin Fernandez Dussaut	Alternate Member	A
Marcelo Fuxman	Alternate Member	A
Sandra Auditore	Alternate Member	B/C

AUDIT COMMITTEE

Pursuant to Law No. 26,831 on Capital Markets, all listed companies are required to have an Audit Committee comprised of at least three Board members, a majority of whom must be independent, in accordance with the criteria set forth by the CNV.

The members of the Audit Committee are appointed by the Board of Directors and elected from among Board members who have the highest level of experience in business, financial or accounting matters. In compliance with the SEC's regulations, an "Audit Committee financial expert" must be appointed from among the members of the Committee.

Due to Mr. Gustavo Jorge Capatti's leave of absence from his position as Director, the Board of Directors resolved at its meeting of October 1, 2020 to appoint Mr. Carlos Pérez Bello in Mr. Capatti's place, proposing as well that he be appointed as "Financial Expert" given his technical skills and qualifications.

Name	Independence	Class
Carlos Perez Bello ^[1]	Independent	A
Carlos Alberto Iglesias	Independent	A
Diego Leandro Rozengardt	Independent	B/C

[1] Appointed as Financial Expert at the meeting of October 1, 2020.

REMUNERATION POLICY

The total remuneration for the Board of Directors and the Supervisory Committee is fixed annually by the Annual General Meeting. For such purpose, the Board of Directors makes a proposal following the provisions of the Business Organizations Law and the CNV's regulations. Additionally, in accordance with the provisions of Law No. 26,831 on Capital Markets, the Board of Directors fee proposal is evaluated by the Audit Committee for the purposes of issuing an opinion on the reasonableness thereof.

Upon approval of the total remuneration by the Annual General Meeting, the Board of Directors, exercising the authority delegated by the Shareholders' Meeting, assigns the remuneration of each director.

Furthermore, it is the Shareholders' Meeting that has the authority to authorize the Board of Directors and/or the Executive Committee to pay directors and Supervisory Committee members advanced fees, subject to the approval of the Annual General Meeting that approves the financial statements for the fiscal year in question.

The remuneration policy for executive directors and managers provides for a fixed remuneration system related to both the level of responsibility required for the position and its competitiveness as compared to similar positions in the market; and a variable remuneration system associated with the business objectives and the degree of achievement of such objectives.

The Board of Directors has not appointed a Remuneration Committee, delegating to the Human Resources Department the approval of the general policy on the remuneration of employees, as well as the duty to propose options and subsequently implement the specific decisions and policies on these issues.

CHAPTER 03

Economic and social context



GENERAL CONTEXT

ECONOMIC ACTIVITY

As of the third quarter of 2020, the economic activity recorded a cumulative fall of 11.8% as compared to the same period of the previous year, due mainly to the COVID-19 impact, reducing private consumption, public consumption and investment by 14.6%, 5.4% and 22.3%, respectively.

The contraction in the activity reached 15 of the 16 economic sectors, with hotels and restaurants (-47.6%), construction (-32.1%), transport and communications (-16.5%), manufacturing industry (-11.0%), and wholesale, retail trade and repairs (-8.5%) being the most affected ones. These falls were partially offset by net exports as of the third quarter of 2020, in contrast with net imports of 2019, due mainly to the sharp fall recorded in imports since the lockdown.

DEVELOPMENT OF PRICES

With regard to the development of prices, in 2020, the Cost-of-Living Index published by the INDEC showed a variation of 36.1%. The greatest variations were recorded in the clothing and footwear (+60.0%), recreation and culture (+48.0%), and food and non-alcoholic beverages (+42.1%) categories. The categories affected to a lesser extent were communications (+7.6%), housing, water, electricity and other fuels (+17.6%), and education (+20.1%). As for wages, measured by the Permanent Workers' Average Taxable Remuneration (*Remuneración Imponible Promedio de los Trabajadores Estables* - RIPTE) record, they recorded a year-on-year increase of 34.9% as of December 2020 compared to the same month of 2019.

FISCAL SITUATION

Furthermore, at December 2020 the Non-Financial Public Sector's fiscal accounts recorded a cumulative primary and total deficit of 7.0% and 9.1% of GDP, respectively. The total annual variation of tax revenues measured in Argentine pesos, according to the figures published by the Federal Administration of Public Revenues (AFIP), closed with a year-on-year increase of 32.2%. Additionally, primary expenditure recorded in 2020 by the National Treasury showed a year-on-year variation of 63.5%.

With regard to the financial situation, the US dollar wholesale rate of exchange according to Communication A35000 of the BCRA at December 31, 2020 was ARS 84.15/USD, recording a cumulative increase of 40.5% as compared to the end of 2019 and a year-on-year average variation of 46.3%. The BCRA's international reserves at the end of the year totaled USD 39.4 billion, which represents a decrease of USD 5.5 billion as compared to the level reached in the previous year. As for the monetary base, it amounted to ARS 2,470 billion at the end of 2020, reflecting a 30.3% increase compared to the previous year. Furthermore, the BCRA's stock of debt on account of bills issued totaled at the end of 2020 the equivalent expressed in dollars of USD 35 billion, showing a year-on-year increase of 97%.

FOREIGN TRADE

Finally, with regard to foreign trade, according to the INDEC's data, the cumulative current account surplus as of the third quarter of 2020 reached USD 4.3 billion, amount which represents 1.2% of the GDP. This is mainly explained by the trade balance surplus, in which Free on Board value exports totaled USD 41.9 billion, whereas the Cost, Insurance and Freight value of imports was USD 30.4 billion. During the period in question, exports of primary products increased 5.4%, whereas agricultural and industrial manufacturing exports contracted by 8.3% and 31.1%, respectively. Fuel and energy exports reversed their trend and recorded a year-on-year fall of 28.5%. As for imports, the contraction compared to the same period of 2019 is explained by the decreases recorded in the following categories: automotive (45.4%), fuel and lubricants (40.3%), parts and accessories (34.2%), capital goods (21.8%), intermediate goods (9.6%) and consumer goods (7.7%).

SANITARY SITUATION

"SARS-Cov2", the severe acute respiratory syndrome coronavirus 2 that causes coronavirus disease, "COVID-19", was reported for the first time in December 2019 in Wuhan, China.

In the months that followed, the disease spread rapidly across the world and on March 11, 2020 the WHO recognized the coronavirus disease (COVID-19) as a pandemic.

This disease has caused a severe social, economic and financial impact. Most of the world's countries implemented exceptional actions, which had an immediate impact on their economies, as rapidly evidenced by the falls recorded in production and activity indicators. The governments' immediate response to these consequences was the implementation of tax aids to sustain their citizens' income and thereby reduce the risk of a breakdown in the chain of payments, avoiding an economic and financial crisis.

In Argentina, the PEN implemented a series of measures aimed at reducing the circulation of people, providing for the Mandatory and Preventive Social Isolation ("ASPO"), as from March 20, 2020, initially allowing for the circulation of only those people related to the provision of essential products and services, among which was the electricity supply service provided by **edenor**. All that had a disruptive social and economic effect in the first months, as a significant part of the country's economic activity, particularly the commercial activity, was paralyzed. The situation was alleviated by the gradual relaxation of the lockdown measures and the reactivation of the economic system.

On November 7, 2020, by means of DNU (Executive Order issued on the grounds of Necessity and Urgency) No. 875/2020, the PEN provided for the Mandatory and Preventive Social Distancing, instead of the ASPO, progressively eliminating most of the restrictions on circulation. As from that date, economic, industrial, commercial or service-related activities can be carried out only if an operational protocol has been approved by the health authority. Furthermore, rules of conduct applicable to all the population were established, such as wearing masks in shared spaces, cleaning one's hands frequently, disinfecting surfaces, keeping rooms well ventilated, and complying with the protocols set by the health authorities, among others.

All these pandemic-related aspects have significantly affected the Company's results and operation.

CHAPTER 04

Argentine electricity market



ANNUAL REPORT 2020

LEGAL AND REGULATORY FRAMEWORK

CONCESSION

The Concession was granted in 1992 for a term of 95 years that may be extended for an additional maximum period of 10 years. The term of the concession is divided into management periods, the first of which had a duration of 15 years and subsequent periods of 10 years each. At the end of each management period, the Class "A" shares representing 51% of the Company's share capital, currently owned by PESA, must be offered for sale through a public bidding.

It is worth pointing out that as a consequence of the Renegotiation of the Concession Agreement, in the framework of Law 25,561 on Economic Emergency and Foreign Exchange System Reform, and complementary ones, the ENRE provided that the first management period set forth in the concession agreement will be regarded as fulfilled with the ending of the five-year rate period that began on January 1, 2017 when the Tariff Structure Review established in the Renegotiation Agreement became effective.

edenor has the exclusive right to distribute and sell electricity within the concession area to all the customers who are not authorized to obtain their power supply from the MEM, thus being obliged to supply all the electric power that may be required in a timely manner and in accordance with the established quality levels. In addition, the Company must allow free access to its facilities to any MEM agents whenever required, under the terms of the Concession Agreement.

edenor's performance is subject to the terms and conditions of its Concession Agreement and the provisions of the regulatory framework comprised of Federal Laws Nos. 14,772, 15,336 and 24,065, resolutions and regulatory and supplementary regulations issued by the authorities responsible for this matter.

In this context, **edenor** is responsible for the provision of the public service of electricity distribution and sale with a satisfactory quality level, complying for such purpose with the requirements set forth in both the Concession Agreement and the regulatory framework, and carrying out the works and investments it deems suitable.

Failure to comply with the established guidelines will result in the application of fines, based on the economic damage suffered by the customer when the service is provided in an unsatisfactory manner, the amounts of which will be determined in accordance with the methodology set forth in such Agreement and subsequent resolutions. The ENRE is the authority in charge of controlling strict compliance with the pre-established guidelines.

In addition to that which has been previously described, by Law No. 27,467, which approved the 2019 Federal Budget, the Federal Executive Power was instructed to take the necessary steps in order for **edenor** to become subject to the jurisdiction of the Province of Buenos Aires and the City of Buenos Aires as from January 1, 2019, and to promote the creation of a new oversight body.

In this regard, on February 28, 2019, the Federal Government, the Province of Buenos Aires and the City of Buenos Aires entered into an Agreement to Transfer the Public Service of Electricity Distribution, duly awarded by the Federal Government to **edenor** under a concession, to the jurisdiction of the Province of Buenos Aires and the City of Buenos Aires. It is worth pointing out that **edenor** was not a party to such agreement.

Consequently, on May 9, 2019, the Federal Government, the Province of Buenos Aires and the City of Buenos Aires entered into an Agreement on the Implementation of the Transfer of Jurisdiction of the public service of electricity distribution, for the concession area. Such Agreement provides that the Province of Buenos Aires and the City of Buenos Aires jointly assume the capacity as Grantor of such service, and that the public service provided by **edenor** will continue to be governed by its concession agreement and the applicable national legal and regulatory regulations.

On the same date, the Province of Buenos Aires (PBA) and the City of Buenos Aires (CABA) also entered into an Agreement on the joint exercise of jurisdiction, pursuant to which it was provided that both parties will jointly exercise the jurisdiction over the electricity distribution and sale service in the area of **edenor** and Edesur S.A. Furthermore, the agreement provided for the setting up of the Metropolitan Electricity Service Regulatory Authority (*Ente Metropolitano Regulador del Servicio Eléctrico* – “EMSE”), as bipartite agency comprised of the PBA and the CABA that will be in charge of the regulation and control of the aforementioned public service.

Both Agreements were approved by the CABA by means of Legislative Resolution No. 161/19 and by the PBA by means of Executive Order No. 1289/19.

However, in the framework of the Economic Emergency declared by Federal Law No. 27,541 on Social Solidarity and Production Reactivation, it was provided that, during the emergency period, the ENRE will retain the jurisdiction over the public service of electricity distribution, with all the previously described actions being thereby suspended.

ELECTRICITY RATE AND REGULATORY SITUATION

In fiscal year 2020, the Company made different presentations to the ENRE detailing the estimates of the electricity rate schedules that were to be applied during the year according to the terms of the Electricity Rate Schedules Maintenance Agreement entered into by and between the Company and the Federal Government in the framework of the economic emergency and in accordance with Law No. 27,541 on Social Solidarity and Production Reactivation.

Included among the aforementioned presentations are the adjustment requests of the Company's Own Distribution Costs (CPD), pursuant to the provisions of Appendix XV of ENRE Resolution No. 63/2017 “Procedure for determining the electricity rate schedule”, in accordance with the following detail:

Period	Date of application	CPD adjustment
Jan. 19 - Jun. 19	Aug. 19 (1)	19.05%
Jul. 19 - Dec. 19	Feb. 20	24.65%
Jan. 20 - Jun. 20	Aug. 20	12.97%

- (1) The CPD adjustment applicable in August 2019 was deferred until January 2020 by means of the Electricity Rate Schedules Maintenance Agreement.

The indicated CPD and the other concepts detailed in the “Electricity Rate Schedules Maintenance Agreement” entered into with the Federal Government on September 19, 2019, neither transferred to tariffs nor authorized to be collected by other means accumulate as of December 31, 2020 a total of approximately ARS 20,939 million, excluding interest.

Furthermore, on December 16, 2020, by means of Executive Order No. 1020/20, the PEN provided for the commencement of the Tariff Structure Review renegotiation process, which may not exceed two years, suspending until then the Agreements relating to the respective Tariff Structure Reviews in effect, with the scope to be determined in each case by the Regulatory Authorities, providing as well that Interim Renegotiation Agreements, which modify to a limited extent the particular conditions of the tariff review imposing a Transitional Tariff System, may be entered into until a Definitive Renegotiation Agreement is reached. In this framework, the freeze on electricity rates was extended until March 31, 2021, or until the new transitional electricity rate schedules resulting from the aforementioned Transitional Tariff System come into effect.

Additionally, the ENRE's administrative intervention provided for by Executive Order No. 277/20, was extended until December 31, 2021, or until the tariff review renegotiation is finalized.

In this regard, on January 19, 2021, the ENRE issued Resolution No. 16, providing for the commencement of the transitional tariff adjustment procedure, with the aim of setting a Transitional Tariff System until a Definitive Renegotiation Agreement is reached, and inviting **edenor** to participate in it in accordance with the provisions of Executive Order No. 1,020. To that end, the Regulatory Authority has requested as a first measure that it be provided with certain financial information as well as with information about the 2021-2022 investment plan, on the basis of the investment plan set forth in the 2017 RTI.

Consequently, by means of Resolution 40/2021, the Energy Secretariat implemented a "Special System for the Regularization of Payment Obligations" of Electricity Distribution Companies that are agents of the MEM for the debts held with CAMMESA and/or the WHOLESALE ELECTRICITY MARKET whether on account of the consumption of energy, power, interest and/or penalties, accumulated as of September 30, 2020. It also implemented a "Special System of Credits" for those Electricity Distribution Companies that are agents of the MEM and have no debts with CAMMESA and/or the MEM or whose debts are regarded as being within reasonable values vis-à-vis their levels of transactions as of September 30, 2020.

WHOLESALE ELECTRICITY MARKET

In 1991, the Energy Secretariat creates the MEM, whose participants are the Distribution, Generation and Transmission companies, and Large Users, Agents of the electricity market.

Additionally, the need to instantly match supply with demand and the impossibility of storing electricity leads to a centralized dispatch that determines where, who and how much will be generated at the same time. It is for this purpose that in July 1992, CAMMESA, the entity responsible for the wholesale market, is created.

Over the last years, the Federal Government modified the conditions originally established by means of different resolutions, thus having nowadays a significant and decisive participation in the functioning of the MEM. However, since 2016 the Federal Government has issued resolutions aimed at reducing subsidies and moving towards a more sustainable market situation. Additionally, new laws and approved regulations affect and will affect market behavior in the next years.

In 2015, as from the passing of Law No. 27,191, by means of the National Program for the Promotion of Renewable Energy Sources, the share of renewable sources of energy in the national electricity grid is expected to increase progressively until it reaches 20% of the energy matrix by December 31, 2025.

These measures made it possible to meet the SADI's record demands for power that have been repeatedly surpassed over the last three years, to such an extent that the last peak power demand recorded in February 2018 of 26,320 MW was fully met with domestic generation, making it unnecessary to import. However, in 2020, the record demand amounted to 25,791 MW, 10 MW of which were imported from Paraguay. These imports were mainly due to Paraguay's hydraulic generation surplus, rather than to a domestic generation deficit. The system's spinning reserve during the peak demand amounted to 1,857 MW (7.2%).

In 2017, by means of Resolution No. 1085/17, the SEE modifies significantly the allocation of costs of the High Voltage and Extra High Voltage Transmission systems. The changes implemented, applicable as from December 1, 2017, are as follow:

- MEM generators no longer pay for the use of the transmission networks, except for the connection equipment entirely destined for each Generator;
- the total cost of each Transmitter is distributed among the users in its network, in proportion to their demand for energy, no longer applying the calculation methodology based on equipment use.

On December 27, 2017, Law No. 27,424 on Distributed Generation was published. The law provides for the legal and contractual conditions for the generation of renewable energy by the users of the distribution network, for self-consumption, and eventual injection of surplus energy produced into the grid. This law was regulated on November 2, 2018.

CAMMESA

The operation of the MEM is managed by CAMMESA, the body in charge of the dispatch organized as a corporation (*sociedad anónima*), in which the Federal Government, through the SEE, owns 20% of its share capital. The remaining 80% is owned, in equal proportions, by the associations that represent MEM participants: Generators, Transmitters, Distributors and Large Users.

CAMMESA is a non-profit corporation that is responsible, since its creation, for the technical operation of the electricity system and the management of MEM transactions, in accordance with the electricity regulatory framework and related regulations, which include, among other responsibilities, the following:

- determining the technical and economic dispatch of electricity in the national interconnection system (production schedule of all power generation plants of the power system to meet the demand),
- planning energy capacity needs and optimizing energy use pursuant to the regulations periodically issued by the SEE,
- acting as agent of the various MEM participants,
- purchasing from or selling electricity to other countries by performing the respective import/export operations,
- managing the availability of the generation system,

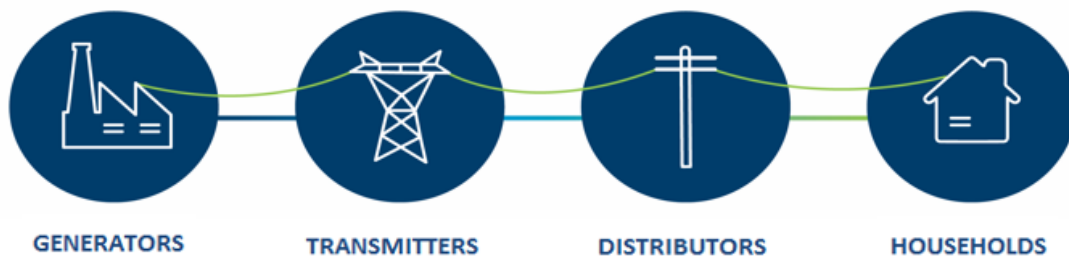
- supervising the operation of the term market and managing the technical dispatch of electricity in conformity with the agreements entered into in that market;
- managing the supply and trust agreements for the new thermal and nuclear power plants, especially for non-conventional sources of energy or those works within the National Hydraulic Works Program.

The operating expenses of CAMMESA are covered by mandatory contributions made by all MEM participants.

During the last years, due to the imbalance between production costs disbursed and the amount collected from the Agents for their demand through prices that do not cover said costs, the MEM lost its economic self-sustainability. The operating deficit of the MEM's power and energy compensation funds and accounts has been financed by the Federal Government through loans granted to CAMMESA, a situation that is being gradually rectified by reducing subsidies to the demand.

MEM PARTICIPANTS

The main MEM participants are the companies engaged in the generation, transmission and distribution of electricity, and, to a lesser extent, large users and electricity brokers.



- Generators

In Argentina, there are more than one hundred generation companies, there are fewer auto-generation companies, and just a few co-generation companies, most of which operate more than one generation plant. As of December 31, 2020, the installed capacity amounted to 41,951 MW, 60% of which derived from thermal generation, 26% from hydraulic generation, 4% from nuclear generation and 10% from non-conventional sources of energy.

- Transmitters

Electricity is transmitted from power generation plants to distribution companies through the high voltage electricity transmission system. Transmission companies do not engage in purchases or sales of electricity, their service is governed by the Electricity Regulatory Framework and related regulations issued by the competent authority. The majority of the system is owned by Transener S.A., a company indirectly and jointly controlled by PESA. Regional transmission companies own the remaining portion of the sub-transmission.

- **Distributors**

Each distribution company supplies electricity to customers and operates the related distribution network in a specific geographic area pursuant to a concession agreement, which provides, among other things, for the concession area, the quality of service required, the electricity rates to be paid by customers for the distribution service and the obligation to satisfy the demand. The ENRE monitors compliance by distribution companies, **edenor** and Edesur S.A. with the provisions of the respective concession agreements and with the Regulatory Framework Law No. 24,065.

- **Large users**

The MEM classifies Large Users of energy into three categories: Major Large Users (GUMA), Minor Large Users (GUME) and Particular Large Users (GUPA). At present, each of these customer categories purchases its energy demand directly from CAMMESA. Agreements between parties (Generator and Large User) are only limited to the Energy Plus¹ segment with respect to the demand exceeding the base demand, i.e. the amount of energy the customer consumed back in 2005.

In 2017, by means of Resolution No. 281-E/17, the MINEM laid down the Regulations for the Renewable Energy Term Market, which establish the commercialization and administration charges payable by Large Users who opt for the joint purchase of renewable energy managed by CAMMESA. The Large Users who choose to meet their renewable energy consumption quota directly through a generator, are allowed to enter into a supply contract without having to incur the expenses of the joint purchases system.

¹ Energy Plus is a contracting modality whose aim is to have additional generation in place in order to properly meet the demand for electricity.

CHAPTER 05

Description of our management activities



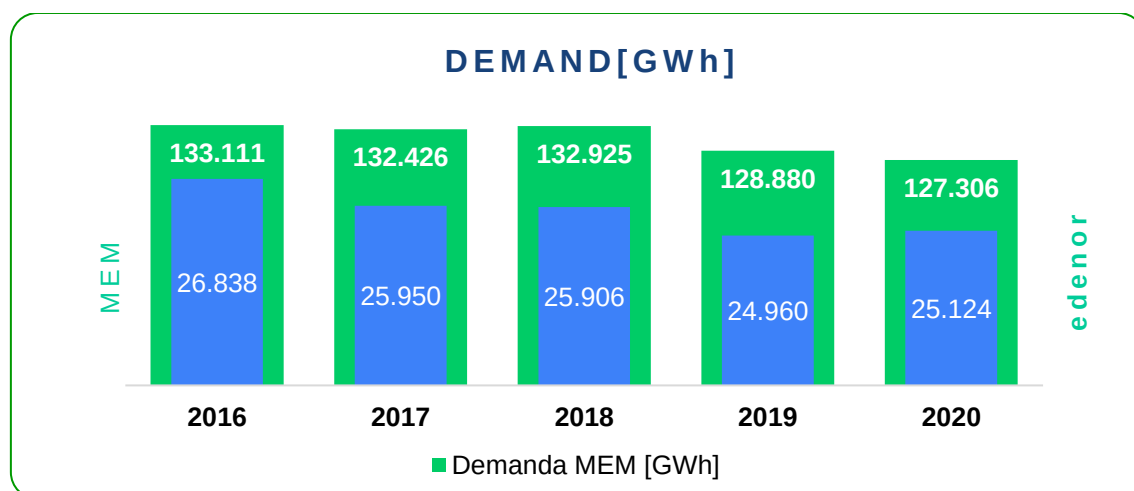
In this chapter, we will comment on the main new developments, progress and achievements made throughout 2020, which were developed according to the priorities established for all our activities:



BUSINESS MANAGEMENT

DEMAND FOR ELECTRICITY

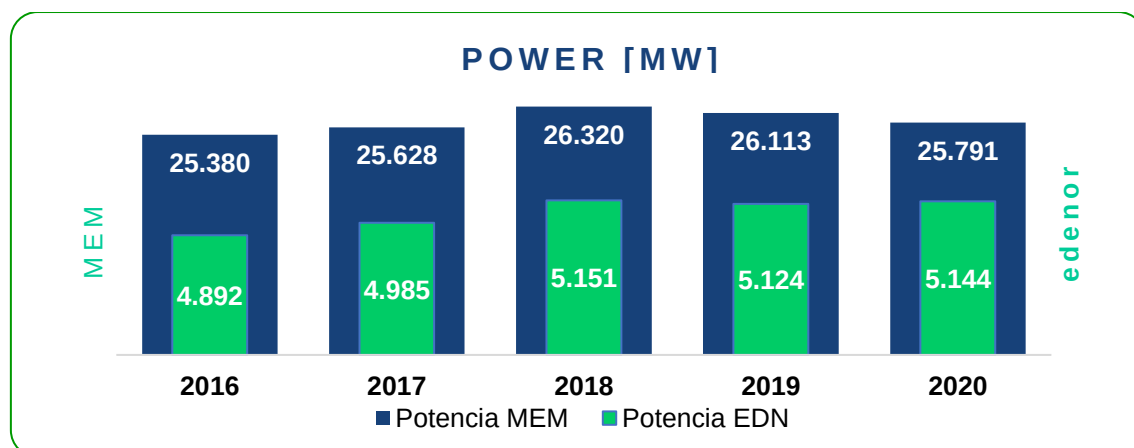
edenor's demand for electricity in 2020 amounted to 25,124 GWh, which represents a 1% increase as compared to that of 2019. The MEM's demand for electricity amounted to 127,306 GWh, showing a reduction of 1% as compared to 2019.



Additionally, in 2020 the maximum value of power reached by **edenor** amounted to 5,144 MW, 0.39% higher than that of 2019, whereas the maximum peak recorded by the MEM was 25,191 MW.

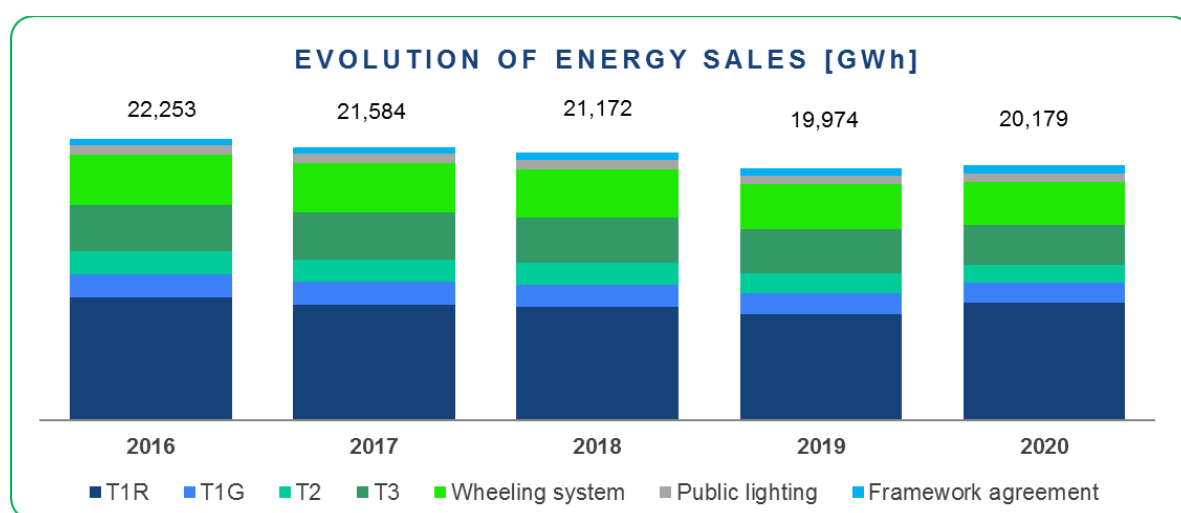
Furthermore, according to the data provided by CAMMESA, the MEM's installed capacity as of December 31, 2020 amounted to 41,951 MW.

The development of power is the following:



ENERGY SALES

The amount of energy sold in 2020 totaled 20,179 GWh, which represents a 1% increase as compared to 2019. The graph below shows the development of sales over the last 5 years.



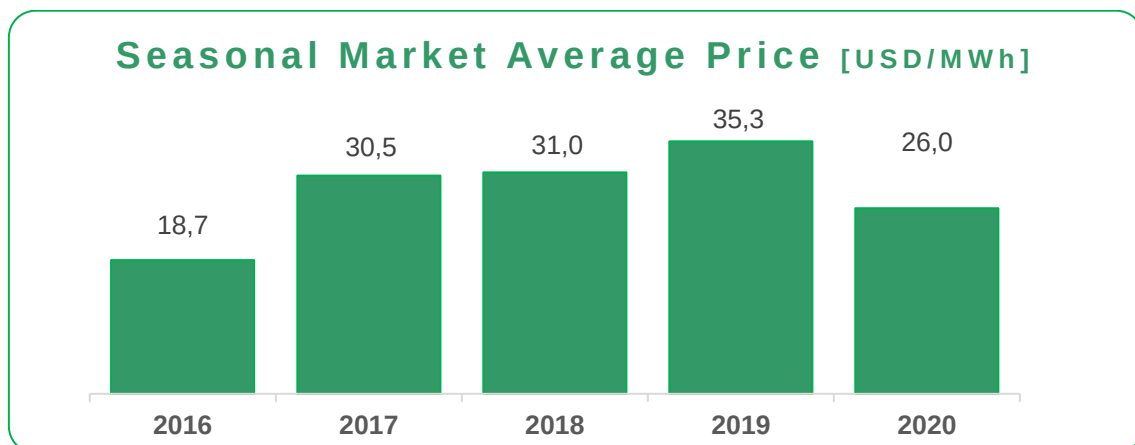
ENERGY COST

In Argentina, most of the electricity generated is of thermal origin. The energy consumed during 2020 was supplied by the following sources: fossil fuels (oil, natural gas and coal) 61.3%, hydroelectric 21.7%, nuclear 7.5% and renewable sources, wind and solar photovoltaic 9.5%.

In 2020, there was an increase in the use of fuel oil and diesel fuel (68% and 53% higher than in 2019, respectively) as a primary source for electric power generation, mainly as a consequence of complying with the agreements on the export of energy to Brazil, as from the second half of the year. There was a significant reduction in the consumption of natural gas for generation purposes (5% lower than in 2019), owing mainly to a slightly lower demand due to the ASPO. Additionally, there was a significant increase in the domestic offer of natural gas, which resulted in a reduction of LNG import volumes.

In 2020, **edenor** purchased the total amount of energy in the market at an average annual monomic price of ARS 2,187.21/MWh.

The development of the average purchase price over the last few years is shown in the following graph:



ENERGY LOSSES

The TAM of total losses² for 2020 amounted to 19.61%, which represents a decrease compared to the 19.90% of the previous year.

The absolute value of losses in GWh was lower than that of 2019. The greatest losses occurred in the first quarter as a result of the political context associated with the socioeconomic framework.

In Regions II and III, new shantytowns continue to appear, along with the growth of the existing ones. The theft of energy in these areas continues to be the main factor behind the increase in total losses.

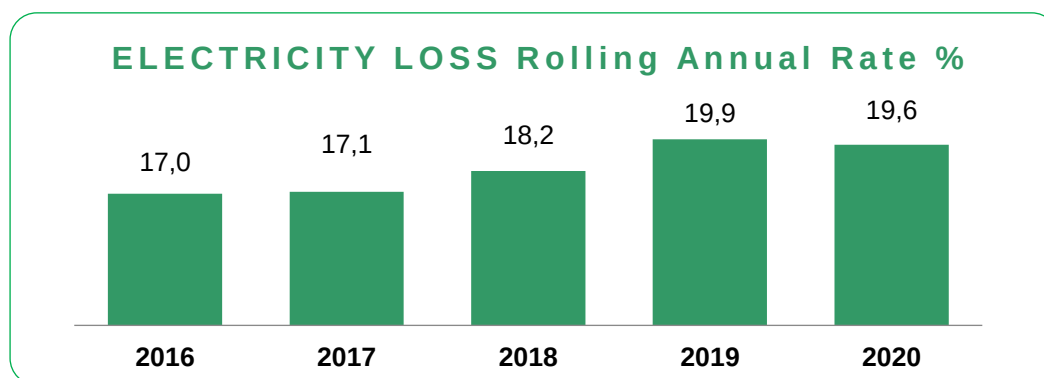
² Technical losses: those that are the necessary consequence of electricity transmission and distribution. Non-technical losses: those due to theft, defective installation or metering flaws that prevent the correct metering of customer consumption.

In 2020, the plan launched in previous years, which consisted in having 250,000 MIDE self-managed meters in place in 2020, continued to be implemented. The plan is aimed at normalizing clandestine consumers, inactive customers and chronic delinquent customers. In 2020, 25,466 MIDEs were installed, 24,540 of which are currently enabled.

The installation of the new type of MULCON network, which had begun by the end of 2018, continued, leveraging the MIDE meter's functionalities and increasing invulnerability in neighborhoods with a high fraud rate.

Furthermore, we continued working on the development of analytical and artificial intelligence tools aimed at improving effectiveness in the routing of inspections to reduce energy theft.

In 2020, over 518,000 inspections of Tariff 1 meters were carried out with a 54% effectiveness. Regarding the recovery of energy, in addition to the normalization of customers with MIDE meters, clandestine consumers with conventional meters were normalized. In all the cases, a striking rate of repeat fraud practices was noticed.



The TAM of losses grows by an absolute factor, the losses in GWh, and a relative factor, caused by the strong decrease in the billing of Large Users, in which fraud is minimal.

ENERGY RECOVERY

Fraud and energy theft, such as the tampering of meters or clandestine connections, represent one of the Company's most problematic issues.

As a consequence of the inspections carried out, and according to the type of fraud, an analysis of the billing is performed, whose result is sent to the Negotiation area for billing and collection management purposes.

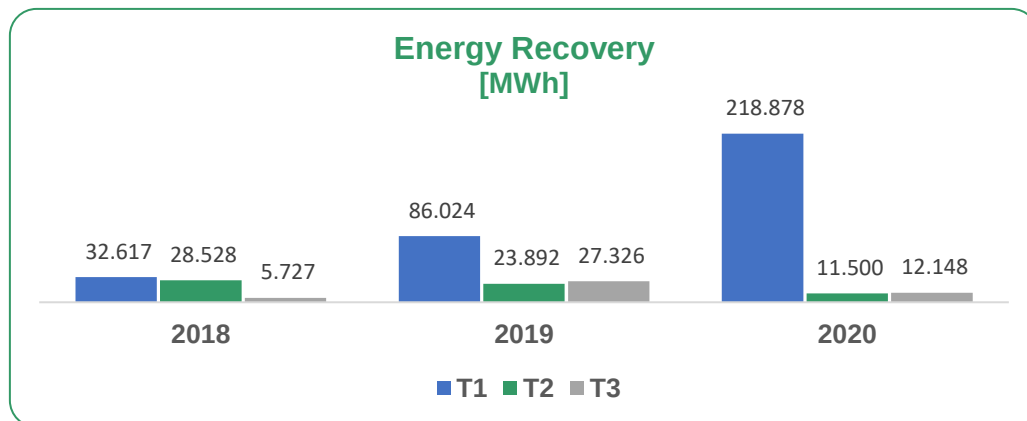
The pandemic and the economic / social context impacted this process considerably.

To mitigate this situation, in 2020 we redefined the energy recovery plan, setting for such purpose flexible policies that allowed for the improvement of collections, without resorting to the disconnection of the electricity supply. Additionally, the segmentation of cases to be recovered was strengthened and new communication channels were developed.

As a fundamental complement, 35% of in-person customer service staff received training to conduct telephone negotiations with those customers (T1 and T2) whose inspection resulted in technical and/or fraud-type anomalies.

In the fiscal year, the Company recovered unbilled consumption of energy from customers with fraud or technical anomalies, billing for these concepts an amount of ARS 1,717 million.

Billed energy in MWh, broken down by rate category was as follows:



ELECTRICITY RATES

During 2020, no electricity rate increases were applied due to the fact that on September 19, 2019, the ENRE instructed the Company not to apply the electricity rate schedules resulting from the provisions of the Electricity Rate Schedules Maintenance Agreement entered into by and between the Company and the Federal Government on September 19, 2019.

Due to this context, the Company made the following presentations to the ENRE:

- February 10, 2020, calculation of the electricity rate schedule that was to be applied since February 2020, according to the terms of the aforementioned agreement.
- April 29, 2020, calculation of the electricity rate distortion caused by the decrease in the physical demand in relation to the projected demand for the 2017-2021 RTI, requesting the incorporation thereof into the electricity rate schedule to be approved by the regulatory authority.
- May 4, 2020, ex-post adjustments related to pass-through deficiencies observed between November 2018 and January 2020 that were to be applied in one electricity rate schedule since May 2020.
- June 17, calculation of the electricity rate schedule that was to be applied since July 2020, according to the terms of Electricity Rate Schedules Maintenance Agreement entered into on September 19, 2019 by and between the Company and the Federal Government.
- August 5, calculation of the electricity rate schedule that was to be applied since August 2020, according to the terms of the above-mentioned Electricity Rate Schedules Maintenance Agreement, taking into consideration new ex-post adjustments related to pass-through deficiencies observed between November 2018 and April 2020.

- October 29, ex-post adjustments related to pass-through deficiencies observed between May 2020 and July 2020, to be incorporated, together with previously submitted differences, within the electricity rate schedule that should have been applied in November 2020.

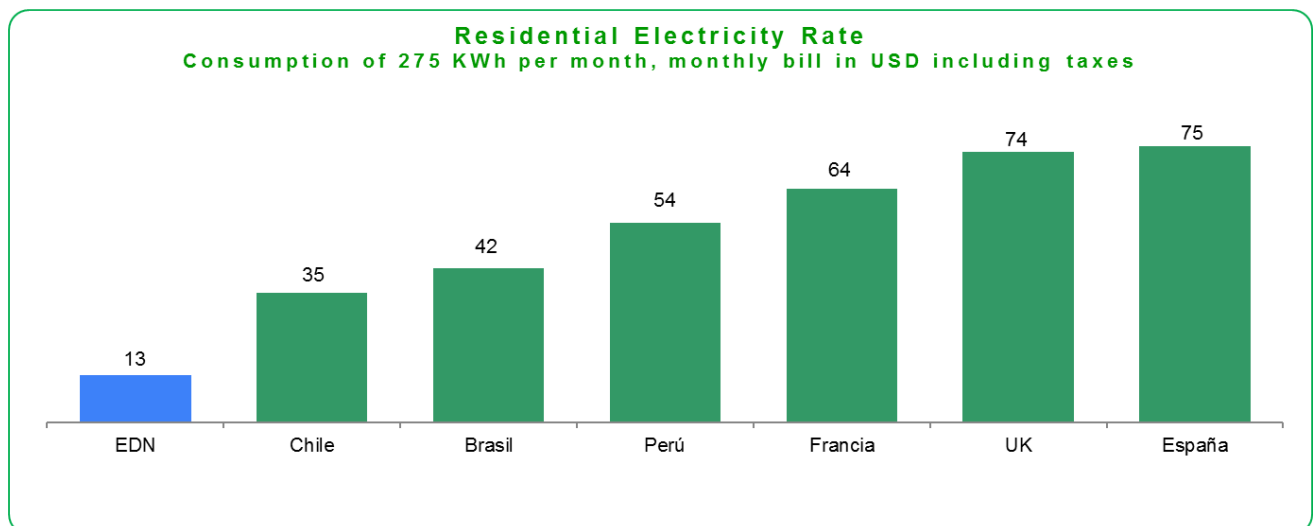
Furthermore, by means of Executive Order 311/2020, on March 25, 2020 the Federal Government prohibited public utility companies from suspending or cutting off services to users due to delinquency in payment or non-payment of up to three consecutive or alternate bills, from March 1, 2020 and for a period of 180 days. This Order was extended for 180 days by Executive Order No. 543/2020.

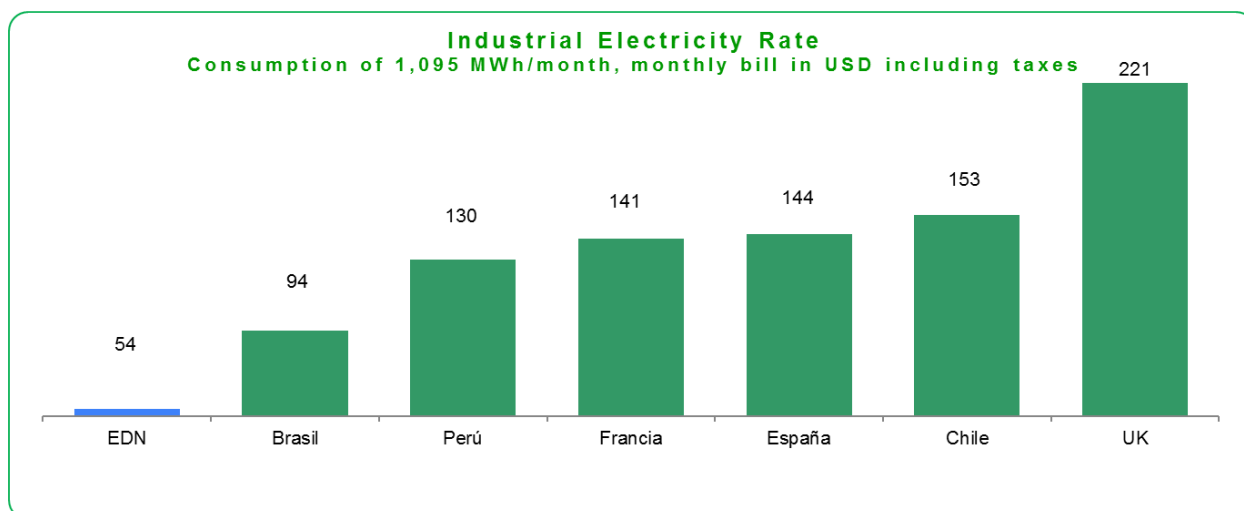
Additionally, during 2020, the ENRE continued to inform distribution companies, as well as the Province of Buenos Aires and the City of Buenos Aires, by note, about the amounts of the Social Tariff discounts, the Social Tariff caps and the discounts applicable to neighborhood sports clubs to be financed by both jurisdictions.

Finally, in line with that which has been previously indicated in Chapter 4 under ELECTRICITY RATE AND REGULATORY SITUATION, on December 16, 2020, by means of Executive Order 1020/2020, the PEN provided that the renegotiation of the tariff structure review may not exceed two years from the date on which this executive order came into effect, suspending until then the agreements relating to the RTI in effect, for reasons of public interest.

▪ Position of the electricity rate in the international market:

The following histograms show a comparison of **edenor's** electricity rates with those in effect in the international market:





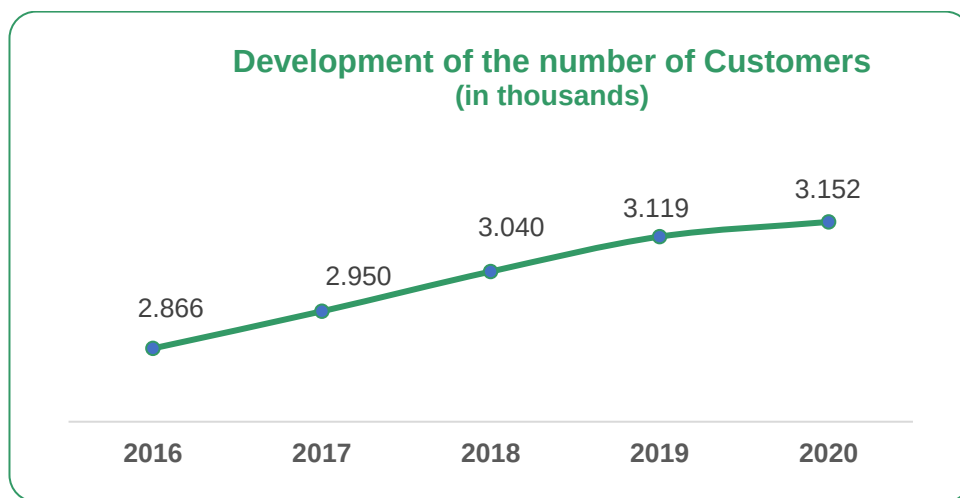
CUSTOMER SERVICE MANAGEMENT

CUSTOMERS

In the new context of 2020 and as a result of the provisions of the mandatory and preventive social isolation (ASPO), the greatest challenges were to maintain and improve **the satisfaction of our 3,152,000 customers**, enhance the **operating efficiency** and **continue migrating customers to digital channels**.

All of them under **edenor's** fundamental axes: efficiency and proximity.

The development of our customers over the last few years is as follows:



The actions planned at the beginning of the year, aimed at the achievement of these goals, were:

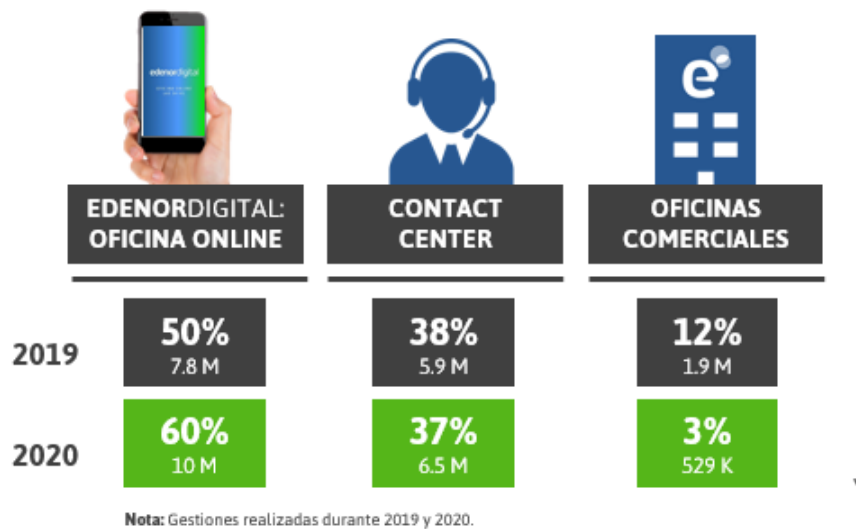
- Implementing improvements in the contact center to meet the higher demand for this channel.
- Completing the implementation of the new customer service model in all commercial offices.
- Developing communication campaigns to promote customer digitization.
- Improving **edenordigital** by incorporating new online forms of payment and procedures.
- Adopting new actions for the management of delinquent payments, through collection agencies and communication campaigns.

All that which had been planned was strongly affected by the arrival of the pandemic that forced us not only to change the way of working, but also to accelerate the making of the planned improvements in the main processes, which began to be gradually impacted by the ASPO implemented by the Federal Government from March 20, 2020. Additionally, new projects emerged to adapt the processes to the "new normal".

Some of the ASPO's direct impacts on the Company's relationship with customers were:

- Temporary closure of in-person payment locations (external entities).
- Reading estimates, due to the fact that from March to May 2020 the reading activity had not been deemed essential.
- Suspension of delinquent payment-related electric actions (ban on electricity shut-offs and disconnections due to non-payment), currently in effect.
- Closure of commercial offices, currently in effect.

The closure of commercial offices intensified that which has been taking place throughout the last few years in relation to the fact that our customers prefer to contact the Company via the digital contact channels:



As a result of this situation, during 2020 we focused on the following axes:

- Customer service;
- Reading;
- Billing;
- Delinquent payments;
- Energy recovery;
- Communication.

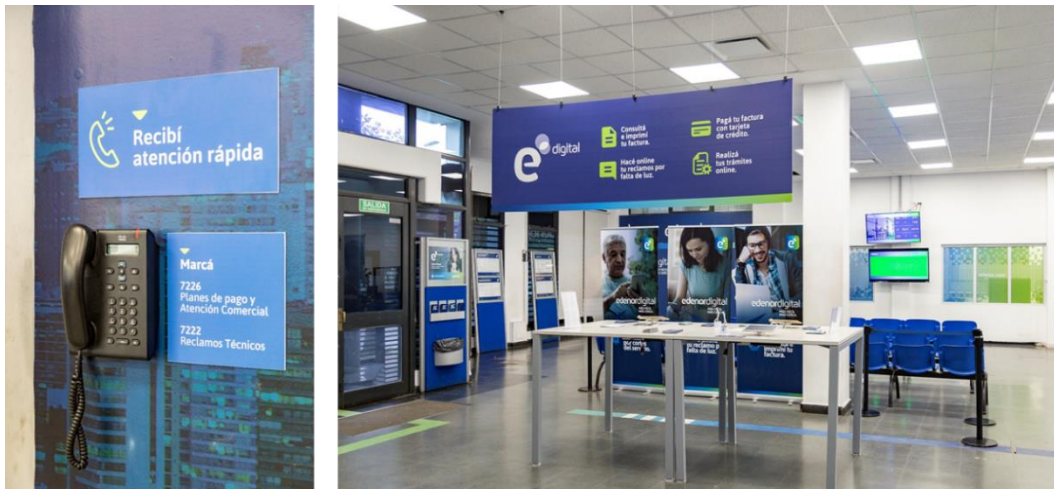
We describe below the actions carried out in each of these axes.

CUSTOMER SERVICE

Commercial offices

In 2020, the necessary remodeling works were completed in order for all the commercial offices to have the features of the new customer service model with a sector that provides customers with prompt service, called “experience center”. This innovative concept comprises solutions to remote assistance and self-management. This change ends up impacting decisively on the reduction of response times and the customer contact quality at the commercial offices.

Experience centers



When the health emergency was declared, by means of executive order 311/2020 published in the *Official Gazette*, the ENRE instructed electricity distribution companies of the metropolitan area to suspend in-person customer service, which resulted in the closure of the totality of the commercial offices during the ASPO.

Therefore, customer service agents began to work from home, accessing their PCs and telephone lines remotely. This progress, which could be rapidly implemented for all the staff, made it possible to ensure a prompt and accurate management of the different requirements received by the available customer service channels.

Among the new contact options, at the beginning of July we made available to the customers the “**Call manager**” functionality, which not only allows customers to schedule online the day and hour at which they will be contacted by phone, but also provides them with an e-mailbox to attach the documentation required in each case. Between 600 and 1,000 daily contacts were managed, with requests for new meters being one of the main required procedures.

With regard to the management of our **Large accounts**, during 2020 we strengthened the segmentation of communications towards this segment. We implemented a new visual identity system, with a different design as to images and content for Tariff 2, Tariff 3 and Official Accounts customer categories.

This also implied the strengthening of contact channels, with a focus on the availability of account executives, the exclusive customer service telephone line for each segment and the enhancement of the digital channel.

Additionally, we implemented a differentiated customer service for real estate developers. For that segment we appointed a specific customer service team, which will not only take into account those customers’ needs and inquiries, but also cooperate with them in the carrying out of their projects.

Finally, with the aim of increasing our customers’ level of satisfaction with customer service, increasing both the capillarity and proximity to the customer, we developed a pilot test in two totally self-managed customer-service points in the CABA and in San Miguel. These new spaces called “**edenor cerca**” are part of the customer service integral improvement plan and are ready to begin operating as soon as the ENRE gives its approval.

Each of them has state-of-the-art technology in place that allows customers to have their inquiries, complaints, claims and procedures solved in a fast and autonomous way. In both of them, the one located in the CABA and the one in San Miguel, customers may use the following devices:

- On-site videos: personalized customer service with a customer service agent through video calls for the management of commercial and technical procedures.
- Kiosk: Self-management of payments, claims and procedures in an easy and fast way.

San Miguel



CABA



edenordigital

The gradual migration process of our customers to digital channels that has been taking place in the last few years accelerated with the closure of the commercial offices, which in addition to the lockdown, changed customer habits as they had to resort to other channels for carrying out procedures with the Company.

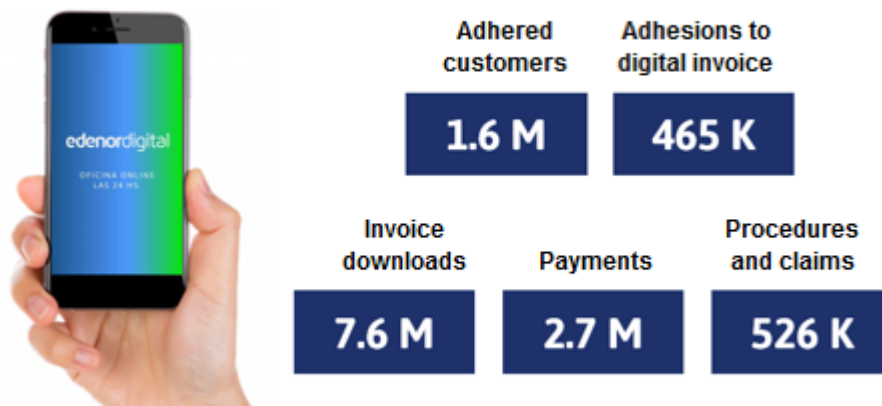
To cope with the accelerated digitization of customers, we implemented new developments in record time to cover all our service-related procedures through the different channels.

Therefore, during the year we incorporated new procedures to achieve a 100% digital management, such as:

- New meter request for T1 and T2 customer categories;
- SOS recharge request for self-managed meters (MIDE);
- New partial payment and payment plan installment options;
- Incorporation of payment with debit card;
- Signing up for the digital bill.

Furthermore, with the aim of optimizing digital experience, we simplified customer registration in the platform, extended the infrastructure for a better performance and incorporated satisfaction surveys in each transaction.

Total transactions in 2020:



Note: (1) As of 12/31/2020.

In 2020, we also developed the “**edenordigital premium**” project, a tool for the exclusive use of customers with smart meters. In addition to positioning edenor at the forefront of the industry, the platform will provide those customers with the following benefits:

- More information on their (daily and hourly) consumption and statistics for decision making on the use of energy.
- The capacity to manage their accounts in a comprehensive way.

With this initiative, the Company embarks on a transition from “digital” customers to “Smart” customers, which allows it to open the window to the IOT (*Internet Of Things*) world. The Project is currently in the testing stage, which is expected to conclude at the beginning of 2021.

Contact center

The other channel most used by customers is the contact center, and this was no exception in 2020. The main challenge we had to face was to rapidly absorb all the procedures and requirements that could not be channeled through the in-person channel, as well as all the inquiries that arose due to the impossibility of making readings, as instructed by the ENRE. This resulted in the rise in demand for the different channels that required an enormous flexibility and speed. During the first 4 months of the lockdown, the contact center saw its demand increase by 35% and social networks by 167%.

To accompany this change in customer behavior, the following improvements were made:

- We increased the number of agents in the contact center;
- We unified the telephone lines of T1 customers and generated a new, single telephone number (0800-666-1000) in order for them to carry out all types of procedures, including inquiries about power outages;
- We doubled the telephony infrastructure;
- We increased the offer of administrative processes and procedures;

- We implemented the **call back** option, which allows customers, in the event that all agents are busy with other calls, to book the time for us to call them back;
- We incorporated a new management platform for social networks and e-mail contacts.

Reorganization of teams | *back office*

In 2020, different tasks of the back office area were automated and consolidated, which allowed us to satisfactorily meet the rise in demand for procedures, inquiries and claims through digital channels.

The number of procedures initiated in **edenordigital** increased 90% compared to the pre-pandemic period. Nevertheless, edenor was able to respond to customers' requests within 3 days upon submission thereof.

DELINQUENT PAYMENTS

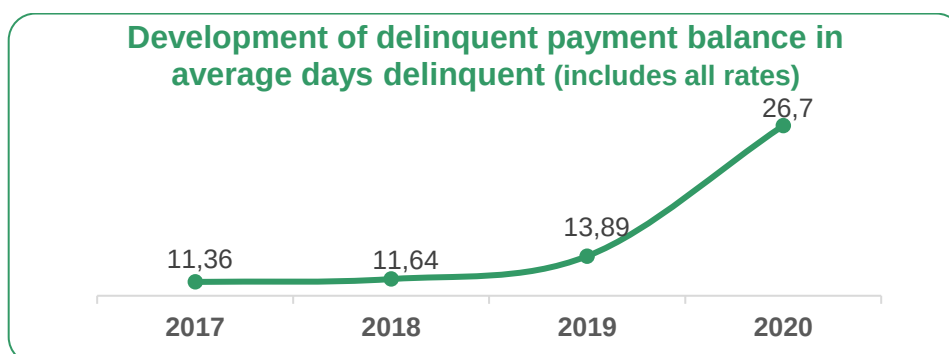
The impact of the closure of the in-person payment locations usually used by customers (external agencies and the company's own commercial offices) as well as the impossibility of carrying out field actions (service suspension and cutoffs) impacted the Company's numbers negatively.

Delinquent payment values grew 130% as compared to 2019. In this regard, the steps taken by collection agencies, which, through different channels, kept customers permanently informed about their outstanding balances and the authorized payment locations where they could pay their debts, were a determining factor.

Additionally, we continued with the e-mail marketing proactive campaigns addressed to customers with early delinquent payments. With regard to Large Accounts, more than 17 thousand personalized calls were made, which prompted payment by thousands of customers of this segment.

Moreover, taking into consideration our customers' economic situation as a consequence of the pandemic, we offered more flexible methods of payment and extended debt financing possibilities. In addition, we incorporated a channel for bank transfers, facilitating Large Accounts' transactions.

Development of the delinquent payment balance in average days delinquent (includes all rates)



READING

As we have previously mentioned, **meter reading** was not initially deemed an essential activity when the ASPO was implemented; therefore, readings could not be conducted for nearly one billing period. As from May, they were included in the list of authorized activities and meter readings were resumed.

Due to the regulatory authority's directive, there was a two-month period during which the consumption of all customers was estimated, a situation which in a normal context only occurs exceptionally.

Although the Company had never been faced with a similar situation as to the number of estimated readings, we could minimize the impact using historical consumption formulas and making adjustments in the cases with significant changes in customer behavior.

Of the 3 million total customers whose consumption was estimated, less than 0.7% of them filed claims, which were timely and properly resolved.

BILLING

In the **billing** area, processes and teams were reviewed and reorganized, innovations were introduced in alternative circuits, and six (RPA) robots were developed and implemented in the billing processes of T1 customers category, which helped improve billing times, optimize available resources, reduce errors and improve quality.

We developed an intensive campaign to promote sign-ups for the digital bill, which resulted in more than 450 thousand Tariff 1 customers signing up for the digital bill and more than 14 thousand Tariffs 2 and 3 customers receiving their bills by e-mail on a monthly basis.

COMMUNICATION WITH CUSTOMERS

Communication played a pivotal role that allowed us to maintain a more constant and closer relationship with our customers. Changes in the way in which procedures were to be managed as well as information on new developments were periodically communicated through our main channels: e-mail marketing, website www.edenor.com (with an exclusive section with all the necessary information to help our customers during the lockdown), social networks, and **edenordigital**. We also used the mass media for institutional campaigns.

The main campaigns conducted in this year were:

- **Good energy: Energy to be united, always**

In February, we launched a campaign called Good energy, whose objective was to show the improvement recorded in some quality indicators, such as the reduction in the number of outages associated with the Investment plan.

This campaign was present in the print media, public spaces, radio spots and in social networks.

Its continuity was affected by the arrival of the pandemic and the measures taken thereafter that forced us to focus on the communication of Edenor's management-related issues with the aim of keeping customers informed about the continuity of customer service.



• The best Argentine energy

By mid-2020, the “The best Argentine energy” institutional campaign was conducted, aimed at giving continuity to the “Good energy” campaign. In this case, the campaign focused on communicating that **edenor** is a private and Argentine company that invests in the country, that generates quality employment and that is committed, on a long-term basis, to service quality.

The campaign was present in cable television, newspapers’ portals, social networks, radio and digital media.



• Consumption

In November we launched the “Consumption” campaign, which consisted of a series of communication actions addressed to residential customers, in order to both educate them about Edenor’s mode of meter reading and billing and, at the same time, raise awareness of electricity use and savings.

Furthermore, e-mail marketing targeted communications were sent with specific messages to customers whose consumption trends showed an increase in the summer season.

Finally, recommendations for controlling energy consumption and making an efficient use thereof were provided, with a focus on cooling and heating appliances.



• Digitization

Due to the special context we are facing worldwide, in 2020 digital procedures predominated. The “Stay home” concept was installed in society and measures were promoted to prevent people from going to crowded places and thereby avoid the spread of COVID-19.

Backed by this situation, in edenor, we continued focusing on digitization, offering every day more and better digital tools so that our customers can manage service-related issues from the safety of their homes.

Throughout the year, we promoted the use of **edenordigital**, our online office, which is available 24 hours a day, 365 days a year at edenordigital.com or its version for mobile devices.

Through this platform, customers can visualize and pay their bills, carry out the main procedures or request technical service.

Furthermore, we added new functionalities to our consumption simulator.

Through simulador.edenor.com our residential customers can calculate the approximate cost of their bills by simulating the use of their appliances.

By doing this, it is possible to have a clear idea of the cost of electricity and the importance of its smart use.



MIDE CUSTOMERS

Energy integrated meters (MIDE) allow customers with irregular income to adjust their electricity purchases and improve the management of their consumption.

In 2020, in the wake of the pandemic, Edenor made available an SOS recharge to those customers who had difficulty making the recharge as a consequence of the lockdown. This ensured the availability of their electricity supplies during the mandatory and preventive social isolation without leaving their homes.

By the end of 2019, only 7.46% made virtual recharges. In 2020, 32.51% of MIDE customers made at least one online purchase, thereby verifying the agility, convenience and safety of recharging their electricity meters.

In order to become fully aware of this segment's perception and level of satisfaction, in the second half of 2020 customers with self-managed meters were surveyed to find out about their user experience.

The results show that 65% of customers are satisfied or very satisfied with MIDE meters.

Level of satisfaction of MIDE customers

On a 1 to 5 scale, where 1 is not at all satisfied and 5 is very satisfied



Furthermore, among the most significant aspects, it stood out that 81% of customers believes that the MIDE meter is easy to use, and 69.5% affirmed that it allowed them to control their consumption and reduce electricity costs.

SOCIAL NETWORKS

The Company's profiles in social networks became strategic communication channels after the adaptation of online contents to the situation faced by the society and our customers as a consequence of the pandemic and the ASPO.

Therefore, Facebook consolidated as the informative social network for our customers, whereas Twitter made it possible to provide journalists, stakeholders and the media with information on sensitive topics. LinkedIn, became Edenor's natural channel as "employer brand", to search for new professionals and disseminate actions related to good human resources practices, corporate social responsibility (CSR), investments and institutional actions.

As of December 31, 2020, edenor had 247,952 followers on the three social networks, which represents an increase of 28.7% compared to 2019, to wit:

- Facebook: 142,738
- Twitter: 55,249
- LinkedIn: 49,965

CUSTOMER SATISFACTION

Customer satisfaction is a key factor to assess the organization's global performance and help evaluate management efficiency and improvement plans, putting the customer at the center.

Year after year, with the aim of identifying customer needs and expectations, we conduct different studies about our image, service, customer service, requirements and customer expectations.

Included among them are those that have been historically conducted, such as the general satisfaction survey, as well as the new studies and methods that have been incorporated to become familiar with the customer.

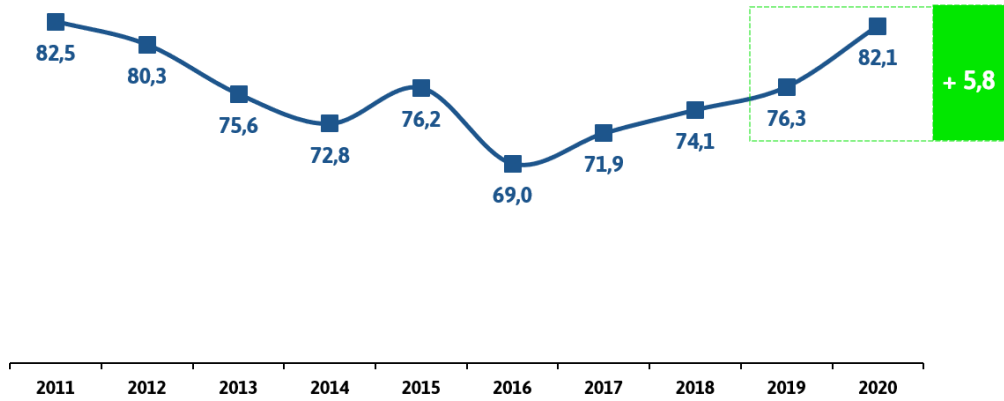
In this regard, different surveys were conducted:

General Satisfaction Survey

The General Satisfaction survey is conducted annually, since 1993, with the aim of becoming aware of the customers' opinion, taking into account that they could have or could have not actually been in contact with the company. It is the way they perceive the different aspects of the service, evaluating the organization's global performance.

In 2020, residential customers' satisfaction stood at **82.1%**, which represents one of the highest values of the last 10 years, with a positive increase of 5.8% as compared to 2019.

1. General Satisfaction Level



2. General Satisfaction broken-down by tariff segment

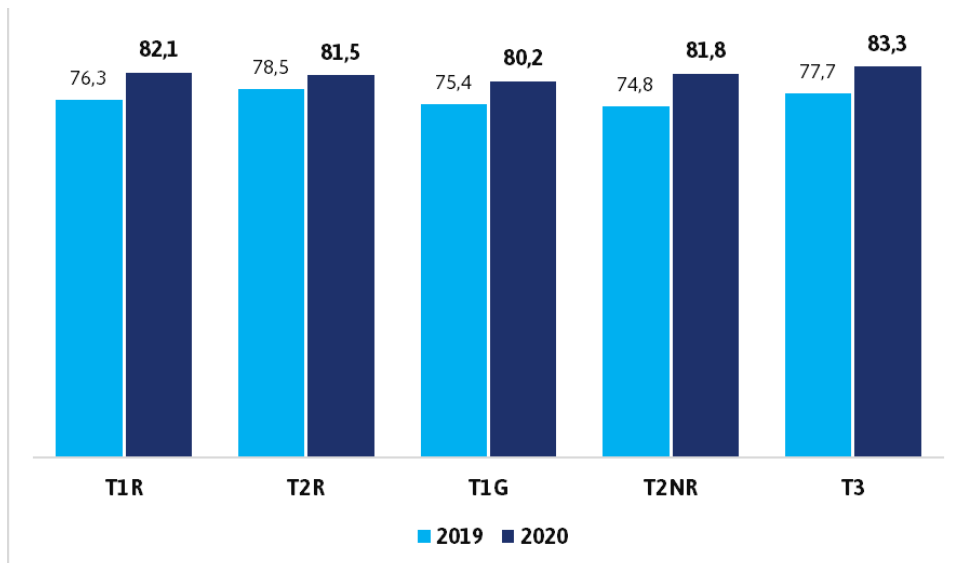


Image Study

In 2020, the third edition of edenor's Image and Positioning study, addressed to the people living in the Buenos Aires Metropolitan Area (CABA and Greater BA), was conducted.

This study allows us not only to become aware of our customers' satisfaction with the service, but also to identify their main perceptions about the electricity sector, along with their level of brand knowledge and assessment.

Among the different attributes customers expect to find in an ideal utility company, together with those the Company has, those that increased the most were that edenor is a company that generates employment, that provides a good service and that is innovative.

Transactional Studies

Since 2018, transactional surveys have been conducted to understand and analyze customer satisfaction after an interaction with the commercial offices, one of the main points of contact the Company had until the beginning of 2020.

Due to the special context we are facing worldwide, digital procedures had a predominant role in 2020, with our online office **edenordigital** becoming a key channel for our customers. This is why we incorporated an in-app transactional survey after customer interaction has been completed.

The results showed that more than 4 out of every 5 people who used **edenordigital** are satisfied or very satisfied with its use, reaching more than 81% of respondents.



Furthermore, it stands out that 86.28% was able to carry out procedures successfully and 59.13% would recommend the use thereof to friends or relatives.

Focus Group

On this occasion, the purpose of this qualitative study was to understand and become fully aware of the MIDE customers' situation, their relationship with the consumption of services, the valuation of energy, its use, cost and impact on household economy.

Among the main conclusions, it stood out that the MIDE was a solution for the majority of these users, as they have irregular incomes and, therefore, cannot afford the monthly billing of the service. The customers also pointed out that the MIDE allowed them both to have greater control over their electricity consumption, and to administer the recharges according to their households' electricity needs.

Additionally, they highlighted the advantage of having the service recorded in their names, as this provides them with a proof of address that can be used for other issues and rectifies their situation of informality.

Furthermore, the implementation of the MIDE taught them which appliances use the most power, and, more than anything else, they valued the sense of predictability and the control they had over expenses.

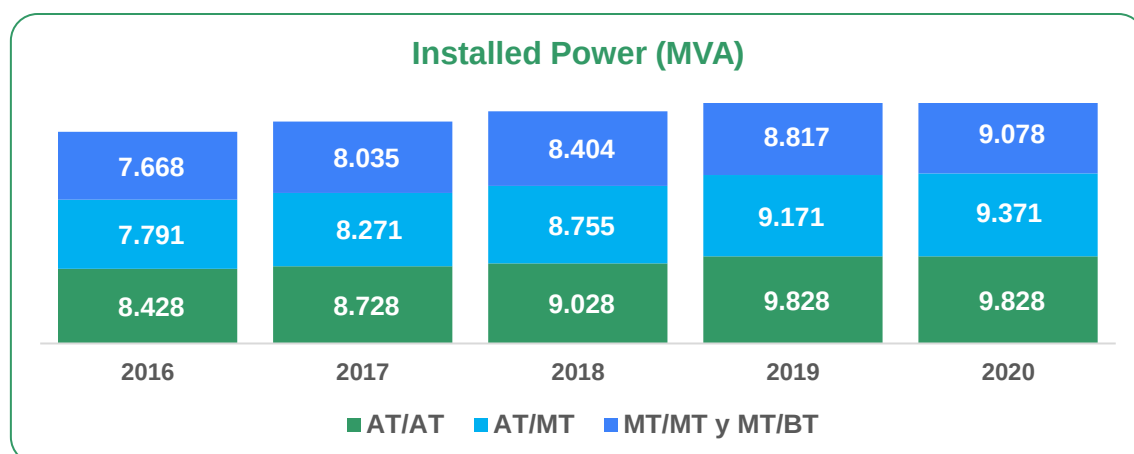
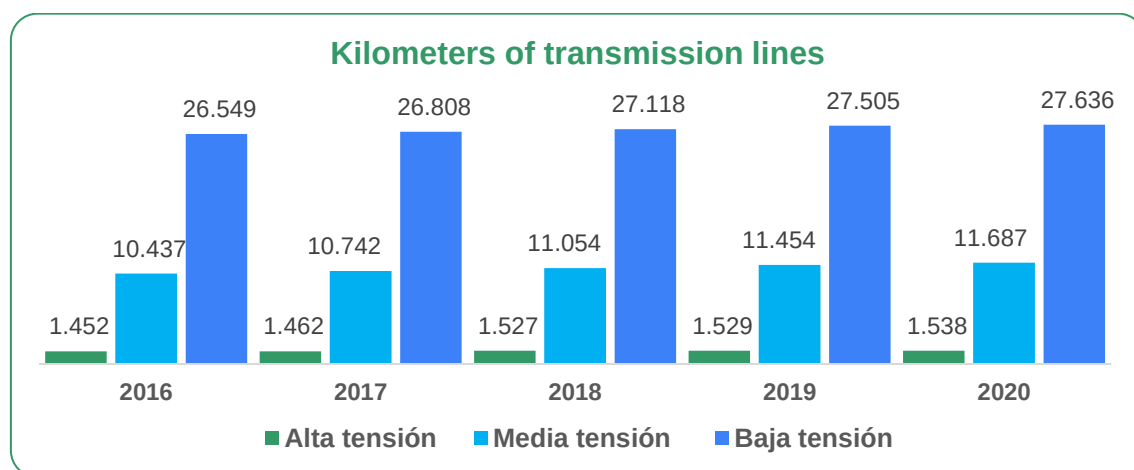
The ease of use and recharge contributed to customer satisfaction and acceptance of this new modality.

TECHNICAL MANAGEMENT

EDENOR'S NETWORK

The system through which we supply electricity is comprised of 79 HV/HV, HV/HV/MV and HV/MV transformer substations and interconnections with HV customers, which represents 19,199 MVA of installed capacity and 1,538 kilometers of 220 kV, 132 kV and 27.5 kV high-voltage networks. The MV/LV and MV/MV distribution system is comprised of 18,607 transformers, which represents 9,078 MVA of installed capacity, 11,687 kilometers of 33 and 13.2 kV medium-voltage lines, and 27,636 kilometers of 380/220 V low-voltage lines.

The table below shows the most significant data related to the transmission and distribution system for the last years:



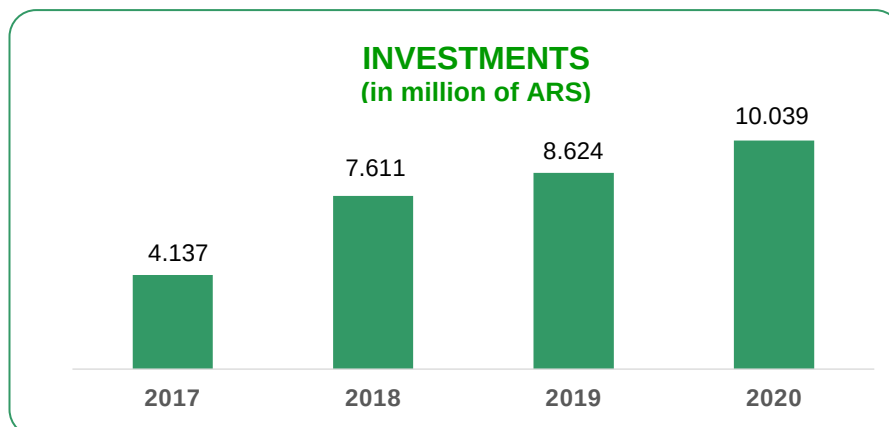
INVESTMENTS

Investments made in 2020 amounted to ARS 10,039 million. The execution of investment projects was given priority over any other disbursements as a way to maintaining the provision of the public service, object of the concession, under safe conditions. In order to achieve them, different protocols and organizational forms had to be adapted as a consequence of the COVID situation, in addition to the temporary delays suffered due to the fact that Electric Power Works had not been originally included among the activities deemed essential at the beginning of the ASPO.

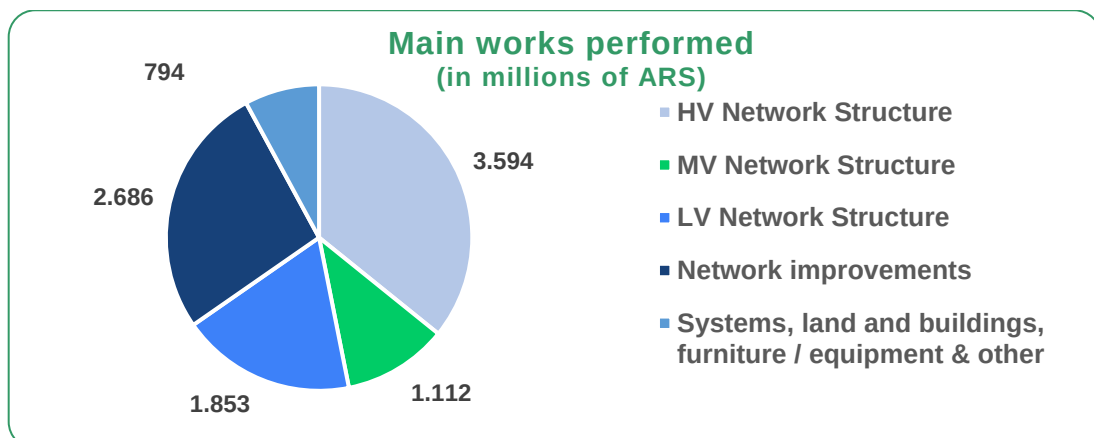
In order to meet the demand, improve the quality of the service and reduce non-technical losses, the majority of the investments were aimed at the increase of capacity, the installation of remote control equipment in the medium-voltage network, the connection of new electricity supplies, and the installation of energy meters suited for prepaid sales.

Furthermore, we continued making investments aimed at the protection of the environment and public safety.

In comparative terms, the level of investments has increased over the last few years. The development thereof is detailed in the following graph:



In 2020, investments went to the following accounts:



TRANSMISSION STRUCTURE

Our HV transmission network takes energy mainly from the Argentine Interconnected System through the Rodríguez and Ezeiza Substations, and the Puerto Nuevo, Nuevo Puerto, Costanera, Matheu II, Matheu III, Parque Pilar and Zappalorto local thermal power plants; additionally it exchanges energy with other companies at transmission, distribution and distributed generation level.

With the aim of improving the quality of the service and meeting the growth in demand, we made significant investments in the HV network, among which the following are worth mentioning:

- Putting into service of two capacitive compensation banks of 220 kV and 117.7 MVA each in Rodríguez Substation, with it being the first installation of this type in the country
- Replacement of a 9 km-long section of a 132 kV oil-paper cable with an XLPE-type dry cable in the electrical transmission line that links Malaver and Munro Substations.
- Putting into service of both the 132 kV busbars of José C. Paz Substation and the first stage of the works to link that substation's network with Morón – Matheu Substations' 132 kV electrical transmission lines. The second stage of the project is expected to be put into service in the second quarter of 2021.

The works to replace with an XLPE-type dry cable the 132 kV oil-paper cable in the electrical transmission line that links Puerto Nuevo - Austria Substations continued. These works are expected to be put into service in 2021.

SUBTRANSMISSION STRUCTURE

Some of the main works performed were:

- Completion of the new 132/13.2 kV 2 x 40 MVA Libertad Substation with two new 132 kV electrical transmission lines for a total length of 0.24 km that link this substation to Zappalorto and Merlo Substations;
- Putting into service of a new 132/13.2 kV - 80 MVA transformer in José C. Paz Substation;
- Replacement of a 132/13.2 kV - 40 MVA transformer in Colegiales Substation with a 132/13.2 kV - 80 MVA transformer;
- Completion of installation works of the new 13.2 kV switchboards in Ramos Mejía Substation, thus completing remote control in the totality of medium-voltage disconnectors in Edenor's Substations, in addition to normalizing the network's structure.
- Completion of installation works of the 13.2 kV switchboard in Matheu Substation.

The works related to the new 132/13.2 kV 2x80 MVA ARA San Juan Substation and the 132/13.2 kV 2x40 MVA Oro Verde Substation continued. These works are expected to be put into service in 2021.

DISTRIBUCION STRUCTURE

Works performed:

- Installation of 37 new feeders in new and existing Substations;
- Closure between MV feeders of Substations and installation of 281 new MV/LV transformer centers and 516 power increases, which resulted in a net increase of installed capacity of 241 MVA.

NETWORK IMPROVEMENTS

The improvements made comprised all voltage levels. The most significant ones are detailed below:

- HV network: replacement of bushings in 500/220 kV, 220/132 kV and 132/MV kV transformers. Continuation of the replacement plan of metering transformers. Replacement of 132 kV and 220 kV circuit breakers/disconnectors, and of 132 and 220 kV line protection switchboards;
- MV network: replacement of disconnectors in substations and installation of internal arc protections in switchboards. Significant replacement of old technology underground network, change of medium and low-voltage transformers, and change of pieces of equipment in transformer centers;
- LV network: replacement of underground and overhead network. Reinforcement of network with product quality problems.

DISTRIBUTION TECHNICAL MANAGEMENT

In 2020, and as already mentioned in the different captions of this chapter, it was possible to improve the quality of the service while continuing with the plans and projects implemented in prior years. The results obtained represented a significant improvement in SAIFI and SAIDI service quality indicators.

Among the main operation and maintenance-related activities carried out throughout the year, the following are worth mentioning:

DISTRIBUTION

- **Special Maintenance plans: change and adjustments of line poles**
 - ✓ 4,470 MV line poles, 28% of which were replaced by reinforced concrete columns.
 - ✓ 52,349 LV line poles.
- **Pruning plan in MV network**
 - ✓ Consolidation of the procedure consisting of three inspections per year with the related adjustments, which contributed to reducing faults created by vegetation contact on power lines.
 - ✓ In the year, 204,881 trees were pruned or trimmed.
- **Inspections in distribution networks**
 - ✓ 5,176 Km of MV networks.
 - ✓ 16,750 Km of LV networks.
 - ✓ 4,752 inspections of Transformer Centers.
 - ✓ 2,152 thermographic inspections.
 - ✓ Complete census of "Not Measured" equipment installations (Public lighting, traffic lights, cable television equipment, etc.).

- **Leveraging MV planned installation procedures**

When a facility is put out of service on a scheduled basis, a complete examination is made along with the necessary adjustments to take advantage of the power cut. Through this procedure, more than 5,600 tasks, which include 1,194 replacements of MV line poles, were carried out in the year being reported.

- **Tasks performed by distribution mobile teams:**

- ✓ 48,682 grouped LV interruptions
- ✓ 225,175 responses to individual LV claims
- ✓ 35,715 installations of new electricity supplies
- ✓ 42,218 delinquent payment-related electric actions
- ✓ 517,651 energy recovery-related inspections in T1 customers
- ✓ 22,805 energy recovery-related inspections in T2 and T3 customers;
- ✓ 237,424 switching operations in the MV network during planned works
- ✓ 70,035 switching operations in the MV network during forced events
- ✓ 2,692 LV underground splices
- ✓ 2,731 MV underground splices

- **Operational adjustments due to the pandemic**

Adjustment of job posts, ways of working and protocols. Creation of a new backup control center room to operate safely and protected in the context of the COVID pandemic.

Compliance with maintenance and investment plans, maintaining the operational capacity at all times in spite of the restrictions and limitations caused by the pandemic.

- **Implementation of the new SCADA**

Progress was made on the implementation of the new SCADA and the new IDMS that will become operational soon.

- **Diagnosis center**

Extension of the diagnosis center's functions to include incident follow-up of customers who are dependent on electricity for medical reasons, large accounts and sensitive customers.

- **Centralization of administrative activities**

Centralization of the administrative activities performed in regions and areas, which made it possible to unify and optimize the operating back office's processes.

- **Effectiveness Project**

Making of an integral diagnosis of operational processes and their nexus, which resulted in eight proposals to improve the effectiveness of actions, triggering work plans for their implementation.

- **Operational Back Office Project**

Progress was made on this project aimed at optimizing indirect labor, which resulted in 63 process automation or centralization initiatives that are currently being carried out with different levels of progress.

- **Response to outages reported at night**

Operational capacity during nighttime hours continued to be extended to reduce interruption times.

- **Problem in customer internal installation verification service**

We continued to use the system on a technology platform that links consumer needs to technicians distributed in the concession area in order to early detect cases of internal problems in the customer's facilities and thereby avoid unsuccessful interventions.

- **Vehicles managed by the mobile teams themselves**

The use by the operational staff of the Company's self-managed vehicles was intensified, reducing readiness and transfer times from their domiciles to places of work on streets and public spaces.

- **Energy theft**

- ✓ 25,466 "MIDE" self-managed meters installed, 24,492 of which are currently enabled, reaching 208,203 enabled MIDE meters in the entire concession area.
- ✓ Continuation of specific control operations in some residential neighborhoods and gated communities. Due to the context of the pandemic and the regulator's requirements, the number of control operations planned for 2020 could not be met.

REMOTE CONTROL AND REMOTE SUPERVISION

In 2020, we continued working on the remote control and remote supervision plan of the MV/HV networks, and the upgrades in remote control equipment in Substations:

- ✓ 581 new remote control operational points in the MV distribution network, achieving a total of 2,294 over the existing 1,600 MV feeders.
- ✓ Incorporation of 180 remote supervision points in the MV network.
- ✓ Commencement of an adjustment and improvement plan in large customers' points of supply with remote control and automatism.
- ✓ Commencement of an inspection and adjustment plan of protections in the MV distribution network (outside Substations).
- ✓ Extension of the application of IT Security concepts in the remote control networks of 5 substations. At present, 44 remote control pieces of equipment in substations are protected against cyber-attacks.
- ✓ Synchronism correction of the remote control system in 42 substations, achieving completion in all of them.
- ✓ Technology renewal of the remote control equipment in 4 substations.
- ✓ With the remote control implementation achieved both in substations and the MV distribution network, one out of three switching operations was performed from a distance by remote controls.
- ✓ The availability of remote operations in Edenor's control center was of 99.93 %.

TRANSMISSION

- Compliance with the Preventive Maintenance Plan of HV facilities and Substations in accordance with regulations.
- Further extension of LLW (Live line working) capacity. Six new LLW light teams, comprised of two members, are expected to be formed in 2021 in order to avoid interrupting the electricity supply due to maintenance tasks in the MV network.
- Implementation of "Section breakers" in MV lines, which allowed for the carrying out of maintenance works in 279 live circuit breakers without cutting off the supply of electricity to customers.
- Commencement of the procedure that will allow for the replacement of poles and/or columns with LLW techniques.
- Commencement of the procurement process for the acquisition of an equipment with a medium-voltage flexible cable called "Big Jumper", which, through LLW techniques, will allow for the bridging of up-to-300 meter-long MV network sections without interrupting the supply.
- Maintenance of the interdisciplinary working group for the "Follow-up of status and identification of fault patterns in HV metering transformers" with the aim of routing maintenance and replacement tasks based on results. This group, jointly with Transener's technical staff, incorporated under its control the risk matrix of HV transformers' bushing insulators.
- The working groups with Transener's technical staff, which had been implemented in 2018, remained active.
- Replacement of 124 HV metering transformers and of the totality of silicon carbide surge arresters with zinc oxide ones.
- Hiring, for the first time, of a DRONE service provider to overfly and thermograph a HV three-phase double circuit line, achieving very good results. The incorporation of this technique in the maintenance of our network is currently being analyzed.
- Replacement of the totality of bushings in 9 transformers, (five 300 MVA units, three 80 MVA units and one 40 MVA unit).
- Replacement of 37 MV disconnectors, in line with the objective of completely removing PVA technology from our facilities.

RESEARCH AND DEVELOPMENT

- The paper "Digitization of the electricity network in Edenor" was presented in the 4.0 International Congress on Industry held in Buenos Aires.
- A paper on the use of artificial intelligence to accurately estimate the amount of energy consumed by customers in a specific period of time was presented in the CIGRE congress held in Toronto.

LOGISTICS AND SERVICE MANAGEMENT

FLEET

In 2020, based on our operational needs, the fleet was increased compared to the previous year, amounting as of December 31, 2020 to a total of 1,487 units.

We acquired 88 brand-new units and began to prepare the Company's first two pickup bucket trucks. Additionally, we began to use the multifunctional hydraulic crane in the field. The acquisition process of 12 insulated bucket trucks with a working height of 15 meters was initiated.

Furthermore, we continued improving the vehicle maintenance application. At present, each user can visualize the repairs on his entire fleet. The number of our internal customers also increased from 350 to 2,177.

We developed inspection processes by means of digital control forms to be used in the vehicle maintenance application, making it possible to ensure the quality of the repairs.

Improvements were made to the mechanical maintenance contracts to make repair processes more fluid, and smart fuel controller boards were developed.

QUALITY MANAGEMENT

SERVICE QUALITY

The seventh six-month period of the RTI's five-year period (2017-2021), which is governed by the new Sub-Appendix IV to the Concession Agreement established by the RTI, began in March 2020.

In addition to establishing district and commune-based service quality controls, a quality improvement path with increasing requirements is implemented, regarding not only interruption frequency limits and admissible interruption duration but also the cost of non-delivered energy. Additionally, an automatic penalty mechanism was implemented in order that the discounts on account of deviations from the established limits may be credited to customers within a term of 60 days as from the end of the controlled six-month period. As for the values of the definitive penalties, the ENRE's decision concerning the information submitted for each six-month period is required.

The system of supplementary penalties established by ENRE Resolution No. 198/2018 has been maintained. According to such Resolution, supplementary penalties of 300 or 600 kWh per consumer based on the Feeder Six-month Period Path Factor (*Factor de Sendero Semestral del Alimentador* - FSSA) and the Consumer Six-month Period Path Factor (*Factor de Sendero Semestral del Usuario* - FSSU) were established as from the fourth six-month period of the RTI five-year period, which commenced in September 2018. The penalties that may eventually apply will have to be calculated and reported to the ENRE in a term of 120 calendar days as from the end of the six-month control period and deposited in an escrow account.

The interruption frequency and the total interruption duration over the last five years are detailed below:

Affecting the customer (*)	2016	2017	2018	2019	2020
SAIFI (number of times)	8,67	9,02	6,94	6,15	4,64
SAIDI (hours)	25,84	27,55	22,65	15,94	12,23

(*) Rolling Annual Rate at December of each year.

As can be seen in the annual development of these indicators, the significant decrease recorded in the interruption frequency indicator, as compared to the previous year, was reflected in a similar proportion in the total interruption duration indicator. As it has already been mentioned in other occasions, investment actions in distribution networks, and their ripening over time, often lead to a decrease in the frequency indicator. This effect also carries through to the total duration indicator even when average interruption duration remains practically unchanged.

PRODUCT QUALITY

With regard to product quality, the regulations that established a quality path for the RTI five-year period (2017-2021) continue to be in effect, setting voltage deviation limits for MV and LV supplies at a unified value of 8%, 5% exclusively for HV, and the cost of energy delivered in poor condition at incremental values throughout the path for both voltage levels and disturbances.

Voltage and disturbances measuring campaigns were suspended by the end of March 2020, by virtue of the provisions of ENRE Resolution 3/2020 in the framework of section 1 of DNU 297/2020, which provided for the "Mandatory and Preventive Social Isolation". It is expected that those campaigns will be resumed when so provided for by the ENRE.

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY MANAGEMENT

The context of the pandemic undoubtedly accelerated the transformation that the Company had already been promoting throughout the last few years by making profound changes in technology, business processes and the culture of work.

Our Digital Transformation strategy was challenged and encouraged at the same time in a very special environment. This context gave us the opportunity to propose and implement substantial changes to adapt ourselves to the new real.

In this regard, immediately after the mandatory and preventive social isolation (ASPO) was implemented, we were able to mobilize more than 1,700 employees so that they could continue working from home. It is worth pointing out that both the technology infrastructure and the high digital maturity of business processes allowed the Company to continue operating with no disruption whatsoever.

2020 was the year in which we strengthened the area's strategic role, promoting new ways of operating with the incorporation of cutting-edge technologies and new ways of working.

Thus, we continued adding and developing new digital capabilities and deepening the consolidation of our information, technology and business processes strategy.

DIGITAL ARCHITECTURE

Data management is one of the enablers of the transformation we are pursuing. Becoming a data-driven company implies that we must have a foundational architecture in place to support it.

In that regard, we designed the new *Big Data & Analytics* reference architecture, which offers a technology and best practices-based framework that will enable us to take advantage of the benefits of advanced analytics, while strengthening information security and processing capacity of large volumes of data. Implementation thereof will begin in 2021.

We also continued consolidating the application integration platform we had implemented in 2019, migrating new operational and commercial circuits to the Red Hat technology.

It is noteworthy that, as a result of these works, the Company was awarded the *Red Hat Innovation Awards 2020*, participating among nearly 60 companies worldwide.

INNOVATION, PROCESSES AND INTEGRATED MANAGEMENT SYSTEM

The consolidation of the practice of Management by Processes was accompanied by the implementation of several process analysis and redesign projects, among which the following stand out: New Supplies, Sales of Services and Collection Management. All of them were accompanied by the required technology components and by role and organization adjustments.

Furthermore, the Integrated Management System (IMS) has been successfully recertified under ISO 9001 and 14001/2015, and OHSAS 18001/2007 standards.

With regard to the automation of processes, new transactional robots (RPA) were added for the analysis of files, recovery calculation and energy rebilling. With these new robots, we were able to achieve the recovery of ARS 20 million per month.

The way of working during the pandemic required a higher and better level of digital literacy. To that end, we launched an online space called "Café en red" (Online Café), whose objective is to bring technology closer to our new employees and accompany them in their use. Throughout more than 30 editions, we were able to get 3,200 employees to participate in that space. In 2021, we will continue developing it.

In terms of innovation in ways of working, we made progress with the development and incorporation of agile methodologies across the organization under the "Scrum" framework. We are convinced that these collaborative and multidisciplinary methods accelerate the production of "value deliverables". In that regard, we have 5 teams underway and 50 people were trained in both *scrum master* and *product owner*.

Finally, as part of the Service Center launched in 2019, we launched the new "Edenor Soluciones" portal, a space of interaction that allows technology users to channel and follow up their requirements and services. In 2021, this portal will be used to channel other areas' internal requirements.

COMMERCIAL PROCESSES

The restrictions imposed in the first phase of the ASPO through the Regulatory Authority meant, among other things, the closure of the commercial offices, the need to estimate readings and the granting of payment facilities to avoid shutting off the service due to delinquency in payment. As a consequence of these changes, several systems and applications of the commercial cycle had to be adapted.

One of the main axes in the Digital Transformation strategy is the digital interaction with our customers. During the pandemic, digital channels played a predominant role and the modern platforms of both Edenor Digital and the *contact center*, implemented in 2019, were able to successfully meet the increase in both customers and transactions.

With regard to Edenor Digital, we extended its scope, adding the possibility of carrying out new procedures, such as that concerning new supplies, and making payments through new channels, such as debit cards and e-wallets.

We also doubled the *contact center's* channels capacity and adjusted it so that agents could work from home. At the same time, new modules for the management of social networks were put into operation.

With the new context we had to adapt our reading and billing system (Oracle CC&B) in order to be able to process estimates, adapt the distribution of bills and manage delinquent payments with different behavioral and situational segmentation models.

We also implemented an online appointment scheduling platform so that customers can book the time either to go to the commercial offices (when they are reopened to the public), or to receive telephone assistance from customer service agents.

As for the medium and large customers segment, we finished developing the prototype of a new digital interaction platform, which will be launched in a first phase in 2021.

TECHNICAL AND OPERATIONAL SUPPORT PROCESSES

The smart electricity network is another of the axes of the Company's Digital Transformation. In that regard, we were able to install more than 3,500 smart meters in the medium and large customer segments, using components of the smart metering architecture developed last year.

Furthermore, we were able to remotely control more than 2,200 transformer centers, many of which are connected through our own optic fiber network, whose length this year reached 2,500 kilometers, comparable in size with some local telecommunication companies.

The implementation project of the new ABB SCADA, which is at the final stage, continues to progress and is expected to be implemented in the first months of 2021.

With regard to the management of fraud and technical losses, we developed and implemented the first phase of a new energy balance system.

Additionally, we began to develop micro-balances of energy in more than 23 gated communities, proactively detecting potential fraud.

Moreover, we implemented a mobile app so that the street crews can report nearby fraud.

In addition to this, we continued strengthening the non-technical losses predictive model, based on *machine learning*.

With regard to supply management, we optimized the planning of those supplies that are critical for the Company (meters, switchgears, transformers), by means of a new SAP supported supply planning process. Thanks to this, improvements were achieved in both the availability of supplies and the control and monitoring of stocks, optimizing the logistics chain with the incorporation of real-time alerts of critical indicators.

DATA

The data-based decision-making process benefitted from the consolidation of the Data Lab (multidisciplinary team to resolve use cases) and the development of new analytics and self-service advanced models.

This being the case, the *machine learning*-based predictive maintenance model for medium-voltage faults, which began to be developed last year, achieved more than 80% effectiveness. In view of that, we also began to develop a predictive maintenance model for high voltage and are making progress with the development of a smart demand forecasting model.

Additionally, we generated data analysis dashboards and models for the management of ENRE curves, the regulatory capital base, the reconciliation of supplies, the follow-up of purchases, and the optimization of contacts, among others.

CYBERSECURITY

In accordance with the cybersecurity program launched in 2018, and taking into consideration the criticality of this issue during the pandemic, the risk related to remote working and the more than 21,000 devices we were able to connect to our network, we reinforced certain chapters of the program, such as, for example, the Incident response plan and Raising cybersecurity awareness at all levels of the organization.

In that regard, we performed a simulated computer attack to adjust response variables in the event of these unexpected situations.

Additionally, we implemented the new security model for the new SCADA system, which will be implemented soon.

Finally, we enabled the technology capabilities in order that more than 2,500 people could connect through a new VPN platform, managing the necessary access to ensure the continuity of the business and monitoring the infrastructure, the applications and the networks.

INFRASTRUCTURE

Adjustments and new service and infrastructure monitoring activities were made to and carried out in the entire platform that supports Edenor Digital, CC&B, MIDE, external collections and the IVR, which allowed for the real-time measurement of performance and the achievement of a 99.81% average availability of customer digital platforms and applications within the Company.

We increased the installed capacity by 50% to support the growth of digital channels (edenordigital, Corporate Website, payment hub, etc.).

Furthermore, smart meters monitoring activities were implemented, which make it possible not only to identify errors in communication and meter readings before the closing of the billing cycle (large customers) but also to ensure the reading for the balance in the purchase of energy.

We implemented a new storage platform (Dell PowerMax) that increases application performance by 30% and improves user experience. A new RHEV virtualization farm, which also improves the general performance and supports the future growth of applications, was also implemented.

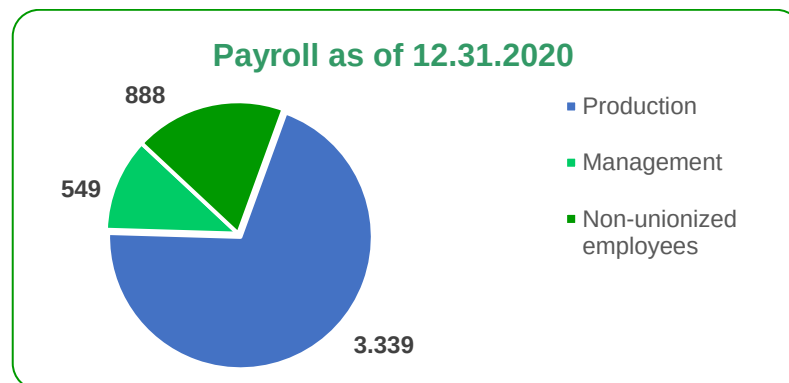
In order to also ensure a fluid and effective communication among our people, we implemented and distributed collaborative tools such as Microsoft Teams, Cisco Webex and Cisco Jabber, which resulted in about 20 million chats and 350 thousand virtual meetings in 2020.

Finally, we continued to make progress with the implementation of the new data backbone project, which will be completed in 2021.

HUMAN RESOURCES MANAGEMENT

OUR EMPLOYEES

The Company's payroll at the end of 2020, amounted to 4,776 employees. The following graph shows the breakdown thereof:



With regard to the incorporation of personnel, in 2020 we adapted our recruitment, selection and onboarding process to a virtual environment, which allowed us to continue incorporating talent into the different areas, where we externally covered more than 80 vacant positions. In this year we have incorporated a significant number of technology profiles that joined the Company to promote the digital transformation process.

In turn, through our Programs, we incorporated 32 Young Engineers, 10 Young Technicians and 17 Interns, who have begun their professional development path in **edenor**.

Furthermore, 39 positions were filled through the Internal Recruitment Program, with which we continued promoting internal mobility, to invest in our employees' development and their integrated perspective.

Additionally, we continued with our plan aimed not only at building relationships with universities and high schools that are key to our positioning as employer brand, but also at strengthening alliances that allow us to invest in technical training and offer labor opportunities. In this regard, we conducted workshops on first employment, addressed to students in the final year of schools within our concession area; participated in digital job fairs; and offered talks with experts to students and university graduates.

LABOR RELATIONS

The Company's labor relations with its employees are built around constant dialogue, which is reflected in the collective bargaining agreements entered into with the Sindicato de Luz y Fuerza (Electric Light and Power Labor Union) (production personnel) and the Asociación del Personal Superior de Empresas de Energía (Association of Energy Companies' Supervisory Personnel) (supervision personnel).

Those Collective Bargaining Agreements (CCTs) are approved by the competent authorities, and the working conditions arising therefrom continue to apply until the signing of a new agreement by virtue of the provisions of Section 12 of Law No. 14,250, pursuant to which a collective bargaining agreement shall remain valid after its expiry if it is not renewed.

Furthermore, the Company continues to enter into several Memoranda of Understanding with the aforementioned unions with the purpose of improving productivity, efficiency, and integral application of the multi-tasking and multi-professional approach in the development of the tasks of personnel posts to increase the quality levels of the service provided to customers, in addition to the signing of collective-bargaining wage agreements.

Adding to these aspects are the incorporation and adoption of new technologies and the introduction of changes in organizational structures, work plans and management systems, including the realignment of positions, responsibilities, work shifts and integration of different workplaces, thus allowing for the optimization of the Company's human resources in the different operation areas.

With regard to the changes generated by the COVID-19, edenor complied with all the measures set forth by the different governmental bodies, developing and applying the required work protocols.

COLLECTIVE BARGAINING NEGOTIATIONS

With regard to wage agreements, the collective bargaining agreement entered into in 2019 continued to be in effect through January 2020. Furthermore, a new collective bargaining agreement, effective until December 2020, was signed, which includes compliance with wage guidelines set forth in Executive Order No. 14/2020 of the Federal Executive Power.

At the date of issuance of this Annual Report, there is no certainty about future collective bargaining agreements.

CONTROL OF THIRD COMPANIES

In **edenor**, we are committed to monitoring compliance with labor, social security and safety and health-related obligations by the companies that provide services under the terms of section 30 of law 20,744.

In order for this objective to be achieved, the service companies hired by edenor must submit on a monthly basis the documentation that proves their compliance in due time and proper manner with the requirements imposed by the law in relation to their business activities and personnel.

Additionally, in pursuit of the continuous improvement and the implementation of new technologies, we developed a digital platform in order for the companies to provide information on a daily basis about the tasks assigned to their staff, together with the names thereof and the place within the concession area where such tasks will be carried out, provided that compliance with such staff labor obligations has been previously verified.

With regard to the actions taken as a consequence of the COVID-19, all contractors were required to continue providing the services, to submit the work protocols approved by those responsible for their health and safety regulations, and to ensure compliance with all the measures taken by the different bodies.

TRAINING AND DEVELOPMENT

In 2020 we developed the TO BE a technician of 17 new technical areas, thus completing since the Program was launched 27 tasks, including among them more than 250 videos/pílls on technical instructions. The training courses on New Supplies, DIME (Market Discipline) T1, T2, T3 and HV/MV Power Lines Repairs were attended by 1,724 people from the Distribution areas. As for the Transmission area, 207 people participated in the training courses on Capacitor Bank, HV Thermography, Bridging of Circuit Breakers, HV Profiling, Cleaning of Circuit Breakers, and HV Delivery in Substations. 3,707 people have participated in the project since it was launched.

This high added value project contributes to the building of standards of excellence for the service provided by edenor to its customers. Getting the tasks done right the first time, with quality, with confidence and efficiently, in the end translates into a better service for our customers. The tasks comprise the preventive and corrective maintenance and operation of the Company's low, medium and high voltage network.

A key achievement of the Project is to have coordinated efforts among the different areas in order to share, transfer and get feedback on technical knowledge, ensuring a process of improvement and sustainability.

Additionally, we began to design and facilitate different topics, giving priority by stages to those that are key and with massive reach, which were structured as follows:

Stage	Module
1	Regulatory aspects
	Different customer procedures
	Indicators Management
2	Digital means
	Technical aspects
	Delinquent payments
3	Billing
	New Supplies
	Reading
4	Systems knowledge (e.g. CC&B)

This initiative comprised 2,987 hours of training provided through Webinars and e-learning formats.

Furthermore, we began working on “**Knowledge Management – Technical Department**” with the design of the **Substations Design** Program jointly with such Department. Its main objectives are:

- To develop a HV Substations Project guide, taking into consideration all of edenor's particular requirements and documenting the experience acquired in already implemented projects.
- To train with this material the new generations of project designers, young professionals and the staff of the different operation areas related to the operation and maintenance of these facilities.
- That the developed material be used as an introductory reference guide and as the basis for new updates as we make progress with the technology renewals we will apply in new works.

The Program has 5 sections with 2 chapters each. The material of sections 1, 2 and 3 was developed and training on Section 1 was given.

With regard to training activities in general, the context of the pandemic, challenged us to implement new virtual and online learning methodologies, as well as to provide facilitators with the necessary tools in order for them to be able to give training successfully. As a consequence thereof, in 2020 the hours of training received by our own personnel amounted to 69,394.

With regard to **Promotions**, in 2020 we continued making development-related interviews promoting the filling of positions that imply a more complex role and with greater responsibility than the positions held by prospective candidates, with internal candidates. The objective is to generate opportunities for employee development based on merit and professional excellence, with the aim of achieving organizational objectives through motivation and job satisfaction. 81 employees were promoted.

For the sixth consecutive year, we carried out the **“Leaders Program”** –whose format was adapted to a virtual environment-, which consisted of different E-Learning modules that explored edenor’s pillars, including theory and practical activities. Additionally, three Webinars -addressed to Supervisors, Leaders, Chiefs, Assistant managers and Managers- were given with the participation of different speakers who based their talks on edenor’s model. More than 600 participants attended these Webinars.

Among other development-oriented initiatives, we conducted 10 virtual workshops on **“Development Experiences”**, which were attended by more than 100 participants, among Specialists, Leaders and Chiefs, and whose main objective was to create spaces for conversation about development and self-development in the Company, as well as to share the existing projects and practices in connection therewith.

As for the **“Performance Management Process”**, Chiefs and Supervisors participated in the elaboration of Performance Improvement Plans for the employees incorporated through the Young Engineers or Young Technicians Program, who in 2019 had been evaluated with a below expectations grade. Furthermore, in order to continue intensifying the adoption of the process by the Operations Department, 7 Performance Management Workshops were given. The workshops, which were addressed to Managers, Assistant managers, Chiefs and Supervisors, aimed not only at reviewing the stages of the process, roles and characteristics, but mainly at achieving both a deeper understanding of the Assessment stage, and, especially, a unified assessment criteria.

Finally, we worked on a **talent identification and action plan definition** process to accompany the transformation of the Information Technology and Telecommunications Department leaders. We surveyed competencies through development interviews, online tests and 360-degree feedback evaluations. Additionally, the “People Review” exercise was done to assist in human resources planning according to the organization’s challenges, identifying potential successors for different management-level positions.

HUMAN RESOURCES MANAGEMENT PLATFORM

In 2020 we continued improving and incorporating new functionalities to the “integrated” human resources management platform, launched in 2017. It is an open and collaborative platform that not only combines and integrates several information systems into one single management space, but also seeks employee self-management and decentralization to enhance the performance of leaders over their work teams.

Among the platform's modules and tools we can mention the following:

- “We manage”: administration and self-management of information, requests and inquiries.
- “We choose”: management of employee recruitment.
- “We connect”: benefits, integration and communication space.
- “We prevent”: management of staff health and safety.
- “We improve”: performance management process to be main players in the achievement of the Company's results.
- “We learn”: acquisition of knowledge and skills, and continuous learning management.
- “We honor”: access to the recognition program to honor outstanding management activities.

OCCUPATIONAL HEALTH

In the sanitary context brought about by the health emergency due to the Covid-19, the Human Resources Department and, particularly, the Occupational Health area, worked on different actions aimed primarily at taking care of our employees

By the end of February 2020, a Crisis Committee was set up comprised of the different Departments, whose objective was to assess the measures to be taken and define a plan for the permanent continuity of operations. The Committee was advised by medical experts in the field who validated different protocols, measures and recommendations for all staff members, which were also submitted to the relevant regulatory bodies.

Staff in at-risk groups were exempt from the carrying out of in-person tasks, and the work-from-home way of working was implemented for all those who could perform their duties without being physically present at the workplace. For staff members who had to continue carrying out in-person tasks in the electricity network, several organizational and health and safety prevention measures were taken.

Furthermore, a series of talks on topics of interest in the current context was launched with the aim of keeping our population informed and accompanied. The Healthy Energy program was launched, incorporating the development of weekly workshops to improve the quality of life, focusing on education and the adoption of healthy habits, covering from food aspects to the incorporation of physical activity habits, seeking to reduce and even avoid the risk of infection of COVID or other related diseases.

To support all these initiatives, a Medical Epidemiological Assessment Questionnaire was implemented to be uniformly used within the medical services and to set the parameters of virtual or in-person interviews of staff members with suspected symptoms or with close contact. A COVID platform was developed in order for the different leaders to be able to not only report to the medical service the cases with symptoms and contacts in their teams, but also follow up the development of each of the reported cases in the same portal.

Finally, in the month of December a workspace booking application for the Company's different buildings was launched. The booking in advance not only ensures the minimum distancing required but also offers the possibility of following up the possible close contacts of any positive or suspected case that might arise.

INTERNAL COMMUNICATION AND WORK ENVIRONMENT

In 2020, our priorities were to keep personnel informed of the measures to be taken into account to protect themselves against the COVID-19 and of our role as an essential service, to strengthen the sense of belonging, the proximity between the different areas and organizational levels, promoting different communication spaces and channels.

In this regard, we conducted the “Pulse Survey”, which allowed us to continue thinking about initiatives to help adapt to the new context of the pandemic.

Additionally, we conducted the Organizational Climate Survey, which allows us, based on different factors, to become aware of the staff's and their teams' level of commitment to achieving the business' results. With the results obtained in both polls, we continued developing Action Plans based on the strengths and improvement opportunities identified as a whole and in the different areas.

SAFEGUARDING OF ASSETS

In 2020, the Security Operational Center (*Centro Operativo de Seguridad* – “COS”) increased its activities, responding to and coordinating the mobile custody service requirements of operational teams that perform electrical switching operations in different substations, while safeguarding the Company's assets.

PROCESSES AND CONTROL

CODE OF ETHICS

In 2020, the Code of Ethics was updated and the acknowledgement process by all the Company's employees was developed digitally.

The Code provides a roadmap to how we are expected to conduct ourselves and lays the foundation for delivering the service of excellence we set out to achieve.

The Code of Ethics is available on both the integration, communication and management platform “edenorcercas” and the platform where employee payslips are stored.

Furthermore, different internal communication campaigns were conducted in order to consolidate the employees' knowledge of its contents. The channels used were publications in “edenorcercas”, trivia contests, e-mails, and digital boards.

With regard to contractors, an initiative was launched to strengthen their Ethical Commitment and that of their personnel. This included requiring that contractors adopt different measures or reinforce existing ones, such as having their own Codes to which their employees must adhere, conducting dissemination campaigns of the values included therein, and making changes to their human resources selection and management processes.

INTERNAL CONTROL SYSTEM

As from 2007, and upon entering the international capital market through the listing of our securities in the United States, we had to make sure that business processes and financial information are in line with the control framework required by domestic and international regulations. Within these regulations, compliance with the Sarbanes-Oxley Act ("SOX") passed in 2002 and regulated by the Securities Exchange Commission (SEC) is deemed essential. That Act sets forth strict conditions for companies listed in the American market, which must be observed in order to avoid penalties with a high personal and institutional impact. Therefore, we have implemented a continuous process for risk surveying, documentation and controls that allows us to assess the effectiveness of the internal control system over economic and financial reporting. Since 2008, an annual evaluation of this process is performed, and its result is included in the certification submitted to the SEC by the CEO and the CFO.

As of December 31, 2020, Management has assessed the effectiveness of the internal control system, using the criteria set forth in the conceptual framework defined by the COSO (2013), and concluded that an effective internal control on the issuance of its financial statements has been maintained.

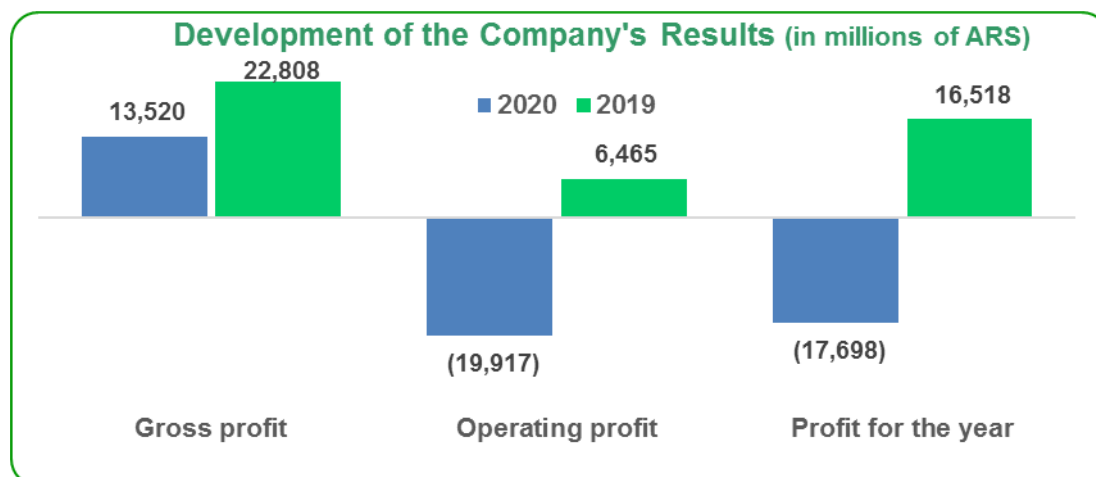
CHAPTER 06

Fiscal year results



ANALYSIS OF ECONOMIC RESULTS

In fiscal year 2020, edenor posted a loss of ARS 17,698 million as compared to the ARS 16,518 million profit recorded in fiscal year 2019. We disclose below the development of the Company's results:



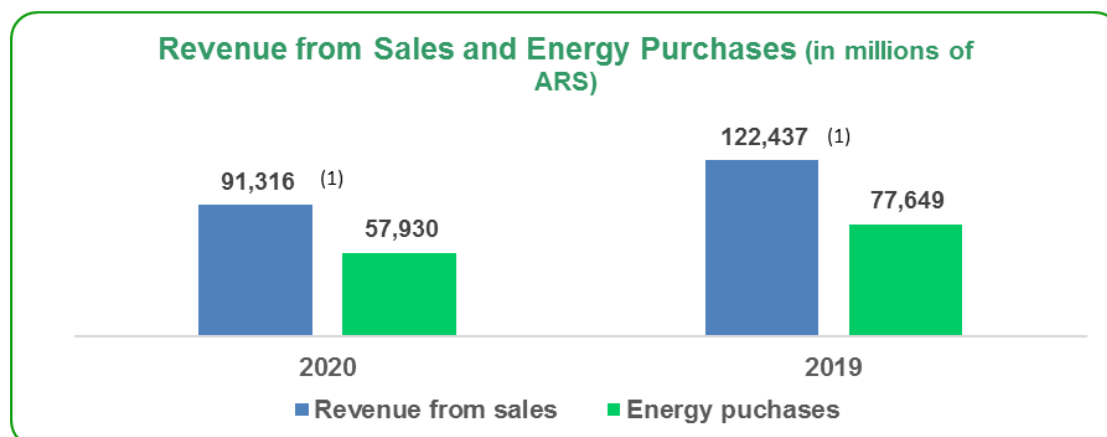
The operating result for fiscal year 2020 amounts to a loss of ARS 19,917 million, as compared to the ARS 6,465 million operating profit recorded in the previous fiscal year, due mainly to the recognition of an impairment in the Company's Property, plant and equipment for ARS 17,396 million. Indicators of impairment have been identified in the Company's assets as of December 31, 2020 according to the analysis performed by management in accordance with IAS 36, which include different possible scenarios and weighting factors such as the current macroeconomic context and the medium- and long-term projections for the Company's business.

Furthermore, the operating result was impacted by the lack of adjustment of electricity rates, as a consequence of the freeze on rates provided for by the Federal Government (prescribed by the Solidarity Law and extended by different executives orders), given the constant increase in the operating costs -necessary to maintain the level of service- and the Argentine economy's inflationary context. The gross margin in 2020 and 2019, including transmission and distribution expenses, was 15% and 19%, respectively. Additionally, this situation was exacerbated by the effects of the COVID-19 pandemic, which has had a severe social, economic and financial impact.

The result for the year 2020 shows a decrease of 207% as compared to the previous year, due mainly to both the factors mentioned in the preceding paragraph and the Agreement on the Regularization of Payment Obligations entered into in 2019 by and between the Federal Government and **edenor**.

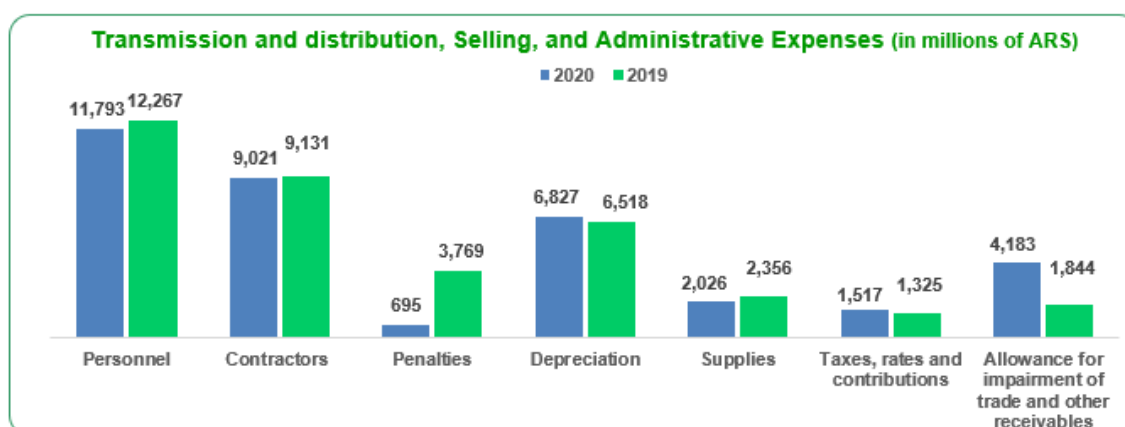
This Agreement consisted mainly of **edenor's** abandoning certain actions to which it might be entitled against the Federal Government; paying debts for works, loans for consumption (mutuums) and penalties in favor of users; and undertaking to make additional investments aimed at improving the overall service. In return, the Federal Government fully offset pending payment obligations with the MEM for electric power purchases and partially cancelled both the mutuums granted by CAMMESA and certain penalties in its favor. As a consequence of the Agreement, a pre-tax profit of ARS 23,270 million was recognized, which did not imply any inflow of funds whatsoever; quite on the contrary, **edenor** must comply in the next 5 years with the agreed-upon investment plan.

As a consequence of the aforementioned freeze on rates, the electricity rates are at May 2019 levels (see “Electricity Rates” - Chapter 5), therefore, the Company’s revenue decreased 25%, from ARS 122,437 million in 2019 to ARS 91,316 million in 2020. Furthermore, electricity purchases in 2020 amounted to ARS 57,930 million, decreasing by 25% as compared to the previous year. The demand for electricity remained relatively stable, recording an increase of 1% in GWh.



(1) Includes right to use poles for ARS 421 million and ARS 386 million, connection charges for ARS 47 million and ARS 83 million, and reconnection charges for ARS 6 million and ARS 36 million for 2020 and 2019, respectively.

With regard to operating costs, they recorded a decrease of approximately 3% as compared to fiscal year 2019, basically due to both a reduction in the amount of penalties as a consequence of the quality improvement in technical product and public safety, and the Company’s own recording of recovered penalties. All that net of an increase in the charge for doubtful accounts due to the rise in delinquent payments, owing mainly to the uncertainty caused by the COVID-19 pandemic.



Furthermore, Other operating income and expense (including the impairment of Property, plant and equipment) amounted in 2020 to a loss of ARS 17,241 million, as compared to the loss recorded in 2019 for ARS 1,115 million. Without taking the impairment into consideration, Other operating income and expense would amount to an ARS 155 million gain, due mainly to a reduction in the charge for lawsuits and contingencies as compared to the previous year.

In 2020, net finance costs amounted to ARS 11,111 million, as compared to the ARS 13,923 million recorded in 2019. This 20% decrease in net finance costs is mainly related to both the decrease in the exchange difference loss (37% devaluation in August 2019) and a lower amount of interest on penalties.

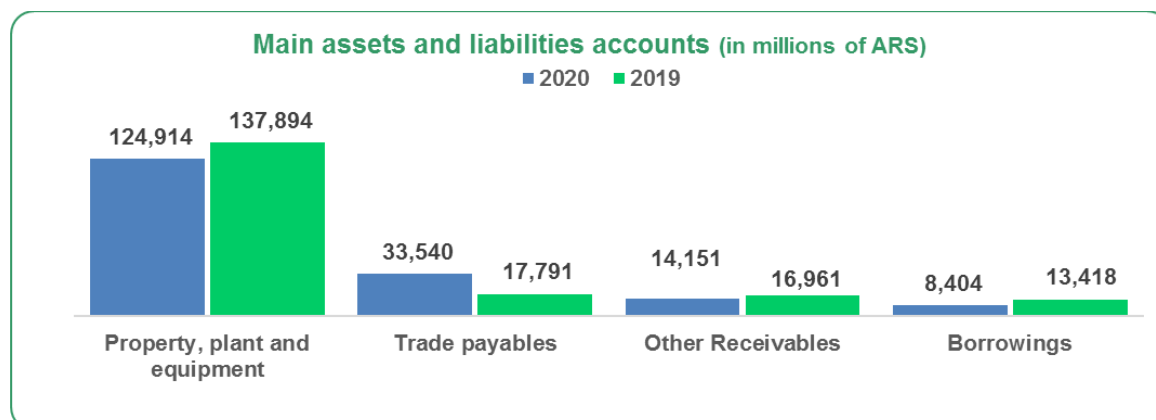
Financial Income and Expense	in millions of ARS	
	2020	2019
Financial income	1,459	1,083
Financial expense	(12,570)	(15,006)
Financial expense, net	(11,111)	(13,923)

ANALYSIS OF THE FINANCIAL AND CASH POSITION

FINANCIAL POSITION

	(in millions of ARS)			
	At December 31,		Variation	
	2020	2019	\$	%
ASSET				
Non-current assets	125,486	138,299	(12,813)	-9%
Current assets	23,310	24,334	(1,024)	(4%)
TOTAL ASSETS	148,796	162,633	(13,837)	-9%
LIABILITIES				
Non-current liabilities	43,730	48,650	(4,920)	(10%)
Current liabilities	42,168	33,463	8,705	26%
TOTAL LIABILITIES	85,898	82,113	3,785	5%
EQUITY	62,898	80,520	(17,622)	(22%)
TOTAL LIABILITIES AND EQUITY	148,796	162,633	(13,837)	-9%

The variations recorded in the main assets and liabilities accounts as of December 31, 2020, as compared to the previous year, were as follow:



- **Property, plant and equipment:** its decrease is due mainly to the recognition of the impairment of the Company's Property, plant and equipment. Without taking the impairment into consideration, it would reflect a 3% increase due mainly to the Board of Directors' express decision to prioritize the execution of investment projects with the aim of maintaining the provision of the public service, object of the concession, under safe conditions.
- **Trade payables:** its increase is due mainly to the postponement of payments to CAMMESA for the energy acquired in the Wholesale Electricity Market ("MEM") as from the maturities taking place in March 2020 as a consequence of the impacts caused by the COVID-19 pandemic.
- **Trade receivables:** its decrease is mainly due to both the increase in the allowance for doubtful accounts, as a consequence of the rise in delinquent payments, and the decrease in electricity sales in meters in 2020.
- **Borrowings:** its decrease is mainly due to the payment of financial loans and corporate notes throughout 2020.

CASH FLOWS

In 2020, the level of cash and cash equivalents increased as compared to fiscal year 2019. Cash flows provided by operating activities amounted to ARS 17,336 million, which were mainly used for the financing of the investment plan for ARS 7,219 million, the payment of debt principal and interest for ARS 2,354 million, and the repurchase of Corporate Notes for ARS 3,798 million.

	(in millions of ARS)			
	At December 31,		Variation	
	2020	2019	\$	%
Net cash flows generated by operating activities	17,336	13,830	3,506	25%
Net cash flows used in investing activities	(7,219)	(7,019)	(200)	3%
Net cash flows used in by financing activities	(6,152)	(6,905)	753	(11%)
Decrease in cash and cash equivalents	3,965	(94)	4,059	
Cash and cash equivalents at the beginning of year	558	58	500	
Exchange differences in cash and cash equivalents	(364)	597	(961)	
Result from exposure to inflation	203	(3)	206	
Decrease in cash and cash equivalents	3,965	(94)	4,059	
Cash and cash equivalents at the end of the year	4,362	558	3,804	

COMPARISON OF VALUES IN NOMINAL AND CONSTANT CURRENCY

The table below details the comparative values of the statement of income, both in nominal and constant currency:

	(in millions of ARS)			
	12.31.2020		12.31.2019	
	Nominal currency	Functional currency	Nominal currency	Functional currency
Revenue	77,896	91,316	73,669	122,437
Electric power purchases	(49,394)	(57,930)	(46,814)	(77,649)
Subtotal	28,502	33,386	26,855	44,788
Transmission and distribution expenses	(13,367)	(19,866)	(10,348)	(21,980)
Gross gain	15,135	13,520	16,507	22,808
Operating expenses	(12,815)	(33,437)	(10,004)	(16,343)
Operating profit (loss)	2,320	(19,917)	6,503	6,465
Agreement on the Regularization of Obligations	-	-	13,403	23,270
Net financial expense	(9,241)	(11,111)	(7,435)	(13,923)
Gain on net monetary position	-	9,767	-	15,236
(Loss) Profit before taxes	(6,921)	(21,261)	12,471	31,048
Income tax	(208)	3,563	(2,598)	(14,530)
(Loss) Profit for the year	(7,129)	(17,698)	9,873	16,518

MAIN FINANCIAL RATIOS

	2020	2019
Current liquidity	0.55	0.73
Current assets / Current liabilities		
Immediate liquidity	0.51	0.65
Cash and banks plus credits / Current liabilities		
Solvency	0.73	0.98
Equity / Total Liabilities		
Asset immobilization	0.84	0.85
Non-current assets / Total assets		
Equity ratio	0.42	0.50
Equity / Total assets		
Profitability before taxes		
(Loss) profit before taxes / Equity excluding profit or loss	(0.26)	0.49

CHAPTER 07

Sustainability



SUSTAINABILITY

INDUSTRIAL SAFETY

In the second quarter of 2020, the Occupational Safety team was reorganized on the basis of the COVID protocols to continue performing its duties, supporting the Company's operational areas.

By the end of the year, the annual audit conducted by the IRAM on Industrial Safety Management was satisfactorily passed, which allowed us to maintain the OHSAS 18001 Certification obtained in 2005.

The Occupational Health and Safety management programs were updated for certification purposes in 2021, following the guidelines of the new 2018 ISO 45001 standard.

To achieve these Occupational Health and Safety-related guidelines, we performed several activities -whose results were reflected in the improved accident indicators of the last years-, among which we can mention the Working safely with electricity, Virtual Reality project.

We continued to explore new emerging teaching technologies capable of both strengthening the way our technicians learn and validating their knowledge, as it is a priority that this be done efficiently and in an integrated fashion with the operational needs. It is with this aim that we decided to provide a mass impact training program (more than 3,000 operational supervisors and technicians) on "Working safely with electricity" using **Virtual Reality**.

Furthermore, the project launched in the previous year, which redefines the assignment and management process of Personal Protective Equipment, Tools and Other equipment, continued, thus optimizing a cross-cutting process that impacts the management of such elements directly.

The frequency and severity rate of accidents over the last years is as follows:

Accidentology	2016	2017	2018	2019	2020
Frequency rate	44.89%	32.51%	30.18%	21.52%	12.70%
Severity rate	1.78%	1.01%	1.14%	0.76%	0.58%

EDENOR IN THE COMMUNITY – CSR

2020 was the year in which the CSR area consolidated. It can be affirmed that the Company has a consolidated, already underway and with a view to the future, CSR plan in place, consolidating the stance taken by a company committed to society in terms of actions aligned with education, employment, and sustainability as a whole.

The COVID-19 pandemic that began in March was no obstacle to carry out the Programs that comprised the 2020 CSR Plan. To cope with this new social scenario, some Programs were virtualized and others were adapted.

The initiatives developed were:

- Comprehensive relationship building plan with educational institutions;
- Scholarship and mentoring program;
- Electricity access and smart consumption program;
- “edenorchicos” educational program
- COVID 19 – Support to scientific research institutions and hospitals;
- Support to volunteer firefighters.



PUBLIC SAFETY

In this regard, the annual audit conducted by the IRAM on the Public Safety System (PSS) according to ENRE Resolution No. 421/11, was successfully passed, thus maintaining the related certification.

With regard to third party accidents in 2020, 25% of them occurred in third-party facilities, such as inside houses or street lighting columns. Although these accidents occur in facilities that are not under the responsibility of **edenor**, they must be recorded and reported in accordance with the Regulatory Authority's requirements.

According to the analysis of the accidents recorded in 2020, 61% of them are the result of vandalism and third party negligence.

Additionally, we continued to hold periodic meetings with contractors to discuss public safety-related issues. At such meetings, the results of the inspections performed, the goals achieved, the analysis of deviations found, and the street accidents suffered by their staff are presented to the contractors, who are also provided with guidelines for the training to be given to their workers.

Furthermore, information about public safety issues in general and recommendations in the event of weather alerts continued to be provided, using for such purpose the social networks, which are also used to report electrical hazards in the streets.

QUALITY

As a fundamental pillar of the Integrated Management System (IMS), all the processes have been implemented and are certified under the ISO 9001:2015 Quality Management Systems international standard. The implementation began in 1999, in the meter-reading, billing, collection, procurement and logistics processes, and, as from 2005, was extended to all **edenor**'s processes.

In October 2020, the external recertification audit of the Integrated Management System (IMS); ISO 9001 Quality Management System; ISO 14001 Environmental Management Systems; and OHSAS 18001 Occupational Health and Safety System was successfully passed.

The certifying entity IRAM highlighted as strengths the organization's response capacity, which allowed for both the recovery of all the operations in a minimum period of time, sorting the problems and coping with the restrictions resulting from the COVID-19 pandemic, and the implementation of the ARIS tool, which not only facilitates the management process of documented information, but also -due its design- ensures the use of consistent terminology and style in all generated documents (Technical processes).

The main innovations incorporated into the Quality Management System (ISO 9001:2015) were: customer-focus; leadership; people's commitment; process approach; better evidence-based decision making; relationship management; risk and opportunity analysis; change planning; and context and third-party analysis.

These principles aim at promoting a quality culture among the organization's individuals to seek their commitment and participation.

The purpose is to secure the individuals' involvement in the compliance with the Integrated Management System (IMS) Policy, which governs our System's actions and supports the application of our Competitiveness and Sustainability Model.

At the same time, we actively participated in the Argentine Standardization Institute (IRAM); the Argentine Society for Continuous Improvement (SAMECO); the Quality, Continuous Improvement and Environment-related sharing experience commissions; the Ibero-American Foundation for Quality Management (FUNDIBEQ), the National Quality Award (PNC) and the Argentine Professional Institute for Quality and Excellence (IPACE).

COMMUNICATION ON PROGRESS (COP) - GLOBAL COMPACT

In accordance with the policy of transparency in our operations, the Company submitted its Communication on Progress to the UN Global Compact, reporting progress made in each of the 10 principles promoted by this initiative. These principles cover topics such as environment, human rights, labor regulations and anti-corruption. The report details the actions, challenges and goals assumed by the Company and the work performed to meet them.

The Global Compact COP is available on both the Company's official website and the internal network "edenorcerca".

We set up a strategic alliance with the aim of raising awareness among customers and the general public of the importance of a smart electricity consumption to help care for the environment. This action contributed to strengthening the Company's commitment to complying with the Sustainable Development Goals.

BOLSAS Y MERCADOS ARGENTINOS (BYMA) SUSTAINABILITY INDEX

The Company is included in the "Sustainability Index" implemented by Bolsas y Mercados Argentinos (BYMA) and the Inter-American Development Bank (IDB).

This is the first index of this type that has been launched in Argentina and the Company has been chosen due to its management and commitment to the sustainable development of the community in which it is embedded.

This index has a non-commercial nature and evaluates the performance of issuers listed on BYMA in the four 'ESG-D' pillars. More than 400 indicators are surveyed, although the BYMA matrix evaluates 76 and averages the results obtained in the following axes: "Environmental", "Social", "Corporate Governance" and "Sustainable Development".

ENVIRONMENTAL MANAGEMENT

edenor is certified under ISO 14,001:2015 standard since 1999.

ENVIRONMENTAL AUTHORIZATION

The Special Authorization Certificates were obtained for each of our warehouses, ensuring proper management in the handling and final disposal of hazardous waste.

Those certificates were granted by the Provincial Agency for Sustainable Development of the Province of Buenos Aires and the National Environment and Sustainable Development Ministry.

MONITORING PROGRAM

In this year, Level of Noise and Electromagnetic Field measurements were made in 12 (twelve) substations; electromagnetic field measurements were also made in 17 (seventeen) High-voltage lines/cables and in 84 (eighty-four) transformer centers. The results obtained were very good, complying with the limits required by the regulations for this type of facilities.

Furthermore, throughout the year Electromagnetic Field measurements were made in order to be granted the administrative easement of Edenor's transformer centers; with the results of each of such measurements being in compliance with the legislation. Not only was compliance with regulations in accordance with the requirements of Energy Secretariat Resolution 77/98 analyzed but the use given to the premises adjacent to centers was also taken into account in order to determine the possibility of current or future incidence of the electrical equipment's electromagnetic emissions.

TRAINING

In 2020, the following Environment-related training activities were developed: "Environmental Awareness", "PA-02 Waste Management" and "Environmental Management addressed to Young Professionals". A total of 950 participants attended these training activities.

CHAPTER 08

Board of Directors' Proposal



BOARD OF DIRECTORS' PROPOSAL

APPROVAL OF FINANCIAL STATEMENTS

As required by section 234 of the Business Organizations Law, we hereby inform that the Financial Statements for the year ended December 31, 2020 will be submitted for approval purposes to the next Shareholders' Meeting.

ALLOCATION OF RESULTS

Due to the negative results for fiscal year 2020, and taking into consideration that the Ordinary and Extraordinary Shareholders' Meetings held on April 24, 2019 and April 28, 2020 resolved to allocate the results for fiscal years 2018 and 2019 to the setting up of a voluntary reserve for investments -pursuant to the terms of section 70, paragraph 3 of Business Organizations Law No. 19,550-, and given that in accordance with the order of priority for the absorption of losses -as provided for by the applicable regulations (section 11 and related sections of CNV General Resolution 633/13, Title IV Chapter III)- such absorption must first be made against voluntary reserves -should there exist any- and only after these reserves have been exhausted, against the statutory and legal reserves, the Board of Directors proposes that this be so resolved by the shareholders at the Annual General Meeting to be held on April 27, 2021.

ACKNOWLEDGEMENTS

Finally, we would like to thank all our employees, who make of **edenor** the country's largest electricity distribution company. To all of them, to our shareholders, advisors, suppliers and, mainly, to our customers, our deepest gratitude for having accompanied us during 2020.

APPENDIX I

Corporate governance report



ANNUAL REPORT 2020

APPENDIX I: CORPORATE GOVERNANCE REPORT

With the aim of strengthening the Code as a tool to promote a culture of good governance, taking into account the OECD-G20 corporate governance principles and the best international practices, on June 19, 2019 the National Securities Commission issued General Resolution No. 797/19, which updated the Code of Corporate Governance submitted annually by the entities authorized to make a public offer of their securities. In this regard, the Code incorporates the educational content that instructs companies on the benefit and the importance of adopting the principles and practices of good corporate governance, providing guidelines that justify those practices and transmit their purpose.

A) THE ROLE OF THE BOARD OF DIRECTORS

Principles

- I. The Company must be led by a professional and qualified Board of Directors that will be in charge of laying the necessary foundations to ensure the company's sustainable success. The Board of Directors is the guardian of the company and the rights of all its Shareholders.
- II. The Board of Directors must be in charge of determining and promoting the corporate culture and values. In its actions, the Board of Directors must ensure compliance with the highest standards of ethics and integrity based on the company's best interests.
- III. The Board of Directors must be in charge of ensuring a strategy inspired in the company's vision and mission and aligned with its values and culture. The Board of Directors must constructively engage with the management to ensure the proper development, implementation, monitoring and modification of the company's strategy.
- IV. The Board of Directors will exercise a permanent control and supervision over the company's management, ensuring that the management takes measures towards the implementation of the strategy and the business plan approved by the Board.
- V. The Board of Directors must have the necessary mechanisms and policies in place to exercise its and each of its members' duties in an efficient and effective way.

1. The Board of Directors generates an ethical work culture and sets out the company's vision, mission and values.

The Issuer complies with the principles and applies the recommended practice. In this regard, the Board of Directors undertakes the administration in a diligent and prudent manner, permanently supervising the management of the Company. The Board is comprised of professional and qualified members to lay the necessary foundations to ensure the Company's sustainable success, guaranteeing to that effect the highest standards of ethics and integrity, ensuring the Company's vision, mission and strategy.

The Company has an Integrity Program in place pursuant to the provisions set forth in Law No. 27,401 on Criminal Liability of Legal Entities and the guidelines issued in this regard by the Anti-Corruption Office, comprised of a set of internal mechanisms and procedures for promoting integrity, supervision and control, aimed at preventing, detecting and rectifying irregularities and illegal acts.

In this framework and in line with good corporate governance policies, the Board of Directors approves the Code of Ethics, applicable to all the employees, Board of Directors and Supervisory Committee members, contractors, subcontractors and suppliers, in order to set the general guidelines that must govern the Company's and all its employees' conduct in the performance of their duties and in their business and professional relationships. Any amendment to the Code, as well as any waiver or exception to compliance with its provisions, must be approved by the Board of Directors. Furthermore, the Board of Directors has Internal regulations in place, the purpose of which is to define its powers and responsibilities. Directors must perform their duties with due diligence, care and discretion and pursuant to the provisions of Business Organizations Law No. 19,550 as amended, the regulations of the National Securities Commission and those of the markets in which the Company's securities are listed, helping promote transparency and always ensuring that the best interests of **edenor** and its shareholders as a whole are preserved.

- 2. The Board of Directors sets the company's general strategy and approves the strategic plan developed by the management. In so doing, the Board of Directors takes into consideration environmental, social and corporate governance factors. The Board of Directors oversees its implementation using key performance indicators and taking into consideration the best interest of the company and all its shareholders.**

The Issuer applies the recommended practice as the Board of Directors is in charge not only of the business management, but also of formulating and approving the Company's general policies and strategies, as well as the management objectives and annual budgets; all of that taking into consideration the Company's particular circumstances and the environmental, social and corporate governance factors.

The Board of Directors meets periodically, participating actively and with a high degree of involvement in the management of the Issuer. Furthermore, on an annual basis, the Board approves the investment budget and the financial budget, providing throughout the fiscal year a detail of the degree of compliance thereof.

In order for the Board of Directors to exercise permanent control and supervision of the management of the Company, at Board meetings the Finance and Control Director presents a summary of the monthly Management Report, showing the income statement for the year and accumulated comparatively with the previous year and the cash flow statement.

That information is supplemented with periodic reports made by the Management on compliance with, deviations from, and/or adjustments to both the annual budget and the Issuer's business plan, analyzing their progress and proposing adjustments taking into consideration the Company's particular circumstances. In so doing, the Board of Directors ensures that the management takes measures toward the implementation of the strategy and the business plan.

3. The Board of Directors oversees the management and ensures that it develops, implements and maintains a proper internal control system with clear reporting lines.

The Issuer applies the recommended practice. In this regard, the Issuer has a policy in place that defines the components and principles of its internal control system, as well as the responsibilities for its proper functioning.

In compliance with current regulations, the Issuer has selected as control framework the criteria set forth in the document "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), 2013 version.

The internal control system is designed by setting strategic compliance items and establishing mechanisms for detecting deviations in order to evaluate and correct them, observing and complying with the legal framework, the corporate governance rules, codes and policies to which the entity is subject.

The Management, under the supervision of the Board of Directors, sets the Company's objectives, which must be aligned with its mission, vision and strategies. These high-level objectives reflect how the Company seeks to create and preserve value for its shareholders. The setting of objectives is key in the Company's strategic planning process.

Furthermore, the Board of Directors sets the policies and provides and approves the rules and regulations.

Internal control is a strategic aspect of management, a coordinated set of methods and measures adopted to promote operational efficiency and effectiveness and encourage adherence to the policies issued by management.

Finally, the Issuer has a Policy in place with respect to fraud prevention that facilitates the reporting of alleged irregularities inside the Company.

Although each and every member of the organization is responsible for the internal control, all the above-mentioned regulations are supervised by the Chairman and the General Management and are approved by the Audit Committee.

- 4. The Board of Directors designs the corporate governance structures and practices, designates the person responsible for their implementation, monitors their effectiveness and suggests changes if necessary.**

The Board of Directors approves the Code of Corporate Governance along with the Annual Report for each year. The Code is prepared in accordance with current regulations and adopts the corporate structures and practices recommended by the CNV, the Securities Exchange Commission (SEC) and the self-regulating markets in which the Company's securities are listed. Furthermore, the Board of Directors approves the different corporate governance policies applicable to the entire Company. In this regard, the Board of Directors has approved the following policies: Best Stock Market Practices, Related-Party Transactions, among others.

In the way described, the Issuer applies the recommended practice.

- 5. The members of the Board of Directors have sufficient time to exercise their duties in a professional and efficient manner. The Board of Directors and its committees have clear and formalized rules for their operation and organization, which are disclosed in the company's website.**

The Issuer applies the recommended practice given that each member of the Board of Directors performs his/her duties with due diligence, care and discretion and pursuant to the provisions of Business Organizations Law No. 19,550 as amended, the regulations of the National Securities Commission and those of the markets in which the Company's securities are listed.

edenor's Board of Directors has Internal Regulations in place that describe the duties of both the office of director individually and the Board of Directors as a whole, detailing the frequency of meetings, the form in which meetings are convened and the mechanism for attending the meetings.

The office of director is personal and cannot be delegated; the director must always act in the best interests of **edenor** and its shareholders as a whole. The Directors who are appointed for the first time are instructed on their powers, responsibilities, regulations and internal policies, the characteristics of the business, the market in which the Company operates and the regulations on the functioning of the Issuer's bodies.

The Board of Directors' members are obliged to keep the Company's business and **edenor's** information to which they have access confidential, and to comply specifically with the Company's rules, regulations and policies in order to exercise their duties professionally and efficiently.

As for the Committees, they are where the Board of Directors' members make direct contact with different issues and monitor the effective application of the strategic guidelines in order to achieve the Company's goals.

Each committee has its own regulations that govern its functioning, and is under the authority of **edenor's** Board of Directors. The oversight, reporting, advisory and proposal-making duties arise from the regulations and the legislation and regulations in force.

Furthermore, the participating directors draw on the information about the day-to-day management, eventually recommending adjustments to the strategic guidelines, new policies or amendments to those in force.

B) THE CHAIRMANSHIP IN THE BOARD OF DIRECTORS AND THE CORPORATE SECRETARIAT

Principles

VI. The Board of Directors' Chairman is responsible for ensuring the effective fulfillment of the Board of Directors' duties and for leading its members. The Chairman must generate a positive work dynamics and promote the constructive participation of Board members, as well as ensure that the members have the necessary elements and information for decision making. This also applies to the Chairmen of each of the Board of Directors' committees regarding their duties.

VII. The Board of Directors' Chairman must lead processes and establish structures seeking the Board of Directors' members commitment, objectivity and competence, as well as the best possible performance of the board as a whole and its development according to the company's needs.

VIII. The Board of Directors' Chairman must ensure that the entire Board of Directors is engaged and is responsible for the General Manager's succession.

- 6. The Board of Directors' Chairman is responsible for the proper organization of Board meetings, prepares the agenda ensuring the cooperation of the other members, and ensures that they receive the necessary materials sufficiently in advance so as to participate in the meetings in an efficient and well-informed manner. The Chairmen of the committees have the same responsibilities for their meetings.**

The Issuer applies the recommended practice. In this regard, the Board of Directors' Chairman, jointly with the Corporate Secretariat in charge of the Legal Affairs Department, ensures the effective fulfillment of the Board's duties and the participation of all its members in decision-making.

The Company guarantees the availability of relevant information in a safe, equal manner and sufficiently in advance for decision-making of the Board of Directors, in accordance with the provisions of regulations in effect, its Bylaws and the Board of Directors' Internal Regulations.

For that purpose, the meetings are called within the legally established time periods and sufficiently in advance via e-mail, in line with **edenor's** "Zero Paper" Policy, attaching to the Agenda of the meeting the information and documentation relating to each of the items to be discussed, in order to be duly analyzed by all the Board of Directors' members prior to the meeting.

Furthermore, both the Board of Directors' Chairman and the Secretariat are available to deal with all the inquiries and/or needs the Directors and/or Supervisory Committee members may have in the fulfilment of their duties, made either via email or by telephone, for arranging meetings and/or preparing reports.

In turn, if applicable, the Executive Directors in charge of the different areas participate in the Board of Directors' meetings, in order to make the pertinent presentation on the issues that are the subject of the meeting and answer any inquiries that may arise.

7. The Board of Directors' Chairman ensures the proper internal functioning of the Board of Directors through the implementation of formal annual evaluation processes.

The Issuer applies the recommended practice as the Board of Directors' Chairman ensures the proper functioning of the Board and the implementation of formal processes for its evaluation. In so doing, the Board's performance in managing and directing the Company is evaluated through the approval of the actions taken by each of the directors throughout the fiscal year.

It is the Annual General Meeting of each year that has the authority to evaluate the actions taken by the Board of Directors, in accordance with the provisions of the Business Organizations Law.

The Board of Directors' members comply with the provisions set forth in the Bylaws and in the Board of Directors' Internal Regulations. Furthermore, all of the Board of Directors' resolutions are recorded in the minute book of such body and give an account of its performance. In this regard, the last Shareholders' Meeting that approved the actions taken by the Directors was held on April 28, 2020 and the evaluation of the actions taken by the Board of Directors relating to the year ended December 31, 2020 will be considered by the next Annual General Meeting to be called in a timely manner.

8. The Chairman generates a positive and constructive work environment for all the Board of Directors' members and ensures they receive continuous training to keep up to date and be able to fulfill their duties properly.

The Issuer applies the recommended practice. The Board of Directors' Chairman, jointly with the Corporate Secretariat, includes in the Agenda of the Board's meetings the topics of interest to keep the Board of Directors' members continuously informed and up to date to properly fulfill their duties. In this regard, updates regarding relevant regulations have been performed throughout the year. Furthermore, the Audit Committee's Annual Plan includes a Training Plan for the Directors who are members of such Committee.

Furthermore, with regard to the Directors exercising executive functions, the Issuer, through the Human Resources Department, develops training plans throughout the year in accordance with the needs where applicable. They are regularly invited to lead training experiences related to their functions and other business requirements. The Issuer has an annual training plan in place that aims to support the professional development and facilitate the recruitment, development and retention of its human resources, in addition to being oriented to respond to the technical-functional needs detected in the annual review. The Training Plan includes activities and topics aimed at developing a positive and constructive work environment for all the Board of Directors' members, both for operational and management tasks. In doing so, they receive continuous training to keep up to date and be able to properly fulfill their duties. Such activities are taught through in-house courses or external courses in different educational institutions and recognized organizations in the market.

9. The Corporate Secretariat supports the Board of Directors' Chairman in the effective administration of the Board and cooperates with the communication among the shareholders, the Board of Directors and the management.

The Issuer applies the recommended practice. The Legal Affairs Department serves as the Corporate Secretariat. It assists and supports the Board of Directors' Chairman in the performance of his duties and ensures the proper functioning of the Board of Directors' meetings and the Shareholders' Meeting. It is responsible for providing Board members and shareholders with the necessary information, supervising the proper recording of corporate documentation, assisting the Board of Directors' Chairman in preparing and complying with the Agenda at Board meetings and Shareholder Meetings, distributing to the Directors all the relevant information concerning the holding of Board meetings and the documentation to be considered therein, and duly reflecting in the minute books the development of the meetings of the managing body. In so doing, through the Legal Affairs Department, the formal and material legality of the actions taken by the Board of Directors are ensured.

10. The Board of Directors' Chairman ensures the participation of all Board members in the development and approval of a succession plan for the company's General Manager.

Although there is no specific plan regulating the line of succession, the Issuer complies with the principles and applies the recommended practice because the Regulations of the Company's Executive Committee, comprised of Board members, set out among the Committee's powers the authority to approve the Company's organizational chart at the Executive Directors level. Furthermore, the Human Resources Department is in charge of assigning the responsibilities, elaborating the succession plans, and programing and scheduling the competencies and training of the main executives, including the General Manager, with a succession plan not being currently deemed necessary.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

IX. The Board of Directors must have adequate independence and diversity levels allowing it to make decisions in the company's best interests, avoiding group thinking and decision-making by dominant individuals or groups within the Board of Directors.

X. The Board of Directors must ensure that the company has formal procedures in place for the proposal and nomination of candidates to hold positions in the Board of Directors under a succession plan.

11. The Board of Directors has at least two members who meet the independence requirement in accordance with the current criteria set forth by the National Securities Commission.

The Issuer applies the recommended practice since the Board of Directors has adequate independence and diversity levels in accordance with the Issuer's Bylaws, the criteria set forth by the CNV's regulations, and the applicable regulations.

The Board of Directors is comprised of twelve regular Directors and up to twelve alternate Directors appointed by the Shareholders' Meeting. Eleven regular Directors are external, i.e. they are not Company employees, and eight of them are also independent.

The Board of Directors believes that it has the appropriate number of members for the proper performance of its functions in accordance with the complexity of the Company and the size of the businesses it carries out, allowing the Board to make decisions in the Company's best interests.

Furthermore, the Bylaws provide that for as long as the Issuer makes a public offer of its shares, it must have an Audit Committee in place comprised of, at least, the majority of its independent members. The same criterion is reflected in section I of the Audit Committee's Internal Regulations, likewise, the Issuer is subject to compliance with the Sarbanes-Oxley Act, which imposes that all Audit Committee members must be independent. In this regard, all the members of the Audit Committee are independent.

12. The Company has a Nomination Committee in place that is comprised of at least three (3) members and is chaired by an independent director. If the Nomination Committee is chaired by the Board of Directors' Chairman, he/she will refrain from participating in the discussions for the appointment of his/her own successor.

Even though the Issuer does not have a Nomination Committee in place, it complies with the principles as described below.

The Issuer believes that the recommended practice does not apply inasmuch as the shareholders at the Annual General Meeting appoint the directors, relying for such purpose on the proposal made by the Board of Directors, which ensures that the general independence guidelines are set and that the nomination of candidates will guarantee greater efficiency and transparency in the compliance with their duties.

Furthermore, it is important to point out that **edenor** has two shareholders who hold more than 75% of the share capital and appoint all the members of the Board of Directors, all that in conformity with the provisions of current regulations and observing the limits set forth in the Bylaws.

13. The Board of Directors, through the Nomination Committee, develops a succession plan for its members that guides the pre-selection process of candidates to fill vacancies and takes into consideration the non-binding recommendations made by its members, the General Manager and the Shareholders.

The Issuer complies with the principles and although it does not have a Nomination Committee, applies the recommended practice, as the Board of Directors itself, when issuing its proposal for the appointment of authorities, takes into consideration the requirements set forth in the Bylaws and the current regulations, and evaluates the proposed Directors' résumés in order to ensure the highest quality standards. In this regard, it strongly promotes a composition with a combination of experience and skills aligned with the Company's needs.

Furthermore, the Executive Committee, comprised of Board members, approves the Issuer's organizational chart in relation to the line of succession of managers and its related changes, which are timely informed to the Board of Directors based on the requirements of the position concerned. The Executive Directors of the areas and the person in charge of the Human Resources Department are in charge of the assignment of first-tier managers' responsibilities, the succession plans and the programming of their competencies, taking into account the non-binding recommendations made by the Executive Committee, the General Manager and the Shareholders.

14. The Board of Directors implements an onboarding program for its new elected members.

The Issuer applies the recommended practice. In this regard, the Board of Directors' Internal Regulations provide that the Directors appointed for the first time are to be instructed on their powers, responsibilities, internal regulations and policies, the characteristics of the business, the market in which they operate and the rules on the functioning of the Company's bodies.

The General Manager, who may be assisted by other managers of the Company, is in charge of the onboarding. The onboarding process begins with a meeting with the Directors elected for the first time to be held not later than 30 days after they have been appointed, and is supplemented with the sending of the material and documentation about the Issuer, as well as with meetings with other managers in order for them to have all their doubts cleared up and become familiar with the Company's business.

D) REMUNERATION

Principles

XI. The Board of Directors must generate incentives through the remuneration to align the management -led by the General Manager- and the Board of Directors itself with the company's long-term interests, so that all the directors may comply with their obligations towards all shareholders on an equitable basis.

15. The company has a Remuneration Committee in place comprised of at least three (3) members, all of whom are independent or non-executive.

Even though the Issuer does not have a specific Remuneration Committee in place, it complies with the principle and applies the recommended practice as described below.

The Shareholders' Meeting dated April 18, 2017 approved the creation of a long-term incentive plan in favor of **edenor**'s employees under the terms of section 67 of the Law on Capital Markets. Its implementation, administration and execution are the responsibility of the Implementation Committee, comprised of three members of the Company's Executive Committee and Board of Directors, which is in charge of generating the incentives to align all those covered by the plan.

In this framework, different incentive programs have been created for its executives in order to align them with the Company's objectives and encourage them to fulfill their obligations on an equitable basis. The Human Resources Department and the General Management approve in an integrated and coordinated manner the remuneration setting process by which all the employees, including the Managers, are evaluated in relation to the performance of their duties on an annual basis. The Issuer has established a fixed and variable remuneration system that is associated with the achievement of previously set objectives and the degree of achievement of such objectives.

Furthermore, the remuneration of Board members is approved annually by the shareholders at the Annual General Meeting, relying for such purpose on the prior opinion of the Company's Audit Committee, comprised entirely of Independent Directors.

16. The Board of Directors, through the Remuneration Committee, establishes a remuneration policy for the General Manager and the Board of Directors' members.

The Issuer complies with the principle and applies the recommended practice as described below.

The Audit Committee, in fulfilment of its responsibilities and as provided for in Section 5 of its Regulations, renders an opinion on the reasonableness of the proposals for Company directors' and managers' fees and stock option plans formulated by the Board of Directors, among other responsibilities.

The Committee will try to guarantee that such fees are for amounts similar to those of other people in similar positions in domestic companies, taking into consideration several factors, such as the issuer's general financial position and the results of its operations. To this end, it may consult with experts on remuneration matters, either by itself or through counselors.

Regarding the General Manager's remuneration, due to the fact that he is a related party, his remuneration is approved by the Company's Board of Directors with the Audit Committee's prior opinion.

E) CONTROL ENVIRONMENT

Principles

XII. The Board of Directors must ensure the existence of a control environment -consisting of internal controls developed by the management, internal audit, risk management, regulatory compliance and the external audit-, which establishes the necessary lines of defense to ensure integrity in the company's operations and financial reports.

XIII. The Board of Directors must ensure the existence of an overall risk management system that allows the management and the Board of Directors to efficiently guide the company towards its strategic objectives.

XIV. The Board of Directors must ensure the existence of a person or department (according to the size and complexity of the business, the nature of its operations and the risks to which it is exposed) responsible for the company's internal audit. This audit, conducted for the evaluation and auditing of the company's internal controls, corporate governance processes and risk management must be independent and objective, and have clearly defined reporting lines.

XV. The Board of Directors' Audit Committee will be comprised of qualified and experienced members, and must fulfill its functions in a transparent and independent manner.

XVI. The Board of Directors must establish appropriate procedures to ensure the External Auditors' independent and effective performance.

17. The Board of Directors determines the company's risk appetite and also supervises and guarantees the existence of an overall risk management system that identifies, evaluates, makes decisions on the course of action and monitors the risks faced by the company, including, but not limited to, environmental and social risks and those inherent in the business in the short and long term.

The Issuer applies this recommended practice. The Issuer has risk management rules, which describe the enterprise risk management (ERM) process implemented, presenting the methodology used to identify and periodically update the risks that could affect the Company.

The rules are aligned with the Company's internal control policy and use the reference framework set forth in the document "COSO Enterprise Risk Management - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in June 2017.

The Internal Audit Department, which is in charge of risk management, provides support to the management team to keep the matrix of strategic risks and irregular conduct updated, collaborating with the identification and evaluation of risks. In the Company's organizational chart, it is under the authority of the General Manager and reports to the Audit Committee, to which it submits for approval purposes its work plan, the progress of the work carried out quarterly in the framework of the irregular conduct prevention program, and risk map.

Additionally, the Issuer has a policy on the internal control system, which describes the different components of its control system and the responsibilities for its proper operation, as already described in Recommended Practice No. 3.

Furthermore, once a year or whenever required by the circumstances, the Internal Audit Department submits the risk management map and management results to the Board of Directors. Additionally, the Issuer discloses the risks in its Financial Statements in accordance with the provisions of the International Financial Reporting Standards. In the notes to its Financial Statements, **edenor** discloses the "Financial Risk Management" detailing the associated risks, and expressing in each case the position adopted. It also makes, a detailed risk analysis in the annual report filed with the SEC on form 20F.

In relation to fraud prevention, the Issuer has a policy in place to facilitate the reporting of alleged irregularities within the Company.

In this regard, the Audit Committee, in fulfilment of its responsibilities and as provided for in Section 5 of its Regulations, oversees the application of the Company's information policies on risk management, reporting thereon in its annual report. The Committee is comprised of experienced and qualified members to audit and assess the risks faced by the Company, the internal controls and the corporate governance processes to competently direct the Company towards its purpose.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.

The Issuer applies the recommended practice since the Internal Audit Department reports directly to the Audit Committee and, administratively, to the Chairman and General Manager. At the beginning of each fiscal year, the Internal Audit area must submit the proposed annual audit plan to the Chairman and the General Manager and then submit it to the Audit Committee for its evaluation and approval. On a quarterly basis, the Internal Audit area monitors compliance with the annual plan and submits a progress report to the Audit Committee, the Chairman and the General Manager. This report contains a summary of the tasks carried out and the main findings.

On an annual basis, the Audit Committee assesses the independence level and performance of the Internal Audit area in matters within its authority, and discloses its assessment in the Annual Report. Furthermore, once a year or whenever required by the circumstances, the Internal Audit Department submits the risk management map and management results to the Board of Directors.

Thus, the Board of Directors monitors and reviews the effectiveness of the internal audit and guarantees the resources for the implementation of an annual risk-based plan and a direct reporting line to the Audit Committee.

The Internal Audit area works in accordance with the International Professional Practices Framework (IPPF), issued by the Institute of Internal Auditors (IIA).

According to the "General Internal Audit Rule", the Internal Audit Department's mission is to improve and protect the organization's value, providing risk-based analysis, advice and assurance.

19. The internal auditor or the members of the internal audit department are independent and highly qualified.

The Issuer complies with the principles and applies the recommended practice since, as already mentioned in the previous practice, the Internal Audit Department reports directly to the Audit Committee and, administratively, to the Chairman and the General Manager. Thus, Internal auditing is an independent, objective, assurance and consulting activity, designed to add value and improve the organization's operations. It helps accomplish the objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness and efficiency of business, risk management, control and governance processes.

Furthermore, the members of the Internal Audit department have policies and rules in place that set the parameters to carry out their work with the required objectivity and transparency.

The rules apply to all the activities carried out by the Internal Audit team and are mandatory for its members.

The Internal auditors apply the necessary knowledge, skills, and experience when performing internal audit services. Therefore, the internal audit team's members:

- participate only in those services for which they have sufficient knowledge, skills and experience.
- strive to continually improve their skills and the effectiveness and quality of their services.

To this end, the Internal Audit Department develops an annual training plan in order for its members to gain the technical knowledge of the area and the industry, the necessary soft skills and the tools to perform their duties in the most effective and efficient way.

Finally, it is worth noting that the Internal Audit Department's mission is to improve and protect the organization's value, providing risk-based analysis, advice and assurance.

20. The Board of Directors has an Audit Committee in place that acts based on its regulations. The committee is entirely composed of and chaired by independent directors and does not include the General Manager. The majority of its members has professional experience in financial and accounting areas.

The Issuer applies the recommended practice since it has an Audit Committee in place that acts based on its regulations, which establish its functions and the main operating rules. It is entirely comprised of independent Directors in compliance with the CNV's regulations and the US regulations, which include the Sarbanes-Oxley Act and other provisions required by the SEC for foreign issuers listed on the NYSE.

Among its main duties, we can mention, among others, the following: (i) Supervising the operation of the internal control systems and the administrative-accounting system, and of all the financial information or other significant events submitted to the regulatory authorities in compliance with the applicable reporting requirements; (ii) Expressing an opinion on the Board of Directors' proposal for the appointment of the external auditors to be hired by the Company and ensuring their independence; (iii) Reviewing the external auditors' plans, supervising and evaluating their performance and issuing an opinion thereon when the annual financial statements are submitted and published; (iv) Supervising the application of the Company's risk management information policies; (v) Providing the market with complete information on operations in which there is a conflict of interest with members of the corporate bodies or controlling shareholders; (vi) Expressing an opinion on the reasonableness of the proposals for Company directors' and managers' fees and stock option plans put forward by the Board of Directors; (vii) Expressing an opinion on the compliance with legal requirements and on the reasonableness of the conditions for the issuance of shares or securities convertible into shares, in the event of a capital increase excluding or limiting the preemption right; (viii) Rendering a well-founded opinion on related-party transactions in the cases provided for by the Law; and (ix) Providing any report or opinion required by current regulations, with the scope and frequency set forth therein and their eventual amendments.

When electing Audit Committee members, the Board of Directors evaluates their professional experience along with independence factors, skills, knowledge of the Company's business and the industry, among others, in order for them to exercise their duties in a transparent and independent manner.

The Committee is comprised of experienced and qualified members to audit and assess the risks faced by the Company, the internal controls and the corporate governance processes to competently direct the Company towards its purpose.

21. The Board of Directors, with the Audit Committee's opinion, approves a policy for the selection and monitoring of external auditors, which sets forth the indicators that are to be considered when submitting to the Shareholders' Meeting a recommendation on the retention or replacement of the external auditor.

In compliance with the provisions of Section 18, Title V, Chapter III of the CNV's regulations and the Audit Committee's Internal Regulations, upon the presentation and publication of the annual FFSS, the Committee in its annual report, assesses the external auditor's independence, planning and performance under objective parameters and issues a well-founded opinion thereon.

Therefore, the indicators to be considered to submit to the Shareholders' Meeting the recommendation on the retention or replacement of the external auditor are determined in the above-described way.

Furthermore, throughout the fiscal year, the Committee holds meetings with the external auditors, at least quarterly, for the review of **edenor's** interim FFSS and whenever deemed necessary.

In view of the above, the Issuer complies with the principles and applies this recommended practice.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

XVII. The Board of Directors must design and establish appropriate structures and practices to promote a culture of ethics, integrity and regulation compliance that prevent, detect and address serious corporate or personal misconduct.

XVIII. The Board of Directors will ensure the implementation of formal mechanisms to prevent or, failing that, deal with conflicts of interest that may arise in the administration and management of the company. It must have formal procedures in place that seek to ensure that related-party transactions are conducted in pursuance of the company's best interests as well as the equal treatment of all its shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct that reflects the company's ethical and integrity values and principles, as well as its culture. The Code of Ethics and Conduct is informed to and binding on all the company's directors, managers and employees.

The Issuer complies with the principles and applies the recommended practice. The Issuer has a Code of Ethics in place that describes the principles and practices to which **edenor** is committed. They serve as a guide in the daily actions of its employees and contractors, and reaffirm the Company's ethical conduct guidelines, aligned with those of its controlling shareholder, the Pampa Energía group.

The Code of Ethics is publicly available on the Issuer's website, additionally it is informed to and binding on all the employees and members of both the Board of Directors and the Supervisory Committee, and governs the conduct and relationships in the Company's workplace. Furthermore, the Code is included in the general contracting conditions, and to the extent that its principles are compatible with the nature and modalities of each business relationship, such principles are to be applied to **edenor's** relationship with contractors, subcontractors, suppliers and consultants, according to laws in effect.

Failure to comply with the terms of the Code may result in the application of disciplinary sanctions and/or corrective measures, including the termination of the employment relationship. Without prejudice to the foregoing, Code violations may also constitute violations of the applicable law and result in the application of administrative, civil and/or criminal penalties to both the staff and the Company.

None of the people subject to compliance with the Code may claim ignorance of the Code, or authorize, consent to or tolerate Code violations.

The Human Resources Department will be in charge of assessing the seriousness of the violation and determining the sanction to be applied, according to the current internal regulations. Furthermore, it may request that the issue be dealt with by the Ethics Committee comprised of:

- The General Manager.
- The Human Resources Director.
- The Internal Audit Manager.

The Issuer also has a policy of best stock market practices (P58) in place, which regulates the trading of **edenor**'s securities.

This policy has been implemented in order to avoid the use of privileged information by **edenor**'s employees or Board of Directors or Supervisory Committee members who, by reason of their duties and/or position, may have access to material non-public information, and use it to trade securities, in order to gain an advantage for themselves or for others, either directly or indirectly.

The terms of such policy agree with the guidelines prescribed by section 117 of Law No. 26,831 on Capital Markets, all rules issued for its implementation in section 1, Title XII, Chapter III, Part I of the National Securities Commission's Regulations (TR 2013), the provisions of the Securities and Exchange Commission of the United States of America, the federal laws of the United States of America on financial instruments, and the Sarbanes-Oxley Act (the "Regulatory framework").

- 23. The Board of Directors sets up and periodically reviews an Ethics and Integrity Program, based on the risks, the dimension and financial capacity. The plan is visibly and unequivocally supported by the management, which appoints an in-house officer to develop, coordinate, supervise and periodically evaluate the program's effectiveness. The program provides for: (i) periodic training for directors, managers and employees on ethics, integrity and compliance issues; (ii) internal channels for reporting irregularities, which are open to third parties and properly communicated; (iii) a policy against retaliation protecting whistle-blowers, and an internal investigation system that respects the rights of the individuals under investigation and imposes effective sanctions for violations to the Code of Ethics and Conduct; (iv) policies on integrity in bidding procedures; (v) mechanisms for the Program's periodic risk analysis, monitoring and evaluation; and (vi) procedures ensuring the integrity and background of third parties or business partners (including due diligence procedures to verify the absence of irregularities and illegal acts or the existence of vulnerabilities in corporate transformation and acquisition processes), including suppliers, distributors, service providers, agents and brokers.**

The Issuer applies the recommended practice as it has an Integrity Program in place pursuant to section 23 of Law 27,401, comprised of a set of internal mechanisms and procedures for the promotion of integrity, supervision and control, aimed at preventing, detecting and rectifying irregularities and illegal acts. The main rules and regulations comprising it are: (i) the Code of Ethics; (ii) Internal Control System; (iii) Monetary limits for the exercise of delegated powers; (iv) Policy on best stock market practices; (v) Policy to facilitate the reporting of possible irregularities; (vi) Policy for entering into contracts; (vii) General Internal Audit Rules; (viii) Risk Management Rules; (ix) General Contracting Conditions; (x) Procedures associated with the aforementioned rules.

The above-mentioned rules were analyzed in detail in 2018-2019, agreeing on certain proposed amendments in line with the provisions of Corporate Criminal Liability Law No. 27,401 and the guidelines issued by the Anti-Corruption Office.

The rules are based, among other things, on the following basic premises: (i) obligation to protect whistle-blowers and prohibition against retaliation; (ii) ensuring open and competitive procedures in the selection of suppliers; (iii) zero tolerance of bribery or improper payments made in the name or the interest of **edenor**; (iv) prohibition against giving gifts and/or making small amount payments to public officers, and reporting these situations; (v) prohibition against receiving gifts for amounts greater than 50 dollars as a business courtesy, with the Ethics Committee's prior authorization being required if such amount is surpassed.

The Issuer has worked throughout 2019 on the review and adaptation of the Company's internal policies and procedures, and on the preparation and implementation of a training program addressed to the Company's different levels based on their roles and responsibilities. In this regard, in December 2019, a Compliance specialist provided training, within the framework of Corporate Criminal Liability Law No. 27,401 and the guidelines issued by the Anti-Corruption Office, to the Company's Board members and managers.

The Issuer continues working on this matter to periodically provide new training activities, which, due to the health emergency situation, are planned for next year.

The Issuer believes that training activities are necessary to raise awareness at the different levels of the Company.

Furthermore, the Issuer has a policy in place to facilitate the reporting of alleged irregularities within the Company as well as the protocols to deal with them. Both documents aimed at implementing mechanisms that allow for the adequate reception, treatment and follow-up of reports made, among other issues, on questionable accounting practices, corruption, embezzlement and misuse of assets, and other possible violations to the Code of Ethics. Additionally, it describes the different reporting channels available, including the Ethics Hotline, consisting of a series of anonymous channels operated by an external provider, which makes it possible both to guarantee the reporter's anonymity and that the information reported meets the highest standards of integrity and confidentiality. The entire process is supervised by the Audit Committee, which, at least quarterly, is informed by the Internal Audit Department of all the cases received, analysis carried out and resolutions adopted.

24. The Board of Directors ensures that formal mechanisms are in place to prevent and deal with conflicts of interest. In the case of related-party transactions, the Board of Directors approves a policy that sets out the role of each corporate body and defines how to identify, manage and disclose transactions that are detrimental to the company or only to certain investors.

The Issuer complies with the principles and applies the recommended practice. The Board of Directors ensures that formal mechanisms are in place to prevent and deal with conflicts of interest.

The Issuer has internal policies in place that reaffirm the guidelines of ethical conduct. In fact, the Code of Ethics specifically includes a section that defines the expected behavior in relation to conflicts of interest. The Code governs the conduct and relationships in the Issuer's workplace and, to the extent that its principles are compatible with the nature and modalities of each business relationship, such principles are also applicable to edenor's relationship with contractors, subcontractors, suppliers, consultants and other stakeholders.

With regard to related-party transactions, edenor's Board of Directors, in accordance with the provisions of the Law on Capital Markets, approves and reports to both the CNV as a "relevant event" and the markets where the Issuer is listed, those related-party transactions that exceed the established limits on the Company's shareholders equity. In compliance with the provisions of the aforementioned Law, the Audit Committee issues an opinion on such transactions prior to the treatment of the issue by the Board of Directors.

In addition, the Issuer discloses its agreements with related parties in the interim and annual Financial Statements in accordance with current regulations in this regard and in compliance with the provisions of section 72 of the Law on Capital Markets.

With the aim of ensuring that related-party transactions are conducted in pursuance of the Company's best interest and the equal treatment of all its shareholders, the Issuer complies with the annual publication of its controlled and related companies through the Financial Information Highway, detailing the degree of control and percentage interest held.

Additionally, the Issuer has an internal procedure in place for entering into contracts, which includes the defined mechanism to identify related parties. This seeks to reasonably ensure that "related-party" transactions are conducted on an arm's length basis, for which purpose they must be subject to this specific prior authorization and control procedure that is carried out under the coordination of the Issuer's Legal Affairs Department and which involves the participation of both the Board of Directors and the Audit Committee.

Furthermore, the internal controls, the risk management and the internal audit activity are part of the mechanisms to identify and avoid detrimental conflicts of interest, by means of specific controls on such transactions.

Finally, the Audit Committee is responsible, among other duties, for providing the market with full information on transactions in which there is a conflict of interest with members of the corporate bodies or controlling shareholders and issuing a well-founded opinion on related-party transactions in the cases provided by the Law.

G) SHAREHOLDER AND STAKEHOLDER PARTICIPATION

Principles

XIX. The company must give equal treatment to all the Shareholders. It must guarantee equal access to non-confidential information that is relevant for decision-making at the company's shareholder meetings.

XX. The company must promote the active participation of all Shareholders based on appropriate information, especially regarding the composition of the Board of Directors,

XXI. The company must have a transparent Dividend Distribution Policy aligned with the strategy.

XXII. The company must take into account the interests of its stakeholders.

25. The company's website discloses financial and non-financial information, providing timely and equal access to all Investors. The website has a specialized section to address Investors' inquiries.

The Issuer applies the recommended practice. In this regard, all shareholders are given equal treatment, and mechanisms are established to guarantee equal access to non-confidential information that is relevant for decision-making. For this purpose, the Issuer has a public access website, where market, financial and non-financial information is gathered and disseminated, providing access to all interested parties, investors and shareholders, as well as a channel that allows them to interact with each other. The site not only provides relevant information on the Company (Bylaws, economic group, composition of the Governing Body, financial statements, Annual Report, etc.) but also gathers customer concerns in general.

As for investors, the Issuer has information mechanisms in place for them and a specialized area to receive and manage their inquiries and concerns, which should not imply the disclosure of confidential information or information not previously disclosed to the public. The website contains the contact information of the Planning and Investor Relations Manager, who is in charge of providing information and answering inquiries from potential investors, analysts and shareholders.

Additionally, the Issuer has presence in social media (Facebook, Instagram, Twitter and LinkedIn), through which it not only publishes relevant information on the organization but also interacts with its followers.

The Entity guarantees that the information disclosed by electronic means complies with the highest standards of integrity and confidentiality, seeking to preserve the data and information. The systems used safeguard and protect the information and its reliability, having strong safety mechanisms in place and complying with the data protection regulations that prevent unauthorized persons from having access to, modifying, deleting and/or damaging the information provided.

26. The Board of Directors must ensure that there is a process in place for the identification and classification of its stakeholders and a communication channel for them.

The Issuer complies with the principles and applies this recommended practice. In this regard, the Board of Directors ensures that specific policies and procedures are in place for the identification, classification, management and resolution of conflicts that may arise among the members of the Managing Body, First-tier Managers and Supervisory Committee members in their relationship with the Issuer or people related thereto.

The Company has specific procedures set out in the Code of Ethics, the Policy for entering into Contracts and the Policy on Best Stock Market Practices that are applicable to the Board of Directors, employees, contractors, subcontractors, suppliers, etc.

Furthermore, the Company ensures the existence of communication channels to be in contact with its stakeholders. For this purposes, the stakeholders can access the Company's website where they can find public information and express their concerns and make inquiries through the Responsible and Planning and Investor Relations Manager, who is in charge of providing information and answering the inquiries of potential investors, analysts and shareholders.

Additionally, and as already mentioned in the previous practice, the Issuer has official accounts in the most popular social media (LinkedIn, Facebook, Twitter, YouTube) allowing customers to send their concerns and inquiries through them, thereby maintaining a continuous communication with the community.

The Issuer also has a mobile application (edenordigital) for customers to carry out procedures and make inquiries in a fast and simple way. Among the app's functions, customers can visualize their bills and pay them with a credit or debit card, make claims, calculate the approximate value of their next bills, receive service interruption notices, request technical support, among other procedures and operations. The tool provides a direct communication channel between the Issuer and the customers.

27. The Board of Directors submits to the Shareholders, prior to the holding of a Shareholders' Meeting, a "provisional information package" that allows Shareholders -through a formal communication channel- to make non-binding comments and to share dissenting opinions on the recommendations made by the Board of Directors, with the latter having to expressly pronounce on the comments received that it deems necessary when the final information package is sent.

The Issuer applies the recommended practice as indicated below.

The Board of Directors, through the Corporate Secretary, ensures that the relevant and/or required information is available to the shareholders, sufficiently in advance for decision-making and proper analysis. In this regard, the Issuer complies with all the requirements set forth in the applicable legal regulations; and observance of these forms to call for a Shareholders' Meeting is effective and does not undermine the principle of equal treatment to shareholders.

The Issuer's Shareholders are called to participate in Shareholders' Meetings through the publication of legal notices and in the CNV's Financial Information Highway (FIH) in the form and for the period set forth in the applicable current regulations along with the relevant documentation and the recommendation of the Board of Directors as provided for in the Bylaws, the Business Organizations Law and the Law on Capital Markets. In addition, for further information purposes, the Issuer's website has an investor relations channel available, which includes all types of relevant information (FFSS, filings before regulatory authorities, relevant events, etc.) and where shareholders and/or the general investing public can also make inquiries.

Additionally, the Issuer receives inquiries and/or concerns by telephone or email that are channeled through the Legal Affairs Department. Such is the case of the shareholder ANSES that, prior to each Shareholder Meeting, submits a Note to **edenor** containing questions and a request for documentation regarding each item of the Agenda, which is submitted sufficiently in advance.

To promote the active participation of all Shareholders based on appropriate information, the Issuer's Bylaws sets forth that Ordinary and/or Extraordinary Shareholders' Meetings will be called by the Board of Directors or the Statutory Auditor in the cases provided for by law, or when deemed necessary by any of them or when requested by the shareholders of any class representing at least FIVE PERCENT (5%) of the share capital. In the latter case, the request will specify the items to be dealt with and the Board of Directors or the Statutory Auditor will call the Shareholders' Meeting to be held within a maximum term of FORTY (40) days after the receipt of the request. If the Board of Directors or the Statutory Auditor fails to do so, the Shareholders' Meeting may be called by the controlling authority or court order.

28. The company's bylaws provide that Shareholders may receive the information packages for Shareholders' Meeting through virtual means and participate in Shareholders' Meetings through the use of electronic means of communication that allow for the simultaneous transmission of sound, images and words, ensuring compliance with the principle of equal treatment to participants.

Although they are not contained in the Company's Bylaws, the Issuer complies with the application of the principles as it gives equal treatment to all the shareholders, guarantees equal access to non-confidential information that is relevant for decision-making in the Company's Shareholders' Meetings and promotes their participation in the Shareholders' Meetings. As already explained in previous practices, **edenor** facilitates the necessary means to keep a permanent and fluid dialogue with its shareholders.

The Issuer calls the shareholders to participate in Shareholder Meetings through the means set forth in both the Bylaws and current regulations, which are effective and do not undermine the principle of equal treatment to shareholders.

Due to the widely known health emergency situation occurred in 2020, and in compliance with the Mandatory and Preventive Social Distancing provided for by current regulations, and in accordance with the provisions of General Resolution No. 830/2020 of the National Securities Commission (CNV), that authorized the holding of remote shareholder meetings during the period of the state of health emergency and restriction on free movement, even for those issuers whose Bylaws do not have an explicit provision thereon, as is the case of the Company, Shareholders' Meetings in 2020 were held remotely by audiovisual electronic means, which allowed for: a) the free accessibility of all the participants to the Shareholders' Meeting; b) the possibility to speak and vote at the Shareholders' Meetings through the simultaneous transmission of sound, images and words during the entire Shareholders' Meeting, ensuring the principle of equal treatment to all the participants; and c) the digital recording of the development of the entire Shareholders' Meeting and the preservation of a digital copy.

Furthermore, taking into account the good corporate governance practices and the current regulatory framework, the Company expects to amend the Bylaws at the next Shareholders' Meeting in order to make the holding of remote Board of Directors' meetings possible, incorporating the necessary technology.

29. The Dividend Distribution Policy is aligned with the strategy and clearly provides for the criteria, frequency and conditions under which dividends will be distributed.

The Issuer complies with the principles, even though it does not have a Dividend Distribution Policy in place. In this regard, and in compliance with this recommendation, the Issuer is still currently analyzing the implementation of a Dividend Distribution Policy, taking for such purpose into account the needs, the economic circumstances of the fiscal year, the statutory provisions, the results of operations, the future capital requirements, the financial conditions and the availability of funds. No dividends have been distributed since 2001, due to the fact that profits were reinvested; therefore, to date, the issuer does not have such a Policy.

Nevertheless, the Board of Directors will prudently evaluate the possibility of making a proposal for the distribution of dividends to its shareholders in each fiscal year, taking into account the possibilities and the regulatory, legal and contractual limitations.

