



**2019 Fourth Quarter**

Earnings Presentation

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## RECENT EVENTS

### Vaca Muerta midstream project

- December 2019: Commissioning of the North Tranche pipeline extension and the natural gas conditioning plant in Tratayén.

### Transportation tariffs

- Last tariff increase: April 2019 (26%).
- Tariff increase to be effective since October 2019 was postponed by the former government to February 2020.
- Allowed for capex plan reduction equal to potential revenue loss.
- Emergency law approved in December 2019 allows the Executive Power:
  1. the ENARGAS intervention for a year;
  2. no tariff adjustment during six months;
  3. to restructure the tariffs in this period.

### Buy back program

- Sixth buy back program launched on March 6, 2020: open for 180 days and a amount up to Ar\$ 2.5 Bn.



## FOURTH QUARTER RESULTS HIGHLIGHTS

### NET INCOME (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
4,356	12,027	(7,671)	(64)

### MAIN VARIATIONS

(4,415)	Income tax.
(3,326)	Financial results.





## FOURTH QUARTER RESULTS HIGHLIGHTS

### NET REVENUES - NATURAL GAS TRANSPORTATION (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
5,175	5,910	(735)	(12)

### MAIN VARIATIONS

(936)	(1,998)	Inflation adjustment effect.
	1,062	26% tariff increase effective from April 1, 2019 (ENARGAS Res. 192/19).
184	More interruptible transportation and other transportation services.	



## FOURTH QUARTER RESULTS HIGHLIGHTS

### NET REVENUES - LIQUIDS (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
6,907	7,255	(348)	(5)

### MAIN VARIATIONS

(735)	Lower international price of propane (more than 30%).
(418)	Lower price of ethane (15%).
(416)	Lower volume of ethane (94,239 tons in Q19 vs. 115,342 tons in Q18).
720	Higher volume exported of propane and butane (114,956 tons. in Q19 vs. 79,650 tons in Q18).
156	Higher volume of propane sold in the local market.
211	Butane export (trading).
95	Services in Galván Port.



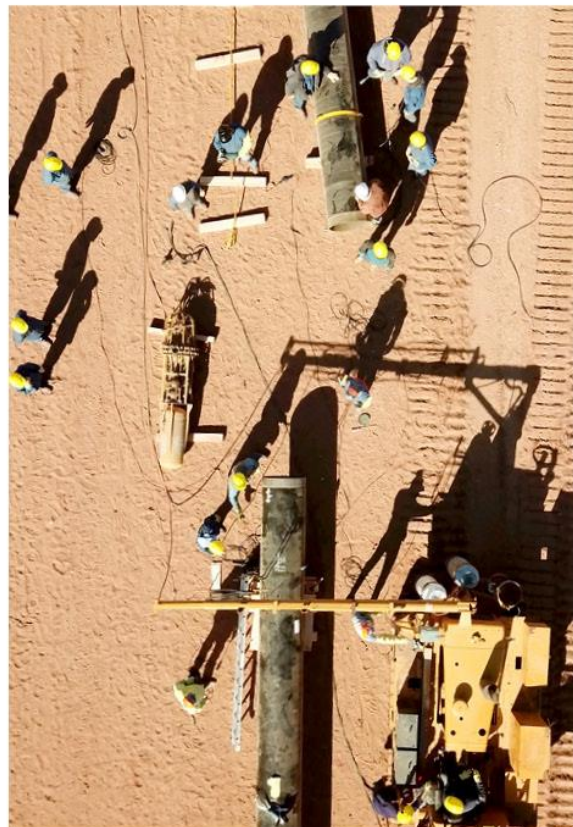
## FOURTH QUARTER RESULTS HIGHLIGHTS

### NET REVENUES - OTHER SERVICES (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
763	747	16	2

### MAIN VARIATIONS

(244)	Inflation adjustment.
218	Higher US dollar exchange rate.
135	More midstream services (mainly Vaca Muerta project).
(86)	Lower construction service sales.



## FOURTH QUARTER RESULTS HIGHLIGHTS

### COST OF SALES AND ADMINISTRATIVE AND SELLING EXPENSES (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
(8,030)	(8,965)	935	(10)

### MAIN VARIATIONS

461	Lower natural gas cost: 676 Lower price of natural gas denominated in dollars (115) Higher volume of natural gas; (100) Others.
205	Lower tax on export and turnover tax.
204	Trade receivable write off provision in 4Q18.





## FOURTH QUARTER RESULTS HIGHLIGHTS

### OTHER OPERATING RESULT (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
(18)	(278)	260	(94)

### MAIN VARIATIONS

250	PP&E retirement in the 4Q18.
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## FOURTH QUARTER RESULTS HIGHLIGHTS

### NET FINANCIAL RESULTS (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	%
533	3,859	(3,326)	(86)

### MAIN VARIATIONS

(2,856)	Foreign exchange rate variation.
(628)	Lower interest income.
(562)	Derivative financial instruments.
660	Higher gains due to inflation exposure.



## FOURTH QUARTER RESULTS HIGHLIGHTS

### INCOME TAX (MM AR\$)

4 <sup>TH</sup> Quarter		Variation	
2019	2018	Ar\$	
(959)	3,456	(4,415)	

### MAIN VARIATIONS

(5,621)	Income tax reduction effect in 4Q18 due to a PP&E revaluation for tax purposes.
1,206	Lower taxable income.

