



Compañía General de Combustibles S.A. announced its unaudited results for the first quarter ended March 31, 2020

Buenos Aires, June 1, 2020 - Compañía General de Combustibles S.A. ("CGC"), a leading energy company with operations in Argentina, announced its audited results for the three-month period ended March 31, 2020.

Consolidated financial figures are expressed in Pesos, and presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB).

Financial information prepared in accordance with IAS 29 is not comparable with financial information prepared for prior periods in nominal terms.¹ The Company presents certain figures in U.S. dollars in this release solely for the convenience of the reader.²

For more information, please see CGC's unaudited condensed interim Financial Statements for the three-month period ended March 31, 2020.

First Quarter 2020 Key Highlights³

- Daily average gas production amounted to 5,407.2 Mm³ in 1Q20, which represented an increase of 10% compared to 1Q19. In turn, daily average crude oil production reached 740.3 m³ in 1Q20, a decrease of 15% compared to 1Q19.
- Revenues totaled AR\$6,217.8 million (or approximately USD96.4 million) in 1Q20 compared with AR\$7,817.9 million in 1Q19. Revenues were down 20.5% year-over-year in 1Q20.
- Total Adjusted EBITDA (including dividends collected) amounted to AR\$3,677.2 million (or approximately USD57.0 million) in 1Q20, which represents a decrease of 19.1% compared to AR\$4,543.5 million in 1Q19.
- CapEx reached AR\$1,133.6 million (or approximately USD17.6 million) in 1Q20, compared with AR\$2,460.9 million in 1Q19.
- As of March 31, 2020, Cash & Cash Equivalents amounted to AR\$5,105.9 million (approximately USD79.2 million).

¹ CGC's unaudited results are disclosed in constant currency as of March 31, 2020, including the comparative figures of the first quarter 2019, in accordance with the IAS 29 regarding financial information in hyperinflationary economies and General Res. No. 777/2018, issued by the Argentine National Securities and Exchange Commission ("CNV").

² For further details, please refer to note "AR\$ / USD Conversion" on page 6.

³ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$64.47 for 1Q20.



- Net Leverage Ratio as of March 31, 2020 remained low at 0.97x.¹

	2020 IAS 29
Exchange Rate AR\$/USD	
Average	61,42
End of Period (EoP)	64,47
Figures in USD million	
Revenues	96,4
Adjusted EBITDA	57,0
CAPEX	17,6
Cash & Equivalent	79,2

¹ Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 Senior Notes.



Brief Overview¹

The Company resumed its drilling activity on March 1, 2020 with one drilling rig and one workover rig, until March 18, 2020 when all investment activity ceased due to the lockdown and sanitary emergency decree issued by the National Government.

However, CGC moved quickly and efficiently to ensure safe operations and production in its Santa Cruz fields. In Buenos Aires, the Company were fully prepared for virtual and remote work, before the lockdown. The workforce was totally equipped, with full access to cloud share services, and a safety protocol in both productive fields and facilities.

Total daily average production reached 39.7 Mboe during 1Q20, of which 85.6% corresponded to natural gas, 11.7% to crude oil and 2.7% to LPG. Daily average gas production amounted to 5,407.2 Mm³ in 1Q20, which represented an increase of 9.8% compared to 1Q19, and a decrease of 6.9% in comparison with 4Q19. In turn, daily average crude oil production reached 740.3 m³ in 1Q20, a decrease of 15% compared to 1Q19.

Revenues for 1Q20 amounted to AR\$6,217.8 million (or approximately USD96.4 million), of which 85% corresponded to natural gas, 11% to oil (crude + LPG) and the remainder corresponded to services (related to the storage and port facilities in Punta Loyola). During this period, 96% of CGC's crude oil sales corresponded to exports.

Revenues were down 20.5% year-over-year in 1Q20, mostly as a result of lower market prices in gas and crude oil.

Revenue Breakdown	1Q20 (IAS 29)		1Q19 (IAS 29)	
	ARS million	% of total	ARS million	% of total
Crude Oil	653,6	11%	1.691,5	22%
Gas	5.279,4	85%	5.799,7	74%
Other	284,8	5%	326,7	4%
Total	6.217,8	100%	7.817,9	100%

Adjusted EBITDA for 1Q20 amounted to AR\$3,677.2 million (or approximately USD57.0 million), which represented a decrease of 19.1% from AR\$4,543.5 million in 1Q19.

Adjusted EBITDA margin increased to 59% in 1Q20, compared with 58% in 1Q19. Gross profit margin reached 29% in 1Q20, in comparison with 37% in 1Q19. Net profit decreased to minus 24% in 1Q20, compared to minus 9% in 1Q19, mainly due to an asset impairment accounted during 1Q20.

	1Q20	1Q19
	IAS29	IAS29
Adjusted EBITDA Mg.	59%	58%
Gross profit Mg.	29%	37%
Net profit Mg.	-24%	-9%

¹ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$64.47 for 1Q20.



CapEx reached AR\$1,133.6 million (or approximately USD17.6 million) in 1Q20, compared with AR\$2,460.9 million in 1Q19.

Cash & Cash Equivalents as of March 31, 2020 amounted to AR\$5,105.9 million or approximately USD79.2 million.

Additionally, as of March 31, 2020, the Company's financial debt amounted to AR\$27,016.6 million or approximately USD419.1 million (96% denominated in USD). Net Leverage Ratio remained low at 0.97x, and Interest Coverage Ratio at 8.86x.¹

CGC's limited-recourse local bond ON Clase 10 total outstanding as of March 31, 2020 was USD28.6 million. Total debt including this local bond amounted to AR\$28,862.2 million or approximately USD447.7 million. Net leverage ratio considering ON Clase 10 was 1.05x, and interest coverage ratio was 8.29x.²

Underground Gas Storage Facility

On September 2019, CGC started the development of "Sur Rio Chico" Project, the 2nd underground gas storage facility in Argentina, seeking firm export contracts and permits through the full year including the winter high season.

CGC projects to inject approximately 1,000 Mm³/d of natural gas during 180 days in the summer season, and extract approximately 2,000 Mm³/d during 90 days during winter.

As of May 2020, approximately 300 Mm³ per day are being injected during the pilot process.

Midstream Business

CGC has collected approximately US\$3.5 million in 1Q20, and US\$4.9 million during April 2020 in dividends from the Midstream Business. CGC indirectly owns 28.2% of TGN, mainly through its investment in Gasinvest S.A, 40.1% in GasAndes and 15.8% in TGM.

March & May New Local Bond Issuances

On March 5, 2020, CGC issued three new local Obligaciones Negociables, amounting to approximately USD35 million, to enhance the company's liquidity and refinance short term maturities.

¹ Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 Senior Notes.

² Net Leverage Ratio and Interest Coverage Ratio calculated including ON Clase 10 bond and dividends from CGC's midstream assets.



Both Series 12, amounting to USD15.3 million, and Series 13, amounting to AR\$895.3 million, mature in 15 months. Series 14, amounting to AR\$314.6 million, matures in 12 months.

Additionally, on May 21 CGC issued another new local bond (Obligacion Negociable Serie 15), amounting to AR\$1,352.5 million (approximately USD20 million) maturing in 15 months, to enhance the company's liquidity and refinance short term maturities.

For more information, please see our CNV filing/recent developments.



AR\$ / USD Conversion

The Company presented certain figures converted from pesos to U.S. dollars for comparative purposes. The exchange rate used to convert financial figures disclosed in pesos (as of March 31, 2020) to U.S. dollars was the seller exchange rate for wire transfers (divisas) as of the close of business, as reported by Banco de la Nación Argentina, as of March 31, 2020. The information presented in U.S. dollars is for the convenience of the reader only.

About Compañía General de Combustibles S.A.

CGC is a leading energy company with operations in Argentina, engaged principally in the development, production and exploration of natural gas, crude oil, LPG (Upstream business) and with a significant interest in a network of pipelines in northern and central Argentina, with direct and indirect co-controlling stakes in Transportadora de Gas del Norte (“TGN”), Gasoducto GasAndes Argentina, Gasoducto GasAndes (“GasAndes”), and a minority stake in Transportadora de Gas del Mercosur (“TGM”) (Midstream business). For more information, visit <http://cgc.com.ar/>.

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