



Executive Summary: BESA Project

1. Introduction

This document outlines a strategic initiative to position PATH S.A. as the "Initiator" within the Federal Trust Fund for Electric Transmission (FFTEF). The proposal aims to accelerate the expansion of Argentina's power transmission rings by leveraging private capital through the issuance of a bond backed by the Value-Backed Debt (VRD) of the FFTEF.

2. Project Objective

The primary goal is to raise funds for the construction and modernization of Argentina's transmission infrastructure. The initiative will:

- Ensure the stability and expansion of the electricity supply network.
- Lay the groundwork for future renewable energy projects, including green hydrogen production.
- Mobilize private capital while maintaining transparency and fiscal responsibility.

3. Key Features of the Bond

3.1. Denomination and Backing:

- Denominated in U.S. dollars (USD).
- Secured by the VRD of the FFTEF, funded through a regulated levy on electricity consumers in the wholesale market.

3.2. Terms:

- Maturity: Options of 5, 7, or 10 years.
- Interest Rate: Competitive, semi-annual payments.

3.3. Incentives:

- Tax exemption on interest for the first 5 years.
- Designed to attract funds from Argentine assets disclosed during the 2016 and 2024 tax amnesties.

4. Market Potential

4.1. Target Investors:

- Argentine investors with capital disclosed during tax amnesty programs.
- Institutional and individual investors seeking secure, dollar-denominated assets.

4.2. Fundraising Estimate:

- Capturing just 3% of disclosed assets (≈180 billion USD) would yield 5.4 billion USD, sufficient to finance the full transmission ring expansion project.

5. Implementation Plan

5.1. Role of PATH S.A.:

- Act as the operational and financial lead for the project.
- Collaborate with key stakeholders, including the FFTEF and energy sector experts.

5.2. Issuance and Placement:

- The bond will be listed on BYMA (Bolsas y Mercados Argentinos) with support from major financial institutions.
- A marketing campaign targeting high-net-worth individuals and institutional investors will ensure maximum participation.

5.3. Transparency and Governance:

- Regular audits and progress reports to investors and stakeholders.
- Involvement of independent advisory committees to ensure compliance and efficiency.

6. Strategic Integration with Green Hydrogen Development

The FFTEF initiative aligns with Argentina's broader energy strategy, including the development of green hydrogen projects. The expanded transmission infrastructure will:

- Support renewable energy generation.
- Enable the integration of green hydrogen production facilities into the national grid.

7. Expected Impact

7.1. Economic Benefits:

- Accelerated project execution, reducing reliance on government funding.
- Creation of jobs and stimulation of the local economy.

7.2. Environmental Impact:

- Enhanced capacity for renewable energy integration.
- Paves the way for green hydrogen as a clean energy export.

7.3. Institutional Strengthening:

- Establishes PATH S.A. as a key player in Argentina's energy sector.
- Reinforces the FFTEF as a model for public-private collaboration.

8. Conclusion

The proposed collaboration between PATH S.A. and the FFTEF represents a transformative opportunity to modernize Argentina's energy infrastructure, mobilize private capital, and position the country as a leader in renewable energy. This initiative not only addresses immediate infrastructure needs but also lays the foundation for long-term sustainable development.