

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

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 box is a larger, lighter teal rectangular area that serves as a background for the company name and financial statement details.

COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

**Condensed interim consolidated
financial statements
as of March 31, 2021**
(With comparative statements of 2020)

Compañía General de Combustibles S.A.

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Compañía General de Combustibles S.A. Overview as of March 31, 2021

(Information not covered by the review report on the condensed interim consolidated 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 consolidated interim financial statements for the three-month period started on January 1, 2021 and ended on March 31, 2021. 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, 2021, including references to relevant events occurring after the end of the period

The **adjusted EBITDA with dividends collected** for the first quarter ended March 31, 2021 amounted to \$ 6,057,329, which represents an increase of \$ 911,269 in respect of the first quarter of 2020. This increase was mainly generated by the decrease in oil and gas production costs and the rise in the selling prices of oil and gas in the three-month period ended March 31, 2021. This increase was partially offset by a drop in production of oil and gas and lower accrual of incentives.

The **production of oil, natural gas, liquefied petroleum gas and gasoline** during the first quarter of 2021 was of 513.6 Mm3 equivalent, with a decrease of 61.3 Mm3 (11%) with respect to the quantities produced during the same period of the preceding year.

Liquid hydrocarbons represented 15% and 14% and natural gas 85% and 86% of the total production as of March 31, 2021 and 2020, respectively.

The Company has an important presence in the main natural 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 2021 reached 5,237 million cubic meters, a 16% decrease compared to the same period of 2020.

Evolution of the Company’s indicators	1st Q 2021 (3 months)	1st Q 2020 (3 months)	1st Q 2019 (3 months)	1st Q 2018 (3 months)
Adjusted EBITDA with dividends collected (thousands of pesos)	6,057,329	5,146,060	6,481,238	3,566,156
Oil production (m3/day) (1)	830.29	910.57	1,018.51	820.92
Gas production (Mm3/day)	4,875.97	5,407.17	4,922.6	3,583.18
Gas transported (MMm ³)	5,237	6,246	6,021	5,501
Oil and gas equivalent production (Mm3)	513.6	574.9	534.7	396.4

(1) Includes liquefied petroleum gas and gasoline
Mm3=Thousands of cubic meters
MMm3=Million cubic meters

Compañía General de Combustibles S.A. Overview as of March 31, 2021

Relevant events in the first quarter ended on March 31, 2021

Dividends received from associated companies and joint ventures

In the three-month period ended March 31, 2021, midstream companies have declared to CGC dividends for \$ 225,520. Dividends have not been collected as of March 31, 2021.

Financing

Syndicated loan in \$

On October 7, 2020, the Company signed a syndicated loan agreement with Banco de Galicia y Buenos Aires S.A.U. ("Galicia"), Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC"), Banco Santander Río S.A. ("Santander Argentina") and The Branch of Citibank, N.A. established in the Argentine Republic, as lenders, and ICBC, as administrative agent, for up to the equivalent in pesos of US\$45,000 (U.S. dollars forty-five million) (the "Loan Agreement"). Subject to compliance with the conditions set forth in the Loan Agreement, the loan will be paid in three disbursements on or before November 24, 2020, on or before February 22, 2021, and on or before May 21, 2021, respectively. The loan will be redeemable in five equal, quarterly, consecutive installments payable as of August 24, 2021.

The Company chose not to receive the disbursement of the first installment and received the second installment in February 2021, for an amount equivalent in pesos of \$ 1,401,688.

Compañía General de Combustibles S.A. Overview as of March 31, 2021

b) Condensed consolidated equity structure as of March 31, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	3.31.2021	3.31.2020	3.31.2019	3.31.2018
	(Unaudited)			
Non-current assets	57,313,123	57,111,546	56,399,947	39,650,617
Current assets	22,318,860	23,247,205	24,797,922	15,337,549
Total assets	79,631,983	80,358,751	81,197,869	54,988,166
Equity attributable to owners	28,655,110	27,181,133	24,463,089	14,119,638
Total shareholders' equity	28,655,110	27,181,133	24,463,089	14,119,638
Non-current liabilities	30,651,730	29,889,246	39,866,692	31,211,183
Current liabilities	20,325,143	23,288,372	16,868,088	9,657,345
Total liabilities	50,976,873	53,177,618	56,734,780	40,868,528
Total liabilities and shareholders' equity	79,631,983	80,358,751	81,197,869	54,988,166

c) Consolidated condensed result structure for the three-month periods ended March 31, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	3.31.2021	3.31.2020	3.31.2019	3.31.2018
	(Unaudited)			
Revenue	8,992,047	8,869,559	11,152,156	7,238,110
Cost of revenues	(4,583,976)	(6,228,631)	(7,063,572)	(5,558,034)
Gross income	4,408,071	2,640,928	4,088,584	1,680,076
Selling expenses	(291,403)	(449,300)	(357,895)	(138,278)
Administrative expenses	(544,579)	(500,538)	(434,152)	(485,156)
Exploration expenses	(8,381)	(4,516)	(2,849)	-
Recovery (loss) financial assets impairment	16,686	(79,918)	-	-
Other operating income and (expenses)	181,666	(3,004,140)	(37,183)	(89,248)
Operating result	3,762,060	(1,397,484)	3,256,505	967,394
Result of investments in associates and joint ventures	(68,104)	602,792	631,602	439,734
Financial results, net	(1,527,992)	(2,237,066)	(2,624,546)	31,668
Result before taxes	2,165,964	(3,031,758)	1,263,561	1,438,796
Income tax	(558,299)	908,638	(217,515)	(553,383)
Net result	1,607,665	(2,123,120)	1,046,046	885,413
Other comprehensive results	(133,688)	(30,988)	109,800	6,565
Comprehensive results	1,473,977	(2,154,108)	1,155,846	891,978

The highest gross income was mainly generated by the decrease in oil and gas production costs and the rise in the selling prices of oil and gas in the three-month period ended March 31, 2021. This increase was partially offset by a drop in production of oil and gas and lower accrual of incentives. In the item of other operating income and expenses, a loss was generated on March 31, 2020, mainly due to the impairment of non-financial assets for \$ 3,113,554 due to the evaluation of the recoverable value of property, plant and equipment. See note 7.

Compañía General de Combustibles S.A.

Overview as of March 31, 2021

d) Condensed consolidated cash flow structure for the three-month periods ended March 31, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	3.31.2021	3.31.2020	3.31.2019	3.31.2018
	(Unaudited)			
Net cash generated by operating activities	4,623,319	1,533,090	5,975,315	247,353
Net cash used for investment activities	(2,461,156)	(1,268,935)	(3,345,171)	(2,523,471)
Net cash (used for) generated by financing activities	(1,874,657)	1,869,977	(2,402,455)	(6,307,651)
Net increase in cash, cash equivalents and bank overdraft	287,506	2,134,132	227,689	4,031,533
Cash and cash equivalents at the beginning of the year	6,611,621	5,712,184	2,444,385	810,160
Financial results generated by cash	(292,274)	(562,816)	26,798	151,711
Cash and cash equivalents at the end of the period	6,606,853	7,283,500	2,698,872	4,993,404

e) Statistical data for the quarters ended March 31, 2021, 2020, 2019, and 2018

See data on crude oil and gas production and gas transportation for the quarters ended March 31, 2021, 2020, 2019, and 2018 in section a) of this Overview.

f) Ratios for the three-month periods ended March 31, 2021, 2020, 2019, and 2018

		3.31.2021	3.31.2020	3.31.2019	3.31.2018
		(Unaudited)			
Liquidity	(a)	1.10	1.00	1.47	1.59
Solvency	(b)	0.56	0.51	0.43	0.35
Capital lockup	(c)	0.72	0.71	0.69	0.72

(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.

Compañía General de Combustibles S.A. **Overview as of March 31, 2021**

g) Prospects

For the year 2021, the Company expects the Argentine context to continue with a high level of uncertainty, mostly influenced by the effects of the COVID-19 pandemic and by factors relating to economy and politics, such as the pending debt negotiation with the International Monetary Fund and the Paris Club by the National Government, as well as midterm elections scheduled for the month of October.

Subject to the constant monitoring of these variables and their effects on the level of activity and the industry, the Company expects to maintain the pace of investments resumed during the last months of last year, in order to recover pre-pandemic levels of activity and continue developing its areas in the Austral Basin. The greater certainty in connection with gas prices provided by the implementation of the Gas.Ar Plan and the maintenance of Resolution No. 46/2017, added to the recovery of the international price of crude oil during the first months of 2021, allow to plan a level of investments aimed at consolidating the production profile and maintaining profitability margins and cash generation. In addition, we will try to continue with the development of exploratory projects, in order to achieve new discoveries and expand reserves.

In order to comply with the Gas.Ar Plan contracts, CGC is currently operating with a second drilling rig, focused on the completion of new wells that allow to shore up production.

After the campaign for the completion and connection of new wells last year, which left CGC as the most active company in the country in the gas segment, for this year 2021 it is expected to continue drilling and sustaining the production of the El Cerrito / Campo East Indian block.

CGC has been working hard on the development of tight gas in the Austral Basin, in the southern part of the Santa Cruz province. Among the eleven shale formations in the country, Palermo Aike, one of the mother rocks of the Austral Basin, is one of those that attracts the attention of specialists due to the enormous potential it is believed to have.

CGC plans to carry out exploratory work in Palermo Aike, aimed at studying the particularities of this formation.

On the other hand, the Exchange of Class “A” Notes carried out in September 2020, together with the refinancing of the remaining amount under the Syndicated Loan, allowed the Company to readjust its maturity profile, duplicating the average life of the total debt and significantly reducing the financial risk.

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Compañía General de Combustibles S.A. Overview as of March 31, 2021

In line with these actions, financing efforts will continue to be focused on the optimization of the capital structure, the extent of the debt maturity profile as well as on the search of additional sources of financing, on the basis of Company’s investment objectives and growth.

Autonomous City of Buenos Aires, May 11, 2021

Condensed interim consolidated financial statements

Legal information

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

Fiscal year: 102

Condensed interim consolidated financial statements as of March 31, 2021

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

(1) Capital status

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

(1) Note 14 to the condensed interim consolidated financial statements

Condensed interim consolidated financial statements

Condensed interim consolidated statement of financial position ended March 31, 2021 and December 31, 2020

(In thousands of pesos)

	Note	3.31.2021	12.31.2020
		(Unaudited)	
ASSETS			
Non-current assets			
Property, plant and equipment	7	33,820,398	33,095,416
Investments in associates and joint ventures	8.a)	19,475,832	19,860,083
Right-of-use assets	16	3,102,407	3,271,659
Other receivables	9	713,234	657,068
Trade receivables	11	201,252	227,320
Total non-current assets		57,313,123	57,111,546
Current assets			
Inventories	10	1,916,405	1,617,371
Other receivables	9	8,651,998	8,681,879
Trade receivables	11	4,024,984	4,579,500
Investments at amortised cost	12.a)	546,247	1,094,188
Investments at fair value	12.b)	553,981	662,646
Cash and cash equivalents	13	6,625,245	6,611,621
Total current assets		22,318,860	23,247,205
TOTAL ASSETS		79,631,983	80,358,751
EQUITY			
Share capital	14	399,138	399,138
Capital adjustment		3,467,418	3,467,418
Reserves		17,190,840	17,190,840
Retained earnings		2,781,973	902,294
Other comprehensive income		4,815,741	5,221,443
TOTAL EQUITY		28,655,110	27,181,133
LIABILITIES			
Non-current liabilities			
Provision for legal claims and other proceedings		87,047	108,355
Other provisions	15	4,541,206	4,315,728
Deferred tax liabilities		3,552,299	2,993,998
Tax payables		1,508	1,967
Lease liabilities	16	2,628,849	2,608,634
Financial debts	17	19,840,821	19,860,564
Total non-current liabilities		30,651,730	29,889,246
Current liabilities			
Other provisions	15	1,270	1,462
Other liabilities		227,067	198,890
Tax payables		157,249	121,636
Salaries and social security contributions		298,329	782,816
Lease liabilities	16	619,794	853,821
Financial debts	17	16,061,672	17,923,438
Trade payables	18	2,959,762	3,406,309
Total current liabilities		20,325,143	23,288,372
TOTAL LIABILITIES		50,976,873	53,177,618
TOTAL EQUITY AND LIABILITIES		79,631,983	80,358,751

The accompanying Notes 1 to 28 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated financial statements

Condensed interim consolidated statement of comprehensive income for the three-month ended March 31, 2021 comparative with same period of 2020

(In thousands of pesos)

	Note	Three-month period	
		3.31.2021	3.31.2020
		(Unaudited)	
Revenue	19	8,992,047	8,869,559
Cost of revenue	20	(4,583,976)	(6,228,631)
Gross profit		4,408,071	2,640,928
Selling expenses	21	(291,403)	(449,300)
Administrative expenses	22	(544,579)	(500,538)
Exploration expenses	23	(8,381)	(4,516)
Recovery (loss) financial assets impairment	24	16,686	(79,918)
Other operating income (expenses), net	25	181,666	(3,004,140)
Operating income		3,762,060	(1,397,484)
Results of investments in associates and joint ventures	8.c)	(68,104)	602,792
Financial income	26	78,809	26,477
Financial costs	26	(1,159,645)	(968,137)
Hyperinflation effect	26	(985,362)	(589,902)
Other financial results	26	538,206	(705,504)
Income (loss) before taxes		2,165,964	(3,031,758)
Income tax		(558,299)	908,638
Income (loss) for the period		1,607,665	(2,123,120)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Asset revaluation reserve		(22,359)	-
Items that may be reclassified to profit or loss			
Financial statement translation difference		(111,329)	(30,988)
Other comprehensive loss for the period, net of tax		(133,688)	(30,988)
Total comprehensive income (loss) for the period		1,473,977	(2,154,108)
Basic and diluted earnings (loss) per share	14	4.028	(5.319)

The accompanying Notes 1 to 28 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated financial statements

Condensed interim consolidated statement of changes in equity for the three-month period ended March 31, 2021

(In thousands of pesos)

	Share capital (Note 14)	Capital adjustment	Legal reserve	Optional reserves (1)	Other comprehensive income		Retained earnings	Total (Unaudited)
					Asset revaluation reserve	Currency translation difference		
Balance as of December 31, 2020	399,138	3,467,418	773,311	16,417,529	3,427,919	1,793,524	902,294	27,181,133
Net income for the period	-	-	-	-	-	-	1,607,665	1,607,665
Reversal of asset revaluation reserve	-	-	-	-	(272,014)	-	272,014	-
Other comprehensive income for the period	-	-	-	-	(22,359)	(111,329)	-	(133,688)
Balance as of March 31, 2021	399,138	3,467,418	773,311	16,417,529	3,133,546	1,682,195	2,781,973	28,655,110

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

The accompanying notes 1 to 28 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated financial statements

Condensed interim consolidated 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		Retained earnings	Total (Unaudited)
					Asset revaluation reserve	Currency translation difference		
Balance as of December 31, 2019	399,138	3,467,416	773,309	8,590,702	6,455,239	1,648,552	8,220,654	29,555,010
Net loss for the period	-	-	-	-	-	-	(2,123,120)	(2,123,120)
Reversal of asset revaluation reserve	-	-	-	-	(209,541)	-	209,541	-
Other comprehensive income for the period	-	-	-	-	-	(30,988)	-	(30,988)
Balance as of March 31, 2020	399,138	3,467,416	773,309	8,590,702	6,245,698	1,617,564	6,307,075	27,400,902

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

The accompanying notes 1 to 28 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated financial statements

Condensed interim consolidated statement of cash flows for the three-month period ended March 31, 2021, with comparative interim period ended March 31, 2020

(In thousands of pesos)

	Note	3.31.2021	3.31.2020
		(Unaudited)	
Cash flow from operating activities			
Net income/(loss) for the period		1,607,665	(2,123,120)
Adjustments to arrive at net cash flows from operating activities			
Depreciation of property, plant and equipment	7	2,117,636	2,757,406
Write off of property, plant and equipment	7	577	-
Depreciation of right-of-use assets	16	169,252	346,894
Result of investments in associates and joint ventures	8 c	68,104	(602,792)
Financial results, net		512,347	1,365,591
Non-financial asset impairment loss	25	-	3,113,554
Increase in allowances for receivables, net	24	(16,686)	79,918
Increase in provision for legal claims and other proceedings	22	(8,882)	70,953
Gas imbalance charges	20	(1,440)	(1,610)
Income accrued for incentives, net of collections		(353,299)	(3,240,644)
Hyperinflation effect		985,362	589,902
Accrued income tax		558,299	(908,638)
Changes in operating assets and liabilities:			
Receivables		198,301	1,892,285
Inventory		(299,034)	56,268
Non-financial debts		(788,103)	(1,821,820)
Income tax paid		(126,780)	(41,057)
Net cash flow generated by operating activities		4,623,319	1,533,090
Net cash flow used in investing activities			
Acquisition of property, plant and equipment	7	(2,524,719)	(1,617,013)
Variance of current investment		63,563	26,904
Dividends collected	8 b)	-	321,174
Net cash flow used in investing activities		(2,461,156)	(1,268,935)
Net cash flow (used in) generated by financing activities			
Payment of leases	16	(231,929)	(252,578)
Interest paid on financial debts	17	(1,129,151)	(511,896)
Financial debts incurred	17	1,401,688	3,997,410
Financial debts settled	17	(1,915,265)	(1,362,959)
Net cash flow (used in) generated by financing activities		(1,874,657)	1,869,977
Net increase in cash and cash equivalents		287,506	2,134,132
Cash, cash equivalents at the beginning of the year	13	6,611,626	5,712,184
Financial results from cash and cash equivalents		(292,278)	(562,816)
Cash, cash equivalents at the end of the period	13	6,606,853	7,283,500
Changes without funds movement			
Acquisition of property, plant and equipment		272,826	-
Capitalization of financial costs		(66,250)	182,459
Wells abandonment costs capitalized in property, plant and equipment		111,900	137,986

The accompanying Notes 1 to 28 are an integral part of these condensed interim consolidated financial statements

Notes to the condensed interim consolidated financial statements

- 1.** General information
- 2.** Basis for preparation
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- 5.** Fair value measurement
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Notes to condensed interim consolidated financial statements for the period ended March 31, 2021 (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's activities are not subject to significant seasonal changes.

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, 2021 and December 31, 2020 are as follows:

Country/ Basin	Area	% of Interest	Operator	Through	Activity
Argentina					
Northwestern	Aguaragüe	5.00	Tecpetrol	2027	
Austral	El Cerrito	100.00	CGC	2033-2037-2053	
	Dos Hermanos	100.00	CGC	2027-2034-2037	
	Campo Boleadoras	100.00	CGC	2027-2033-2034	Exploration and exploitation
	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	100.00	CGC	2022	
	Piedrabuena	100.00	CGC	2021	Exploration
	Paso Fuhr	50.00	CGC	2022	
Venezuela	Campo Onado	26.004	Petronado	2026	

There have been no other significant changes in the status of concession contracts in the oil and gas areas after December 31, 2020.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

1.2. Context in which the Company is operating. Coronavirus and the oil price crisis

The Company operates in a complex economic context, where the main variables have been highly volatile, both nationally and internationally.

The outbreak of the pandemic in March 2020 caused by the Covid-19 has generated significant consequences globally. Most of the countries of the world launched a series of constraints never seen before. The various measures of health restrictions imposed were generating, to a greater or lesser extent, an almost immediate impact on economies, which saw their production and activity indicators fall rapidly. In response, most governments implemented fiscal aid packages to sustain the income of part of the population and reduce the risks of breaking the payment chains, avoiding financial and economic crises and business failures. Argentina was no exception, with the government taking action as soon as the pandemic was declared.

As it is considered an essential activity, CGC continued to operate in the main activities necessary for the continuity of the business, especially the tasks related to hydrocarbon production.

With respect to the market, after the declaration of the mandatory quarantine, a decrease in energy demand was evidenced. In the local gas market, production decreased in the first quarter of 2021 compared to the same period of 2020, due to the limiting effects of the preventive and mandatory social isolation on the activity, as well as prices that were lower than in the pre-isolation stage. The economic recession caused by the spread of COVID-19, generated such a supply and storage crisis that the oil market was deeply hit. Then it began to show signs of recovery, with the greater level of openness in the isolation measures tried by different countries, a recovery path was evidenced in crude oil and derivatives quotations, with Brent crude showing a sustained quotation above 40 US\$/bbl since mid-June, trading at 63 US\$ and 51 US\$/bbl at the end of March 31, 2021 and December 31, 2020, respectively.

No significant impacts have been observed in the Company, in the period ended March 31, 2021, caused by the circumstances previously described.

In the year ended December 31, 2020, an impairment of non-financial assets has been determined for \$ 1,742,270. The disclosures related to the test performed, including the main premises and variables considered, and the result thereof are included in note 5.c. to the financial statements as of December 31, 2020.

The Company's management is closely monitoring the situation and immediately taking decisive measures in order to ensure the integrity of its personnel, maintain the operation, and preserve its financial situation. The context of volatility and uncertainty continues at the date of issuance of these financial statements. The Company's financial statements should be read in light of these circumstances.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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 consolidated financial statements for the period of three months ended March 31, 2021 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 interim consolidated 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, 2020, which have been prepared according to the International Financial Reporting Standards (“IFRS”).

The condensed interim consolidated financial statements for the quarters ended March 31, 2021 and 2020 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, 2021 and 2020 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, 2021 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, 2020 and for the period ended March 31, 2020 presented in these condensed interim consolidated financial statements for comparative purposes have been derived from the financial statements as of such dates expressed in units of the functional currency as of March 31, 2021 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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.

Approval of the board of directors

The issue of these condensed interim consolidated financial statements has been approved by the Company’s Board of Directors on May 11, 2021.

Note 3. Accounting policies

The accounting policies adopted for the condensed interim consolidated financial statements are consistent with those used in the financial statements for the year ended December 31, 2020.

3.1- New mandatory rules, amendments and interpretations for fiscal years started as from January 1, 2021 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 consolidated 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 consolidated 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, 2020.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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.

3.3- Consolidation - Subsidiaries

CGC's financial statements as of March 31, 2021 were consolidated with the financial statements or management reports as of those dates, of the following company:

Company	Country	Currency	Number of shares (direct and indirect participation)	% of interest (direct and indirect)	Number of voting rights
Compañía General de Combustibles Internacional Corp.	Panamá	USA Dólar	100	100%	100

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, 2021, 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, 2021 and December 31, 2020, 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.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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

There have been no variations regarding the credit risks reported in note 4.1.2 to the financial statements as of December 31, 2020.

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).

The following table shows financial assets measured at their fair value as of March 31, 2021 and December 31, 2020. The Company has no financial liabilities measured at fair value.

As of 3.31.2021	Level 1	Level 2	Level 3	Total (Unaudited)
Assets				
Cash and cash equivalents				
Mutual funds	3,256,791	-	-	3,256,791
Investments at fair value				
Government Securities	416,608	-	-	416,608
Listed shares	137,373	-	-	137,373
Total current assets	3,810,772	-	-	3,810,772

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

As of 12.31.2020	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	2,908,739	-	-	2,908,739
Investments at fair value				
Government Securities	557,003	-	-	557,003
Listed shares	105,643	-	-	105,643
Total current assets	3,571,385	-	-	3,571,385

As of March 31, 2021 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. 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.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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: Transportadora de Gas del Norte S.A., Transportadora de Gas del Mercosur S.A. y Gasoducto Gasandes (Argentina) S.A. y Gasoducto Gasandes S.A

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

The CODM uses the Adjusted EBITDA and Adjusted EBITDA with dividends collected, 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, income (losses) for the return of areas and taxes on financial transactions. The **Adjusted EBITDA with dividends collected** includes the collection of dividends on investments in associates and joint ventures. 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:

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

	As of 3.31.2021			
	Upstream	Midstream	Central Structure	Total (Unaudited)
Revenue	8,992,047	-	-	8,992,047
Cost of revenues	(2,311,741)	-	-	(2,311,741)
Gross income	6,680,306	-	-	6,680,306
Selling expenses	(291,403)	-	-	(291,403)
Central structure expenses	-	-	(529,926)	(529,926)
Other operating income and expenses	137,292	44,374	-	181,666
Recovery (loss) financial assets impairment	16,686	-	-	16,686
Adjusted EBITDA	6,542,881	44,374	(529,926)	6,057,329
Dry wells and unsuccessful studies	(8,381)	-	-	(8,381)
Depreciation and amortization	(2,272,235)	-	(14,653)	(2,286,888)
Results of investments in associates and joint ventures	-	(68,104)	-	(68,104)
Subtotal	4,262,265	(23,730)	(544,579)	3,693,956
Financial income	-	-	78,809	78,809
Financial costs	-	-	(1,159,645)	(1,159,645)
Hyperinflation effect	-	-	(985,362)	(985,362)
Other financial results	-	-	538,206	538,206
Result before taxes	4,262,265	(23,730)	(2,072,571)	2,165,964
Income tax	-	-	(558,299)	(558,299)
Result of the period Profit / (Loss)	4,262,265	(23,730)	(2,630,870)	1,607,665
Adjusted EBITDA				6,057,329
Dividend collected in the period				-
Adjusted EBITDA with dividends collected				6,057,329

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

	As of 3.31.2020			
	Upstream	Midstream	Central Structure	Total (Unaudited)
Revenue	8,869,559	-	-	8,869,559
Cost of revenues	(3,133,783)	-	-	(3,133,783)
Gross income	5,735,776	-	-	5,735,776
Selling expenses	(449,300)	-	-	(449,300)
Central structure expenses	-	-	(491,086)	(491,086)
Other operating income and expenses	8,436	100,978	-	109,414
Recovery (loss) financial assets impairment	(79,918)	-	-	(79,918)
Adjusted EBITDA	5,214,994	100,978	(491,086)	4,824,886
Dry wells and unsuccessful studies	(4,516)	-	-	(4,516)
Impairment allowance for non-financial assets	(3,113,554)	-	-	(3,113,554)
Depreciation and amortization	(3,094,848)	-	(9,452)	(3,104,300)
Results of investments in associates and joint ventures	-	602,792	-	602,792
Subtotal	(997,924)	703,770	(500,538)	(794,692)
Financial income	-	-	26,477	26,477
Financial costs	-	-	(968,137)	(968,137)
Hyperinflation effect	-	-	(589,902)	(589,902)
Other financial results	-	-	(705,504)	(705,504)
Income (loss) before taxes	(997,924)	703,770	(2,737,604)	(3,031,758)
Income tax	-	-	908,638	908,638
Result of the period –(Loss)/Profit	(997,924)	703,770	(1,828,966)	(2,123,120)
Adjusted EBITDA				4,824,886
Dividends collected in the period				321,174
Adjusted EBITDA with dividends collected				5,146,060

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 7. Property, plant and equipment

Changes in this caption are as follows:

	Quarter ended March 31, 2021									3.31.2020	
	Development and Production Assets					Total	Exploration and evaluation assets	Central management assets	Impairment allowance for non-financial assets	Total (Unaudited)	Total (Unaudited)
	Wells and production facilities	Other production related assets	Mining property	Materials and spare parts	Works in progress (1)						
Cost											
Balances at the beginning of the year	71,418,544	287,342	9,221,250	683	3,282,429	84,210,248	2,515,672	588,433	(4,231,142)	83,083,211	77,074,660
Additions	126,495	-	-	473	1,619,384	1,746,352	1,064,521	32,322	-	2,843,195	1,937,458
Transfers	1,542,938	-	-	-	(1,312,644)	230,294	(230,600)	306	-	-	-
Write-offs	-	-	-	(577)	-	(577)	-	-	-	(577)	(3,113,554)
Balances at the end of the period	73,087,977	287,342	9,221,250	579	3,589,169	86,186,317	3,349,593	621,061	(4,231,142)	85,925,829	75,898,564
Accumulated depreciation											
Balances at the beginning of the year	42,093,485	176,925	7,338,971	-	-	49,609,381	-	378,414	-	49,987,795	40,102,526
Depreciation of the period	2,277,888	8,791	96,064	-	-	2,382,743	-	14,653	(279,760)	2,117,636	2,757,406
Balances at the end of the period	44,371,373	185,716	7,435,035	-	-	51,992,124	-	393,067	(279,760)	52,105,431	42,859,932
Net book value	28,716,604	101,626	1,786,215	579	3,589,169	34,194,193	3,349,593	227,994	(3,951,382)	33,820,398	33,038,632

(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 \$ 66,250 (capitalization interest rate of 34.06 % p.a.) and \$ 182,459 (capitalization interest rate of 25.16% p.a) as of March 31, 2021 and 2020, respectively.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

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. During the three-month period ended March 31, 2021, the Company have not identify signs of additional impairment to non-financial assets.

During the three-month period ended March 31, 2020, an impairment loss was recognized for a total of \$ 3,113,554. At the end of the fiscal year, the impairment was partially recovered, and amounted to \$1,742,270 at December 31, 2020.

The impairment charge is included in Other operating income and expenses in the Statement of Comprehensive Income (see Note 25).

The evaluation of the recoverable value of property, plant and equipment was reported in detail in note 5.c) to the financial statements as of December 31, 2020.

The main assumptions used as of December 31, 2020, in determining the use values made by CGC for each CGU, are the following:

WACC discount rate used	13.65%
Prices of Crude Oil and Natural Gas	
Crude oil - Brent (US\$/bbl.)	
2021	48.0
2022	51.9
2023	54.8
2024	55.6
2025 onwards	57.3
Natural gas – Local prices (US\$/MMBTU)	
2021	3.0
2022 through 2023	3.3
2024	3.4
2025 onwards	3.5

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 8. Investments in associates and joint ventures

8.a) Below there is a detail of the investments in associates and joint ventures as of March 31, 2021 and December 31, 2020:

Company	3.31.2021	12.31.2020
	(Unaudited)	
Joint Ventures		
Gasinvest S.A.	17,444,436	17,653,671
Gasoducto Gasandes (Argentina) S.A.	1,094,674	1,193,978
Gasoducto Gasandes S.A. (Chile)	696,215	818,424
Transportadora de Gas del Norte S.A.	34,937	35,342
Andes Operaciones y Servicios S.A. (Chile)	83,071	84,049
Associates		
Transportadora de Gas del Mercosur S.A.	122,499	74,619
Total investments	19,475,832	19,860,083

8.b) Below there is a detail of the changes in investments as of March 31, 2021 and 2020:

	3.31.2021	3.31.2020
	(Unaudited)	
Balance at the beginning of the year	19,860,083	21,207,296
Conversion differences (3)	(68,268)	(30,988)
Asset revaluation reserve (2)	(22,359)	-
Profit sharing	(68,104)	602,792
Dividends (1)	(225,520)	(446,912)
Balance at the end of the period	19,475,832	21,332,188

(1) In the period ending March 31, 2021, the declared dividends have not been collected. In the period ending March 31, 2020, 321,174 dividends declared by associates in 2019 have been collected.

(2) Corresponds to the (loss) / recovery of the reserve for revaluation of property, plant and equipment measured at fair value in the companies Transportadora de Gas del Norte and Gasinvest S.A. as of March 31, 2021 and 2020.

(3) Net of \$ 43,061 from the conversion of the subsidiary CGC International Corp.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

8.c) Below there is a detail of the results of investments in associates and joint ventures as of March 31, 2021 and 2020:

Company	3.31.2021	3.31.2020
	(Unaudited)	
Joint Ventures		
Gasinvest S.A.	(201,153)	322,015
Gasoducto Gasandes (Argentina) S.A.	43,846	200,370
Gasoducto Gasandes S.A. (Chile)	31,520	99,095
Transportadora de Gas del Norte S.A.	(400)	650
Andes Operaciones y Servicios S.A. (Chile)	1,646	(2,416)
Associates		
Transportadora de Gas del Mercosur S.A.	56,437	(16,922)
Total results in investments	(68,104)	602,792

Note 9. Other receivables

The composition of other receivables is as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Non-current		
Related parties (Note 27 a))	668,767	694,483
Tax on bank debits and credits	238,320	227,573
Income tax	185,160	114,132
Minimum presumed income tax	127,953	144,525
Sundry	186	212
Allowance for future expected losses	(507,152)	(523,857)
Total	713,234	657,068
Current		
Receivables from incentives	7,066,203	7,739,623
Related parties (Note 27 a))	245,522	14,309
Other tax credits	592,964	568,860
Advances to suppliers	494,646	239,528
Recoverable expenses	20,866	7,911
Prepaid insurance	22,065	46,118
Trust assets	487	533
Prepaid mining fees	148,332	-
Sundry	60,913	64,997
Total	8,651,998	8,681,879

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Changes in the provision for other receivables are as follows:

	3.31.2021	3.31.2020
	(Unaudited)	
Non-current		
Balance at the beginning of the year	523,857	507,086
Hyperinflation effect	(60,073)	(36,689)
Increases (1)	43,368	36,086
Balance at the end of the period	507,152	506,483

(1) Were charged to financial results in 2021 and 2020.

Due to the short-term nature of other current receivables, it is considered that their book value do not differ from their fair value. For the other non-current receivables, the fair values do not differ significantly from their book values.

Note 10. Inventories

The composition of inventories is as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Oil and by-products	689,568	376,183
Materials and spare parts	1,226,837	1,241,188
Total	1,916,405	1,617,371

Note 11. Trade receivables

The composition of trade receivables is as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Non-current		
Ordinary (1)	201,252	227,320
Total	201,252	227,320
Current		
Ordinary	4,081,003	4,632,230
Bankruptcy proceedings (2)	29,923	63,190
Less: Provision for expected losses	(85,942)	(115,920)
Total	4,024,984	4,579,500

(1) As of March 31, 2021 corresponds to the balances pending collection by Decree No. 1053/2018 recorded at their present value.

(2) In January 2021 the assignment of the bankruptcy claim was agreed and it was collected in two installments in January and May 2021.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Changes in the provision for doubtful accounts are as follows:

	3.31.2021	3.31.2020
	(Unaudited)	
Balance at the beginning of the year	115,920	523,702
Hyperinflation effect	(13,292)	(37,889)
(Decreases) Increases (1)	(16,686)	105,752
Balance at the end of the period	85,942	591,565

(1) (\$ 16,686) and \$79,918 were charged to other operating income and expenses in 2021 and 2020, and \$ 0 and \$25,834 to financial results in 2021 and 2020.

Due to the short-term nature of current trade receivables, it is considered that their book value do not differ from their fair value. For the non-current trade receivables, the fair values do not differ significantly from their book values.

Note 12. Investments at amortized cost and fair value

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

	3.31.2021	12.31.2020
	(Unaudited)	
Current		
Government securities at amortized cost	546,247	1,094,188
Total	546,247	1,094,188

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

	3.31.2021	12.31.2020
	(Unaudited)	
Current		
Listed shares	137,373	105,643
Government securities at fair value (1)	416,608	557,003
Total	553,981	662,646

(1) As of March 31, 2021 and December 31, 2020, they include the nominal amount of 7,981,555 of Argentine Bonds in US\$ due 2030 (Step Up 2030 US\$) and 596,102 of Argentine Bonds in US\$ due 2029 (Step Up 2029 US\$).

Note 13. Cash and cash equivalents

	3.31.2021	12.31.2020
	(Unaudited)	
Cash, fixed funds	705	739
Banks	3,367,749	3,702,143
Mutual funds(1)	3,256,791	2,908,739
Total	6,625,245	6,611,621

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

(1) As of March 31, 2021 and December 31, 2020, it includes 355,414,254 and 184,995,557 shares in the mutual fund “Alpha Pesos” respectively and 0 and 218,169,029 shares in the mutual fund “Allaria Renta Mixta II-BD linked” respectively.

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

	3.31.2021	3.31.2020
	(Unaudited)	
Cash and cash equivalents	3,368,454	7,283,500
Mutual funds	3,256,791	-
Bank overdraft	(18,392)	-
Total	6,606,853	7,283,500

Note 14. Capital stock

As of March 31, 2021 and December 31, 2020, 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

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Result attributable to the Company’s shareholders	1,607,665	(2,123,120)
Weighted average number of outstanding ordinary shares	399,138	399,138
Basic and diluted result per share (pesos)	4,028	(5,319)

The Company has no instruments with dilutive effect.

Note 15. Other provisions

	3.31.2021	12.31.2020
	(Unaudited)	
Non-current		
Gas imbalance	6,948	8,196
Well abandonment and environmental remediation	4,490,950	4,262,522
Other	43,308	45,010
Total	4,541,206	4,315,728
Current		
Gas imbalance	1,270	1,462
Total	1,270	1,462

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Changes in other provisions are as follows:

	Balance at the beginning of the year 12.31.2020	Hyperinflation effect	Increases	Decreases	Balance at the end of the period (Unaudited) 3.31.2021
Non-current					
Gas imbalance (1)	8,196	-	-	(1,248)	6,948
Well abandonment and environmental remediation provision (2)	4,262,522	24,918	203,510	-	4,490,950
Total	4,270,718	24,918	203,510	(1,248)	4,497,898
Current					
Gas imbalance (1)	1,462	-	-	(192)	1,270
Total	1,462	-	-	(192)	1,270

(1) (\$ 1,440) correspond to gas return and were charged to cost of sales.

(2) \$ 91,610 correspond to present value, which were charged to financial costs, and \$ 111,900 to adjustment of future costs, which were charged to property, plant and equipment.

Nota 16. Lease liabilities and right-of-use assets

The Company recognized lease payables that were measured at present value of payments of remaining leases. The interest rate applied to lease payables as of March 31, 2021 and 2020 was 10.71% and 11.25%. Detailed below are the movements for the three-month periods ended March 31, 2021 and 2020:

	3.31.2021 (Unaudited)	3.31.2020
Right-of-use asset lease recognized as of January 1 2021 and 2020	3,271,659	1,602,130
Depreciation of right-of-use assets in the period	(169,252)	(346,894)
Right-of-use asset lease recognized as of March 31 2021 and 2020	3,102,407	1,255,236
Lease payable as of January 1, 2021 and 2020	3,462,455	1,668,533
Lease payments	(231,929)	(252,578)
Effect of exchange difference	(15,332)	11,749
Effect of discount at present value in the period	33,449	20,444
Lease payable as of March 31, 2021 and 2020	3,248,643	1,448,148
Lease payable classification	3.31.2021 (Unaudited)	12.31.2020
Non-current lease payables	2.628.849	2.608.634
Current lease payables	619.794	853.821

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 17. Financial debts

The composition of financial indebtedness is as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Non-current		
Bank loans	514,311	-
Notes	19,326,510	19,860,564
Total	19,840,821	19,860,564
Current		
Bank overdraft	18,392	-
Bank loans	1,928,397	2,223,284
Notes	14,114,883	15,700,154
Total	16,061,672	17,923,438

The change in financial indebtedness as of March 31, 2021 and 2020 is shown below:

	3.31.2021	3.31.2020
	(Unaudited)	
Initial balance	37,784,002	39,913,805
Short term bank overdraft, net	18,392	(768,786)
Accrued interest	1,143,657	1,020,427
Exchange differences	(1,400,830)	(14,178)
Loans received	1,401,688	3,997,410
Payments of principal	(1,915,265)	(1,362,959)
Payments of interest	(1,129,151)	(511,896)
Final balance	35,902,493	42,273,823

The maturities of financial indebtedness as of March 31, 2021 and as of December 31, 2020 are as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Less than 1 year	16,061,672	17,923,438
From 1 to 2 years	19,840,821	19,860,564
Total	35,902,493	37,784,002

See the detail of the financial indebtedness, guarantees and restrictions in note 21 to the financial statements as of December 31, 2020.

The fair value of financial debts represents 93% of the book value as of March 31, 2021

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

In the three-month period ended March 31, 2021, 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:

Syndicated loan in pesos

On October 7, 2020, the Company signed a syndicated loan agreement with Banco de Galicia y Buenos Aires S.A.U. ("Galicia"), Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC"), Banco Santander Río S.A. ("Santander Argentina") and The Branch of Citibank, N.A. established in the Argentine Republic, as lenders, and ICBC, as administrative agent, for up to the equivalent in pesos of US\$45,000 (U.S. dollars forty-five million) (the "Loan Agreement"). Subject to compliance with the conditions set forth in the Loan Agreement, the loan will be paid in three disbursements on or before November 24, 2020, on or before February 22, 2021, and on or before May 21, 2021, respectively. The loan will be redeemable in five equal, quarterly, consecutive installments payable as of August 24, 2021.

The Company chose not to receive the disbursement of the first installment and received the second installment in February 2021, for an amount equivalent in pesos of \$ 1,401,688.

Note 18. Trade payables

The detail of trade payables is as follows:

	3.31.2021	12.31.2020
	(Unaudited)	
Current		
Ordinary suppliers	1,530,300	1,434,965
Ordinary suppliers of joint ventures	28,258	29,569
Related parties (Note 27 a))	140,481	225,495
Invoices to be received	1,260,723	1,716,280
Total	2,959,762	3,406,309

Due to the short-term nature of current trade payables, it is considered that their book value do not differ from their fair value.

Note 19. Revenue

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Crude oil deliveries	1,406,840	932,371
Gas	3,807,235	3,940,397
Other	394,723	406,197
Incentives (1)	3,383,249	3,590,594
Total	8,992,047	8,869,559

(1) These amounts of incentives are recorded according to IAS 20.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 20. Cost of revenues

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Inventories at the beginning of the year	1,617,371	1,682,771
Purchases	595,279	470,828
Inventory consumption	(646,205)	(281,650)
Production costs (1)	4,933,936	5,983,186
Inventories at the end of the period	(1,916,405)	(1,626,504)
Cost of revenues	4,583,976	6,228,631

(1) Production costs

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Fees and compensation for services	943	28,143
Outsourced services	841,199	1,012,262
Salaries, wages and social security contributions	154,352	180,743
Other personnel expenses	13,296	22,449
Depreciation of property, plant and equipment	2,190,735	2,747,954
Depreciation right to use assets for leases	169,252	346,894
Taxes, duties and contributions	10,442	11,252
Fuel, gas and electricity	79,320	72,568
General insurance	16,735	15,868
Spare parts and repairs	355,539	415,360
Well maintenance expenses	143,920	271,384
Office expenses	48,401	51,887
Royalties, fees and easements	758,153	672,860
Gas imbalance	(1,440)	(1,610)
Environmental control	95,403	135,172
Other	57,686	-
Total	4,933,936	5,983,186

Note 21. Selling Expenses

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Dispatch and transportation	89,451	144,161
Salaries, wages and social security contributions	14,489	17,276
Other personnel expenses	2,279	10,767
Turnover tax	110,100	119,575
Export duties	75,084	157,521
Total	291,403	449,300

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 22. Administration expenses

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Fees and compensation for services	84,167	64,456
Salaries, wages and social security contributions	325,002	202,361
Other personnel expenses	3,722	16,397
Depreciation of property, plant and equipment	14,652	9,452
Taxes, duties and contributions	19	957
General insurance	5,037	3,598
Spare parts and repairs	54,722	78,174
Office expenses	16,307	14,885
Travel and out-of-pocket expenses	5,974	11,157
Communications	5,045	4,272
(Recovery) charge for legal actions and other claims provision	(8,882)	70,953
Other	38,814	23,876
Total	544,579	500,538

Note 23. Exploration expenses

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Geological and geophysical expenses	8,327	-
Wells and unsuccessful studies	54	4,516
Total	8,381	4,516

Note 24. Financial assets impairment

	Three-month period	
	3.31.2021	3.31.2020
	(Unaudited)	
Recovery (loss) financial assets impairment	16,686	(79,918)
Total	16,686	(79,918)

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 25. Other operating income and (expenses), net

	Three-month period	
	(Unaudited)	
	3.31.2021	3.31.2020
Other operating income		
Fees for services rendered	46,610	100,978
Other customer income	242,364	-
Sundry	23,377	8,453
	312,351	109,431
Other operating expenses		
Outsourced services	(128,449)	(17)
Non-financial assets impairment loss (note 7)	-	(3,113,554)
Sundry	(2,236)	-
	(130,685)	(3,113,571)
Total	181,666	(3,004,140)

Note 26. Financial results

	Three-month period	
	(Unaudited)	
	3.31.2021	3.31.2020
Financial income		
Interest	78,809	26,477
Total	78,809	26,477
Financial costs		
Interest	(1,159,645)	(968,137)
Total	(1,159,645)	(968,137)
Hyperinflation effect		
Hyperinflation effect (Note 2)	(985,362)	(589,902)
Total	(985,362)	(589,902)
Other financial results		
Result of fair value measurement of financial instruments	(267,645)	(6,593)
Exchange differences, net	1,019,161	(537,033)
Result from measurement at present value of assets	33,200	8,208
Result from measurement at present value of liabilities	(149,977)	(70,972)
Other financial expenses	(96,533)	(99,114)
Total	538,206	(705,504)

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Note 27. Balances and transactions with related parties

As of March 31, 2021 and December 31, 2020, 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, 2021 and December 31, 2020:

	3.31.2021	12.31.2020
	(Unaudited)	
Other receivables		
Non-current		
Latin Exploration S.L.U.	47,260	53,382
Vianpamar S.A.	114,355	117,244
Petronado S.A.	507,152	523,857
Total	668,767	694,483
Current		
Gasoducto Gasandes S.A. (Chile)	128,520	-
Gasoducto Gasandes (Argentina) S.A.	117,002	14,309
Total	245,522	14,309
Trade payables		
Current		
Corredor Americano S.A.	140,481	225,495
Total	140,481	225,495

b) Below there is a detail of the principal transactions with related parties for the three-month periods ended March 31, 2021 and 2020:

	3.31.2021			
	(Unaudited)			
Company	Services sold	Dividends collected	Earned interest	Outsourced services
Associated companies and joint ventures				
Gasoducto Gasandes (Argentina) S.A.	48,413	97,000	-	20,146
Gasoducto Gasandes S.A. (Chile)	-	128,520	-	-
Other companies				
Aeropuertos Argentina 2000 S.A. (1)	484	-	-	-
Vianpamar S.A. (1)	-	-	831	-
Proden S.A. (1)	-	-	-	13,655
Corredor Americano S.A. (1)	-	-	-	351,568

(1) These companies are related parties for being indirectly controlled by the same shareholders as CGC.

Compañía General de Combustibles S.A.

Notes to condensed interim financial statements (cont.)

Company	3.31.2020		
	(Unaudited)		
	Services sold	Dividends collected	Outsourced services
Associated companies and joint ventures			
Gasoducto Gasandes (Argentina) S.A.	63,242	226,882	21,263
Gasoducto Gasandes S.A. (Chile)	-	220,030	-
Other			
Corredor Americano S.A. (1)	-	-	448,228
Proden S.A. (1)	-	-	14,315

(1) These companies are related parties 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 first quarter ended March 31, 2021 and 2020 amounted to 236,843 and 243,727, respectively.

Note 28 – Subsequent Events

After March 31, 2021, 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.



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

REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED 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 consolidated financial statements of Compañía General de Combustibles S.A. and its subsidiary (the “Company”), including the condensed interim consolidated statement of financial position as of March 31, 2021, the condensed interim consolidated statement of comprehensive income for the three months period ended on March 31, 2021, the condensed interim consolidated statements of changes in equity and of cash flows for the three months period then ended, and the selected explanatory notes.

The balances and other information corresponding to the fiscal year 2020 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

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 consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 “Interim Financial Information” (IAS 34).

A handwritten signature in black ink, appearing to be the initials "H" or "A", is written to the left of the text in the 'Responsibility of the Board of Directors' section.

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 consolidated 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 consolidated financial position, the consolidated comprehensive income, or the consolidated cash flows of the Company.

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Conclusion

On the basis of our review, nothing has come to our attention that make us think that the condensed interim consolidated 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) the condensed interim consolidated financial statements of the Company have been transcribed into the "Balance" book and as regards to those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim separate financial statements of the Company stem from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the overview, on which, as regards those matters that are within our competence, we have no observations to make;
- d) as of March 31, 2021, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System amounted, according to the Company's accounting records and calculations, to \$ 24,559,184, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 11, 2021

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Hernán Rodríguez Canelo

Supervisory Committee's Report

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)** Consolidated condensed interim statement of financial position as of March 31, 2021.
- b)** Consolidated condensed interim statement of comprehensive income for the quarter ended March 31, 2021.
- c)** Consolidated condensed interim statement of changes in shareholders' equity for the quarter ended March 31, 2021.
- d)** Consolidated condensed interim statement of cash flows for the quarter ended March 31, 2021.
- e)** Notes to the consolidated condensed interim statements for the three-month period ended March 31, 2021.
- f)** Overview to the consolidated condensed interim statements of March 31, 2021, 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).

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 11, 2021. 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 to the consolidated condensed interim financial statements required by section 1, paragraph b.2), chapter I, 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 Comisión Nacional de Valores 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 consolidated 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 to the condensed interim financial statements required by section 1, paragraph b.2), chapter I, 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)** The accompanying financial statements comply with the provisions of Law No. 19,550, are recorded in the Inventory and Balance Sheets Book, and arise from the Company's accounting records kept, in their formal aspects, in accordance with the provisions current legal regulations.
- 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 11, 2021.

Carlos Oscar Bianchi

For the Supervisory Committee