

**PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2022, DECEMBER 31, 2021, AND SEPTEMBER 30, 2021**

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USD = US Dollar  
S/ = Peruvian Sol  
EUR = Euro

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**PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

**CONDENSED INTERIM FINANCIAL POSITION STATEMENT**

ASSETS	Note	As of September	As of	LIABILITIES AND EQUITY	Note	As of	As of
		30,	December 31,			September	December 31,
		2022	2021			2022	2021
		USD 000	USD 000			USD 000	USD 000
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalent	8	15,371	239,557	Other financial liabilities	13	975,855	824,511
Trade receivable	9	556,257	302,091	Trade payables	14	1,492,228	1,352,831
Other receivable	10	490,384	273,910	Accounts payable to entities	15	838,098	-
Inventories	11	992,138	641,323	Other accounts payable		93,185	95,793
Other assets		5,413	2,012	Other provisions	16	30,575	16,282
<b>Total current assets</b>		<u>2,059,563</u>	<u>1,458,893</u>	Lease liabilities	-	18,253	12,004
				<b>Total current liabilities</b>	-	<u>3,448,194</u>	<u>2,301,421</u>
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Other receivable	10	672,105	567,702	Other financial liabilities	13	4,170,774	4,240,973
Property, plant and equipment	12	6,892,202	6,579,422	Other provisions	16	13,487	13,464
Investment properties		9,537	9,545	Deferred tax liabilities		214,383	206,600
Intangible assets		43,437	43,758	Lease liabilities	-	14,678	14,159
Right-of-use assets		32,741	26,216	<b>Total non-current liabilities</b>	-	<u>4,413,322</u>	<u>4,475,196</u>
<b>Total non-current assets</b>		<u>7,650,022</u>	<u>7,226,643</u>	<b>Total liabilities</b>	-	<u>7,861,516</u>	<u>6,776,617</u>
				<b>Equity</b>	17		
				Social capital		1,599,443	1,599,443
				Additional capital		61,143	-
				Legal reserve		8,724	1,930
				Accumulated results	-	178,759	307,546
				<b>Total equity</b>	-	<u>1,848,069</u>	<u>1,908,919</u>
<b>TOTAL ASSETS</b>		<u>9,709,585</u>	<u>8,685,536</u>	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>9,709,585</u>	<u>8,685,536</u>

The accompanying notes from page 6 to 40 are part of the condensed interim financial statements.

# PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

## CONDENSED INTERIM COMPREHENSIVE INCOME STATEMENT

	Nota	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2022 USD 000	2021 USD 000	2022 USD 000	2021 USD 000
Ordinary activities income	18	1,356,919	1,056,417	4,320,997	2,865,138
Other operating income		<u>12,087</u>	<u>14,587</u>	<u>37,823</u>	<u>50,979</u>
Total income		1,369,006	1,071,004	4,358,820	2,916,117
Sales cost	19	<u>(1,500,368)</u>	<u>(972,794)</u>	<u>(4,195,226)</u>	<u>(2,541,751)</u>
Gross profit		<u>(131,362)</u>	<u>98,210</u>	<u>163,594</u>	<u>374,366</u>
Sales and distribution expenses	20	(13,814)	(14,272)	(51,234)	(43,851)
Administration expenses	21	(27,767)	(31,244)	(115,439)	(87,494)
Other income	23	6,626	2,996	17,360	19,762
Other expenses	23	<u>(5,218)</u>	<u>(371)</u>	<u>(17,369)</u>	<u>(375)</u>
Total operation costs		<u>(40,173)</u>	<u>(42,891)</u>	<u>(166,682)</u>	<u>(111,958)</u>
Income from operating activities		(171,535)	55,319	(3,088)	262,408
Financial income		868	231	12,390	7,783
Financial expenses		(23,625)	(10,556)	(103,813)	(12,392)
Net exchange difference		<u>(15,208)</u>	<u>(53,811)</u>	<u>41,445</u>	<u>(100,046)</u>
Income before income tax		(209,500)	(8,817)	(53,066)	157,753
Income tax expense	24	<u>34,468</u>	<u>(100,347)</u>	<u>(7,784)</u>	<u>(196,049)</u>
Net income for the year and comprehensive income		<u>(175,032)</u>	<u>(109,164)</u>	<u>(60,850)</u>	<u>(38,296)</u>
Basic and diluted earnings per share	26	<u>(0.032)</u>	<u>(0.007)</u>	<u>(0.011)</u>	<u>(0.007)</u>

The accompanying notes from page 6 to 40 are part of the condensed interim financial statements.

**PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

**CONDENSED INTERIM EQUITY CHANGES STATEMENT  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 AND 2021**

	Number of shares	Social capital	Additional capital	Legal reserve	Accumulated results	Total equity
		USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balance as of January 1, 2021</b>	<u>5,368,412,525</u>	<u>1,599,443</u>	-	<u>69,210</u>	<u>172,329</u>	<u>1,840,982</u>
Comprehensive results:					<u>(38,296)</u>	<u>(38,296)</u>
Net result for the period	-	-	-	-		
Total comprehensive income	-	-	-	-	<u>(38,296)</u>	<u>(38,296)</u>
Transactions with shareholders:						
Transfer to additional capital and legal reserve	-	-	-	-		
Total transactions with shareholders	-	-	-	-	<u>(38,296)</u>	<u>(38,296)</u>
<b>Balance as of September 30, 2021</b>	<u>5,368,412,525</u>	<u>1,599,443</u>		<u>69,210</u>	<u>134,033</u>	<u>1,802,686</u>
<b>Balance as of January 1, 2021</b>	<u>5,368,412,525</u>	<u>1,599,443</u>	-	1,930	307,546	1,908,919
Comprehensive results:					<u>(60,850)</u>	<u>(60,850)</u>
Net result for the period	-	-	-	-		
Total comprehensive income	-	-	-	-	<u>(60,850)</u>	<u>(60,850)</u>
Transactions with shareholders:						
Transfer to additional capital and legal reserve	-	-	61,143	6,794	<u>(67,937)</u>	
Transfer of additional capital to share capital	-	-	-	-		
Total transactions with shareholders	-	-	61,143	6,794	<u>(128,787)</u>	<u>(60,850)</u>
<b>Balance as of September 30, 2021</b>	<u>5,368,412,525</u>	<u>1,599,443</u>	<u>61,143</u>	<u>8,724</u>	<u>178,759</u>	<u>1,848,069</u>

The accompanying notes from page 6 to 40 are part of the condensed interim financial statements.

**PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

**INTERIM CASH FLOW STATEMENT**

	Note	For the nine-month period ended September 30,	
		2022	2021
		USD 000	USD 000
<b>OPERATING ACTIVITIES</b>			
Net cash provided by operating activities		(704,362)	533,847
Interest payment	13	(9,787)	(3,331)
Payment of income tax		(46,491)	(14,440)
Net cash provided by (applied to) operating activities		(760,640)	516,076
<b>INVESTMENT ACTIVITIES</b>			
Advance refund of general sales tax related to investment activities		-	-
General sales tax related to investment activities		(42,243)	(15,643)
Payment for purchase of property, plant and equipment		(271,331)	(491,766)
Capitalized interest paid		(104,016)	(106,575)
Payment for purchase of intangible assets		(645)	(1,573)
Withdrawal of investment from fixed-term deposits		-	309,951
Investment in fixed-term deposits		-	(400,000)
Net cash applied to investing activities		(418,235)	(705,606)
<b>FINANCIAL ACTIVITIES</b>			
Loans received from financial institutions	13	1,937,940	1,320,005
Bonuses		-	1,000,000
DU Loan No. 010-2022		750,000	-
Cancellation documents DU N°010-2022		157,295	-
Payment of cancellation documents		(24,721)	-
Payment of loans to financial institutions	13	(1,857,555)	(2,014,764)
Payment of lease liabilities		(9,342)	(9,810)
Net cash (applied to) provided by financing activities		953,617	295,431
Net decrease in cash and cash equivalents		(225,258)	105,901
Effect of exchange rate variation on cash		1,072	(14,245)
Cash and cash equivalent at the beginning of the period		239,557	84,818
Cash and cash equivalent at the end of the period		15,371	176,474
<b>TRANSACTIONS OF FINANCING AND INVESTMENT ACTIVITIES THAT DID NOT GENERATE CASH FLOWS</b>		4,698	5,363
		29,434	81,690
		16,110	34,656
- Unpaid accrued interest	13		
- Works in progress payable			
- Right-of-use asset and lease liability			

The accompanying notes from page 6 to 40 are part of the condensed interim financial statements.

**PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

**CONDENSED INTERIM CASH FLOW STATEMENT**

	<b>Note</b>	<b>For the nine-month period ended September 30,</b>	
		<b>2022</b>	<b>2021</b>
		<b>USD 000</b>	<b>USD 000</b>
Net result for the period		(60,850)	(38,296)
Adjustments to reconcile net income for the year with cash from operating activities:			
Provision for contingencies	15	1,168	1,748
Provision for obstruction and environmental remediation		17,299	
Depreciation of property, plant and equipment and investment properties	12	53,141	38,146
Estimate of impairment of trade accounts receivable		166	
Inventory impairment estimate		6	-
Amortization		2,306	1,724
Right-of-use asset depreciation		7,302	9,274
Retirement and adjustments of property, plant and equipment and investment properties		70	-
Deferred income tax		7,784	196,049
Unrealizable exchange rate difference adjustment effect		(1,072)	14,245
		27,320	222,890
Net changes in operating assets and liabilities:			
Trade accounts receivable		(254,331)	(4,765)
Other accounts receivable		(278,634)	(139,399)
Inventories		(350,822)	(237,255)
Expenses hired in advance		(3,989)	(2,106)
Trade payables		147,491	456,670
Other accounts payable and provisions		8,603	237,812
Net cash provided by (applied to) operating activities		(704,362)	533,847

The accompanying notes from page 6 to 40 are part of the condensed interim financial statements.

## **PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.**

### CONDENSED INTERIM FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2022, DECEMBER 31, 2021, AND SEPTEMBER 30, 2021

## **1 IDENTIFICATION AND ECONOMIC ACTIVITY**

### a) Identification -

**Petróleos del Perú - PETROPERÚ S.A.** (hereinafter, the Company), was incorporated on July 24, 1969 under Decree Law No. 17753.

The Company is a state company under private law that carries out its activities in the energy and mining sector, and the hydrocarbon subsector. The Company is organized and operates as a public limited company in accordance with the provisions of Legislative Decree No. 043, Law of the Company Petróleos del Perú - PETROPERÚ S.A. published on March 4, 1981 and its amendments, which establish that the Peruvian State is the owner of all the representative shares of the Company's capital stock, and Article 12 of the Regulations of Law No. 28840 provides that each member of the General Meeting of Shareholders, will represent the number of shares of the Company's capital stock that results from dividing the total of the shares by the number of members appointed in representation of the Peruvian State.

The Company is registered with the *Superintendencia de Mercados de Valores* (Superintendency of Securities Markets (SMV)).

The Company's main offices are located at Av. Enrique Canaval y Moreyra No. 150, San Isidro, Lima, Peru.

By provision of Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A., the Company was expressly excluded from the scope of the *Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado* (National Fund for the Financing of State Business Activity) - FONAFE and the *Sistema Nacional de Inversión Pública* (National Public Investment System) - SNIP. In addition, with the second final provision of Law No. 28840, Supreme Resolution No. 290-92-PCM was repealed, which included the Company in the process of promoting private investment, as well as any provision that opposed the Law No. 28840.

The Company is governed by its Organic Law approved by Legislative Decree No. 043, its Statute, Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. (its Regulations, approved by Supreme Decree No. 012-2013-EM, on April 27, 2013) and additionally by the General Law of Companies, being subject only to the control of the *Contraloría General de la República* (Comptroller General of the Republic) (CGR), supervisory entities (Superintendence of Securities Markets – SMV) and regulatory entities (OSINERGMIN, OEFA, SUNAT and SUNAFIL).

Likewise, in accordance with the provisions of the third final provision of Legislative Decree No. 1031, which promotes the efficiency of the state's business activity dated June 23, 2008, section 9.3 of Article 9 and Article 12 of said Legislative Decree No. 1031 are applicable. In the first case, the financial statements are audited annually by independent external auditors appointed by the General Shareholders' Meeting, and in the second case, by resolution of the General Shareholders' Meeting, the minimum level of registration of its capital stock in the Public Registry of the Stock Market will be determined, subject to the provisions issued by the SMV.

The provisions of Law No. 30130 published on December 18, 2013, which was called "Law that declares of public necessity and national interest the priority execution of the modernization of the Talara Refinery to ensure



the preservation of air quality and public health and adopts measures to strengthen the Corporate Governance of Petróleos del Perú - PETROPERÚ S.A.”, also apply to it, which provides that the Company execute the *Proyecto de Modernización de la Refinería de Talara* (Talara Refinery Modernization Project) (hereinafter, PMRT), as well as its Regulations, approved by Supreme Decree No. 008-2014-EM, published on March 24,

2014. According to Article 5 “Approval of guarantees’ granting” of Law No. 30130 it is approved the granting of guarantees by the National Government up to an amount of USD 200 million annually, up to a cumulative total of USD 1,000 million in support of the financial obligations derived from the financing contracted by the Company to execute the PMRT, in case the Company does not reach the financial flows to assume said obligations. As of December 31, 2021 and 2020, the use of said guarantees has not been required.

Additionally, on December 30, 2016, Legislative Decree No. 1292 was published, declaring the safe operation of the North Peruvian Pipeline to be of public necessity and of national interest and it provides the reorganization and improvement of the Company's Corporate Governance. On August 15, 2019, Law No. 30993 was published, which declared the preparation and execution of the *Proyecto de Afianzamiento y Modernización del Oleoducto North Peruvian* (North Peruvian Pipeline Strengthening and Modernization Project) to be of national interest, in order to guarantee the operation and efficient maintenance of the North Peruvian Pipeline, expand its extension, increase its transport capacity and profitability, safeguard the conservation of the environment and complement the Talara Refinery Modernization Project, as well as guarantee an adequate participation by way of taxes, fees and royalties in favor of the State.

#### b) Economic activity -

With Law No. 28244 of June 2, 2004, the Company was authorized to negotiate agreements with PERUPETRO S.A. in exploration and/or exploitation and operations or oil services according to law.

The Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. establishes that the Company will act with economic, financial and administrative autonomy and in accordance with the annual and five-year objectives approved by the Ministry of Energy and Mines of Peru. The acts and agreements that it subscribes in the fulfillment of its corporate purpose will be subject to what is established in: i) Legislative Decree No. 043 and its amendments, ii) its Statute, iii) its internal regulations, iv) the agreements of its Board of Directors, v) the Standards of the National Control System and vi) the specific regulations for the Company.

The foreign trade operations carried out by the Company are governed by generally accepted international trade customs and traditions and by the generally accepted rules of International Law and the hydrocarbon and energy industry.

As part of its corporate purpose, the Company carries out activities provided for in Law No. 26221, Organic Law that regulates Hydrocarbon's activity in the National Territory. These activities include all phases of the oil industry and trade, its derivatives, basic and intermediate petrochemicals, and other forms of energy.

With Law No. 29970 - Law that strengthens Energy Security and promotes the development of the petrochemical pole in the south of the country, the participation of the Company, individually or in association, is provided in the development of the petrochemical pole referred to in said Law.

Law No. 30130 authorizes the Company to sell or issue shares to be placed on the Stock Market. In this process, the State may incorporate a private participation of up to 49% of its outstanding capital stock. Likewise, it is established that the Company may carry out investment activities and projects, as long as they do not generate firm or contingent liabilities for the Company, present or future, do not affect the guarantees of the Talara Refinery Modernization Project (PMRT) and do not demand resources from the Public Treasury, which does not limit those projects that allow the Company to maintain its operations once the law enters into force. These restrictions will cease when the Company generates sufficient flows to guarantee the payment of the indebtedness to be contracted for the investments related to the PMRT and a private participation of at least 40% has been incorporated in its outstanding capital stock.

With Supreme Decree No. 031-2016-MEM of December 1, 2016, the assignment of the contractual position in the License Agreement for the Exploration and Exploitation of Hydrocarbons in

Block 64 was approved by the Company in favor of Geopark Perú S.A.C., the latter being designated as the operator of the aforementioned agreement. Likewise, on December 2, 2016, the Public Deed of the aforementioned assignment was signed. In August 2020, the Company decided to accept the assignment of the 75% stake in the License Agreement for Block 64, held by Geopark Perú S.A.C., because in July it notified the Company that it irrevocably chose to exercise the option to withdraw the License Agreement. On September 28, 2021, Supreme Decree No. 024-2021-EM was published in the Official Gazette El Peruano, approving the transfer of the stake of GeoPark Perú S.A.C. in the Block in favor of PETROPERÚ S.A. In this way, PETROPERU assumes 100% of the rights and obligations for the exploration and exploitation of hydrocarbons.

Legislative Decree No. 1292, published on December 30, 2016, declared the safe operation of the North Peruvian Pipeline of public necessity and of national interest, providing the reorganization of the Company and the improvement of its corporate governance, granting a term of 720 calendar days from the date of publication of said Legislative Decree, for the elaboration of a plan that regulates, among others, the modification, execution of agreements and contracting of services related to the business units of the Company; the Company's participation in hydrocarbon exploration and exploitation agreements; the possibility of the Company to participate in social responsibility actions under the mechanism of works for taxes; the application of the capital increase referred to in section 8.1 of Article 8 of Law No. 29970 for the execution of the Talara Refinery Modernization Project and, the modification of Article 4 and the second complementary provision of Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. to implement Legislative Decree No. 1292, approved by the Board of Directors. Said plan was approved by the Board of Directors with Agreement No. 067-2018-PP dated August 6, 2018.

On the other hand, through Law No. 30357, published on November 6, 2015, the Fourth Final Complementary Provision was incorporated into Law No. 30130, authorizing PERUPETRO to, after evaluation and through direct negotiation, sign the contract for hydrocarbon exploitation of Block 192 with PETROPERU S.A.

Through Supreme Decree No. 003-2021-EM, published on December 25, 2021, the Temporary License Agreement signed between the Company and PERÚPETRO S.A. was approved for the exploitation of hydrocarbons in Block I, for a period of 22 months, with the Company assuming operations on December 27, 2021.

#### c) Regulatory framework of the Company's sales prices -

Article 77 of the Organic Hydrocarbons Law establishes that activities and prices related to crude oil and its derivative products are governed by supply and demand.

- The Company's fuel price policy approved by its Board of Directors establishes the following:

- The prices of liquid fuels and specialties are determined according to supply and demand, in compliance with the provisions of the Organic Hydrocarbons Law and regulations that modify or replace it.
- The list prices of liquid fuels and specialties will be approved by the Executive Prices Committee chaired by the General Manager and made up of the Corporate Finance Manager, Corporate Supply Chain Manager, Corporate Operations Manager and Corporate Commercial Manager or whoever assumes their duties.
- The determination of the prices of liquid fuels and specialties that the Company sells in the local market will consider the opportunity cost and will be set at prices that allow the Company to compete in the market and at the same time achieve its strategic and budget goals. In the case of liquid fuels, the opportunity cost corresponds to the Import Parity Price calculated with the methodology defined by the Company in its guidelines.

- The Company's list prices of liquid fuels must be competitive with respect to other economic agents, producers and importers, in the Sales Plants of the country where there is commercial operation, provided that there is commercial benefit.
- In case of events or developments in the international market that significantly impact the prices of liquid fuels and specialties strongly upwards or downwards, that negatively affect the reputational image of the Company or put it in a potentially risky economic situation, the Executive Prices Committee may decide to gradually transfer them to customers or leave without effect the variations presented in a conjunctural manner that occur for a very short time until the local or international market stabilizes, taking into account the financial sustainability of the Company.

- Fund for the stabilization of prices of petroleum derived fuels (hereinafter, the Price Stabilization Fund).

The Price Stabilization Fund was created by the Peruvian Government by Emergency Decree No. 010-2004, regulatory and amending standards. By this norm the Peruvian State constitutes a contingent fund to avoid that the volatility of the prices of the hydrocarbons is transferred to the final consumers; however, the Ministry of Energy and Mines (MEM) will compensate the Company for the spreads not transferred to customers.

In accordance with these regulations, the *Dirección General de Hidrocarburos* (General Directorate of Hydrocarbons) (DGH) of the Ministry of Energy and Mines establishes a price band for each fuel product that is marketed in the country. Article 6 of Supreme Decree No. 133-2010-EF (dated June 23, 2010) establishes that the *Organismo Supervisor de la Inversión en Energía y Minería* (Supervisory Agency of Investment in Energy and Mining) - OSINERGMIN will update and publish every two months, in the Official Gazette *El Peruano*, the bands of each of the products on the last Thursday of the second month, counted from the effective date of the last update.

Weekly, the Supervisory Agency of Investment in Energy and Mining - OSINERGMIN publishes for each fuel product marketed in the country a referential price called *Precio de Paridad de Importación* (Import Parity Price) (PPI). When the PPI is greater than the upper limit of the band, the difference constitutes the Compensation Factor and when the PPI is less than the lower limit of the band, the difference constitutes the Contribution Factor.

At the beginning of 2021, the Fuel Price Stabilization Fund-FEPC applied only to industrial oil 6. Between March and November 2021, with Supreme Decrees No. 006-2021-EM, No. 015-2021-EM and No. 025-2021-EM, Diesel for vehicular use was included as a product subject to the FEPC. Likewise, in September 2021, through Supreme Decree No. 023-2021-EM, LPG-E was incorporated as a product subject to the FEPC. Subsequently, through Supreme Decree No. 002-2022-EM, published on March 28, 2022, 84 and 90 octane Gasolines, 84 octane Gasohol and Liquefied Petroleum Gas destined for bulk (LPG-G).

As of September 30, 2022, the Price Stabilization Fund represented 3.61% of the Company's revenues (0.76% of revenues as of September 30, 2021).

d) Approval of financial statements -

The interim financial statements for the nine-month period ended September 30, 2022 have been approved by the Company's General Management on November 2, 2022. The audited financial statements as of December 31, 2021 were approved by the General Meeting of Shareholders on September 23, 2022.

## **2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

The condensed interim financial statements for the nine-month period ended September 30, 2022, have been prepared in accordance with the International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34) issued by the International Accounting Standards Board (IASB).

The information in the statement of financial position as of December 31, 2021 and the corresponding notes are derived from the audited financial statements as of that date.

The unaudited condensed interim financial statements arise from accounting records and are prepared on a historical cost basis, with the exception of derivative financial instruments that are measured at fair value. The condensed interim financial statements are presented in thousands of United States dollars, except when a different monetary expression is indicated. The accounting policies applied are consistent with those of the 2021 year and the comparative interim period.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read together with the financial statements for the year ended December 31, 2021, which were prepared in accordance with IFRS issued by the IASB.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Changes in the applicable regulations as of January 1, 2022 -**

These new standards, amendments and interpretations, effective for the financial statements of annual periods beginning January 1, 2022, have been evaluated as applied by the Company.

Certain regulations and modifications to regulations have been published that are mandatory for the year 2022 or later and have not been adopted in advance by the Company. The Company's assessment of the impact that these standards will have on the financial statements is explained below:

- Modification to IFRS 16 – Rental concessions related to COVID-19 –

As a result of the COVID-19 pandemic, certain tenants have received rent concessions in lease agreements. These concessions have taken several forms such as rent reductions, grace periods and deferral of lease payments. In May 2020, the IASB published an amendment to IFRS 16, "Leases" that allows lessees to have the option to treat certain rental concessions as if they were not lease modifications. Generally, this will result in the awards being accounted for as variable lease payments in the period in which they are granted.

This practical application could originally be applied to rent concessions granted until September 30, 2021; however, this date was later extended until September 30, 2022.

If a lessee used the original practical application in 2021, he must continue to apply the same treatment to all leases with similar characteristics and circumstances, taking into account the term extension indicated above. If a lessor did not use the practical application in 2021 on eligible contracts, he is prohibited from applying it in the new extended term.

However, if a lessee has not established its accounting policy on rent concessions in eligible contracts, he may decide to apply the option in the extended term.

The modification is effective for annual periods beginning on or after April 1, 2021.

As a result of the application of the modification of this standard, the Company has not had an impact on its financial statements.

- Amendment to IAS 1 – Classification of liabilities as current or non-current –

This amendment clarifies that liabilities must be classified as current or non-current depending on the existing rights at the date of the financial statements. The classification should not be affected by the expectations of the entity or by events that occur after the date of the financial statements, for example, receiving a waiver from the bank after the breach of a contractual commitment (covenants).

The amendments also clarify the meaning of IAS 1's reference to what is a "settlement" of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions in determining the classification and for some liabilities that can be converted into equity.

The amendments must be applied retrospectively in accordance with the requirements of IAS 8. This amendment is effective from January 1, 2023.

The Company is currently evaluating the impact that this amendment may have on its financial statements.

- Disclosure of accounting policies – Amendments to IAS 1 and Practice Statement 2

Originally, the IAS established that "significant" accounting policies must be disclosed, with this amendment it is specified that the disclosure must be made by "material" accounting policies. In this sense, this amendment incorporates the definition of what is "information on policies material accounting" and explains how to identify this type of information. It also clarifies that immaterial accounting policy information need not be disclosed and if it were disclosed, it should not cause material accounting information to be confused.

Consistently, Practice Statement 2, "Making Materiality Judgments" was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This modification is effective from January 1, 2023. The Company is currently evaluating the impact that this amendment may have on its financial statements.

- Amendments to IAS 8 – Definition of accounting estimates –

This amendment clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The distinction is important to define the accounting treatment, since changes in accounting estimates are recognized prospectively to future transactions and events, while changes in accounting policies are generally applied retrospectively to past transactions and events as well as the current period.

This modification is effective from January 1, 2023. The Company is currently evaluating the impact that this amendment may have on its financial statements.

- Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction

–



These amendments establish that deferred taxes arising from a single transaction that, on initial recognition, give rise to taxable and deductible temporary differences

of the same value must be recognized. This will generally apply to transactions such as leases (for lessees) and decommissioning or remediation obligations, where the recognition of deferred tax assets and liabilities will be required.

These modifications must be applied to transactions that occur on or after the beginning of the earliest comparative period presented. Likewise, deferred tax assets (to the extent that it is probable that they can be used) and deferred tax liabilities must be recognized at the beginning of the first comparative period for all deductible or taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- liabilities for dismantling, restoration and the like, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of these adjustments is recognized in retained earnings or another component of equity, as appropriate.

Previously, IAS 12 did not establish any particular accounting treatment for the tax effects of leases that are recognized on the balance sheet and for similar transactions, so different approaches were considered acceptable. Entities that are already recognizing deferred taxes on these transactions will not have an impact on their financial statements.

This modification is effective from January 1, 2023. The Company is currently evaluating the impact that this amendment may have on its financial statements.

Likewise, other effective modifications have been published for future years that are not relevant to the Company's activities:

- IFRS 17, "Insurance contracts"
- Amendment to IAS 16, "Property, Plant and Equipment" – Income received before having the intended use of the asset
- Amendment to IFRS 3 "Business Combinations" – Reference to the Conceptual Framework
- Amendment to IAS 37 "Onerous Contracts" – Cost of fulfilling a contract -
- Annual improvements 2018-2020.
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture.

Other IFRS or IFRIC interpretations that are not yet effective are not expected to have a significant impact on the Company's financial statements.

### **3.2 Significant accounting policies -**

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2021, as described therein, except for the accounting treatment of income tax in interim periods, which are accounted for using the tax rate that would be applicable to the total expected annual profit or loss (see Note 4 and Note 24). Income tax expense is recognized in each interim period according to the best estimate of the expected effective annual income tax rate for the full year. The Company's Management considers that the amount accrued for income tax expense in an interim period may have to be adjusted in a later interim period of that same year, if the estimate of the annual effective income tax rate changes.

## **4 ESTIMATES AND CRITICAL ACCOUNTING CRITERIA**

The preparation of the condensed interim financial statements requires Management to make judgments, estimates and assumptions that may affect the application of accounting policies and the

balances of assets and liabilities, income and expenses. Actual results could differ from those estimates.

In preparing the condensed interim financial statements, the relevant judgments and estimates made by Management in the application of the Company's accounting policies and in the critical information for estimating uncertainties were the same as those applied in the financial statements by the year ended December 31, 2021, except for changes in estimates that are required to determine the provision for income tax.

Income tax -

To determine income tax in interim periods, Management uses the effective tax rate that would be applicable to the total expected annual profit or loss (see Note 3.2 and Note 24), which requires Management's judgment to determine the expected results for tax purposes.

The Company performed a sensitivity analysis of the income tax expense in the interim periods based on the estimate of the effective income tax rate at the end of the year.

If the effective income tax rate had been +/- 1% different from Management's estimates, the Company would need to increase/decrease the income tax expense by USD 78 thousand in the nine-month period ended on September 30, 2022 (USD 1,960 thousand in the nine-month period ended September 30, 2021).

## **5 FINANCIAL RISK MANAGEMENT**

### **5.1 Financial risk factors -**

The Company's activities expose it to a variety of financial risks: market risks (mainly exchange rate risk, interest rate risk and oil price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all the financial risk management information and disclosure required in the annual financial statements; should be read in conjunction with the Company's annual financial statements as of December 31, 2021, as there have been no changes in the related assessments of financial risks since the end of the year, taking into account that its opinion has been issued on September 9, 2022.

There have been no significant changes in the risk management department or in any risk management policy since the end of 2021.

### **5.2 Liquidity risk -**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate number of committed funding sources, and the ability to close positions in the market. However, after the downgrades of the rating agencies, due to the fact that the issuance of the Audited Financial Statements for the year 2021 in May 2022 was not assured, it generated a weakening in liquidity, a situation that has been steadily reversing with the issuance of the audited financial statements, renewal and increase of the lines, reversal of negative outlook to stable of S&P and Apoyo & Asociados, in addition to the explicit support of the Sovereign that is evidenced with the U.D. No. 010-2022 and U.D. No. 023-2022. In this sense, the Company does not have significant liquidity risks since the cash flows of its operations allow it to maintain enough cash to meet its obligations. Regarding the working capital as of September, it is negative; however, it is important to specify that the current liabilities as of September include the financial support approved through Official Decree No. 010-2022 (750 million USD), a facility that through Official Letter No. 286-2022-PR of



August 26, 2022 was managed to extend the term of its maturity until December 31, 2024 as indicated in the Public Sector Indebtedness Bill for the year 2023, for which it is estimated, after its approval, its reclassification at the end of the year as non-current liabilities. Likewise, current assets do not include the tax credit corresponding to the PMRT (672 million USD), considering its use, it would apply from the start of operation of the PMRT. Therefore, the company considers that it does not represent a risk.

Management manages its liquidity risk by ensuring that it has sufficient credit lines at all times and solving its working capital with the cash flows from its operating activities.

As of September 30, 2022, the Company maintains short-term revolving lines of credit granted by local and foreign banks for up to USD 2,725,000 thousand, of which USD 1,571,463 thousand, are available as of that date, an amount sufficient to meet its purchase operations in the national territory and in foreign markets and other obligations related to working capital. These lines of credit do not have maintenance cost requirements nor do they require collateral.

The Company's Corporate Finance Management supervises the cash flow projections made on liquidity requirements to ensure that there is sufficient cash to meet operational needs while maintaining sufficient margin for unused lines of credit, so that the Company does not default on borrowing limits on any line of credit. Cash surpluses and balances above that required for the administration of working capital are invested in instruments that generate interest, choosing instruments with an appropriate maturity or sufficient liquidity.

The amounts disclosed in the table are the undiscounted cash flows:

	<u>Book Value</u> <u>Flows</u> USD 000	<u>Not discounted</u> <u>Cash</u> USD 000	<u>Less than</u> <u>1 year</u> USD 000	<u>More than</u> <u>1 year</u> USD 000	<u>More than</u> <u>2 years</u> USD 000
Other financial liabilities	5,146,629	8,524,071	1,149,568	341,627	7,032,876

### 5.3 Capital risk -

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern in order to generate returns to its shareholder, benefits to other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Company monitors its capital based on the leverage ratio, which is calculated by dividing its net debt by its total capital. Net debt corresponds to total financial obligations (including current and non-current) minus the balance of cash and cash equivalents. Total capital corresponds to equity as shown in the statement of financial position plus net debt.

The risk rating agencies granted the credit rating of BB for debt (Standard & Poor's) and BB+ for long-term debt in foreign currency (Fitch Ratings), as well as the local rating of AA-(pe) with Apoyo & Asociados Internacionales S.A.C. who decided to change the outlook from negative to stable in view of the approval and publication of the Audited Financial Statements corresponding to the 2021 financial year, as detailed below:

On July 6, 2022, the rating firm S&P Global Ratings has assigned the condition of "stable" to the perspective of PETROPERÚ S.A. withdrawing its condition of "Credit Watch with Negative Implications" and has ratified PETROPERÚ's rating of "BB" as an issuer of long-term debt.

On September 6, 2022, the International Rating Agency Fitch Ratings downgraded PETROPERÚ to “BB+” from “BBB-“ as an issuer of long-term debt in local and foreign currency, and also downgraded its independent credit profile (SCP for its acronym in English) of the company to “ccc-“ of “ccc” and kept the Watch Negative.

On September 21, 2022, the Risk Rating Agency Apoyo & Asociados, based on the audited 2021 financial statements, ratified the rating of “CP-1 (pe)” for the First Program of Short-Term Instruments and “AA-(pe )” to the long-term obligations of PETROPERÚ S.A, but changed the outlook to Stable from Negative.

As of September 30, 2022, and December 31, 2021, the leverage ratios were as follows

	<u>2022</u>	<u>2021</u>
	<u>USD 000</u>	<u>USD 000</u>
Other financial liabilities	5,146,629	5,065,484
Cash and cash equivalents	( 15,371)	( 239,557)
Net debt (A)	<u>5,131,258</u>	<u>4,825,927</u>
Total equity (B)	<u>1,848,069</u>	<u>1,908,919</u>
Total capital (A) + (B)	<u>6,979,327</u>	<u>6,734,846</u>
Ratio (A/(A+B))	<u>0.74</u>	<u>0.72</u>

The leverage ratio increased as of September 30, 2022 to 0.74, explained by the financing received from the state from May to September 2022, for USD 750 million and cancellation documents for S/ 500 million, in accordance with the provisions of the Emergency Decree No. 010-2022 (Note 15), as well as the decrease in cash of USD 120 million that was maintained from the fund received with the Reopening of the Bond maturing in 2047 carried out in February 2021, fund used for the payment of investments at the PMRT. Likewise, it is important to specify the positive impact that the capitalization approved by U. D. No. 023-2022 of October 25, 2022 for USD 1,000 million will allow.

## 6 INFORMATION BY SEGMENTS

### a) Description of the main segments and activities

The highest authority in making operating decisions (General Management), examines the performance of the Company in three strategic divisions, which correspond to its operating segments that must be reported on. These divisions offer different products and services and are managed separately since they require different business strategies, both commercial and financial.

The Company's segments are evaluated based on the activity of the following business segments: (i) Production and marketing, (ii) Pipeline operations, and (iii) Rented and privatized units.

Based on what is established by IFRS 8, the reportable operating segment due to its representativeness over income is: “Production and commercialization”. However, on a voluntary basis, the Company has decided to report all its operating segments as detailed in this Note.

The following summary describes the operations of each reportable segment:

<u>Reportable segment</u>	<u>Operations</u>
Production and commercialization	Exploration, exploitation, refining and marketing of crude oil and derivative products.

Pipeline operations	Crude oil transfer and custody service from the northern jungle of the country.
Rented and privatized units	Assets that originate cash inflows derived from rentals.

The General Management of the Company reviews the internal management reports of each segment on a quarterly basis.

There are different levels of transactions between the production and marketing segments and pipeline operations. These transactions include transfers of oil or some transportation products and services, respectively.

b) Statement of financial position by segment –

	<u>Production and commercialization (*)</u> USD 000	<u>Pipeline operations</u> USD 000	<u>Rented and privatized units</u> USD 000	<u>Total</u> USD 000
<b>As of September 30, 2022</b>				
Assets:				
Current	1,816,724	159,220	83,619	2,059,563
Non-current	7,173,980	272,985	203,057	7,650,022
	<u>8,990,704</u>	<u>432,205</u>	<u>286,676</u>	<u>9,709,585</u>
Liabilities:				
Current	3,290,253	103,216	54,725	3,448,194
Non-current	4,395,945	17,377	-	4,413,322
	<u>7,686,198</u>	<u>120,593</u>	<u>54,725</u>	<u>7,861,516</u>
<b>As of September 30, 2021</b>				
Assets:				
Current	1,262,989	166,312	46,960	1,476,261
Non-current	6,461,050	265,142	198,776	6,924,968
	<u>7,724,039</u>	<u>431,454</u>	<u>245,736</u>	<u>8,401,229</u>
Liabilities:				
Current	1,737,356	138,825	27,634	1,903,815
Non-current	4,677,371	17,357	-	4,694,728
	<u>6,414,727</u>	<u>156,182</u>	<u>27,634</u>	<u>6,598,543</u>

(\*) It includes Block I, refineries, a gas station, commercial area and main office.

c) Statement of comprehensive income by segment –

The production and marketing segment as of September considers the costs of raw materials (crude oil and purchased products) and operating expenses necessary for the gradual start-up of the New Talara Refinery, which has been generating products in process of lower realization value, while the treatment and deep conversion units that add value and make production profitable through the refining margin have not yet entered into operation, because they will allow low-sulfur Diesel and Gasoline to be obtained. It is important to point out that the Company as of December 31, 2019 to date is a net importer of fuels and acts as a wholesale distributor in the local market, trying to compete against producing and importing agents.



	Production and commercialization (*) USD 000	Pipeline operations USD 000	Rented and privatized units USD 000	Total USD 000
<b>For the nine-month period ended September 30, 2022</b>				
Ordinary activities income	4,320,791	206	-	4,320,997
Other operating income	23,674	3	14,146	37,823
Ordinary activities Total income	<u>4,344,465</u>	<u>209</u>	<u>14,146</u>	<u>4,358,820</u>
Sales cost	<u>(4,155,051)</u>	<u>(36,142)</u>	<u>(4,033)</u>	<u>(4,195,226)</u>
Transfers	<u>(20,754)</u>	<u>20,754</u>	<u>-</u>	<u>-</u>
Gross profit	<u>168,660</u>	<u>(15,179)</u>	<u>10,113</u>	<u>163,594</u>
Selling and distribution expenses	<u>(47,280)</u>	<u>-</u>	<u>(3,954)</u>	<u>(51,234)</u>
Administration expenses	<u>(106,790)</u>	<u>(8,649)</u>	<u>-</u>	<u>(115,439)</u>
Other income and expenses	<u>14,903</u>	<u>(14,912)</u>	<u>-</u>	<u>(9)</u>
Profit (loss) from operating activities	<u>29,493</u>	<u>(38,740)</u>	<u>6,159</u>	<u>(3,088)</u>
Financial, net	<u>(52,182)</u>	<u>961</u>	<u>1,243</u>	<u>(49,978)</u>
Profit before income tax	<u>(22,689)</u>	<u>(37,779)</u>	<u>7,402</u>	<u>(53,066)</u>
Income tax expense	<u>(7,783)</u>	<u>(1)</u>	<u>-</u>	<u>(7,784)</u>
Net result of the year	<u>(30,472)</u>	<u>(37,780)</u>	<u>7,402</u>	<u>(60,850)</u>

	Production and commercialization (*) USD 000	Pipeline operations USD 000	Rented and privatized units USD 000	Total USD 000
<b>For the nine-month period ended September 30, 2021</b>				
Ordinary activities income	2,865,041	97	-	2,865,138
Other operating income	20,535	8,970	21,474	50,979
Total income	<u>2,885,576</u>	<u>9,067</u>	<u>21,474</u>	<u>2,916,117</u>
Sales cost	<u>(2,510,558)</u>	<u>(27,160)</u>	<u>(4,033)</u>	<u>(2,541,751)</u>
Transfers	<u>(1,721)</u>	<u>1,721</u>	<u>-</u>	<u>-</u>
Gross profit	<u>373,297</u>	<u>(16,372)</u>	<u>17,441</u>	<u>374,366</u>
Selling and distribution expenses	<u>(37,545)</u>	<u>-</u>	<u>(6,306)</u>	<u>(43,851)</u>
Administration expenses	<u>(79,497)</u>	<u>(7,997)</u>	<u>-</u>	<u>(87,494)</u>
Other income and expenses	<u>18,677</u>	<u>710</u>	<u>-</u>	<u>19,387</u>
Profit (loss) from operating activities	<u>274,932</u>	<u>(23,659)</u>	<u>11,135</u>	<u>262,408</u>
Financial, net	<u>(97,604)</u>	<u>(4,049)</u>	<u>(3,002)</u>	<u>(104,655)</u>
Profit before income tax	<u>177,328</u>	<u>(27,708)</u>	<u>8,133</u>	<u>157,753</u>
Income tax expense	<u>(195,770)</u>	<u>(83)</u>	<u>(196)</u>	<u>(196,049)</u>
Net result from the exercise	<u>(18,442)</u>	<u>(27,791)</u>	<u>7,937</u>	<u>(38,296)</u>

(\*) It includes Block I, refineries, a service station, commercial area and main office.

#### d) Geographic income information -

As of September 30, 2022 and 2021, revenue from ordinary activities by segment is based on the geographical location of the clients:

	<u>2022</u> USD 000	<u>2021</u> USD 000
Peru	3,876,426	2,735,546
Other countries	482,394	180,571
	<u>4,358,820</u>	<u>2,916,117</u>

## 7 SIGNIFICANT CHANGES IN THE CURRENT PERIOD

The Company's financial position and performance were particularly affected by the following factors during the nine-month period ended September 30, 2022:

- The international price of crude oil presented an upward trend at the end of September, closing its price at 79.49 per barrel (USD 75.03 per barrel as of September 30, 2021). This factor does not influence the realization margins, however, it does affect the value of inventories. This factor determined that the inventories are renewed at a higher cost of USD 305,979 thousand as of September 2022 (USD 199,038 thousand as of September 2021), being the main factor for the gross profit generated at the end of this period. This situation has its origin in part in the conflict between Russia and Ukraine, which brings an interruption of supply in the world and continues to mark the upward trend in the price of crude oil. This higher price in the market is related to the higher costs associated with purchases, such as freight, which causes lower margins in the production of final products. The companies in the hydrocarbon sector hope that this situation will improve with the end of the conflict.
- The gradual and progressive start-up of the New Talara Refinery, which requires more working capital to guarantee the loading of the Units with crude oil (Napo and ONO), as well as the necessary inputs for the tests of the Process and Auxiliary Units, in addition to the guarantee tests for its reception, which are carried out in accordance with the contractual conditions. In the month of August, the Primary Distillation Unit was received, and the Vacuum Distillation and Hydrogen Production Units are in the process of carrying out the guarantee tests.
- The favorable situation that was experienced as of June 2022, due to the depreciation of the USD from 3,998 in December 2021 to 3,830 in June 2022, was reversed with the appreciation in this last quarter, since as of September 2022 the USD closed at 3,984, close to 3,998 at the beginning of the year. This situation generated the reversal of provisions in favor of deferred income tax, which affects non-monetary items (mainly fixed assets) due to the fact that the Company pays income tax in a currency other than that of its functional currency (USD), generating deferred income tax expense for USD 48,495 thousand this quarter. Likewise, the rise in the price of the USD generated a loss due to exchange rate adjustment of USD 16 million, due to having more assets than monetary liabilities in soles, mainly the tax credit of the IGV for S/ 3,097 million.

## 8 CASH AND CASH EQUIVALENT

As of September 30, 2022 and December 31, 2021, this heading comprises:

	<u>2022</u> USD 000	<u>2021</u> USD 000
Current accounts (*)	15,355	239,538
Fixed funds	16	19
	<u>15,371</u>	<u>239,557</u>

(\*) The Company maintains cash deposited in financial institutions in the form of current accounts in national currency and in foreign currency. The funds in these accounts are freely available and earn preferential interest rates of 6.70% and 1.85%, respectively.

## 9 COMMERCIAL ACCOUNTS RECEIVABLE

As of September, 2022 and December 31, 2021, this heading comprises:

	<u>2022</u>	<u>2021</u>
	<u>USD 000</u>	<u>USD 000</u>
Wholesale distributors	139,434	171,520
Mining sector	55,919	35,976
Fuel marketers	19,857	16,025
Oil companies	30,352	22,460
External market	45,542	12,201
Armed Forces and National Police of Peru	14,836	4,570
Aviation business	11,505	2,552
Fishing sector	51	4,391
Construction sector	1,206	771
Transport sector	881	1,389
Industrial sector	611	459
Electric sector	1,204	179
Different customers	2,237	1,087
Doubtful accounts	12,163	11,989
	<u>335,799</u>	<u>285,569</u>
Price Stabilization Fund - Ministry of Energy and Mines (Note 1-c)	232,621	28,511
	<u>568,420</u>	<u>314,080</u>
Minus: Expected loss of trade receivables	( 12,163)	( 11,989)
	<u>556,257</u>	<u>302,091</u>

Trade accounts receivable balances correspond to invoices denominated in soles and US dollars, mainly originated from the sale of refined products. Accounts receivable from the Armed Forces and the National Police of Peru have a maturity of 45 days. Accounts receivable from wholesale distributors and other customers have maturities between 7 and 45 days. Accounts receivable, in accordance with the Company's internal policies, are mostly guaranteed with letters of guarantee or with other instruments of the national financial system in accordance with the credit policy approved by the Board of Directors.

### Fuel Price Stabilization Fund - Ministry of Energy and Mines -

The total amount receivable from the General Directorate of Hydrocarbons (DGH), as of September 30, 2022 amounts to USD 247,186 thousand, generated by compensation and contribution operations, which includes, as of September 30, 2022, the Amparo Claim recorded in a Claims account for USD 14,565 thousand (USD 14,514 thousand as of December 31, 2021), classified as other long-term accounts receivable (Note 10) and the amount receivable (compensation) of USD 232,621 thousand, receivable for Compensation, (USD 28,511 thousand as of December 31, 2021).

As of September 30, 2022, and December 31, 2021, the movement of the total balance of the Price Stabilization Fund heading is explained as follows:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
Initial balance	28,511	( 255)
Price compensation	164,166	28,473
Price contribution	( 8,176)	( 3,174)
Net (charged) credited to income from ordinary activities (note 18)	155,990	25,299
Compensation generated by importation of products	96,686	4,626
Contribution generated by importation of products	( 4,682)	( 926)
Collection and payments of compensation and/or contribution	( 34,689)	145
Exchange rate difference	( 9,195)	( 378)
Final balance	<u>232,621</u>	<u>28,511</u>

#### Expected loss of trade receivables -

To measure expected credit losses, the Company has classified its customers according to homogeneous risk characteristics that represent the payment capacity of each customer segment for the amounts owed. This classification has been made on the basis of segments that represent specific risks: wholesale sector, industrial sector, commercial sector and Armed Forces.

The Company considers it appropriate to exclude accounts receivable from wholesalers and commercial companies due to their high liquidity and the fact that there has been no historical loss incurred.

Expected loss rates are based on payment profiles for sales over a 12-month period prior to September 30, 2022, and December 31, 2021, and historical credit losses are adjusted to reflect current and prospective information of macroeconomic factors affecting the ability of customers to settle trade receivables.

On that basis, the provision for losses as of September 30, 2022, and December 31, 2021 was determined as follows:

	<u>2022</u>			<u>2021</u>		
	<u>Expected loss rate</u>	<u>Gross carrying amount</u>	<u>Expected loss</u>	<u>Expected loss rate</u>	<u>Gross carrying amount</u>	<u>Expected loss</u>
	%	USD 000	USD 000	%	USD 000	USD 000
In force	0.001	323,617	4	0.00	410,586	5
1 to 30 days	0.32	-	-	0.03	828	-
31 to 60 days	0.43	-	-	0.04	821	-
61 to 90 days	0.44	-	-	0.04	827	-
91 to 120 days	0.40	-	-	0.04	814	-
121 to 150 days	1.03	-	-	0.05	12,628	7
181 to 210 days	3.63	-	-	0.00	-	-
More than 360 days	100.00	12,182	12,159	100.00	12,436	12,436
Total (*)		<u>335,799</u>	<u>12,163</u>		<u>438,940</u>	<u>12,448</u>

(\*) Does not include the Price Stabilization Fund.

As of September 30, 2022, and December 31, 2020, the movement of the estimate of the expected loss of trade accounts receivable was as follows:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
Initial balance	11,989	13,673
Expected loss (Note 20)	166	-
Exchange rate	18	( 1,635)
Recoveries	( 10)	( 49)
Final balance	<u>12,163</u>	<u>11,989</u>

In Management's opinion, the estimate for doubtful accounts recognized in the financial statements and the guarantees requested are sufficient to cover any eventual risk in the recovery of trade accounts receivable as of the date of the statement of financial position.

Past due but not impaired trade accounts receivable are related to independent customers with whom letters of guarantee are maintained and/or whose debt has been reconciled and is expected to be collected in the short term.

## 10 OTHER ACCOUNTS RECEIVABLE

As of September 30, 2022, and December 31, 2021, this heading comprises:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
<b>Current</b>		
Tax credit - General Sales Tax and Income Tax (a)	354,524	222,105
Advances granted to suppliers	106,563	27,598
Investment in partnership with GeoPark	3,522	3,522
Staff loans	2,894	3,242
Restricted Funds	16,130	3,094
Derivative financial instrument assets	1,752	6,759
Loans	2,079	2,166
Miscellaneous	2,920	5,424
Doubtful collection accounts	32,863	32,824
	<u>523,247</u>	<u>306,734</u>
Expected loss on other accounts receivable (e)	( 32,863)	( 32,824)
<b>Current part</b>	<u>490,384</u>	<u>273,910</u>
<b>Non-current</b>		
Tax credit - General Sales Tax, long term (b)	643,377	539,364
Claims for the Price Stabilization Fund - Ministry of Energy and Mines (Note 1 (c)) - (c)	14,565	14,514
Claims to the Tax Administration Superintendency (d)	7,329	7,303
Other tributes, long term	6,834	6,521
<b>Non-current part</b>	<u>672,105</u>	<u>567,702</u>

(a) Tax credit - General Sales Tax and income tax, short term -

As of September 30, 2022, it corresponds to the General Sales Tax of operations for USD 64,849 thousand (equivalent to S/ 258,357 thousand), General Sales Tax of the PMRT for an amount of USD 69,167 thousand (equivalent to S/ 275,562 thousands); tax credit for selective consumption tax for USD 163,122 (equivalent to S/ 649,876 thousand) and payments on account of income tax for USD 57,386 (equivalent to S/ 228,626 thousand), which will be recovered in the short term through the operations.

From January to September 2022, SUNAT made General Sales Tax credit refunds for USD 97,641 thousand (equivalent to S/ 375,686 thousand) and during 2021, SUNAT made General Sales Tax credit refunds for USD 42,352 thousand (equivalent to S/ 168,805 thousand), the same ones that were requested by the Company through the regime of early recovery and return of the balance in favor of the benefit of the exporter.

As of December 31, 2021, it corresponds mainly to the General Sales Tax of operations for USD 2,824 thousand (equivalent to S/ 11,249 thousand), General Sales Tax of the PMRT for an amount of USD 48,790 thousand (equivalent to S/ 195,064 thousand) and tax credit for selective consumption tax for USD 113,763 (equivalent to S/ 454,825 thousand) and tax credit for payments on account of income tax for USD 56,726 (equivalent to S/ 226,789 thousand), which will be recovered in the short term through its operations and via the Benefit Declaration Program, through the balance mechanism in favor of the exporter

(b) Tax credit - General Sales Tax, long term -

As of September 30, 2022, it corresponds to the balance in favor of the General Sales Tax paid for the acquisition of goods and services related mainly to the Talara Refinery Modernization Project amounting to USD 323,496 thousand (equivalent to S/ 1,288,808 thousand) and the General Sales Tax for operations amounting to US\$D 319,881 thousand (equivalent to S/ 1,274,405 thousand).

As of December 31, 2021, it corresponds to the balance in favor of the VAT paid for the acquisition of goods and services related mainly to the Talara Refinery Modernization Project amounting to USD 301,625 thousand (equivalent to S/ 1,205,917 thousand) and VAT for operations amounting to USD 237,740 thousand (equivalent to S/ 950,506 thousand).

This balance in favor of the tax credit does not have an expiration period. The Company expects to recover this tax credit through its operations in the long term

(c) Claim from the Price Stabilization Fund to the Ministry of Energy and Mines -

In April 2010, the DGH issued Directorial Resolution 075-2010-EM/DG where it ordered fuel producers and importers to rectify their weekly affidavits filed since August 2008 and apply, retroactively, the reference values established in said Resolution. Given this, the Company, based on the opinion of Management and its lawyers, filed a Petition for Protection of the Court before the Second Constitutional Court of Lima, considering this resolution unconstitutional. Said action was signed with File No. 21022-2010-0-1801-JR-CI-02.

On November 28, 2018, the Judgment contained in Resolution No. 16 was issued by which the Second Specialized Constitutional Court of Lima decides to declare the claim inadmissible. With Resolution No. 17, the Appeal of said Judgment was granted to the second instance.

On October 28, 2020, through Resolution No. 19, the court required:

- a) That the defendant complies with submitting a comparative table specifying the contribution and compensation factors that would have corresponded to it during the period August 19, 2008 to April 23, 2019.
- b) Likewise, the plaintiff complies with factually and/or legally accrediting why it considers that Directorial Resolution No. 075-2010-EM/DGH is not applicable retroactively.

On March 4, 2021, through Resolution No. 20, the reasons why Resolution No. 075-2010-EM/DGH is considered not to be applicable retroactively, as requested by Resolution No. 19. As of December 31, 2021 and September 30, 2022, it is pending that the Second Constitutional Court of Lima issues a Judgment.

In the opinion of the Management and based on the reports of our external legal advisors, we estimate that, once the legal process is concluded in all its instances, the result will be favorable to the Company, and will allow the total amount of the recorded balance to be recovered, amounting to USD 14,565 thousand as of September 30, 2022 (USD 14,514 thousand as of December 31, 2021).

d) Claims to the National Superintendency of Customs and Tax Administration (SUNAT) -

As of September 30, 2022 and December 31, 2021, this heading comprises:

	<u>2021</u> USD 000	<u>2020</u> USD 000
File No. 17806-2012 (i)	7,329	7,303

(i) In November 2012, the Company paid the amount of USD 8,651 thousand (equivalent to S/ 29,197 thousand), in response to different determination resolutions and fines issued for alleged omissions of payment of ISC and VAT corresponding to 2007. As of September 30, 2022, the process remains pending resolution by Court 4 of the Tax Court, signed with File No. 17806-2012. The expectation of the Company and the consulting attorneys to recover the claim is high, based on the resolution of other similar claims that were favorable. This amount is equivalent to USD 7,889 thousand at the closing exchange rate.

On February 4, 2022, in accordance with our law and, since in our opinion and that of the Company's legal advisors our sales of Turbo A-1 were made in accordance with law, we have filed a contentious-administrative lawsuit against Resolution No. 09743-4-2021, lawsuit that is processed before the 22<sup>nd</sup> Contentious Administrative Court Tax Subspecialty (File No. 0744-2022-0-1801-JR-CA-22).

e) Expected loss of other accounts receivable -

The expected loss is mainly related to claims made to the municipalities for property taxes and excise duties, of which the probability of recovery is low. Regardless of the above analysis, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making the claim payment. Regarding the other headings of the other accounts receivable, the Company considers that the credit risk of the counterparties is low, therefore it has not recorded an expected loss for these accounts as it is not significant.

As of September 30, 2022, and December 31, 2021, the movement of the provision for the expected loss is as follows:

	<u>2022</u> USD 000	<u>2021</u> USD 000
Initial balance	32,824	34,521
Write-offs	( 10)	( 210)
Exchange rate	49	1,487)
Final balance	<u>32,863</u>	<u>32,824</u>



## 11 INVENTORIES

As of September 30, 2022, and December 31, 2021, this heading comprises:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
Raw oil	400,118	210,379
Refined products:		
In process	143,845	53,096
Finished	105,303	165,567
Refined products purchased	236,293	150,538
Inventories in transit	68,287	27,682
Supplies	42,481	38,312
	<u>996,327</u>	<u>645,574</u>
Minus - Estimate for devaluation of supplies	( 4,189)	( 4,251)
	<u>992,138</u>	<u>641,323</u>

As of September 30, 2022, the cost of inventories recognized as an expense and included in the cost of sales amounted to USD 3,959,247 thousand (USD 2,363,415 thousand as of September 30, 2021), which is equivalent to the cost of sales minus production operating expenses (Note 18).

As of September 30, 2022, the price of crude oil had an upward trend, closing its price at USD 79.49 per barrel (USD 75.03 per barrel as of September 30, 2021). The average price during the month of September 2022 was USD 83.87 per barrel (USD 71.56 per barrel as of September 30, 2021).

As of September 30, 2022, and December 31, 2021, the movement of the provision for impairment of supplies is explained as follows:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
Initial balance	( 4,251)	4,419
Devaluation of supplies	( 6)	( 232)
Recovery	68	400
Final balance	<u>( 4,189)</u>	<u>( 4,251)</u>

This provision has been recognized as a result of analyzing the net realizable value of the inventories, taking into account the expectation of net flow that will be obtained from their sale or consumption, also taking into account their physical condition. As of September 30, 2022, and December 31, 2021, the Company considers that the provisioned amount reflects the risk of impairment of all its inventories due to both physical obsolescence and net realizable value.

## 12 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and other constructions	Machinery and equipment	Transport unit	Furniture and fixtures	Miscellaneous and computer equipment	Equipment out of use	Units to receive	Work in progress	Additional investments	Total
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Year 2021</b>											
Cost	210,423	212,966	1,045,738	48,218	6,449	67,397	9,518	-	5,698,147	12,520	7,311,376
Accumulated depreciation	-	(110,214)	(477,922)	(20,483)	(5,161)	(36,901)	(9,518)	-	-	-	(660,199)
Accumulated impairment	-	-	(309)	-	-	-	-	-	(71,446)	-	(71,755)
<b>As of December 31, 2021</b>	210,423	102,752	567,507	27,735	1,288	30,496	-	-	5,626,701	12,520	6,579,422
<b>Year 2022</b>											
Initial balance of net book cost	210,423	102,752	567,507	27,735	1,288	30,496	-	-	5,626,701	12,520	6,579,422
Additions	-	-	-	-	-	-	-	-	360,090	6,843	366,733
Capitalizations	-	151,498	245,979	-	21	20,584	-	-	(418,082)	-	-
Retreats	-	-	(120)	(199)	(4)	(18)	-	-	-	-	(341)
Transfers	-	-	(252)	(135)	-	(317)	704	-	-	-	-
Reclassifications	588	-	-	-	-	-	-	-	(1,340)	-	(752)
Cost adjustments	-	-	-	3	-	(1)	(56)	-	1	-	(53)
Depreciation of the period	-	-	(39,918)	(2,147)	(310)	(3,302)	-	-	-	-	(53,095)
Depreciation of previous years	-	(7,418)	(28)	-	(3)	-	-	-	-	-	(39)
Depreciation of retirements	-	(8)	108	182	4	18	-	-	-	-	312
Expenses for discontinued operations of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation transfers	-	-	251	134	-	278	(663)	-	-	-	-
Expenses for discontinued operations of fixed assets	-	-	-	-	-	-	(41)	-	-	-	(41)
Depreciation adjustments	-	-	-	-	-	-	56	-	-	-	56
<b>As of September 30, 2022</b>	211,011	246,824	773,527	25,573	996	47,738	-	-	5,567,370	19,163	6,892,202
<b>Cost</b>	211,011	364,464	1,291,345	47,887	6,466	87,645	10,166	-	5,638,816	19,163	7,676,963
Accumulated depreciation	-	(117,640)	(517,509)	(22,314)	(5,470)	(39,907)	(10,166)	-	-	-	(713,006)
Accumulated impairment	-	-	(309)	-	-	-	-	-	(71,446)	-	(71,755)
<b>As of September 30, 2022</b>	211,011	246,824	773,527	25,573	996	47,738	-	-	5,567,370	19,163	6,892,202

## Talara Refinery Modernization Project - PMRT

The status of the project as of September, 2022 is detailed below:

### a) Comprehensive Physical Progress of the PMRT

The comprehensive progress of the PMRT is 97.84% Real vs. 99.98% Scheduled.

Since March 16, 2020, Petroperú temporarily suspended the PMRT construction activities, maintaining only the execution of tasks related to the industrial safety of the facilities and equipment, and since June 15, 2020, the work in the PMRT has been progressively restarted, complying with the protocols approved and established in the Plan for the Surveillance, Prevention and Control of COVID-19 of the PMRT. Change proposals were approved for COVID-19 impacts as of December 31, 2020.

To date, the Level 3 Revision 9 Master Schedule presented by Técnicas Reunidas has been approved. For Auxiliary Units, there is an estimate by the PMC Talara Consortium, which is subject to modification when the EPC Cobra-SCL Contractor submits its updated Master Schedule.

During the first quarter, the approval of the change proposal presented by Técnicas Reunidas due to the impact of COVID-19 during the year 2021 was managed, achieving its approval by the Board of Directors during the month of April 2022. To date, the Framework agreement is being negotiated with Cobra that establishes the new commitments for the delivery of the Auxiliary Units, the same that would modify the Framework Agreement II signed with the contractor Cobra SCL UA&TC on November 6, 2021. Finally, there is the possibility that the EPC contractors present Change proposals for COVID-19 impacts during the year 2022.

In line with the above, the review of the PMRT schedule is being coordinated with the EPC contractors, having received to date a proposal for Schedule Rev. 10, which is under review by the CPT.

The composition of the Cost (Economic Progress) of the Project, compared to the disbursements incurred as of September 30, 2022, is detailed below:

	September 30, 2022		Total budget	
	Disbursement	Percentage of completion	Planned	Total percentage
	USD 000	%	USD 000	%
<b>Técnicas Reunidas (TR) -</b>				
Process units	3,221,742	96.08	3,353,171	54.71
<b>Cobra SCL Consortium -</b>				
Auxiliary units	793,317	85.29	930,113	15.18
Additional works	297,812	80.81	368,517	6.01
<b>Others -</b>				
Supervision	339,792	92.08	369,009	6.02
Management	224,118	83.24	269,257	4.39
Contingencies	-	-	-	-
Interest on financing	838,576	100.0	838,525	13.68
	<u>5,715,357</u>	<u>93.26%</u>	<u>6,128,592</u>	<u>100.00</u>

## **b) Advance EPC Auxiliary Units and Complementary Works - Agreement with Cobra SCL UA&TC Consortium**

The Comprehensive Advance in the EPC Agreement with the Cobra SCL UA&TC Consortium is 95.19% Real Vs. 100.00% Scheduled.

Cobra SCL UA&TC has registered progress in the Engineering, Procurement and Construction (EPC) activities, according to detail:

- Engineering Progress: 99.71% Real vs. 100% Scheduled.
- Procurement Progress: 96.26% Real vs 100% Scheduled.
- Construction Progress: 96.87% Real vs. 100% Scheduled.
- Commissioning Progress: 62.08% Real vs. 100% Scheduled.

As of September 30, 2022, the accumulated executed amount is USD 946.34 million.

## **c) Progress EPC Process Units - Agreement with Técnicas Reunidas (TR)**

The Comprehensive Advance in the EPC Agreement with TR is 99.61% Real vs. 100% Scheduled. TR has registered progress in the construction activity (C), according to the following detail:

- Engineering Progress: 100%
- Procurement Progress: 99.99% Real vs. 100% Scheduled.
- Construction Progress: 99.72% Real vs. 100% Scheduled.
- Commissioning Progress: 88.84% Real vs. 96.20% Scheduled.

As of September 30, 2022, the accumulated executed amount is USD 3,189.25 million.

## **d) Management**

### **Financial structure of the PMRT**

The financial structure of the PMRT is as follows:

- Capital Contribution: USD 325 million.
- Own Resources: USD 848.3 million.
- Bond issue (15 and 30 years): USD 2,000 million.
- Financing guaranteed by the Export Credit Insurance Company (CESCE): USD 1,300 million.
- Financial Facility: USD 500 million (under evaluation).
- Bonds: USD 1,155.3 million (in the process of structuring).

### **Social Responsibility and Community Relations.**

The total workforce as of September 30, 2022, was 3,382 jobs; local unskilled labor had a participation of 95.9% (of a total of 463 unskilled), exceeding the minimum established in the EIA (70%). Meanwhile, the local skilled labor had a participation of 61.2% (of a total of 2,919 qualified).

As of September 30, 2022, through the *Oficina de Información y Participación Ciudadana* (Office of Information and Citizen Participation) (OIPC), 22 calls for personnel linked to 163 vacancies have been attended (of which there are 05 calls for TR and 17 for Cobra). 1,121 people have been assisted by registering and updating their résumés, applications, information from the PMRT and results of calls. Likewise, 06 requests for information and 01 claim for labor issues have been attended.

## **13 OTHER FINANCIAL LIABILITIES**

As of September 30, 2022, and December 31, 2021, this heading comprises:

	<u>2022</u> USD 000	<u>2021</u> USD 000
<b>Current liabilities</b>		
Unsecured bank loans	826,713	674,106
CESCE loan (ii)	144,444	144,444
Accrued interest	4,698	5,961
	<u>975,855</u>	<u>824,511</u>
<b>Non-current liabilities</b>		
Corporate securities (i)	3,123,728	3,126,611
CESCE loan (ii)	1,047,046	1,114,362
	<u>4,170,774</u>	<u>4,240,973</u>

i) On June 12, 2017, the Company issued bonds in the international market for USD 2,000,000 thousand under rule 144A and Regulation S, which are exceptions (“Safe-harbors”) to the American regulatory framework (US Securities Act - 1933 and US Securities Exchange Act -1934) that allow foreign issuers to offer, place and/or resell securities, without the need to register them with the securities commission of securities registrants in the New York Stock Exchange (SEC). The funds received have been allocated to the Talara Refinery Modernization Project.

Here is a detail of the securities issued:

- 2032 Notes, principal amount of USD 1,000,000 thousand at a fixed annual rate of 4.750%, for a term of 15 years. The payment of the coupons is semi-annual, starting in December 2017, and the payment of the principal will take place on the maturity date of the securities. As of December 31, 2021, transaction costs amounted to USD 5,557 thousand, which are net of the liability.
- 2047 Notes, principal amount of USD 2,000,000 thousand (USD 1,000,000 thousand received in the first issue in June 2017 and an additional USD 1,000,000 thousand resulting from the reopening of securities in February 2021), at a fixed rate of 5.625% per annum, for a term of 30 years. The payment of the coupons is semi-annual, starting in December 2017, and the payment of the principal will take place on the maturity date of the securities. Transactional costs amounted to USD 8,927 thousand and financial income due to the effect of the securities’ par value at the time of reopening amounted to USD 138,211 thousand.

The agreement for the securities issued does not contemplate the obligation to comply with financial covenants; however, it requires financial information to be provided to securityholders.

The securities issued do not have specific contractual guarantees; however, Law No. 30130 approves the granting of guarantees from the National Government for up to USD 1,000 million (Note 1-a).

ii) On January 31, 2018, the loan agreement for the *Compañía Española de Seguros de Crédito a la Exportación* (Spanish Export Credit Insurance Company) (CESCE) was signed with the administrative agent Deutsche Bank SAE for USD 1,300,000 thousand. As of September 30, 2022, the following were received:

- USD 1,236,717 thousand disbursed in 2018, destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas until November 2018.
- USD 40,111 thousand disbursed in 2020, destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas until December 2020.

- USD 14,088 thousand disbursed in 2020, destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas until November 2020.

- USD 9,084 thousand disbursed in 2021, destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas.

The first amortization of the financing was made, scheduled for June 30, 2022, for USD 72,222 thousand.

Transactional costs amount to USD 36,287 thousand. Interest is paid semiannually as of May 2019, maturing in 2031, based on the fixed interest rate of 3.285%.

The CESCE loan does not have specific contractual guarantees from the Company or the Peruvian state, however, it is 99% guaranteed by the Spanish Government through the CESCE.

As part of the signed agreement, the Company is obliged to comply with financial covenants, said commitments are measured quarterly, being the following:

- Debt ratio
- Debt service coverage
- Direct financing for investment in the PMRT

As of September 30, 2022, The Company has complied with the financial indicators, taking into account the amendment approved by the Union of banks and CESCE in July 2022.

#### a) Debt repayment terms and schedule -

The terms and conditions of the outstanding loans are as follows:

	Original currency	Nominal interest rate	Expiration	As of September 30, 2022		As of December 31, 2021	
				Nominal value	Carrying amount	Nominal value	Carrying amount
				USD 000	USD 000	USD 000	USD 000
Unsecured bank loans	Peruvian Soles	1.56% - 1.92%	2022	-	-	74,626	74,626
Unsecured bank loans	Peruvian Soles	5.89%	2022	46,938	46,938	-	-
Unsecured bank loans	US Dollars	2.50% - 7.17%	2022	779,775	779,775	599,480	599,480
CESCE loans	US Dollars	3.29%	2031	1,227,778	1,191,490	1,300,000	1,258,806
Corporate Securities	US Dollars	4.75%	2032	1,000,000	994,433	1,000,000	994,190
Corporate Securities	US Dollars	5.63%	2047	2,000,000	2,129,285	2,000,000	2,132,421
Accrued interest				-	4,698	-	5,961
				<u>5,054,491</u>	<u>5,146,629</u>	<u>4,974,106</u>	<u>5,065,484</u>

The carrying amount corresponds to the amortized cost of the financial obligations discounted at the effective rate.

#### b) Movement of financial obligations -

The movement of debt due to financial obligations has been as follows:



	<u>Unsecured bank loans</u>	<u>Corporate securities</u>	<u>CESCE loan</u>	<u>Total</u>
	USD 000	USD 000	USD 000	USD 000
Balance as of January 1, 2022	674,779	3,131,820	1,258,885	5,065,484
New loans	1,937,940	-	-	1,937,940
Principal payments	( 1,785,333)	-	( 72,222)	( 1,857,555)
Amortized cost	-	348	4,906	5,254
Issue premium amortization	-	( 3,231)	-	(3,231)
Accrued interest	15,146	74,725	21,471	111,343
Paid interest	( 8,898)	( 82,224)	( 21,484)	(112,606)
Balance as of September 30, 2022	<u>833,635</u>	<u>3,121,438</u>	<u>1,191,556</u>	<u>5,146,629</u>

#### 14 COMMERCIAL ACCOUNTS PAYABLE

As of September 30, 2022, and December 31, 2021, this heading comprises:

	<u>2022</u>	<u>2021</u>
	USD 000	USD 000
Foreign suppliers of crude oil and refined products	202,396	1,036,185
National suppliers of crude oil and refined products	1,154,374	139,772
Goods and service suppliers	102,446	145,064
Shipping companies and operators of terminals and sales plants	33,012	31,810
	<u>1,492,228</u>	<u>1,352,831</u>

As of September 30, 2022, the main national supplier of crude oil is Petrotal Perú S.R.L. whose balance amounts to USD 82,316 thousand equivalent to S/ 313,653 thousand (USD 70,881 thousand equivalent to S/ 277,123 as of December 31, 2021). The main foreign suppliers are Trafigura PTE LTD, to which USD 176,107 thousand are owed, equivalent to S/ 685,499 thousand (USD 57,417 thousand, equivalent to S/ 229,935 thousand as of December 31, 2021), BB Energy USA LLC, to which owes USD 167,553 thousand equivalent to S/ 643,144 thousand (USD 328,264 thousand equivalent to S/ 1,337,989 thousand as of December 31, 2021).

As of September 30, 2022, the main service providers are Técnicas Reunidas de Talara Sociedad, whose balance amounts to USD 25,241 thousand, equivalent to S/ 98,563 thousand (USD 16,736 thousand, equivalent to S/ 66,602 thousand as of December 31, 2021), La Positiva Seguros y Reaseguros whose balance amounts to USD 5,052 thousand equivalent to S/ 19,493 thousand (USD 62 thousand equivalent to S/ 249 thousand as of December 31, 2021) and the National Customs Superintendency whose balance amounts to USD 4,634 thousand equivalent to S/ 16,019 thousand (USD 18,400 thousand equivalent to S/ 88,719 thousand as of December 31, 2021).

This account reflects the Company's obligations related to the acquisition of crude oil and refined products, transportation services for plant operations and the acquisition of supplies and spare parts. Invoices are issued in US dollars, are current due, do not bear interest and the Company has not provided specific guarantees.

## 15 ACCOUNTS PAYABLE TO RELATED ENTITIES

As of September 30, 2022 and December 31, 2021, this heading includes:

	<u>2021</u>	<u>2020</u>
	<u>USD 000</u>	<u>USD 000</u>
Shareholder loans	838,098	-
	<u>838,098</u>	<u>-</u>

Emergency Decree No. 010-2022, which establishes extraordinary measures in economic and financial matters aimed at securing the local fuel market, provided for the Temporary Financial support granted by the Ministry of Economy and Finance through the General Directorate of the Public Treasury, through the following actions:

- a) The transitory financial support from the Public Treasury to the Company up to the amount in Peruvian Soles equivalent to USD 750 million destined to meet short-term obligations during 2022, which as of September 30, 2022 are equivalent to S/ 2,785 million; and
- b) Authorize the Ministry of Economy and Finance, through the General Directorate of the Public Treasury, to issue Cancellation Documents - Public Treasury in favor of the Company, which are intended exclusively for the payment of customs duties and associated taxes to purchases of crude oil and fuel products, as well as any other tax charged by it for its fuel marketing operations. The aforementioned Cancellation Documents are issued, on a monthly basis, during fiscal year 2022, at the request of the Company. The unpaid balance may not exceed the amount of S/ 500 million as of September 30, 2022, cancellation documents equivalent to S/ 500 million were issued.

The debt accrues an interest rate equivalent to the reference rate of the Central Reserve Bank of Peru in force on the date of disbursement and issuance of the Cancellation Documents.

On August 26, 2022, through the Public Sector Indebtedness Bill for the year 2023, the sovereign reiterated his explicit support for the Company, which through the Council of Ministers approved the extension of the term established in article 3 of the U.D. No. 010-2022 until December 31, 2024. Likewise, the term for the Cancellation Documents was extended until November 30, 2023, with the aim of strengthening the financial sustainability of the company. The Public Sector Indebtedness Law for fiscal year 2023 is pending approval by Congress. It is estimated that after its approval, this debt will be reclassified as non-current liabilities.

## 16 OTHER PROVISIONS

As of September 30, 2022, and December 31, 2021, this heading comprises:

	<u>2022</u>	<u>2021</u>
	<u>USD 000</u>	<u>USD 000</u>
<b>Current</b>		
Provision for environmental improvements (a)	24,757	11,166
Provisions for civil claims (b)	1,738	1,044
Provisions for labor claims	2,780	2,754
Well plugging provision	484	482
Provision for retirement pensions	6	13
Provision of job separation	678	691
Other provisions	132	132
	<u>30,575</u>	<u>16,282</u>
<b>Non-current</b>		
Provision of improvements for the environment (a)	12,465	12,463
Provision of job separation	989	971

Provision for retirement pensions

33	30
<u>13,487</u>	<u>13,464</u>

The movement of the other provisions is as follows:

	Provision for environmental improvements	Provision for civil claims	Provision for labor claims	Provision for well plugging	Provision for retirement pensions	Provision of job separation	Other provisions	Total
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Balances as of December 31, 2021	23,629	1,044	2,754	482	43	1,662	132	29,746
Provisions for the year	17,299	729	439	-	-	-	-	18,467
Payments	(2,996)	-	(376)	-	(4)	(5)	-	(3,381)
Reversal of unused provisions	-	(4)	(58)	-	-	-	-	(62)
Exchange rate difference	(710)	(31)	21	2	1	10	-	(708)
Balance as of September 30, 2022	37,222	1,738	2,780	484	44	1,667	132	44,062

a) Provision for restoration of the environment and plugging of wells -

As of September 30, 2022, there have been twelve (12) significant spills that are under investigation by the competent authority and due to conjunctural issues, in compliance with the first response tasks, the 12 emergencies have been attended, therefore containment and recovery efforts. It is important to mention that of these processes, 3 are in execution, 6 are in the process of being called, and 3 cannot yet be entered to carry out the environmental evaluation due to social problems of the Peruvian State in Section I of the ONP.

During the year 2021, 3 significant spills were recorded, which are under investigation jointly with OSINERGMIN, the Company disbursed the amount of USD 143 thousand for 2 events.

The Company, as part of the application of its contingency plan, contracted specialized companies to carry out spill containment and environmental remediation tasks in the affected areas.

The movement of the provision for environmental improvements is detailed below:

	Balances as of January 1	Payments	Provision and update	Balances as of September 30
	USD 000	USD 000	USD 000	USD 000
<b>Year 2022</b>				
Block 8	2,126	-	-	2,126
Block X	1,962	-	-	1,962
Pampilla	1,702	-	-	1,702
Lubricants	118	-	-	118
North Terminals	341	-	-	341
South Terminals	85	-	-	85
Center Terminals	1,724	-	-	1,724
Natural Gas Electric System	20	-	-	20
<b>Total Privatized Units</b>	<b>8,078</b>	<b>-</b>	<b>-</b>	<b>8,078</b>
Talara Operations	2,706	( 518)	-	2,188
Conchán Operations	911	-	-	911
Pipeline Operations	9,437	( 2,474)	17,298	24,261
Iquitos Refinery Operations	1,396	( 4)	-	1,392
Commercial operations	603	-	-	603
Exploration and Exploitation Management	959	-	-	959
<b>Total Own Units</b>	<b>16,012</b>	<b>( 2,996)</b>	<b>17,298</b>	<b>30,314</b>
<b>Total</b>	<b>24,090</b>	<b>( 2,996)</b>	<b>17,298</b>	<b>38,392</b>
Exchange rate difference	( 461)	-	-	( 1,170)
	<b>23,629</b>			<b>37,222</b>

## 17 EQUITY

### a) Share capital -

As of September 30, 2022, the authorized, subscribed and paid capital is represented by 5,368,412,525 common shares (5,368,412,525 as of December 31, 2020), whose nominal value is one sol each. As of September 30, 2022, the composition of the shareholders that participate in the issued capital of the Company comprises:

<u>Class</u>	<u>Number of actions</u>	<u>Percentage</u>
		<u>%</u>
A	4,294,730,020	80
B	1,073,682,505	20
	<u>5,368,412,525</u>	<u>100</u>

Class "A" shares have the right to vote, but they are indivisible, non-transferable and unattachable shares and may not be subject to a security interest, usufruct or any affectation.

Class "B" shares have voting rights and may be transferred through centralized negotiation mechanisms of the Stock Market.

In 2020, a loss of USD 67,280 thousand (equivalent to S/ 178,383 thousand) was obtained, for which there was no increase in capital stock through the capitalization of distributable profits during 2021.

### b) Additional capital -

At the General Shareholders' Meeting held on September 23, 2022, the share capital increase of USD 61,143 thousand (equivalent to S/ 203,755 thousand) was approved as a result of the capitalization of profits for the year 2021. This increase is currently in the process of being registration in the Public Registries of Lima, for the subsequent issuance of the corresponding Share Certificates.

### c) Legal reserve -

In accordance with Article 229 of the General Law of Companies, a legal reserve must be established with the transfer of no less than 10% of the annual net profit until reaching 20% of the paid-in capital. In the absence of undistributed profits or unrestricted reserves, the legal reserve may be applied to offset losses, and must be replaced with profits from subsequent years.

In reference to the regulation, the legal reserve registered as of December 31, 2021 amounts to USD 1,930 thousand (equivalent to S/ 7,717 thousand); having constituted in 2022 a legal reserve amounting to USD 6,794 thousand (equivalent to S/ 22,639 thousand), which corresponds to 10% of the distributable net income for the year 2021.

## 18 INCOME FROM ORDINARY ACTIVITIES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
National sales	1,112,614	952,667	3,649,802	2,660,704
Price Stabilization Fund (*) (Note 9)	52,217	8,383	155,990	21,877
Income related to ordinary activities	11,120	519	32,811	1,986
	<u>1,175,951</u>	<u>961,569</u>	<u>3,838,603</u>	<u>2,684,567</u>
Foreign sales	180,968	94,848	482,394	180,571
	<u>1,356,919</u>	<u>1,056,417</u>	<u>4,320,997</u>	<u>2,865,138</u>

(\*) At the beginning of 2021, the Fuel Price Stabilization Fund-FEPC applied only to industrial oil 6. Between March and November 2021, with Supreme Decrees No. 006-2021-EM, No. 015-2021-EM and No. 025-2021-EM, Diesel for vehicular use was included as a product subject to the FEPC. Likewise, in September 2021, through Supreme Decree No. 023-2021-EM, LPG-E was incorporated as a product subject to the FEPC. Subsequently, through Supreme Decree No. 002-2022-EM, published on March 28, 2022, 84 and 90 octane Gasolines, 84 octane Gasohol and Liquefied Petroleum Gas destined for bulk (LPG-G).

As of September 30, 2022, and 2021, sales break down as follows:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
<b>National sales:</b>				
Diesel Miscellaneous	661,377	460,930	2,003,311	1,319,572
Gasoline	296,167	266,898	969,915	724,279
Crude ONO	105,493	141,895	519,954	396,020
LPG	32,551	46,093	113,746	113,012
Turbo A1	31,606	10,177	73,034	21,884
Asphalt	26,729	16,923	72,396	39,661
Industrial Petroleum	14,981	11,230	60,421	52,104
Solvents	4,186	2,992	12,648	8,575
Wet Gas BLOCK I	1,181	-	2,711	-
HOGBS	-	-	5,247	-
Primary gasoline and others	1,680	4,431	5,220	9,460
Total national sales	<u>1,175,951</u>	<u>961,569</u>	<u>3,838,603</u>	<u>2,684,567</u>
<b>Foreign sales:</b>				
Crude Gran Tierra Block 95	-	-	103,695	22,452
Diesel Miscellaneous	25,791	20,792	93,079	54,343
Turb a1	23,710	9,570	69,498	21,535
Crude NAPO	69,824	-	69,824	-
Industrial Petroleum	9,777	5,291	50,283	7,799
Gasoline	12,091	6,935	46,649	19,429
Crude ONO	31,146	51,225	31,146	51,225
ULSD (EXP)	7,700	-	14,901	-
Asphalt	929	1,035	2,923	2,463
Cracked Naphtha and others	-	-	396	1,325
Total foreign sales	<u>180,968</u>	<u>94,848</u>	<u>482,394</u>	<u>180,571</u>
Total	<u>1,356,919</u>	<u>1,056,417</u>	<u>4,320,997</u>	<u>2,865,138</u>

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## 19 COST OF SALES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Initial inventory of stock	879,128	476,728	579,580	360,902
Purchases of crude oil and refined products and supplies	1,428,747	995,378	4,265,226	2,562,453
Production operating expenses (a)	78,052	60,627	235,979	178,336
Ending inventory of stock	(885,559)	(559,939)	(885,559)	(559,939)
	<u>1,500,368</u>	<u>972,794</u>	<u>4,195,226</u>	<u>2,541,751</u>

(a) The composition of production operating expenses is as follows:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Third-party services (*)	47,946	37,705	133,043	105,965
Employee participation (Note 12)	17,817	9,150	42,195	27,163
Personnel charges (Note 21)	11,303	8,133	35,530	25,144
Insurance	4,306	3,053	13,213	9,586
Depreciation of right of use assets	2,816	2,249	6,302	8,434
Different management charges	1,510	122	3,029	137
Employee participation (Note 21)	(8,211)	-	-	-
Payment	41	-	49	1
Different management charges	(2)	(180)	560	81
Others	<u>526</u>	<u>395</u>	<u>2,059</u>	<u>1,826</u>
	<u>78,052</u>	<u>60,627</u>	<u>235,979</u>	<u>178,336</u>

(\*) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Freight and ground transportation expenses	19,802	16,415	54,760	46,431
Maintenance and repair services	8,650	4,196	21,031	11,315
Other freight	4,522	3,310	10,933	9,348
Energy and water	3,230	3,576	10,995	6,071
Product storage	3,421	3,122	10,411	10,313
Product dispatch	3,232	2,655	10,251	7,705
Industrial security and protection	1,331	779	3,461	2,709
Food and accommodation	913	934	2,735	2,799
Storage and dispatch (PNP – Petrored)	989	1,113	2,514	3,187
Advertising	162	396	1,119	1,709
Miscellaneous	1,694	1,209	4,833	4,378
	<u>47,946</u>	<u>37,705</u>	<u>133,043</u>	<u>105,965</u>





## 20 SALES AND DISTRIBUTION EXPENSES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Personnel charges (Note 21)	5,208	4,546	17,396	13,994
Taxes	4,581	3,761	14,542	10,971
Thirdparty services (*)	2,939	2,172	6,974	5,718
Depreciation (Note 12)	2,021	2,022	6,033	7,987
Insurance	865	780	3,101	2,417
Materials and supplies	1,214	687	2,794	2,298
Miscellaneous management charges	11	276	92	382
Depreciation of right of use	46	28	136	84
Expected loss on accounts receivable (Note 8)	166	-	166	-
Employee participation (Note 21)	( 3,237)	-	-	-
	<u>13,814</u>	<u>14,272</u>	<u>51,234</u>	<u>43,851</u>

(\*) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Maintenance and repair services	834	864	2,103	1,768
Miscellaneous Third Party Services	696	453	1,741	1,531
Industrial safety and protection	673	645	1,875	1,738
Advertising	387	-	387	-
Rentals	167	84	307	301
Energy and water	97	66	234	215
Travel expenses and transfers	31	21	80	51
Freight and other expenses	11	8	25	22
Food and accommodation	43	31	222	92
	<u>2,939</u>	<u>2,172</u>	<u>6,974</u>	<u>5,718</u>

## 21 ADMINISTRATION EXPENSES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Personnel charges (Note 21)	16,639	15,309	53,770	44,998
Thirdparty services (*)	10,929	11,638	36,180	28,379
Miscellaneous management charges	1,260	1,376	10,860	2,893
Depreciation (Note 12)	3,030	956	4,913	2,996
Taxes	1,134	596	2,999	2,954
Amortization	753	577	2,258	1,724
Materials and supplies	87	113	442	561
Depreciation of right of use	365	269	864	756



Civil and administrative labor contingencies	91	239	1,168	1,748
Employee participation (Note 21)	(7,932)	-	-	-
Insurance	1,411	171	1,985	485
	<u>27,767</u>	<u>31,244</u>	<u>115,439</u>	<u>87,494</u>

(a) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Advice, expertise and audits	2,752	4,364	13,650	9,012
Maintenance and repair services	1,986	1,758	4,594	4,792
IBM Outsourcing Services	1,721	1,699	4,596	4,397
Various	870	957	2,719	2,237
Industrial safety and protection	1,158	857	2,957	2,631
Freight and other freight	415	453	1,452	1,289
Temporary services	677	788	1,976	2,071
Advertising	134	127	1,103	323
Banking expenses	964	384	2,366	992
Travel expenses and transfers	92	84	297	173
Medical services	160	167	470	462
	<u>10,929</u>	<u>11,638</u>	<u>36,180</u>	<u>28,379</u>

## 22 STAFF LOADS

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
Wages and salaries	13,734	11,495	42,363	35,941
Bonuses	6,235	5,043	24,324	15,389
Social contributions	4,192	4,469	14,574	12,491
Gratuities	3,936	3,335	9,345	7,968
Compensation for length of service	1,882	1,488	5,637	4,895
Holidays	1,100	901	3,391	2,874
Feeding	888	658	2,526	2,044
Overtime	396	126	1,050	589
Mobility	246	77	673	223
Remote Work Compensation	-	49	85	280
Employee participation (Note 18,19 and 20)	(19,381)	-	-	-
Others	542	347	2,728	1,442
	<u>13,770</u>	<u>27,988</u>	<u>106,696</u>	<u>84,136</u>

## 23 OTHER INCOME AND EXPENSES

The other income and other expenses include:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
<b>Other income</b>				
Claims and/or indemnities (insurance/default)	3,019	2,642	8,700	10,646
Maritime operations services	819	891	2,766	2,732
Other income	378	666	1,549	2,115
Service of operation of fuel stations and tanks to mining companies	1,769	(1,289)	2,776	-
Fee recovery for use of loading port in Pucallpa	153	57	737	454
Regularization of provisions	264	-	598	-
Consideration for the easement of passage of the Mineral Conveyor Belt - Callao Terminal	224	-	224	-
Recovery of doubtful commercial collection provision	-	29	10	29
Supplier return for balance in favor of purchases	-	-	-	2,096
Valuation of assets of Consorcio Terminales	-	-	-	1,690
	<u>6,626</u>	<u>2,996</u>	<u>17,360</u>	<u>19,762</u>

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2022	2021	2022	2021
	USD 000	USD 000	USD 000	USD 000
<b>Other expenses</b>				
Provision for oil pipeline claims	( 5,181)	-	(17,299)	-
Net cost of disposal of assets held for sale	( 37)	( 371)	(70)	( 375)
	<u>( 5,218)</u>	<u>( 371)</u>	<u>(17,369)</u>	<u>( 375)</u>

## 24 INCOME TAX

The income tax expense is recognized in accordance with Management's estimate of the annual income tax rate expected for the full financial year. The estimated annual effective rate used for the years 2022 and 2021 is 14.7% and 124.3%, respectively.

## 25 CONTINGENCIES

As of September 30, 2022 and December 31, 2021, the Company has pending resolution the following labor, civil, tax and customs claims of a contingent nature considered as possible:

	<u>2022</u> USD 000	<u>2021</u> USD 000
Civil proceedings	37,442	34,950
Tax and customs processes	47,217	47,737
Labor processes	14,547	14,237
	<u>99,206</u>	<u>96,924</u>

The movement of contingencies is detailed below:

	<u>Balances as of January 1, 2022</u> USD 000	<u>Additions</u> USD 000	<u>Deductions</u> USD 000	<u>Balances as of September 30, 2022</u> USD 000
Civil proceedings (a)	34,950	4,583	( 2,091)	37,442
Tax and customs processes (b)	47,737	-	( 520)	47,217
Labor processes (c)	14,237	310	-	14,547
	<u>96,924</u>	<u>4,893</u>	<u>( 2,611)</u>	<u>99,206</u>

a) As of September 30, 2022, the main Civil proceedings include: Lambayeque for USD 6,687 (equivalent to S/ 20,000), Consorcio Cobra for USD 10,000 thousand (equivalent to S/ 38,000 thousand), SIMA for USD 5,403 (equivalent to S/ 21,933), DEMEM for USD 2,917 (equivalent to S/ 11,840), the FCC Consortium process was added for USD 3,709 thousand (equivalent to S/ 14,235 thousand). Likewise, we have various civil and arbitration proceedings for S/ 32,250 (equivalent to USD 8,095). Processes maintained with Cousa Coest for USD 1,783 (equivalent to S/ 6,790), SUNAT for USD 574 thousand (equivalent to S/ 2,287) and Consorcio JZEAM for USD 297 thousand (equivalent to S/ 1,184) were repaid.

b) As of September 30, 2022, the main processes correspond to those maintained with the Tax Administration (SUNAT) for USD 47,217 thousand (equivalent to S/171,698 thousand), of which one of them is related to file No. 04315 -2020-0-1801-JR-CA-21 for USD 14,056 thousand (equivalent to S/56,000 thousand) and two others are related to files 06305-2019-01801 for USD 17,086 thousand (equivalent to S/61,664 thousand) and file 06304-2019-01801 for USD 14,972 thousand (equivalent to S/54,033 thousand).

d) As of September 30, 2022, it mainly includes the process maintained with the Administrative Workers Union for USD 12,048 thousand (equivalent to S/ 48,000 thousand).

## 26 BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE

The calculation of basic and diluted earnings per share as of September 30, 2022 and 2021, which are expressed by the same value in the absence of shares with dilutive effect, is presented below:

	<u>Profit</u> USD 000	<u>Weighted average shares</u> <u>outstanding (in thousands)</u>	<u>Earnings per</u> <u>share</u>
<b>As of September 30, 2022</b>			
Basic and diluted earnings / (loss) per share	(60,850)	5,368,412	(0.011)
<b>As of September 30, 2021</b>			
Basic and diluted earnings / (loss) per share	(38,296)	5,368,412	(0.007)

## **27 GUARANTEES**

Guarantees and bonds -

As of September 30, 2022, the Company maintains letters of guarantee issued by local financial institutions in favor of suppliers for USD 32,551 thousand (equivalent to S/ 129,681 thousand) and for USD 70,812 thousand.

## **28 RELATED PARTIES**

The Peruvian Government owns the capital shares of the Company and is represented by each member of the General Shareholders' Meeting. According to the twenty-third article of the PETROPERU S.A. Statute, the General Shareholders' Meeting is made up of five members representing class "A" and "B" shares owned by the Peruvian State: The Ministry of Energy and Mines, which will preside it, and four members representing the Peruvian State designated by Supreme Decree. Transactions between the Company and the Peruvian government and the Ministry of Energy and Mines are related to transactions with shareholders.

## **29 SUBSEQUENT EVENTS**

On October 13, 2022, the Risk Rating firm Pacific Credit Ratings (PCR), based on the audited 2021 financial statements, decided to modify the ratings of the First Program of Short-Term Instruments of PETROPERÚ S.A. to "PE1" from "PEE" and from the Financial Solvency of the Company to "PEAA" from "PEE"; In addition, it maintains the outlook of the institution as stable.

On October 25, 2022, through U.D. No. 023-2022 approved economic and financial measures that include an exceptional capital contribution of S/ 4,000 million and a guarantee of USD 500 million in support of foreign trade operations with Banco de la Nación. On October 27, 2022, the transfer of funds to Banco de la Nación by the MEF began, corresponding to the contribution of S/ 2,459 million. Likewise, the Emergency Decree states that the Company implements a Strengthening Plan according to the terms indicated in the device.

After September 30, 2022, and the date of approval of the financial statements, no other events have occurred, in addition to the one mentioned in the preceding paragraphs, that require adjusting the items of the financial statements or being disclosed in their notes.