



PRESS RELEASE

FOR IMMEDIATE RELEASE

June 17, 2020

Buenos Aires, Argentina: From June 8 to June 17, 2020, the Republic of Argentina (the “Republic”) held meetings with investors that had entered into non-disclosure agreements with the Republic (the “Restricted Investors”) to discuss responses given by various investor groups to the Republic’s invitation made to holders of certain eligible bonds (the “Eligible Bonds”) listed in the Prospectus Supplement dated April 21, 2020 (as amended and supplemented from time to time, the “Prospectus Supplement”) to submit orders to exchange their Eligible Bonds for new bonds (the “New Bonds”).

During the course of the latest round of meetings, the Republic delivered the Restricted Investors the information attached hereto as Annex A. **The information attached hereto as Annex A does not constitute an amendment to the Invitation.**

Restricted Investors responded to the information Argentina provided proposing adjustments, described under separate cover, that Argentina cannot responsibly commit to, some of which are largely inconsistent with the debt sustainability framework necessary for Argentina to restore macroeconomic stability and make progress towards a program with the IMF.

Furthermore, the negotiation process with our investor community has revealed that investor demands frequently diverge, and cannot be readily reconciled. The Republic will assess all options available as part of a comprehensive process to restore macroeconomic stability.

The Invitation is currently scheduled to expire on June 19, 2020.

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This press release does not constitute an offer of the New Bonds for sale in the United States, 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. Any public offering of the New Bonds in the United States will be made by means of a prospectus or an amendment to the Prospectus Supplement that may be obtained from the Republic and will contain detailed information about the Republic. The Republic has filed a registration statement with the Securities and Exchange Commission to register the New Bonds, which was declared effective on April 21, 2020.

### **Forward-Looking Statements**

All statements in this press release, other than statements of historical fact, are forward-looking statements. 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

Republic has no control. The Republic assumes no obligation to update these forward-looking statements and does not intend to do so, unless otherwise required by law.

### **Notice to Investors in the European Economic Area and the United Kingdom**

**Notice to EEA retail investors.** The announcement is not being directed to any retail investors in the European Economic Area (“EEA”). As a result, no “offer” of new securities is being made to retail investors in the EEA.

This announcement is only directed to beneficial owners of Eligible Bonds who are within a Member State of the European Economic Area or the United Kingdom (each, a “Relevant State”) if they are “qualified investors” as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”).

The New Bonds 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 a Relevant State. 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”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), 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 the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIPs Regulation”) for offering or selling the New Bonds or otherwise making them available to retail investors in a Relevant State has been prepared and therefore offering or selling the New Bonds or otherwise making them available to any retail investor in a Relevant State may be unlawful under the PRIPs Regulation. References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

### **United Kingdom**

For the purposes of section 21 of the Financial Services and Markets Act 2000, to the extent that this announcement constitutes an invitation or inducement to engage in investment activity, such communication falls within Article 34 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), being a non-real time communication communicated by and relating only to controlled investments issued, or to be issued, by the Republic of Argentina.

Other than with respect to distributions by the Republic of Argentina, this announcement is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

## ANNEX A

	BOND GB-1	BOND GB-2	BOND GB-3	BOND EB-D	BOND EB-P
<b>Eligible debt</b>	Foreign Law Global Bonds (FL GBs) (2016 indenture) final maturities not exceeding 2023	FL GBs with final maturities ranging between 2026 and 2036	All eligible bonds	Foreign Law Discounts (2005 indenture)	Foreign Law Pans (2005 indenture) Foreign Law Discounts (2005 indenture)
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Final maturity</b>	2030	2035	2046	2038	2041
<b>Nominal cap</b>	USD 13.5bn	USD 22.9bn	-	-	-
<b>Nominal haircut</b>	3%	3%	3%	-	-
<b>Principal repayment<sup>1</sup></b>	12 equal semi-annual payments (starting [●]-2025)	10 equal semi-annual payments (starting [●]-2031)	44 equal semi-annual payments (starting [●]-2025)	22 equal semi-annual payments (starting [●]-2028)	30 equal semi-annual payments (starting [●]-2027)
<b>Coupon payment</b>	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual
<b>Coupon structure<sup>2</sup></b>	2020: 0% 2021: 0.125% 2022-23: 0.5% 2024-27: 0.75% 2028-30: 1.75%	2020: 0% 2021: 0.125% 2022: 1.125% 2023: 1.5% 2024: 3.625% 2025-28: 4.375% 2029-35: 5.0%	2020: 0% 2021: 0.125% 2022: 1.125% 2023: 1.5% 2024: 3.625% 2025-28: 4.375% 2029-46: 5.0%	2020: 0% 2021: 0.125% 2022: 1.625% 2023: 3.125% 2024: 3.75% 2025-26: 4.5% 2027-38: 5.0%	2020: 0% 2021: 0.125% 2022: 1.625% 2023: 3.0% 2024 - H1 29: 3.5% H2 2029 - 41: 4.875%

Source: Ministry of Economy

Notes: 1) Semi-annual principal repayments occur respectively in [May] and in [November]; 2) Payment years displayed – in year T, two payments are due respectively in [May] and in [November]; in H1 (respectively H2) of year T, payments are due in [May] (respectively [November])

	<b>BOND GB-1'</b>	<b>BOND GB-2'</b>	<b>BOND GB-3'</b>	<b>BOND EB-D'</b>	<b>BOND EB-P'</b>
<b>Eligible debt</b>	Foreign Law Global Bonds (FL GBs) (2016 indenture) final maturities not exceeding 2023	FL GBs with final maturities ranging between 2026 and 2036	All eligible bonds	Foreign Law Discounts (2005 indenture)	Foreign Law Pars (2005 indenture) Foreign Law Discounts (2005 indenture)
<b>Currency</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Final maturity</b>	2030	2035	2046	2038	2041
<b>Nominal cap</b>	EUR 2.9bn	EUR 2.5bn	-	-	-
<b>Nominal haircut</b>	3%	3%	3%	-	-
<b>Principal repayment<sup>1</sup></b>	12 equal semi-annual payments (starting [●]-2025)	10 equal semi-annual payments (starting [●]-2031)	44 equal semi-annual payments (starting [●]-2025)	22 equal semi-annual payments (starting [●]-2028)	30 equal semi-annual payments (starting [●]-2027)
<b>Coupon payment</b>	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual
<b>Coupon structure<sup>2</sup></b>	2020: 0% 2021-30: 0.125%	2020: 0% 2021: 0.125% 2022: 0.75% 2023: 0.875% 2024: 2.5% 2025: 3.75% 2026-35: 4.0%	2020: 0% 2021: 0.125% 2022: 0.75% 2023: 0.875% 2024: 2.5% 2025: 3.75% 2026: 4.0% 2027-46: 4.125%	2020: 0% 2021: 0.125% 2022: 0.875% 2023: 2.25% 2024: 3.25% 2025-26: 4.0% 2027-38: 4.25%	2020: 0% 2021: 0.125% 2022: 0.875% 2023: 2.0% 2024 - H1 29: 3.0% H2 2029 - 41: 4.5%

Source: Ministry of Economy

Notes: 1) Semi-annual principal repayments occur respectively in [May] and in [November]; 2) Payment years displayed – in year T, two payments are due respectively in [May] and in [November]; in H1 (respectively H2) of year T, payments are due in [May] (respectively [November])

**ACCRUED BOND**

<b>Eligible debt</b>	Foreign Law Global Bonds (FL GBs) (2016 indenture) Foreign Law Pairs and Discounts (2005 indenture)
<b>Currency</b>	<b>USD</b>
<b>Final maturity</b>	2030
<b>Nominal amount</b>	All interest accrued on Eligible Bonds up to settlement date of the exchange
<b>Nominal haircut</b>	-
<b>Principal repayment<sup>1</sup></b>	8 equal semi-annual payments (starting [●]-2026)
<b>Coupon payment</b>	Semi-annual
<b>Coupon structure<sup>2</sup></b>	2020: 0% 2021-30: 1.0%

Source: Ministry of Economy

Notes: 1) Semi-annual principal repayment start in [November] 2026, then occur respectively in [May] and in [November] over 2027-29, and finally end in [May] 2030; 2) Payment years displayed – in year T, two payments are due respectively in [May] and in [November] until final maturity of the bond

## PROPOSED KEY FEATURES OF A POTENTIAL VALUE RECOVERY MECHANISM

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### GENERAL MECHANISM

- The mechanism consists of an annual extra-coupon up to 0.75%
  - This extra-coupon is paid from 2026 until 2046, on a synthetic notional amount
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### PAYMENT CONDITIONS

- For any payment to occur on a given year T, the USD value of exports of goods FOB recorded in T-1 must be above the average value of USD exports of goods FOB recorded in the five years prior to T-1 (i.e. years T-2 to T-6 included), defined as the “threshold value”
  - Exports data are recorded by Argentine customs (“AFIP”)
  - A safety mechanism is included through a “backstop floor”: a floor value, set at USD 65.2bn in 2019, and inflated by 3% annually. If the value of the previous year’s exports do not exceed this “backstop floor”, then the VRM does not pay any coupon whatsoever
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### PAYMENT CALCULATIONS

- When payment conditions are met, the instrument delivers an extra-coupon between 0% and 0.75%, proportionate to the difference between the USD value of exports recorded in T-1 and the “threshold value”
  - The annual coupon cap is reached when, in any given year T, the USD value of exports recorded in T-1 reaches 120% of the “threshold value”
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Source: Ministry of Economy