

The logo for CGC (Compañía General de Combustibles S.A.) features the letters 'CGC' in a bold, white, sans-serif font. These letters are centered within a solid black rectangular box. Below this black box is a larger, lighter teal rectangular area that serves as a background for the rest of the page's text.

**CGC**

**COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.**

**Condensed interim financial statements  
as of March 31, 2020**

(With comparative statements as of March 31, 2019)

**“Free translation from the original in Spanish for publication in Argentina”**

# **Compañía General de Combustibles S.A.**

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## Compañía General de Combustibles S.A.

### Overview as of March 31, 2020

(Information not covered by the review report on the condensed interim financial statements).

This Overview, which has been prepared in compliance with the provisions of the rules in force of the *Comisión Nacional de Valores* (Securities Commission) (Periodic Reporting Regime – Title IV – Chapter III – Section 4), supplements the Company’s condensed interim financial statements for the quarter started on January 1, 2020 and ended on March 31, 2020. All references to \$ or US\$ are references to thousands of pesos or thousands to U.S. dollars, unless otherwise specified.

#### a) Brief discussion on the Company’s activities during the first quarter ended March 31, 2020, including references to relevant events occurring after the end of the period

The **adjusted EBITDA** for the quarter ended March 31, 2020 amounted to \$ 3,677,242, which represents a decrease of \$ 866,249 in respect of the same period of the year 2019. This decrease was mainly generated by a decrease in the selling prices of Oil and Gas for the quarter ended March 31, 2020. This decrease, was partially offset by the increase in Gas production and by higher incentive accrual for the quarter ended March 31, 2020.

The **production of oil, natural gas, liquefied petroleum gas and gasoline** during the first quarter of 2020 was of 574.9 Mm<sup>3</sup> equivalent, with an increase of 40.2 Mm<sup>3</sup> (8%) with respect to the quantities produced during the same period of the preceding year.

Liquid hydrocarbons represented 14% and 17% and natural gas 86% and 83% of the total produced as of March 31, 2020 and 2019, respectively.

The Company has an important presence in the main gas pipeline system, through its interests in the companies Transportadora de Gas del Norte S.A. (28.23%), Gasoducto Gasandes (Argentina) S.A. (40.0%), Gasoducto Gasandes S.A.-Chile- (40.0%) and Transportadora de Gas del Mercosur S.A. (15.8%).

The **volume of gas transported** by these companies during the first quarter of 2020 reached 6,246 million cubic meters, a 4% increase compared to the same period of 2019.

<b>Evolution of the Company’s indicators</b>	<b>1Q 2020</b>	<b>1Q 2019</b>	<b>1Q 2018</b>
<b>Adjusted EBITDA</b> (thousands of pesos)	3,677,242	4,543,491	2,499,954
<b>Oil production</b> (m <sup>3</sup> /day) (1) (2)	910.57	1,018.51	820.92
<b>Gas production</b> (Mm <sup>3</sup> /day) (2)	5,407.17	4,922.6	3,583.18
<b>Gas transported</b> (MMm <sup>3</sup> )	6,246	6,021	5,501
<b>Oil and gas equivalent production</b> (Mm <sup>3</sup> ) (2)	574.9	534.7	396.4

(1) Includes liquefied petroleum gas and gasoline

(2) Argentine areas only

Mm<sup>3</sup>=Thousands of cubic meters

MMm<sup>3</sup>=Million cubic meters

## **Compañía General de Combustibles S.A.**

### **Overview as of March 31, 2020**

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#### **Relevant events**

##### **Dividends received from associated companies**

During the quarter ended March 31, 2020, midstream companies have paid to CGC dividends that were pending from the preceding year for \$ 225,150 and have declared dividends in the period ended March 31, 2020 in favor of CGC for \$ 313,294. The dividends declared during the period were paid in April 2020.

#### **Financing**

##### **Export financing with Banco Macro S.A.**

On January 29, 2020, the Company obtained an export financing from Banco Macro S.A., for a total amount of US\$ 10,000,000 with a maturity of 120 days and with a fixed annual interest rate of 6.00%. The purpose of such loans was to finance working capital corresponding to the Company's export transactions of crude oil and gas.

##### **New issuance of Class 12, 13 and 14 Notes**

On March 5, 2020 the Company placed, under the Frequent Issuer Regime No. 8, three series of Notes in the local market, with the following detail: Class 12 Notes: in U.S. dollars, for a total amount of US\$ 15,310, due in 15 months and with a fixed annual interest rate of 9.00%; Class 13 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of US\$ 14,344, due in 15 months and with a fixed annual interest rate of 8.50%; and Class 14 Notes: denominated in Argentine pesos and payable in pesos, for a total amount of \$ 314,609, due in 12 months and with a variable interest rate equal to the sum of (i) the applicable interest rate (private Badlar Rate), plus (ii) the cut-off margin (500 basis points). The proceeds from the issuance of such Notes will be mainly used to refinance liabilities, as well as for investments in hydrocarbon exploitation and exploration in the Austral Basin and to finance working capital of the Company.

##### **Partial prepayment of Class 10 Notes**

On January 13, 2020, the Company prepaid US\$ 987 on account of principal. In addition, the interest accrued as of such date was then paid. On March 16, 2020, using part of the proceeds from the last issuance of Notes, the Company prepaid US\$ 14,273 on account of principal. In addition, the interest accrued as of such date and the prepayment fees in the amount of US\$ 684 and US\$ 143, respectively, were paid.

## **Compañía General de Combustibles S.A.**

### **Overview as of March 31, 2020**

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#### **Payment of the first amortization installment of principal of Class 10 Notes**

On April 13, 2020, the Company paid the first installment of principal corresponding to Class 10 Notes, in line with the amendment to the Terms and Conditions made by means of the Request for Consent, launched on September 12, 2019 and accepted by 100% of the holders. The amortized principal and accrued interest amounted to US\$ 5,000 and US\$ 235, respectively. At present, there are Class 10 Notes outstanding for an amount of US\$ 23,626.

#### **Short-term financing in pesos with several banks**

During the months of April and May 2020, the Company entered into several short-term loan agreements in pesos and current account agreements with several banks, for a total amount of approximately AR\$ 700 million and for terms ranging from 90 to 180 days, in order to finance working capital and preserve liquidity in a context of high volatility.

#### **Class 15 Notes**

On May 26, 2020, the Company issue the Class 15 Notes for US\$ 19,891. Class 15 ON accrue interest at a fixed rate of 5.0% nominal annual, the Interest will be payable quarterly and the principal will be paid at maturity. The ON have an expiration date of August 26, 2021. The funds obtained are mainly destined to the refinancing of liabilities and also investments in hydrocarbon exploration and exploitation in the province of Santa Cruz (Austral Basin), the integration of working capital, the acquisition of goodwill located in the country and the integration of capital contributions in subsidiaries or associated companies.

#### **Underground gas storage**

On February 19, 2020, CGC inaugurated the first natural underground gas storage system in the Province of Santa Cruz for commercial use. The Project is located in the area of Sur Río Chico and contemplates an investment of US\$ 50 million in its two stages, and will allow to keep natural gas in underground reservoirs located at great depths and also that the gas produced at Sur Río Chico and not demanded, can be injected into the storage system during low demand times and extracted in winter, where there is a greater demand.

Gas injection started on January 20 this year through the well SRC-10, which had been drilled in September 2019. As of March 31, 2020 10.5 MMm3 of natural gas had been stored.

## Compañía General de Combustibles S.A.

### Overview as of March 31, 2020

#### b) Condensed equity structure as of March 31, 2020, 2019 and 2018

(Expressed in thousands of pesos)

	<b>3.31.2020</b>	<b>3.31.2019</b>	<b>3.31.2018</b>
Non-current assets	40,021,077	39,537,611	27,795,960
Current assets	17,889,340	17,383,892	10,751,961
<b>Total assets</b>	<b>57,910,417</b>	<b>56,921,503</b>	<b>38,547,921</b>
Equity attributable to owners	19,208,654	17,149,167	9,898,179
<b>Total shareholders' equity</b>	<b>19,208,654</b>	<b>17,149,167</b>	<b>9,898,179</b>
Non-current liabilities	28,017,369	27,947,433	21,879,730
Current liabilities	10,684,394	11,824,903	6,770,012
<b>Total liabilities</b>	<b>38,701,763</b>	<b>39,772,336</b>	<b>28,649,742</b>
<b>Total liabilities and shareholders' equity</b>	<b>57,910,417</b>	<b>56,921,503</b>	<b>38,547,921</b>

#### c) Condensed result structure for the quarters ended March 31, 2020, 2019 and 2018

(Expressed in thousands of pesos)

	<b>3.31.2020</b>	<b>3.31.2019</b>	<b>3.31.2018</b>
Revenue	6,217,762	7,817,908	5,074,075
Cost of revenues	(4,414,809)	(4,951,720)	(3,896,305)
<b>Gross income</b>	<b>1,802,953</b>	<b>2,866,188</b>	<b>1,177,770</b>
Selling expenses	(295,312)	(250,892)	(96,936)
Administrative expenses	(322,964)	(304,350)	(340,105)
Exploration expenses	(3,166)	(1,997)	-
Other operating income and (expenses)	(2,211,734)	(26,066)	(62,565)
<b>Operating result</b>	<b>(1,030,223)</b>	<b>2,282,883</b>	<b>678,164</b>
Result of investments in associates	422,571	442,767	308,263
Financial results, net	(1,517,680)	(1,839,865)	22,200
<b>Result before taxes</b>	<b>(2,125,332)</b>	<b>885,785</b>	<b>1,008,627</b>
Income tax	636,976	(152,483)	(387,934)
<b>Net result</b>	<b>(1,488,356)</b>	<b>733,302</b>	<b>620,693</b>
<b>Other comprehensive results</b>	<b>(21,723)</b>	<b>76,972</b>	<b>4,602</b>
<b>Comprehensive results</b>	<b>(1,510,079)</b>	<b>810,274</b>	<b>625,295</b>

The lower gross income registered in the quarter ended March 31, 2020 was mainly due to the decline in oil and gas selling prices. In addition, there was a loss in the item Other income and expenses mainly generated by the non-financial assets impairment loss of \$ 2,182,672 due to the assessment of value in use of property, plant and equipment in the period ended March 31, 2020. (See note 7)

## Compañía General de Combustibles S.A.

### Overview as of March 31, 2020

#### d) Condensed cash flow structure for the quarters ended March 31, 2020, 2019 y 2018

(Expressed in thousands of pesos)

	<b>3.31.2020</b>	<b>3.31.2019</b>	<b>3.31.2018</b>
Net cash generated by operating activities	1,074,732	4,188,828	173,400
Net cash used for investment activities	(889,553)	(2,345,039)	(1,769,009)
Net cash generated by (used for) financing activities	1,310,896	(1,684,174)	4,421,803
<b>Net increase in cash, cash equivalents and bank overdraft</b>	<b>1,496,075</b>	<b>159,615</b>	<b>2,826,194</b>
Cash and cash equivalents at the beginning of the year	4,004,372	1,713,568	567,940
Financial results generated by cash	(394,548)	18,786	106,353
<b>Cash and cash equivalents at the end of the period</b>	<b>5,105,899</b>	<b>1,891,969</b>	<b>3,500,487</b>

#### e) Statistical data for the quarters ended March 31, 2020, 2019 and 2018

See data on crude oil and gas production and gas transportation for the quarters ended March 31, 2020, 2019 and 2018, in paragraph 1 of this Overview.

#### f) Ratios for the quarters ended March 31, 2020, 2019 and 2018

		<b>3.31.2020</b>	<b>3.31.2019</b>	<b>3.31.2018</b>
<b>Liquidity</b>	<b>(a)</b>	<b>1.67</b>	<b>1.47</b>	<b>1.59</b>
<b>Solvency</b>	<b>(b)</b>	<b>0.50</b>	<b>0.43</b>	<b>0.35</b>
<b>Capital lockup</b>	<b>(c)</b>	<b>0.69</b>	<b>0.69</b>	<b>0.72</b>

(a) Current assets / Current liabilities

(b) Shareholders' equity / Total liabilities

(c) Non-current assets / Total assets

The profitability index is only included in the annual financial statements.

#### g) Prospects

The current Argentine scenario is highly uncertain due to the recent macroeconomic instability and the sanitary emergency condition derived from the propagation of COVID-19.

As mentioned in the Annual Report as of December 31, 2019, in August 2019 the Argentine government issued a series of economic measures that discouraged production and caused activities to be temporarily reduced and the redefinition of investment projects for the coming year, which uncertainty prevails today due to the lack of certainty regarding key variables affecting the industry.

## **Compañía General de Combustibles S.A.**

### **Overview as of March 31, 2020**

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Additionally, on March 11, 2020, the World Health Organization declared coronavirus (“COVID-19”) a pandemic at global level. For this reason, the Executive Branch, by means of Emergency Decree No. 260/2020, extended for a year the sanitary emergency declared by law No. 27,541, and by means of Emergency Decree No. 297/2020 (as amended) set forth the mandatory and preventive social distancing which, under Decree No. 493/2020, shall extend to and including June 7, 2020. The measure covers only the Metropolitan Area of Buenos Aires and not the rest of the country, which will be able to increase the number of activities that can be restarted, as determined by the governors and mayors of each province and municipality.

Although there are certain essential activities and services that have been exempted from the measures taken by the government, social distancing and the suspension of activities have caused a material adverse effect on the Argentina economy, deepening the recession the country has been experimenting for several months.

While the Company’s activity is one of the activities exempted by social distancing measures (subject to the strict performance of its hydrocarbon exploration and exploitation activities), with the support of Santa Cruz’s provincial authorities and the unions, the production has not been affected up to this date. The Company has taken measures to ensure the safety of its teams and has implemented contingency plans to maintain, where possible, production levels, by rotating teams.

On the other hand, the Company has quickly implemented a remote work scheme for all positions and functions not requiring on site physical presence, and senior management and managers are working in a coordinated way, daily monitoring the current situation and adopting the necessary measures to protect its employees and have a safe interaction with customers, suppliers and the community where its operations are carried out.

The above-mentioned measures and the drop in international hydrocarbon prices, have had a significant impact on the hydrocarbon industry. Although the Company’s activity and production levels have not been significantly affected during the first months of 2020, we cannot anticipate the impact of the pandemic and of the potential measures the current administration may adopt in the coming months.

In this scenario, CGC is waiting until the sanitary emergency situation stabilizes and there is more certainty in respect of variables providing a certain degree of foreseeability to the industry, so as to resume drilling activities as soon as possible.



**Compañía General de Combustibles S.A.**  
**Overview as of March 31, 2020**

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Regarding financing, efforts continue to be focused on the optimization of the financing structure, as well as on the search for additional sources of financing, considering financing objectives.

City of Buenos Aires, May 26, 2020.

# Compañía General de Combustibles S.A.

## Condensed interim financial statements

### Legal information

**Legal address:** Bonpland 1,745. Autonomous City of Buenos Aires. República Argentina

**Fiscal year:** 101

**Condensed interim financial statements as of March 31, 2020**

<b>Company´s main line of business:</b>	Exploration and exploitation of hydrocarbons and byproducts
<b>Public Registry of Commerce registration date:</b>	October 15, 1920
<b>Latest amendments to bylaws:</b>	April 18, 2007, September 12, 2007, December 19, 2013, and April 17, 2015
<b>Superintendence of Corporations registration number:</b>	1648
<b>Incorporation agreement termination date:</b>	September 1, 2100
<b>Parent company´s name:</b>	Latin Exploration S.L.U. (1)
<b>Parent company´s main line of business:</b>	Investing and financing activities
<b>Equity interest held by the parent company in capital stock and votes:</b>	70.00% (1)

### (1) Capital status

<b>Ordinary shares with par value of 1.00 per share</b>	<b>Subscribed, issued, and paid (In pesos)</b>
Class A shares entitled to 1 vote	279,396,499
Class B shares entitled to 1 vote	119,741,357
<b>Total</b>	<b><u>399,137,856</u></b>

(1) Note 14 to the condensed interim financial statements

## Compañía General de Combustibles S.A.

### Condensed interim financial statements

#### Condensed interim statement of financial position ended March 31, 2020 and December 31, 2019

(In thousands of pesos)

	Note	3.31.2020	12.31.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	23,160,833	25,918,307
Investments in associates	8.a)	14,954,348	14,866,795
Investments at amortised cost	12.a)	337,535	666,923
Right-of-use assets		879,949	1,123,131
Other receivables	9	419,954	422,637
Trade receivables	11	268,458	306,420
<b>Total non-current assets</b>		<b>40,021,077</b>	<b>43,304,213</b>
<b>Current assets</b>			
Inventories	10	1,140,216	1,179,661
Other receivables	9	6,241,239	4,149,052
Trade receivables	11	3,744,615	5,098,753
Investments at amortised cost	12.a)	1,442,130	1,442,902
Investments at fair value through profit or loss	12.b)	215,241	326,765
Cash and cash equivalents	13	5,105,899	4,543,308
<b>Total current assets</b>		<b>17,889,340</b>	<b>16,740,441</b>
<b>TOTAL ASSETS</b>		<b>57,910,417</b>	<b>60,044,654</b>
<b>EQUITY</b>			
Share capital	14	399,138	399,138
Capital adjustment		2,311,403	2,311,403
Reserves		6,564,385	6,564,385
Retained earnings		4,421,402	5,762,865
Other comprehensive income		5,512,326	5,680,942
<b>TOTAL EQUITY</b>		<b>19,208,654</b>	<b>20,718,733</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for legal claims and other proceedings		145,234	102,941
Other provisions	15	2,782,115	2,770,873
Deferred tax liabilities		1,982,398	2,619,376
Tax payables		5,283	10,445
Lease liabilities		344,323	492,327
Financial debts	16	22,758,016	23,140,321
<b>Total non-current liabilities</b>		<b>28,017,369</b>	<b>29,136,283</b>
<b>Current liabilities</b>			
Other provisions	15	1,370	1,515
Other liabilities		104,407	165,867
Tax payables		170,759	140,427
Salaries and social security contributions		252,150	308,327
Lease liabilities		670,862	677,353
Financial debts	16	6,876,894	4,840,163
Trade payables	17	2,607,952	4,055,986
<b>Total current liabilities</b>		<b>10,684,394</b>	<b>10,189,638</b>
<b>TOTAL LIABILITIES</b>		<b>38,701,763</b>	<b>39,325,921</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,910,417</b>	<b>60,044,654</b>

The accompanying notes 1 to 26 are an integral part of these condensed interim financial statements.

## Compañía General de Combustibles S.A.

### Condensed interim financial statements

#### Condensed interim statement of comprehensive income for the three-month period ended March 31, 2020 with comparative interim period ended March 31, 2019

(In thousands of pesos)

	Note	3.31.2020	3.31.2019
Revenue	18	6,217,762	7,817,908
Cost of revenue	19	(4,414,809)	(4,951,720)
<b>Gross profit</b>		<b>1,802,953</b>	<b>2,866,188</b>
Selling expenses	20	(295,312)	(250,892)
Administrative expenses	21	(322,964)	(304,350)
Exploration expenses	22	(3,166)	(1,997)
Other operating income (expenses), net	23	(2,211,734)	(26,066)
<b>Operating (loss) income</b>		<b>(1,030,223)</b>	<b>2,282,883</b>
Results of investments in associates	8.c)	422,571	442,767
Financial income	24	18,561	6,175
Financial costs	24	(678,686)	(619,429)
Hyperinflation effect	24	(413,535)	(259,322)
Other financial results	24	(444,020)	(967,289)
<b>(Loss) income before taxes</b>		<b>(2,125,332)</b>	<b>885,785</b>
Income tax		636,976	(152,483)
<b>(Loss) profit for the three-month period</b>		<b>(1,488,356)</b>	<b>733,302</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Asset revaluation reserve		-	43,675
<b>Items that may be reclassified to profit or loss</b>			
Financial statement translation difference		(21,723)	33,297
<b>Other comprehensive (loss) income for the period, net of tax</b>		<b>(21,723)</b>	<b>76,972</b>
<b>Total comprehensive (loss) income for the period</b>		<b>(1,510,079)</b>	<b>810,274</b>
<b>Basic and diluted earnings per share</b>	<b>14</b>	<b>(3.729)</b>	<b>1.837</b>

The accompanying notes 1 to 26 are an integral part of these condensed interim financial statements.

## Compañía General de Combustibles S.A.

### Condensed interim financial statements

#### Condensed interim statement of changes in equity for the three-month period ended March 31, 2020

(In thousands of pesos)

	Share capital (Note 14)	Capital adjustment	Legal reserve	Optional reserves (1)	Other comprehensive income			Total
					Asset revaluation reserve	Currency translation difference	Retained earnings	
<b>Balance as of December 31, 2019</b>	<b>399,138</b>	<b>2,311,403</b>	<b>542,108</b>	<b>6,022,277</b>	<b>4,525,269</b>	<b>1,155,673</b>	<b>5,762,865</b>	<b>20,718,733</b>
Net loss for the period	-	-	-	-	-	-	(1,488,356)	(1,488,356)
Reversal of asset revaluation reserve	-	-	-	-	(146,893)	-	146,893	-
Other comprehensive income for the period	-	-	-	-	-	(21,723)	-	(21,723)
<b>Balance as of March 31, 2020</b>	<b>399,138</b>	<b>2,311,403</b>	<b>542,108</b>	<b>6,022,277</b>	<b>4,378,376</b>	<b>1,133,950</b>	<b>4,421,402</b>	<b>19,208,654</b>

(1) For maintenance of working capital and future dividends.

The accompanying notes 1 to 26 are an integral part of these condensed interim financial statements.

## Compañía General de Combustibles S.A.

### Condensed interim financial statements

#### Condensed interim statement of changes in equity for the three-month period ended March 31, 2019

(In thousands of pesos)

	Share capital (Note 14)	Capital adjustment	Legal reserve	Optional reserves (1)	Other comprehensive income		Retained earnings	Total
					Asset revaluation reserve	Currency translation differenc		
<b>Balance as of December 31, 2018</b>	<b>399,138</b>	<b>2,311,403</b>	<b>53,444</b>	<b>1,106,776</b>	<b>5,749,427</b>	<b>1,057,282</b>	<b>6,188,605</b>	<b>16,338,893</b>
Net gain for the period	-	-	-	-	-	-	733,302	733,302
Reversal of asset revaluation reserve	-	-	-	-	(177,261)	-	177,261	-
Other comprehensive income for the period	-	-	-	-	43,675	33,297	-	76,972
<b>Balance as of March 31, 2019</b>	<b>399,138</b>	<b>2,311,405</b>	<b>53,444</b>	<b>1,106,776</b>	<b>5,615,841</b>	<b>1,090,579</b>	<b>7,099,168</b>	<b>17,149,167</b>

(1) For maintenance of working capital and future dividends.

The accompanying notes 1 to 26 are an integral part of these condensed interim financial statements.

## Compañía General de Combustibles S.A.

### Condensed interim financial statements

#### Condensed interim statement of cash flows for the three-month period ended March 31, 2020, with comparative interim period ended March 31, 2019

(In thousands of pesos)

	Note	3.31.2020	3.31.2019
<b>Cash flow from operating activities</b>			
Net (loss)/income for the period		(1,488,356)	733,302
<b>Adjustments to arrive at net cash flows from operating activities:</b>			
Depreciation of property, plant and equipment	7	1,933,004	1,882,397
Write off of property, plant and equipment		-	235
Depreciation of right-of-use assets		243,181	141,491
Result of investments in associates	8	(422,571)	(442,767)
Financial results, net		957,311	1,498,936
Non-financial asset impairment loss	23	2,182,672	-
Increase in allowances for receivables, net	23	56,024	60,162
Increase in provision for legal claims and other proceedings	23	49,740	7,238
Gas imbalance charges	19 (1)	(1,129)	(2,586)
Income accrued for incentives, net of collections		(2,271,765)	254,527
Hyperinflation effect		413,535	259,322
Accrued income tax		(636,976)	152,483
<b>Changes in operating assets and liabilities</b>			
Receivables		1,326,536	(1,214,955)
Inventory		39,445	(139,788)
Non-financial debts		(1,277,137)	1,074,411
Income tax paid		(28,782)	(76,580)
<b>Net cash flow from operating activities</b>		<b>1,074,732</b>	<b>4,188,828</b>
<b>Net cash flow used in investing activities</b>			
Acquisition of property, plant and equipment	7	(1,133,563)	(2,460,933)
Change in investments	8 b)	-	(93)
Variance of placements of funds - current		18,860	6,176
Dividends collected	8 b)	225,150	109,811
<b>Net cash flow used in investing activities</b>		<b>(889,553)</b>	<b>(2,345,039)</b>
<b>Net cash flow from (used in) financing activities</b>			
Payment of leases		(177,063)	(157,316)
Interest paid on financial debts	16	(358,851)	(288,338)
Financial debts incurred	16	2,802,275	304,930
Financial debts settled	16	(955,465)	(1,543,450)
<b>Net cash flow from (used in) financing activities</b>		<b>1,310,896</b>	<b>(1,684,174)</b>
Net increase in cash and cash equivalents		1,496,075	159,615
<b>Cash, cash equivalents at the beginning of the year</b>	<b>13</b>	<b>4,004,372</b>	<b>1,713,568</b>
Financial results from cash and cash equivalents		(394,548)	18,786
<b>Cash, cash equivalents at the end of the period</b>	<b>13</b>	<b>5,105,899</b>	<b>1,891,969</b>
<b>Changes without funds movement</b>			
Payments of property, plant and equipment in the interim period		-	(166,234)
Capitalization of financial costs		127,908	60,111
Wells abandonment costs capitalized in property, plant and equipment		96,731	71,538

The accompanying notes 1 to 26 are an integral part of these condensed interim financial statements

## **Compañía General de Combustibles S.A.**

### **Notes to the condensed interim financial statements**

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- 1.** General information
- 2.** Basis for preparation
- 3.** Accounting policies
- 4.** Financial risk management
- 5.** Fair value measurement
- 6.** Segment reporting
- 7.** Property, plant and equipment
- 8.** Investments in associates
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- 13.** Cash and cash equivalents
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- 17.** Trade payables
- 18.** Revenue
- 19.** Cost of revenue
- 20.** Selling expenses
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## Compañía General de Combustibles S.A.

### Notes to condensed interim financial statements for the period ended March 31, 2020 (presented on a comparative basis)

(In thousands of pesos, except as otherwise expressly indicated)

#### Note 1. General Information

##### 1.1 – The Company

Compañía General de Combustibles S.A. (hereinafter, “CGC” or “the Company”) is a corporation (“*sociedad anónima*”) organized under the laws of the Republic of Argentina, registered with the Public Registry of Commerce on October 15, 1920. The expiration date set forth in the Articles of Incorporation is September 1, 2100 and its registered office is located at Bonpland 1745, City of Buenos Aires, Argentina. CGC’s business activities are focused on the energy sector, in particular oil and gas exploration and production (upstream) and gas transportation. Upstream activities are performed individually and also through joint ventures, and gas transportation activities are performed through associated companies. The Company is controlled by Latin Exploration S.L.U. (“LE”), a Spanish company.

The Oil and Gas exploration and exploitation areas where the Company has an interest as of March 31, 2020 and December 31, 2019 are as follows:

Country/ Basin	Area	% of Interest	Operator	Through	Activity
<b>Argentina</b>					
Northwestern	Aguaragüe	5.00	Tecpetrol	2027	
Austral	El Cerrito	100.00	CGC	2033-2037-2053	Exploration and exploitation
	Dos Hermanos	100.00	CGC	2027-2034-2037	
	Campo Boleadoras	100.00	CGC	2027-2033-2034	
	Campo Indio Este / El Cerrito	100.00	CGC	2028-2053	
	María Inés	100.00	CGC	2027-2028	
	Cóndor	100.00	CGC	2027	
	La Maggie	100.00	CGC	2026-2027	
	Glencross	87.00	CGC	2033	Exploitation
	Estancia Chiripa	87.00	CGC	2033	
	Tapi Aike	81.00	CGC		Exploration
	Piedrabuena	100.00	CGC		
	Paso Fuhr	50.00	CGC		
	<b>Venezuela</b>	Campo Onado	26.004	Petronado	2026

There have not been any significant changes in the situation of the concession agreements of oil and gas areas after December 31, 2019.

## **Notes to Condensed Interim Financial Statements (cont.)**

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### **- Underground gas storage**

On February 19, 2020, the first natural underground gas storage system was inaugurated in the Province of Santa Cruz for commercial use. The Project is located in the area of Sur Río Chico and contemplates an investment of US\$ 50 million in its two stages, will allow to keep natural gas in underground reservoirs located at great depths.

On May 8, 2020, the Province of Santa Cruz issued Provincial Decree No. 498 formalizing the granting of the Concession “Santa Cruz II-Fracción ASGN” for the storage of gas. As of the date hereof, the ratification of the Decree by a law of the legislature of the Province of Santa Cruz is pending for it to come into force.

### **1.2 - Context in which the Company is operating. Coronavirus and crisis of the price of oil**

On March 11, the World Health Organization declared coronavirus (“COVID-19”) a pandemic at global level. The adverse impact of the outbreak of COVID-19 on the world’s economy, cannot be determined, including the price of oil, which has registered a decline of more than 50% in the last three months as a result of the disagreement between OPEC and non OPEC producers (sometimes called OPEC +). On the other hand, the worldwide impact of the COVID-19 pandemic has led to a strong fall in the demand for oil, as most countries continue announcing containment measures (border closings, flight cancellations, social distancing and quarantine, among others) that diminish the demand therefor. The total scope and duration of such containment measures, and their impact on the world economy are still uncertain.

According to the recommendations published by the WHO for all countries affected by the COVID-19 pandemic, the Argentine National Government issued Emergency Decree (“DNU”) No. 297/2020 setting forth the “preventive and mandatory social distancing” to protect public health.

This DNU sets forth as part of the measures to mitigate the propagation and transmission of the virus, the immediate suspension of non-essential activities in the public, private and social sectors from March 20 to March 31, 2020.

However, this Decree sets forth certain exceptions, like minimum guards ensuring the operation and maintenance of oil and gas fields, oil and gas treatment and/or refining plants, transportation and distribution of electric power, liquid fuels, oil and gas, fuel vending stations and electric power generators.

Such measure was originally effective from March 20 to March 31, 2020 and has been successively extended to June 7, 2020, inclusive, under Decree No. 493/2020.

## **Notes to Condensed Interim Financial Statements (cont.)**

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In Argentina, the National Government has implemented a series of measures to reduce the circulation of the population, establishing a preventive and mandatory social distancing period, only allowing the circulation of those persons engaged in the provision/production of essential services and products; such period will be extended for the time deemed necessary considering the epidemiologic situation. The above-described situations have significantly affected the hydrocarbon industry in the country, as detailed below:

- The demand for hydrocarbons, in particular oil demand, has significantly diminished and it is uncertain how it will evolve in the near future.
- The storage capacity of crude oil is at its limit, due to the fall in consumption from refineries.
- The local prices of oil, which use international values as reference, have recorded a strong fall and their future is uncertain.

In order that oil producing companies can cover operating costs and sustain the levels of activity and production prevailing at the time prior to the start of the pandemic, taking into account the current situation of contraction in demand, product of the COVID-19 pandemic and with special consideration of the production of unconventional hydrocarbons as strategic, on May 19, 2020, the National Government issued Emergency Decree (“DNU”) No. 488/2020. This DNU implements the so-called “Criollo barrel”, by establishing a support price for the production and delivery of crude oil that takes place in the local market, at a value of US\$ 45 per barrel, with effect until December 31, 2020. In turn, among other relevant issues, the decree:

- Established a zero export duty rate, in the event that the international Price of crude oil is less than US\$ 45, per barrel.
- It foresees certain obligations for the oil producing, trading and refining companies.
- Includes certain limitation on foreign exchange and financial operations.

Regarding the gas market, the total demand has also been affected, mainly due to the fact that *Compañía Administradora del Mercado Mayorista Eléctrico* (the company administering the wholesale electric market or CAMMESA) has reduced electricity dispatch and, therefore, there is a lower consumption of gas for thermal generation. In addition, the closure of all non-essential industrial activities and the seasonality of consumption have contributed to the fall in demand. Consequently, the prices obtained by the Company in the recent auctions made by CAMMESA have shown a sustained downward trend, vis-à-vis pre-social distancing prices. In addition, on March 31, 2020, and since the National Government did not issue any measures aimed at performing a new public tender by means of auctions through Mercado Electrónico de Gas S.A. (MEGSA), gas producers, including the Company, agreed with distributors the extension of certain agreements for additional periods of up to three months. Also, on April 27, 2020, Resolution ENARGAS No. 27 was published in the Official Gazette, repealing Resolution ENARGAS No. 72, which set forth the methodology for the transfer to rates of the price of gas.

The Company’s management is closely monitoring the situation and immediately taking decisive measures in order to ensure the integrity of its personnel, maintain operations and preserve its financial condition. In connection with the condensed interim financial statements as of March 31, 2020, there follows a summary of the principal impacts caused by the above-described circumstances:

## **Notes to Condensed Interim Financial Statements (cont.)**

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- Assessment of the recoverable amount of property, plant and equipment.

The current and expected fall of the activity in the industry where the Company operates constitutes an indicator of impairment according to IAS 36, due to recoverable amount tests have been performed as of March 31, 2020. The findings relating to the tests made, including the principal assumptions and variables considered, as well as the result thereof, are included in note 7.

- Impairment of inventories

As a result of the fall in the price of oil, the Company has to record an impairment of inventories of \$208 million. This impairment is a consequence that the net realizable value was lower than the production cost. (see note 10).

The final implications of the Coronavirus outbreak and its impact on the country's economy are unknown and impossible to predict. However, although it has produced significant adverse effects in the short term, these are not expected to affect the continuity of business. Given the current financial strength of the Company, although there are economic impacts in the short term, we believe that the Company will be able to continue honoring its financial commitments during the next twelve months.

However, given the recent measures adopted by the Government, it is not possible to accurately quantify the duration of the restriction periods, or how the price of crude oil will continue evolving at international level, and in particular at local level, and to which extent the Company's business and results of operations will be affected in the future, should the above described circumstances extend over time.

### **Note 2. Basis for Preparation**

The *Comisión Nacional de Valores* (Securities Commission or CNV), by means of General Resolution No. 622/13, set forth the application of Technical Resolution No. 26, as amended, of the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (Argentine Federation of Professional Councils in Economic Sciences) adopting the IFRS issued by the IASB for publicly listed entities covered by the regime of Law No. 17,811, as amended, whether on account of their capital stock or their notes, or that have requested authorization to be included in such regime.

These condensed interim financial statements for the quarter ended March 31, 2020 have been prepared according to the accounting framework set forth by the CNV. Such accounting framework is based on the application of the **IFRS**, and in particular **International Accounting Standard 34 “Interim Financial Reporting” (IAS 34)**. Therefore, they do not include all the information required for the presentation of annual financial statements.

These condensed financial statements have been prepared according to the historical cost convention, modified by the measurement of financial assets at fair value through profit or loss, and must be read together with the Company's financial statements as of December 31, 2019, which have been prepared according to the International Financial Reporting Standards (“IFRS”).

## **Notes to Condensed Interim Financial Statements (cont.)**

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The condensed interim financial statements for the quarters ended March 31, 2020 and 2019 have not been audited. The Company’s management estimates that they include all necessary adjustments to fairly present the comprehensive results for each period. The comprehensive results for the quarters ended March 31, 2020 and 2019 do not necessarily reflect the proportion of the Company’s results for the full year.

### **Restatement of Financial Statements**

The financial statements have been expressed in units of the functional currency current as of March 31, 2020 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”, using the indexes established by the FACPCE, on the basis of the price indexes published by the INDEC, or an estimation thereof if same are not available at the moment the information must be prepared.

### **Comparative Information**

The balances as of December 31, 2019 and for the quarter ended March 31, 2019 presented in these condensed interim financial statements for comparative purposes have been derived from the condensed interim financial statements as of such dates expressed in units of the functional currency as of March 31, 2020 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The Company’s activities are not subject to significant seasonal changes in the case of oil, whereas in the case of natural gas the demand in the markets of residential consumption and power generation is seasonal by nature, with significant fluctuations between winter and summer. The lesser demand for residential natural gas in summer causes prices to be lower than those in force during winter months. Therefore, CGC’s operations could be subject to seasonal fluctuations in its volumes and selling prices.

### **Storage of accounting and corporate documentation**

In accordance with General Resolution No. 629/14 of the *Comisión Nacional de Valores* we inform that the back-up documentation of accounting transactions and the Company’s management and the business and corporate books of CGC are filed at the offices located at Bonpland 1745, City of Buenos Aires, and in the warehouses of the supplier “Iron Mountain Argentina S.A.”, with registered office at Amancio Alcorta 2482, City of Buenos Aires.

### **Transcriptions in the Journal and Balance Book**

Given the measures adopted by the National Government in connection with the preventive and mandatory social distancing to protect the population and fight Coronavirus mentioned in Note 1.2), as of the date of issue of these condensed interim financial statements as of March 31, 2020, these have not yet been transcribed in the Balance Book and in the Journal as of March 31, 2020.

### **Approval of the Board of Directors**

The issue of these condensed interim financial statements has been approved by the Company’s Board of Directors on May 26, 2020.

## **Notes to Condensed Interim Financial Statements (cont.)**

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### **Note 3. Accounting Policies**

The accounting policies adopted for the condensed interim financial statements are consistent with those used in the financial statements for the year ended December 31, 2019.

#### **3.1- New mandatory rules, amendments and interpretations for fiscal years started as from January 1, 2020 and not adopted in advance**

The management has assessed the relevance of other new rules, amendments and interpretations that are not yet effective and has concluded that same are not relevant for the Company.

#### **3.2- Estimates**

The preparation of the condensed interim financial statements requires the Company's management to make estimates and assessments regarding the future, use critical judgments and make assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

In the preparation of these interim financial statements, the critical judgments made by the management upon applying the Company's accounting policies and the sources of information used for the respective estimates are the same as those applied in the financial statements for the year ended December 31, 2019.

These estimates and judgments are continuously evaluated and are based on past experience and other factors that are reasonable under existing circumstances. Actual results could differ from the estimates and assessments made as of the date of preparation of these condensed interim financial statements.

## **Notes to Condensed Interim Financial Statements (cont.)**

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### **Note 4 – Financial Risk Management**

The Company’s Board of Directors establishes its risk management, which have been consistently applied during the periods under analysis presented in these financial statements.

As of March 31, 2020, considering the situation described in note 1.2 to these financial statements regarding Coronavirus and the crisis of the price of oil, the Company has evaluated the commodity price risk and is analyzing different strategies in order to reduce its impact on its financial condition.

The Company has made an analysis of sensitivity to possible changes in interest rates and exchange rates, and it will not be significantly affected thereby.

As of March 31, 2020 and December 31, 2019, the Company had no futures or financial derivatives contracts for commodity prices.

- **Liquidity Risk Management**

The Company has evaluated projected liquidity on the basis of different stressed scenarios and has concluded that it is not in difficulties to honor its future commitments. In addition, the notes issued by the Company contain certain covenants, including financial covenants relating to the leverage ratio and the debt-service coverage ratio, among others. The Company monitors the performance of covenants on a quarterly basis.

However, if the current conditions persist (see Note 1.2), the Company may be prevented from taking additional debt if the limits set forth in any of the above-mentioned ratios are exceeded. In addition, given the present macroeconomic context at world level and in Argentina in particular, its financing capacity may be affected.

It should be noted that the Company currently has a solid liquidity level, which allows it to adequately face such volatility.

- **Credit Risk Management**

As of March 31, 2020 the Company’s trade receivables amount to \$ 4,427 million, of which approximately 85% correspond to receivables relating to sales of gas.

Such receivables are distributed as follows: approximately 48% from power generators, 29% from distributors, 21% from local industries and 2% from exports.

## **Notes to Condensed Interim Financial Statements (cont.)**

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Within the framework of the outbreak of Covid-19 and in order to face the sanitary and economic consequences of the pandemic, the Argentine Government issued urgency decree No. 311/2020, setting forth that, among other companies, the providers of network gas services shall not be able to suspend or cut the respective services to certain users in the event of delay or lack of payment of up to three consecutive or alternate invoices maturing on or after March 1, 2020, including users with already sent shut-off notices.

As from the month of April 2020, the Company has been receiving notes from some gas distributors informing the partial payment of the invoices for the purchase of gas, based on the mandatory and preventive social distancing provided for by Decree No. 297/20 and for the purposes of the above referred Decree No. 311/20, prohibiting to interrupt the gas supply to certain users for lack of payment.

In the segment of power generators there are certain delays in collections. The principal customer, CAMMESA, must make payments within 45 days after the end of each month; however, since the end of 2019 it is making its payments with a delay of approximately 75 days.

The current economic environment and future credit risk perspectives have been considered when reviewing and updating provision estimates. Although they have not had a significant impact, the full economic impact of COVID-19 on the expected credit losses is uncertain. The Company will continue reviewing in detail the assumptions used for these estimates.

### **Note 5. Fair Value Measurement**

IFRS 13 requires, for financial instruments valued at fair value, a fair value disclosure per level. The Company classifies fair value measurements of financial instruments using a fair value hierarchy, which reflects the relevance of the variables used to perform such measurements. The fair value hierarchy has the following levels:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** data other than the quoted prices included in Level 1 observable for assets or liabilities, whether directly (i.e. prices) or indirectly (i.e. derived from prices)
- **Level 3:** data on assets or liabilities not based on information observable in the market (i.e. unobservable information).



## Notes to Condensed Interim Financial Statements (cont.)

The following table shows financial assets measured at their fair value as of March 31, 2020 and December 31, 2019. The Company has no financial liabilities measured at fair value.

<b>As of 3.31.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Investments at fair value				
Government Securities	193,244	-	-	193,244
Listed shares	21,997	-	-	21,997
<b>Total current assets</b>	<b>215,241</b>	<b>-</b>	<b>-</b>	<b>215,241</b>

<b>As of 12.31.2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents				
Mutual funds	218,399	-	-	218,399
Investments at fair value				
Government Securities	298,925	-	-	298,925
Listed shares	27,840	-	-	27,840
<b>Total current assets</b>	<b>545,164</b>	<b>-</b>	<b>-</b>	<b>545,164</b>

As of March 31, 2020 there were no transfers between levels during the period, nor changes in the way to determine the fair value of financial assets and liabilities.

The specific valuation techniques used to determine fair values include:

- Listing prices on active markets for similar instruments. These values are included in level 1.
- The fair values for financial hedging instruments determined using specific price models that are observable in the market or may be derived from or confirmed by observable data. The fair value of hedging agreements is calculated as the net present value of the estimated future cash flows, based on the future listing price on active markets. These values are included in level 2
- The fair value for the remaining financial instruments is determined using discounted values of cash flows. These values are included in level 3.

### Note 6. Operating Segments

IFRS 8 “Operating Segments” requires entities to disclose financial and descriptive information on those operating segments or groups of segments classified as reportable that meet certain criteria.

## **Notes to Condensed Interim Financial Statements (cont.)**

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Operating segments are components of an entity for which separate financial information is available and are regularly evaluated by the chief operating decision maker (CODM) to decide how to allocate resources or assess asset performance. Operating segments are reported consistently with internal reports to the CODM or, if applicable, to the Board of Directors.

The Company has two operating and reportable segments, which are organized on the basis of similar economic characteristics, nature of the products offered, production processes, type and classes of customers and distribution methods, as follows:

- “Upstream”: includes the results of exploration and production of oil, gas and LPG;
- “Midstream”: includes the results of permanent investments in the following gas transportation companies: TGN, TGM and Gasandes.

Central Structure includes expenses common to the segments reported, such as administrative expenses, taxes on financial transactions, interest on financial liabilities and income taxes incurred by the Company in the ordinary course of business, which are not allocated to the reported segments.

The CODM uses the Adjusted EBITDA to decide how to allocate resources and monitor the performance of segments.

Adjusted EBITDA means the operating result of consolidated segments excluding depreciation and impairment expenses of property, plant and equipment and leasehold interests, expected losses for trade and other receivables, provisions for legal actions and other claims, income (losses) for the return of areas and taxes on financial transactions and includes the collection of dividends on investments in associates. Total adjusted EBITDA means the sum of the adjusted EBITDA of all segments.

The following table contains selected information for each of the business segments identified by the Company’s management:

**Notes to Condensed Interim Financial Statements (cont.)**

	<b>As of 3.31.2020</b>			
	<b>Upstream</b>	<b>Midstream</b>	<b>Central Structure</b>	<b>Total</b>
Revenue	6,217,762	-	-	<b>6,217,762</b>
Cost of revenues	(2,238,706)	-	-	<b>(2,238,706)</b>
<b>Gross income</b>	<b>3,979,056</b>	-	-	<b>3,979,056</b>
Selling expenses	(295,312)	-	-	<b>(295,312)</b>
Central structure expenses	-	-	(308,354)	<b>(308,354)</b>
Other operating income and expenses	5,914	70,788	-	<b>76,702</b>
<b>Adjusted EBITDA</b>	<b>3,689,658</b>	<b>70,788</b>	<b>(308,354)</b>	<b>3,452,092</b>
Dry wells and unsuccessful studies	(3,166)	-	-	<b>(3,166)</b>
Other operating income and expenses	-	-	(105,764)	<b>(105,764)</b>
Non-financial assets impairment loss	(2,182,672)	-	-	<b>(2,182,672)</b>
Depreciation and amortization	(2,133,533)	-	(6,626)	<b>(2,140,159)</b>
Tax on bank debits and credits	(42,570)	-	(7,984)	<b>(50,554)</b>
Gain/loss on long-term investments	-	422,571	-	<b>422,571</b>
<b>Subtotal</b>	<b>(672,283)</b>	<b>493,359</b>	<b>(428,728)</b>	<b>(607,652)</b>
Financial income	-	-	18,561	<b>18,561</b>
Financial costs	-	-	(678,686)	<b>(678,686)</b>
Hyperinflation effect	-	-	(413,535)	<b>(413,535)</b>
Other financial results	-	-	(444,020)	<b>(444,020)</b>
<b>Result before taxes</b>	<b>(672,283)</b>	<b>493,359</b>	<b>(1,946,408)</b>	<b>(2,152,332)</b>
Income tax	168,071	(17,697)	486,602	<b>636,976</b>
<b>Result of the period (Loss) / Profit</b>	<b>(504,212)</b>	<b>475,662</b>	<b>(1,459,806)</b>	<b>(1,488,356)</b>
<b>Adjusted EBITDA</b>				<b>3,452,092</b>
Dividend collected in the period				<b>225,150-</b>
<b>Adjusted EBITDA with dividends collected</b>				<b>3,677,242</b>

**Notes to Condensed Interim Financial Statements (cont.)**

	As of 3.31.2019			Total
	Upstream	Midstream	Central Structure	
Revenue	7,817,908	-	-	<b>7,817,908</b>
Cost of revenues	(2,880,704)	-	-	<b>(2,880,704)</b>
<b>Gross income</b>	<b>4,937,204</b>	-	-	<b>4,937,204</b>
Selling expenses	(250,892)	-	-	<b>(250,892)</b>
Central structure expenses	-	-	(293,966)	<b>(293,966)</b>
Other operating income and expenses	(15,371)	56,705	-	<b>41,334</b>
<b>Adjusted EBITDA</b>	<b>4,670,941</b>	<b>56,705</b>	<b>(293,966)</b>	<b>4,433,680</b>
Exploration expenses	(1,997)	-	-	<b>(1,997)</b>
Other operating income and expenses	-	-	(67,400)	<b>(67,400)</b>
Depreciation and amortization	(2,019,388)	-	(4,500)	<b>(2,023,888)</b>
Tax on bank debits and credits	(51,628)	-	(5,884)	<b>(57,512)</b>
Gain on investment in associates	-	442,859	(92)	<b>442,767</b>
<b>Subtotal</b>	<b>2,597,928</b>	<b>499,564</b>	<b>(371,842)</b>	<b>2,725,650</b>
Financial income	-	-	6,175	<b>6,175</b>
Financial costs	-	-	(619,429)	<b>(619,429)</b>
Hyperinflation effect	-	-	(259,322)	<b>(259,322)</b>
Other financial results	-	-	(967,289)	<b>(967,289)</b>
<b>Income (loss) before taxes</b>	<b>2,597,928</b>	<b>499,564</b>	<b>(2,211,707)</b>	<b>885,785</b>
Income tax	(691,234)	(38,600)	552,926	<b>(152,483)</b>
<b>Result of the period – Profit / (Loss)</b>	<b>1,906,694</b>	<b>485,389</b>	<b>(1,658,781)</b>	<b>733,302</b>
<b>Adjusted EBITDA</b>				<b>4,433,680</b>
Dividends collected in the period				<b>109,811</b>
<b>Adjusted EBITDA with dividends collected</b>				<b>4,543,491</b>

## Notes to Condensed Interim Financial Statements (cont.)

### Note 7. Property, Plant and Equipment

Changes in this caption are as follows:

	Quarter ended March 31, 2020								3.31.2019	
	Development and Production Assets						Exploration and evaluation assets	Central Management Assets	Total	Total
	Wells and production facilities	Other production-related assets	Mining property	Materials and spare parts	Works in progress (1)	Total				
<b>Cost</b>										
<b>Balances at the beginning of the year</b>	45,100,183	197,126	6,464,331	854	1,846,721	53,609,215	1,817,335	349,295	55,775,845	43,680,007
Additions	95,471	402	-	(119)	1,011,503	1,107,527	233,564	17,111	1,358,202	2,426,348
Transfers	902,694	-	-	-	(684,383)	218,311	(218,311)	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	(19,752)
<b>Balances at the end of the period</b>	46,098,618	197,528	6,464,331	735	2,173,841	54,935,053	1,832,588	366,406	57,134,047	46,086,603
<b>Accumulated depreciation</b>										
<b>Balances at the beginning of the year</b>	22,965,639	98,912	4,815,458	-	-	27,888,009	-	232,772	28,112,781	20,290,356
Depreciation of the period	1,826,542	6,166	93,670	-	-	1,926,378	-	6,626	1,933,004	1,882,397
Write-offs	-	-	-	-	-	-	-	-	-	(19,517)
<b>Balances at the end of the period</b>	24,792,181	105,078	4,909,128	-	-	29,806,387	-	239,398	30,045,785	22,153,236
<b>Residual value</b>	21,306,437	92,450	1,555,203	735	2,173,841	25,128,666	1,832,588	127,008	27,088,262	23,933,367
<b>Non-financial assets impairment</b>									(3,927,429)	(714,259)
<b>Total</b>									23,160,833	23,219,108

(1) The cost of works in progress the construction of which extends over time includes, where applicable, financial costs accrued from financing through third party capital. There have been registered financial cost activations of \$ 127,908 (capitalization interest rate of 25.16% p.a.) and \$ 60,111 (capitalization interest rate of 16.43% p.a.) as of March 31, 2020 and 2019, respectively.

## Notes to Condensed Interim Financial Statements (cont.)

Changes in the non-financial assets impairment are as follows:

	<b>3.31.2020</b>	<b>3.31.2019</b>
Balance at the beginning of the year	1,744,757	714,259
Increase	2,182,672	-
<b>Balance at the end of the period</b>	<b>3,927,429</b>	<b>714,259</b>

### Assessment of the recoverable amount of property, plant and equipment

At the end of each period, the Company reviews the relation between the recoverable amount and the carrying amount of its assets, where there are indications of impairment. As of March 31, 2020, the Company identified indications of impairment mainly arising from the macroeconomic instability in Argentina and the fall in the international price of crude oil due to the circumstances described in Note 1.2. The methodology used in the estimation of the recoverable amount consisted the value-in-use calculation of each CGU on the basis of the net present value of the future cash flows expected to be obtained from the CGU, discounted at a rate reflecting the weighted average cost of the capital (WACC) used.

Cash flows were elaborated on the basis of estimates regarding the future conduct of certain assumptions that are critical in the value-in-use determination, including: (i) reference prices for the products; (ii) nature, timing and modality of rate increases; (iii) demand projections per type of product; (iv) evolution of costs; (v) investment needs for the development of the areas; and (vi) macroeconomic variables, such as inflation rates, exchange rate, among others.

### Principal assumptions used

The calculation of the value in use made by CGC for each CGU is more sensitive to the following assumptions:

	<b>3.31.2020</b>
WACC discount rate used	14.33%
Prices of Crude Oil and Natural Gas	
Crude oil - Brent (US\$/bbl.)	
2020	25.5
2021	41.4
2022 onwards	46.4
Natural gas – Local prices (US\$/MMBTU)	
2020	2.7
2021 onwards	3.1

## Notes to Condensed Interim Financial Statements (cont.)

As a result of the updated analysis, the Company identified an increase of the impairment of non-financial assets as of March 31, 2020. The affected CGUs are Dos Hermanos, Campo Boleadoras, La Maggie, María Inés and Cóndor. During the quarter ended March 31, 2020 an impairment loss for a total of \$ 2,182,672 was recognized. As of March 31, 2019 no impairment loss was recognized. The impairment charge is included in Other operating income and expenses in the Comprehensive Statement of Income (see Note 23).

As of March 31, 2020, the balance of the non-financial assets impairment of \$ 3,927,429 (\$1,744,757 as of 12-31-2019) consisted of: CGU Dos Hermanos, \$375,055 (\$344,468 as of 12-31-2019); Campo Boleadoras, \$1,411,384 (\$0 as of 12-31-2019), CGU La Maggie, \$951,648 (\$657,846 as of 12-31-2019); CGU María Inés, \$954,558 (\$706,691 as of 12-31-2019) and CGU Cóndor, \$ 234,784 (\$35,752 as of 12-31-2019).

### Note 8. Investments in Associates

8.a) Below there is a detail of the investments in associates as of March 31, 2020 and December 31, 2019:

Company	3.31.2020	12.31.2019
<b>Associates</b>		
Gasinvest S.A.	13,355,416	13,137,762
Gasoducto Gasandes (Argentina) S.A.	926,579	954,194
Gasoducto Gasandes S.A.	530,687	614,068
Transportadora de Gas del Norte S.A.	26,788	26,334
Transportadora de Gas del Mercosur S.A.	63,761	81,521
Andes Operaciones y Servicios S.A. (Chile)	51,117	52,916
<b>Total investments in associates</b>	<b>14,954,348</b>	<b>14,866,795</b>

8.b) Below there is a detail of the changes in investments in associates as of March 31, 2020 and 2019:

	3.31.2020	3.31.2019
<b>At the beginning of the year</b>	<b>14,866,795</b>	<b>12,652,311</b>
Conversion differences	(21,723)	33,297
Capital contributions or reductions	-	93
Asset revaluation reserve	-	43,675
Profit sharing	422,571	442,767
Dividends (1)	(313,295)	(109,811)
Sundry	-	5
<b>At the end of the period</b>	<b>14,954,348</b>	<b>13,062,337</b>

(1) In the quarter ended March 31, 2020, \$ 225,150 corresponding to dividends declared by the associates in 2019 have been collected. The dividends declared by the associates on the quarter ended March 31, 2020, have been pending collection at the end of the period.

## **Notes to Condensed Interim Financial Statements (cont.)**

8.c) Below there is a detail of the results of investments in associates as of March 31, 2020 and March 31, 2019:

<b>Company</b>	<b>3.31.2020</b>	<b>3.31.2019</b>
<b>Associates</b>		
Gasinvest S.A.	225,740	202,061
Gasoducto Gasandes (Argentina) S.A.	140,464	190,417
Gasoducto Gasandes S.A.	69,468	55,579
Transportadora de Gas del Norte S.A.	456	423
Transportadora de Gas del Mercosur S.A.	(11,863)	(8,164)
Andes Operaciones y Servicios S.A. (Chile)	(1,694)	2,543
CGC International Corp.	-	(92)
<b>Total results in associates</b>	<b>422,571</b>	<b>442,767</b>

### **Note 9. Other Receivables**

The composition of other receivables is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Nom-current:</b>		
Related parties (Note 25 a))	355,056	355,479
Tax on bank debits and credits	113,737	94,341
Income tax	73,648	77,636
Minimum presumed income tax	232,462	250,593
Sundry	107	67
Allowance for future expected losses	(355,056)	(355,479)
<b>Total</b>	<b>419,954</b>	<b>422,637</b>
<b>Current:</b>		
Receivables from incentives pursuant to Resolution 419-E/2017	5,046,871	3,074,675
Receivables under propane gas supply agreement	57,472	51,981
Receivables from export refunds from Patagonia ports	44,540	44,593
Related parties (Note 25 a))	362,302	241,175
Value Added Tax	414,602	385,715
Other tax credits	100,251	164,507
Advances to suppliers	106,775	48,163
Recoverable expenses	54,831	62,411
Prepaid insurance	14,377	29,043
Trust assets	278	282
Prepaid mining fees	22,506	32,138
Sundry	16,434	14,369
<b>Total</b>	<b>6,241,239</b>	<b>4,149,052</b>



## Notes to Condensed Interim Financial Statements (cont.)

Changes in the provision for other receivables are as follows:

	<b>3.31.2020</b>	<b>3.31.2019</b>
<b>Non-current</b>		
<b>Balance at the beginning of the year</b>	<b>355,479</b>	<b>343,551</b>
Restatement due to changes in the currency's purchasing	(25,720)	(36,202)
Increases (1)	25,297	46,307
<b>Balance at the end of the period</b>	<b>355,056</b>	<b>353,656</b>

(1) were charged to financial results in 2020 and 2019.

### Note 10. Inventories

The composition of inventories is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
Oil and by-products	246,320	262,802
Materials and spare parts	893,896	916,859
<b>Total</b>	<b>1,140,216</b>	<b>1,179,661</b>

As of March 31, 2020 such value has an impairment of \$208 million. This impairment is a consequence that the net realizable value was lower than the production cost. See note 1.2

### Nota 11. Trade Receivables

The composition of trade receivables is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Non-current</b>		
Ordinary	268,458	306,420
Bankruptcy proceedings	268,517	269,938
Less: Provision for expected losses	(268,517)	(269,938)
<b>Total</b>	<b>268,458</b>	<b>306,420</b>
<b>Current</b>		
Ordinary	3,890,798	5,195,943
less: Provision for expected losses	(146,183)	(97,190)
<b>Total</b>	<b>3,744,615</b>	<b>5,098,753</b>

## **Notes to Condensed Interim Financial Statements (cont.)**

Changes in the provision for doubtful accounts are as follows:

	<b>3.31.2020</b>	<b>3.31.2019</b>
<b>Balance at the beginning of the year</b>	<b>367,128</b>	<b>385,248</b>
Restatement due to changes in the currency's purchasing power	(26,562)	(40,594)
Increases (1)	74,134	75,973
<b>Balance at the end of the period</b>	<b>414,700</b>	<b>420,627</b>

(1) \$ 56,024 and \$ 60,162 were charged to other operating income and expenses in 2020 and 2019, \$ 18,110 and \$ 15,811 to financial results in 2020 and 2019.

### **Note 12. Investments at Amortized Cost and Fair Value**

12.a) The composition of investments at amortized cost is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Non-current</b>		
Government securities at amortized cost	337,535	666,923
<b>Total</b>	<b>337,535</b>	<b>666,923</b>
<b>Current:</b>		
Government securities at amortized cost	1,442,130	1,442,902
<b>Total</b>	<b>1,442,130</b>	<b>1,442,902</b>

12.b) The composition of investments at fair value is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Current:</b>		
Listed shares	21,997	27,840
Government securities at fair value (1)	193,244	298,925
<b>Total</b>	<b>215,241</b>	<b>326,765</b>

(1) As of March 31, 2020 and December 31, 2019 they include the nominal amount of 8,228,408 of 8% Argentine Bonds in US\$ due 2020 (Bonar 2020 US\$), received according to the provisions of Decree No. 704/2016.

## Notes to Condensed Interim Financial Statements (cont.)

### Note 13. Cash and Cash Equivalents

	<b>3.31.2020</b>	<b>12.31.2019</b>
Cash, fixed funds	10,666	570
Banks	5,095,233	4.324.339
Mutual funds(1)	-	218.399
<b>Total</b>	<b>5,105,899</b>	<b>4,543,308</b>

(1) As of December 31, 2019 it includes 29,560,287 shares in the mutual fund “Alpha Pesos”.

For the purposes of the statement of cash flows, cash, cash equivalents and bank overdraft include:

	<b>3.31.2020</b>	<b>12.31.2019</b>
Cash and cash equivalents	5,105,899	4,324,909
Mutual funds	-	218,399
Bank overdraft	-	(538,936)
<b>Total</b>	<b>5,105,899</b>	<b>4,004,372</b>

### Note 14. Capital Stock

As of March 31, 2020 and December 31, 2019, the capital stock amounted to \$ 399,138, and had been fully subscribed, paid in and registered. Same is represented by 399,137,856 non-endorsable registered ordinary shares of \$1 peso nominal amount each and entitled to one vote per share. The shareholders Latin Exploration S.L.U. and Sociedad Comercial del Plata S.A. hold 70% and 30% of the capital stock and votes, respectively. Latin Exploration S.L.U. holds 279,396,499 shares and Sociedad Comercial del Plata S.A. holds 119,741,357 shares.

### Results per share

	<b>3.31.2020</b>	<b>3.31.2019</b>
Result attributable to the Company’s shareholders	(1,488,356)	733,302
Weighted average number of outstanding ordinary shares	399,138	399,138
<b>Basic and diluted result per share (pesos)</b>	<b>(3,729)</b>	<b>1,837</b>

The Company has no instruments with dilutive effect.

## Notes to Condensed Interim Financial Statements (cont.)

### Note 15 – Other Provisions

	3.31.2020	12.31.2019
<b>Non-current</b>		
Gas imbalance	8,199	9,183
Well abandonment and environmental remediation	2,742,744	2,730,262
Other	31,172	31,428
<b>Total</b>	<b>2,782,115</b>	<b>2,770,873</b>
<b>Current</b>		
Gas imbalance	1,370	1,515
<b>Total</b>	<b>1,370</b>	<b>1,515</b>

	Balance at the beginning of the year 12.31.2019	Hyperinflation effect	Increases	Decreases	Balance at the end of the period 3.31.2020
<b>Non-current</b>					
Gas imbalance (1)	9,183	-	-	(984)	8,199
Well abandonment and environmental remediation provision (2)	2,730,262	(197,540)	210,022	-	2,742,744
<b>Total</b>	<b>2,739,445</b>	<b>(197,540)</b>	<b>210,022</b>	<b>(984)</b>	<b>2,750,943</b>
<b>Current</b>					
Gas imbalance (1)	1,515			(145)	1370
<b>Total</b>	<b>1515</b>	-	-	<b>(145)</b>	<b>1,370</b>

(1) (\$ 1,129) correspond to gas return and were charged to cost of sales.

(2) \$ 113,291 correspond to present value, which were charged to financial costs, \$ 96,731 to adjustment of future costs, which were charged to property, plant and equipment.

## Notes to Condensed Interim Financial Statements (cont.)

### Note 16 – Financial debts

The composition of financial indebtedness is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Non-current</b>		
Bank loans	963,385	1,925,739
Notes	21,794,631	21,214,582
<b>Total</b>	<b>22,758,016</b>	<b>23,140,321</b>
<b>Current</b>		
Bank overdraft	-	538,936
Bank loans	4,542,341	2,927,564
Notes	2,334,553	1,373,663
<b>Total</b>	<b>6,876,894</b>	<b>4,840,163</b>

The change in financial indebtedness as of March 31, 2020 and 2019 is shown below:

	<b>3.31.2020</b>	<b>3.31.2019</b>
Initial balance	27,980,484	28,054,569
Short term bank overdraft, net	(538,936)	-
Accrued interest	715,343	634,364
Exchange differences	(9,940)	734,837
Loans received	2,802,275	304,930
Payments of principal	(955,465)	(1,540,450)
Payments of interest	(358,851)	(288,338)
<b>Final balance</b>	<b>29,634,910</b>	<b>27,896,912</b>

The maturities of financial indebtedness as of March 31, 2020 and as of December 31, 2019 are as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
Less than 1 year	6,876,894	4,840,163
From 1 to 2 years	22,758,016	23,140,321
<b>Total</b>	<b>29,634,910</b>	<b>27,980,484</b>

## **Notes to Condensed Interim Financial Statements (cont.)**

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### **See the detail of the financial indebtedness, guarantees and restrictions in note 21 to the financial statements as of December 31, 2019.**

In the quarter ended March 31, 2020, and considering recent events up to the date of issue of these financial statements, there have been the following significant variations in the Company's financial indebtedness:

#### **Export Financing with Banco Macro S.A.**

On January 29, 2020, the Company obtained an export financing from Banco Macro S.A., for a total amount of US\$ 10,000 with a maturity of 120 days and with an fixed annual interest rate of 6.00%. The purpose of such loans was to finance working capital corresponding to the Company's export transactions of crude oil and gas.

#### **New issuance of Notes Classes 12, 13 and 14**

On March 5, 2020 the Company placed, under the Frequent Issuer regime No. 8, three series of notes in the local market, with the following detail: Class 12 Notes: in U.S. dollars, for a total amount of US\$ 15,310, due in 15 months and with a fixed annual interest rate of 9.00%; Class 13 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of US\$ 14,344, due in 15 months and with a fixed annual interest rate of 8.50%; and Class 14 Notes: denominated in Argentine pesos and payable in pesos, for a total amount of \$ 314,609, due in 12 months and with a variable interest rate equal to the sum of (i) the applicable interest rate (private Badlar Rate), plus (ii) the cut-off margin (500 basis points). The proceeds from the issuance of such Notes will be mainly used to refinance liabilities, as well as for investments in the exploitation and exploration of hydrocarbons in the Austral Basin and to finance working capital of the Company.

#### **Partial prepayment of Class 10 Notes**

On January 13, 2020, the Company prepaid US\$ 987 on account of principal. In addition, the interest accrued as of such date was then paid. On March 16, 2020, using part of the proceeds from the last issue of Notes, the Company prepaid US\$ 14,273 on account of principal. In addition, the interest accrued as of such date and the prepayment fees in the amount of US\$ 684 and US\$ 143, respectively, were paid.

#### **Payment of the first amortization installment of principal of Class 10 Notes**

On April 13, 2020, the Company paid the first installment of principal corresponding to Class 10 Notes, in line with the amendment to the Terms and Conditions made by means of the Consent Solicitation launched on September 12, 2019 and accepted by 100% of the holders.

The amortized principal and accrued interest amounted to US\$ 5,000 and US\$ 235, respectively. At present, there are Class 10 Notes outstanding for an amount of US\$ 23,626.

#### **Short-term financing in pesos with several banks**

During the months of April and May 2020, the Company entered into several short-term loan agreements in pesos and current account agreements with several banks, for a total amount of approximately AR\$ 700 million and for terms ranging from 90 to 180 days, in order to finance working capital and preserve liquidity in a context of high volatility.

## Notes to Condensed Interim Financial Statements (cont.)

### Note 17. Trade Payables

The detail of trade payables is as follows:

	<b>3.31.2020</b>	<b>12.31.2019</b>
<b>Current</b>		
Ordinary suppliers	1,440,025	2,241,643
Ordinary suppliers of joint ventures	198,434	276,552
Related parties (Note 25 a))	259,563	214,970
Invoices to be received	709,930	1,322,821
<b>Total</b>	<b>2,607,952</b>	<b>4,055,986</b>

### Note 18. Revenue

	<b>3.31.2020</b>	<b>3.31.2019</b>
Crude oil deliveries	653,613	1,691,497
Gas	2,762,308	3,998,140
Other	284,753	326,680
Incentives	2,517,088	1,801,591
<b>Total</b>	<b>6,217,762</b>	<b>7,817,908</b>

### Note 19. Cost of Revenues

	<b>3.31.2020</b>	<b>3.31.2019</b>
Inventories at the beginning of the period	1,179,661	1,411,939
Purchases	330,062	1,247,838
Inventory consumption	(197,444)	(314,830)
Production costs (1)	4,242,746	4,158,500
Inventories at the end of the period	(1,140,216)	(1,551,727)
<b>Cost of revenues</b>	<b>4,414,809</b>	<b>4,951,720</b>

## **Notes to Condensed Interim Financial Statements (cont.)**

### **(1) Production costs**

Fees and compensation for services	19,738	20,343
Outsourced services	709,619	756,889
Salaries, wages and social security contributions	126,705	108,585
Other personnel expenses	15,737	11,257
Depreciation of property, plant and equipment	1,926,378	1,877,897
Depreciation of leasehold interests	243,181	141,491
Taxes, duties and contributions	50,458	51,845
Fuel, gas and electricity	50,872	49,958
General insurance	16,942	15,330
Spare parts and repairs	291,177	210,096
Well maintenance expenses	19,246	141,088
Office expenses	36,374	32,653
Royalties, fees and easements	471,690	682,634
Gas imbalance	(1,129)	(2,586)
Environmental control	94,758	61,020
<b>Total</b>	<b>4,242,746</b>	<b>4,158,500</b>

### **Note 20. Selling Expenses**

	<b>3.31.2020</b>	<b>3.31.2019</b>
Dispatch and transportation	110,426	22,897
Turnover tax	83,825	135,874
Export duties	101,061	92,121
<b>Total</b>	<b>295,312</b>	<b>250,892</b>

### **Note 21. Administration Expenses**

	<b>3.31.2020</b>	<b>3.31.2019</b>
Fees and compensation for services	45,188	118,189
Salaries, wages and social security contributions	153,972	96,650
Other personnel expenses	11,823	9,603
Depreciation of property, plant and equipment	6,626	4,500
Taxes, duties and contributions	8,654	5,961
General insurance	2,702	3,028
Spare parts and repairs	54,802	21,856
Office expenses	11,278	13,330
Travel and out-of-pocket expenses	8,152	11,182
Communications	2,995	3,359
Other	16,772	16,692
<b>Total</b>	<b>322,964</b>	<b>304,350</b>



## Notes to Condensed Interim Financial Statements (cont.)

### Note 22. Exploration Expenses

	<b>3.31.2020</b>	<b>3.31.2019</b>
Wells and unsuccessful studies	3,166	1,997
<b>Total</b>	<b>3,166</b>	<b>1,997</b>

### Note 23. Other Operating Income and Expenses, Net

	<b>3.31.2020</b>	<b>3.31.2019</b>
<b>Other operating income</b>		
Fees for services rendered	73,633	61,079
Sundry	5,926	2,048
	<b>79,559</b>	<b>63,127</b>
<b>Other operating expenses</b>		
Outsourced services	(12)	(17,419)
Trade receivables allowance charge	(56,024)	(60,162)
Non-financial assets impairment loss (note 7)	(2,182,672)	-
Charge for legal actions and other claims provision	(49,740)	(7,238)
Sundry	(2,845)	(4,374)
	<b>(2,291,293)</b>	<b>(89,193)</b>
<b>Total</b>	<b>(2,211,734)</b>	<b>(26,066)</b>

### Note 24. Financial Results

	<b>3.31.2020</b>	<b>3.31.2019</b>
<b>Financial income</b>		
Interest	18,561	6,175
<b>Total</b>	<b>18,561</b>	<b>6,175</b>
<b>Financial costs</b>		
Interest	(678,686)	(619,429)
<b>Total</b>	<b>(678,686)</b>	<b>(619,429)</b>
<b>Hyperinflation effect</b>		
Hyperinflation effect (Note 2)	(413,535)	(259,322)
<b>Total</b>	<b>(413,535)</b>	<b>(259,322)</b>
<b>Other financial results</b>		
Result of fair value measurement of financial instruments	(110,303)	17,519
Exchange differences, net	(314,791)	(963,313)
Other financial expenses	(18,926)	(21,495)
<b>Total</b>	<b>(444,020)</b>	<b>(967,289)</b>

## Notes to Condensed Interim Financial Statements (cont.)

### Note 25 – Balances and Transactions with Related Parties

As of March 31, 2020 and December 31, 2019, the Company was controlled by Latin Exploration S.L.U., a Spanish company. The ultimate parent company of the Group is Southern Cone Foundation, a foundation organized in Liechtenstein.

- a) Below there is a detail of the balances with related parties as of March 31, 2020 and December 31, 2019:

	<b>3.31.2020</b>	<b>12.31.2019</b>
Other receivables		
Non-current:		
Petronado S.A.	355,056	355,479
<b>Total</b>	<b>355,056</b>	<b>355,479</b>
Current:		
Gasinvest S.A.	-	225,150
Gasoducto Gasandes S.A.	154,246	-
Gasoducto Gasandes (Argentina) S.A.	208,056	16,025
<b>Total</b>	<b>362,302</b>	<b>241,175</b>
Trade payables		
Current:		
Corredor Americano S.A.	235,885	206,750
Gasoducto Gasandes (Argentina) S.A.	23,678	8,220
<b>Total</b>	<b>259,563</b>	<b>214,970</b>

- b) Below there is a detail of the principal transactions with related parties for the quarters ended March 31, 2020 and 2019:

<b>Company</b>	<b>3.31.2020</b>	
	<b>Services sold</b>	<b>Outsourced services</b>
<b>Associated companies</b>		
Gasoducto Gasandes (Argentina) S.A.	44,334	14,906
<b>Other companies</b>		
Corredor Americano S.A. (1)		314,218

- (1) Corredor Americano S.A. is a related party for being indirectly controlled by the same shareholders as CGC.

## Notes to Condensed Interim Financial Statements (cont.)

Company	3.31.2019		
	Services sold	Dividends collected	Outsourced services
<b>Associated companies</b>			
Gasoducto Gasandes (Argentina) S.A.	23,446	50,916	-
Gasoducto Gasandes S.A.	-	58,895	-
<b>Other companies</b>			
Corredor Americano S.A. (1)	-	-	254,672

(1) Corredor Americano S.A. is a related party for being indirectly controlled by the same shareholders as CGC.

- c) Compensations accrued corresponding to key employees of the Company’s management and the members of the Board of Directors for the quarters ended March 31, 2020 and 2019 amounted to 168,129 and 175,047, respectively.

### Note 26 – Subsequent Events

Resolution of the General Ordinary Meeting of April 14, 2020: On April 14, 2020, the Company’s shareholders resolved to allocate retained earnings as of the end of year ended December 31, 2019 of 5,345,911 to increase the voluntary reserve to maintain working capital and future dividend distributions.

Class 15 Notes: On May 26, 2020, the Company issue the Class 15 Notes for US\$ 19,891. Class 15 ON accrues interest at a fixed rate of 5.0% nominal annual, the Interest will be payable quarterly and the principal will be paid at maturity. The ON have an expiration date of August 26, 2021. The funds obtained are mainly destined to the refinancing of liabilities and also investments in hydrocarbon exploration and exploitation in the province of Santa Cruz (Austral Basin), the integration of working capital, the acquisition of goodwill located in the country and the integration of capital contributions in subsidiaries or associated companies.

After March 31, 2020, there has not occurred any other event, situation or circumstance not publicly known significantly affecting or likely to affect the Company’s financial or economic position, other than those considered in the notes to these financial statements.

**Additional Information to the Notes to the Condensed Interim Financial Statements required by Section 12 - Chapter III – Title IV of the Periodic Reporting Regime of the *Comisión Nacional de Valores* (Securities Commission)**

**1.a)** The Company is not subject to any specific and significant legal regimes implying any contingent forfeiture or reinstatement of the benefits contemplated by such provisions.

**1.b)** See Note 2 to the condensed interim financial statements.

**2)** Accounts receivable and accounts payable – Classification according to maturity

	Accounts receivable		Accounts payable	
	Current	Non-current	Current	Non-current
<b>ASSETS</b>				
<b>Without stated maturity</b>	<b>63,473</b>	-	-	-
<b>With stated maturity</b>				
<b>Past due</b>	1,301,125	-	-	-
<b>Not yet due</b>				
-Up to 3 months	4,693,107	-	5,758,238	-
-From 3 to 6 months	1,912,499	-	1,340,775	-
-From 6 to 9 months	1,850,176	-	1,319,810	-
-From 9 to 12 months	1,822,845	-	1,593,339	-
-From 1 to 2 years	-	667,091	-	22,761,790
-From 2 to 3 years	-	218,907	-	1,029
-More than 3 years	-	139,949	-	480
<b>Total</b>	<b>11,643,225</b>	<b>1,025,947</b>	<b>10,012,162</b>	<b>22,763,299</b>

**3)** Accounts receivable and accounts payable – Classification according to the financial effects of maintaining them

	Accounts receivable		Accounts payable	
	Current	Non-current	Current	Non-current
In local currency	8,109,283	434,229	1,876,859	5,283
In foreign currency	3,533,942	591,718	8,135,303	22,758,016
<b>Total</b>	<b>11,643,225</b>	<b>1,025,947</b>	<b>10,012,162</b>	<b>22,763,299</b>
Interest-bearing	1,877,625	268,458	3,118,670	22,763,299
Noninterest-bearing	9,765,600	757,489	6,893,492	-
<b>Total</b>	<b>11,643,225</b>	<b>1,025,947</b>	<b>10,012,162</b>	<b>22,763,299</b>

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- 4)** Equity interests in controlled companies are indicated in Note 33 to the financial statements as of December 31, 2019.

The detail of the debit and credit balances by related company is included in Note 25.a to the condensed interim financial statements and their classification according to maturity and according to the financial effects of maintaining them is as follows:

Classification according to maturity:

	<b>Current</b>	<b>Non-current</b>
<b>ASSETS</b>		
With stated maturity		
Past due		
Petronado S.A.	-	355,056
Not yet due		
-Up to 3 months		
Gasoducto Gasandes S.A.	154,246	-
Gasoducto Gasandes (Argentina) S.A.	208,056	-
<b>Total</b>	<b>362,302</b>	<b>355,056</b>
<b>Liabilities</b>		
With stated maturity		
Not yet due		
-Up to 3 months		
Gasoducto Gasandes (Argentina) S.A.	23,678	-
Corredor Americano S.A.	235,885	-
<b>Total</b>	<b>259,563</b>	<b>-</b>

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Classification according to the financial effects of maintaining them:

	<b>Debit balances</b>	
	<b>Current</b>	<b>Non-current</b>
<b>In local currency</b>		
Gasoducto Gasandes (Argentina) S.A.	49,008	-
Total in local currency	<b>49,008</b>	-
<b>In foreign currency</b>		
Gasoducto Gasandes (Argentina) S.A.	159,048	-
Gasoducto Gasandes S.A.	154,246	-
Petronado S.A.	-	355,056
Total in foreign currency	<b>313,294</b>	<b>355,056</b>
<b>Total</b>	<b>362,302</b>	<b>355,056</b>
	<b>Credit balances</b>	
	<b>Current</b>	<b>Non-current</b>
<b>In local currency</b>		
Gasoducto Gasandes (Argentina) S.A.	23,678	-
Corredor Americano S.A.	235,885	-
	<b>259,563</b>	-
	<b>Debit balances</b>	
	<b>Current</b>	<b>Non-current</b>
<b>Noninterest-bearing</b>		
Gasoducto Gasandes S.A.	154,246	
Gasoducto Gasandes (Argentina) S.A.	208,056	-
Petronado S.A.	-	355,056
<b>Total</b>	<b>362,302</b>	<b>355,056</b>
	<b>Credit balances</b>	
	<b>Current</b>	<b>Non-current</b>
<b>Noninterest-bearing</b>		
Gasoducto Gasandes (Argentina) S.A.	23,678	-
Corredor Americano S.A.	235,885	-
	<b>259,563</b>	-

**5)** There are no, and there have not been during the period trade receivables or loans to directors, members of the Supervisory Committee or their relatives up to and including the second degree of kinship.

**6)** It is the Company’s policy to make continuous inventory samplings on different dates within the period for its inventories from oil and gas.

There are no significant inventories that have been idle for more than one year that are not provisioned.

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**7)** As of March 31, 2020 there are no interests in other companies exceeding the limit set forth in Section 31 of Law No. 19,550 and General Resolution No. 622/13 of the CNV.

**8)** The recoverable value considered for inventories and property, plant and equipment was as follows:

For inventories corresponding to oil and gas, the net realizable value was considered, which is defined as the sale price less direct cost of sales.

For property, plant and equipment it is indicated in note 7 to the financial statements.

**9)** Below there is a detail of insurance in force at the end of the period:

<b>Insured asset</b>	<b>Risk covered</b>	<b>Insured amount in thousands</b>
Equipment, facilities and pipelines used in the exploitation and transportation	Material damages	US\$606,914
Damages to third parties caused by the Company’s activities or by the equipment, facilities and pipelines used for exploration and production	Civil liability on shore	US\$15,381
	Civil liability: port terminal operator	US\$15,000
Wells	Control, redrilling, spills	US\$40,908
Technical insurance	Computer equipment	US\$622
Industrial policy	Offices of Buenos Aires, Río Gallegos and Cipolletti	\$77,893
Vehicles	Civil liability to third parties and damages	\$14,297

Current risks are considered sufficiently covered by the insurance purchased.

- 10.a)** The Company has recorded provisions because it is subject to several claims, suits and other legal proceedings arising in the ordinary course of business. The liabilities that may derive from those claims, suits and other legal proceedings cannot be estimated with certainty. The Company analyzes the status of each contingency and assesses the potential financial exposure, for which it prepares estimates with the assistance of legal counsel. Same do not exceed 2% of its assets.
- 10.b)** There are no other contingent situations the probability of occurrence of which is not remote and the impact of which has not been accounted for in these financial statements.
- 11)** There are no irrevocable advances on account of future subscriptions.
- 12)** There are no unpaid cumulative dividends of preferred shares.
- 13)** The Company is subject to restrictions in respect of the distribution of dividends as from the issue of class A Notes and the issue of the bank loans referred to in Note 21 to the financial statements as of December 31, 2019.





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## **REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS**

To the Shareholders, President and Directors of  
Compañía General de Combustibles S.A.  
Legal address: Bonpland 1745  
Tax ID: 30-50673393-2

### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Compañía General de Combustibles S.A. (hereinafter the “Company”), including the condensed interim statement of financial position as of March 31, 2020, the condensed interim statement of comprehensive income for the three months period ended March 31, 2020, and the condensed interim statement of changes in equity and cash flows for the three months period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2019 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.

### **Responsibility of the Board of Directors**

*H*

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 “Interim Financial Information” (IAS 34).

### **Scope of our review**

Our review was limited to the application of the procedures established by International Standard on Review Engagements (ISRE) 2410 “Review of interim financial information performed by the independent auditor of the entity”, adopted as a review standard in Argentina through Technical Pronouncement No. 33 of the FACPCE, as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of the Company's personnel responsible for preparing the information included in the condensed interim financial statements and performing analytical and other review procedures. Such a review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income, or the cash flows of the Company.

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*Price Waterhouse & Co. S.R.L., Bouchard 557, piso 8°, C1106ABG - Ciudad de Buenos Aires  
T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, [www.pwc.com/ar](http://www.pwc.com/ar)*



## Conclusion

On the basis of our review, nothing has come to our attention that makes us think that the condensed interim financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

## Report on compliance with current regulations

In accordance with current regulations, we report that, in connection with Compañía General de Combustibles S.A.:

- a) as mentioned in note 2, the condensed interim financial statements of Compañía General de Combustibles S.A. stem from accounting records kept in all formal respects in conformity with legal regulations; except for:
  - i) they have not been transcribed into the “Balance” book, and
  - ii) the journal entries corresponding to the three months period ended March 2020 have not been transcribed into the “Journal” book.
- b) we have read the overview and the additional information to the notes to the condensed interim financial statements required by article 12°, Chapter III, Title IV of the rules issued by the National Securities Commission, on which, as regards those matters that are within our field of competence, we have no observations to make;
- c) as of March 31, 2020, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System, according to the Company's accounting records, amounted to \$ 49,927,250, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 26, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Hernán Rodríguez Cancelo

## **Supervisory Committee's Report**

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### **To the shareholders of Compañía General de Combustibles S.A.**

In our capacity as members of the Supervisory Committee of Compañía General de Combustibles S.A., according to the provisions of Section 294, paragraph 5 of General Companies Law No. 19,550 ("Law No. 19,550") and the regulatory provisions on accounting information of the *Comisión Nacional de Valores* (Securities Commission) and the Buenos Aires Stock Exchange, we have reviewed, with the scope described in section II below, the documents specified in section I below. The preparation and issuance of such documents are the responsibility of the Company's Board of Directors in the exercise of its exclusive functions. Our responsibility is to report on such documents on the basis of the work performed with the scope mentioned in section II.

#### **I. Documents reviewed**

- a)** Interim statement of financial position as of March 31, 2020.
- b)** Interim statement of comprehensive income for the quarter ended March 31, 2020.
- c)** Interim statement of changes in shareholders' equity for the quarter ended March 31, 2020.
- d)** Interim statement of cash flows for the quarter ended March 31, 2020.
- e)** Notes to the condensed financial statements for the quarter ended March 31, 2020.
- f)** Overview and additional information to the Notes to the Condensed Financial Statements as of March 31, 2020, as required by section 1, paragraph b.2), chapter I, title IV of the rules of the *Comisión Nacional de Valores* (Securities Commission or "CNV") (n.t. 2013) and by section 12, chapter III, title IV of the CNV rules (n.t. 2013), respectively.

#### **II. Scope of the review**

Our review was carried out in accordance with the statutory audit standards in force in the Republic of Argentina. Those standards require the review of financial statements to be made according to the audit standards in force for the review of condensed interim financial statements set forth by Technical Resolution No. 33 of the Argentine Federation of Professional Councils in Economic Sciences and therefore it does not include all necessary procedures to express an opinion on the Company's financial position, comprehensive results, changes in shareholders' equity and cash flows.

To perform our professional work on the documents detailed in chapter I, we have taken into account the limited review made by the external auditors, Price Waterhouse & Co. S.R.L., who issued their report on May 26, 2020. Our task included the review of the work, the nature, scope and timing of the procedures applied, and of the results of the review made by such professionals.

The above referred limited review standards consist mainly in applying analytical procedures in respect of the amounts included in the financial statements and making global checks and inquiries to the Company's employees responsible for the preparation of the information included in the financial statements. The scope under such rules is substantially reduced as compared to the application of all auditing procedures necessary to be able to issue a professional opinion on the financial statements considered as a whole. Therefore, we express no such opinion.

In connection with the overview and the additional information to the notes to the condensed interim financial statements required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013), we have verified that these documents contain the information required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013), being all statements on the economic environment in which the Company has operated, business management and future events included in such documents, which are the exclusive responsibility of the Company's Board of Directors.

In addition, we have verified in respect of numerical accounting data, as regards those matters that are within our competence, that such data have been derived from the Company's accounting records or other relevant documentation. Our review did not include the evaluation of management, selling or production criteria, which are the exclusive responsibility of the Board of Directors.

### **III. Statement of the Supervisory Committee**

On the basis of the work performed, as stated in chapter II of this report, which did not include the application of all procedures necessary to allow us to express an opinion on the reasonability of the financial statements subject to this review, we consider that we are in a position to inform that:

- a)** The significant events and circumstances of which we have become aware and that are not affected by uncertainties are considered in these financial statements; and
- b)** We have not become aware of any significant amendment that should be made to the condensed interim financial statements of Compañía General de Combustibles S.A. identified in paragraphs a) to e) of chapter I of this report for them to be presented according to International Accounting Standard 34; and in respect of the overview and the additional information to the notes to the condensed interim financial statements required by section 1, paragraph b.2), chapter i, title iv of the CNV rules (n.t. 2013) and by section 12, chapter iii, title iv of the CNV rules (n.t. 2013) mentioned in paragraph f) of chapter I, as regards those matters that are within our competence, we have no remarks to make.

In compliance with the legal provisions in force, we inform that:

- a)** Given the measures adopted by the National Government in connection with the preventive and mandatory social distancing to protect the population and fight Coronavirus mentioned in Note 1.2), these condensed interim financial statements as of March 31, 2020, have not yet been transcribed in the Balance Book and in the Journal as of March 31, 2020.
- b)** In exercise of our legality control functions, we have applied during the period the procedures described in section 294 of Law No. 19,550 that we have considered necessary according to the circumstances, not having any remarks to make thereon.

City of Buenos Aires, May 26, 2020

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**Carlos Oscar Bianchi**  
Por Comisión Fiscalizadora