



Compañía General de Combustibles S.A. announced its unaudited results for the third quarter and nine-month period ended September 30, 2020

Buenos Aires, November 16, 2020 - Compañía General de Combustibles S.A. ("CGC"), a leading energy company with operations in Argentina, announced its unaudited results for the third quarter and nine-month period ended September 30, 2020.

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

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

For more information, please see CGC's unaudited condensed interim financial statements as of September 30, 2020.

Third Quarter and Nine-Month period of 2020 Key Highlights³

- Daily average gas production amounted to 4,506.3 Mm³ in 3Q20, which represented a decrease of 21.2% compared to 3Q19. In turn, daily average oil production (crude + LPG) reached 744.0 m³ in 3Q20, a decrease of 25.4% compared to 3Q19.
- Revenues totaled AR\$20,157.2 million (or approximately USD264.6 million) in 9M20 compared with AR\$27,826.6 million in 9M19. Revenues were down 27.6% year-over-year in 9M20.
- Total Adjusted EBITDA (including dividends collected) amounted to AR\$12,686.9 million (or approximately USD166.5 million) in 9M20, which represents a decrease of 25.7% compared to AR\$17,084.2 million in 9M19.
- CapEx reached AR\$3,457.6 million (or approximately USD45.4 million) in 9M20, compared with AR\$10,816.6 million in 9M19.

¹ CGC's unaudited results are disclosed in constant currency as of September 30, 2020, including the comparative figures of the third quarter and nine-month period ended September 30, 2019, in accordance with the IAS 29 regarding financial information in hyperinflationary economies and General Res. No. 777/2018, issued by the Argentine National Securities and Exchange Commission ("CNV").

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

³ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$76.18 for 3Q20.



- As of September 30, 2020, Cash & Cash Equivalents amounted to AR\$4,771.6 million (approximately USD62.6 million).
- Net Leverage Ratio as of September 30, 2020 remained low at 1.17x.¹

	9M20 IAS 29
Exchange Rate AR\$/USD	
Average	67,63
End of Period (EoP)	76,18
Figures in USD million	
Revenues	264,6
Adjusted EBITDA	166,5
CAPEX	45,4
Cash & Equivalents	62,6

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



Brief Overview¹

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

On June 20, 2020, CGC was one of the first producers in Argentina to resume its drilling campaign, which has been developing ever since with no interruptions.

Total daily average production reached 33.0 Mboe during 3Q20, of which 85.8% corresponded to natural gas, 11.1% to crude oil and 3.1% to LPG. Daily average gas production amounted to 4,506.3 Mm³ in 3Q20, which represented a decrease of 21.2% compared to 3Q19. In turn, daily average oil production (crude + LPG) reached 744.0 m³ in 3Q20, a decrease of 25.4% compared to 3Q19. The production decrease can be explained by the fact that there were no new wells finished during the first semester. This declining trend is expected to reverse from the fourth quarter of 2020 onwards.

Revenues for 9M20 amounted to AR\$20,157.2 million (or approximately USD264.6 million), of which 85.2% corresponded to natural gas, 10.4% to oil (crude + LPG) and the remainder corresponded to services (related to the storage and port facilities in Punta Loyola). During this period, 98% of CGC's crude oil sales corresponded to exports.

Revenues were down 27.6% year-over-year in 9M20, mainly as a result of lower market prices in both crude oil and natural gas, together with a drop in natural gas and crude oil production.

Revenue Breakdown	9M20 (IAS 29)		9M19 (IAS 29)	
	ARS million	% of total	ARS million	% of total
Crude Oil	2.097,7	10,4%	6.571,4	23,6%
Gas	17.183,1	85,2%	20.092,5	72,2%
Other	876,4	4,3%	1.162,7	4,2%
Total	20.157,2	100%	27.826,6	100%

Adjusted EBITDA for 9M20 amounted to AR\$12,686.9 million (or approximately USD166.5 million), which represented a decrease of 25.7% from AR\$17,084.2 million in 9M19.

Adjusted EBITDA margin increased to 63% in 9M20, from 61% in 9M19. Gross profit margin reached 35% in 9M20, in comparison with 39% in 9M19. Net profit margin decreased to minus 4% in 9M20, compared to positive 7% in 9M19, mainly due to an asset impairment accounted during 1Q20.

¹ Figures were converted to USD using the following EoP exchange rate per USD 1.00: AR\$76.18 for 3Q20.



	9M20	9M19
	IAS29	IAS29
Adjusted EBITDA Mg.	63%	61%
Gross profit Mg.	35%	39%
Net profit Mg.	-4%	7%

CapEx reached AR\$3,457.6 million (or approximately USD45.4 million) in 9M20, compared with AR\$10,816.6 million in 9M19.

Cash & Cash Equivalents as of September 30, 2020 amounted to AR\$4,771.6 million or approximately USD62.6 million.

As of September 30, 2020, the Company's financial debt amounted to AR\$29,795.0 million or approximately USD391.1 million (96% denominated in USD), a 10.7% decrease compared to USD438.2 million as of June 30, 2020. Net Leverage Ratio remained low at 1.17x, and Interest Coverage Ratio at 5.74x.^{1,2}

CGC's limited-recourse local bond ON Class 10 total outstanding as of September 30, 2020 was USD18.6 million. Total debt including this local bond amounted to AR\$31,214.0 million or approximately USD409.7 million, an 11.3% decrease compared to USD461.8 million as of June 30, 2020. Net leverage ratio considering ON Class 10 was 1.23x, and interest coverage ratio was 5.53x.³

Exchange Offer of CGC Class "A" Notes

On August 6, 2020, CGC launched the exchange offer of its Class "A" Notes at a fixed rate of 9.5% per year with maturity in 2021, for Class 17 Notes, redeemable at a fixed rate of 9.5% per year with maturity in 2025.

Pursuant to the provisions of the Exchange Offer Document, eligible holders who validly present their existing Notes will receive for each USD1,000.0 of nominal value a Note of USD950.0, and an early cash payment of USD100.0.

On September 8, 2020, CGC's exchange offer ended, reaching a total participation of 68.87% of the creditors. As a result of this transaction, USD196.1 million Class 17 Notes were issued and settled for those creditors who accepted the exchange, resulting in a total of USD93.4 million of Class "A" Notes outstanding. In addition, USD27.4 million were paid in cash (including USD6.5 million in interest accrued at that date), for those creditors who accepted the exchange. The new Class 17 Notes will be amortized in six semi-annual installments: the first five installments amount to USD26.1 million, maturing on September 8, 2022, March 8, and September 8, 2023, March 8, and September 8, 2024, and the last installment amounts

¹ Financial Debt including Leasing Contracts (USD4.5 million as of September 30, 2020 and USD6.6 million as of June 30, 2020).

² Net Leverage Ratio calculated in accordance with the Indenture for CGC's 2021 Senior Notes.

³ Net Leverage Ratio and Interest Coverage Ratio calculated including ON Class 10 bond and dividends from CGC's midstream assets.



to USD65.7 million, maturing on March 8, 2025. The interest of the Class 17 Notes will be payable semiannually in March and September.

USD Syndicated Loan Refinancing

On October 7, 2020, CGC entered into a Syndicated Loan Agreement in pesos with Citibank, ICBC, Santander and Galicia for up to the equivalent amount of USD45.0 million.

The proceeds will be used to refinance the USD Syndicated Loan Agreement signed by CGC on May 21, 2019. 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. No disbursements have been received for this new loan to date. The loan will be repaid in five equal, quarterly and consecutive installments, from August 24, 2021 to August 24, 2022.

Additionally, on September 30, 2020, CGC had early amortized principal for USD9.0 million. To date, the outstanding amount of the Syndicated Loan is USD36.0 million, to be settled with the funds received from the Syndicated Loan informed in the preceding paragraph.

Dividends Collected

CGC has collected approximately USD10.8 million during 9M20 in dividends from the Midstream Business. CGC indirectly owns 28.2% of TGN, mainly through its investment in Gasinvest S.A, 40.1% in GasAndes and 15.8% in TGM.

Dividends Paid

On October 30, 2020, CGC's shareholders meeting approved the distribution of AR\$313.2 million, equivalent of USD4.0 million. There were paid on November 5, 2020.



AR\$ / USD Conversion

The Company presented certain figures converted from pesos to U.S. dollars for comparative purposes. The exchange rate used to convert financial figures disclosed in pesos (as of September 30, 2020) to U.S. dollars was the seller exchange rate for wire transfers (divisas) as of the close of business, as reported by Banco de la Nación Argentina, as of September 30, 2020. The information presented in U.S. dollars is for the convenience of the reader only.

About Compañía General de Combustibles S.A.

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

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