



## **Tecpetrol Sociedad Anónima**

### **FINANCIAL STATEMENTS**

**At December 31, 2022**  
and for the fiscal year ended on December 31, 2022

Translation of a document originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

# **Tecpetrol Sociedad Anónima**

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To the Shareholders:

In compliance with the bylaws and related legislation, the members of the Board of Directors of the Company submit for the consideration of the Shareholders at the Annual General Meeting the Annual Report, the Financial Statements for the 43rd fiscal year that commenced on January 1, 2022 and ended on December 31, 2022. Such Financial Statements comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and related notes. Moreover, the independent auditor's report and the report issued by the Shareholders' Committee for Corporate Control are also submitted for consideration.

## **ANNUAL REPORT**

### **1 – DESCRIPTION OF THE BUSINESS**

#### **I. COMPANY INFORMATION**

Tecpetrol S.A. (hereinafter referred to as the "Company" or "Tecpetrol") primarily carries out oil and gas exploration and exploitation activities in Argentina. In 2022, Tecpetrol was the second largest producer of gas in the country.

The Company has an important presence in Vaca Muerta area, through (i) unconventional exploitation concessions over which the Company holds all rights and obligations in the areas of Fortín de Piedra and Punta Senillosa (granted in July 2016 for a 35-year period) and in Puesto Parada area (granted in December 2022 for a 35-year period); and (ii) joint operations over unconventional exploitation concessions in the areas of Los Toldos I Norte, Los Toldos II Este and Los Toldos I Sur.

In addition, Tecpetrol S.A. operates in conventional hydrocarbon areas in Neuquina, Noroeste, Golfo San Jorge and other basins, through joint operations. It also holds all exploitation rights over the area Los Bastos (province of Neuquén) and has an exploratory (and potential exploitation) license over the area Gran Bajo Oriental located in the province of Santa Cruz.

Hydrocarbon production during the fiscal year under consideration in the areas operated by Tecpetrol reached, on average, 2,621 m<sup>3</sup>/day of oil and 17,666 thousand m<sup>3</sup>/day of gas (1,857 m<sup>3</sup>/d and 16,353 thousand m<sup>3</sup>/d of such production, respectively, correspond to the Company). These figures represent a 3% increase in oil production and a 16% increase in gas production, in comparison with 2021.

At December 31, 2022, proved developed and undeveloped oil and gas reserves according to the Company's shareholding, were as follow:

#### *Crude oil*

Proved developed reserves: 2.75 million of m<sup>3</sup>

Proved undeveloped reserves: 4.52 million of m<sup>3</sup>

#### *Natural gas:*

Proved developed reserves: 12.52 billion of m<sup>3</sup>

Proved undeveloped reserves: 65.62 billion of m<sup>3</sup>



### *The macroeconomic environment in Argentina*

The Company has been conducting its business under challenging situations both at local and international levels.

In relation to the local scenario, the scope of the agreement with the International Monetary Fund (IMF) regarding debt refinancing (together with the restrictions imposed by the IMF on the monetary and fiscal policies adopted by the national government) played a central role; whereas, from the international point of view, the Russian invasion of Ukraine, in February 2022, led to considerable uncertainty in the markets, particularly impacting on hydrocarbon international prices and interest rates (which have increased), and fueling inflation.

Even though Argentinian economy has grown for the second year running, there remain some macroeconomic inconsistencies, such as a high inflationary rate exceeding the target rate, a large fiscal deficit, certain policies intended to restrain a price rise, several exchange restrictions, and other variables which anticipate a halt in economic recovery. Moreover, the local setting is influenced by the presidential election that will take place in 2023, and which might impact the development of the national economy. Besides, the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year) will allow an increase in the natural gas supply for industrial and residential consumption; therefore, enabling the replacement of energy imports and facilitating current subsidy cuts.

In such uncertain circumstances, the Company shows limited growth opportunities given the Argentinian macroeconomic setting and the fragility of external finances.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health of the Company.

This Annual Report should be construed in light of these circumstances.

## **II. COMMENTS ON THE BUSINESS MANAGEMENT**

### ***i. EXPLORATION AND PRODUCTION***

Tecpetrol holds an important position among production companies in terms of its own acreage in the Vaca Muerta wet gas window. The Company obtained an unconventional exploitation concession for the area of Fortín de Piedra aimed at developing the formation of Vaca Muerta (province of Neuquén), a world-class reservoir of high productivity in multi-fractured horizontal wells.

At December 31, 2022, accumulated investments in Fortín de Piedra exceeded USD 2,900 million. Gas deliveries in 2022 totaled 16.8 million m<sup>3</sup>/day, on average, reaching a peak of more than 20 million m<sup>3</sup>/day during the winter season, and turning Fortín de Piedra into one of the main gas production fields in the country.

In 2022, Tecpetrol intensified the level of activity in its operations, considerably increasing investments and production levels, progressing towards asset development and planning new growth opportunities.



The main events occurred during the fiscal year under analysis are disclosed below:

- There were higher levels of drilling activity in Fortín de Piedra, carried out in 1,331 phases (an average of 6 phases a day). Activities started on 22 wells with an average horizontal branches of 2,500 meters. Moreover, a well drilled in a third horizon (a new shallower level of navigation within Vaca Muerta) was put into production, yielding satisfactory results.
- In December 2022, Tecpetrol obtained an unconventional hydrocarbon exploitation concession over Puesto Parada area (province of Neuquén) for a 35-year period. This area covers the north of Los Bastos area and extends over 159 km<sup>2</sup> approximately. In said area, 3 appraisal wells with horizontal branches of 2,500 meters intended for the extraction of shale oil in Vaca Muerta were completed. They are still in testing phase.
- In Los Toldos II Este, 3 appraisal wells intended for the extraction of shale oil were drilled in Vaca Muerta. At the date of issuance of this Annual Report, such well are still in testing phase.
- The levels of drilling activities rose in El Tordillo (province of Chubut), commencing operations in 18 new wells. A 6% reduction in royalties for new wells drilled until July 2027 was approved in relation to area La Tapera Puesto Quiroga (located in the province of Chubut).
- In Aguara Güe, the Company negotiated with the authorities of the province of Salta a 10-year extension of the concessions over the area. As of the date of issuance of this Annual Report, the agreement is pending approval by the Executive Branch of the province.

## **ii. STAFF AND COMMUNITY RELATIONS**

Tecpetrol endorses the Ten Principles of the UN Global Compact on human rights, labor, environment and anti-corruption.

### **Training and development of human resources**

The Company consolidates its growth through the development of a committed workforce with broad expertise in both the business and the region. They receive continuous training in management and leadership skills as well as techniques and security practices to boost their development and achieve a better performance.

In 2022, the Company implemented improvement plans according to the information obtained from a work environment survey carried out by the end of 2021. Besides, in relation to Tecpetrol University, the Company worked on the implementation of a learning platform (called *Learning*), which centralizes the offers on training courses and intends to simplify the training planning experience for its users.

### **Health, Safety and Environment**

The main purpose of the Health, Safety, and Environment policy of Tecpetrol (hereinafter referred to as "HSE") is to conduct businesses protecting the physical integrity of the Company's employees and third parties while achieving, in compliance with all applicable laws, an appropriate conservation of the environment and implementing the best practices to benefit the communities, the employees and the Company. HSE policy is based on leadership and commitment by all employees through an HSE management system comprising risk management and



prevention programs, improvement plans and safety and environmental care initiatives, preventive observations and inspections of operating activities, and HSE culture reinforcement workshops, among many others.

Since the beginning of fiscal year 2022, the Company continued implementing COVID-19 preventive measures aimed at preventing the spread of the virus in Tecpetrol's facilities. As a result of the implementation of those measures, the virus did not spread in the corporate facilities guaranteeing the continuity of the operations. Due to the daily controls, and since the infections rate dropped, some measures were eased, while guaranteeing at all times the health of our employees and contractors.

In terms of safety, the Company continued implementing the program on the reinforcement of safety culture, launched in 2020 and run by an international consulting company. The Company organized workshops in all operating areas with the participation of our contractors. The outcomes were favorable in terms of both participation and satisfaction.

At the closing date, the Company achieved the lowest yearly accumulated Lost Time Incident (LTI) rate, displaying a consolidation of the improvement in terms of safety management and accident rate reduction.

Regarding the environment, the Company continued monitoring all relevant indicators in all operations and prepared environmental management documents for new projects and activities (for the purposes of obtaining permissions and outlining actions tending to prevent, reduce or correct the environmental impact). Additionally, the Company set specific environmental objectives for each operation.

Progress made on greenhouse gas management is also worth noting. A specialized consulting company conducted an external review of inventories, in order to align them with the internationally accepted methodologies, namely, GHG Protocol and API Compendium. Based on those methodologies, and for the purposes of improving the accuracy of the inventories, greenhouse gases quantification systems were designed for each operation. The Company continued analyzing and implementing improvement programs to reduce greenhouse gases emissions.

In Neuquina basin areas, the Company strengthened its knowledge on safety to consolidate prevention bases. Apart from the culture reinforcement workshops, there were two different programs: on the one hand, the HSE Skill Program, whose main goal is to guarantee minimum formal training on HSE for our contractors, and on the other hand, the Safety Golden Rules reinforcement campaign, whose main objective is to raise awareness among employees and contractors about the safety requirements for critical activities. Lastly, the annual plant turnaround of the Central Production Facility was completed with no accidents, thanks to the careful advance planning and the on-site control of the prevention and safety measures previously designed.

In El Tordillo area (Golfo San Jorge basin), events to be highlighted include the reinforcement activities related to electric risk, hands care and the use of explosive mixture detectors and sulfide gas. Regarding the environment, the Company recycled more than 70% of all waste assimilable to urban waste generated in the field, and reduced by a 30% the consumption of fresh water in the operations.



## **Community Relations**

Tecpetrol actively collaborates with the communities close to the areas in which it operates, contributing to the sustainable development of the population and its institutions in the areas of education, health, sports, culture and social advancement. In this spirit, the Company carries out and supports community relation programs in communities and schools near its fields, engaging both its staff and the local population in the development of such programs, pursuing autonomy and building up networks with public and private authorities and other entities. During the fiscal year under analysis, Tecpetrol continued demonstrating its commitment to boost the education in the community. Through Technical Gene Program (Programa Gen Técnico), the Company provides equipment and infrastructure to participating educational institutions and offers training to students, teachers and professors.

### **III. OIL AND GAS MARKET**

#### *Oil*

Crude oil international prices increased in 2022, from an average Brent price of USD 70 per barrel in 2021 to an average price of USD 99 per barrel in 2022 (USD 86 per barrel at the closing date) with daily closures reaching a peak close to USD 128 per barrel. Decoupled prices (between domestic and international prices) were maintained throughout 2022 with domestic prices below the export parity prices averaging USD 62 per barrel (for medianito crude oil sales) and USD 79 per barrel (for escalante crude oil sales). Exports were made with differences ranging between USD +0.5 per barrel and USD -7 per barrel with reference to Brent. The proportion of domestic market sales and exports experienced virtually no fluctuations in comparison with 2021.

The export duties rate, as set forth under Decree No. 488/2020, was still in force throughout 2022 (such rate was set at 0% if the international price was USD 45 or less per barrel, at 8% if the international price was USD 60 or more per barrel, and if the international price ranged from USD 45 to USD 60 per barrel a variable rate was applicable which increased linearly from 0% to 8%), therefore, the maximum rate of 8% was applicable throughout the year.

Since the beginning of the year, the transport system for the evacuation and commercialization of the production in Oldelval-Ebytem Neuquina basin was at the limit of its capacity; however, this situation did not affect the volumes transported by the Company in 2022. Based on projected production increases, the Company participated in the Open Bidding Process No. 1/2022 from Oldelval and Open Bidding Process No. 1/2022 from Oiltanking Ebytem, expanding its transport, storage and shipping capacity, pursuant to production growth expectations.

#### *Gas*

Sales came from electric power generators (28%), industrial users (29%), distribution service licensees (27%), compressed natural gas stations (4%) and exports (12%), regardless of the compensations received under the Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme (hereinafter referred to as "Plan Gas.Ar") paid directly by the national government.



The main events related to the regulatory framework and general situation of the gas market are disclosed below:

#### Incentive Programs

- In November 2020, through Decree No 892/2020, the Executive Branch stated that the promotion of Argentine natural gas is a matter of public interest and a main priority; therefore approving Plan Gas.Ar, which was implemented through direct contracts between natural gas producers and (i) gas distributors, sub-distributors and Energía Argentina S.A. (ENARSA) for the supply of residential demand, on the one hand, and (ii) Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) for the supply of the demand for electricity to thermal power plants, on the other hand. For gas intended for distributors, the government will subsidize the difference between tendered prices under the above-mentioned Plan, affected by seasonality factor (compensations), and the gas price under the Gas Transportation System (Punto de Ingreso al Sistema de Transporte, PIST) authorized to be included in the rates, which will be paid by distributors to producers under the agreements. For gas delivered to ENARSA and CAMMESA, they will pay to producers the tendered prices, but will get government subsidy. The demand under Plan Gas.Ar includes neither CNG stations nor the industrial segment, which must get their own supply of natural gas.

In November 2022, through Decree No. 730/2022 (which amends Decree No. 892/2020), the National Executive Branch approved the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028. In relation to said decree, in November 2022, the Secretary of Energy issued Resolution No. 770/2022, calling a Public Bidding to (i) extend until December 2028 the annual uninterrupted gas supply agreements entered into under Plan Gas.Ar for 53 million m<sup>3</sup>/d in Neuquina basin and 18.5 million m<sup>3</sup>/d in Austral basin; (ii) award the following volumes of natural gas in Neuquina basin: (a) 11 million m<sup>3</sup>/d from July 2023 to December 2028, (b) 3 million m<sup>3</sup>/d from January 2024 to December 2028, (c) 7 million m<sup>3</sup>/d during winter seasons from 2024 to 2028, and (d) 7 million m<sup>3</sup>/d during winter seasons from 2025 to 2028; and (iii) receive projects aimed to increase current production levels in Golfo San Jorge, Austral and Noroeste basins, which will be approved by the Secretary of Energy prior project assessment.

The Secretary of Energy also published Resolution No. 774/2022 modifying the Natural Gas Authorization Procedure approved by Resolution No. 360/2021 from the Secretary of Energy. This procedure establishes priorities for the allocation of export quotas for those producers who have greater participation in agreements signed under the Plan Gas.Ar, and producers who have been awarded volumes that have generated greater savings for the National State due to the discounts offered compared to each product ceiling price.

In December 2022, the already mentioned Public Bidding (Rounds 4.1 and 4.2) took place: Tecpetrol extended the existing agreements signed under the Plan Gas.Ar with a lower price discount and was awarded new contracts. As a result of the extension of the agreements and the awarding of the volumes mentioned above, Tecpetrol will have priority to receive authorization of uninterrupted export contracts.





Under Plan Gas.Ar, the Company has contracts for the following volumes: (i) 10.64 million m<sup>3</sup>/d for 2022 and until 2028, (ii) 2.5 million m<sup>3</sup>/d from July 2023 to December 2028, (iii) 4.5 million m<sup>3</sup>/d during winter seasons from 2022 to 2024, (iv) 2.75 million m<sup>3</sup>/d during winter seasons from 2024 to 2028 and (v) 3.25 million m<sup>3</sup>/d during winter seasons from 2025 to 2028.

Besides, Tecpetrol assumed a total investment commitment from 2021 to 2028 of approximately USD 1,081 million in Neuquina basin which will be made as follows: (i) USD 13 million during the first quarter of 2021, (ii) USD 29.2 million starting from the second quarter of 2021 and until the fourth quarter of 2022, and (iii) USD 36 million per quarter from 2023 to 2028. At December 31, 2022, Tecpetrol has already made investments for USD 733.9 million. Besides, according to Rounds 1 and 3 from Plan Gas.Ar, Tecpetrol committed to inject 14.9 million m<sup>3</sup>/d in Neuquina basin until 2024. According to Round 4.1, such period was extended until 2028. The Company has also agreed to inject 2.5 million m<sup>3</sup>/d starting on July 2023 until 2028, as awarded in Round 4.2. Regarding hiring local, regional and national workforce, the Company made a commitment to proportionally increase the number of Argentinian workers under the committed investment plans until 2028. At the date of issuance of these Financial Statements, Tecpetrol honored all commitments.

Also, the agreements entered into with the distribution service licensees, CAMMESA and ENARSA, for the supply of natural gas under Plan Gas.Ar, include standard clauses for the delivery or payment of up to 10.64 million m<sup>3</sup>/d until June 2023 and up to 13.14 million m<sup>3</sup>/d from July 2023 to December 2028, contemplating increases of 4.5 million m<sup>3</sup>/d from May to September of 2023, 7.25 million m<sup>3</sup>/d from May to September of 2024 and 6 million m<sup>3</sup>/d from May to September of each year from 2025 to 2028.

- Tecpetrol is still in dispute with the government regarding the change of criteria for the assessment of the economic compensations provided for under the Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (hereinafter referred to as the "Program") created through Resolution No. 46-E/2017 and amended by Resolution No. 419-E/2017. Since the Program was launched, Tecpetrol had lower sales for \$29,915 million for the volumes delivered in excess of the production estimated upon request of adherence to the Program. Under Plan Gas.Ar, subject to its terms and validity, and in relation to the volumes of production therein committed and delivered, Tecpetrol accepted that payments under the Program related to the deliveries of natural gas as from January 1, 2021, will be limited to the production projection of natural gas estimated upon request of adherence to the Program. Therefore, the Company waived its right to demand payments for natural gas volumes delivered as from January 1, 2021, which exceed such projection.

#### Distributors

- On December 27, 2021, by means of Resolution No. 518/2021, the Federal Gas Regulatory Authority (Ente Nacional Regulador del Gas, ENARGAS) called for the Public Hearing No. 102 in order to consider provisional rate adjustments for the public services of natural gas transportation and gas distribution networks, which served as the beginning of the renegotiation of the Integral Rate Revision (Revisión Tarifaria Integral, RTI) in force for providers of natural gas transportation services and gas distribution services, under Section 5 of Law No. 27.541. In such Public Hearing, held on January 19, 2022, distributors and carriers raised their needs for rate increases. Through Decree No. 91/2022, dated February 22, 2022, an increase in transport and distribution components of natural gas invoices was authorized, effective as from March.



- In May 2022, the Secretary of Energy published Resolution No. 403/2022, by means of which a 40% increase in natural gas prices was determined (in ARS) for all supply contracts in force signed under Plan Gas.Ar.
- In July 2022, the Secretary of Energy published Resolution No. 610/2022, approving a new increase in natural gas prices applicable to residential users from the largest income distributors, which was implemented in three phases: from September 2022, November 2022 and January 2023. Increases in each phase were around 40% in ARS.
- In January 2023, the Secretary of Energy published Resolution No. 6/2023, adjusting natural gas prices under the PIST for all supply contracts in force signed with distributors under Plan Gas.Ar.

#### Electricity generation

- As from December 2019, CAMMESA centralized the commercial management and the dispatch of natural gas to Generators. In 2022, CAMMESA kept supplied from the agreements signed with the producers awarded under Plan Gas.Ar, for the volumes and prices set forth under Resolution No. 391/2020 from the Secretary of Energy. Should CAMMESA need additional gas supply, monthly interruptible service auctions are organized, so that producers awarded under Plan Gas.Ar can participate and tender offers with a maximum price as that tendered under Plan Gas.Ar.

#### Exports

- On April 23, 2021, the Office of the Secretary of Energy issued Resolution No. 360/2021 including the guidelines to request both interrupted and uninterrupted exports authorizations. Under such Resolution, uninterrupted export licenses were issued during the summer season (from October 2021 to April 2022) for a total of 6 million m<sup>3</sup>/d (4 million m<sup>3</sup>/d from Neuquina basin and 2 million m<sup>3</sup>/d from Austral basin).
- Also, by means of Communication NO-2021-122308354-APN-SE#MEC, dated December 16, 2021, the Office of the Secretary of Energy called producers to submit uninterrupted export contracts for up to a maximum of 5 million m<sup>3</sup>/d from Neuquina basin for the period covering from January 1, 2022 to April 30, 2022. Volumes approved under the above-mentioned call cannot be deducted from the agreements with CAMMESA already in force under Plan Gas.Ar. Therefore, the allocated volumes represent additional gas (to that already contracted by producers), setting a minimum price under the PIST of USD 4.47 per million BTU. Through these agreements proposed by the Office of the Secretary of Energy, a total of 3.7 million m<sup>3</sup>/d, on average, was submitted during the supply period, an average of 1.5 million m<sup>3</sup>/d of such amount correspond to an agreement entered into by Tecpetrol with ENEL Generación Chile S.A. in March and April 2022. This agreement was approved by the Secretary of Energy.

Throughout most part of the winter season, even though the Secretary of Energy ordered restrictions or halts in exports to prioritize the supply of the domestic market, it also authorized interrupted export licenses and, at the request of the interested parties, amended already existing export licenses.

By means of Communication NO-2022-40520897-APN-SSH#MEC, dated April 26, 2022, the Office of the Secretary of Energy extended the term for the submission of uninterrupted export agreements in Neuquina basin for the period covering from October 1, 2022 to April 30, 2023. Besides, through Communication NO-2022-50152408-APN-SE#MEC, dated May 19, 2022, the Office of the Secretary of Energy authorized volumes for up to 4 million m<sup>3</sup>/d to be allocated under uninterrupted export contracts, which will be deducted from current contracts with CAMMESA signed under Plan Gas.Ar. Minimum price under the



PIST is set at USD 7.0 per million BTU. Later, through Communication NO-2022-64612080-APN-SSH#MEC, dated June 27, 2022, the Office of the Secretary of Energy authorized additional volumes (to the 4 million m<sup>3</sup>/d mentioned above), but which will not be deducted from the current contracts with CAMMESA; therefore, allocated volumes will represent additional gas in relation to the volumes already committed by the producers. In this context, the Office of the Secretary of Energy granted authorization to Tecpetrol for an uninterrupted export agreement with ENEL Generación Chile S.A. for the period covering from October 1, 2022 to April 30, 2023 and a volume of 1.5 million m<sup>3</sup>/d.

## 2 - STRUCTURE AND ORGANISATION OF THE COMPANY AND ITS ECONOMIC GROUP

The Company is controlled by Tecpetrol Internacional S.L.U., which holds a 95.99% interest and is based in Spain. Tecpetrol Internacional S.L.U. also has subsidiaries that develop, invest in and run businesses related to oil and gas production, transportation, and distribution in Argentina, Bolivia, Colombia, Ecuador, Mexico and Peru.

The table below discloses Tecpetrol S.A.'s equity interest in different companies:

Company	Main line of business	Country	% 2022	% 2021
Oleoducto Loma Campana - Lago Pellegrini S.A.	Construction and exploitation of an oil pipe in Argentina	Argentina	15.00	15.00
Terminales Marítimas Patagónicas S.A.	Transport concessions of terminals Caleta Córdova and Caleta Olivia	Argentina	4.20	4.20
Oleoductos del Valle S.A.	Oil pipe transport concessions	Argentina	2.10	2.10
Tecpetrol del Perú S.A.C.	Exploration, exploitation and sale of hydrocarbons	Peru	2.00	2.00
Tecpetrol Bloque 56 S.A.C.	Exploration, exploitation and sale of hydrocarbons	Peru	2.00	2.00
Tecpetrol Operaciones S.A. de C.V.	Provision of services to the hydrocarbon industry	Mexico	0.95	0.95
Norpower S.A. de C.V.	Provision of services to the hydrocarbon industry	Mexico	0.60	0.60
Tecpetrol Colombia S.A.S.	Exploration, exploitation and sale of hydrocarbons	Colombia	0.149	0.149
Tecpeservices S.A.	Provision of services of design, engineering and construction of works in fields or any other oil facilities.	Ecuador	0.0063	0.0063
Tecpecuador S.A.	Provision of services to the hydrocarbon industry	Ecuador	0.00007	0.00007
Parques Eólicos de la Buena Ventura S.A. (i)	Planning, development, execution and exploitation of renewable energies projects	Argentina	-	100.00

(i) In April 2022, the Company agreed to sell its interest to Siderca S.A.I.C. (see Note 36 to the Financial Statements at December 31, 2022).



## Transactions and balances with related parties

Transactions and balances with related parties are disclosed in Note 34 to the Financial Statements at December 31, 2022.

### 3 - INFORMATION ABOUT THE FINANCIAL SITUATION

This section must be read together with the Summary of Information at December 31, 2022.

The economic setting was controlled by high volatility levels which affected most variables that impact the performance of the Company. Some of them are mentioned below:

- the inflation rate reached 94.8% (CIP) between January 1, 2022 and December 31, 2022, resulting in an increase in internal costs associated to the local currency.
- the ARS devalued by 72.5% in relation to the USD.
- increase in crude oil international prices, which impacted local prices.

Sales totaled \$172,198 million, representing an increase in relation to 2021. Such increase was primarily caused by an increase in the volumes of gas and crude oil delivered and an increase in average crude sales prices, all of which was partially offset by a drop in gas prices (considering the compensation under Plan Gas.Ar and the compensation granted under Resolution No. 46-E/2017, whose validity term ended on December 31, 2021).

Operating costs totaled \$113,027.5 million, representing an increase of 86% in relation to the amount recorded in 2021 (\$60,880.3 million). Said variation is mainly explained by an increase in costs denominated in USD (during the current year), costs associated with higher production levels (depreciation of property, plant and equipment, and royalty expenses), an increase in maintenance operations and wells service activities, impairment charges (i) in property, plant and equipment in El Tordillo and La Tapera - Puesto Quiroga areas, and (ii) in some slow-moving inventory, and an increase in labor costs.

The reduction in operating profits (losses) by \$10,377.8 million in 2022 in relation to 2021 is primarily explained by the variation in the gross margin mentioned above, net of an increase in selling and administrative expenses mainly due to the recovery of the allowance for doubtful accounts in 2021; and an increase in storage and transport expenses during 2022 due to higher production levels and increasing labor costs and taxes.

Net profits (losses) for 2022 recorded profits for \$23,881.9 million, while in 2021 the Company had net profits for \$44,167.2 million. Such variation is mainly explained by (i) the decrease in operating profits (losses) mentioned above, (ii) greater losses in net financial profits (losses) as a consequence of an increase in the net losses generated by exchange differences on balances in ARS together with profits (losses) from the trading and holding of other investments, and (iii) changes in income tax profits (losses) caused by fluctuations in sales, costs and other expenses already mentioned, and the difference between the inflation rate used to calculate the tax inflation adjustment and the devaluation of the Argentine peso.

During the fiscal year under consideration, the Company received funds from its regular business activities and bank borrowings.

On November 1, 2022, the Company fully redeemed its Class 1 negotiable obligations. The redemption value equaled 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption.



In October 2022, Tecpetrol S.A. took out a USD 300 million loan from Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. Such amount was used for partially financing the total redemption of Class 1 negotiable obligations mentioned above, in compliance with the requirements set forth under subsection 3.17 of Communication “A” 7490 from the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) (Consolidated Text on Foreign Trade and Exchange). The loan matures in April 2026. Principal will be paid in 13 equal quarterly installments after a six-month period following receipt of funds. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

Besides, on January 16, 2023, the Company issued Class 5 negotiable obligations for a nominal value of USD 32,897.9 million, with an issuance price of 100%, which bear interest at a BADLAR rate plus a 2% margin and mature on July 16, 2024. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations are mainly intended for investments in fixed assets, the integration of working capital and the refinancing of liabilities.

By means of Communication “A” 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with non-related counterparties and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021 is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, December 9, 2021, March 3, 2022, and October 13, 2022, through Communications “A” 7230, “A” 7416, “A” 7466 and “A” 7621, respectively, the BCRA extended the obligation to submit a refinancing plan for principal amounts maturing from April 1, 2021 to December 31, 2021, from January 1, 2022 to June 30, 2022, and from July 1, 2022 to December 31, 2022, and from January 1, 2023 to December 31, 2023, respectively, pursuant to Communication “A” 7106. At December 31, 2022, the Company refinanced its debts in compliance with the above-mentioned Communications.

The Executive Branch, through Decree No. 277/22 published on May 28, 2022, created the Foreign Exchange Access Regime for Crude Oil Incremental Production (Régimen de acceso a divisas para la producción incremental de petróleo, RADPIP), the Foreign Exchange Access Regime for Natural Gas Incremental Production (Régimen de acceso a divisas para la producción incremental de gas natural, RADPIGN) and the Regime for the Promotion of Employment, Labor and Development of Regional and National Suppliers of the Hydrocarbon Industry (Régimen de promoción de empleo, trabajo y desarrollo de proveedores regionales y nacionales de la industria hidrocarburífera, RPEPNIH). Pursuant to such Decree, restrictions to access the Argentine foreign exchange market (Mercado Único y Libre de Cambios, MULC) will be eased for those beneficiaries who increase their production of crude oil and/or gas. To benefit from RADPIP and RADPIGN, the following requirements must be met: (i) enrollment with the Crude Oil Companies Registry from the Secretary of Energy, (ii) adherence to the regime, (iii) an incremental production of crude oil or incremental injection levels of natural gas, (iv) compliance with RPEPNIH, and (v) awarding and compliance with all obligations under Plan Gas.Ar. Beneficiaries will have access to the MULC to pay for principal and interest from commercial or financial liabilities abroad, including debts with non-resident related companies, and to pay for revenues or dividends corresponding to closed and audited financial statements and/or the repatriation of non-residents' direct investments. Additionally, access to the MULC under these regimes cannot not be subject to prior approval by the BCRA, even if such requirement is imposed by foreign exchange regulations. Foreign currency access benefits obtained under either RADPIP or RADPIGN will be considered and deducted from other benefits, when appropriate. With respect to RPEPNIH, supplier development plans will be monitored to ensure regional and national integration. On January 16, 2023, Resolution No. 13/2023 (from the Secretary of Energy of the Ministry of Economy) was published in the Official Gazette, approving the general conditions for the Foreign Exchange Access Regimes created under Decree No. 277/22. The Company



requested adherence to the Regimes and submitted the applications in order to obtain the relevant benefits for the periods covering from July to September 2022 and from October to December 2022. As of the date of issuance of this Summary of Information, the certificates are pending to be issued by the Secretary of Energy.

These exchange restrictions, and the ones that might be implemented in the future, could affect the Company's access to the MULC, and therefore, the acquisition of foreign currency to honor its financial and commercial obligations. Assets and liabilities in foreign currency at December 31, 2022, have been valued based on MULC current quotations.

In the fiscal year ended on December 31, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of dividends, and therefore, partially reduced the reserve for future dividends by \$12,576.4 million. At December 31, 2022, in-kind dividends (bonds) were paid for \$6,832 million and cash dividends for \$5,231.1 million. The remaining amount will be paid off in January 2023.

Investments in Property, plant and equipment reached \$96,950 million (mainly from Fortín de Piedra area).

#### **4 - ADDITIONAL INFORMATION**

In accordance with Article 10 of the by-laws, the management of the Company is vested in a Board of Directors comprised of a minimum of three and a maximum of five Regular Directors. At December 31, 2022, the Board consisted of five Regular Directors and three Alternate Directors appointed by the Shareholders at an Annual General Meeting and the Shareholders' Committee for Corporate Control, respectively.

Strategic and administrative decisions and policies are submitted to the Board of Directors for approval, including all decisions and policies related to investments and disinvestment in both industrial and financial assets. Operating decisions are adopted by the General Manager and his or her team of first-line executives who are responsible for different business areas.

Moreover, for the purposes of the management of the Company, executives periodically monitor the internal control system in force, considering the effects the changes might cause in the systems and processes.

The Company adopted a Code of Conduct, a Business Conduct Policy, a Policy on Conflicts of Interest and Non-Competition, a Code of Conduct for Vendors, a Policy on Human Rights and an Anti-harassment and Anti-discrimination Policy, aiming at the consolidation of a corporate culture of transparency and integrity based upon ethical behavior and law compliance. The Company encourages the use of the Compliance Line to report situations violating the above-mentioned codes and policies.

The Company employs a Business Conduct Compliance Officer, who reports directly to the President of the Company and is responsible for identifying and reducing risks of corruption, encouraging ethical and transparent behavior and designing standards in line with national and international anti-corruption and anti-bribery laws.

The Code of Conduct and the Business Conduct Policy set forth guidelines regarding relations among employees and between employees, clients, partners, suppliers, public entities and other third parties in relation to business processes, in order to guarantee compliance with applicable legislation.

The bylaws of the Company provide for a Shareholders' Committee for Corporate Control formed by a minimum of three regular members upon whom the responsibilities as set forth under Companies Law No. 19.550 (Ley General de Sociedades, LGS) are imposed.

The remuneration of all Directors and members of the Shareholders' Committee for Corporate Control is



determined considering their responsibilities, time of service, competence, professional reputation and the value of their services in the market. The remuneration of the managers consists of a fixed component and a variable component based upon performance; such remuneration is in line with market values.

The Company offers ongoing benefit programs such as “unfunded defined benefits” and “other long-term benefits” that, under certain established conditions, are granted after retirement and during an employee’s working life and are recorded according to current accounting standards. Additionally, Tecpetrol Investments S.L.U. (indirect parent company of Tecpetrol S.A.), adopted a retention and long-term incentive program for some directors of some subsidiaries. According to this program, certain executives of the Company will be granted a number of equity units valued at carrying value of Consolidated Equity per share of Tecpetrol Investments S.L.U. (excluding non-controlling interest). The Company does not offer stock option plans as part of the remuneration of Directors or Managers.

The Company does not have a specific dividend policy. The distribution of dividends depends upon, among other things, the profits or losses of the Company, the investment requirements, the possibilities and costs of financing investment projects, the settlement of obligations, statutory and contractual restrictions in force, future perspectives and any other factor which the members of the Board of Directors deem relevant.

The Directors submit the Financial Statements of the Company (together with the related report issued by the Shareholders' Committee for Corporate Control) for consideration and approval of the Shareholders at an Annual General Meeting. Within a 120-day period following the closing date of the fiscal year, an Annual General Meeting of Shareholders must be held in order to approve the financial statements and decide on the use of the profits (losses) for the year.

In compliance with section 1, subsection a.1), Part I, Chapter I, Title IV of 2013 CNV Regulations, a report on the level of compliance with the Corporate Governance Code is hereby included as a separate exhibit.

## **5 - PROSPECTS**

The Company has knowledge and skills which give it a competitive advantage to position itself as a leader in the regional development of unconventional resources in long-term projects which are significant for the country’s economy, since they have an impact upon job creation, the development of value chains, tax saving, import replacement, the improvement of the trade balance and the reduction in gas prices for consumers and industries.

In Neuquina basin, with Tecpetrol’s participation in Plan Gas.Ar and the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year), the Company expects to maintain high levels of drilling and completion activities in order to reach winter peaks around 23 million m<sup>3</sup>/d.

In El Tordillo, the Company will continue with the drilling campaign and the analysis of operational efficiency in order to optimize costs.

In 2023, the Company expects to continue exporting crude oil in similar volumes as those recorded in 2022. In relation to natural gas, deliveries to the different segments are expected to vary in relation to the volumes recorded in 2021 because of the participation of Tecpetrol in the new rounds of Plan Gas.Ar and the priority related to the authorization of gas export licenses. Thus, prospects for 2023 include an increase in sales to ENARSA and in exports, similar volumes of sales to distributors and CAMMESA and a decline in sales intended to compressed natural gas (CNG) stations and industrial consumption.

Regarding sales prices for 2023, the Company estimates that crude oil (both escalante and medianito) will be



negotiated in the domestic market at decoupled prices (between domestic and international prices) and will evolve depending on the political and macroeconomic context. In the case of natural gas intended for industrial consumption, prices are expected to remain or slightly decrease in relation to the prices offered in the last round of Plan Gas.Ar. Prices intended for CNG stations will depend on the fluctuations of premium gas, since agreements are based on premium gas. Finally, gas prices intended for residential users will depend on the adjustments approved by the implementation authority, and the reference price for electricity generation will depend on the adjustments implemented, as deemed necessary by CAMMESA, in relation to the costs incurred in using other fuels.

## **6 - DISTRIBUTION OF DIVIDENDS**

Accumulated profits (losses) of the Company at December 31, 2022 reached \$33,711,067 (in thousands). The members of the Board of Directors of Tecpetrol S.A suggest the Shareholders at a Meeting that \$1,685,553 (in thousands) should be allocated to the constitution of the legal reserve for the fiscal year and \$32,025,514 (in thousands) should be allocated to the constitution of a reserve for future dividends.

A provision was made in the Financial Statements for the fiscal year ended on December 31, 2022, for \$26,100 (in thousands) as estimated fees of the members of the Board of Directors and the members of the Shareholders' Committee for Corporate Control. Said fees must be approved (together with this Annual Report and the Financial Statements) by the Shareholders at a Meeting.

The members of the Board of Directors thank all the staff for their dedication and efforts throughout the year.

City of Buenos Aires, March 2, 2023.

**by the Board of Directors**



## TECPETROL SOCIEDAD ANÓNIMA

### SUMMARY OF INFORMATION

In accordance with the regulations issued by the National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), the Board of Directors of the Company has approved this Summary of Information for the period which commenced on January 1, 2022 and ended on December 31, 2022.

#### **1. Activity of the Company**

The operations of Tecpetrol mainly consist in the exploration and exploitation of oil and gas in Argentina.

Operating profits or losses of the Company are affected by production levels; sales prices; market demand for oil, gas and derivative products; fluctuations in operating costs; the national economic and financial setting and government regulations.

##### *The macroeconomic environment in Argentina*

The Company has been conducting its business under challenging situations both at local and international levels.

In relation to the local scenario, the scope of the agreement with the International Monetary Fund regarding debt refinancing (together with the restrictions imposed by the IMF on the monetary and fiscal policies adopted by the national government) played a central role; whereas, from the international point of view, the Russian invasion of Ukraine, in February 2022, led to considerable uncertainty in the markets, particularly impacting on hydrocarbon international prices and interest rates (which have increased), and fueling inflation.

Even though Argentinian economy has grown for the second year running, there remain some macroeconomic inconsistencies, such as a high inflationary rate exceeding the target rate, a large fiscal deficit, certain policies intended to restrain a price rise, several exchange restrictions, and other variables which anticipate a halt in economic recovery. Moreover, the local setting is influenced by the presidential election that will take place in 2023, and which might impact the development of the national economy. Besides, the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year) will allow an increase in the natural gas supply for industrial and residential consumption; therefore, enabling the replacement of energy imports and facilitating current subsidy cuts.

In such uncertain circumstances, the Company shows limited growth opportunities given the Argentinian macroeconomic setting and the fragility of external finances.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health of the Company.

This Summary of information should be construed in light of these circumstances.

Financial Statements are prepared based on items recorded in the functional currency, that is, American dollars (USD), and are translated into Argentinian pesos (ARS) for presentation purposes. Therefore, the following explanations are based upon variations in the functional currency and do not take into account the effect of currency translation into the presentation currency.

### Analysis of the fourth quarter of 2022

Sales totaled \$42,518.5 million, representing an increase in relation to the same period of the previous year. Such increase was mainly caused by an increase in average crude sales prices and the effect of currency translation into the presentation currency, all of which was partially offset by a drop in the gas and crude oil volumes delivered and by average gas sale prices (considering the compensation under Plan Gas.Ar and the compensation granted under Resolution No. 46-E/2017, whose validity term ended on December 31, 2021).

Gas production totaled 1,302 million m<sup>3</sup>, representing a decrease of 5% in relation to that of the fourth quarter of 2021. In the fourth quarter of 2022, 118.8 million m<sup>3</sup> of gas were exported, whereas in the fourth quarter of 2021, exports totaled 58.3 million m<sup>3</sup>.

Volumes of crude oil production reached 187 thousand m<sup>3</sup> (32% from escalante crude oil and 68% from medianito crude oil), representing a 4% decrease with respect to the production recorded during the fourth quarter of 2021. In the fourth quarter of 2022, crude oil exports totaled 112.8 thousand m<sup>3</sup> (part of which was delivered after the closing date), whereas in the fourth quarter of 2021, crude oil exports totaled 101.7 thousand m<sup>3</sup>.

Operating costs totaled \$34,855.7 million, representing an increase compared to the amount recorded in the fourth quarter of 2021. Said variation is mainly explained by an increase in costs denominated in USD, impairment charges in Property, plant and equipment in El Tordillo and La Tapera - Puesto Quiroga areas, an increase in maintenance operations and wells service activities, and an increase in labor costs.

The Company recorded selling and administrative expenses for \$6,604.5 million, compared to \$3,384.7 million recorded in the fourth quarter of 2021. Such variation is primarily explained by an increase in storage and transport expenses and an increase in labor costs and taxes.

Net financial resulted in a loss of \$2,444.2 million, compared to losses for \$2,836.7 million recorded in the fourth quarter of 2021. Such fluctuation is primarily explained by the profits generated during the period from the trade and holding of other investments and by the loss generated in the same period of the previous year from the repurchase of negotiable obligations, all of which was partially offset by an increase in interest cost from (i) an increase in variable interest rates and current account overdrafts during the period under analysis, and (ii) a decline in interest income from fewer short-term deposits.

Income tax triggered profits for \$1,688.7 million, compared to profits for \$14,481.3 million recorded during the same period of 2021. Such variation is mainly explained by fluctuations in sales, costs and other expenses already mentioned, and the difference between the inflation rate used to calculate the tax inflation adjustment and the devaluation of the Argentine peso.

Profits (losses) for the period recorded losses for \$551.1 million, while in the same period of 2021, the Company had profits for \$23,856.7 million.

### Analysis of the year 2022

Sales totaled \$172,198 million, representing an increase in relation to 2021. Such increase was primarily caused by an increase in the volumes of gas and crude oil delivered and an increase in average crude sales prices, all of which was partially offset by a drop in gas prices (considering the compensation under Plan Gas.Ar and the compensation granted under Resolution No. 46-E/2017, whose validity term ended on December 31, 2021).

In 2022 gas production totaled 6,069 million m<sup>3</sup>, representing an 18% increase in relation to the amount recorded in 2021, which was 5,147 million m<sup>3</sup>. In 2022, part of the production of gas was exported (reached 391.7 million m<sup>3</sup>), whereas in 2021, gas exports totaled 71.2 million m<sup>3</sup>.

Volumes of crude oil production reached 688 thousand m<sup>3</sup> (34% from escalante crude oil and 66% from medanito crude oil), representing an 8% increase with respect to 2021. In 2022, crude oil exports totaled 371.8 thousand m<sup>3</sup> (part of which was delivered after the closing date), whereas in 2021, crude oil exports totaled 364.8 thousand m<sup>3</sup>.

Operating costs totaled \$113,027.5 million, representing an increase of 86% in relation to the amount recorded in 2021 (\$60,880.3 million). Said variation is mainly explained by an increase in costs denominated in USD (during the current year), costs associated with higher production levels (depreciation of property, plant and equipment, and royalty expenses), an increase in maintenance operations and wells service activities, impairment charges (i) in property, plant and equipment in El Tordillo and La Tapera - Puesto Quiroga areas, and (ii) in some slow-moving inventory, and an increase in labor costs.

The Company recorded selling and administrative expenses for \$20,506.2 million, compared to \$7,512.2 million recorded in 2021. Such variation is primarily explained by an allowance for doubtful accounts recovery in 2021 and an increase in storage and transport expenses during the current year due to higher production levels and increasing labor costs and taxes.

Net financial triggered losses for \$19,984.8 million, whereas in 2021 there were losses for \$8,868.5 million. Such fluctuation is primarily explained by an increase in net losses generated by exchange differences on balances in ARS, profits (losses) from the trade and holding of other investments, an increase in interest cost from (i) an increase in variable interest rates and (ii) current account overdrafts, all of which was partially offset by profits (losses) from the repurchase of negotiable obligations in 2021 (loss) and by the decrease in losses generated by derivative financial instruments.

Income tax triggered profits for \$6,487.6 million, whereas in 2021 there were profits for \$5,428.2 million. Such variation is explained by fluctuations in sales, costs and other expenses already mentioned, and the difference between the inflation rate used to calculate the tax inflation adjustment and the devaluation of the Argentine peso.

Profits (losses) recorded profits for \$23,881.9 million, whereas in 2021 the Company had profits for \$44,167.2 million.

### Liquidity and cash flows

Net cash generated by operating activities in 2022 totaled \$88,334.8 million.

At December 31, 2022, the Company's borrowings totaled \$128,254.1 million and equity totaled \$194,026.9 million.

During the fiscal year under consideration, the Company received funds from its regular business activities and bank borrowings.

On November 1, 2022, the Company fully redeemed its Class 1 negotiable obligations. The redemption value equaled 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption.

In October 2022, Tecpetrol S.A. took out a USD 300 million loan from Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. Such amount was used for partially financing the total redemption of Class 1 negotiable obligations mentioned above, in compliance with the requirements set forth under subsection 3.17 of Communication "A" 7490 from the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) (Consolidated Text on Foreign Trade and Exchange). The loan matures in April 2026. Principal will be paid in 13 equal quarterly installments after a six-month period following receipt of funds. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

Besides, on January 16, 2023, the Company issued Class 5 negotiable obligations for a nominal value of USD 32,897.9 million, with an issuance price of 100%, which bear interest at a BADLAR rate plus a 2% margin and mature on July 16, 2024. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations are mainly intended for investments in fixed assets, the integration of working capital and the refinancing of liabilities.

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with non-related counterparties and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021 is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, December 9, 2021, March 3, 2022, and October 13, 2022, through Communications "A" 7230, "A" 7416, "A" 7466 and "A" 7621, respectively, the BCRA extended the obligation to submit a refinancing plan for principal amounts maturing from April 1, 2021 to December 31, 2021, from January 1, 2022 to June 30, 2022, and from July 1, 2022 to December 31, 2022, and from January 1, 2023 to December 31, 2023, respectively, pursuant to Communication "A" 7106. At December 31, 2022, the Company refinanced its debts in compliance with the above-mentioned Communications.

The Executive Branch, through Decree No. 277/22 published on May 28, 2022, created the Foreign Exchange Access Regime for Crude Oil Incremental Production (Régimen de acceso a divisas para la producción incremental de petróleo, RADPIP), the Foreign Exchange Access Regime for Natural Gas Incremental Production (Régimen de acceso a divisas para la producción incremental de gas natural, RADPIGN) and the Regime for the Promotion of Employment, Labor and Development of Regional and National Suppliers of the Hydrocarbon Industry (Régimen de promoción de empleo, trabajo y desarrollo de proveedores regionales y nacionales de la industria hidrocarburífera, RPEPNIH). Pursuant to such Decree, restrictions to access the Argentine foreign exchange market (Mercado Único y Libre de Cambios, MULC) will be eased for those beneficiaries who increase their production of crude oil and/or gas. To benefit from RADPIP and RADPIGN, the following requirements must be met: (i) enrollment with the Crude Oil Companies Registry from the Secretary of Energy, (ii) adherence to the regime, (iii) an incremental production of crude oil or incremental injection levels of natural gas, (iv) compliance with RPEPNIH, and (v) awarding and compliance with all obligations under Plan Gas.Ar. Beneficiaries will have access to the MULC to pay for principal and interest from commercial or financial liabilities abroad, including debts with non-resident related companies, and to pay for revenues or dividends corresponding to closed and audited financial statements

and/or the repatriation of non-residents' direct investments. Additionally, access to the MULC under these regimes cannot be subject to prior approval by the BCRA, even if such requirement is imposed by foreign exchange regulations. Foreign currency access benefits obtained under either RADPIP or RADPIGN will be considered and discounted from other benefits, when appropriate. With respect to RPEPNIH, supplier development plans will be monitored to ensure regional and national integration. On January 16, 2023, Resolution No. 13/2023 (from the Secretary of Energy of the Ministry of Economy) was published in the Official Gazette, approving the general conditions for the Foreign Exchange Access Regimes created under Decree No. 277/22. The Company requested adherence to the Regimes and submitted the applications in order to obtain the relevant benefits for the periods covering from July to September 2022 and from October to December 2022. As of the date of issuance of this Summary of Information, the certificates are pending to be issued by the Secretary of Energy.

These exchange restrictions, and the ones that might be implemented in the future, could affect the Company's access to the MULC, and therefore, the acquisition of foreign currency to honor its financial and commercial obligations. Assets and liabilities in foreign currency at December 31, 2022, have been valued based on MULC current quotations.

In the fiscal year ended on December 31, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of dividends, and therefore, partially reduced the reserve for future dividends by \$12,576.4 million. At December 31, 2022, in-kind dividends (bonds) were paid for \$6,832 million and cash dividends for \$5,231.1 million. The remaining amount will be paid off in January 2023.

Investments in Property, plant and equipment during 2022 reached \$96,950 million (mainly from the development of Fortín de Piedra area).

**2. Structure of Financial Position at December 31, 2022** (comparative at December 31, 2021, December 31, 2020, December 31, 2019, and December 31, 2018 – amounts stated in thousands of pesos)

	<b>At December 31,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Non-current assets	291,098,168	135,386,362	110,448,000	99,389,194	67,583,445
Current assets	91,233,737	82,930,210	51,392,239	23,115,728	16,142,735
Assets classified as held for sale	-	208,518	-	-	-
<b>Total Assets</b>	<b>382,331,905</b>	<b>218,525,090</b>	<b>161,840,239</b>	<b>122,504,922</b>	<b>83,726,180</b>
Equity attributable to the owners of the Company	194,026,922	101,994,464	45,618,472	29,088,420	15,732,619
<b>Total Equity</b>	<b>194,026,922</b>	<b>101,994,464</b>	<b>45,618,472</b>	<b>29,088,420</b>	<b>15,732,619</b>
Non-current liabilities	74,420,637	28,962,340	59,652,554	43,506,480	52,501,555
Current liabilities	113,884,346	87,568,286	56,569,213	49,910,022	15,492,006
<b>Total Liabilities</b>	<b>188,304,983</b>	<b>116,530,626</b>	<b>116,221,767</b>	<b>93,416,502</b>	<b>67,993,561</b>
<b>Total Equity and Liabilities</b>	<b>382,331,905</b>	<b>218,525,090</b>	<b>161,840,239</b>	<b>122,504,922</b>	<b>83,726,180</b>

**3. Structure of Income and Comprehensive Income for the year ended on December 31, 2022** (comparative with the fiscal years ended on December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 – amounts stated in thousands of pesos)

	<b>Fiscal year ended on December 31,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating profit	37,227,757	47,605,583	19,017,249	21,028,818	5,499,778
Net financial loss	(19,984,845)	(8,868,522)	(13,515,162)	(11,298,904)	(3,837,033)
Profit (loss) from investments in entities accounted for using the equity method	151,372	1,899	(4,725)	(31,141)	(2,034)
<b>Profit before taxes</b>	<b>17,394,284</b>	<b>38,738,960</b>	<b>5,497,362</b>	<b>9,698,773</b>	<b>1,660,711</b>
Income tax	6,487,597	5,428,198	(1,683,426)	(5,485,806)	2,077,970
<b>Profit from continuing operations</b>	<b>23,881,881</b>	<b>44,167,158</b>	<b>3,813,936</b>	<b>4,212,967</b>	<b>3,738,681</b>
Profit from discontinued operations	-	-	-	-	53,407
<b>Profits for the year</b>	<b>23,881,881</b>	<b>44,167,158</b>	<b>3,813,936</b>	<b>4,212,967</b>	<b>3,792,088</b>
<b>Statement of Comprehensive Income</b>					
Profits for the year	23,881,881	44,167,158	3,813,936	4,212,967	3,792,088
Other comprehensive income from continuing operations	80,727,001	12,208,834	12,841,116	10,882,074	6,384,087
Other comprehensive income from discontinued operations	-	-	-	-	(11,727)
<b>Comprehensive income for the year</b>	<b>104,608,882</b>	<b>56,375,992</b>	<b>16,655,052</b>	<b>15,095,041</b>	<b>10,164,448</b>

**4. Structure of Cash Flow for the year ended on December 31, 2022** (comparative with the fiscal years ended on December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 – amounts stated in thousands of pesos)

	<b>Fiscal year ended on December 31,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Cash generated by operating activities	88,334,786	87,802,301	37,319,066	34,349,166	3,506,271
Cash used in investing activities	(81,547,956)	(55,779,252)	(17,977,075)	(23,220,914)	(30,555,774)
Cash (used in)/generated by financing activities	(38,107,800)	(25,497,895)	(13,403,124)	(10,694,077)	16,413,663
<b>Total cash (used in)/generated during the period</b>	<b>(31,320,970)</b>	<b>6,525,154</b>	<b>5,938,867</b>	<b>434,175</b>	<b>(10,635,840)</b>

- 5. Statistical Data for the fiscal year ended on December 31, 2022** (comparative information with the fiscal years ended on December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 – amounts stated in thousands of m<sup>3</sup> of oil and gas equivalents)

	<b>Fiscal year ended on December 31,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Production volume (*)</b>					
Total production in equivalent units	6,757	5,786	5,085	6,139	3,941
Oil production	688	639	551	648	560
Gas production	6,069	5,147	4,534	5,491	3,381
Domestic market	5,993	5,350	4,766	5,899	3,710
Exports	764	436	319	240	231

(\*) Volumetric equivalence (1,000 m<sup>3</sup> gas = 1 m<sup>3</sup> oil)

- 6. Indicators at December 31, 2022** (comparative at December 31, 2021, December 31, 2020, December 31, 2019 and December 31, 2018)

	<b>At December 31,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Liquidity	0.80	0.95	0.91	0.46	1.04
Solvency	1.03	0.88	0.39	0.31	0.23
Locked-up capital	0.76	0.62	0.68	0.81	0.81
Profitability	0.16	0.60	0.10	0.19	0.37

Liquidity: Current assets/Current liabilities

Solvency: Total Equity/Total liabilities

Locked-up capital: Non-current assets/Total assets

Profitability: Net profits (losses) for the year/Average net equity

## 7. Prospects

The Company has knowledge and skills which give it a competitive advantage to position itself as a leader in the regional development of unconventional resources in long-term projects which are significant for the country's economy, since they have an impact upon job creation, the development of value chains, tax saving, import replacement, the improvement of the trade balance and the reduction in gas prices for consumers and industries.

In Neuquina basin, with Tecpetrol's participation in Plan Gas.Ar and the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year), the Company expects to maintain high levels of drilling and completion activities in order to reach winter peaks around 23 million m<sup>3</sup>/d.

In El Tordillo, the Company will continue with the drilling campaign and the analysis of operational efficiency in order to optimize costs.

In 2023, the Company expects to continue exporting crude oil in similar volumes as those recorded in 2022. In relation to natural gas, deliveries to the different segments are expected to vary in relation to the volumes recorded in 2021 because of

the participation of Tecpetrol in the new rounds of Plan Gas.Ar and the priority related to the authorization of gas export permits. Thus, prospects for 2023 include an increase in sales to ENARSA and in exports, similar volumes of sales to distributors and CAMMESA and a decline in sales intended to compressed natural gas (CNG) stations and industrial consumption.

Regarding sales prices for 2023, the Company estimates that crude oil (both escalante and medianito) will be negotiated in the domestic market at decoupled prices (between domestic and international prices) and will evolve depending on the political and macroeconomic context. In the case of natural gas intended for industrial consumption, prices are expected to remain or slightly decrease in relation to the prices offered in the last round of Plan Gas.Ar. Prices intended for CNG stations will depend on the fluctuations of premium gas, since agreements are based on premium gas. Finally, gas prices intended for residential users will depend on the adjustments approved by the implementation authority, and the reference price for electricity generation will depend on the adjustments implemented, as deemed necessary by CAMMESA, in relation to the costs incurred in using other fuels.

City of Buenos Aires, March 2, 2023.



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### LEGAL INFORMATION

<b>Legal domicile:</b>	Pasaje Della Paolera 299/297, 16th floor, City of Buenos Aires
<b>Reported fiscal year:</b>	No. 43
<b>Company's main line of business:</b>	Exploration, exploitation and development of hydrocarbon fields; transport, distribution, transformation, distillation and industrial use of hydrocarbons and by-products and hydrocarbons trade; electric power generation and commercialization through the construction, operation and exploitation in any manner of power plants and equipment for the generation, production, self-generation and/or co-generation of electric power
<b>Registration dates with the Companies Registration Office:</b>	By-laws: registered under No. 247 of Book 94, Volume of Companies by Shares on June 19, 1981  Amendments to by-laws: March 25, 1983; October 16, 1985, July 1, 1987; February 24, 1989; December 12, 1989; August 18, 1992; December 21, 1992; April 6, 1993; December 14, 1995; October 30, 1997; October 13, 2000; September 14, 2005; November 16, 2007; March 23, 2009; September 20, 2010; March 2, 2016; November 25, 2016; September 28, 2017 and August 14, 2018
<b>Date of expiry of Company's by-laws:</b>	June 19, 2080
<b>Correlative registration number with the Companies Controlling Office (Inspección General de Justicia, IGJ):</b>	802,207
<b>Name of Parent Company:</b>	Tecpetrol Internacional S.L.U.
<b>Legal domicile of Parent Company:</b>	Calle De Recoletos 23, 3rd floor, apartments A and B, 28010 Madrid, Spain.
<b>Parent Company's main line of business:</b>	Investment
<b>Equity interest held by Parent Company:</b>	95.99%
<b>Percentage of votes of Parent Company:</b>	98.175%

		<b>At December 31, 2022</b>
<b>Capital status (Note 2.10.b)</b>	<b>Type of shares</b>	<b>Total subscribed, paid-up and registered</b>
	<b>Book entry shares</b>	<b>\$</b>
	Class A common shares of \$1 par value - 1 vote per share	3,106,342,422
	Class B common shares of \$1 par value - 5 votes per share	1,330,105,646
		<hr/> 4,436,448,068

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### INCOME STATEMENT

for the fiscal years ended on December 31, 2022 and December 31, 2021

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Fiscal year ended on December 31,	
		2022	2021
<b>Continuing operations</b>			
Sales	7	172,197,992	117,130,161
Operating costs	8	(113,027,541)	(60,880,340)
<b>Gross margin</b>		<b>59,170,451</b>	<b>56,249,821</b>
Selling expenses	9	(8,652,818)	(1,363,998)
Administrative expenses	10	(11,853,408)	(6,148,246)
Exploration and evaluation		(2,492,908)	(1,176,171)
Other operating income	12	1,069,938	311,175
Other operating expenses	12	(13,498)	(266,998)
<b>Operating profits</b>		<b>37,227,757</b>	<b>47,605,583</b>
Financial income	13	4,899,528	3,827,243
Financial costs	13	(11,245,034)	(6,229,256)
Other net financial loss	13	(13,639,339)	(6,466,509)
<b>Profits before profits from investments in entities accounted for using the equity method and income tax</b>		<b>17,242,912</b>	<b>38,737,061</b>
Profit from investments in entities accounted for using the equity method	17	151,372	1,899
<b>Profits before income tax</b>		<b>17,394,284</b>	<b>38,738,960</b>
Income tax	14	6,487,597	5,428,198
<b>Profits for the year</b>		<b>23,881,881</b>	<b>44,167,158</b>
<b>Profits attributable to:</b>			
Owners of the Parent Company		23,881,881	44,167,158

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

**Tecpetrol Sociedad Anónima**  
**Financial Statements at December 31, 2022**

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the fiscal years ended on December 31, 2022 and December 31, 2021**  
(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Fiscal year ended on December 31,	
		2022	2021
<b>Profits for the year</b>		<b>23,881,881</b>	<b>44,167,158</b>
<b>Other comprehensive income:</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences from investments in entities accounted for using the equity method		217,512	40,342
<i>Items that will not be reclassified to profit or loss:</i>			
Currency translation differences - Tecpetrol S.A.		80,890,542	12,459,157
Changes in the fair value of investments in equity instruments	19	(235,835)	178,441
Remeasurement of post-employment benefit obligations	25	(340,642)	(380,046)
Income tax related to components of other comprehensive income (i)	28	195,424	(89,060)
<b>Total other comprehensive income for the year</b>		<b>80,727,001</b>	<b>12,208,834</b>
<b>Total comprehensive income for the year</b>		<b>104,608,882</b>	<b>56,375,992</b>
<b>Comprehensive income attributable to:</b>			
Owners of the Parent Company		104,608,882	56,375,992

(i) Generated by changes in the fair value of investments in equity instruments and remeasurement of post-employment benefit obligations.

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### STATEMENT OF FINANCIAL POSITION

at December 31, 2022 and December 31, 2021

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	December 31, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment - Exploration, evaluation and development assets	15	264,404,993	128,946,423
Right-of-use assets	16.a	5,265,628	3,115,469
Investments in entities accounted for using the equity method	17	598,800	229,916
Investments in equity instruments at fair value	19	3,506,724	2,085,520
Deferred tax assets	28	10,450,437	101,234
Other receivables and prepayments	20	2,616,320	861,219
Income tax credit		4,255,266	46,581
<b>Total Non-current assets</b>		<b>291,098,168</b>	<b>135,386,362</b>
<b>Current assets</b>			
Inventories	22	6,368,256	3,426,980
Other receivables and prepayments	20	17,001,629	11,524,577
Income tax credit		1,400,000	1,742,301
Trade receivables	21	26,124,111	13,165,006
Derivative financial instruments	29	-	844
Other investments	23.a	39,968,330	34,381,743
Cash and cash equivalents	23.b	371,411	18,688,759
<b>Total Current assets</b>		<b>91,233,737</b>	<b>82,930,210</b>
Assets classified as held for sale	36	-	208,518
<b>Total Assets</b>		<b>382,331,905</b>	<b>218,525,090</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	2.10.b	4,436,448	4,436,448
Capital contributions		897,941	897,941
Legal reserve		5,904,780	1,093,052
Other reserves	2.10.f	76,744,000	42,439,772
Reserve for future dividends		72,332,686	10,047,762
Retained earnings		33,711,067	43,079,489
<b>Total Equity</b>		<b>194,026,922</b>	<b>101,994,464</b>
<b>Non-current liabilities</b>			
Borrowings	24	57,251,259	20,208,796
Right-of-use liabilities	16.a	1,760,115	1,627,483
Employee benefits programs	25	5,793,501	2,720,327
Provisions	26	9,615,762	4,405,734
<b>Total Non-current liabilities</b>		<b>74,420,637</b>	<b>28,962,340</b>
<b>Current liabilities</b>			
Borrowings	24	71,002,807	71,391,962
Right-of-use liabilities	16.a	2,127,589	1,223,978
Employee benefits programs	25	1,252,825	397,716
Provisions	26	636,640	510,465
Derivative financial instruments	29	-	166,061
Trade and other payables	27	38,864,485	13,878,104
<b>Total Current liabilities</b>		<b>113,884,346</b>	<b>87,568,286</b>
<b>Total Liabilities</b>		<b>188,304,983</b>	<b>116,530,626</b>
<b>Total Equity and Liabilities</b>		<b>382,331,905</b>	<b>218,525,090</b>

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### STATEMENT OF CHANGES IN EQUITY

for the fiscal years ended on December 31, 2022 and December 31, 2021

(Amounts stated in thousands of pesos, unless otherwise specified)

Notes	Attributable to the owners of the Parent Company							Total
	Shareholders' contributions		Accumulated profit (loss)			Retained earnings	Total	
	Share capital	Capital contributions	Legal reserve	Other reserves (iii)	Reserve for future dividends			
	Subscribed capital (i)							
	4,436,448	897,941	1,093,052	42,439,772	10,047,762	43,079,489	101,994,464	
	-	-	-	-	-	23,881,881	23,881,881	
19	-	-	2,481,101	34,685,281	34,112,486	9,829,186	81,108,054	
25	-	-	-	(235,835)	-	-	(235,835)	
28	-	-	-	(340,642)	-	-	(340,642)	
	-	-	-	195,424	-	-	195,424	
	-	-	2,481,101	34,304,228	34,112,486	9,829,186	80,727,001	
	-	-	2,481,101	34,304,228	34,112,486	33,711,067	104,608,882	
	-	-	2,330,627	-	40,748,862	(43,079,489)	-	
	-	-	-	-	(7,346,237)	-	(7,346,237)	
	-	-	-	-	(3,411,194)	-	(3,411,194)	
	-	-	5,904,780	76,744,000	72,332,686	33,711,067	194,026,922	
	4,436,448	897,941	5,904,780	76,744,000	72,332,686	33,711,067	194,026,922	

Balances at December 31, 2021

Profits for the year

Currency translation differences

Changes in the fair value of investments in equity instruments

Remeasurement of post-employment benefit obligations

Income tax related to components of other comprehensive income

Other comprehensive income for the year

Total comprehensive income for the year

Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 23, 2022:

Reserve allocation

Partial reduction of the reserve for future dividends, according to the decision adopted by the members of the Board of Directors on August 23, 2022:

Cash dividends and in-kind dividends (ii)

Partial reduction of the reserve for future dividends, according to the decision adopted by the members of the Board of Directors on October 28, 2022:

Cash dividends (ii)

Partial reduction of the reserve for future dividends, according to the decision adopted by the members of the Board of Directors on December 16, 2022:

Cash dividends (ii)

Balances at December 31, 2022

(i) See Note 2.10.b.

(ii) See Note 2.10.c.

(iii) See Note 2.10.f.

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

# Tepetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### STATEMENT OF CHANGES IN EQUITY for the fiscal years ended on December 31, 2022 and December 31, 2021 (cont'd)

(Amounts stated in thousands of pesos, unless otherwise specified)

Notes	Attributable to the shareholders							Total
	Shareholders' contributions			Accumulated profit (loss)				
	Subscribed capital (i)	Capital contributions	Legal reserve	Reserved earnings		Reserve for future dividends	Retained earnings	
	4,436,448	897,941	720,337	34,051,673	4,904,199	607,874	45,618,472	
	-	-	-	-	-	44,167,158	44,167,158	
	-	-	182,018	8,678,764	1,520,324	2,118,393	12,499,499	
19	-	-	-	178,441	-	-	178,441	
25	-	-	-	(380,046)	-	-	(380,046)	
28	-	-	-	(89,060)	-	-	(89,060)	
	-	-	182,018	8,388,099	1,520,324	2,118,393	12,208,834	
	-	-	182,018	8,388,099	1,520,324	46,285,551	56,375,992	
	-	-	190,697	-	3,623,239	(3,813,936)	-	
	4,436,448	897,941	1,093,052	42,439,772	10,047,762	43,079,489	101,994,464	

- (i) See Note 2.10.b.  
(ii) See Note 2.10.f.

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### CASH FLOW STATEMENT

for the fiscal years ended on December 31, 2022 and December 31, 2021

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Fiscal year ended on December 31,	
		2022	2021
<b>OPERATING ACTIVITIES</b>			
Profits for the year		23,881,881	44,167,158
Adjustments to profits for the year to reach operating cash flows	30	63,493,390	32,091,465
Changes in working capital	30	(5,498,800)	5,363,643
Others, including currency translation differences		12,270,129	8,718,069
Payment of employee benefits programs		(216,423)	(860,756)
Payment of income tax		(5,595,391)	(1,677,278)
<b>Cash generated by operating activities</b>		<b>88,334,786</b>	<b>87,802,301</b>
<b>INVESTING ACTIVITIES</b>			
Investments in property, plant and equipment		(89,979,656)	(33,519,862)
Collection from the sale of property, plant and equipment		192,191	55,601
Changes in other investments		7,464,675	(22,448,567)
Collected dividends	13	465,821	201,052
Payments of assets classified as held for sale		(135,003)	(67,476)
Collection from the sale of assets classified as held for sale		444,016	-
<b>Cash used in investing activities</b>		<b>(81,547,956)</b>	<b>(55,779,252)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings	24	77,176,665	25,573,146
Issuance of negotiable obligations		-	467,977
Payment of borrowings		(108,119,291)	(47,866,809)
Repurchase of negotiable obligations	24	-	(2,902,550)
Paid dividends	2.10.c	(5,231,150)	-
Right-of-use liabilities payments		(1,934,024)	(769,659)
<b>Cash used in financing activities</b>		<b>(38,107,800)</b>	<b>(25,497,895)</b>
		<b>(31,320,970)</b>	<b>6,525,154</b>
<b>(Decrease)/increase in cash and cash equivalents</b>			
<b>Changes in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		18,688,759	10,391,822
(Decrease)/increase in cash and cash equivalents		(31,320,970)	6,525,154
Currency translation differences		2,967,189	1,771,783
<b>Cash and cash equivalents at year-end</b>		<b>(9,665,022)</b>	<b>18,688,759</b>
<b>At December 31,</b>			
		<b>2022</b>	<b>2021</b>
Cash and cash equivalents	23.b	371,411	18,688,759
Current account overdrafts	24	(10,036,433)	-
<b>Cash and cash equivalents at year-end</b>		<b>(9,665,022)</b>	<b>18,688,759</b>
<b>Non-cash transactions</b>			
Unpaid investments in property, plant and equipment at year-end		12,793,233	7,203,199
Dividends paid in kind	2.10.c	6,832,000	-
Unpaid dividends at year-end	2.10.c	513,274	-
Payments in kind of negotiable obligations		-	109,262
Unpaid assets classified as held for-sale at year-end		-	141,099

The accompanying notes 1 to 37 form an integral part of these Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

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# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022

(Amounts stated in thousands of pesos, unless otherwise specified)

#### 1. General information

Tecpetrol S.A. (hereinafter referred to as the "Company") was incorporated on June 5, 1981, and its main activity consists in the exploration and exploitation of oil and gas in Argentina. Its legal domicile is Pasaje Della Paolera 299/297, 16th floor, city of Buenos Aires, Argentina.

The Company has an important presence in Vaca Muerta area, through (i) unconventional exploitation concessions over which the Company holds all rights and obligations in the areas of Fortín de Piedra and Punta Senillosa (granted in July 2016 for a 35-year period) and in Puesto Parada area (granted in December 2022 for a 35-year period); and (ii) joint operations over unconventional exploitation concessions in the areas of Los Toldos I Norte, Los Toldos II Este and Los Toldos I Sur.

In addition, Tecpetrol S.A. operates in conventional hydrocarbon areas in Neuquina, Noroeste, Golfo San Jorge and other basins, through joint operations (see Note 35). It also holds all exploitation rights over the area Los Bastos (province of Neuquén) and has an exploratory (and potential exploitation) permission over the area Gran Bajo Oriental located in the province of Santa Cruz.

The Financial Statements were approved for issuance by the members of the Board of Directors on March 2, 2023.

#### *The macroeconomic environment in Argentina*

The Company has been conducting its business under challenging situations both at local and international levels.

In relation to the local scenario, the scope of the agreement with the International Monetary Fund (IMF) regarding debt refinancing (together with the restrictions imposed by the IMF on the monetary and fiscal policies adopted by the national government) played a central role; whereas, from the international point of view, the Russian invasion of Ukraine, in February 2022, led to considerable uncertainty in the markets, particularly impacting on hydrocarbon international prices and interest rates (which have increased), and fueling inflation.

Even though Argentinian economy has grown for the second year running, there remain some macroeconomic inconsistencies, such as a high inflationary rate exceeding the target rate, a large fiscal deficit, certain policies intended to restrain a price rise, several exchange restrictions, and other variables which anticipate a halt in economic recovery. Moreover, the local setting is influenced by the presidential election that will take place in 2023, and which might impact the development of the national economy. Besides, the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year) will allow an increase in the natural gas supply for industrial and residential consumption; therefore, enabling the replacement of energy imports and facilitating current subsidy cuts.

In such uncertain circumstances, the Company shows limited growth opportunities given the Argentinian macroeconomic setting and the fragility of external finances.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 1. General information (cont'd)

##### *The macroeconomic environment in Argentina (cont'd)*

Besides, the restrictions imposed by the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) intended to restrict access to the exchange market for the purposes of restraining the demand for foreign currency remain in force. Prior approval from the BCRA is required in order to conduct specific transactions and refinance specific debts. Measures applicable to the Company mainly relate to the payment of principal from financial borrowings abroad with a creditor that is not a counterparty related to the debtor (see Note 24). Regarding the exchange regime for commercial transactions, besides the obligation to convert foreign currency proceeds from the export of goods and services into local currency, more restrictions were imposed to access the foreign exchange market for payment of the imported goods which are necessary for the ordinary development of the Company.

These exchange restrictions, and the ones that might be implemented in the future, could affect the Company's access to the Argentine Foreign Exchange Market (Mercado Único y Libre de Cambios, MULC), and therefore, the acquisition of foreign currency to honor its financial and commercial obligations. Assets and liabilities in foreign currency at December 31, 2022, have been valued based on MULC current quotations.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health of the Company.

These Financial Statements of the Company should be construed in light of these circumstances.

#### 2. Summary of significant accounting policies

There follow the main accounting policies used to prepare the Financial Statements.

##### 2.1 Basis for preparation

These Financial Statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), under a historical cost convention, modified by the revaluation of financial assets and liabilities at fair value.

The National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), by means of General Resolution No. 622/13, has established the application of Technical Resolutions No. 26 and 29 issued by the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas, FACPCE) which adopt IFRS issued by the IASB, for entities included in the public offering regime under Law No. 17.811 and amendments, either due to their capital stock or negotiable obligations, or because they requested authorization to be included in such regime.

The Financial Statements are disclosed in thousands of Argentine pesos, unless otherwise stated.

Pursuant to the IFRS, the preparation of these Financial Statements requires the management of the Company to make certain estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the income and expense figures for the reported periods. Actual profits or losses might differ from these estimates.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.1 Basis for preparation (cont'd)

All information corresponding to fiscal year ended on December 31, 2021 is part of these Financial Statements and is presented for comparative purposes only. If applicable, some figures from the Financial Statements at December 31, 2021 have been reclassified in order to present comparative information in respect of the current year. Particularly, in fiscal year ended on December 31, 2021, the Company recorded a reclassification of export rights from *Sales* to *Selling expenses* in the Income Statement for \$1,169.4 million, and the reclassification mentioned in Note 2.3.c.

#### 2.2 Basis for consolidation

##### (a) Subsidiaries

Subsidiaries are all the entities over which the Company exerts control, either directly or indirectly. The Company controls an entity when it is exposed to, or has rights to, the variable returns from its investment in the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated as from the date on which control is exercised by Tecpetrol and are no longer consolidated from the date on which such control ceases.

The Company applies the acquisition method to report business combinations. The cost of an acquisition is measured at the fair value of the assets acquired, the equity instruments issued, and the obligations assumed as of the acquisition date. Acquisition related costs are reported as incurred. Identifiable assets acquired, and debts and contingent liabilities assumed in a business combination are measured at their fair value on the acquisition date. Any non-controlling interest in the acquiree is measured either at the fair value at the acquisition date or at the non-controlling interest proportionate share of the net assets acquired. The excess of the cost of acquisition and the amount of any non-controlling interest in the acquiree over the Company's shareholding in identifiable net assets is recorded as goodwill. If this amount is less than the fair value of the net assets acquired, the difference is recognized directly in the Income Statement.

Inter-company transactions and balances, and unrealized profits (losses) on transactions among subsidiaries are removed for consolidation purposes.

The accounting policies of the subsidiaries are modified where necessary to ensure consistency with the accounting policies adopted by the Company.

Subsidiaries whose functional currency is the currency of a hyperinflationary economy recognize changes in the purchasing power of the currency pursuant to the dispositions set forth under IAS 29 "Financial Reporting in Hyperinflationary Economies". Profits (losses) from the implementation of the adjustment method set forth in IAS 29 upon initial equity measured in functional currency are recognized in Other comprehensive income. Profits (losses) and the financial position are translated into the presentation currency based on the closing exchange rate.

##### (b) Associates

Associates are all entities over which the Company has significant influence; it is generally a shareholding of 20-50% of all voting rights. Investments in associates are initially recognized at cost, and subsequently valued according to the equity method.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.2 Basis for consolidation (cont'd)

##### (b) Associates (cont'd)

Investments in associates are recognized as *Investments in entities accounted for using the equity method* in the Statement of Financial Position. Share of earnings and other comprehensive income of associates is reported as *Profits (losses) from investments in entities accounted for using the equity method* and *Other comprehensive income of investments in entities accounted for using the equity method* in the Income Statement and the Statement of Comprehensive Income, respectively.

Unrealized profits (losses) on transactions between Tecpetrol and its associates are removed to the extent of Tecpetrol's interest in such companies.

The accounting policies of the associates are modified where necessary to ensure consistency with the accounting policies adopted by the Company. Additionally, the Company includes, where significant, subsequent operations when financial statements at different reporting dates are used to calculate the equity method of accounting.

Investments in associates, each of which is considered a Cash Generating Unit (CGU), are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable; and, if appropriate, an impairment loss is recorded.

##### (c) Participation in joint arrangements

A joint arrangement is an agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists only when important decisions relating to the activities require the unanimous consent of the parties involved.

Investments whereby two or more parties have joint control are classified as *joint operations* when the parties have rights over the assets and obligations in relation to the liabilities of the joint arrangement. Joint operations are consolidated line by line with Tecpetrol's shareholding.

Also, investments whereby two or more parties have joint control are classified as *joint ventures* when the parties have rights over the net assets of the arrangement and are registered according to the equity method, as described above. Investments classified as joint venture are included under *Investments in entities accounted for using the equity method* in the Statement of Financial Position. Share of earnings and other comprehensive income of joint venture is reported as *Profits (losses) from investments in entities accounted for using the equity method* and *Other comprehensive income of investments in entities accounted for using the equity method* in the Income Statement and the Statement of Comprehensive Income, respectively.

Accounting policies for joint operations and arrangements have been modified where necessary to ensure consistency with the accounting policies adopted by the Company.

The valuation of the Company's interests in joint arrangements is reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable and, if appropriate, an impairment loss is recorded.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.3 Foreign currency translation and balances in foreign currency

##### *(a) Functional and presentation currencies*

Items included in the Financial Statements are reported in the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Company is the United States Dollar (USD), since this is the currency which best reflects the economic substance of the transactions. Both sales and prices of main drilling costs are negotiated, agreed upon and settled either in USD or considering the exchange rate fluctuation with respect to said currency.

The presentation currency of these Financial Statements is the Argentine peso (ARS).

##### *(b) Transactions in currency other than the functional currency*

Transactions carried out in currencies other than functional currency are translated into functional currency using the exchange rates in force at the dates of the transaction or valuation. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the Income Statement, except when deferred to Other comprehensive income as cash flow hedges. Translation differences on non-monetary financial assets and liabilities, such as investments in equity instruments at fair value are reported under Other comprehensive income. Share capital is translated at the exchange rate in force at the date of each capital contribution. The legal reserve is translated at the exchange rate in force at the date on which it is provided by the shareholders.

##### *(c) Currency translation of financial statements*

Financial statements prepared using the functional currency of the Company and all financial statements of Tecpetrol's subsidiaries whose functional currency is different from the presentation currency are translated into the presentation currency pursuant to the following:

- (i) assets and liabilities are translated at the closing exchange rate at each reporting date; profits and losses are translated at the average exchange rate of the year.
- (ii) all resulting exchange differences are recognized under Other comprehensive income as currency translation differences. When a subsidiary is dissolved or disposed of, accumulated currency translation differences are reported as profits or losses upon sale or disposal.

As from the current fiscal year and pursuant to General Resolution No. 941/2022 from the CNV, currency translation differences from reserved earnings and accumulated profits (losses) for the year are classified and accumulated directly under the item where it is recognized within equity (legal reserve, reserve for future dividends or retained earnings, which includes the profits (losses) for the year). For the purposes of standardizing comparative information in the Statement of Changes in Equity, there has been a reclassification between *Legal reserve* and *Retained earnings* of \$471,796 and \$289,778 at December 31, 2021 and December 31, 2020, respectively, and between *Reserve for future dividends* and *Retained earnings* of \$2,547,204 and \$1,026,880 at December 31, 2021 and December 31, 2020, respectively.

Currency translation differences generated by Shareholders' contributions and Other reserves are accumulated under *Other reserves* in the Statement of Changes in Equity (see Note 2.10.f).

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.3 Foreign currency translation and balances in foreign currency (cont'd)

##### (c) Currency translation of financial statements (cont'd)

As a result of the implementation of the abovementioned policy, the translation of the functional currency into the presentation currency does not modify the measurement of underlying elements, therefore keeping those amounts (both profits and losses and capital measured in the functional currency in which they were generated).

#### 2.4 Property, plant and equipment - Exploration, evaluation and development assets

Exploration and exploitation rights over areas relating to proven reserves are capitalized.

Acquisition costs related to rights and concessions of probable and possible reserves are initially capitalized; then, if upon completion and evaluation, exploratory results are determined to be unsuccessful, such costs are charged to expense in the period in which the lack of reserves is definitively confirmed by studies, technical reports or additional drillings.

Exploration and evaluation costs are initially capitalized and accumulated on a field-by-field basis. In the case of exclusively exploratory areas, exploration and evaluation costs include geological studies and other costs directly attributable to this activity. Subsequently, if upon field commercial evaluation, results are determined to be unsuccessful, these costs are charged to expense in the period in which the lack of reserves is definitively confirmed by studies and technical reports.

Drilling costs of exploratory wells are initially capitalized until it is confirmed that proven reserves are found that justify their commercial development. During this period, and subject to the existence of production associated to such exploratory wells, investment costs are reduced to the net proceeds from the commercialization of that production. If such proven reserves are not found, drilling costs are charged to expense in the period in which this determination is definitively confirmed. Occasionally, an exploratory well may determine the existence of reserves, but they might not be classified as proven reserves once the drilling is completed. In this case, these costs remain capitalized provided that the well has enough reserves in order to justify its completion as a productive well and that the Company makes sufficient progress in assessing the economic and operational viability of the project.

No depreciation or amortization is charged during the exploration and evaluation phase.

Field development costs are capitalized as *Property, plant and equipment. Exploration, evaluation and development assets*. Said costs include the acquisition and installation of production facilities, drilling costs of development wells and project-related engineering.

Wells drilled in productive fields for the purposes of developing proven reserves are considered development wells; wells which are neither development wells nor service wells are considered exploratory wells.

Workovers carried out in wells intended to develop reserves and/or increase production are capitalized and depreciated on the basis of their estimated average useful life. Maintenance costs are charged to expense when incurred.

Asset retirement obligations costs are calculated pursuant to the guidelines detailed in Note 2.14.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.4 Property, plant and equipment - Exploration, evaluation and development assets (cont'd)

From time to time, the Company re-evaluates the remaining useful lives of its assets, their residual value and the depreciation method; and adjusts them, if necessary.

Depreciation of exploration and exploitation rights related to proven reserves is calculated using the depletion method over the total proven reserves of each field.

Depreciation of wells, machinery, equipment and facilities is calculated using the depletion method over the total proven developed reserves of each field as from the month production starts.

Depreciation of machinery and equipment under contracts in which the Company acts as lessor is calculated using the straight-line method over an estimated useful life of 10 years.

Depreciation of the remaining property, plant and equipment is calculated using the straight-line method by applying such annual rates as required to write-off their value at the end of their estimated useful lives, pursuant to the following detail:

- Vehicles up to 5 years
- Furniture and office equipment up to 5 years

Profits and losses resulting from sales are determined by comparing the purchase price and the carrying value of the asset at the date of sale, and are reported under *Other operating income/expenses*, as applicable, in the Income Statement.

The carrying value of assets from production and development areas and assets related to probable and possible reserves is reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. Impairment losses are reported when the carrying amount of the assets is higher than their recoverable amount. The recoverable amount is the higher of the assets' fair value less direct costs of disposal and their value in use. The value in use is determined on the basis of discounted cash flows expected to arise from the remaining commercial reserves.

Assets which have suffered impairment losses in previous fiscal years are reviewed at each reporting date in order to assess if the conditions which gave rise to the impairment loss have changed and, if appropriate, to reverse such impairment loss.

#### 2.5 Leases

Right-of-use assets and liabilities derived from lease agreements under which the Company acts as lessee (Note 16.a) are recognized in the Statement of Financial Position as from the date on which the leased asset is available for use by the lessee and are measured at the present value of the payments to be made under the term of the lease agreement considering the discount rate implicit under the lease (provided it could be assessed) or the incremental borrowing rate of the Company.

Right-of-use liabilities comprise fixed lease payments, variable lease payments based on a rate or index, amounts expected to be payable under residual value guarantees, the purchase option price when it is likely such option will be exercised and penalties for early termination of the lease if the term of the agreement indicates the lessee will exercise the option. Costs for right-of-use assets include initially measured liabilities amount, all payments made before the date of initial application, initial direct costs and related restoration costs.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.5 Leases (cont'd)

Subsequently, right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if applicable. Assets are depreciated on a straight-line basis over the term of the lease or useful life of the asset, whichever period is the shorter. Right-of-use liabilities are increased by interest accrual and remeasured to reflect changes in payments, the scope of the lease and the discount rate. Costs for right-of-use assets are adjusted for any remeasurement of the liability.

Right-of-use liabilities were discounted using the incremental borrowing rate (in USD) of the Company, which ranges from 2.2% to 8.4%.

Lease agreements under which the Company acts as lessor (Note 16.b) and retains all risks and benefits from the ownership of the underlying asset are classified as operating leases. Profits from these contracts are recognized on an accrual basis under *Sales* in the Income Statement during the term of the lease. All related leased assets are included in the Statement of Financial Position according to their nature.

#### 2.6 Inventories

Hydrocarbon inventories, supplies and spare parts are valued either at cost, using the weighted average cost formula or at their net realizable value, whichever is the lowest.

Upon each closing date, an analysis is carried out to assess recoverable amounts and, if appropriate, an allowance for impairment losses is recognized in the Income Statement.

#### 2.7 Trade and other receivables

Trade and other receivables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, less allowances for doubtful accounts, if necessary. An allowance for doubtful accounts is established based upon expected credit losses and when there is objective evidence that the Company will not be able to collect trade and other receivables. In order to assess expected credit losses, the Company uses both forward-looking information and historical data. Periodically, the Company evaluates changes in credit risk considering the debtors' significant financial difficulties, the probability that the debtor will file for bankruptcy or will be subject to insolvency proceedings, and default or significant delays in payments; as well as significant changes in foreign market indicators and regulatory or economic conditions. To estimate expected credit losses, the Company groups trade and other receivables (if any) based upon common credit risk indicators and designates an expected bad debt rate according to a historical bad debt ratio adjusted to expected future economic conditions.

The asset's carrying amount is reported net of allowances for impairment losses, if applicable. The allowance expense is recognized in the Income Statement under *Selling expenses*.



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.8 Other investments

Other investments include financial debt instruments with initial maturities exceeding three months as from the date of acquisition. They are initially recognized at fair value and subsequently valued at amortized cost or at fair value, depending on the classification of the financial instruments, as set forth in Note 2.19.

#### 2.9 Cash and cash equivalents

Cash and cash equivalents are carried at fair value or at historical cost since the latter approximates the fair value. For the purposes of the Cash Flow Statement, cash and cash equivalents include cash in hand, bank deposits, current account overdrafts and highly liquid investments with original maturities of less than three months and which are readily convertible to cash.

In the Statement of Financial Position, current account overdrafts are shown under *Borrowings* in current liabilities.

#### 2.10 Equity

##### (a) Equity components

The Statement of Changes in Equity includes share capital, capital contributions, the legal reserve, the reserve for future dividends, other reserves and retained earnings.

##### (b) Share Capital

At December 31, 2022 and December 31, 2021, the Company's subscribed capital amounted to \$4,436,448 and was represented by 4,436,448,068 common shares carrying a nominal value of \$1 each.

##### (c) Distribution of dividends

Dividends distributed to the Company's shareholders are based on profits (losses) attributable to the Owners of the Parent Company. Distribution of dividends is recognized as a liability in the Financial Statements in the period in which those dividends are approved by the Shareholders at a Meeting.

On August 23, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of dividends, and therefore, partially reduced the reserve for future dividends by \$7,346.2 million (\$6,832 million were distributed in kind (bonds) and \$514.2 million were distributed in cash). Such dividends were paid on August 30, 2022.

On October 28, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of cash dividends, and therefore, partially reduced the reserve for future dividends by \$3,411.2 million. Such dividends were paid on November 4, 2022.

On December 16, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of cash dividends, and therefore, partially reduced the reserve for future dividends by \$1,819 million. Such decision was ratified by the Shareholders at an Annual General Meeting held on December 28, 2022. At December 31, 2022, the amount paid totaled \$1,305.7 million. The remaining amount will be paid off in January 2023.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.10 Equity (cont'd)

##### (d) Capital contributions

General Resolution No. 562/09 of the CNV establishes that there are certain transactions carried out by an entity with its parent company that, depending on the economic aspect of the transaction, are similar to contributions or withdrawals of capital or profits, and therefore must be directly recognized in Equity. When items with a credit balance are generated, they are treated as capital contributions and are disclosed in Equity in a separate account named *Capital Contributions*.

##### (e) Legal reserve

In accordance with Companies Law No. 19,550 (hereinafter referred to as "LGS"), the Company's by-laws and General Resolutions No. 622/13 and 941/2022 issued by the CNV, 5% of the net profits for the year must be allocated to a legal reserve until such reserve equals 20% of the share capital. For the calculation of such 5%, currency translation differences from retained earnings during the year must be considered. Besides, the balance of currency translation differences from the capital share must be taken into consideration for the assessment of the 20% of the capital share, and the balance of currency translation differences from the legal reserve must be considered as part of the legal reserve.

##### (f) Other reserves

Other reserves include the effect of currency translation from shareholders contributions, the special reserve, the reserve for investments in equity instruments, the reserve for employee benefits programs; changes in the fair value of investments in equity instruments; net actuarial profits (losses) generated by employee benefits programs and income tax related to components of other comprehensive income.

The composition of *Other reserves* at December 31, 2022 and December 31, 2021 is as follows:

	Reserve for currency translation from shareholders' contributions	Special reserve (i)	Reserve for investments in equity instruments	Reserve for employee benefits programs	Total
<b>Balances at December 31, 2021</b>	35,716,532	6,639,099	351,328	(267,187)	42,439,772
Currency translation differences	29,749,132	4,811,278	347,240	(222,369)	34,685,281
Other comprehensive income for the year	-	-	(235,835)	(340,642)	(576,477)
Income tax related to components of other comprehensive income	-	-	76,200	119,224	195,424
<b>Balances at December 31, 2022</b>	<b>65,465,664</b>	<b>11,450,377</b>	<b>538,933</b>	<b>(710,974)</b>	<b>76,744,000</b>
	Reserve for currency translation from shareholders' contributions	Special reserve (i)	Reserve for investments in equity instruments	Reserve for employee benefits programs	Total
<b>Balances at December 31, 2020</b>	28,295,235	5,438,864	322,540	(4,966)	34,051,673
Currency translation differences	7,421,297	1,200,235	83,755	(26,523)	8,678,764
Other comprehensive income for the year	-	-	178,441	(380,046)	(201,605)
Income tax related to components of other comprehensive income	-	-	(233,408)	144,348	(89,060)
<b>Balances at December 31, 2021</b>	<b>35,716,532</b>	<b>6,639,099</b>	<b>351,328</b>	<b>(267,187)</b>	<b>42,439,772</b>

(i) It corresponds to General Resolution No. 609/12 of the CNV [See Note 32 (iii)].

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred; and subsequently, they are valued at amortized cost using the effective interest method.

Borrowings are classified as current liabilities if they come due within the next 12 months following the Financial Statements reporting date and the Company does not have an unconditional right to defer payments for at least 12 months following the reporting date of the Financial Statements.

#### 2.12 Income tax and minimum notional income tax

##### 2.12.a. Income tax

The income tax expense for the year comprises current and deferred tax. Such tax is recognized in the Income Statement, except in those cases where income tax relates to items recognized under Other comprehensive income. In this case, income tax is directly reported under Other comprehensive income.

Current income tax is calculated according to the appropriate tax rate upon taxable income as set forth under current tax regulations. Tecpetrol periodically evaluates its tax returns regarding situations where tax legislation is subject to certain interpretation and recorded provisions when considered appropriate.

Deferred income tax is recognized applying the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values. The main temporary differences arise from the effect of the difference on functional currency, depreciation of property, plant and equipment, tax losses, allowances and provisions. In order to determine deferred tax assets and liabilities, the Company applied, upon identified time differences, the tax rate which is expected to be in force at the time of reversal, according to all regulations in force at the date of issuance of these Financial Statements.

Tax losses are recognized as deferred assets provided that it is probable that future taxable income will be generated. At each closing date, the Company assesses unrecognized deferred assets and reports a previously unrecognized deferred asset to the extent that it is probable that future taxable income will allow the deferred asset to be recovered.

Deferred tax assets and liabilities are offset at the level of each legal entity when there is a legally enforceable right to offset current tax assets and liabilities, and when deferred income tax is levied by the same taxation authority.

For the assessment of income tax charge, Law No. 27.430/2017, as amended, sets forth the implementation of a tax inflation adjustment in the fiscal year if the percentage of variation of the Consumer Price Index (CPI) accumulated during the thirty-six months prior to the closing date of the fiscal year under settlement, exceeds 100%. In fiscal years 2022 and 2021, the expected conditions for the implementation of the adjustment have taken place; therefore, the adjustment was included in the assessment of the provision for current and deferred income tax, including its impact according to applicable regulations.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.12 Income tax and minimum notional income tax (cont'd)

##### 2.12.a. Income tax (cont'd)

The Company has adjusted tax losses originated as from January 1 for inflation, 2018, in compliance with Income Tax Law (as revised in 2019 and subsequently amended). The re-statement of tax losses due to inflation (pursuant to section 25 of Income Tax Law) is subject to a special regime which differs from the regime applicable to the remaining updates included in such legislation.

For tax assessment purposes, Law no. 27.630 (published in the Official Gazette on June, 16, 2021) introduced a three-tiered rate system depending on accumulated net taxable income. Current rates for this fiscal year are as follows:

- 25% for accumulated net taxable income of up to \$7.6 million.
- 30% for the second tier, which covers income up to \$76 million plus \$1.9 million corresponding to income from the first tier.
- 35% for income over \$76 million plus \$22.4 million corresponding to income from the first and second tiers.

These amounts are adjusted on a yearly basis, as set forth under Income Tax Law.

As from this fiscal year, and based on Law No. 27.701, the Company agreed to differ the allocation of the positive inflation adjustment in three fiscal years (applicable to fiscal years starting on or after January 1, 2022) and committed to make certain investments of an amount equal to or higher than \$30,000 million during each of the two fiscal years following the fiscal year to which the positive inflation adjustment corresponds.

Besides, pursuant to the abovementioned law, dividends and similar profits to be distributed among foreign beneficiaries will be taxed at a rate of 7%.

##### 2.12.b. Minimum notional income tax

At December 31, 2022 and December 31, 2021, the Company reported a minimum notional income tax balance (this tax was repealed by section 76 of Law No. 27.260) of \$35.7 million under *Income tax credit*, which might be used for the payment of income tax.

#### 2.13 Employee benefits programs

##### (a) Pension programs and other plans

The Company offers ongoing benefit programs such as *unfunded defined benefits* and *other long-term benefits* that, under certain established conditions, are granted after retirement and during an employee's working life and are recorded according to current accounting standards.

The liability provision for such benefits is recorded at the present value of the obligation at year-end, which is calculated at least once a year by independent actuaries using the projected unit credit method.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.13 Employee benefits programs (cont'd)

##### *(a) Pension programs and other plans (cont'd)*

For unfunded defined benefits, actuarial profits and losses arising from past events adjustments and changes in actuarial assumptions are recognized under Other comprehensive income in the year in which they arise. Previous service costs are recognized immediately in the Income Statement.

Actuarial gains and losses related to other long-term benefits are recognized immediately in the Income Statement.

##### *(b) Employee retention and long-term incentive program*

Tecpetrol Investments S.L.U., indirect parent company of the Company, has an employee retention and long-term incentive program for certain executives of some subsidiaries. According to this program, the beneficiaries will be granted several equity units valued at carrying value of Equity per share of Tecpetrol Investments S.L.U. (excluding non-controlling interest). The units will be vested over a period of four years and the corresponding subsidiaries will redeem them after a certain period, which according to the terms of the plan granted, contemplates two different redemption periods: a) 10 years from the day they were granted; the employee shall have the right to request payment as from the seventh year onwards; b) 7 years from the day they were granted; or in both cases, when the employment relationship with the payor subsidiary ceases. Payment will be made at carrying value of Equity recorded per share attributable to the Shareholders of Tecpetrol Investments S.L.U. upon payment. The beneficiaries of this program will also receive cash payments equivalent to the dividend paid per share, each time Tecpetrol Investments S.L.U. pays cash dividends to its shareholders. Considering that payment under the program is related to the carrying value of Tecpetrol Investments S.L.U. shares, the Company values the program as *Other long-term benefits*, as required by IAS 19.

At December 31, 2022 and December 31, 2021, the total value of the units granted to employees of the Company under this program, considering both the number of units and the carrying value per share of Tecpetrol Investments S.L.U. amounts to USD 18 million and USD 14 million, respectively. Pursuant to calculations carried out by independent actuaries, at December 31, 2022 and December 31, 2021, the Company reported liabilities for \$3,472.9 million and \$1,474.8 million, respectively; and expenses for \$859.6 million and \$616.2 million at December 31, 2022 and December 31, 2021, respectively (see Note 25).

#### 2.14 Provisions

Provisions are recognized when a) the Company has a present obligation, whether legal or constructive, as a result of past events; b) it is highly probable that an outflow of resources will be required to settle the obligation; and c) the amount can be estimated reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using an appropriate discount rate.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.14 Provisions (cont'd)

The provision for assets retirement obligations is calculated by establishing the present value of future costs related to the decommissioning and restoration of each area. When the liability is initially reported, the Company capitalizes these costs by increasing the carrying value of the related asset. Over time, the liability is accreted to its present value during each period, and the initially capitalized cost is depreciated over the estimated useful life of the related asset, as detailed in Note 2.4. The Company periodically re-evaluates the future costs of asset retirement obligations, based upon changes in technology and variations in restoration costs necessary to protect the environment. The effects of these re-calculations are included in the Financial Statements for the periods in which they are determined and are disclosed as an adjustment to the provision and to *Property, plant and equipment. Exploration, evaluation and development assets*.

#### 2.15 Trade and other payables

Trade and other payables are recognized at fair value and subsequently re-measured at amortized cost, using the effective interest method. Trade and other payables are classified as current liabilities unless Tecpetrol has the right to defer settlement of the liability for at least 12 months following the reporting date of the Financial Statements.

#### 2.16 Revenue recognition

Revenues from contracts with customers comprise the fair value of the consideration received or receivable from the sale of goods and services to customers net of value-added tax, withholding taxes and discounts.

Revenues from hydrocarbon sales contracts with customers are recognized when the control of goods or services is transferred to the customer, at fair value of the consideration received or receivable. Performance obligations are fulfilled, and control is transferred to customer upon delivery of hydrocarbons.

Revenues from contracts with customers for services mainly related to the sale of hydrocarbons is recognized over time. The related performance obligation is satisfied as such services are rendered.

Other revenues are recognized on an accrual basis.

#### 2.17 Incentives to production and/or investments

Incentives to production and/or investments created by the national government are recognized according to an accrual basis of accounting when the Company complies with all necessary requirements in order to receive said incentive and has a reasonable certainty that they will be collected. Said incentives are disclosed under *Sales* in the Income Statement.

#### 2.18 Operating costs

Operating costs are recognized in the Income Statement on an accrual basis of accounting.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.19 Financial instruments

Financial assets and liabilities are recognized and derecognized on their settlement date.

Financial assets and liabilities are offset, and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset such amounts, and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies its non-derivative financial instruments into the following categories: at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss. The classification depends on both the business model adopted by the Company to manage the financial instruments and the characteristics of their contractual cash flows.

##### *(a) Amortized cost*

Financial assets are valued at amortized cost if the following conditions are met: the business model of the company which owns such financial assets is to collect the contractual cash flows and, according to the contract terms, cash flows are on account of repayment of principal and interest and they occur on specified dates.

Interest income are included in the Income Statement using the effective interest rate method.

Besides, financial liabilities are valued at amortized cost, except when they specifically satisfy certain requirements to be included under another category.

This category mainly includes cash and cash equivalents, trade and other receivables, borrowings, trade and other payables and right-of-use liabilities.

##### *(b) Financial assets at fair value through other comprehensive income*

Financial assets are measured at fair value through other comprehensive income if the following conditions are met: i) the business model of the company which owns such financial assets is achieved by both collecting contractual cash flows and selling those financial assets, and ii) according to the contract terms, cash flows are on account of repayment of principal and interest and they occur on specified dates.

This category includes investments in equity instruments since the Company exercised the irrevocable option to disclose changes in the fair value under other comprehensive income as an item that will not be subsequently reclassified to profit or loss. Dividends resulting from these investments are recognized under profit or loss for the fiscal year.

The Company evaluates at each Financial Statements reporting date whether there are impairment indicators, and records, if necessary, an impairment charge as part of the changes in the fair value under Other comprehensive income.

##### *(c) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial instruments that do not fit any of the other categories. This category mainly includes investments in financial debt instruments, fixed-income securities, share certificates and mutual funds.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.20 Derivative financial instruments and hedging activities

Derivative financial instruments are recognized at their fair value. Specific tools, which are tested for consistency on a regular basis, are used for calculating the fair value of each instrument. Market indexes are used for all pricing operations. These include exchange rates, interest rates and other discount rates which mitigate the nature of the underlying risk.

The method for recognizing the resulting gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and if so, on the nature of the item being hedged. Changes in the fair value of derivative financial instruments that are not designated as hedging instruments are immediately recognized in the Income Statement as *Other net financial profits (losses)*.

The fair value of derivative financial instruments is detailed in Note 29. A derivative financial instrument considered a hedging instrument is classified as a non-current asset or liability if the item being hedged has a maturity greater than 12 months; and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Derivatives not considered hedging instruments are classified as current assets or liabilities.

#### *Cash flow hedges*

When a derivative financial instrument is designated as a hedging instrument, the Company documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its objectives and the risk management strategy defined by the management for undertaking various hedge transactions.

Upon hedge inception and on an ongoing basis, the Company also assesses the effectiveness of the derivative financial instruments designated as hedge to offset cash flows of hedged items.

The effective portion of changes in the fair value of derivatives financial instruments that are designated as cash flow hedges is recognized under Other comprehensive income. The profits and losses related to the ineffective portion is recognized immediately in the Income Statement under *Other net financial profits (losses)*.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative profit or loss previously reported under *Other comprehensive income* remains in Other comprehensive income and is reclassified to the Income Statement when the hedged transaction takes place. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Other comprehensive income is immediately reclassified to the Income Statement.

#### 2.21 Segment information

The Company has identified the different fields in which it participates as operating segments; such segments are added in two reportable segments: Neuquina basin and Noroeste - San Jorge basin and others. Each reportable segment is managed by an officer in charge, who is directly responsible for managing the operations in the fields of each basin.



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 2.21 Segment information (cont'd)

The highest decision-making authority is the group of directors comprising the Chairperson; the General Director of Exploration and Production; the General Director of Business Development, Gas and Power, and Marketing; and the General Director of Corporate Areas, who hold periodical meetings with the officers in charge of the different areas in order to assess the performance of each field and allocate resources. For performance assessment the Company resorts to operating profits and losses under the managerial vision per segment. Note 6 discloses the information received and monitored by directors and the main differences between operating profits and losses under both managerial vision and IFRS.

Segment Neuquina basin includes Company operations in the following fields: Fortín de Piedra, Punta Senillosa, Los Bastos, Puesto Parada, Agua Salada and Los Toldos (I Norte, II Este and I Sur), where medianito crude and gas are produced. Additionally, it includes all exploratory activities developed in Loma Ancha area.

Segment Noroeste - San Jorge basin and others include Company operations in the following fields: Aguaragüe and Ramos in Salta, El Tordillo and La Tapera - Puesto Quiroga in Chubut and Lago Argentino in Santa Cruz. These are mature fields, with secondary and tertiary productions, mainly of escalante crude oil and gas. Moreover, there are exploratory activities in the area of Gran Bajo Oriental in the province of Santa Cruz and in MLO-124 area, located in Malvinas marine basin.

#### 2.22 Assets classified as held for sale assets

Non-current assets are classified as assets held for sale if the carrying value is recoverable mainly through a sale transaction (that is, the asset is not held for continuous use), and such sale is highly likely to occur. Such assets are measured at the lowest of their carrying value and the asset's fair value less direct costs of disposal.

### 3. New accounting standards

*(a) New standards, interpretations and amendments to published standards effective as from the fiscal year ended on December 31, 2022:*

There were no new standards, interpretations and amendments to published standards in force that were relevant to the Company.

*(b) New standards, interpretations and amendments to published standards not yet effective and not early adopted:*

The Management assessed the importance of other new standards, interpretations and amendments not yet effective and concluded that they were not relevant for the Company.

### 4. Financial risk management

#### 4.1 Financial risk factors

Due to its activities, the Company is exposed to a series of financial risks, mainly related to market risks (including fluctuations in exchange rates, interest rates and prices), credit risk concentration, liquidity risk and capital risk.

The risk management program is focused on the unpredictability of financial markets and aims at minimizing the potential adverse effects on its financial performance.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.1 Financial risk factors (cont'd)

##### (i) Foreign exchange rate risk

The Company is exposed to fluctuations in exchange rates for those transactions conducted in a currency other than the functional currency. As the functional currency is the USD, the Company intends to reduce the risk related to fluctuations in the exchange rates of other currencies against the USD.

Exposure to fluctuations in foreign exchange rate is reviewed periodically. The Company intends to counteract the potentially negative impact of variations in the exchange rates, using different financial instruments and derivatives, if necessary.

Exposure to the Argentine peso was USD 58.4 million (liabilities) at December 31, 2022.

Tecpetrol estimates that a 1% depreciation/revaluation of the ARS to USD exchange rate would result in a profit/(loss) of USD 0.6 million at December 31, 2022.

##### (ii) Interest rate risk

Tecpetrol is exposed to cash flow risks generated by the volatility of the interest rate, mainly related to short-term investments and borrowings.

The table below shows the percentages of fixed interest rate and floating interest rate debt at each year-end:

	December 31, 2022		December 31, 2021	
	Amount	Percentage	Amount	Percentage
Fixed rate	63,288,800	49%	82,142,592	90%
Floating rate	64,965,266	51%	9,458,166	10%

If interest rates on the accumulated nominal average of borrowings held during the fiscal year at floating rates had been 50 basis points higher with all other variables remaining constant, net income would have been USD 1.1 million less at December 31, 2022. Note 24 includes information concerning the interest rates applicable to main borrowings.

##### (iii) Credit risk concentration

Tecpetrol's financial assets which are potentially exposed to credit risk concentrations are mainly deposits in financial institutions, short-term investments and trade receivables and other receivables.

As regards deposits in financial institutions, the Company reduces its exposure to significant concentrations of credit risk maintaining its deposits and placing its cash investments with top-class financial institutions, either directly or through a related company which acts as a financial agent.

Tecpetrol sets out certain guidelines for the investment in financial assets. At December 31, 2022, investments mainly consist in Argentinian sovereign bonds and corporate bonds from selected issuers.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.1 Financial risk factors (cont'd)

##### (iii) Credit risk concentration (cont'd)

With regard to trade receivables, the Company implements policies to ensure that products are sold to customers with an appropriate credit history, or, if not available, letters of credit. Tecpetrol actively monitors the credit history of its customers, determining individual credit lines which are reviewed periodically and identifying cases where insurance, credit letters or other instruments intended to mitigate credit risks are necessary. For credit analysis purposes the Company uses internal information about the performance of its customers as well as external sources.

At December 31, 2022, 18% of all trade receivables are guaranteed with credit insurance (25% at December 31, 2021) and 3% with guarantees (3% at December 31, 2021).

Tecpetrol sells to Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) and Energía Argentina S.A. (ENARSA), state-controlled companies, mainly under the Public Bidding – Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme as set forth under Resolution No. 317/2020 from the Office of the Secretary of Energy (hereinafter referred to as "Plan Gas.Ar"). At December 31, 2022, CAMMESA and ENARSA represented 42% and 4%, respectively, of all trade receivables of Tecpetrol, whereas at December 31, 2021, CAMMESA and ENARSA represented 45% and 5%, respectively, of all trade receivables of the Company.

Regarding other receivables, at December 31, 2022 and December 31, 2021, 39% and 60%, respectively, corresponded to incentives granted by the national government.

##### (iv) Liquidity risk

The financial strategy seeks to maintain adequate financial resources and access to credit facilities to finance the operations of the Company. During this fiscal year, Tecpetrol used cash flows generated by its own operations as well as external financing.

Tecpetrol has a conservative strategy as regards liquidity management, which consists in maintaining a substantial portion of its funds in cash, liquid funds and short-term investments.

At December 31, 2022, Tecpetrol had a negative working capital of \$22,650.6 million (at December 31, 2021 it had a negative working capital of \$4,638.1) which was generated mainly by borrowings. This situation is constantly monitored by the members of the Board and the Management. The Company has different alternatives that will allow it to adequately honor all commitments assumed.

There follows a table representing an analysis of the Company's financial liabilities including contractual due dates:

	<b>Less than one year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>
<b>At December 31, 2022</b>				
Borrowings	71,002,807	32,822,647	24,428,612	-
Right-of-use liabilities	2,127,589	816,206	592,578	351,331
Trade and other payables	33,984,661	-	-	-
Interest on unpaid borrowings not yet accrued	7,265,939	2,492,421	1,079,185	-
<b>Total</b>	<b>114,380,996</b>	<b>36,131,274</b>	<b>26,100,375</b>	<b>351,331</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.1 Financial risk factors (cont'd)

##### (iv) Liquidity risk (cont'd)

	Less than one year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>At December 31, 2021</b>				
Borrowings	71,391,962	13,457,399	6,751,397	-
Right-of-use liabilities	1,223,978	723,182	537,194	367,107
Derivative financial instruments	166,061	-	-	-
Trade and other payables	11,506,730	-	-	-
Interest on unpaid borrowings not yet accrued	1,387,455	749,478	191,663	-
<b>Total</b>	<b>85,676,186</b>	<b>14,930,059</b>	<b>7,480,254</b>	<b>367,107</b>

##### (v) Price risk

The Company is exposed to the variation in the international prices of crude oil, given that it exports part of its production and the sales price agreed in the domestic market is determined considering international values. A USD 1 variation in the reference price of the barrel of crude oil, with all other variables remaining constant, would imply an impact upon net profits or losses of USD 2.5 million for the year ended on December 31, 2022.

With regard to the turnover from gas sales, a variation of USD 0.1 per million of BTU, with all other variables remaining constant, would imply an impact upon net profits or losses of the Company of USD 5 million for the fiscal year ended on December 31, 2022. It should be noted that this sensitivity analysis does not consider sales obtained under Plan Gas.Ar since such plan sets fixed prices.

At December 31, 2022 and December 31, 2021, the Company does not have derivative financial instruments to mitigate this price risk.

Additionally, Tecpetrol's short-term investments are exposed to the risk of price change which arise as a result of fluctuations in relation to the future values of such assets. The Management constantly monitors the evolution of such prices.

At December 31, 2022, the total value of short-term investments at fair value through profit or loss reached \$40,172.9 million.

Tecpetrol estimates that a 10% variation in the market price of such investments would have resulted in a (loss)/profit of USD 22 million at December 31, 2022. This sensitivity analysis is based on one variation in the prices and does not consider other variables which might influence as well.

##### (vi) Capital risk

The Company seeks to maintain an adequate level of indebtedness over total equity considering the industry and the markets in which it operates. The net debt/total equity ratio ("net debt" comprises all financial borrowings less cash and cash equivalents and other investments and equity is the aggregate of net debt and equity) is 0.31 at December 31, 2022, compared with 0.27 at December 31, 2021. The Company is not obliged to comply with external capital requirements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.2 Financial instruments by category

Financial instruments by category are disclosed below:

<b>At December 31, 2022</b>	<b>At fair value through profit or loss</b>	<b>At amortized cost</b>	<b>At fair value through other comprehensive income</b>	<b>Total</b>
<b>Assets</b>				
Investments in equity instruments at fair value	-	-	3,506,724	3,506,724
Other receivables	-	10,239,510	-	10,239,510
Trade receivables	-	26,124,111	-	26,124,111
Other investments	39,968,330	-	-	39,968,330
Cash and cash equivalents	204,531	166,880	-	371,411
<b>Total</b>	<b>40,172,861</b>	<b>36,530,501</b>	<b>3,506,724</b>	<b>80,210,086</b>

<b>At December 31, 2022</b>	<b>Amortized cost</b>	<b>Total</b>
<b>Liabilities</b>		
Borrowings	128,254,066	128,254,066
Right-of-use liabilities	3,887,704	3,887,704
Trade and other payables	33,984,661	33,984,661
<b>Total</b>	<b>166,126,431</b>	<b>166,126,431</b>

<b>At December 31, 2021</b>	<b>At fair value through profit or loss</b>	<b>At amortized cost</b>	<b>At fair value through other comprehensive income</b>	<b>Total</b>
<b>Assets</b>				
Investments in equity instruments at fair value	-	-	2,085,520	2,085,520
Other receivables	-	9,225,604	-	9,225,604
Trade receivables	-	13,165,006	-	13,165,006
Derivative financial instruments	844	-	-	844
Other investments	34,381,743	-	-	34,381,743
Cash and cash equivalents	13,994,892	4,693,867	-	18,688,759
<b>Total</b>	<b>48,377,479</b>	<b>27,084,477</b>	<b>2,085,520</b>	<b>77,547,476</b>

<b>At December 31, 2021</b>	<b>At fair value through profit or loss</b>	<b>At amortized cost</b>	<b>Total</b>
<b>Liabilities</b>			
Borrowings	-	91,600,758	91,600,758
Right-of-use liabilities	-	2,851,461	2,851,461
Derivative financial instruments	166,061	-	166,061
Trade and other payables	-	11,506,730	11,506,730
<b>Total</b>	<b>166,061</b>	<b>105,958,949</b>	<b>106,125,010</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.3 Fair value estimate

##### Fair value hierarchies

Financial instruments measured at fair value can be classified into any of the following hierarchical levels, depending on how the fair value is estimated:

Level 1 – Based on quoted prices in active markets for identical assets and liabilities. The fair value of financial instruments traded in active markets is based on the market quoted price at the end of the reporting fiscal year. A market is considered active when the quoted prices are available and such prices represent transactions regularly conducted between independent parties.

Level 2 – Based on market inputs (other than quoted market prices included within Level 1) that are observable for assets and liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices). For the estimates of fair value, the Company applies a series of methods and assumptions based on the market conditions existing at the presentation date of the Financial Statements. The fair value of financial instruments that are not traded in an active market is determined by means of standard valuation techniques which maximize the use of observable market inputs.

Level 3 – Based on information not observable in the market (for example, discounted cash flows).

The following table presents the financial assets and liabilities measured at fair value by hierarchy level at December 31, 2022 and December 31, 2021:

<b>At December 31, 2022</b>	<b>Level 1</b>	<b>Level 3</b>	
<b>Assets</b>			
Investments in equity instruments at fair value	-	3,506,724	
Other investments	39,968,330	-	
Cash and cash equivalents	204,531	-	
<b>Total</b>	<b>40,172,861</b>	<b>3,506,724</b>	
<b>At December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Investments in equity instruments at fair value	-	-	2,085,520
Derivative financial instruments	-	844	-
Other investments	34,381,743	-	-
Cash and cash equivalents	13,994,892	-	-
<b>Total</b>	<b>48,376,635</b>	<b>844</b>	<b>2,085,520</b>
<b>Liabilities</b>			
Derivative financial instruments	-	166,061	-
<b>Total</b>	<b>-</b>	<b>166,061</b>	<b>-</b>

There were no transfers among levels 1, 2 and 3 during fiscal years ended on December 31, 2022 and December 31, 2021.

##### Fair value estimate

For the purposes of estimating the fair value of cash equivalents, the Company generally uses the historical cost principle, as this one approximates the fair value.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 4.3 Fair value estimate (cont'd)

##### Fair value estimate (cont'd)

At December 31, 2022 and December 31, 2021, the carrying value of cash, other investments, trade and other receivables and trade and other payables, and right-of-use liabilities, less any allowance for impairment, if applicable, approximates their fair value. Moreover, the fair value of borrowings did not significantly differ from their carrying value at December 31, 2022 and December 31, 2021.

In all cases, the fair value was determined based upon discounted cash flows using the market rates and items were classified as Level 2. At December 31, 2021, the fair value of negotiable obligations was determined based upon the quoted price (Level 1), which reached USD 100.48 for each USD 100 of nominal value.

#### 5. Critical accounting estimates and judgments

In the preparation of the Financial Statements, the Company makes estimates and assumptions regarding future events. Estimates and judgments are constantly assessed and are based on the historical experience and other factors, including the expectations of future events considered reasonable according to the circumstances. Actual future profits or losses might differ from those estimates. There follows a detail of the most significant estimates and assumptions:

##### *(a) Hydrocarbon reserves (\*)*

Reserves are the volumes of oil and gas (expressed in m<sup>3</sup> of oil equivalent) which generate or are related to any economic gain in the areas where Tecpetrol operates or has a direct or indirect investment and over which Tecpetrol has exploitation rights.

There are numerous factors that create uncertainty as regards the estimate of proven reserves and future production profiles, and development costs and prices, including several factors beyond the control of the producer. The procedure for calculating reserves is a subjective process of estimating crude oil and natural gas to be recovered from the subsoil; and which entails certain level of uncertainty. Reserves are estimated based on the quality of geological and engineering information available at the date of calculation and interpretation.

Developed and undeveloped hydrocarbon proven reserves estimated at December 31, 2022, are disclosed below:

##### **Crude oil**

Proven developed reserves: 2.75 million of m<sup>3</sup>

Undeveloped proven reserves: 4.52 million of m<sup>3</sup>

##### **Natural gas:**

Proven developed reserves: 12.52 billion of m<sup>3</sup>

Undeveloped proven reserves: 65.62 billion of m<sup>3</sup>

(\*) Information not included in the Independent Auditor's Report on the Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 5. Critical accounting estimates and judgments (cont'd)

##### *(a) Hydrocarbon reserves (\*) (cont'd)*

The above-mentioned reserves are made up of the proven reserves likely to be extracted. The estimates of our reserves were based upon the information provided by the engineers, geologists and geophysicists of the Company and certified by an independent auditor of reserves.

The estimates of reserves are based on technological and economic conditions in force at December 31, 2022, considering the economic assessment within the term of the concession agreement in order to determine the period for recoverability. Reserve estimates are adjusted at least on an annual basis or whenever changes in the aspects considered for their evaluation so justify it.

(\*) Information not included in the Independent Auditor's Report on the Financial Statements.

##### *(b) Impairment of non-financial long-term assets*

The assessment of recoverability of non-financial long-term assets implies that the management uses a series of critical estimates and assumptions described in Note 18.

##### *(c) Provision for asset retirement obligations*

Obligations related to well decommissioning and restoration, after the completion of operations, led management to make estimates of both long-term asset retirement obligations costs and the remaining period up to decommission. Technology, costs and political, environmental and safety considerations constantly change, giving rise to possible differences between actual future costs and estimates.

##### *(d) Contingencies*

Tecpetrol is subject to various complaints, lawsuits and other legal proceedings which arise during the ordinary course of business. Liabilities related to said complaints, lawsuits and other legal proceedings cannot be accurately estimated. The Company analyzes the status of each contingency and assesses the potential financial exposure. If the related potential loss is considered probable and the amount can be reasonably estimated, a provision is recorded. The management estimates the amount of this provision based on the information available and the assumptions and methods that are considered appropriate. Such estimates are made mainly with the assistance of legal counsel. Estimates are periodically reviewed and adjusted, as the Company obtains additional information.



**Tecpetrol Sociedad Anónima**  
**Financial Statements at December 31, 2022**

**Notes to Financial Statements at December 31, 2022 (cont'd)**

**6. Segment information**

	Fiscal year ended on December 31, 2022			
	Neuquina basin	Noroeste - San Jorge and other basins	Others (1)	Total
Sales - Managerial vision	145,523,271	21,937,215	5,595,226	173,055,712
Effect of hydrocarbon inventory valuation	608,462	(1,557,270)	91,088	(857,720)
<b>Sales - IFRS</b>				<b>172,197,992</b>
Gas	116,981,511	3,480,161	418,566	120,880,238
Oil	28,441,076	16,880,004	5,215,642	50,536,722
Other services	709,146	19,780	52,106	781,032
<b>Sales - IFRS</b>				<b>172,197,992</b>
Operating profit (loss) - Managerial vision	44,308,010	2,345,315	668,552	47,321,877
Adjustment of hydrocarbon inventory valuation	519,486	(552,256)	83,201	50,431
Depreciation and impairment differences	331,661	1,133,520	1,038	1,466,219
Administrative expenses (2)				(11,610,770)
<b>Operating profit (loss) - IFRS</b>				<b>37,227,757</b>
Depreciation and impairment of PPE (3) - Managerial Vision	(57,458,969)	(6,558,399)	(243,676)	(64,261,044)
Depreciation and impairment differences	331,661	1,133,520	1,038	1,466,219
<b>Depreciation and impairment of PPE - IFRS</b>				<b>(62,794,825)</b>
PPE - Managerial Vision	242,719,901	18,387,436	2,191,646	263,298,983
Accumulated depreciation and impairment differences				1,106,010
<b>PPE - IFRS</b>				<b>264,404,993</b>
Investments in PPE	87,171,075	9,449,115	329,764	96,949,954
<b>Investments in PPE</b>				<b>96,949,954</b>

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit (loss) of defined reportable segments.

(3) PPE: Property, plant and equipment.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 6. Segment information (cont'd)

	Fiscal year ended on December 31, 2021			
	Neuquina basin	Noroeste - San Jorge and other basins	Others (1)	Total
Sales - Managerial vision	105,717,344	11,646,687	17,110	117,381,141
Effect of hydrocarbon inventory valuation	(422,771)	171,791	-	(250,980)
<b>Sales - IFRS</b>				<b>117,130,161</b>
Gas	88,591,229	1,540,802	-	90,132,031
Oil	16,185,186	10,263,233	-	26,448,419
Other services	518,158	14,443	17,110	549,711
<b>Sales - IFRS</b>				<b>117,130,161</b>
Operating profit (loss) - Managerial vision	47,857,652	6,361,363	(223,752)	53,995,263
Adjustment of hydrocarbon inventory valuation	(356,452)	(37,870)	-	(394,322)
Depreciation and impairment differences	159,508	(191,002)	6,516	(24,978)
Administrative expenses (2)				(5,970,380)
<b>Operating profit - IFRS</b>				<b>47,605,583</b>
(Depreciation of PPE)/reversal of impairment losses of PPE (3) - Managerial Vision	(36,461,802)	818,801	(184,382)	(35,827,383)
Depreciation differences and reversal of impairment losses	159,508	(191,002)	6,516	(24,978)
<b>(Depreciation of PPE)/reversal of impairment losses of PPE - IFRS</b>				<b>(35,852,361)</b>
PPE - Managerial Vision	119,337,220	9,402,681	760,594	129,500,495
Accumulated reversal of impairment losses and depreciation differences				(554,072)
<b>PPE - IFRS</b>				<b>128,946,423</b>
Investments in PPE	35,796,488	2,250,754	414,520	38,461,762
<b>Investments in PPE</b>				<b>38,461,762</b>

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit (loss) of defined reportable segments.

(3) PPE: Property, plant and equipment.

Depreciation and impairment differences mainly arise from the difference in acquisition costs resulting from the Property, plant and equipment valuation criteria adopted upon transition to IFRS; and from the different criteria of depreciation of seismic exploration, which is depreciated, under Managerial Vision, according to the straight-line method in a four-year period; and, under IFRS, pursuant to the depletion method.

The adjustment of the hydrocarbon inventory valuation is explained because, under managerial vision, the hydrocarbon inventory is valued at its net realizable value; whereas under IFRS, it is valued at cost, using the weighted average cost formula or the net realizable value, whichever is the lowest.

At December 31, 2022 and December 31, 2021 sales arose mainly from the USA (11.7% and 13.7, respectively) and Argentina (71.8% and 79.4%, respectively). The designation of sales is based upon customer location.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 6. Segment information (cont'd)

At December 31, 2022, CAMMESA, Trafigura Pte. Ltd. and ENARSA represented 18.7%, 11.9% and 10.1%, respectively, of all sales revenues of the Company, without taking into account the incentives paid directly by the national government; whereas at December 31, 2021, CAMMESA and ENARSA represented 26.1% and 11.3%, respectively, of all sales revenues.

#### 7. Sales

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Gas (i) (ii)	120,880,238	90,132,031
Oil	50,536,722	26,448,419
Other services	781,032	549,711
	<b>172,197,992</b>	<b>117,130,161</b>

(i) It includes \$13,002,728 and \$2,552,028 due to incentives from Plan Gas.Ar for fiscal years ended on December 31, 2022 and December 31, 2021, respectively.

(ii) It includes \$29,702,452 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution 46E/2017 as amended, at December 31, 2021 (see Note 33).

#### 8. Operating costs

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Inventories at the beginning of the year	(3,426,980)	(2,771,888)
Purchases, uses and production costs	(113,350,306)	(60,925,738)
Inventories at year-end	6,368,256	3,426,980
Currency translation differences	(2,618,511)	(609,694)
<b>Operating costs</b>	<b>(113,027,541)</b>	<b>(60,880,340)</b>
Labor costs	(7,526,503)	(3,407,322)
Fees and services	(1,004,174)	(544,108)
Maintenance operations and wells service costs	(14,162,685)	(7,223,082)
Depreciation of property, plant and equipment	(59,586,801)	(37,616,377)
(Impairment)/Reversal of property, plant and equipment (Note 15)	(2,965,386)	1,941,882
Depreciation of right-of-use assets	(1,026,448)	(639,510)
Treatment and storage	(761,874)	(489,592)
Royalties and other taxes (iii)	(19,484,121)	(10,522,257)
Others	(3,903,119)	(2,240,575)
Purchases and stock uses	(2,929,195)	(184,797)
<b>Purchases, uses and production costs</b>	<b>(113,350,306)</b>	<b>(60,925,738)</b>

(iii) Royalties are paid for the production of crude oil and natural gas ranging from 12% to 17% of said production, valued on the basis of the prices actually obtained in the commercialization of hydrocarbons in the area, less deductions provided for in the legislation for the treatment of the product to make it fit for delivery to third parties.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 9. Selling expenses

	Fiscal year ended on December 31,	
	2022	2021
Taxes and rights	(5,919,798)	(3,388,340)
Storage and transport	(2,921,803)	(984,689)
Recovery of allowance for doubtful accounts	190,776	3,044,195
Others	(1,993)	(35,164)
	<b>(8,652,818)</b>	<b>(1,363,998)</b>

#### 10. Administrative expenses

	Fiscal year ended on December 31,	
	2022	2021
Labor costs	(7,636,224)	(3,923,658)
Fees and services	(1,589,941)	(800,541)
Depreciation of property, plant and equipment	(242,638)	(177,866)
Depreciation of right-of-use assets	(192,820)	(98,395)
Taxes	(2,439,118)	(1,244,330)
Office expenses	(1,308,022)	(583,063)
Reimbursement of expenses (i)	1,555,355	679,607
	<b>(11,853,408)</b>	<b>(6,148,246)</b>

(i) These are not liable to association or proration in connection with each line involved in the costs and/or expenses notes, but rather in connection with the tasks which constitute the function of the operator.

#### 11. Labor costs (included in Operating costs and Administrative expenses)

	Fiscal year ended on December 31,	
	2022	2021
Salaries, wages and others	(11,307,856)	(5,251,082)
Social security costs	(2,215,586)	(1,132,841)
Employee benefits programs (Note 25)	(1,639,285)	(947,057)
	<b>(15,162,727)</b>	<b>(7,330,980)</b>

#### 12. Other operating profits (losses), net

	Fiscal year ended on December 31,	
	2022	2021
<i>Other operating income</i>		
Profit from the sale of property, plant, equipment and materials	109,782	50,335
Reversal of provision for asset retirement obligations	181,860	57,078
Reimbursements and compensations	40,728	14,124
Profit from the sale of Parques Eólicos de la Buena Ventura S.A. (Note 36 and 35)	235,498	-
Others	502,070	189,638
	<b>1,069,938</b>	<b>311,175</b>
<i>Other operating expenses</i>		
Provision for legal claims and contingencies	(5,467)	(10,754)
Others	(8,031)	(256,244)
	<b>(13,498)</b>	<b>(266,998)</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 13. Net financial profits (losses)

	Fiscal year ended on December 31,	
	2022	2021
Dividend income	465,821	201,052
Interest income	4,433,707	3,626,191
<b>Financial income</b>	<b>4,899,528</b>	<b>3,827,243</b>
Interest cost	(11,245,034)	(6,229,256)
<b>Financial costs</b>	<b>(11,245,034)</b>	<b>(6,229,256)</b>
Net loss from exchange differences	(17,893,344)	(8,420,643)
Changes in the fair value of derivative instruments	(2,175,870)	(2,222,705)
Profit from the purchase and holding of other investments	6,655,774	5,713,266
Other net financial loss	(225,899)	(1,536,427)
<b>Other net financial loss</b>	<b>(13,639,339)</b>	<b>(6,466,509)</b>
<b>Net financial losses</b>	<b>(19,984,845)</b>	<b>(8,868,522)</b>

#### 14. Taxes

	Fiscal year ended on December 31,	
	2022	2021
Deferred income tax - profit (Note 28)	6,487,597	5,428,198
	<b>6,487,597</b>	<b>5,428,198</b>

Income tax on Company's before-tax profit (loss) is different from the theoretical amount that would result from applying the tax rate effective, as shown below:

	Fiscal year ended on December 31,	
	2022	2021
<b>Profit before income tax</b>	<b>17,394,284</b>	<b>38,738,960</b>
Tax rate in force	35%	35%
<b>Losses before income tax at tax rate</b>	<b>(6,087,999)</b>	<b>(13,558,636)</b>
Profits from investments in entities accounted for using the equity method	52,980	665
Exchange and translation differences	(29,511,988)	(2,243,678)
Effect from changes in the tax rate	-	(2,139,496)
Effect from inflation adjustments	42,059,870	22,753,039
Use of tax losses not registered as deferred assets	-	53,249
Non-taxable income, non-deductible expenses and others	(25,266)	563,055
<b>Profits from income tax for the fiscal year</b>	<b>6,487,597</b>	<b>5,428,198</b>

## Tecpetrol Sociedad Anónima Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 15. Property, plant and equipment - Exploration, evaluation and development assets

	Fiscal year ended on December 31, 2022						
	Development and production assets	Machinery and equipment (i)	Asset retirement obligations	Exploration and evaluation	Work in progress (ii)	Others	Total
<u>Cost</u>							
At the beginning of the year	248,043,634	116,364,539	2,429,411	9,692,850	20,219,398	6,530,981	403,280,813
Currency translation differences	202,731,393	86,812,705	1,838,038	9,344,921	18,210,734	4,485,014	323,422,805
Additions	551,694	-	498,696	-	95,068,346	501,344	96,620,080
Transfers of right-of-use assets	-	-	-	-	828,570	-	828,570
Transfers	71,920,749	6,883,747	-	8,897,138	(87,629,982)	(71,652)	-
Write-offs	-	-	-	(767,355)	(1,440,505)	(588,532)	(2,796,392)
At year-end	523,247,470	210,060,991	4,766,145	27,167,554	45,256,561	10,857,155	821,355,876
<u>Depreciation</u>							
At the beginning of the year	187,051,545	81,590,215	2,167,346	-	-	3,525,284	274,334,390
Currency translation differences	150,004,987	65,661,378	1,635,248	-	-	2,717,632	220,019,245
Depreciation of the year	41,627,198	17,334,694	191,111	-	-	676,436	59,829,439
Impairment for the fiscal year (see Note 18)	2,209,465	755,921	-	-	-	-	2,965,386
Write-offs	-	-	-	-	-	(197,577)	(197,577)
At year-end	380,893,195	165,342,208	3,993,705	-	-	6,721,775	556,950,883
<b>Residual value at December 31, 2022</b>	<b>142,354,275</b>	<b>44,718,783</b>	<b>772,440</b>	<b>27,167,554</b>	<b>45,256,561</b>	<b>4,135,380</b>	<b>264,404,993</b>

(i) It includes \$1,977,355 from machinery and equipment under operating leases at December 31, 2022 (see Note 16.b).

(ii) It includes \$149,157 from works in progress related to exploration and evaluation investments at December 31, 2022.

## Tepetrol Sociedad Anónima Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 15. Property, plant and equipment - Exploration, evaluation and development assets (cont'd)

	Fiscal year ended on December 31, 2021						
	Development and production assets	Machinery and equipment (i)	Asset retirement obligations	Exploration and evaluation	Work in progress (ii)	Others	Total
<u>Cost</u>							
At the beginning of the year	177,285,551	87,754,231	2,047,465	8,078,832	17,545,384	6,034,195	298,745,658
Currency translation differences	41,842,455	19,848,541	451,408	1,797,741	3,361,998	1,260,818	68,562,961
Additions	-	-	247,319	-	38,165,440	275,098	38,687,857
Transfers of right-of-use assets	-	-	-	-	21,224	-	21,224
Transfers	30,103,184	8,761,767	-	551,816	(38,445,044)	(971,723)	-
Write-offs	(1,187,556)	-	(316,781)	(735,539)	(429,604)	(67,407)	(2,736,887)
At year-end	248,043,634	116,364,539	2,429,411	9,692,850	20,219,398	6,530,981	403,280,813
<u>Depreciation</u>							
At the beginning of the year	134,475,677	54,594,206	1,621,488	-	-	2,469,939	193,161,310
Currency translation differences	31,305,319	13,113,623	374,735	-	-	589,183	45,382,860
Depreciation of the year	22,905,981	14,188,836	171,123	-	-	528,303	37,794,243
Reversal of impairment losses (See Note 18)	(1,635,432)	(306,450)	-	-	-	-	(1,941,882)
Write-offs	-	-	-	-	-	(62,141)	(62,141)
At year-end	187,051,545	81,590,215	2,167,346	-	-	3,525,284	274,334,390
<b>Residual value at December 31, 2021</b>	<b>60,992,089</b>	<b>34,774,324</b>	<b>262,065</b>	<b>9,692,850</b>	<b>20,219,398</b>	<b>3,005,697</b>	<b>128,946,423</b>

(i) It includes \$1,313,674 from machinery and equipment under operating leases at December 31, 2021 (see Note 16.b).

(ii) It includes \$1,862,247 from works in progress related to exploration and evaluation investments at December 31, 2021.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 16. Leases

##### (a) Right-of-use assets and liabilities

There follows the evolution of right-of-use assets and liabilities from contracts in which the Company acts as lessee, disclosed in the Statement of Financial Position at December 31, 2022 and December 31, 2021:

##### Right-of-use assets

	Fiscal year ended on December 31, 2022				
	Drilling equipment	Other equipment	Offices	Others	Total
At the beginning of the year	736,692	932,962	1,337,750	108,065	3,115,469
Currency translation differences	407,627	537,810	926,380	383,373	2,255,190
Net additions	311,365	418,409	297,751	915,282	1,942,807
Transfers to property, plant and equipment	(804,990)	(3,533)	-	(20,047)	(828,570)
Depreciation of the year	(61,120)	(660,455)	(353,071)	(144,622)	(1,219,268)
<b>At year-end</b>	<b>589,574</b>	<b>1,225,193</b>	<b>2,208,810</b>	<b>1,242,051</b>	<b>5,265,628</b>

	Fiscal year ended on December 31, 2021				
	Drilling equipment	Other equipment	Offices	Others	Total
At the beginning of the year	67,286	1,097,285	355,312	1,019	1,520,902
Currency translation differences	26,002	210,096	158,883	9,247	404,228
Net additions	695,154	127,060	1,014,907	112,347	1,949,468
Transfers to property, plant and equipment	(19,181)	(2,043)	-	-	(21,224)
Depreciation of the year	(32,569)	(499,436)	(191,352)	(14,548)	(737,905)
<b>At year-end</b>	<b>736,692</b>	<b>932,962</b>	<b>1,337,750</b>	<b>108,065</b>	<b>3,115,469</b>

##### Right-of-use liabilities

	Fiscal year ended on December 31,	
	2022	2021
At the beginning of the year	2,851,461	1,611,976
Exchange and translation differences	1,614,063	379,486
Net additions	1,942,807	1,499,547
Interest accrued (i)	168,227	130,111
Payments and compensations	(2,688,854)	(769,659)
<b>At year-end</b>	<b>3,887,704</b>	<b>2,851,461</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Non-current	1,760,115	1,627,483
Current	2,127,589	1,223,978
	<b>3,887,704</b>	<b>2,851,461</b>

(i) Included under *Financial costs* in the Income Statement at December 31, 2022 and December 31, 2021.



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 16. Leases (cont'd)

##### (b) Operating leases

In September 2020, the Company entered into an agreement under which it gave on lease a coiled tubing unit (CTU) to offer services to oil and gas companies in Argentina. In September 2022, such agreement was extended until August 31, 2023

The following table discloses future minimum payment collections at December 31, 2022:

<u>Maturity</u>	<u>USD</u>
2023	2,240,000

At December 31, 2022 and December 31, 2021, gains from operating leases totaled \$444,533 and \$296,380, respectively (\$64,415 of such amount correspond to variable charges at December 31, 2021) and are included in *Other services* under *Sales* in the Income Statement.

#### 17. Investments in entities accounted for using the equity method

Profits and losses from investments in entities accounted for using the equity method, as recognized in the Income Statement, are disclosed below:

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Oleoducto Loma Campana - Lago Pellegrini S.A.	151,372	1,956
Parques Eólicos de la Buena Ventura S.A. (*)	-	(57)
	<b>151,372</b>	<b>1,899</b>

The evolution of investments in entities accounted for using the equity method is disclosed below:

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
At the beginning of the year	229,916	187,618
Currency translation differences	217,512	40,342
Additions (*)	-	208,575
Profit from investments in entities accounted for using the equity method	151,372	1,899
	<b>598,800</b>	<b>438,434</b>
Transfers to Assets classified as held for sale (*)	-	(208,518)
<b>At year-end</b>	<b>598,800</b>	<b>229,916</b>

(\*) In December 2021, Tecpetrol S.A. acquired 100% of all ordinary shares from Parques Eólicos de la Buena Ventura S.A. (hereinafter referred to as "PEBV"). In April 2022, the Company sold its interest in PEBV to Sidarca S.A.I.C. (See Note 36).

At December 31, 2022 and December 31, 2021, the Company held 15% of the share capital of Oleoducto Loma Campana - Lago Pellegrini S.A. and YPF S.A. held the remaining 85%. Both shareholders exercise joint control over such company, pursuant to the Shareholders' Agreement.

Regarding the financing of the project, the shareholders agreed that 70% of such funds would come from a loan granted by the National Social Security Administration (Administración Nacional de la Seguridad Social, ANSES), acting as legal administrator of the Pension Fund of the Argentine Integrated Pension System (Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino, FGS-ANSES); and the remaining 30% would come from shareholders' contributions in proportion to their interest.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 17. Investments in entities accounted for using the equity method (cont'd)

As a condition precedent to the first payment for up to an amount of USD 63 million under the loan for consumption entered into by Oleoducto Loma Campana – Lago Pellegrini S.A and the FGS-ANSES, in May 2019, YPF S.A. and the Company granted a first-ranking pledge over all shares of Oleoducto Loma Campana – Lago Pellegrini S.A., in favor of FGS-ANSES.

Accounting information from Oleoducto Loma Campana - Lago Pellegrini S.A. is disclosed below:

	At December 31,	
	2022	2021
Share capital	868,399	868,399
Profits for the year	1,009,147	13,040
Equity	3,992,000	1,532,773
Holding of common shares (1 vote)	130,259,852	130,259,852

#### 18. Impairment of non-financial long-term assets

The Company analyses *Property, plant and equipment - Exploration, evaluation and development assets and Right-of-use assets* for impairment periodically or whenever events or changes in the circumstances indicate potential evidence of impairment.

The recoverable value of each CGU (considering a CGU as each area in which Tecpetrol S.A has interest) is estimated as the higher of an asset's fair value less direct costs of disposal and value in use. The value in use is calculated based on the discounted cash flows, applying a discount rate based on the weighted average cost of capital (WACC), which considers the risks of the country where the CGU operates and its specific characteristics.

The determination of the discounted cash flows is based on projections approved by the Management and includes a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sales prices, the evolution of the curve of future hydrocarbon prices, inflation, exchange rates, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding its operations and available market information.

Cash flows derived from the different CGUs are usually projected for a period that covers the existence of commercially exploitable reserves and is limited to the existence of reserves for the term of the concession or contract.

In the fiscal year under analysis, Tecpetrol recognized impairment charges in production and development assets in El Tordillo and La Tapera - Puesto Quiroga CGU (segment of Noroeste – San Jorge basin) for \$2,965.4 million mainly as a consequence of an increase in productive costs and investments measured in USD and a discount rate increase caused by higher risk-free rate. Upon impairment, some the most relevant hypotheses considered by the Management are the pre-tax discount rate, which is estimated at 32.46%, and future prices for the next 5 years of gas (with prices ranging from USD 4.6 to USD 6.4 per million BTU) and oil (with Brent prices ranging from USD 69.9 to USD 84.2 per barrel). The recoverable value at such date was estimated based on the value in use and reached \$17,880.8 million.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 18. Impairment of non-financial long-term assets (cont'd)

A variation of 100 basis points in the discount rate would have generated an increase/(decrease) in the recoverable value of 3.6% and a variation of USD 1 per barrel in the projections of crude oil prices would have generated an increase/(decrease) in the recoverable value of 3.4%.

In fiscal year ended on December 31, 2021, there was a reversal of impairment charges recognized in fiscal year ended on December 31, 2020 from El Tordillo and La Tapera - Puesto Quiroga CGU for \$1,941.9 million, caused by the recovery of crude oil international prices and the recovery of the levels of activity due to the easing of COVID-19 lockdown measures.

Profits (losses) from impairment charges and reversals are disclosed under *Operating costs* in the Income Statement at December 31, 2022 and December 31, 2021.

#### 19. Investments in equity instruments at fair value

	December 31, 2022	December 31, 2021
Non-quoted investments	3,506,724	2,085,520

The evolution of investments in equity instruments at fair value is as follows:

	Fiscal year ended on December 31,	
	2022	2021
At the beginning of the year	2,085,520	1,542,888
Currency translation differences	1,657,039	365,347
Net write-offs (i)	-	(1,156)
Changes in the fair value	(235,835)	178,441
<b>At year-end</b>	<b>3,506,724</b>	<b>2,085,520</b>

(i) In February 2020, Tecpetrol S.A. and its Parent Company, Tecpetrol Internacional S.L.U., approved the incorporation of Tecpe Trading S.A., whose main objective was the commercialization of hydrocarbons and electric power, among others. In July 2022, the liquidation of Tecpe Trading S.A. due to inactivity was recorded with the IGJ.

There follows a detail of the main investments in equity instruments at fair value:

Company	Country	Interest %		December 31, 2022	December 31, 2021
		Dec-22	Dec-21		
Tecpetrol del Perú S.A.C.	Peru	2.00	2.00	1,742,498	1,100,615
Tecpetrol Bloque 56 S.A.C.	Peru	2.00	2.00	841,743	511,729
Oleoductos del Valle S.A.	Argentina	2.10	2.10	645,728	309,675
Terminales Marítimas Patagónicas S.A.	Argentina	4.20	4.20	159,975	92,756
Tecpetrol Operaciones S.A. de C.V.	Mexico	0.95	0.95	74,865	38,724
Tecpetrol Colombia S.A.S.	Colombia	0.149	0.149	40,809	31,408
Other investments				1,106	613
<b>Total</b>				<b>3,506,724</b>	<b>2,085,520</b>

At December 31, 2022 and December 31, 2021, 5% and 19%, respectively, of all investments in equity instruments at fair value were made in ARS. Remaining investments in equity instruments at fair value were made in companies whose functional currency is the USD.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 19. Investments in equity instruments at fair value (cont'd)

The fair value of said investments is estimated on the basis of discounted cash flows, which includes a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sale price, the evolution of the curve of future oil prices, inflation, exchange rates, collection of dividends, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding the evolution of its investments and available market information.

Since the different factors used for calculating cash flows are closely interrelated, the managers of Tecpetrol S.A. consider that a sensitivity analysis based on one single variable might not be representative.

#### 20. Other receivables and prepayments

	December 31, 2022	December 31, 2021
<b>Non-current</b>		
Expenses paid in advance	1,038,777	645,150
Employees loans and prepayments	304,062	103,115
Other receivables from related parties (Note 34)	1,273,481	112,954
	<b>2,616,320</b>	<b>861,219</b>
<b>Current</b>		
Receivables (i) (ii)	8,363,529	8,016,708
Tax credits	7,255,207	2,036,982
Expenses paid in advance	481,601	158,936
Employees loans and prepayments	300,790	105,349
Other receivables from related parties (Note 34)	749,591	1,535,389
	<b>17,150,718</b>	<b>11,853,364</b>
Allowance for doubtful accounts	(149,089)	(328,787)
	<b>17,001,629</b>	<b>11,524,577</b>

(ii) It includes \$7,598,950 and \$664,276 from incentives obtained under Plan Gas.Ar. At December 31, 2022 and December 31, 2021, \$6,025,635 and \$523,026, respectively, are past due.

(ii) It includes \$6,726,869 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution 46E/2017 as amended, at December 31, 2021 (see Note 33).

There follows the evolution of the allowance for doubtful accounts:

	Fiscal year ended on December 31,	
	2022	2021
Balance at the beginning of the year	(328,787)	(2,562,960)
Exchange and translation differences	(69,264)	(418,841)
Net recoveries	248,962	2,652,696
Uses	-	318
<b>Balance at year-end</b>	<b>(149,089)</b>	<b>(328,787)</b>

**Tecpetrol Sociedad Anónima**  
**Financial Statements at December 31, 2022**

**Notes to Financial Statements at December 31, 2022 (cont'd)**

**21. Trade receivables**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Trade receivables	26,593,779	13,696,077
Trade receivables from related parties (Note 34)	331,102	215,235
	<b>26,924,881</b>	<b>13,911,312</b>
Allowance for doubtful accounts	(800,770)	(746,306)
	<b>26,124,111</b>	<b>13,165,006</b>

The following table shows the aging of trade receivables:

	<b>Total</b>	<b>Not yet due</b>	<b>Past due</b>	
			<b>1 - 180 days</b>	<b>&gt; 180 days</b>
<b>At December 31, 2022</b>				
Trade receivables	26,924,881	25,368,868	765,942	790,071
Allowance for doubtful accounts	(800,770)	(1,395)	(9,304)	(790,071)
<b>Net value</b>	<b>26,124,111</b>	<b>25,367,473</b>	<b>756,638</b>	<b>-</b>
<b>At December 31, 2021</b>				
Trade receivables	13,911,312	13,241,668	198,871	470,773
Allowance for doubtful accounts	(746,306)	(139,584)	(135,949)	(470,773)
<b>Net value</b>	<b>13,165,006</b>	<b>13,102,084</b>	<b>62,922</b>	<b>-</b>

The evolution of the allowance for doubtful accounts is disclosed below:

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Balance at the beginning of the year	(746,306)	(1,116,937)
Exchange and translation differences	3,722	(53,136)
Net (increases)/recoveries	(58,186)	391,499
Uses	-	32,268
<b>Balance at year-end</b>	<b>(800,770)</b>	<b>(746,306)</b>

**22. Inventories**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Hydrocarbons	1,681,330	332,168
Materials and spare parts	4,686,926	3,094,812
	<b>6,368,256</b>	<b>3,426,980</b>

**23. Other investments and Cash and cash equivalents**

*(a) Other investments*

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Bonds	39,968,330	26,333,676
Share deposit certificates	-	8,048,067
	<b>39,968,330</b>	<b>34,381,743</b>

*(b) Cash and cash equivalents*

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash and banks	166,880	4,693,867
Short-term deposits	204,531	13,994,892
	<b>371,411</b>	<b>18,688,759</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 24. Borrowings

	December 31, 2022	December 31, 2021
<b>Non-current</b>		
Bank borrowings	57,251,259	19,540,099
Negotiable obligations	-	668,697
	<b>57,251,259</b>	<b>20,208,796</b>
<b>Current</b>		
Bank borrowings	59,806,382	16,234,083
Borrowings from related parties (Note 34)	-	5,810,239
Current account overdrafts	10,036,433	-
Negotiable obligations	1,159,992	49,347,640
	<b>71,002,807</b>	<b>71,391,962</b>

The Company must comply with certain obligations and must refrain from performing certain acts under the conditions set forth in the borrowing agreements and negotiable obligations. Such commitments have been fulfilled at December 31, 2022 and December 31, 2021.

Pursuant to Communication "A" 7030, as amended, issued by the BCRA on May 28, 2020, prior approval from the BCRA is required to access the foreign exchange market in order to settle principal payments of offshore financial debts when the lender is a counterparty related to the debtor.

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with non-related counterparties and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021 is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, December 9, 2021, March 3, 2022, and October 13, 2022, through Communications "A" 7230, "A" 7416, "A" 7466 and "A" 7621, respectively, the BCRA extended the obligation to submit a refinancing plan for principal amounts maturing from April 1, 2021 to December 31, 2021, from January 1, 2022 to June 30, 2022, and from July 1, 2022 to December 31, 2022, and from January 1, 2023 to December 31, 2023, respectively, pursuant to Communication "A" 7106. At December 31, 2022, the Company refinanced its debts in compliance with the above-mentioned Communications.

There follows the evolution of borrowings:

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Balance at the beginning of the year	91,600,758	96,197,330
Proceeds from borrowings	77,176,665	25,573,146
Issuance of negotiable obligations	-	577,239
Payments of borrowings	(108,119,291)	(47,976,071)
Interest accrued	9,960,738	5,430,904
Paid interest	(8,619,323)	(5,344,000)
Current account overdraft agreements	10,028,597	-
Profit from the repurchase of negotiable obligations	-	1,449,644
Repurchase of negotiable obligations	-	(2,902,550)
Exchange and translation differences	56,225,922	18,595,116
<b>Balance at year-end</b>	<b>128,254,066</b>	<b>91,600,758</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 24. Borrowings (cont'd)

Bank borrowings and borrowings from related parties are detailed below:

Lender	Dec-22	Interest rate	Contract's currency	Amortization of capital	Maturity
J.P. Morgan Chase Bank, Citibank and others (i)	11,472,769	Adjusted Term SOFR + 1.50%	USD	Quarterly	Mar-23 to Sep-24 (i)
Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. (ii)	53,492,497	Term SOFR + 2.15%	USD	Quarterly	Apr-23 to Apr-26
Itaú Unibanco S.A. Nassau Branch	27,178,766	5.75%	USD	Quarterly	Mar-23 to Sep-24
Banco BBVA	3,191,087	50.35%	ARS	At maturity	Jan-23 (iii)
Banco Patagonia	3,500,000	76.00%	ARS	At maturity	Apr-23
Banco Galicia	5,097,999	74.50%	ARS	At maturity	Jan-23 (iii)
Banco Galicia	4,785,688	74.75%	ARS	At maturity	Jan-23 (iii)
Banco Citibank	4,290,089	73.00%	ARS	At maturity	Jan-23 (iii)
Banco Santander	4,048,746	77.00%	ARS	At maturity	Apr-23

(i) In February 2022, Tecpetrol S.A. agreed to refinance the remaining balance of the debt extending the definitive maturity date to September 2024, therefore complying with Communications "A" 7416 and 7466 from the BCRA. Besides, under such addendum, from March 18, 2022, principal bears quarterly compensatory interest at a Term SOFR rate with an adjustment of 0.16161% and an applicable margin of 150 bps per year. The remaining terms and conditions are the ones regularly used in this type of refinancing transactions.

(ii) In October 2022, Tecpetrol S.A. took out a USD 300 million loan from Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. Such amount was used for partially financing the total redemption of Class 1 negotiable obligations, in compliance with the requirements set forth under subsection 3.17 of Communication "A" 7490 from the BCRA (Consolidated Text on Foreign Trade and Exchange). The loan matures in April 2026. Principal will be paid in 13 equal quarterly installments after a six-month period following receipt of funds. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

(iii) At the date of issuance of these Financial Statements, these amounts were paid off.

Lender	Dec-21	Interest rate	Contract's currency	Amortization of capital	Maturity
Tecpetrol Internacional S.L.U.	5,810,239	9.00%	USD	1 installment	Mar-22
J.P. Morgan Chase Bank, Citibank and others	9,458,166	Libor 3M + 1.50%	USD	Quarterly	Mar-22 to Dec-23
Banco Santander	1,550,488	4.25%	USD	2 installments	May-22 and Nov-22
Itaú Unibanco S.A. Nassau Branch	24,765,528	5.75%	USD	Quarterly	Mar-22 to Sep-24

Negotiable obligations are detailed below:

Series	Dec-22	Dec-21	Interest rate	Contract's currency	Amortization of capital	Maturity
Class 1 (i)	-	49,343,756	4.875%	USD	At maturity	Dec-22
Class 4 (ii)	1,159,992	672,581	4.00%	USD	At maturity	Feb-23

(i) On December 12, 2017, the Company issued Class 1 Negotiable obligations for a nominal value of USD 500 million, with an issuance price of 100%, which bore interest at a fixed rate of 4.875% and matured on December 12, 2022. Principal had to be paid upon maturity; and the Company had the right to redeem the negotiable obligations with no premium, in whole or in part, at any time as from December 12, 2020. Funds obtained from the issuance of such negotiable obligations were used to invest in fixed assets in Fortín de Piedra area in Vaca Muerta formation, located in the province of Neuquén. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guaranteed the negotiable obligations of the Company.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 24. Borrowings (cont'd)

In fiscal years 2020 and 2021, the Company purchased Class 1 negotiable obligations at market values for a total of USD 20 million (nominal value).

On November 1, 2022, the Company fully redeemed its Class 1 negotiable obligations. The redemption value equaled 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption.

(ii) On February 9, 2021, the Company issued Class 4 negotiable obligations for a nominal value of USD 6.5 million, paid in cash (in USD) and in kind through the delivery of negotiable obligations Class 2, with an issuance price of 100%, which bore interest at a fixed rate of 4% and matured on February 9, 2023. Funds obtained from the issuance of such negotiable obligations were used for the partial refinancing of Class 2 negotiable obligations, as stated under Communication "A" 7106 from the BCRA. At the date of issuance of these Financial Statements, these negotiable obligations were paid off (see Note 37).

#### 25. Employee benefits programs

The liability recognized in the Statement of Financial Position and the amounts disclosed in the Income Statement are detailed below:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Non-current</b>		
Pension programs and other plans (i)	3,573,459	1,643,292
Employee retention and long-term incentive program	2,220,042	1,077,035
	<b>5,793,501</b>	<b>2,720,327</b>
<b>Current</b>		
Employee retention and long-term incentive program	1,252,825	397,716
	<b>1,252,825</b>	<b>397,716</b>

(i) There were no enforceable debts at December 31, 2022 and December 31, 2021.

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Pension programs and other plans	(779,721)	(330,854)
Employee retention and long-term incentive program	(859,564)	(616,203)
<b>Total included in Labor costs (Note 11)</b>	<b>(1,639,285)</b>	<b>(947,057)</b>

#### Pension programs and other plans:

The main actuarial assumptions for all benefit programs in force under "unfunded defined benefits" modality and "other long-term benefits" consider a discount rate of 7% and 5.7% average and a salary increase rate of 2% and 3%, respectively.

The amounts disclosed in the Income Statement are detailed below:

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
Cost of services	(152,705)	(79,800)
Cost of interest	(627,016)	(251,054)
<b>Total</b>	<b>(779,721)</b>	<b>(330,854)</b>



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 25. Employee benefits programs (cont'd)

The evolution of liabilities disclosed in the Statement of Financial Position is detailed below:

	Fiscal year ended on December 31,	
	2022	2021
Balance at the beginning of the year	1,643,292	1,192,032
Cost of services and interest	779,721	330,854
Net actuarial profits	340,642	380,046
Additions	35,985	51,592
Exchange and translation differences	875,403	186,226
Payments made	(101,584)	(497,458)
<b>Balance at year-end</b>	<b>3,573,459</b>	<b>1,643,292</b>

At December 31, 2022, a 1% increase/(decrease) in the discount rate would have resulted in a (decrease)/increase in liabilities of (\$123.5 million)/\$135.5 million, respectively; while a 1% increase/(decrease) in the salary increase rate would have resulted in an increase/(decrease) of \$94.2 million/(\$87.8 million), respectively. This sensitivity analysis is based on changes in each assumption at a time, keeping all the other variables constant. Nevertheless, in practice this is unlikely to occur since changes in some assumptions should be correlated.

#### 26. Provisions

	December 31, 2022	December 31, 2021
<b>Non-current</b>		
Asset retirement obligations	9,458,968	4,300,532
Provision for other contingencies	156,794	105,202
	<b>9,615,762</b>	<b>4,405,734</b>
<b>Current</b>		
Asset retirement obligations	626,821	510,465
Provision for other contingencies	9,819	-
	<b>636,640</b>	<b>510,465</b>

The evolution of provisions is disclosed below:

#### *Asset retirement obligations*

	Fiscal year ended on December 31,	
	2022	2021
Balance at the beginning of the year	4,810,997	4,663,621
Currency translation differences	3,741,144	1,037,679
Net (recoveries)/increases	1,617,324	(818,837)
Uses	(83,676)	(71,466)
<b>Balance at year-end</b>	<b>10,085,789</b>	<b>4,810,997</b>

At December 31, 2022 and December 31, 2021, the provision for asset retirement obligation was estimated using inflation rates in USD of 3.8% and 2.9%, respectively, and discount rates in USD of 11.7% and 13.4%, respectively.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 26. Provisions (cont'd)

*Other contingencies*

	Fiscal year ended on December 31,	
	2022	2021
Balance at the beginning of the year	105,202	86,119
Exchange and translation differences	48,112	20,088
Net (recoveries)/increases	13,299	(1,005)
<b>Balance at year-end</b>	<b>166,613</b>	<b>105,202</b>

#### 27. Trade and other payables

	December 31, 2022	December 31, 2021
Trade payables	24,271,493	9,886,305
Payables to related parties (Note 34)	9,689,543	1,421,992
Social security debts and other taxes	4,879,824	2,371,374
Other liabilities	23,625	198,433
	<b>38,864,485</b>	<b>13,878,104</b>

#### 28. Deferred income tax

There follows the evolution of deferred income tax:

	Fiscal year ended on December 31,	
	2022	2021
Balance at the beginning of the year - Net deferred assets/(liabilities)	101,234	(4,085,293)
Charged directly to Other comprehensive income	195,424	(89,060)
Profits for the year	6,487,597	5,428,198
Currency translation differences	3,666,182	(1,152,611)
<b>Balance at year-end - Net deferred assets</b>	<b>10,450,437</b>	<b>101,234</b>

The evolution of deferred tax assets and liabilities is detailed below:

Deferred tax liability	Deferral of tax inflation adjustment	Others	Total
<b>At December 31, 2021</b>	<b>(11,455,218)</b>	<b>(2,254,538)</b>	<b>(13,709,756)</b>
Charged directly to Other comprehensive income	-	76,200	76,200
Profits (losses)	(5,369,307)	1,352,872	(4,016,435)
Currency translation differences	(5,732,051)	(1,355,396)	(7,087,447)
<b>At December 31, 2022</b>	<b>(22,556,576)</b>	<b>(2,180,862)</b>	<b>(24,737,438)</b>

Deferred tax assets	Property, plant and equipment	Provisions/ allowances	Tax losses (i)	Others	Total
<b>At December 31, 2021</b>	<b>4,225,582</b>	<b>1,363,553</b>	<b>7,842,709</b>	<b>379,146</b>	<b>13,810,990</b>
Charged directly to Other comprehensive income	-	119,224	-	-	119,224
Profits (losses)	2,237,466	461,218	8,028,957	(223,609)	10,504,032
Currency translation differences	5,634,505	1,143,351	3,754,145	221,628	10,753,629
<b>At December 31, 2022</b>	<b>12,097,553</b>	<b>3,087,346</b>	<b>19,625,811</b>	<b>377,165</b>	<b>35,187,875</b>

(i) It includes \$1,090.9 million from the inflation adjustment for fiscal year ended on December 31, 2022 (see Note 2.12.a).

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 28. Deferred income tax (cont'd)

Deferred tax liability	Property, plant and equipment	Deferral of tax inflation adjustment	Others	Total
<b>At December 31, 2020</b>	<b>(2,473,522)</b>	<b>(10,469,565)</b>	<b>(628,286)</b>	<b>(13,571,373)</b>
Transfers to deferred tax assets	2,473,522	-	-	2,473,522
Charged directly to Other comprehensive income	-	-	(233,408)	(233,408)
Profits (losses)	-	1,057,882	(1,200,339)	(142,457)
Currency translation differences	-	(2,043,535)	(192,505)	(2,236,040)
<b>At December 31, 2021</b>	<b>-</b>	<b>(11,455,218)</b>	<b>(2,254,538)</b>	<b>(13,709,756)</b>

Deferred tax assets	Property, plant and equipment	Provisions/allowances	Tax losses (i)	Others	Total
<b>At December 31, 2020</b>	<b>-</b>	<b>758,835</b>	<b>7,823,493</b>	<b>903,752</b>	<b>9,486,080</b>
Transfers of deferred tax liability	(2,473,522)	-	-	-	(2,473,522)
Charged directly to Other comprehensive income	-	144,348	-	-	144,348
Profits (losses)	6,804,006	269,866	(873,239)	(629,978)	5,570,655
Currency translation differences	(104,902)	190,504	892,455	105,372	1,083,429
<b>At December 31, 2021</b>	<b>4,225,582</b>	<b>1,363,553</b>	<b>7,842,709</b>	<b>379,146</b>	<b>13,810,990</b>

(i) It includes \$2,016.7 million from the inflation adjustment for fiscal year ended on December 31, 2021 (see Note 2.12.a).

The following amounts are disclosed in the Statement of Financial Position, after offsetting as described in Note 2.12.a:

	December 31, 2022	December 31, 2021
Deferred tax assets	10,450,437	101,234
	<b>10,450,437</b>	<b>101,234</b>

There follows the estimated term for reversal of deferred assets and liabilities:

	December 31, 2022	December 31, 2021
Deferred tax assets to be recovered in more than 12 months	31,723,364	12,068,291
Deferred tax liabilities to be settled in more than 12 months	(22,556,576)	(11,455,218)
Deferred tax assets to be recovered in less than 12 months	3,464,511	1,742,699
Deferred tax liabilities to be settled in less than 12 months	(2,180,862)	(2,254,538)

#### 29. Derivative financial instruments

There follows a detail of net fair values of derivative financial instruments:

	December 31, 2022	December 31, 2021
Foreign currency derivatives	-	844
<b>Derivatives with a positive fair value</b>	<b>-</b>	<b>844</b>
Foreign currency derivatives	-	(166,061)
<b>Derivatives with a negative fair value</b>	<b>-</b>	<b>(166,061)</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 29. Derivative financial instruments (cont'd)

There follows a detail of derivative financial instruments:

Purchase currency	Sale currency	Maturity	Type of contract	Fair value
				December 31, 2021
USD	ARS	2022	Forward (NDF)	(165,217)
USD	ARS	2022	Futures (Rofex)	-
				<b>(165,217)</b>

#### 30. Cash Flow Statement complementary information

Cash Flow Statement complementary information is disclosed below:

*Adjustments to profits (losses) for the year to reach operating cash flows (\*)*

	Fiscal year ended on December 31,	
	2022	2021
Depreciation of property, plant and equipment (Note 15)	59,829,439	37,794,243
Impairment/(Reversal) of property, plant and equipment (Note 15)	2,965,386	(1,941,882)
Depreciation of right-of-use assets (Note 16)	1,219,268	737,905
Gains (losses) from the sale of property, plant, equipment and materials (Note 12)	(109,782)	(50,335)
Gains (losses) from the sale of Parques Eólicos de la Buena Ventura S.A. (Note 12)	(235,498)	-
Exploration and evaluation	2,492,908	1,176,171
Income tax (Note 14)	(6,487,597)	(5,428,198)
Net accrued interest from borrowings	1,341,415	86,904
Accrued interest from right-of-use liabilities (Note 16)	168,227	130,111
Dividend income (Note 13)	(465,821)	(201,052)
Provisions - Net increases/(recoveries)	1,287,532	(2,607,204)
Profits (losses) from the repurchase of negotiable obligations (Note 24)	-	1,449,644
Profits (losses) from investments in entities accounted for using the equity method (Note 17)	(151,372)	(1,899)
Profits (losses) from employee benefits programs (Note 11)	1,639,285	947,057
	<b>63,493,390</b>	<b>32,091,465</b>

(\*) There is no significant difference between interest income and interest collected.

*Changes in working capital*

	Fiscal year ended on December 31,	
	2022	2021
(Increase)/Decrease in trade and other receivables	(20,820,854)	4,391,027
Increase in inventories	(3,530,805)	(655,092)
Changes in derivative financial instruments	(165,217)	60,906
Increase in trade and other payables	19,018,076	1,566,802
	<b>(5,498,800)</b>	<b>5,363,643</b>

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 31. Assets and liabilities in currency other than Argentine pesos <sup>(1)</sup>

Item	Type <sup>(2)</sup>	12.31.2022		12.31.2021	
		Amount in currency other than Argentine pesos <sup>(3)</sup>	Amount in local currency at 177.16 <sup>(4)</sup>	Amount in currency other than Argentine pesos <sup>(3)</sup>	Amount in local currency at 102.72 <sup>(4)</sup>
<b>Assets</b>					
<b>Non-current assets</b>					
Other receivables and prepayments	USD	9,060	1,605,079	3,084	316,744
<b>Current assets</b>					
Other receivables and prepayments	USD	6,522	1,155,455	13,636	1,400,697
Other investments	USD	98,369	17,427,077	67,711	6,955,315
Trade receivables	USD	56,060	9,931,544	40,822	4,193,280
Cash and cash equivalents	USD	660	116,999	1,136	116,645
<b>Total assets</b>			<b>30,236,154</b>		<b>12,982,681</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	USD	323,161	57,251,259	196,737	20,208,796
Right-of-use liabilities	USD	6,896	1,221,675	15,064	1,547,405
Provisions	USD	53,392	9,458,968	41,867	4,300,532
<b>Current liabilities</b>					
Borrowings	USD	203,504	36,052,765	695,015	71,391,962
Right-of-use liabilities	USD	10,409	1,844,077	11,542	1,185,605
Provisions	USD	3,538	626,821	4,969	510,465
Trade and other payables	USD	124,177	21,999,232	58,001	5,957,897
<b>Total liabilities</b>			<b>128,454,797</b>		<b>105,102,662</b>

(1) This information is presented for the purposes of complying with the provisions of the CNV. Foreign currency is the currency which is different from the Company's presentation currency.

(2) USD = US dollar.

(3) Amounts stated in thousands.

(4) USD quotation: Banco de la Nación Argentina exchange rate in force at December 31, 2022 and December 2021, respectively.

#### 32. Contingencies, commitments, guarantees and restrictions on the distribution of profits

##### (i) Contingencies

The Company has contingent liabilities in respect of claims arising from the ordinary course of business. Moreover, there are certain interpretations of controlling authorities as to the calculation and payment of certain taxes that differ from the criterion applied by the Company. Based on the Management's assessment and the opinion of the legal counsels, the Company does not anticipate incurring in any material expenses derived from contingent liabilities other than those provided for in these Financial Statements.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 32. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

##### (ii) Main commitments and guarantees

There follows a detail of the main commitments assumed by Tecpetrol S.A. through surety bonds and bank guarantees as of the date of issuance of these Financial Statements:

- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, of all obligations set forth under Section 81 of the Annex to Decree No. 892/20 related to Plan Gas.Ar, for USD 61.80 million.
- Guarantee in favor of the Energy Institute of the province of Santa Cruz for contract performance of the second exploratory phase in Gran Bajo Oriental for an amount of USD 2.85 million.
- Guarantee for contract performance under the investment and work plan for the exploration of Block MLO-124 Ronda Costa Afuera N°1 for an amount of USD 1.99 million.
- Guarantee for USD 0.18 million on the shares purchase agreement of Parques Eólicos de la Buena Ventura S.A.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, of all obligations set forth under Section 64 of the Annex to Decree No. 892/20 related to the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028, for USD 4.43 million.
- Guarantee, in favor of the Federal Administration of Public Revenue for Argentina (Administración Federal de Ingresos Públicos, AFIP), for general and special taxes on a temporary import of a single unit of a Dew Point Adjustment (Joule Thomson) and a Glycol Regeneration Unit, for USD 2.3 million.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, for keeping the offer submitted under the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028 - 4 Round - Neuquina basin, for USD 1.0 million.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, for keeping the offer submitted under the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028 - 5 Round - Austral and Noroeste basins, for USD 0.2 million.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 32. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

(ii) Main commitments and guarantees (cont'd)

Furthermore, the Company has the following investment commitments in the areas where it operates:

Basin	Area	Pending investment commitments
Noroeste - San Jorge and others	El Tordillo and La Tapera - Puesto Quiroga	Additional investments for USD 200 million to be made until December 31, 2026, aiming at extending the operations in the area for 20 years starting in 2027 (USD 40 million of such amount are pending).
	Gran Bajo Oriental	Drilling of one exploratory well of 1,900 meters below rig floor (equivalent to 570 working units) before June 2025.
	Aguaragüe	Execution of one workover and two asset removals to be made in 2023. Drilling of one development well, execution of one workover and two asset removals to be made in 2024, and two asset removals to be made in 2025. Seismic reprocessing in Rio Pescado.
	MLO-124	Seismic acquisition and processing before October 2025.
Neuquina	Agua Salada	Execution of two workovers to be completed before 2025.
	Los Bastos	Exploratory investments for USD 10.85 million to be made until 2026 outside the exploitation area. (I)
	Puesto Parada	Drilling of 2 additional horizontal wells to be made before November 2025.
	Los Toldos I Norte	Four horizontal wells will have been drilled, completed and partially tested before February 1, 2024 (one of them in the north of the block). Development of the infrastructure necessary for the evacuation of the production, which must be ready upon well testing.
	Los Toldos II Este	Two horizontal wells will have been drilled, completed and partially tested before September 30, 2023.

(I) As of the date of issuance of these Financial Statements, the investments were made, and they are undergoing certification and examination procedures by governmental authorities of the province of Neuquén.

Under Plan Gas.Ar, Tecpetrol assumed a total investment commitment from 2021 to 2028 of approximately USD 1,081 million in Neuquina basin which will be made as follows: (i) USD 13 million during the first quarter of 2021, (ii) USD 29.2 million starting from the second quarter of 2021 and until the fourth quarter of 2022, and (iii) USD 36 million per quarter from 2023 to 2028. At December 31, 2022, Tecpetrol has already made investments for USD 733.9 million. Besides, according to Rounds 1 and 3 from Plan Gas.Ar, Tecpetrol committed to inject 14.9 million m<sup>3</sup>/d in Neuquina basin until 2024. According to Round 4.1, such period was extended until 2028. The Company has also agreed to inject 2.5 million m<sup>3</sup>/d starting on July 2023 until 2028, as awarded in Round 4.2. Regarding hiring local, regional and national workforce, the Company made a commitment to proportionally increase the number of Argentinian workers under the committed investment plans until 2028. At the date of issuance of these Financial Statements, Tecpetrol honored all commitments.

Also, the agreements entered into with the distribution service licensees, CAMMESA and ENARSA, for the supply of natural gas under Plan Gas.Ar, included standard clauses for the delivery or payment of up to 10.64 million m<sup>3</sup>/d until June 2023 and up to 13.14 million m<sup>3</sup>/d from July 2023 to December 2028, contemplating increases of 4.5 million m<sup>3</sup>/d from May to September of 2023, 7.25 million m<sup>3</sup>/d from May to September of 2024 and 6 million m<sup>3</sup>/d from May to September of each year from 2025 to 2028.

Likewise, the agreements entered into with industrial parties and other traders for the supply of gas intended for industrial users or CNG stations included standard clauses for the delivery or payment of around 6.5 million m<sup>3</sup>/d until April 2024, date upon which volumes will significantly drop due to contract termination.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 32. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

Gas transportation agreements include ship or pay clauses for amounts ranging from 2.2 million m<sup>3</sup>/d to 2.9 million m<sup>3</sup>/d during 2023-2025.

In relation with the Open Bidding Process No. 1/2022 from Oldelval and the Open Bidding Process No. 1/2022 from Oiltanking Ebytem, Tecpetrol committed to contract transport, shipping and storage services including ship or pay clauses for approximately 3,066 m<sup>3</sup>/d, 3,522 m<sup>3</sup>/d and 21,122 m<sup>3</sup>, respectively. Such commitments will enter into force once the facilities are ready for operations and until 2037.

#### (iii) Restrictions on the distribution of profits

In accordance with Companies Law No. 19.550 (hereinafter referred to as "LGS"), the Company's by-laws and General Resolutions No. 622/13 and 941/2022 issued by the CNV, 5% of the net profits for the year must be allocated to a legal reserve until such reserve equals 20% of the share capital. For the calculation of the 5% of the profits for the year, currency translation differences from retained earnings during the year must be considered, and the balance of currency translation differences from the capital share must be taken into consideration for the calculation of the 20% of the capital share, and the balance of currency translation differences from the legal reserve must be considered as part of the legal reserve.

CNV General Resolution No. 609/12 sets forth that the difference between the initial balance of retained earnings disclosed in the financial statements of the first year-end under IFRS implementation and the final balance of retained earnings at the end of the last fiscal year under the previous accounting standards then in force shall be allocated to a Special Reserve. Such reserve shall not be used for distribution (whether in cash or in kind) among shareholders or owners of the entity and shall only be used for capitalization purposes or to compensate potential negative balances under *Retained earnings*. On April 26, 2018, the Shareholders at an Annual General Meeting approved the setting up of this reserve and the restrictions upon its use.

The Company's capital does not include preferred stocks. Tecpetrol S.A. is not subject to any other restriction on the distribution of profits other than the ones mentioned in the paragraph above.

#### 33. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs

On March 2, 2017, the Mining and Energy Ministry issued Resolution MINEM 46E/2017, whereby it creates a Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs located in Neuquina basin (hereinafter referred to as the "Program".)

For the purposes of participating in the Program and pursuant to all principles, objectives and guidelines established, Resolution MINEM No. 46-E/2017 set forth certain requirements, including, but not limited to, the presentation of an investment plan approved by the authorities of the province implementing the Program, initial production, an estimated production volume under the concession included during the term of the Program, a projection of the prices Tecpetrol S.A. will charge for natural gas from said exploitation concession, and a presentation of a measurement scheme for the production from said exploitation concession.



# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 33. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)

Subsequently, by means of Resolution MINEM No. 419-E/2017 dated November 1, 2017, some amendments were introduced to the Program aiming at: (i) including projects that already were in a development phase, but which required, in order to increase production, investments comparable to those made in projects in the early stages of their development phase, and (ii) avoiding market cost distortions arising from the assessment of the compensation based upon sales prices of each beneficiary company. In this respect, it was defined that the determination of the effective price assessment will be based on average prices in the market.

Finally, Resolution MINEM No. 447-E/2017 extended the Program created under Resolution MINEM No. 46-E/2017 in order to include the production of natural gas from unconventional reservoirs located in Austral basin.

For unconventional exploitation concessions whose adherence to the Program has been approved ("Included Concession"), the Program provided for the payment, by the State, over the whole natural gas production from such concession ("Included Production"), of an amount which equals the difference between the value of Included Production of natural gas from unconventional reservoirs ("Minimum Price"), which is of USD 7.5 per million BTU for 2018, USD 7 per million BTU for 2019, USD 6.5 per million BTU for 2020 and USD 6 per million BTU for 2021, and the average price ("Effective Price") according to Resolution MINEM No. 419-E/2017 dated November 1, 2017"). To this effect, and pursuant to the Program, member companies must report: (i) the total volume of natural gas from unconventional reservoirs and (ii) the prices of all sales of natural gas.

Within this compensation scheme, the Program provided for the possibility of member companies to choose a scheme of provisional monthly payments ("Provisional Payments") consisting of 85% (eighty-five percent) of the compensation to be received for the monthly Included Production, over the basis of production estimates submitted by the company for said month. These payments will be subsequently adjusted ("Payment Adjustments") considering final delivered volumes, certificates issued by independent auditors and definitive prices reported to the authority of implementation. The Company adopted the above-mentioned Provisional Payments scheme.

Moreover, member Companies must report to the former Office of Hydrocarbon Resources any circumstance that substantially modifies projected values or any other submitted information affecting the payments.

After fulfilling all related requirements and obtaining approval of the investment plan by the Ministry of Energy, Public Services and Natural Resources of the province of Neuquén by means of Resolution No. 240/17; on August 23, 2017, the Company requested to participate in the Program to obtain an exploitation concession over Fortín de Piedra area.

Adherence of Tecpetrol S.A. to the Program, as beneficiary of the unconventional exploitation concession over Fortín de Piedra area, was approved by the then Secretary of Exploration and Production in charge of the Office of Hydrocarbon Resources through Resolution No. 2017-271-APN-SECRH#MEM dated November 3, 2017.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### **33. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)**

In relation to the production from January to July 2018 (all seven months included), the authority implementing the Program timely settled and paid to Tecpetrol S.A. the resulting compensations for the total of the production from the unconventional exploitation concession over Fortín de Piedra area.

Nevertheless, the Office of the Secretary of Energy settled Provisional Payment for August 2018 and subsequent months as from such date but introduced a change of criteria regarding the assessment of the compensations provided for in Resolution MINEM 46-E/2017. Said modification consisted in restricting the amount to be paid to the production projections submitted by the Company upon request of adherence to the Program. Such criterion was applied retrospectively; thus, affecting the compensations already settled corresponding to April-July 2018. This change of criteria impacted adversely on cash flows.

The Company filed appeals against the resolutions issued by the Office of the Secretary of Energy settling Provisional Payments from Aug-18 to Dec-20 inclusive and Payment Adjustments from Apr-18 to Dec-20 inclusive, since the Company considers that the change of criteria adopted flagrantly violates Section 17 of the National Constitution by affecting acquired rights of the Company previously acknowledged by the Government.

In such appeals, the Company claimed, among other things, that the contested issues were contrary to the terms of the promotion regime created under Resolution MINEM 46-E/2017 and the Company's acquired rights protected by said regime after adherence. Moreover, it was explained that the terms of the Program should be understood in the sense of avoiding any kind of restriction to the production of natural gas which is the subject matter of the compensations. Besides, the change of criteria implemented by the Government constitutes a unilateral and arbitrary modification of the legal framework under consideration and violates not only previous commitments assumed by the authority of implementation, but also acts carried out by such government. Additionally, concern was expressed regarding the contended issues arising from resolutions issued by the Office of the Secretary of Energy, including, cause, subject matter, purpose, misuse of power, procedure and issuance, among others. The Company reserved its right to claim interest and damages derived from the above-mentioned contended administrative acts.

In April 2019, the Ministry of Finance denied the appeals filed by the Company against the resolutions issued by the Office of the Secretary of Energy by means of which Provisional Payments for August, September and October 2018 were determined.

In May 2019, the Company filed a complaint against the State in order to obtain the nullity of the resolutions issued by the Office of the Secretary of Energy and confirmatory resolutions issued by the Ministry of Finance, which settled Provisional Payments for August, September and October 2018, according to the above-mentioned criterion. Apart from the request for nullity, the complaint also included a request for the collection of \$2,553.3 million (plus interest) and a request for an injunction ordering the Office of the Secretary of Energy to settle all Provisional Payments and Payment Adjustments pursuant to the criterion laid down by the Company for the remaining term of the Program. Besides, direct and indirect shareholders of Tecpetrol S.A. may file claims before international courts.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### **33. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)**

Within the framework of the Public Bidding – Promotion Plan for Argentine Natural Gas Production / 2020-2024 Supply and Demand Scheme, established by means of Executive Decree No. 892/2020 and the Bidding Terms And Conditions of the Public Bidding – Promotion Plan For Argentine Natural Gas Production / 2020-2024 Supply And Demand Scheme under Resolution No. 317/2020 issued by the Office of the Secretary of Energy (Plan Gas.Ar), subject to the term and validity of Plan Gas.Ar and in relation to the volumes of production therein committed and delivered, Tecpetrol accepted that payments under the Program related to the volumes of natural gas delivered in accordance with Plan Gas.Ar as from the first delivery, that is, January 1, 2021, will be limited to the production projection of natural gas estimated upon request of adherence of Fortin de Piedra Project to the Program. Therefore, the Company waived its right to demand payments for natural gas volumes under the Program as from January 1, 2021 (and until the expiration date of the Program), exceeding the figures projected for the above-mentioned production.

In compliance with applicable accounting standards, the Company included those compensations that are highly likely to be paid by the government according to the assessment criterion used for the last payments under the Program. This represented a lower income from sales for a total amount of \$29,915 million accumulated during the term of the Program and until the adherence to and entry into force of Plan Gas.Ar.

#### **34. Related-party balances and transactions**

Tecpetrol S.A. is controlled by Tecpetrol Internacional S.L.U., which holds 95.99% of the Company's shares.

San Faustin S.A. ("San Faustin"), a *Société Anonyme* based in Luxembourg, controls the Company through its subsidiaries.

Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a private foundation located in the Netherlands (Stichting) ("R&P STAK") holds enough voting shares in San Faustin to control it. No person neither any group of persons control R&P STAK.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 34. Related-party balances and transactions (cont'd)

*Main transactions with related parties:*

	<b>Fiscal year ended on December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Sales</b>		
Other related companies	8,235,751	4,761,659
<b>Purchases of goods and services</b>		
Other related companies	(33,228,887)	(11,364,993)
Oleoducto Loma Campana - Lago Pellegrini S.A.	(187,097)	(97,865)
	<u>(33,415,984)</u>	<u>(11,462,858)</u>
<b>Reimbursement of expenses</b>		
Other related companies	494,919	77,274
<b>Interest income</b>		
Other related companies	224,490	66,615
<b>Interest cost</b>		
Tecpetrol Internacional S.L.U.	(109,880)	(1,411,419)
Tecpetrol Internacional S.L.U. Uruguay Branch	-	(16,986)
Other related companies	(62,879)	(43,485)
	<u>(172,759)</u>	<u>(1,471,890)</u>
<b>Other income</b>		
Other related companies	235,498	-

*Balances with related parties*

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Other receivables from related parties (Note 20)</b>		
<i>Non-current</i>		
Expenses paid in advance - Other related companies	242,281	112,954
Borrowings - Other related companies	1,031,200	-
	<u>1,273,481</u>	<u>112,954</u>
<i>Current</i>		
Other receivables - Tecpetrol Internacional S.L.U.	9,366	950
Other receivables - Tecpetrol Investments S.L.U.	-	602
Other receivables - Tecpetrol Internacional S.L.U. Uruguay Branch	2,687	-
Other receivables - Other related companies (i)	734,049	502,303
Borrowings - Other related companies	3,489	1,031,534
	<u>749,591</u>	<u>1,535,389</u>
<b>Trade receivables from related parties (Note 21):</b>		
Current - Other related companies	331,102	215,235
<b>Borrowings from related parties (Note 24):</b>		
Current - Tecpetrol Internacional S.L.U.	-	5,810,239
<b>Right-of-use liabilities:</b>		
Non-current - Other related companies	1,263,459	936,650
Current - Other related companies	625,456	165,808

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 34. Related-party balances and transactions (cont'd)

*Balances with related parties (cont'd)*

	December 31, 2022	December 31, 2021
<b>Trade and other payables with related parties (Note 27):</b>		
Current - Tecpetrol Internacional S.L.U.	492,672	-
Current- Tecpetrol Investments S.L.U.	23,102	-
Current - Oleoducto Loma Campana - Lago Pellegrini S.A.	27,028	13,423
Current - Other related companies (ii)	9,146,741	1,408,569
	9,689,543	1,421,992

(i) It mainly includes balances from reimbursement of expenses.

(ii) It mainly includes balances from purchases of materials and services.

#### *Remuneration of Directors*

Remuneration of Directors and first-line executives for the fiscal years ended on December 31, 2022, and December 31, 2021 reached \$557.4 million and \$425.2 million, respectively. Additionally, Directors and first-line executives received units under the employee retention and long-term incentive program mentioned in Note 2.13 (b) for a total amount of USD 0.7 million in fiscal years ended on December 31, 2022 and December 31, 2021.

#### 35. Main joint operations

##### *Joint operations*

##### *a) Areas operated by Tecpetrol*

Name	Location	% at December 31, 2022	% at December 31, 2021	Expiration date of the concession
Aguaragüe (i)	Salta	23.0	23.0	Nov-37
Agua Salada	Río Negro	70.0	70.0	Sep-25
El Tordillo	Chubut	52.1	52.1	Nov-27
La Tapera - Puesto Quiroga	Chubut	52.1	52.1	Aug-27
Lago Argentino (ii) (iii)	Santa Cruz	74.6	74.6	Nov-33
Loma Ancha (iv)	Neuquén	95.0	95.0	Dec-22
Loma Ranqueles (v)	Neuquén	-	65.0	Jun-20
Los Toldos (I Norte, II Este)	Neuquén	90.0	90.0	May-54

(i) The Company and the authorities of the province of Salta agreed to a 10-year extension of the concessions over Aguaragüe and San Antonio Sur. As of the date of issuance of these Financial Statements, the agreement is pending approval by the Executive Branch of the province.

(ii) Tecpetrol S.A. assumed 100% of all costs and investments pursuant to an agreement among private parties and Alianza Petrolera S.A. (APASA) and a joint venture agreement between Fomento Minero de Santa Cruz S.E. and APASA.

(iii) In February 2023, Tecpetrol S.A. assigned to APASA its rights and obligations associated with the exploitation concession over Estancia La Mariposa area and Tecpetrol's contract position in joint venture Lago Argentino. As of the date of issuance of these Financial Statements, the local implementation authority has not yet approved said request.

(iv) Tecpetrol S.A. assumes 100% of the costs and investments during the basic exploration period under an agreement with its partner Gas y Petróleo del Neuquén S.A. At the date of issuance of these Financial Statements, Tecpetrol S.A. was negotiating with the authorities of the province of Neuquén a permit extension in Loma Ancha area.

(v) In March 2022, the contract with Gas y Petróleo de Neuquén S.A. and Energicón S.A. was terminated and the area was cleared out.

# Tecpetrol Sociedad Anónima

## Financial Statements at December 31, 2022

### Notes to Financial Statements at December 31, 2022 (cont'd)

#### 35. Main joint operations (cont'd)

##### b) Areas operated by third parties

Name	Location	% at December 31, 2022	% at December 31, 2021	Expiration date of the concession
Ramos	Salta	25	25	Jan-26
Los Toldos I Sur	Neuquén	10	10	Mar-52
MLO-124 (i)	Malvinas marine basin	10	10	Oct-27

(i) The term of the exploration permission is divided into 2 exploratory periods of 4 years each. Once the first period is completed, the Office of the Secretary of Energy should be notified if the area will continue to be explored or not. In March 2022, a 2-year extension was issued.

##### Main joint operations – Assets and liabilities at the Company's percentage of interest

Name	Assets		Liabilities	
	Dec-22	Dec-21	Dec-22	Dec-21
Aguaragüe	1,149,901	1,144,554	1,453,127	721,566
Agua Salada	2,431,161	1,393,576	2,365,760	1,316,859
El Tordillo	19,417,041	8,606,985	6,301,440	2,873,896
La Tapera – Puesto Quiroga	147,716	56,005	101,803	36,811
Ramos	667,574	613,432	1,220,949	703,013
Los Toldos (I Norte and II Este)	16,588,926	8,873,593	1,286,053	2,142,326
Los Toldos I Sur	2,704,999	1,928,619	365,176	126,403

#### 36. Assets classified as held for sale

In December 2021, Tecpetrol S.A. acquired from Abo Wind Energías Renovables S.A. and Abo Wind AG all of the ordinary shares of Parques Eólicos de la Buena Ventura S.A. (hereinafter referred to as "PEBV"), representing 100% of the share capital and the voting rights. Such company was going through the early development stage of project Parque Eólico de la Buena Ventura, consisting of up to 105 MW and located in Gonzales Chaves, province of Buenos Aires. In November 2021, CAMMESA notified PEBV of the allocation of dispatch priorities in the Renewable Energy Market (Mercado a Término de Energías Renovables, MATER) according to Resolution No. 281/17 from the Mining and Energy Ministry, related to the requests submitted in the third quarter of 2021 consisting in a 100.8 MV power demand.

The purchase price reached USD 2.0 million (USD 1.9 million of the total amount correspond to costs of shares and USD 0.1 million correspond to the assignment of a credit of Abo Wind Energías Renovables S.A. with PEBV). At the date of acquisition Tecpetrol S.A. paid USD 0.7 million, and the remaining balance (subject to certain clauses) will be cancelled in installments until August 2023 (in February 2022, the second instalment for USD 0.5 million was paid off, and in May 2022 the third and fourth instalments were paid for USD 0.2 million and USD 0.5 million, respectively).

At December 31, 2021, the investment in PEBV totaled \$208,518. In April 2022, the Company sold its interest in PEBV and a credit with PEBV to Sidarca S.A.I.C. for a total amount of USD 4.0 million. Profit (loss) from such transaction is included under *Other operating income* in the Income Statement at December 31, 2022.

# **Tecpetrol Sociedad Anónima**

## **Financial Statements at December 31, 2022**

### **Notes to Financial Statements at December 31, 2022 (cont'd)**

#### **37. Subsequent events**

On January 16, 2023, the Company issued Class 5 negotiable obligations for a nominal value of USD 32,897.9 million, with an issuance price of 100%, which bear interest at a BADLAR rate plus a 2% margin and mature on July 16, 2024. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations are mainly intended for investments in fixed assets, the integration of working capital and the refinancing of liabilities.

No events, situations or circumstances have taken place as from December 31, 2022, and until the date of issuance of these Financial Statements, other than the ones mentioned herein, which affect or might significantly affect the economic and financial position of the Company or are otherwise worth mentioning.



Free translation from the original in Spanish for publication in Argentina

## *Independent Auditors' Report*

To the Shareholders, President, and Directors of  
Tecpetrol Sociedad Anónima  
Legal address: Pasaje Della Paolera 299/297 - 16<sup>th</sup> floor  
City of Buenos Aires  
Tax Code No. 30-59266547-2

### **Report on the Audit of the Financial Statements**

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#### **Opinion**

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We have audited the accompanying financial statements of Tecpetrol Sociedad Anónima (the "Company"), including the statement of financial position at December 31, 2022 and the statements of income, of comprehensive income, of changes in equity, and cash flow for the year then ended, and notes to the financial statements, including a summary of the most significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and its comprehensive income and cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards (IFRS).

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#### **Basis for Opinion**

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We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards have been adopted as auditing standards in Argentina by Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with requirements that are relevant to our audit of the financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.





## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

Key Audit Matters	Audit Response
<p><b>Impact of proven hydrocarbon reserves on the carrying amount of Property, plant and equipment (PP&amp;E)</b></p> <p>As indicated in Note 15 to the accompanying financial statements, the carrying value, net of impairment, of Property, plant and equipment - Exploration, evaluation and development assets amounts to 264,404,993 thousands of Argentine pesos and has depreciation and impairment charges for 59,829,439 and 2,965,386 thousands of Argentine pesos, respectively. These values recorded in the financial statements are affected by Management's estimates of proven hydrocarbon reserves. A description of the main judgments and estimates relating to hydrocarbon reserves is included in Note 5(a) Hydrocarbon Reserves to the financial statements.</p> <p>In accordance with the Company's accounting policies described in Note 2.4, development assets are depreciated applying the depletion method based on the total proven or developed proven reserves considered in each area, as applicable.</p> <p>The recoverability of the carrying amount of assets relating to production and development areas and to probable and possible reserves is evaluated in case events or changes in the circumstances show that the carrying amount may not be recoverable. The recoverable value is the higher of assets' fair value less direct costs to sell and their value in use. The value in use is determined based on discounted cash flows expected to be obtained with the remaining commercial reserves.</p> <p>The estimate of hydrocarbon reserves and the calculation of the recoverable value of assets are based on a series of factors, assumptions and variables, such as:</p>	<p>Audit procedures performed in relation to this key matter included, among others:</p> <ul style="list-style-type: none"> <li>• Understanding the Company's process for estimating hydrocarbon reserves.</li> <li>• Testing those significant controls implemented by the Company.</li> <li>• Reviewing the contracts indicating the Company's interests in proven developed hydrocarbon reserves until the termination of the contracts.</li> <li>• Obtaining the reports certified by experts independent of the Company, including a) evaluating their objectivity and competence, b) confirming the scope of the work performed, and c) confirming the conclusions of the analysis performed.</li> <li>• Evaluating the reasonableness of significant hypotheses used in these estimates, including development costs and production volumes, considering the Company's past performance and the consistency with evidence obtained in other areas of the audit.</li> <li>• Performing a retrospective review to verify indicators of estimation bias over time, which included comparing production volumes, exploitation costs and capital expenditures for the current year with the applicable hypotheses used in the estimation of proven reserves for the prior year to assess the Company's ability to make accurate provisions.</li> <li>• Confirming that the significant variations in reserves have been based on new available information in the period under analysis.</li> </ul>



#### Key Audit Matters

(i) the quality of available geological, technical, and economic data as well as the interpretation and evaluation carried out by internal and external experts;  
(ii) the estimate of future units of production and related flows of operating income and expenses, of development and retirement costs as well as the moment when these costs are expected to be incurred.  
(iii) changes in tax legislation, administrative regulations, and the type or term of underlying contracts;  
(iv) production volumes of extracted oil and natural gas and the subsequent field analyses, which may entail significant reviews;  
(v) changes in the curve of future prices of hydrocarbons, inflation and exchange rates;  
(vi) internal factors related to economic policies and regulatory and governmental factors restricting the Company's ability to increase or maintain the prices in relation to international prices; and  
(vii) the discount rate used.

This area is relevant based on: (i) it implies the application of critical judgments and significant estimates by Management, including the use of external experts, (ii) the high level of uncertainty of estimates and measurements, (iii) the technical complexity of valuation models used, and (iv) the materiality of related items of the financial statements.

#### Audit Response

- Verifying the accuracy of the units of production indexes used to calculate depreciation, including the comparison of proven oil reserves used with the reserves reported by the Company.
- Verifying the consistency between projected hydrocarbon production in the cash flows prepared by management to determine the recoverable amount of the areas with impairment indicators, and the amounts of proven hydrocarbon reserves from the reports certified by independent specialists to the Company.
- Evaluating the sufficiency of the information disclosed in the financial statements.

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### Information that Accompanies the Financial Statements (“Other Information”)

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The other information comprises the Annual Report and Summary of Information. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, therefore, we do not express any form of assurance conclusion thereon.

In relation to our audit of the financial statements, our responsibility is to read the other information and when doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, and as regards matters that are within our competence, we consider that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

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### Board's responsibility in respect of Financial Statements

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The Board of Tecpetrol Sociedad Anónima is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with IFRS, and for such internal control as the Board determines is



necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing these financial statements, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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The objective of our audit is to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of the audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Board.
- Conclude whether it is appropriate that the Company's Board use the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of issue of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance (the Company's Surveillance Committee) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Surveillance Committee with a statement on our fulfillment of relevant ethical requirements regarding independence, and communicate any relationship and other matters that might be thought to affect our independence and, when applicable, the actions taken to reduce threats or the related safeguards.

Among the matters that have been subject to communications with those responsible for the Company's government (Company's Surveillance Committee), we determine those of most significance in the audit of the financial statements,



which are, consequently, the key audit matters. We describe these matters in this audit report, except for those legal or regulatory provisions that prohibit the public disclosure of the matter or if, in extremely infrequent circumstances, we determine that a matter should not be disclosed in our report, because it is reasonable to expect that the adverse consequences of doing so would outweigh the public interest benefits thereof.

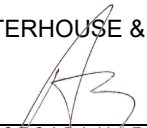
## Report on other legal and regulatory requirements

In compliance with current regulations, we report that:

- a) the financial statements of Tecpetrol Sociedad Anónima are transcribed into the "Inventory and Balance Sheet" book and, as regards 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 Financial Statements of Tecpetrol Sociedad Anónima arise from accounting records kept in all formal respects in conformity with legal regulations, which maintain the security and integrity conditions on the basis of which they were authorized by the National Securities Commission;
- c) at December 31, 2022 the debt of Tecpetrol Sociedad Anónima accrued in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 308,804,924.31, none of which was claimable at that date;
- d) as required by Section 21, subsection b), Chapter III, Part VI, Title II of the regulations issued by the National Securities Commission, we report that total fees for auditing and related services billed to Tecpetrol Sociedad Anónima during the fiscal year ended December 31, 2022 account for:
  - d.1) 75% of the total fees for services billed to the Company for all items during that fiscal year;
  - d.2) 57% of the total fees for auditing and related services billed to the Company, its parent company, subsidiaries and related companies during that year;
  - d.3) 48% of the total fees for services billed to the Company, its parent company, subsidiaries and related companies for all items during that year;
- e) we have applied the anti-money laundering and financing of terrorism procedures for Tecpetrol Sociedad Anónima, prescribed by professional standards issued by the Professional Council of Economic Sciences for the City of Buenos Aires.

City of Buenos Aires, March 2, 2023.

PRICE WATERHOUSE & CO. S.R.L.

  
C.P.C.E.C.A.B.A. V. 1 F. 17  
Alejandro J. Rosa  
Public Accountant (UM)  
C.P.C.E.C.A.B.A. V. 286 F. 136

(Partner)