



CGC

COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

**Condensed interim consolidated financial statements
as of June 30, 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 June 30, 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 six-month period started on January 1, 2021 and ended on June 30, 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 second quarter ended June 30, 2021, including references to relevant events occurring after the end of the period

The **adjusted EBITDA with dividends collected** for the second quarter ended June 30, 2021 amounted to \$ 7,125,772 (\$ 13,846,544 for the six-month period), which represents an increase of \$ 1,532,715 in respect of the second quarter of 2020. This increase was mainly generated by the rise in the selling prices of oil and gas in the six-month period ended June 30, 2021. This increase was partially offset by a drop in production of gas and lower accrual of incentives.

The **production of oil, natural gas, liquefied petroleum gas and gasoline** during the second quarter of 2021 was of 493.1 Mm3 equivalent, with a decrease of 44.9 Mm3 (8%) with respect to the quantities produced during the same period of the preceding year.

Liquid hydrocarbons represented 16% and 14% and natural gas 84% and 86% of the total production as of June 30, 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 second quarter of 2021 reached 6,824 million cubic meters, an 8% increase compared to the same period of 2020.

Evolution of the Company’s indicators	2nd Q 2021 (3 months)	2nd Q 2020 (3 months)	2nd Q 2019 (3 months)	2nd Q 2018 (3 months)
Adjusted EBITDA with dividends collected (thousands of pesos)	7,125,772	5,593,057	8,915,578	5,474,350
Oil production (m3/day) (1)	866.93	824.85	1,034.84	855.57
Gas production (Mm3/day)	4,551.59	5,087.75	5,194.27	4,247.95
Gas transported (MMm3)	6,824	6,334	6,928	6,413
Oil and gas equivalent production (Mm3)	493.1	538.0	566.8	464.4

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

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Overview as of June 30, 2021

Relevant events in the second quarter ended on June 30, 2021

Dividends collected from associated companies and joint ventures

In the six-month period ended June 30, 2021, midstream companies have declared to CGC dividends for \$ 250,219. Dividends have not been collected as of June 30, 2021.

Business Combination - Acquisition of Sinopec Argentina Exploration and Production, Inc. ("Sinopec") effective June 30, 2021.

On June 30, 2021, TIPTOP Energy Limited accepted the offer submitted by the Company for the purchase, effective as of that date, of 100% ownership of Sinopec Argentina Exploration and Production, Inc. This company owns through its branch in Argentina the interests in the hydrocarbon exploration and exploitation areas in Santa Cruz and Mendoza detailed in note 1 to these consolidated financial statements.

The detailed acquisition is strategic because the concessions cover an area of more than 4,600 km², have terms ranging from 2025 to 2027 and are located in the San Jorge Gulf Basin and in the Cuyana Basin. With this acquisition, CGC substantially increases its oil production to more than 3,100 (m³/day) and its gas production to 5,600 (Mm³/d)

Financing

Bridge loan issue with Eurobanco Bank Ltd.

On June 26, 2021, the Company, as debtor, and Eurobanco Bank Ltd. as lender, agreed to disburse a bridge loan in the amount of US\$ 100,000,- (the bridge loan). The principal is repayable over a three-month period maturing on September 25, 2021 and could be precancelled as well as extended for an additional three months. The bridge loan accrues a variable interest rate equivalent to Libor plus 9% per annum.

Class 19 and 21 Notes

On June 10, 2021, the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: Class 19 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of US\$ 35,963, with a principal maturity of 24 months and accruing a fixed annual rate of 5.00%; Class 21 Notes: in U.S. dollars for a total amount of US\$ 14,037, with a principal maturity of 24 months and accruing a fixed annual rate of 7.00%. The main purpose of the funds obtained through the issuance of these notes was the refinancing of financial liabilities (cancellation of the Class 12 and 13 Notes and early cancellation of the Class 15 Notes), as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the Company's working capital.

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Overview as of June 30, 2021

Syndicated Loan in pesos

On October 7, 2020, the Company entered into 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 Banco Santander Río S.A. ("Santander Argentina"). ("Santander Argentina") and the branch of Citibank, N.A. established in the Republic of Argentina, as lenders, and ICBC, as administrative agent, for up to the equivalent in pesos of US\$45,000 (forty-five million U.S. Dollars), in order to cancel the outstanding installments of the Syndicated Loan in dollars. The loan was repayable in five equal, quarterly and consecutive installments, payable as from August 24, 2021.

On February and May 2021, the Company received two installments of the "syndicated loan in pesos" for an equivalent amount of \$ 2,751,025. With the funds received from the new syndicated loan in dollars, the "syndicated loan in pesos" has been prepaid in its entirety.

Subsequent Events

Class 10 Notes cancellation. Termination of the pledge agreement

On July 12, 2021 the Company has fully cancelled the Class 10 notes (reported in the Financial Statements as of December 31, 2020, note 21.b). As a consequence, Banco de Valores S.A. (collateral agent and trustee) has terminated the share pledge agreement over the Gasinvest S.A. shares and the trust agreement.

New Syndicated Loan in Dollars:

On August 2, 2021, the Company, as borrower, entered into a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A.U., Banco Santander Río S.A., the Branch of Citibank, N.A. established in the Republic of Argentina, Banco de Galicia y Buenos Aires S.A.U., Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each as lender (and, in the case of Banco Itaú Argentina S.A., as hedging provider), and Industrial and Commercial Bank of China (Argentina) S.A.U., as administrative agent, in the amount of up to US\$ 115,000 ("Syndicated Dollar Loan"). The loan will be repayable in two equal installments, payable 12 and 18 months from the disbursement date, respectively. The funds disbursed under the loan will accrue interest at a nominal annual rate of 8.50% for the unhedged tranche (US\$ 100,000) and 7.00% nominal annual rate for the hedged tranche (US\$ 15,000). The syndicated loan agreement in U.S. dollars contains covenants with certain obligations including the compliance with certain ratios.

Compañía General de Combustibles S.A. Overview as of June 30, 2021

b) Condensed consolidated equity structure as of June 30, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	06.30.2021	06.30.2020	06.30.2019	06.30.2018
	(Unaudited)			
Non-current assets	70,866,041	60,822,373	63,858,630	40,174,171
Current assets	46,457,569	30,118,660	31,212,542	15,540,068
Total assets	117,323,610	90,941,033	95,071,172	55,714,239
Equity attributable to owners	32,168,508	30,134,808	32,386,106	14,306,077
Total shareholders' equity	32,168,508	30,134,808	32,386,106	14,306,077
Non-current liabilities	49,786,369	42,330,481	46,895,853	31,623,300
Current liabilities	35,368,733	18,475,744	15,789,212	9,784,862
Total liabilities	85,155,102	60,806,225	62,685,065	41,408,162
Total liabilities and shareholders' equity	117,323,610	90,941,033	95,071,172	55,714,239

c) Consolidated condensed result structure for the six-month periods ended June 30, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	06.30.2021	06.30.2020	06.30.2019	06.30.2018
	(Unaudited)			
Revenue	21,590,197	18,584,869	26,108,952	18,515,826
Cost of revenues	(11,212,024)	(12,521,291)	(15,804,658)	(12,465,165)
Gross income	10,378,173	6,063,578	10,304,294	6,050,661
Selling expenses	(786,448)	(827,503)	(1,067,760)	(387,440)
Administrative expenses	(1,100,117)	(907,315)	(1,120,218)	(1,016,195)
Exploration expenses	(8,452)	(7,226)	(2,999)	-
Financial assets impairment	(20,217)	(174,819)	-	-
Other operating income and (expenses)	210,469	(3,834,423)	(121,561)	(645,556)
Operating result	8,673,408	312,292	7,991,756	4,001,470
Result of investments in associates and joint ventures	(1,269,753)	1,441,338	1,269,841	1,130,924
Financial results, net	(1,739,111)	(5,197,070)	(386,474)	(9,303,234)
Business combination results	47,266	-	-	-
Result before taxes	5,711,810	(3,443,440)	8,875,123	(4,170,840)
Income tax	(3,332,901)	1,221,194	(1,987,233)	1,132,898
Net result	2,378,909	(2,222,246)	6,887,890	(3,037,942)
Other comprehensive results	(368,612)	(435,061)	45,372	231,506
Comprehensive results	2,010,297	(2,657,307)	6,933,262	(2,806,436)

The higher gross income for the six months ended June 30, 2021 is mainly due to the increase in oil and gas traded prices. This increase was partially offset by a decrease in Gas production and lower incentive accruals. Other operating income and expenses generated a loss as of June 30, 2020, mainly due to the impairment of non-financial assets for \$3,454,574 for the evaluation of the recoverable value of property, plant and equipment. See Note 7.

Compañía General de Combustibles S.A.

Overview as of June 30, 2021

d) Condensed consolidated cash flow structure for the six-month periods ended June 30, 2021, 2020, 2019, and 2018

(Expressed in thousands of pesos)

	06.30.2021	06.30.2020	06.30.2019	06.30.2018
	(Unaudited)			
Net cash flow generated from operating activities	11,688,618	6,436,929	16,561,613	4,215,472
Net cash flow used in investment activities	(2,265,312)	(1,376,838)	(9,565,869)	(5,950,523)
Net cash flow generated from (used in) financing activities	7,406,086	(682,035)	(1,678,107)	4,615,387
Net increase in cash, cash equivalents and bank overdraft	10,829,392	4,378,056	5,317,637	2,880,336
Cash and cash equivalents at the beginning of the year	7,335,774	6,337,827	2,712,112	898,895
Financial results generated by cash	(725,114)	(242,227)	(1,094,047)	1,481,815
Cash and cash equivalents at the end of the period	23,440,052	10,473,656	6,935,702	5,261,046

e) Statistical data for the quarters ended June 30, 2021, 2020, 2019, and 2018

See data on crude oil and gas production and gas transportation for the quarters ended June 30, 2021, 2020, 2019, and 2018 in section a) of this Overview.

f) Ratios for the six-month periods ended June 30, 2021, 2020, 2019, and 2018

		06.30.2021	06.30.2020	06.30.2019	06.30.2018
		(Unaudited)			
Liquidity	(a)	1.31	1.63	1.98	1.59
Solvency	(b)	0.38	0.50	0.52	0.35
Capital lockup	(c)	0.60	0.67	0.67	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 June 30, 2021

g) Prospects

The Company expects the Argentine context to continue with a high level of uncertainty, mainly influenced by the effects of the COVID-19 pandemic and by factors related to the economy and politics, mainly the mid-term elections scheduled for the month of November.

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 carried out during the first half of the year, with the objective of recovering the levels of activity prior to the pandemic and thus continue developing its areas in the Austral Basin. At the same time, the company will try to continue with the development of exploratory projects, in order to achieve new discoveries and increase reserves.

On the other hand, within the framework of the Company's long-term vision and the vocation to continue investing in the development of energy in Argentina, on June 30, 2021 CGC acquired Sinopec Argentina Exploration and Production, substantially increasing production on a consolidated basis to more than 50 thousand barrels of oil equivalent per day (boe/d). In this way, proven reserves are increased by approximately 50% (from 59 to 90 million boe) and the product mix is significantly optimized, with a 63% increase in gas and 37% in oil, on a consolidated basis.

Sinopec Argentina's assets cover more than 4,600 km², with most of them located in the San Jorge Gulf Basin and also in the Cuyana Basin. It also has an interest in Termap, the operator of the port terminals of Caleta Olivia (Santa Cruz) and Caleta Córdova (Chubut).

The company believes that Sinopec's assets contain significant potential in terms of increased conventional production which, added to the development and exploration in the Cuenca Austral areas, translates into greater growth opportunities for CGC.

In line with these actions, financing efforts will continue to focus on the optimization of the capital structure, the extension of the debt maturity profile and the search for additional sources of financing, based on the Company's investment and growth objectives.

Autonomous City of Buenos Aires, August 11, 2021.

Compañía General de Combustibles S.A. **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 June 30, 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.

Compañía General de Combustibles S.A. Condensed interim consolidated financial statements

Condensed interim consolidated statement of financial position ended June 30, 2021 and December 31, 2020

(In thousands of pesos)

	Note	06.30.2021	12.31.2020
(No auditados)			
ASSETS			
Non-current assets			
Property, plant and equipment	7	44,749,774	36,720,268
Investments in associates and joint ventures	8.a)	20,331,028	22,035,305
Right-of-use assets	16	3,592,032	3,629,995
Other receivables	9	250,026	729,036
Deferred tax assets		1,741,929	-
Trade receivables	11	201,252	252,218
Total non-current assets		70,866,041	63,366,822
Current assets			
Inventories	10	4,416,221	1,794,517
Other receivables	9	5,933,230	9,632,782
Trade receivables	11	9,726,251	5,081,081
Investments at amortised cost	12.a)	-	1,214,031
Investments at fair value	12.b)	2,941,815	735,224
Cash and cash equivalents	13	23,440,052	7,335,774
Total current assets		46,457,569	25,793,409
TOTAL ASSETS		117,323,610	89,160,231
EQUITY			
Share capital	14	399,138	399,138
Capital adjustment		3,890,912	3,890,912
Reserves		20,074,827	19,073,707
Retained earnings		3,500,768	1,001,120
Other comprehensive income		4,302,863	5,793,334
TOTAL EQUITY		32,168,508	30,158,211
LIABILITIES			
Non-current liabilities			
Provision for legal claims and other proceedings		2,671,950	120,223
Other provisions	15	15,238,299	4,788,418
Deferred tax liabilities		3,781,598	3,321,923
Tax payables		1,267	2,182
Lease liabilities	16	2,612,494	2,894,351
Financial debts	17	25,480,761	22,035,838
Total non-current liabilities		49,786,369	33,162,935
Current liabilities			
Other provisions	15	837,929	1,622
Other liabilities		612,467	220,674
Tax payables		3,935,352	134,958
Salaries and social security contributions		733,455	868,556
Lease liabilities	16	923,764	947,338
Financial debts	17	22,716,245	19,886,544
Trade payables	18	5,609,521	3,779,393
Total current liabilities		35,368,733	25,839,085
TOTAL LIABILITIES		85,155,102	59,002,020
TOTAL EQUITY AND LIABILITIES		117,323,610	89,160,231

The accompanying Notes 1 to 29 are an integral part of these condensed interim consolidated financial statements.

Compañía General de Combustibles S.A. Condensed interim consolidated financial statements

Condensed interim consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2021 comparative with same period of 2020

(In thousands of pesos)

	Note	Three-month period (Unaudited)		Six-month period (Unaudited)	
		06.30.2021	06.30.2020	06.30.2021	06.30.2020
Revenue	19	11,613,275	8,743,845	21,590,197	18,584,869
Cost of revenue	20	(6,125,978)	(5,610,448)	(11,212,024)	(12,521,291)
Gross profit		5,487,297	3,133,397	10,378,173	6,063,578
Selling expenses	21	(463,129)	(328,991)	(786,448)	(827,503)
Administrative expenses	22	(495,892)	(351,953)	(1,100,117)	(907,315)
Exploration expenses	23	847	(2,215)	(8,452)	(7,226)
Financial assets impairment	24	(38,731)	(86,149)	(20,217)	(174,819)
Other operating income (expenses), net	25	8,906	(501,246)	210,469	(3,834,423)
Operating income		4,499,298	1,862,843	8,673,408	312,292
Results of investments in associates and joint ventures	8.c)	(1,194,190)	772,523	(1,269,753)	1,441,338
Financial income	26	101,514	9,906	188,955	39,283
Financial costs	26	(1,302,086)	(1,321,630)	(2,588,273)	(2,395,805)
Hyperinflation effect	26	(873,715)	(605,680)	(1,967,000)	(1,260,194)
Other financial results	26	2,030,525	(797,577)	2,627,207	(1,580,354)
Business combination results		47,266	-	47,266	-
Income (loss) before taxes		3,308,612	(79,615)	5,711,810	(3,443,440)
Income tax		(2,713,454)	213,035	(3,332,901)	1,221,194
Income (loss) for the period		595,158	133,420	2,378,909	(2,222,246)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Asset revaluation reserve		(18,339)	(506,502)	(43,148)	(506,502)
Items that may be reclassified to profit or loss					
Financial statement translation difference		(201,942)	105,822	(325,464)	71,441
Other comprehensive loss for the period, net of tax		(220,281)	(400,680)	(368,612)	(435,061)
Total comprehensive income (loss) for the period		374,877	(267,260)	2,010,297	(2,657,307)
Basic and diluted earnings (loss) per share	14	1.491	0.334	5.960	(5.568)

The accompanying Notes 1 to 29 are an integral part of these condensed interim consolidated financial statements.

Compañía General de Combustibles S.A.
Condensed interim consolidated financial statements

Condensed interim consolidated statement of changes in equity for the six-month period ended June 30, 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	3,890,912	858,010	18,215,697	3,803,368	1,989,966	1,001,120	30,158,211
Resolution of the Ordinary General Shareholders' Meeting held on April 23, 2021:								
Retained earnings	-	-	-	1,001,120	-	-	(1,001,120)	-
Net income for the period	-	-	-	-	-	-	2,378,909	2,378,909
Reversal of asset revaluation reserve	-	-	-	-	(1,121,859)	-	1,121,859	-
Other comprehensive income for the period	-	-	-	-	(43,148)	(325,464)	-	(368,612)
Balance as of June 30, 2021	399,138	3,890,912	858,010	19,216,817	2,638,361	1,664,502	3,500,768	32,168,508

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

The accompanying notes 1 to 29 are an integral part of these condensed interim consolidated financial statements.

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

Compañía General de Combustibles S.A.
Condensed interim consolidated financial statements

Condensed interim consolidated statement of changes in equity for the six-month period ended June 30, 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	3,890,912	858,010	9,531,622	7,162,271	1,829,116	9,121,047	32,792,116
Net loss for the period	-	-	-	-	-	-	(2,222,246)	(2,222,246)
Reversal of asset revaluation reserve	-	-	-	-	(454,231)	-	454,231	-
Other comprehensive income for the period	-	-	-	-	(506,502)	71,441	-	(435,061)
Balance as of June 30, 2020	399,138	3,890,912	858,010	9,531,622	6,201,538	1,900,557	7,353,032	30,134,809

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

The accompanying notes 1 to 29 are an integral part of these condensed interim consolidated financial statements.

Compañía General de Combustibles S.A. Condensed interim consolidated financial statements

Condensed interim consolidated statement of cash flows for the six-month period ended June 30, 2021, with comparative interim period in 2020

(In thousands of pesos)

	Note	06.30.2021	06.30.2020
		(Unaudited)	
Cash flow from operating activities			
Net income/(loss) for the period		2,378,909	(2,222,246)
Adjustments to arrive at net cash flows from operating activities			
Depreciation of property, plant and equipment	7	4,789,107	5,985,722
Write off of property, plant and equipment	7	2,050	-
Depreciation of right-of-use assets	16	375,578	601,735
Result of investments in associates and joint ventures	8 c	1,269,753	(1,441,338)
Financial results, net		(310,888)	3,591,167
Non-financial asset impairment loss	25	-	3,454,574
Increase in allowances for receivables, net	24	20,217	174,819
Increase in provision for legal claims and other proceedings	22	(19,038)	73,790
Gas imbalance charges	20	(2,797)	(3,074)
Income accrued for incentives, net of collections		1,765,494	(3,229,899)
Business combination results		(47,266)	-
Hyperinflation effect		1,967,000	1,260,194
Accrued income tax		3,332,901	(1,221,194)
Changes in operating assets and liabilities:			
Receivables		(2,906,074)	3,380,693
Inventory		(89,991)	(152,537)
Non-financial debts		(416,114)	(3,720,286)
Income tax paid		(420,223)	(95,191)
Net cash flow generated by operating activities		11,688,618	6,436,929
Net cash flow used in investing activities			
Acquisition of property, plant and equipment	7	(5,742,995)	(2,456,443)
Investment in companies	3	3,325,300	-
Decrease in current investments		152,383	20,520
Dividends collected	8 b)	-	1,059,085
Net cash flow used in investing activities		(2,265,312)	(1,376,838)
Net cash flow used in financing activities			
Payment of leases	16	(499,375)	(572,673)
Interest paid on financial debts	17	(2,077,098)	(2,415,667)
Financial debts incurred	17	17,309,514	7,704,168
Financial debts settled	17	(7,326,955)	(5,397,863)
Net cash flow generated by (used in) financing activities		7,406,086	(682,035)
Net increase in cash and cash equivalents		16,829,392	4,378,056
Cash, cash equivalents at the beginning of the year	13	7,335,774	6,337,827
Financial results from cash and cash equivalents		(725,114)	(242,227)
Cash, cash equivalents at the end of the period	13	23,440,052	10,473,656
Changes without funds movement			
Acquisition of property, plant and equipment		552,699	-
Capitalization of financial costs		(178,305)	139,199
Wells abandonment costs capitalized in property, plant and equipment		(513,322)	588,580

The accompanying Notes 1 to 29 are an integral part of these condensed interim consolidated financial statements.

Compañía General de Combustibles S.A.

Notes to the condensed interim consolidated financial statements

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

Note 1. General information

1.1. The Company and control group

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 June 30, 2021 and December 31, 2020 are as follows:

Country/ Basin	Area	% of Interest	Operator	Through	Activity
Argentina					
Noroeste	Aguaragüe	5.00	Tecpetrol	2027	
Austral	El Cerrito	100.00	CGC	2033-2037-2053	Exploration and exploitation
	Dos Hermanos	100.00	CGC	2027-2034-2037	
	Campo Boleadoras	100.00	CGC	2027-2033-2034	
	Campo Indio Este / El Cerrito	100.00	CGC	2028-2053	
	María Inés	100.00	CGC	2027-2028	
	Cóndor	100.00	CGC	2027	
	La Maggie	100.00	CGC	2026-2027	
	Glencross	87.00	CGC	2033	
	Estancia Chiripa	87.00	CGC	2033	
	Tapi Aike	100.00	CGC	2022	
Exploration	Piedrabuena	100.00	CGC	2021	
	Paso Fuhr	50.00	CGC	2022	
	Venezuela				
	Campo Onado	26.004	Petronado	2026	

Additionally, as of June 30, 2021, the following oil and gas exploration and exploitation areas have been incorporated through the acquisition of Sinopec Argentina Exploration and Production, Inc, as reported in Note 3 to these consolidated financial statements:

Notes to condensed interim consolidated financial statements (cont.)

Country/ Basin	Area	% of Interest	Operator	Through	Activity
Argentina					
Cuyana	Cacheuta	100.00	Sinopec	2025	
	Cajón de los Caballos	25.00	Roch S.A.		
	La Ventana – Vacas Muertas	30.00	YPF S.A.	2027	
	Piedras Coloradas – Estructura intermedia	100.00	Sinopec	2026	
	Río Tunuyán	30.00	YPF S.A.	2026	
Golfo San Jorge	Bloque 127	100.00	Sinopec	2025	Exploration and exploitation
	Cañadón León	100.00	Sinopec	2025	
	Cañadón Minerales	100.00	Sinopec	2025	
	Cañadón Seco	100.00	Sinopec	2026	
	Cerro Overo	100.00	Sinopec	2025	
	Cerro Wenceslao	100.00	Sinopec	2026	
	El Cordón	100.00	Sinopec	2026	
	El Huemul – Koluel Kaike	100.00	Sinopec	2027	
	Las Heras	100.00	Sinopec	2025	
	Meseta Espinosa	100.00	Sinopec	2026	
	Meseta Espinosa Norte	100.00	Sinopec	2025	
	Meseta Sirven	100.00	Sinopec	2027	
	Piedra Clavada	100.00	Sinopec	2025	
	Sur Piedra Clavada	100.00	Sinopec	2027	
	Tres Picos	100.00	Sinopec	2025	

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

Notes to condensed interim consolidated financial statements (cont.)

1.2. Context in which the Company is operating. Coronavirus

The Company operates in a complex economic context, whose main variables have been highly volatile, both domestically and internationally.

The Argentine economy was in a recessionary process and the outbreak of the Covid-19 pandemic in March 2020 made this scenario more complex.

During this period, the company has developed its operations under the challenging circumstances derived from the pandemic, which continues to generate consequences in business and economic activities at a global and local level.

In particular, although the Company's operations were initially reduced, as of the date of issuance of these Financial Statements they have returned to normal levels, with uncertainty persisting regarding the continuity of infections, access to vaccines and the imposition of protective measures in the future.

In order to safeguard the health and safety of its employees, customers and suppliers, the Company has taken preventive measures, such as remote work for most office employees and the implementation of a workplace protocol that ensures social distancing and provides medical assistance and supplies to both employees and contractor personnel at the sites.

In the fiscal year ended December 31, 2020, a write-down of non-financial assets of \$1,935,877 has been determined. The disclosures related to the test performed, including the main assumptions and variables considered, and the result of the test are included in Note 5.c. to the Financial Statements as of December 31, 2020.

The context of volatility and uncertainty continues at the date of issuance of these Financial Statements. The Company's Management permanently monitors the evolution of the variables that affect its business, in order to define its course of action and identify the potential impacts on its equity and financial situation. The Company's Financial Statements should be read in light of these circumstances.

Notes to condensed interim consolidated financial statements (cont.)

Note 2. Basis for preparation and accounting policies

2.1. 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 six months ended June 30, 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 six-month periods ended June 30, 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 six-month periods ended June 30, 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 June 30, 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 June 30, 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 June 30, 2021 according to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

Notes to condensed interim consolidated 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 August 11, 2021.

2.2. 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.

2.2.1. 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.

2.2.2. 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.

Notes to condensed interim consolidated 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.

Note 3. Subsidiaries consolidation and business combination

CGC's financial statements as of June 30, 2021 were consolidated with the financial statements or management reports as of those dates, of the following companies:

Company	Country	Currency	Number of shares (direct and indirect interest)	% of interest (direct and indirect)	Number of voting rights
Sinopec Argentina Exploration and Production, Inc.	Cayman Islands	US Dollar	100	100%	100
Compañía General de Combustibles Internacional Corp.	Panamá	US Dollar	100	100%	100

Business Combination - Acquisition of Sinopec Argentina Exploration and Production, Inc. (Sinopec) effective as of June 30, 2021

- Name and description of the acquired business, date of acquisition, percentage acquired and reasons for acquisition:

On June 30, 2021, TIPTOP Energy Limited accepted the offer submitted by the Company for the purchase, effective as of that date, of 100% ownership of Sinopec Argentina Exploration and Production, Inc. This company owns through its branch in Argentina the interests in the hydrocarbon exploration and exploitation areas in Cuyana Basin and San Jorge Basin, detailed in Note 1 to these Consolidated Financial Statements.

The detailed acquisition is strategic because the concessions cover an area of more than 4,600 km², have terms ranging from 2025 to 2027 and are located in the Golfo San Jorge Basin and the Cuyana Basin. With this acquisition, CGC substantially increases its production to more than 3,100 m³ per day (m³/d) and its gas production to 5,600 Mm³ per day (Mm³/d).

Notes to condensed interim consolidated financial statements (cont.)

- Fair value of the transferred counterpart and fair value of the main assets subject to the acquisition.

The following are the provisional fair values of the principal assets and liabilities as of the acquisition date, which have been incorporated into CGC's Financial Statements as of the acquisition date, June 30, 2021:

In thousands of pesos	
Fair value of the consideration transferred	7,008,331
Fair value of the main assets and liabilities subject to the acquisition	
Non current assets	9,364,403
Current assets	17,129,009
Non current liabilities	(13,661,983)
Current liabilities	(5,775,832)
Subtotal	7,055,597
Bargain purchase gain	47,266

The fair values corresponding to the main assets and liabilities of the acquired company arise from preliminary assessments, upon obtaining new information regarding facts and circumstances that existed at the acquisition date, the fair value of the net assets already identified will be re-estimated and/or additional assets or liabilities will be identified during the measurement period that will not exceed one year from the acquisition date as provided by IFRS 3. Results have not been consolidated since the acquisition was made on June 30, 2021. If the acquisition had occurred on January 1, 2021, the Company estimates that sales income would have increased by approximately \$ 15,910,455 and the result would have represented an additional loss of approximately \$ 729,469.

The costs related to the acquisition were charged to administrative expenses in the income statement for the year ended June 30, 2021.

Notes to condensed interim consolidated financial statements (cont.)

Note 4. Financial risk management

The Board of Directors of the Company agrees on the policies for the management and administration of its risks, which have been consistently applied during the periods under analysis presented in these Financial Statements.

The Company's activities are exposed to various financial risks, including liquidity risk, credit risk, commodity price risk and foreign currency exposure. These Condensed Financial Statements do not include all risk management disclosures required for the annual Financial Statements and therefore must be read in conjunction with the company's annual Financial Statements as of December 31, 2020.

There have been no changes in risk management since the last year-end or in any of the risk management policies.

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 June 30, 2021 and December 31, 2020. The Company has no financial liabilities measured at fair value.

Notes to condensed interim consolidated financial statements (cont.)

As of 06.30.2021	Level 1	Level 2	Level 3	Total (Unaudited)
Assets				
Cash and cash equivalents				
Mutual funds	6,018,843	-	-	6,018,843
Investments at fair value				
Government Securities	2,787,398	-	-	2,787,398
Listed shares	154,417	-	-	154,417
Total current assets	8,960,658	-	-	8,960,658

As of 12.31.2020	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	3,227,325	-	-	3,227,325
Investments at fair value				
Government Securities	618,010	-	-	618,010
Listed shares	117,214	-	-	117,214
Total current assets	3,962,549	-	-	3,962,549

As of June 30, 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.

Notes to condensed interim consolidated financial statements (cont.)

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.

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, amortization 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:

Notes to condensed interim consolidated financial statements (cont.)

	As of 06.30.2021			Total (Unaudited)
	Upstream	Midstream	Central Structure	
Revenue	21,590,197	-	-	21,590,197
Cost of revenues	(6,079,522)	-	-	(6,079,522)
Gross income	15,510,675	-	-	15,510,675
Selling expenses	(786,448)	-	-	(786,448)
Central structure expenses	-	-	(1,067,935)	(1,067,935)
Other operating income and expenses	114,618	95,851	-	210,469
Recovery (loss) financial assets impairment	(20,217)	-	-	(20,217)
Adjusted EBITDA	14,818,629	95,851	(1,067,935)	13,846,544
Dry wells and unsuccessful studies	(8,451)	-	-	(8,451)
Depreciation and amortization	(5,132,503)	-	(32,182)	(5,164,685)
Results of investments in associates and joint ventures	-	(1,269,753)	-	(1,269,753)
Subtotal	9,677,674	(1,173,902)	(1,100,117)	7,403,655
Financial income	-	-	188,955	188,955
Financial costs	-	-	(2,588,273)	(2,588,273)
Hyperinflation effect	-	-	(1,967,000)	(1,967,000)
Other financial results	-	-	2,627,207	2,627,207
Business combination results	47,266	-	-	47,266
Result before taxes	9,724,940	(1,173,902)	(2,839,228)	5,711,810
Income tax	-	-	(3,332,901)	(3,332,901)
Result of the period Profit/(Loss)	9,724,940	(1,173,902)	(6,172,129)	2,378,909
Adjusted EBITDA				13,846,544
Dividend collected in the period			-	-
Adjusted EBITDA with dividends collected				13,846,544

Notes to condensed interim consolidated financial statements (cont.)

	As of 06.30.2020			Total (Unaudited)
	Upstream	Midstream	Central Structure	
Revenue	18,584,869	-	-	18,584,869
Cost of revenues	(6,074,684)	-	-	(6,074,684)
Gross income	12,510,185	-	-	12,510,185
Selling expenses	(827,503)	-	-	(827.503)
Central structure expenses	-	-	(884.348)	(884.348)
Other operating income and expenses	(543,717)	163,868	-	(379.849)
Recovery (loss) financial assets impairment	(174,819)	-	-	(174.819)
Adjusted EBITDA	10,964,146	163,868	(884.348)	10.243.666
Exploration expenses	(7,226)	-	-	(7,226)
Impairment allowance for non-financial assets	(3,454,574)	-	-	(3,454,574)
Depreciation and amortization	(6,446,607)	-	(22,967)	(6,469,574)
Results of investments in associates and joint ventures	-	1,441,338	-	1,441,338
Subtotal	1.055.739	1,605,206	(907.315)	1.753.630
Financial income	-	-	39,283	39,283
Financial costs	-	-	(2,395,805)	(2,395,805)
Hyperinflation effect	-	-	(1,260,194)	(1,260,194)
Other financial results	-	-	(1,580,354)	(1,580,354)
Income (loss) before taxes	1.055.739	1,605,206	(6.104.385)	(3.443.440)
Income tax	-	-	1,221,194	1,221,194
Result of the period –(Loss)/Profit	1.055.739	1,605,206	(4.883.191)	(2,222,246)
Adjusted EBITDA				10,243,665
Dividends collected in the period				1,059,085
Adjusted EBITDA with dividends collected				11,302,751

Notes to condensed interim consolidated financial statements (cont.)

Note 7. Property, plant and equipment

Changes in this caption are as follows:

	Six-month period ended June 30, 2021									06.30.2020		
	Development and Production Assets											
	Wells and production facilities	Other production related assets	Mining property	Materials and spare parts	Works in progress (1)	Total	Exploration and evaluation assets	Central management assets	Impairment allowance for non-financial assets	Acquisition of Sinopec Note 3	Total (Unaudited)	Total (Unaudited)
Cost												
Balances at the beginning of the year	79,240,736	318,813	10,231,207	758	3,641,937	93,433,451	2,791,201	652,881	(4,694,558)		92,182,975	85,516,430
Additions	-	89	-	252	3,543,947	3,544,288	2,011,475	48,304	-		5,604,067	3,184,222
Acquisition of Sinopec (Note 3) 33	-	-	-	-	-	-	-	-	-	7,216,596	7,216,596	-
Transfers	2,606,619	-	-	-	(2,359,154)	247,465	(258,118)	10,653	-		-	-
Write-offs	-	(2,240)	-	(473)	-	(2,713)	-	(1,900)	-		(4,613)	(3,454,574)
Balances at the end of the period	81,847,355	316,662	10,231,207	537	4,826,730	97,222,491	4,544,558	709,938	(4,694,558)	7,216,596	104,999,025	85,246,078
Accumulated depreciation												
Balances at the beginning of the year	46,703,772	196,303	8,142,772	-	-	55,042,847	-	419,860	-		55,462,707	44,494,819
Depreciation of the period	5,150,807	19,572	209,321	-	-	5,379,700	-	32,182	(622,775)		4,789,107	5,985,722
Write-offs and transfers	-	(663)	-	-	-	(663)	-	(1,900)	-		(2,563)	-
Balances at the end of the period	51,854,579	215,212	8,352,093	-	-	60,421,884	-	450,142	(622,775)	7,216,596	60,249,251	50,480,541
Net book value	29,992,776	101,450	1,879,114	537	4,826,730	36,800,607	4,544,558	259,796	(4,071,783)	7,216,596	44,749,774	34,765,537

(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 \$ 178,305 (capitalization interest rate of 8.00 % p.a.) and \$ 139,199 (capitalization interest rate of 8.38 % p.a.) as of June 30, 2021 and 2020, respectively.

Notes to condensed interim consolidated 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 six-month period ended June 30, 2021, the Company have not identified signs of additional impairment to non-financial assets.

During the six-month period ended June 30, 2020, an impairment loss was recognized for a total of \$3,454,574. At the end of the fiscal year, the impairment was partially recovered, and amounted to \$1,935,877 at December 31, 2020.

As of June 30, 2021 and December 31, 2020, the impairment balance of non-financial assets is composed as follows:

CGUs	06.30.2021	12.30.2020
Dos Hermanos	231,418	497,380
Campo Boleadoras	1,039,573	1,164,806
María Inés	1,332,211	1,472,513
Cóndor	144,138	157,810
La Maggie	1,324,443	1,402,049
Austral Basin Total	4,071,783	4,694,558

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

The assessment 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.

Notes to condensed interim consolidated 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 June 30, 2021, and December 31, 2020:

Company	06.30.2021	12.31.2020
	(Unaudited)	
Joint Ventures		
Gasinvest S.A.	18,073,851	19,587,230
Gasoducto Gasandes (Argentina) S.A.	1,213,651	1,324,751
Gasoducto Gasandes S.A. (Chile)	737,690	908,064
Transportadora de Gas del Norte S.A.	36,194	39,213
Andes Operaciones y Servicios S.A. (Chile)	85,826	93,255
Associates		
Transportadora de Gas del Mercosur S.A.	137,489	82,792
Other associates		
Ternap S.A.	46,327	-
Total investments	20,331,028	22,035,305

8.b) Below there is a detail of the changes in investments as of June 30, 2021, and 2020:

	06.30.2021	06.30.2020
	(Unaudited)	
Balance at the beginning of the year	22,035,305	23,530,082
Conversion differences (3)	(187,484)	71,441
Asset revaluation reserve (2)	(43,148)	(506,502)
Profit sharing	(1,269,753)	1,441,338
Acquisition of Sinopec (Termap S.A. – Note 3)	46,327	-
Dividends (1)	(250,219)	(702,719)
Balance at the end of the period	20,331,028	23,833,640

(1) In the period to June 30, 2021, the dividends declared have not been collected. In the period to June 30, 2020, \$1,059,085 have been collected, of which \$356,366 correspond to dividends declared for investments in 2019 and \$702,719 for investments in 2020.

(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 June 30, 2021, and 2020.

(3) Net of \$ 137,980 from the conversion of the subsidiary CGC International Corp.

Notes to condensed interim consolidated financial statements (cont.)

8.c) Below there is a detail of the results of investments in associates and joint ventures as of June 30, 2021 and 2020:

Company	06.30.2021	06.30.2020
	(Unaudited)	
Joint Ventures		
Gasinvest S.A.	(1,498,514)	917,632
Gasoducto Gasandes (Argentina) S.A.	131,482	341,499
Gasoducto Gasandes S.A. (Chile)	44,557	192,762
Transportadora de Gas del Norte S.A.	(3,009)	1,828
Andes Operaciones y Servicios S.A. (Chile)	1,034	(188)
Associates		
Transportadora de Gas del Mercosur S.A.	54,697	(12,195)
Total results in investments	(1,269,753)	1,441,338

Note 9. Other receivables

The composition of other receivables is as follows:

	06.30.2021	12.31.2020
	(Unaudited)	
Non-current		
Related parties (Note 27 a))	755,617	770,550
Income tax receivables	-	539,485
Sundry	22,112	235
Allowance for future expected losses	(527,703)	(581,234)
Total	250,026	729,036
Current		
Receivables from incentives	4,484,755	8,587,324
Related parties (Note 27 a))	247,185	15,876
Other tax credits	163,644	631,166
Advances to suppliers	476,316	265,763
Recoverable expenses	85,179	8,777
Prepaid insurance	129,924	51,169
Trust assets	496	591
Prepaid mining fees	170,291	-
Sundry	108,552	72,116
Receivable for personal assets tax reimbursement	115,580	-
Provision for expected losses	(48,692)	-
Total	5,933,230	9,632,782

Notes to condensed interim consolidated financial statements (cont.)

Changes in the provision for other receivables are as follows:

	06.30.2021	06.30.2020
	(Unaudited)	
Non-current		
Balance at the beginning of the year	581,234	562,624
Hyperinflation effect	(117,450)	(67,326)
Increases (1)	63,919	87,708
Acquisition of Sinopec (Note 3)	48,692	-
Balance at the end of the period	576,395	583,006

(1) 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:

	06.30.2021	12.30.2020
	(Unaudited)	
Oil and by-products	1,044,642	417,385
Materials and spare parts	3,371,579	1,377,132
Total	4,416,221	1,794,517

Note 11. Trade receivables

The composition of trade receivables is as follows:

	30.06.2021	31.12.2020
	(Unaudited)	
Non-current		
Ordinary (1)	201,252	252,218
Total	201,252	252,218
Current		
Ordinary	9,849,096	5,139,586
Bankruptcy proceedings (2)	-	70,111
Less: Provision for expected losses	(122,845)	(128,616)
Total	9,726,251	5,081,081

(1) As of June 30, 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.

Notes to condensed interim consolidated financial statements (cont.)

Changes in the provision for doubtful accounts are as follows:

	06.30.2021	06.30.2020
	(Unaudited)	
Balance at the beginning of the year	128,616	581,064
Hyperinflation effect	(25,988)	(69,534)
(Decreases) Increases (1)	20,217	237,609
Balance at the end of the period	122,845	749,139

(1) \$ 20.217 and \$174.819 were charged to financial assets impairment in 2021 and 2020, and \$ 0 and \$62.790 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:

	06.30.2021	12.31.2020
	(Unaudited)	
Current		
Government securities at amortized cost	-	1,214,031
Total	-	1,214,031

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

	06.30.2021	12.31.2020
	(Unaudited)	
Current		
Listed shares	154,417	117,214
Government securities at fair value (1)	2,787,398	618,010
Total	2,941,815	735,224

(1) As of June 30, 2021 and December 31, 2020, the nominal values of government securities are as follows

	06.30.2021	12.31.2020
Argentine Bonds in US\$ due 2030 (Step Up 2030 US\$)	9,610,278	7,981,555
Argentine Bonds in US\$ due 2029 (Step Up 2029 US\$).	717,743	596,102
National Treasure Bill with discount maturing 10/29/2021	2,500,000,000	-

Notes to condensed interim consolidated financial statements (cont.)

Note 13. Cash and cash equivalents

	06.30.2021	12.31.2020
	(Unaudited)	
Cash, fixed funds	2,401	820
Banks	9,179,161	4,107,629
Mutual funds(1)	6,018,843	3,227,325
Fixed term deposit (2)	8,239,647	-
Total	23,440,052	7,335,774

(1) As of June 30, 2021 and December 31, 2020, the detail of the mutual fund shares is as follows:

	30.06.2021	31.12.2020
Mutual fund "Alpha Pesos"	294,990,276	184,995,557
Mutual fund "Allaria Renta Mixta II - B Dlinked"	-	218,169,029
Mutual fund "Toronto Trust Ahorro - Clase B"	18,021,245	-
Mutual fund "Fundcorp Liquidez - Clase C"	1,663,522,720	-

(2) As of June 30, 2021, fixed terms deposit accrue interest at a nominal annual rate between 29% and 34%.

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

	06.30.2021	06.30.2020
	(Unaudited)	
Cash and cash equivalents	9,181,562	9,270,823
Mutual funds	6,018,843	2,659,229
Fixed terms deposit	8,239,647	-
Bank overdraft	-	(1,456,396)
Total	23,440,052	10,473,656

Note 14. Capital stock

As of June 30, 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.

Notes to condensed interim consolidated financial statements (cont.)

Results per share

	Three-month period		Six-month period	
	06.30.2021 (Unaudited)	06.30.2020 (Unaudited)	06.30.2021 (Unaudited)	06.30.2020 (Unaudited)
Result attributable to the Company's shareholders	595,158	133,420	2,378,909	(2,222,246)
Weighted average number of outstanding ordinary shares	399,138	399,138	399,138	399,138
Basic and diluted result per share (pesos)	1.491	0.334	5.960	(5.568)

The Company has no instruments with dilutive effect.

Note 15. Other provisions

	06.30.2021 (Unaudited)	12.31.2020
Non-current		
Gas imbalance	6,974	9,094
Well abandonment and environmental remediation	15,189,133	4,729,385
Other	42,192	49,939
Total	15,238,299	4,788,418
Current		
Gas imbalance	945	1,622
Well abandonment and environmental remediation	836,984	-
Total	837,929	1,622

Changes in other provisions are as follows:

	Balance at the beginning of the year 12.31.2020	Acquisition of Sinopec (Note 3)	Decreases	Balance at the end of the period (Unaudited) 06.30.2021
Non-current				
Gas imbalance (1)	9,094	-	(2,120)	6,974
Well abandonment and environmental remediation provision (2)	4,729,385	10,771,756	(312,008)	15,189,133
Total	4,738,479	10,771,756	(314,128)	15,196,107
Current				
Gas imbalance (1)	1,622	-	(677)	945
Well abandonment and environmental remediation provision	-	836,984	-	836,984
Total	1,622	836,984	(677)	837,929

Notes to condensed interim consolidated financial statements (cont.)

(1) Correspond to gas return and were charged to cost of sales.

(2) \$ 201,314 correspond to present value, which were charged to financial costs, and (\$ 513,322) to adjustment of future costs, which were charged to property, plant and equipment.

Note 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 June 30, 2021 and 2020 was 11.18% y 11.60%. Detailed below are the movements for the six-month periods ended June 30, 2021 and 2020:

	06.30.2021	06.30.2020
	(Unaudited)	
Right-of-use asset lease recognized as of January 1 2021 and 2020	3,629,995	1,777,606
Acquisition of Sinopec (Note 3)	337,615	-
Depreciation of right-of-use assets in the period	(375,578)	(601,735)
Right-of-use asset lease recognized as of June 30, 2021 and 2020	3,592,032	1,175,871
Lease payable as of January 1, 2021 and 2020	3,841,689	1,851,284
Lease payments	(499,375)	(572,673)
Acquisition of Sinopec (Note 3)	339,807	-
Effect of exchange difference	(199,766)	92,091
Effect of discount at present value in the period	53,903	40,188
Lease payable as of June 30, 2021 and 2020	3,536,258	1,410,890

Lease payable classification	06.30.2021	12.31.2020
	(Unaudited)	
Non-current lease payables	2,612,494	2,894,351
Current lease payables	923,764	947,338

Note 17. Financial debts

The composition of financial indebtedness is as follows:

	06.30.2021	12.31.2020
	(Unaudited)	
Non-current		
Bank loans	540,105	-
Notes	24,940,656	22,035,838
Total	25,480,761	22,035,838
Current		
Bank loans	11,866,279	2,555,762
Notes	10,849,966	17,330,782
Total	22,716,245	19,886,544

Notes to condensed interim consolidated financial statements (cont.)

The change in financial indebtedness as of June 30, 2021 and 2020 is shown below:

	06.30.2021	06.30.2020
	(Unaudited)	
Initial balance	41,922,382	44,285,475
Short term bank overdraft, net	-	603,422
Accrued interest	2,535,223	2,447,338
Exchange differences	(4,166,060)	1,446,792
Loans received	17,309,514	7,704,168
Payments of principal	(7,326,955)	(5,397,863)
Payments of interest	(2,077,098)	(2,415,667)
Final balance	48,197,006	48,673,665

The maturities of financial indebtedness as of June 30, 2021 and as of December 31, 2020 are as follows:

	06.30.2021	12.31.2020
	(Unaudited)	
Less than 1 year	22,716,245	19,886,544
From 1 to 2 years	12,076,087	8,194,286
From 2 to 3 years	4,806,145	4,203,104
More than 3 years	8,598,529	9,638,448
Total	48,197,006	41,922,382

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 98% of the book value as of June 30, 2021

In the six-month period ended June 30, 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:

17.a) Bridge loan issue with Eurobanco Bank Ltd

On June 26, 2021, the Company, as debtor, and Eurobanco Bank Ltd. as lender, agreed to disburse a bridge loan in the amount of US\$ 100,000,- (the bridge loan). The principal is repayable over a three-month period maturing on September 25, 2021 and could be precancelled as well as extended for an additional three months. The bridge loan accrues a variable interest rate equivalent to Libor plus 9% per annum.

Notes to condensed interim consolidated financial statements (cont.)

17.b) Class 19 and 21 Notes

On June 10, 2021, the Company placed, under the Frequent Issuer regime, two series of Negotiable Obligations in the local market, as follows: Class 19 Negotiable Obligations: denominated in US Dollars and payable in pesos at the applicable exchange rate, for a total amount of US\$ 35,963, with a principal maturity of 24 months and accruing a fixed annual rate of 5.00%; Class 21 Negotiable Obligations: in US Dollars for a total amount of US\$ 14,037, with a principal maturity of 24 months and accruing a fixed annual rate of 7.00%. The main purpose of the funds obtained through the issuance of these notes was the refinancing of financial liabilities (cancellation of the Class 12 and 13 Notes and partial cancellation of the Class 15 Notes), as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the Company's working capital.

17.c) 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) in order to cancel the maturity of the outstanding installments of the Syndicated Loan in U.S. Dollars. The loan was repayable in five equal, quarterly and consecutive installments, payable as from August 24, 2021.

On February and May 2021, the Company received two installments of the “syndicated loan in pesos” for an equivalent amount of \$ 2,751,025.

See pre-cancellation of the bridge loan in note 29.b) of subsequent events to these Financial Statements.

Notes to condensed interim consolidated financial statements (cont.)

Note 18. Trade payables

The detail of trade payables is as follows:

	30.06.2021	31.12.2020
	(No auditados)	
Current		
Ordinary suppliers	1,876,353	1,592,133
Ordinary suppliers of joint ventures	126,010	32,808
Related parties (Note 27 a))	187,667	250,193
Invoices to be received	3,419,491	1,904,259
Total	5,609,521	3,779,393

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		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
	(Unaudited)		(Unaudited)	
Crude oil deliveries	2,845,014	505,087	4,405,941	1,539,578
Gas	5,473,639	3,357,913	9,697,872	7,729,897
Other	512,325	364,679	950,281	815,363
Incentives (1)	2,782,297	4,516,166	6,536,103	8,500,031
Total	11,613,275	8,743,845	21,590,197	18,584,869

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

Note 20. Cost of revenues

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
	(Unaudited)		(Unaudited)	
Inventories at the beginning of the year	2,126,303	1,804,651	1,794,517	1,867,082
Purchases	581,253	442,701	1,241,731	965,099
Inventory consumption	(533,949)	(212,283)	(1,250,931)	(524,784)
Production costs (1)	5,836,880	5,594,998	11,311,216	12,233,513
Acquisition of Sinopec (Note 3)	2,531,712	-	2,531,712	-
Inventories at the end of the period	(4,416,221)	(2,019,619)	(4,416,221)	(2,019,619)
Cost of revenues	6,125,978	5,610,448	11,212,024	12,521,291

Notes to condensed interim consolidated financial statements (cont.)

(1) Production costs

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
	(Unaudited)		(Unaudited)	
Fees and compensation for services	1,242	29,993	2,288	61,220
Outsourced services	1,053,073	1,085,637	1,986,406	2,208,775
Salaries, wages and social security contributions	204,380	183,222	375,638	383,761
Other personnel expenses	25,473	21,237	40,225	46,144
Depreciation of property, plant and equipment	2,399,726	2,913,824	4,830,406	5,962,755
Depreciation right to use assets for leases	187,788	216,845	375,578	601,735
Taxes, duties and contributions	18,269	14,347	29,855	26,832
Fuel, gas and electricity	87,518	91,588	175,526	172,104
General insurance	23,588	21,722	42,156	39,328
Spare parts and repairs	468,187	262,002	862,667	722,856
Well maintenance expenses	143,862	53,694	303,545	354,801
Office expenses	66,185	68,593	119,887	126,164
Royalties, fees and easements	990,534	541,270	1,831,725	1,287,826
Gas imbalance	(1,199)	(1,287)	(2,797)	(3,074)
Environmental control	113,597	92,311	219,449	242,286
Other	54,657	-	118,662	-
Total production cost	5,836,880	5,594,998	11,311,216	12,233,513

Note 21. Selling Expenses

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Dispatch and transportation	55,939	124,729	155,186	299,503
Salaries, wages and social security contributions	22,045	13,538	38,121	32,706
Other personnel expenses	1,208	18,105	3,737	30,051
Turnover tax	179,942	121,258	302,101	253,930
Export duties	203,995	51,361	287,303	211,313
Total	463,129	328,991	786,448	827,503

Notes to condensed interim consolidated financial statements (cont.)

Note 22. Administrative expenses

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Fees and compensation for services	128,713	47,569	222,099	119,085
Salaries, wages and social security	242,040	199,638	602,639	424,165
Other personnel expenses	24,615	11,242	28,745	29,435
Depreciation of property, plant and equipment	15,925	12,480	32,182	22,967
Taxes, duties and contributions	79	4,197	100	5,259
General insurance	2,350	2,597	7,939	6,589
Spare parts and repairs	24,267	17,225	84,983	103,961
Office expenses	19,857	26,136	37,950	42,652
Travel and out-of-pocket expenses	10,855	3,946	17,483	16,324
Communications	3,608	3,480	9,206	8,220
(Recovery) charge for legal actions and other claims provision	(9,183)	(4,934)	(19,038)	73,790
Other	32,766	28,377	75,829	54,868
Total	495,892	351,953	1,100,117	907,315

Note 23. Exploration expenses

	Three-month period		Six-month period	
	06.30.2021	06.30.2021	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Geological and geophysical expenses	(847)	-	8,392	-
Wells and unsuccessful studies	-	2,215	60	7,226
Total	(847)	2,215	8,452	7,226

Note 24. Financial assets impairment

	Three-month period		Six-month period	
	06.30.2021	06.30.2021	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Recovery (loss) financial assets impairment	(38,731)	(86,149)	(20,217)	(174,819)
Total	(38,731)	(86,149)	(20,217)	(174,819)

Notes to condensed interim consolidated financial statements (cont.)

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

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Other operating income				
Fees for services rendered	49,074	76,635	100,789	193,175
Loss on the assignment of oil production areas	-	(84,429)	-	(84,429)
Other customer income	-	-	273,694	-
Sundry	32,931	3,696	54,084	13,075
	82,005	(4,098)	428,567	121,821
Other operating expenses				
Outsourced services	(105,553)	(472,344)	(248,071)	(472,364)
Non-financial assets impairment loss (note 7)	-	-	-	(3,454,574)
Sundry	32,454	(24,804)	29,973	(29,306)
	(73,099)	(497,148)	(218,098)	(3,956,244)
Total	8,906	(501,246)	210,469	(3,834,423)

Note 26. Financial results

	Three-month period		Six-month period	
	06.30.2021	06.30.2020	06.30.2021	30.06.2020
	(Unaudited)		(Unaudited)	
Financial income				
Interest	101,514	9,906	188,955	39,283
Total	101,514	9,906	188,955	39,283
Financial costs				
Interest	(1,302,086)	(1,321,630)	(2,588,273)	(2,395,805)
Total	(1,302,086)	(1,321,630)	(2,588,273)	(2,395,805)
Hyperinflation effect				
Hyperinflation effect (Note 2)	(873,715)	(605,680)	(1,967,000)	(1,260,194)
Total	(873,715)	(605,680)	(1,967,000)	(1,260,194)
Other financial results				
Result of fair value measurement of financial instruments	(103,939)	15,331	(400,898)	8,015
Exchange differences, net	2,376,999	(1,170,138)	3,507,786	(1,765,991)
Result from measurement at present value of assets	-	70,086	36,836	79,193
Result from measurement at present value of liabilities	(88,809)	383,685	(255,213)	304,939
Other financial expenses	(153,726)	(96,541)	(261,304)	(206,510)
Total	2,030,525	(797,577)	2,627,207	(1,580,354)

Notes to condensed interim consolidated financial statements (cont.)

Note 27. Balances and transactions with related parties

As of June 30, 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 June 30, 2021 and December 31, 2020:

	06.30.2021	12.31.2020
	(Unaudited)	
Other receivables		
Non-current		
Latin Exploration S.L.U.	108,029	59,231
Vianpamar S.A.	119,885	130,085
Petronado S.A.	527,703	581,234
Total	755,617	770,550
Current		
Gasoducto Gasandes S.A. (Chile)	128,520	-
Gasoducto Gasandes (Argentina) S.A.	118,665	15,876
Total	247,185	15,876
Trade payables		
Current		
Corredor Americano S.A.	180,999	250,193
Gasoducto Gasandes (Argentina) S.A.	6,668	-
Total	187,667	250,193

b) Below there is a detail of the principal transactions with related parties for the six-month periods ended June 30, 2021 and 2020:

	06.30.2021			
	(Unaudited)			
Company	Services sold	Dividends collected	Earned interest	Outsourced services
Associated companies and joint ventures				
Gasoducto Gasandes (Argentina) S.A.	100,165	107,624	-	-
Gasoducto Gasandes S.A. (Chile)	-	142,595	-	-
Other companies				
Aeropuertos Argentina 2000 S.A. (1)	3,016	-	-	-
Vianpamar S.A. (1)	-	-	1,717	-
Proden S.A. (1)	-	-	-	29,679
Corredor Americano S.A. (1)	-	-	-	928,010

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

Notes to condensed interim consolidated financial statements (cont.)

Company	06.30.2020		
	(Unaudited)		
	Services sold	Dividends collected	Outsourced services
Associated companies and joint ventures			
Gasoducto Gasandes (Argentina) S.A.	118,717	458,590	22,931
Gasoducto Gasandes S.A. (Chile)	-	244,129	-
Other			
Corredor Americano S.A. (1)	-	-	689,937

(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 six month period ended June 30, 2021 and 2020 amounted to 486,689 and 401,029, respectively.

Note 28. New Income Tax Regulations

In June 2021, a law was enacted that establishes a new income tax rate structure with three segments in relation to the level of accumulated net taxable income. The new rates are:

- 25% for accumulated net taxable income up to \$ 5 million;
- 30% for the second segment, which will reach taxable income up to \$ 50 million;
- 35% for taxable profits over \$ 50 million.

New income tax regulation will be applicable for fiscal years beginning on or after January 1, 2021.

The impacts of this change causes a loss on current tax of \$820,922 and a gain on the balances of net deferred assets of \$497,694, and a loss of deferred liabilities of \$1,080,456, that have been recorded in these financial statements, considering the effective rate estimated to be applicable at the probable date of reversal of such deferred assets and liabilities.

Notes to condensed interim consolidated financial statements (cont.)

Note 29. Subsequent Events

There have been no other facts, situations or circumstances that are not public knowledge, which have or may have a significant impact on the Company's net worth, economic or financial situation, in addition to those discussed in the Notes to these Financial Statements after June 30, 2021, except for the following:

a) On July 12, 2021 the Company has fully cancelled the Class 10 notes (reported in the Financial Statements as of December 31, 2020, note 21.b). As a consequence, Banco de Valores S.A. (collateral agent and trustee) has terminated the share pledge agreement over the Gasinvest S.A. Shares and the trust agreement.

b) New Syndicated Loan in Dollars: On August 2, 2021 the Company, as borrower, has entered into a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A.U., Banco Santander Río S.A., the Branch of Citibank, N.A. established in the Argentine Republic, Banco de Galicia y Buenos Aires S.A.U., Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each of them as lender (and, in the case of Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each of them as lender), Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each as lender (and, in the case of Banco Itaú Argentina S.A., as hedging provider), and Industrial and Commercial Bank of China (Argentina) S.A.U., as administrative agent, in the amount of up to US\$ 115,000 ("Syndicated Dollar Loan"). The loan will be repayable in two equal installments, payable 12 and 18 months from the disbursement date, respectively. The funds disbursed under the loan will bear interest at a nominal annual rate of 8.50% for the unhedged tranche (US\$ 100,000) and 7.00% nominal annual rate for the hedged tranche (US\$ 15,000). The syndicated loan agreement in U.S. dollars contains covenants with certain obligations, including compliance with certain ratios. With the funds received, the syndicated loan in pesos has been prepaid for an equivalent amount in pesos of \$ 2,751,025. (see note 17.c)



“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 June 30, 2021, the condensed interim consolidated statement of comprehensive incomes for the three and six months period ended on June 30, 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).

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 Compañía General de Combustibles S.A. have been transcribed into the "Inventario y 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 Compañía General de Combustibles S.A. 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 June 30, 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 \$ 49.951.975,99, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 11, 2021

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Hernán Rodríguez Cancelo

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)** Condensed interim consolidated statement of financial position as of June 30, 2021
- b)** Condensed interim consolidated statement of comprehensive income as of June 30, 2021
- c)** Condensed interim consolidated statement of changes in equity as of June 30, 2021
- d)** Condensed interim consolidated statement of cash flow as of June 30, 2021
- e)** Notes to the condensed interim consolidated financial statements as of June 30, 2021.
- f)** Overview to the condensed interim consolidated Financial Statements as of June 30, 2021, as required by 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 August 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, August 11, 2021.

Carlos Oscar Bianchi
Por Comisión Fiscalizadora