



## **Compañía General de Combustibles S.A. announced its unaudited results for the first quarter ended March 31, 2021**

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**Buenos Aires, May 14, 2021** - Compañía General de Combustibles S.A. ("CGC"), a leading energy company with operations in Argentina, announced its unaudited results for the three-month period ended March 31, 2021.

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.<sup>1</sup> The Company presents certain figures in U.S. dollars in this release solely for the convenience of the reader.<sup>2</sup>

For more information, please see CGC's unaudited condensed interim Financial Statements for the three-month period ended March 31, 2021.

### **First Quarter 2021 Key Highlights<sup>3</sup>**

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- Daily average gas production amounted to 4,876.0 Mm3 in 1Q21, which represented a decrease of 11.8% compared to 1Q20. In turn, daily average oil production (crude + LPG) reached 830.3 m3 in 1Q21, a decrease of 8.8% compared to 1Q20.
- Revenues totaled AR\$8,992.0 million (or approximately USD97.7 million) in 1Q21 compared with AR\$8,869.6 million in 1Q20. Revenues were up 1.4% year-over-year in 1Q21.
- Total Adjusted EBITDA amounted to AR\$6,057.3 million (or approximately USD65.8 million) in 1Q21, which represents an increase of 17.7% compared to 1Q20. EBITDA Margin was 67% in 1Q21, mainly because of the cost reduction program implemented by the Company.
- CapEx reached AR\$2,524.7 million (or approximately USD27.4 million) in 1Q21, compared with AR\$1,617.0 million in 1Q20.
- On January 2021, the Central Bank formally confirmed that CGC complies with "Com A 7106" and the more recent "Com A 7230", granting access to BCRA's dollars for all its maturities during 2021.

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<sup>1</sup> CGC's unaudited results are disclosed in constant currency as of March 31, 2021, including the comparative figures of the first quarter 2020, 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").

<sup>2</sup> For further details, please refer to note "AR\$ / USD Conversion" on page 5.

<sup>3</sup> Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$92.00 for 1Q21.



- As of March 31, 2021, Cash & Cash Equivalents amounted to AR\$6,625.2 million (approximately USD72.0 million).
- Net Leverage Ratio as of March 31, 2021 remained low at 1.19x.<sup>1</sup>

	1Q21 IAS 29
<b>Exchange Rate AR\$/USD</b>	
Average	88.65
End of Period (EoP)	92.00
<b>Figures in USD million</b>	
Revenues	97.7
Adjusted EBITDA	65.8
CAPEX	27.4
Cash & Equivalents	72.0

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<sup>1</sup> Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 & 2025 Senior Notes.

## Brief Overview<sup>1</sup>

The Company has been working with two drilling rigs since the last quarter of 2020, in order to compensate for the months with no drilling activity, and to drill some exploratory wells. It is expected that this additional rig will operate until mid-2021.

During 1Q21, CGC drilled 5 wells (one of which was exploratory), with a total success rate of 80%.

Total daily average production reached 35.9 Mboe during 1Q21, of which 85.5% corresponded to natural gas, 11.4% to crude oil and 3.1% to LPG. Daily average gas production amounted to 4,876.0 Mm3 in 1Q21, which represented a decrease of 11.8% compared to 1Q20. In turn, daily average oil production (crude + LPG) reached 830.3 m3 in 1Q21, a decrease of 8.8% compared to 1Q20.

Revenues for 1Q21 amounted to AR\$8,992.0 million (or approximately USD97.7 million), of which 80% corresponded to natural gas, 16% to oil (crude + LPG) and the remainder corresponded to services (related to the storage and port facilities in Punta Loyola). During this period, 98% of CGC's crude oil sales corresponded to exports.

Revenues were up 1.4% year-over-year in 1Q21, mostly because of the increase in crude oil prices.

Revenue Breakdown	1Q21 (IAS 29)		1Q20 (IAS 29)	
	ARS million	% of total	ARS million	% of total
Crude Oil	1,406.8	16%	932,4	11%
Gas	7,190.5	80%	7.531,0	85%
Other	394.7	4%	406,2	5%
<b>Total</b>	<b>8.992,0</b>	<b>100%</b>	<b>8.869,6</b>	<b>100%</b>

Adjusted EBITDA for 1Q21 amounted to AR\$6,057.3 million (or approximately USD65.8 million), which represented an increase of 17.7% compared to 1Q20, mainly because of the cost reduction program implemented by the Company.

This reduction in costs significantly improved all the Company's margins. Adjusted EBITDA margin increased to 67% in 1Q21, compared with 58% in 1Q20. Gross profit margin reached 49% in 1Q21, in comparison with 30% in 1Q20. Net profit margin increased to 18% in 1Q21, compared to minus 24% in 1Q20.

	1Q21 IAS29	1Q20 IAS29
Adjusted EBITDA Mg.	67%	58%
Gross profit Mg.	49%	30%
Net profit Mg.	18%	-24%

<sup>1</sup> Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$92.00 for 1Q21.



CapEx reached AR\$2,524.7 million (or approximately USD27.4 million) in 1Q21, compared with AR\$1,617.0 million in 1Q20.

Cash & Cash Equivalents as of March 31, 2021 amounted to AR\$6,625.2 million or approximately USD72.0 million.

Additionally, as of March 31, 2021, the Company's total financial debt amounted to AR\$35,473.0 million or approximately USD385.6 million (96% denominated in USD). Net Leverage Ratio remained low at 1.19x, and Interest Coverage Ratio at 7.33x.<sup>1</sup>

CGC's limited-recourse local bond ON Clase 10 total outstanding as of March 31, 2021 was USD7.6 million. Total financial debt including this local bond amounted to AR\$36,168.5 million or approximately USD393.1 million, which represents a decrease of 12% compared to 1Q20. Net leverage ratio considering ON Clase 10 was 1.22x, and interest coverage ratio was 7.19x.<sup>2</sup>

## **Central Bank's Communication "A" 7106 & "A" 7230**

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On January 2021, the Central Bank formally confirmed that CGC complies with Communication "A" 7106 and the more recent Communication "A" 7230, granting access to BCRA's dollars for all its maturities during 2021.

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<sup>1</sup> Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 & 2025 Senior Notes.

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



## **AR\$ / USD Conversion**

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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, 2021) 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, 2021. The information presented in U.S. dollars is for the convenience of the reader only.

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

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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.energy/>.

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