

November 18, 2022

AGUA Y SANEAMIENTOS ARGENTINOS S.A. (AYSA)

Announces the Commencement of Exchange Offer and Consent Solicitation relating to its outstanding 6.625% Senior Notes due 2023

Buenos Aires, Argentina. Agua y Saneamientos Argentinos S.A. (“**AySA**” or the “**Company**”) hereby announces the commencement of: (i) its offer to exchange any and all of its outstanding 6.625% Senior Notes due 2023 (the “**Existing Notes**”) for its newly issued 7.900% Senior Notes due 2026 (the “**New Notes**”) and cash, upon the terms and subject to the conditions set forth in the table below (the “**Exchange Offer**” or the “**Offer**”); and (ii) its solicitation of consents (the “**Consent Solicitation**”) to eliminate certain events of default (the “**Proposed Amendments**”) under the indenture dated February 1, 2018 governing the Existing Notes (the “**Existing Notes Indenture**”) upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum dated November 18, 2022 (as it may be amended or supplemented from time to time, the “**Exchange Offer and Consent Solicitation Memorandum**”), the electronic eligibility letter related to the Exchange Offer and Consent Solicitation Memorandum (the “**Eligibility Letter**”), the proxy form that accompanies the Exchange Offer and Consent Solicitation Memorandum (the “**Proxy Form**”) and a power of attorney in the form contained in the Proxy Form (a “**Power of Attorney**”) and, together with the Proxy Form, the “**Proxy Documents**” which, together with the Exchange Offer and Consent Solicitation Memorandum and the Eligibility Letter constitute the “**Exchange Offer and Consent Solicitation Documents**”).

Capitalized terms not defined herein shall have the meaning ascribed to them in the Exchange Offer and Consent Solicitation Memorandum.

We have not registered the New Notes under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law. The Offer is only available to holders of Existing Notes who are persons other than “U.S. Persons” (as defined in rule 902 under the Securities Act, “U.S. Persons”) outside the United States who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act and who are Non-U.S. Qualified Offerees (as defined in the Exchange Offer and Consent Solicitation Memorandum), whose receipt and review of the Exchange Offer and Consent Solicitation Memorandum, and participation in the Offer, is otherwise permitted under the laws and regulations of any jurisdiction applicable to them. Only holders of Existing Notes who have returned a duly completed Eligibility Letter certifying that they are within the categories described in the immediately preceding sentence are authorized to receive and review the Exchange Offer and Consent Solicitation Memorandum and to participate in the Exchange Offer and the Consent Solicitation (such holders, “Eligible Holders”).

As of the date hereof, an ad hoc group of holders of the Existing Notes (the “**Ad Hoc Group**”) consisting of Callaway Capital Management, LLC, GoldenTree Asset Management LP, Moneda S.A. Administradora General de Fondos, Sandglass Capital Advisors LLC, Shiprock Capital Management LLC and VR Advisory Services Ltd (together, the “**Supporting Creditors**”) have agreed to tender their Existing Notes under the Exchange Offer and consent to the Proposed Amendments prior to the Early Tender Date. The Ad Hoc Group has advised us that they hold approximately 80% of the Existing Notes as of the date hereof. The consent of Supporting Creditors suffices to approve the Proposed Amendments under the terms of the Existing Notes Indenture. The Company has also entered into a support agreement with some of the Supporting Creditors (the “**Support Agreement**”), which provides, amongst other things, that the Minimum Tender Condition (as defined below) may only be waived by the Company with the written approval of Supporting Creditors holding at least 2/3 of the outstanding Existing Notes (the “**Requisite Majority of Supporting Creditors**”).

Should we achieve the Requisite Consents under the Consent Solicitation but the Exchange Offer not achieve the Minimum Tender Condition (as defined below) the Company would have the option to commence a new exchange offer or amend the Offer to solicit consents for a proposed out-of-court restructuring agreement (“*Acuerdo Preventivo Extrajudicial*” or “**APE**”) as a means to bind any holders not participating in the Offer.

The Exchange Offer and Consent Solicitation will expire at 11:59 p.m. (New York City time) on December 19, 2022 (such date and time, as the same may be extended by us in our sole discretion, the “**Expiration Date**”). In order to be eligible to receive the Early Tender Date Cash Consideration (as defined below) and the Increased New Notes Consideration (as defined below), Eligible Holders must, subject to the terms of the terms of the Exchange Offer, validly submit their Tender Order (as defined below) and any Consents, on or prior to 5:00 p.m., New York City time, on December 8, 2022 (such date and time, as the same may be extended by us in our sole discretion, the “**Early Tender Date**”). Eligible Holders who validly submit a Tender Order, prior to the Early Tender Date but do not validly submit a Consent, will have the right to receive the Initial New Notes Consideration (as defined below) and the Early Tender Date Cash Consideration. Eligible Holders of Existing Notes who do not validly submit their consents but validly submit their Tender Orders, after the Early Tender Date, but on or prior to the Expiration Date will be eligible to receive the Initial New Notes Consideration and the Late Tender Date Consideration (as defined below).

Tender Orders and consents validly delivered may be validly withdrawn or revoked, as applicable, at any time prior to 5:00 p.m., New York City time on December 8, 2022 (such date and time, as the same may be extended by us in our sole discretion, the “**Withdrawal Deadline**”), but not thereafter, except if any such deadline is extended in certain limited circumstances that may be required by law (as determined by the company in its sole discretion). The deadlines set by any intermediary or relevant clearing system may be earlier than these deadlines.

On or about December 5, 2022, the Company expects to publish its financial statements as of and for the nine-month period ended September 30, 2022. Notwithstanding such publication, no revocation rights will be granted to Eligible Holders who submit their consents prior to (or on or after) such time.

The settlement date for the Exchange Offer and Consent Solicitation will be promptly following the Expiration Date and is expected to be on or about December 22, 2022, which is the third business day after the Expiration Date (as the same may be extended with respect to any Exchange Offer, the “**Settlement Date**”).

The acceptance and exchange of Existing Notes validly tendered by an Eligible Holder pursuant to an Exchange Offer is subject, among other customary conditions, to the submission of Tender Orders in the Offer representing at least ninety-five (95%) of the aggregate outstanding principal amount of Existing Notes (the “**Minimum Tender Condition**”). In addition, the Company’s obligation to accept Existing Notes tendered in the Exchange Offer and Proxy Documents delivered in the Consent Solicitation is subject to the condition that the budget law for the fiscal year 2023, (including the extension of the Concession through a date that is at least two years after the New Notes Maturity) shall have become effective.

The Proposed Amendments to the Existing Notes Indenture require the consent by the holders of a majority of the aggregate principal amount of outstanding Existing Notes (the “**Requisite Consents**”) on or prior to the Early Tender Date. The consummation of the Consent Solicitation is only subject to obtaining the Requisite Consents by the Early Tender Date and shall neither be subject to the Minimum Tender Condition nor any other conditions set forth herein.

The following table sets forth certain information relating to the Offer:

Existing Notes ISIN / Common Code	Aggregate Principal Amount of Existing Notes Outstanding	Initial New Notes Consideration (Principal Amount of New Notes) ⁽²⁾	Increased New Notes Consideration (Principal Amount of New Notes) ⁽²⁾⁽³⁾	Early Tender Date Cash Consideration ⁽⁴⁾	Late Tender Cash Consideration
6.625% Senior Notes due 2023(1) XS1763161012/ 176316101	U.S.\$500,000,000	New Notes in a principal amount equal to the product resulting from multiplying (i) 99.00% by (ii) the difference between U.S.\$1,000 minus the applicable Cash Consideration received by such Eligible Holder for such Existing Notes (the “ Initial New Notes Consideration ”).	New Notes in a principal amount equal to the product resulting from multiplying (i) 99.75% by (ii) the difference between U.S.\$1,000 minus the applicable Cash Consideration received by such Eligible Holder for such Existing Notes, (the “ Increased New Notes Consideration ”).	An aggregate amount in cash equal to (i) U.S.\$350 for each \$1,000 principal amount of Existing Notes that are validly tendered for exchange in the Offer prior to the Early Tender Date and accepted for exchange (the “ Base Early Tender Date Cash Consideration ”) plus (ii) U.S.\$50 for each U.S.\$1,000 principal amount of the total amount of Existing Notes that are validly tendered by any Eligible Holder and accepted for exchange in the Offer after the Early Tender Date but at or prior to the Late Tender Date allocated pro	An amount in cash equal to U.S.\$300 for each U.S.\$1,000 principal amount of Existing Notes that are validly tendered and accepted for exchange in the Offer after the Early Tender Date but at or prior to the Late Tender Date (the “ Late Tender Date Cash Consideration ”), and together with the Early Tender Date Cash Consideration, the “ Cash Consideration ”).

				<p>rata to the Eligible Holders whose Existing Notes were tendered prior to the Early Tender Date and accepted⁽⁵⁾ (the “Additional Early Tender Date Cash Consideration” and together with the Base Early Tender Date Cash Consideration, the “Early Tender Date Cash Consideration”).</p>	
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- (1) The Existing Notes are currently listed on the Luxembourg Stock Exchange and traded on its Euro MTF Market.
- (2) Per U.S.\$1,000 principal amount of Existing Notes validly tendered and accepted for exchange. The New Notes Exchange Consideration (as defined below) does not include the Accrued Interest Payment (as defined below).
- (3) The Initial New Notes Consideration will be paid to Eligible Holders who validly submit a Tender Order but do not validly submit a consent. Eligible Holders who in addition to validly submitting a Tender Order also deliver a consent and their related Proxies on or prior to the Early Tender Date, will receive the Increased New Notes Consideration, in lieu of the Initial New Notes Consideration.
- (4) The Additional Early Tender Date Cash Consideration will be paid pro rata to Eligible Holders who validly submit Tender Orders at or prior to the Early Tender Date. The total amount of Base Early Tender Date Cash Consideration will be U.S.\$350 for each U.S.\$1,000 principal amount of Existing Notes tendered at or prior to the Early Tender Date and accepted for exchange. The total amount of Additional Early Tender Date Cash Consideration will be U.S.\$50 for each U.S.\$1,000 principal amount of Existing Notes that are validly tendered for exchange in the Offer after the Early Tender Date but at or prior to the Late Tender Date and accepted. The applicable Early Tender Date Cash Consideration for each U.S.\$1,000 of Existing Notes validly tendered for exchange prior to the Early Tender Date will be obtained by dividing (a) the sum of (i) the total amount of Base Early Tender Date Cash Consideration and (ii) the total amount of Additional Early Tender Date Cash Consideration by (b) the aggregate principal amount of Existing Notes tendered at or prior to the Early Tender Date and accepted for exchange times (c) \$1,000. Considering the Early Tender Date Cash Consideration depends on the principal amount of Existing Notes tendered both before and after the Early Tender Date, the final amount of the Early Tender Date Cash Consideration to be received by Eligible Holders will only be determined following the Late Tender Date.
- (5) The Early Tender Date Cash Consideration received by any Eligible Holder will in no case exceed the principal amount of the Existing Notes validly tendered at or prior to the Early Tender Date and accepted for exchange by such Eligible Holder.

The New Notes will be offered as debt securities under the indenture to be dated on or about December 16, 2022 (the “**New Notes Indenture**”). They will be issued as *obligaciones negociables simples no convertibles* in accordance with the Argentine Negotiable Obligations Law.

In addition to the New Notes Exchange Consideration and the Cash Consideration, Eligible Holders whose Existing Notes are accepted for exchange in the Exchange Offer will also receive accrued and unpaid interest (rounded to the nearest cent U.S.\$0.01) from the last interest payment date to, but not including, the Settlement Date (the “**Accrued Interest Payment**”), to be paid in cash on the Settlement Date.

The Company has convened a meeting of holder for Existing Notes (the “**Holders’ Meeting**”), expected to be held at the Company’s offices in Tucumán 752, 21st Floor, City of Buenos Aires, Argentina and on or about December 16, 2022 on first notice, or such later date as shall be notified by the Company if the Expiration Date is extended. In case of lack of quorum, the Company will convene Holders’ Meetings on second notice to be held on such date as shall be notified by the Company. The Holders’ Meetings may be adjourned on one occasion to a date within the following 30 days. In case of lack of quorum, the Company will convene Holders’ Meetings on second notice to be held on such date as shall be notified by the Company.

The Company is conducting the Exchange Offer and the Consent Solicitation simultaneously. Eligible Holders that deliver their Consent must also deliver their Proxy Documents pursuant to the Consent Solicitation. To participate in the Consent Solicitation, Eligible Holders must also deliver a Power of Attorney in respect of its Existing Notes to be voted in favor of the Proposed Amendments. Eligible Holders who do not validly deliver Proxy Documents in the applicable Exchange Offer and Consent Solicitation will nevertheless be bound by the Proposed Amendments if they become effective.

Subject to applicable law and limitations described elsewhere in the Exchange Offer and Consent Solicitation Memorandum, the Company may waive any of these conditions in its sole discretion, except for the applicable Minimum Tender Condition, which may only be waived with written approval of the Requisite Majority of Supporting Creditors and the Extension Condition, which may not be waived.

If the Exchange Offer is not consummated, consenting holders will not receive any compensation (including, for the avoidance of doubt, the Increased New Notes Consideration) for their consent, even if the Proposed Amendments have become operative. If the Exchange Offer is consummated but a consenting holder of Existing Notes has validly withdrawn its Tender Order, such holder will not receive any compensation for its consent in connection with the Existing Notes withdrawn.

The purpose of the Exchange Offer is to extend the average life of the debt obligations associated with the Existing Notes and provide the Company with financial relief for the next four years.

The purpose of the Consent Solicitation is to eliminate certain event of defaults presently contained in the Existing Notes Indenture.

The Company reserves the right to amend, at any time, the terms of any Exchange Offer or Consent Solicitation in accordance with applicable law. The Company will give Eligible Holders notice of any amendments and will extend the Expiration Date if required by applicable law.

Morrow Sodali Limited will act as the Information, Exchange and Proxy Agent for the Offer. Questions or requests for assistance related to the Offer or for additional copies of the Exchange Offer and Consent Solicitation Documents may be directed to the Information, Exchange and Proxy Agent (email: aysa@investor.morrowsodali.com; Tel: +1 203 609 4910 (Stamford); Tel: +44 20 4513 6933 (London). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer. The Offer Documents are available for Eligible Holders at the following Eligibility Letter Website: <https://projects.morrowsodali.com/aysa>.

BofA Securities, Inc., HSBC Securities (USA) Inc. and AdCap Securities LLC are acting as dealer managers and solicitation agents (the “**Dealer Managers and Solicitation Agents**”) for the Exchange Offer and Consent Solicitation.

BofA Securities, Inc.	HSBC Securities (USA) Inc.	AdCap Securities LTD
One Bryant Park	452 Fifth Avenue	Craigmuir Chambers, Road Town,
New York, NY 10036	New York, NY 10018	P.O. Box 71, Tortola, VG 10010, BVI
Attention: Liability	Attention: Global Liability	Attention: Liability Management
Management	Management Group	Collect: + 1 646 280 8732
	Collect: +1 212 525 5552	Email: liabilitymanagement@ad-cap.com
	Toll Free: +1 888 HSBC-4LM	
Collect: +1 646 855 8988	Email: lmamericas@us.hsbc.com	
Toll Free: +1 888 292 0070		

Eligible Holders of Existing Notes are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes as to when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Offer before the deadlines specified in the Offer Documents. The deadlines set by any such intermediary for the submission of instructions will be earlier than the relevant deadlines specified above.

Important Notice

This announcement is not an offer of securities for sale in the United States, and none of the New Notes has been or will be registered under the Securities Act or any state securities law. The New Notes are not subject to the rules and regulations of the Argentine Securities Commission (the “*Comisión Nacional de Valores*” or the “**CNV**”) and therefore the public offer of the New Notes in Argentina has not been registered with the CNV and the CNV has not passed upon the information contained in the Spanish language version of the Exchange Offer and Consent Solicitation Memorandum and has neither approved nor disapproved it.

The New Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. This press release does not constitute an offer of the New Notes for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale would be unlawful. None of the Company, the Information, Exchange and Proxy Agent, the Dealer Managers and Solicitation Agents, the Trustee, the Paying Agents, the Registrars, the Transfer Agents, the Luxembourg Listing Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Offer or any recommendation as to whether Eligible Holders should tender or refrain from tendering their Existing Notes for exchange pursuant to the Offer. Accordingly, any person considering participating in the Offer or making an investment decision relating to the New Notes must inform itself independently based solely on the Exchange Offer and Consent Solicitation Memorandum to be provided to Eligible Holders in connection with the Offer before taking any such investment decision.

This announcement is directed only to Eligible Holders. No offer of any kind is being made to any beneficial owner of Existing Notes who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the Offer is not permitted by law.

The distribution of materials relating to any of the Exchange Offer and Consent Solicitation may be restricted by law in certain jurisdictions. Any of the Exchange Offer and Consent Solicitation are void in all jurisdictions where it is prohibited.

If materials relating to the Exchange Offer and Consent Solicitation come into your possession, you are required by the Company to inform yourself of and to observe all of these restrictions. The materials relating to the Exchange Offer and Consent Solicitation, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer and Consent Solicitation be made by a licensed broker or dealer and a dealer manager or any affiliate of a dealer manager is a licensed broker or dealer in that jurisdiction, the Exchange Offer and Consent Solicitation shall be deemed to be made by the dealer manager or such affiliate on behalf of the Company in that jurisdiction.

Forward-Looking Statements

All statements in this press release, other than statements of historical fact, are forward-looking statements. Specifically, the Company cannot assure you that the proposed transactions described above will be consummated on the terms currently contemplated, if at all. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions, and factors over which the Company has no control. The Company assumes no obligation to update these forward-looking statements, and does not intend to do so, unless otherwise required by law.

Note to Eligible Holders in the European Economic Area - Prohibition of sales to EEA Retail Investors – New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Note to Eligible Holders in the United Kingdom - Prohibition of sales to UK Retail Investors – The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In the UK, the Exchange Offer and Consent Solicitation Memorandum and any other material in relation to the New Notes described herein are being distributed only to, and are directed only at, persons who are “qualified investors” (as defined in the UK Prospectus Regulation) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute them, all such persons together being referred to as “**Relevant Persons**”. In the UK, the New Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the New Notes will be engaged in only with, Relevant Persons. The Exchange Offer and Consent Solicitation Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the UK. Any person in the UK that is not a Relevant Person should not act or rely on the Exchange Offer and Consent Solicitation Memorandum or its contents.