

RBP-042-2023

San Isidro, 14 de abril de 2023

Señores
Superintendencia del Mercado de Valores
Av. Santa Cruz N° 315
Miraflores

Atención: Registro Público del Mercado de Valores
Referencia: Hecho de Importancia

De conformidad con lo previsto en los artículos 3 y 4 del Reglamento de Hechos de Importancia e Información Reservada, aprobado mediante resolución N° 005-2014-SMV/01 del 17 de marzo 2014, cumplimos con informar en calidad de Hecho de Importancia que la firma clasificadora internacional Fitch Ratings, mantiene la calificación en “BB+” a PETROPERÚ como emisor de deuda de largo plazo en moneda local y extranjera. Asimismo, mantiene la perspectiva de calificación negativa por el vínculo con la calidad crediticia y perspectiva del país.

Se adjunta informe publicado el día de hoy por Fitch Ratings.

Atentamente,

Enrique Salgado Ponce de León
Representante Bursátil
Petróleos del Perú- PETROPERÚ S.A.

Petroleos del Peru - Petroperu S.A.

Petroleos del Peru – Petroperu S.A.'s ratings reflect its moderate linkage to Peru's (BBB/Negative) credit quality, coupled with its weak Standalone Credit Profile (SCP), which Fitch Ratings believes is commensurate with 'ccc-', reflecting its persistently weak liquidity, higher working capital needs and high leverage, which is estimated to average 4.8x over the rating horizon.

The Negative Watch was removed given that Petroperu published its audited financials for YE 2021 and obtained consent from bondholders to avoid an event of default due to its previous failure to provide audited financials, preventing an acceleration of its debt. The Negative Outlook mirrors that of the sovereign, as Petroperu's ratings are tied to the sovereign.

Key Rating Drivers

Government-Related Entity (GRE): Petroperu's ratings are linked with the sovereign's through Fitch's GRE criteria. The company is rated on a top-down-minus-two basis due to a GRE assessment score of 32.5. These factors, coupled with a more than four-notch differential between the SCP and the sovereign rating, resulted in a 'BB+' rating.

The GRE criteria covers four factors. The first is Status, Ownership and Control, which was rated 'very strong'. Petroperu is 100% owned by the Peruvian government, through the Ministry of Energy and Mines (60%) and the Ministry of Economy and Finance (40%).

Support Track Record was assessed as 'moderate', reflecting Fitch's view that despite recent government actions to support the company, the track record shows irregularity, and action was taken only as a last resort to ensure national energy security and not to address Petroperu's long-term balance sheet issues. No debt was repaid with the funds made available most recently, and the support from the government came as severe liquidity issues were imminent and Peru's fuel supply was at risk.

Socio-Political and Financial Implications of Default were both assessed as 'strong', reflecting the company's significance as a provider of key economic and public service activity and the impact a default by Petroperu would have on the sovereign's credit quality.

Additional Government Support is Needed: The federal government took action in 2022 to support Petroperu and address its immediate liquidity needs, but none of its measures alleviated the structural issue of high indebtedness. The government's support amounted to USD2.4 billion, comprising a USD1.0 billion capital injection, a guarantee of up to USD500 million for commercial LC, USD150 million in refunds from the price stabilization fund and the extension of a USD750 million intercompany loan, which has a grace period to repay principal and interest through December 2024.

Fitch views this support as positive but still considers further support necessary, as high debt levels persist.

High Leverage: Petroperu's gross debt/EBITDA for 2022 was negative. Fitch estimates Petroperu will maintain structural debt close to USD5.0 billion during at least the next two years. Gross leverage is projected to be 7.0x in 2023 before falling to around 4.3x in 2024 as the calibration of the Talara Refinery concludes and it reaches favorable commercial and

Ratings

Foreign Currency

Long-Term IDR BB+

Local Currency

Long-Term IDR BB+

Outlooks

Long-Term Foreign Currency IDR Negative

Long-Term Local Currency IDR Negative

Debt Ratings

Senior Unsecured Debt –
Long-Term Rating BB+

2035 Climate Vulnerability Score 60

[Click here for full list of ratings](#)

Applicable Criteria

[Corporate Rating Criteria \(October 2022\)](#)

[Sector Navigators: Addendum to the Corporate Rating Criteria \(October 2022\)](#)

[Government-Related Entities Rating Criteria \(September 2020\)](#)

Related Research

[Peruvian Corporate Credit Indicators: Fourth-Quarter 2022 \(Subdued Economy Drives Downgrades\) \(March 2023\)](#)

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financially viable operations. Thus far, the calibration has proven costly, demanding a high volume of crude oil, which, due to global market conditions, has been imported at high prices, weighing on Petroperu’s already weak liquidity and leverage.

Operational Cash Flow Volatility: Petroperu’s cash flow generation is sensitive to changes in oil prices. As Peru is a net importer of crude, elevated oil prices result in profit margin compression. Operational interruptions to its transportation business, including disruptions related to the actions of local communities, further exacerbate cash flow volatility. The cash flow volatility Petroperu experienced in 2021 continued into 2022. The completion of the Talara Refinery should lower capex for the company past 2023. It will also increase operational efficiency, and predictable crack spreads should translate into stronger EBITDA margins over the rating horizon.

Financial Summary

(USD Mil.)	2020	2021	2022	2023F	2024F	2025F
Gross Revenue	3,122	4,222	5,591	7,551	7,928	7,656
EBITDA Margin (%)	4.2	8.4	-2.2	9.4	14.6	15.0
EBITDA Interest Coverage (x)	0.8	1.7	-0.5	3.4	5.5	5.4
EBITDA Leverage (x)	33.5	14.3	-40.7	7.0	4.3	4.3
EBITDA Net Leverage (x)	32.9	13.7	-40.0	6.8	4.0	3.7

F - Forecast

Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Petroperu’s rating linkage to the Peruvian sovereign rating is in line with the linkage present for most national oil and gas companies (NOCs) in the region, including Empresa Nacional del Petroleo (ENAP; A-/Stable), YPF S.A. (CCC-), Ecopetrol S.A. (BB+/Stable) and Petroleo Brasileiro S.A. (Petrobras; BB-/Stable).

In Latin America, most NOCs are of significant strategic importance for energy supply to their countries, and a default could have potentially negative social and financial implications at a national level. Like its peers, Petroperu has legal ties to the government through its majority ownership and strong operational control.

Navigator Peer Comparison

Issuer	Business Profile										Financial Profile			
Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification and Environmental Risk	Operational Scale	Refinery Location	Asset Quality	Profitability	Financial Structure	Financial Flexibility	Importance	Higher	Moderate	Lower
Empresa Nacional del Petroleo (ENAP)	A-/Stable	a+	a-	bb	bbb-	bbb	bb	b	b	b	Higher	In line with IDR	Moderate	Lower
Petroleos del Peru - Petroperu S.A.	BB+/Negative	bbb	b	bbb	bb-	bbb	bbb-	b	ccc	ccc	Higher	In line with IDR	Moderate	Lower

Issuer	Business Profile										Financial Profile			
Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification and Environmental Risk	Operational Scale	Refinery Location	Asset Quality	Profitability	Financial Structure	Financial Flexibility	Importance	Higher	Moderate	Lower
Empresa Nacional del Petroleo (ENAP)	A-/Stable	2.0	0.0	-5.0	-3.0	-2.0	-5.0	-8.0	-8.0	-8.0	Higher	In line with IDR	Moderate	Lower
Petroleos del Peru - Petroperu S.A.	BB+/Negative	2.0	-4.0	2.0	-2.0	2.0	1.0	-4.0	-7.0	-7.0	Higher	In line with IDR	Moderate	Lower

Source: Fitch Ratings

Worse positioned than IDR In line with IDR Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A positive rating action on the Peruvian sovereign could lead to a positive rating action on Petroperu;
- An upgrade could be considered if the government makes a capital injection that improves Petroperu’s credit profile, capitalizes its loans or guarantees a greater portion of its debt.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A downgrade of Peru’s sovereign rating;
- A sustained deterioration of Petroperu’s financial flexibility, combined with government inaction to support the company’s liquidity, potentially resulting from continued negative FCF or a material reduction of cash on hand, credit facilities and restricted capital markets access.

Liquidity and Debt Structure

Deteriorated Liquidity: As of Dec. 31, 2022, Petroperu reported USD89 million in cash on hand, compared with USD240 million as of YE 2021. The company has revolving credit lines for up to USD2.9 billion, of which USD1.2 billion is currently under review by financial institutions, and short-term financial debt totaling USD868 million.

ESG Considerations

Petroperu has an ESG Relevance Score of ‘4’ for Financial Transparency, revised from a ‘5’, as the issues with the delayed audited statements were resolved and the documents were delivered. Petroperu has an ESG Relevance Score of ‘4’ for Management Strategy, Group Structure and Governance Structure due to its nature as a majority government-owned entity and the inherent governance risk that arises with a dominant state shareholder, which has a negative impact on the credit profile and is relevant to the ratings in conjunction with other factors.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of ‘3’. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch’s ESG Relevance Scores, visit www.fitchratings.com/esg.

Climate Vulnerability Considerations

We are currently in consultation with our stakeholders on a proposal to support consistency and transparency in the way Fitch Ratings identifies and addresses potentially credit-relevant climate risks in its credit rating process. This would include adding the section below to all Rating Reports. To learn more about the approach, and provide feedback, please see [Climate Vulnerability in Corporate Ratings – Discussion Paper](#) or contact climate.vsfeedback@fitchratings.com.

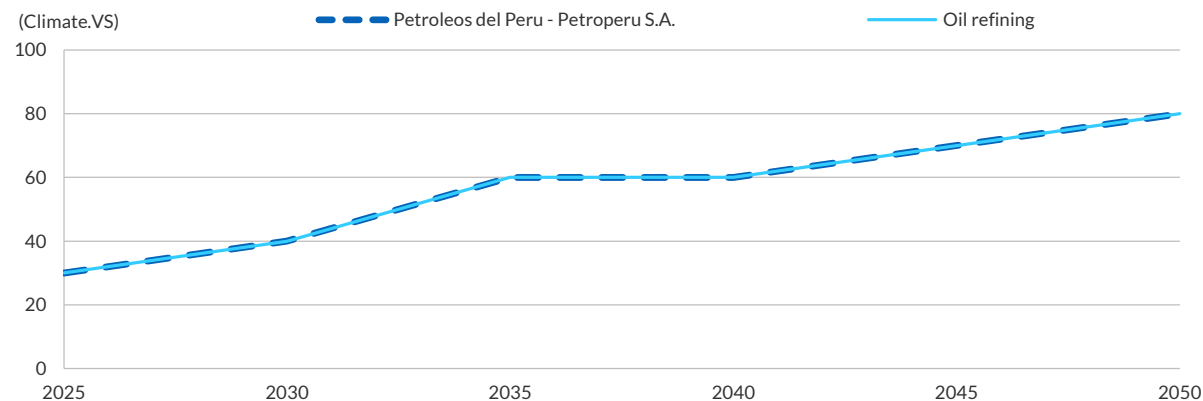
The 2022 revenue-weighted Climate Vulnerability Score (Climate.VS) for Petroperu S.A. is 60 for 2035, which is in line with oil refiner peers. Petroperu derived 100% of its revenue from oil refining in 2022. Key transition risks arise from potential reductions in demand driven by policies designed to reduce the use of oil in the global economy and, in the shorter term, from policies designed to limit greenhouse gas emissions from the production of oil and gas.

Petroperu has in recent years started working toward a more transparent and active strategy to address ESG issues related to its operations. The refurbishing of the new Talara Refinery is one of the biggest steps toward environmental compliance, as it is set to produce low sulphur fuels. Disclosure and reporting of ESG has been improving of late.

Climate.VS can range from 0 (lowest risk) to 100 (highest risk). For further information on how Fitch perceives climate-related risks in the Oil and Gas sector see [Oil & Gas and Chemicals – Climate Vulnerability Scores Update](#).

Climate.VS Evolution

As of Dec. 31, 2022



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(USD Mil.)	2023F	2024F	2025F
Available Liquidity			
Beginning Cash Balance	89	-867,633	-867,354
Rating Case FCF After Acquisitions and Divestitures	19	279	366
Total Available Liquidity (A)	108	-867,354	-866,988
Liquidity Uses			
Debt Maturities	-867,741	0	0
Total Liquidity Uses (B)	-867,741	0	0
Liquidity Calculation			
Ending Cash Balance (A + B)	-867,633	-867,354	-866,988
Revolver Availability	1	1	1
Ending Liquidity	-867,632	-867,353	-866,987
Liquidity Score (x)	0.0	NM	NM

F - Forecast. NM - Not meaningful.

Source: Fitch Ratings, Fitch Solutions, Petroleos del Peru - Petroperu S.A.

Scheduled Debt Maturities

(USD Mil.)	2022
2023	867,741
2024	0
2025	0
2026	0
2027	0
Thereafter	4,099,706
Total	4,967,447

Source: Fitch Ratings, Fitch Solutions, Petroleos del Peru - Petroperu S.A.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer Include

- Fitch's Brent oil price deck at USD85/barrel (bbl) in 2023, USD65/bbl in 2024 and USD53/bbl longer term;
- Domestic sales of 102,000 barrels in 2023, 115,000 barrels in 2024 and 120,000 barrels in the long term;
- Talara Refinery Modernization Project achieving commercial production in 2023 and achieving crack spreads of USD25/bbl in 2024;
- Roll-over of short-term working capital facilities;
- Average capex of USD350 million per year through the rating horizon.

Financial Data

(USD Mil.)	Historical			Forecast		
	2020	2021	2022	2023	2024	2025
Summary Income Statement						
Gross Revenue	3,121.8	4,221.8	5,590.5	7,551.0	7,927.7	7,656.1
Revenue Growth (%)	-33.1	35.2	32.4	35.1	5.0	-3.4
EBITDA (Before Income from Associates)	131.8	353.2	-122.1	711.5	1,154.4	1,144.6
EBITDA Margin (%)	4.2	8.4	-2.2	9.4	14.6	15.0
EBITDAR	131.8	353.2	-122.1	711.5	1,154.4	1,144.6
EBITDAR Margin (%)	4.2	8.4	-2.2	9.4	14.6	15.0
EBIT	72.3	297.6	-215.2	586.5	1,027.4	1,017.6
EBIT Margin (%)	2.3	7.0	-3.8	7.8	13.0	13.3
Gross Interest Expense	-22.0	-2.3	-53.0	-210.8	-210.8	-210.8
Pretax Income (Including Associate Income/Loss)	-41.3	211.4	-303.1	375.8	816.6	806.8
Summary Balance Sheet						
Readily Available Cash and Equivalents	84.9	239.6	88.8	108.0	386.6	752.9
Debt	4,414.4	5,065.5	4,967.4	4,958.4	4,958.4	4,958.4
Lease-Adjusted Debt	4,414.4	5,065.5	4,967.4	4,958.4	4,958.4	4,958.4
Net Debt	4,329.5	4,825.9	4,878.7	4,850.3	4,571.8	4,205.5
Summary Cash Flow Statement						
EBITDA	131.8	353.2	-122.1	711.5	1,154.4	1,144.6
Cash Interest Paid	-170.6	-213.3	-223.6	-210.8	-210.8	-210.8
Cash Tax	-6.6	-14.4	-46.5	0.0	-261.3	-258.2
Dividends Received Less Dividends Paid to Minorities (Inflow/[Out]flow)	—	—	—	0.0	0.0	0.0
Other Items Before FFO	-19.1	-73.7	-51.0	0.0	0.0	0.0
Funds Flow from Operations	-59.3	52.9	-441.8	500.8	682.3	675.6
FFO Margin (%)	-1.9	1.3	-7.9	6.6	8.6	8.8
Change in Working Capital	366.0	251.4	-1,008.5	-133.6	-25.7	18.5
Cash Flow from Operations (Fitch Defined)	306.7	304.2	-1,450.3	367.2	656.7	694.1
Total Non-Operating/Nonrecurring Cash Flow	—	—	—	—	—	—
Capex	-801.9	-604.7	-408.3	—	—	—
Capital Intensity (Capex/Revenue) (%)	25.7	14.3	7.3	—	—	—
Common Dividends	—	—	—	—	—	—
FCF	-495.2	-300.5	-1,858.6	—	—	—
Net Acquisitions and Divestitures	—	—	—	—	—	—
Other Investing and Financing Cash Flow Items	-19.9	-40.9	1,067.8	—	—	—
Net Debt Proceeds	224.3	484.0	640.1	0.0	0.0	0.0
Net Equity Proceeds	—	—	—	0.0	0.0	0.0
Total Change in Cash	-290.9	142.7	-150.8	19.3	278.6	366.3

(USD Mil.)	Historical			Forecast		
	2020	2021	2022	2023	2024	2025
Leverage Ratios (x)						
EBITDA Leverage	33.5	14.3	-40.7	7.0	4.3	4.3
EBITDA Net Leverage	32.9	13.7	-40.0	6.8	4.0	3.7
EBITDAR Leverage	33.5	14.3	-40.7	7.0	4.3	4.3
EBITDAR Net Leverage	32.9	13.7	-40.0	6.8	4.0	3.7
EBITDAR Net Fixed-Charge Coverage	0.8	1.7	-0.5	3.4	5.5	5.4
FFO-Adjusted Leverage	41.6	19.1	-22.6	7.0	5.6	5.6
FFO-Adjusted Net Leverage	40.8	18.2	-22.2	6.8	5.1	4.7
FFO Leverage	41.6	19.1	-22.6	7.0	5.6	5.6
FFO Net Leverage	40.8	18.2	-22.2	6.8	5.1	4.7
Calculations for Forecast Publication						
Capex, Dividends, Acquisitions and Other Items Before FCF	-801.9	-604.7	-408.3	-347.9	-378.1	-327.8
FCF After Acquisitions and Divestitures	-495.2	-300.5	-1,858.6	19.3	278.6	366.3
FCF Margin (After Net Acquisitions) (%)	-15.9	-7.1	-33.2	0.3	3.5	4.8
Coverage Ratios (x)						
FFO Interest Coverage	0.6	1.2	-1.0	3.4	4.2	4.2
FFO Fixed-Charge Coverage	0.6	1.2	-1.0	3.4	4.2	4.2
EBITDAR Fixed-Charge Coverage	0.8	1.7	-0.5	3.4	5.5	5.4
EBITDA Interest Coverage	0.8	1.7	-0.5	3.4	5.5	5.4
Additional Metrics (%)						
CFO - Capex/Debt	-11.2	-5.9	-37.4	0.4	5.6	7.4
CFO - Capex/Net Debt	-11.4	-6.2	-38.1	0.4	6.1	8.7
CFO/Capex	38.2	50.3	-355.2	105.6	173.7	211.7

CFO - Cash flow from operations

Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Petroleos del Peru - Petroperu S.A.

ESG Relevance:



Corporates Ratings Navigator
Oil Refining & Marketing

Factor Levels	Sector Risk Profile	Operating Environment	Management and Corporate Governance	Diversification and Environmental Risk	Business Profile			Financial Profile			Issuer Default Rating
					Operational Scale	Refinery Location	Asset Quality	Profitability	Financial Structure	Financial Flexibility	
aaa											AAA
aa+											AA+
aa											AA
aa-											AA-
a+											A+
a											A
a-											A-
bbb+	↓	↓		↓		↓					BBB+
bbb	↓	↓		↓		↓	↓				BBB
bbb-	↓	↓		↓		↓	↓				BBB-
bb+	↓	↓		↓		↓	↓				BB+
bb	↓	↓		↓	↓	↓	↓				BB
bb-	↓	↓		↓	↓	↓	↓				BB-
b+	↓	↓	↓	↓	↓	↓	↓	↓			B+
b	↓	↓	↓	↓	↓	↓	↓	↓			B
b-	↓	↓	↓	↓	↓	↓	↓	↓			B-
ccc+									↓	↓	CCC+
ccc									↓	↓	CCC
ccc-									↓	↓	CCC-
cc											CC
c											C
d or rd											D or RD

Bar Chart Legend:

Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	↑ Positive
Higher Importance (Red)	↓ Negative
Average Importance (Blue)	↕ Evolving
Lower Importance (Light Blue)	□ Stable

Operating Environment			
bbb+	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bbb	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	bb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bb'.
ccc+			

Management and Corporate Governance			
bb-	Management Strategy	b	Strategy lacking cohesion and/or some weakness in implementation.
b+	Governance Structure	bb	Board effectiveness questionable with few independent directors. "Key person" risk from dominant CEO or shareholder.
b	Group Structure	aa	Transparent group structure.
b-	Financial Transparency	ccc	Sustained absence of financial reporting for reasons other than force majeure, change of auditor or corporate restructuring.
ccc+			

Diversification and Environmental Risk			
a-	Business Diversification	bbb	Partially integrated with upstream, midstream or petrochemicals. Independent status. Integration with strong fuel distribution network.
bbb+	Environmental Risk	bbb	Moderate exposure to environmental regulations and/or material but manageable remediation costs relative to projected cash flows.
bbb			
bbb-			
bb+			

Operational Scale			
bb+	Capacity (bpd)	b	Less than 100,000.
bb	Number of Refineries	bb	One larger single-asset facility.
bb-			
b+			
b			

Refinery Location			
a-	Competitiveness of Markets	bbb	Markets with low competition or widening supply deficit.
bbb+	Logistics	bbb	Close to oil and product pipelines. Low-cost access to end-user markets.
bbb			
bbb-			
bb+			

Asset Quality			
bbb+	Complexity	bbb	High complexity, outstanding product yield compared to competitors.
bbb	Margins and Utilization rates	bb	Average margins and utilization rates compared to industry benchmarks.
bbb-			
bb+			
bb			

Profitability			
bb-	EBITDA Margin	b	1.5%
b+	EBIT Margin	b	1%
b	FFO Margin	b	1%
b-	FCF	b	Negative across the cycle.
ccc+			

Financial Structure			
b-	EBITDA Leverage	ccc	7.0x
ccc+	EBITDA Net Leverage	ccc	6.0x
ccc	FFO Leverage	ccc	>8.0x
ccc-	FFO Net Leverage	ccc	>7.0x
cc	(CFO-Capex)/Debt		

Financial Flexibility			
b-	Financial Discipline	bb	Financial policies in place but flexibility in applying them could lead to temporarily exceeding downgrade guidelines.
ccc+	Liquidity	b	Liquidity ratio below 1.0x. Overly reliant on one funding source.
ccc	EBITDA Interest Coverage	ccc	1.25x
ccc-	FFO Interest Coverage	ccc	1.25x
cc	FX Exposure	bb	FX exposure on profitability and/or debt/cash flow match. Some hedging in place but only partly effective.

Credit-Relevant ESG Derivation				Overall ESG			
Petroleos del Peru - Petroperu S.A. has 4 ESG rating drivers and 8 ESG potential rating drivers				key driver	0	Issues	5
➔	Strategy development and implementation			driver	4	Issues	4
➔	Board independence and effectiveness; ownership concentration			potential driver	8	Issues	3
➔	Complexity, transparency and related-party transactions			not a rating driver	1	Issues	2
➔	Quality and timing of financial disclosure						
➔	GHGs emissions and other pollutants/air toxins resulting from refining process						
➔	Energy use in refining						
					1	Issues	1

Showing top 5 issues
For further details on Credit-Relevant ESG scoring, see page 3.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Petroleos del Peru - Petroperu S.A. has 4 ESG rating drivers and 8 ESG potential rating drivers

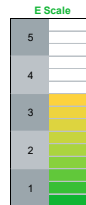
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to strategic risk which, in combination with other factors, impacts the rating.
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to board independence risk which, in combination with other factors, impacts the rating.
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to group transparency risk which, in combination with other factors, impacts the rating.
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to financial disclosure risk which, in combination with other factors, impacts the rating.
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to emissions regulatory risk but this has very low impact on the rating.
- ➔ Petroleos del Peru - Petroperu S.A. has exposure to energy productivity risk but this has very low impact on the rating.

Showing top 6 issues

			Overall ESG Scale	
key driver	0	issues	5	
driver	4	issues	4	
potential driver	8	issues	3	
	1	issues	2	
not a rating driver	1	issues	1	

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	GHGs emissions and other pollutants/air toxins resulting from refining process	Business Diversification; Scale of Operations; Refining Asset Quality; Profitability
Energy Management	3	Energy use in refining	Business Diversification; Scale of Operations; Profitability
Water & Wastewater Management	3	Water use in refining	Business Diversification; Scale of Operations; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Hazardous material management	Business Diversification; Scale of Operations; Refinery Locations
Exposure to Environmental Impacts	3	Operational disruptions from extreme weather events	Business Diversification; Refinery Locations; Profitability



How to Read This Page

ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

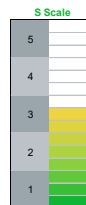
The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

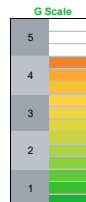
Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Operations proximity to areas of conflict or indigenous lands	Management and Corporate Governance; Profitability; Financial Flexibility
Customer Welfare - Fair Messaging, Privacy & Data Security	1	n.a.	n.a.
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	2	Worker safety and accident prevention	Business Diversification; Refining Asset Quality
Exposure to Social Impacts	3	Social resistance to major projects or operations that leads to delays and cost increase	Profitability; Financial Structure; Financial Flexibility



Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	4	Strategy development and implementation	Management and Corporate Governance
Governance Structure	4	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	4	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	4	Quality and timing of financial disclosure	Management and Corporate Governance

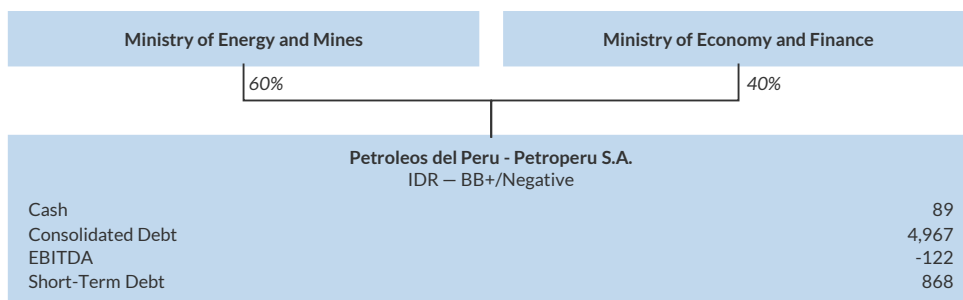


CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Organizational Structure – Petroleos del Peru - Petroperu S.A.

(USD Mil., as of Dec. 31, 2022)



IDR – Issuer Default Rating

Source: Fitch Ratings, Fitch Solutions, Petroleos del Peru - Petroperu S.A.

Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Gross Revenue (USD Mil.)	EBITDA Margin (%)	EBITDA Interest Coverage (x)	EBITDA Leverage (x)	EBITDA Net Leverage (x)
Petroleos del Peru - Petroperu S.A.	BB+						
	BB+	2022	5,591	-2.2	-0.5	-40.7	-40.0
	BBB	2021	4,222	8.4	1.7	14.3	13.7
	BBB+	2020	3,122	4.2	0.8	33.5	32.9
Empresa Nacional del Petroleo (ENAP)	A-						
	A-	2022	12,324	11.0	7.5	3.2	2.9
	A-	2021	7,655	10.2	5.0	5.4	5.2
	A-	2020	4,891	7.6	2.2	10.8	10.6
Ecopetrol S.A.	BB+						
	BB+	2022	33,153	45.3	13.4	1.5	1.3
	BB+	2021	22,949	43.3	12.0	2.4	1.9
	BBB-	2020	14,522	31.1	6.7	2.9	2.4
Petroleo Brasileiro S.A. (Petrobras)	BB-						
	BB-	2021	83,966	51.3	19.6	0.8	0.6
	BB-	2020	53,683	44.5	7.6	2.2	1.7
	BB-	2019	76,589	35.2	6.3	2.2	1.9
Petroleos Mexicanos (PEMEX)	BB-						
	BB-	2021	72,399	32.1	3.0	4.7	4.5
	BB-	2020	47,405	17.2	1.2	13.8	13.5
	BB+	2019	74,286	23.8	2.6	5.9	5.8
YPF S.A.	CCC-						
	CCC	2022	4,749	19.8	8.7	1.9	6.2
	CCC	2021	12,389	25.7	5.7	2.3	1.9
	—	2020	7,962	13.8	1.6	7.1	6.2

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

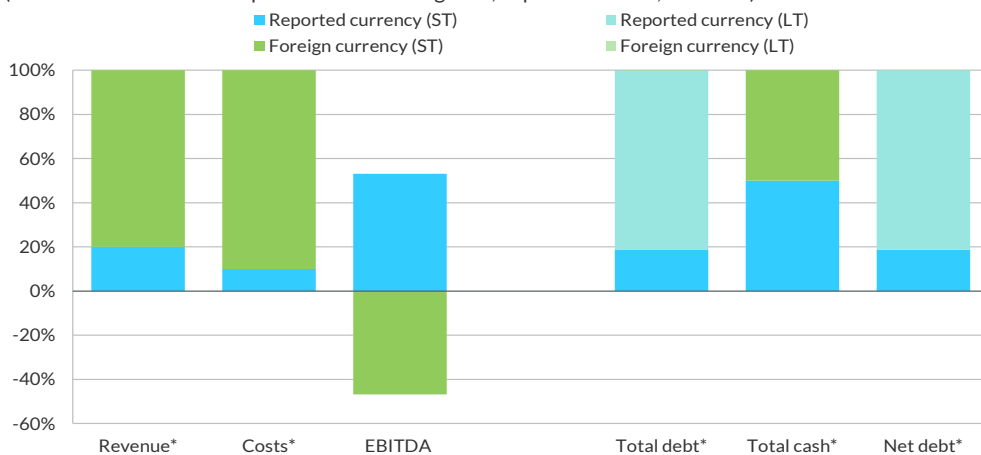
(USD 000, as of Dec. 31, 2022)	Notes and Formulas	Reported Values	Sum of Adjustments	Other Adjustments	Adjusted Values
Income Statement Summary					
Revenue		5,590,524			5,590,524
EBITDAR		-110,041	-12,030	-12,030	-122,071
EBITDAR After Associates and Minorities	(a)	-110,041	-12,030	-12,030	-122,071
Lease Expense	(b)	0			0
EBITDA	(c)	-110,041	-12,030	-12,030	-122,071
EBITDA After Associates and Minorities	(d) = (a-b)	-110,041	-12,030	-12,030	-122,071
EBIT	(e)	-213,753	-1,400	-1,400	-215,153
Debt and Cash Summary					
Other Off-Balance-Sheet Debt	(f)	0			0
Debt	(g)	4,967,447			4,967,447
Lease-Equivalent Debt	(h)	0			0
Lease-Adjusted Debt	(i) = (g+h)	4,967,447			4,967,447
Readily Available Cash and Equivalents	(j)	88,773			88,773
Not Readily Available Cash and Equivalents		0			0
Cash Flow Summary					
EBITDA After Associates and Minorities	(d) = (a-b)	-110,041	-12,030	-12,030	-122,071
Preferred Dividends (Paid)	(k)	0			0
Interest Received	(l)	1,329			1,329
Interest (Paid)	(m)	-225,005	1,400	1,400	-223,605
Cash Tax (Paid)		-46,491			-46,491
Other Items Before FFO		-48,018	-2,946	-2,946	-50,964
Funds from Operations (FFO)	(n)	-428,226	-13,576	-13,576	-441,802
Change in Working Capital (Fitch-Defined)		-1,008,523			-1,008,523
Cash Flow from Operations (CFO)	(o)	-1,436,749	-13,576	-13,576	-1,450,325
Non-Operating/Nonrecurring Cash Flow		0			0
Capital (Expenditures)	(p)	-408,296			-408,296
Common Dividends (Paid)		0			0
Free Cash Flow (FCF)		-1,845,045	-13,576	-13,576	-1,858,621
Gross Leverage (x)					
EBITDAR Leverage ^a	(i/a)	-45.1			-40.7
FFO Adjusted Leverage	(i)/(n-m-l-k+b)	-24.3			-22.6
FFO Leverage	(i-h)/(n-m-l-k)	-24.3			-22.6
EBITDA Leverage ^a	(i-h)/d	-45.1			-40.7
(CFO-Capex)/Debt (%)	(o+p)/(i-h)	-37.1			-37.4
Net Leverage (x)					
EBITDAR Net Leverage ^a	(i-j)/a	-44.3			-40.0
FFO Adjusted Net Leverage	(i-j)/(n-m-l-k+b)	-23.9			-22.2
FFO Net Leverage	(i-h-j)/(n-m-l-k)	-23.9			-22.2
EBITDA Net Leverage ^a	(i-h-j)/d	-44.3			-40.0
(CFO-Capex)/Net Debt (%)	(o+p)/(i-h-j)	-37.8			-38.1
Coverage (x)					
EBITDAR Fixed Charge Coverage ^a	a/(-m+b)	-0.5			-0.5
EBITDA Interest Coverage ^a	d/(-m)	-0.5			-0.5
FFO Fixed-Charge Coverage	(n-l-m-k+b)/(-m-k+b)	-0.9			-1.0
FFO Interest Coverage	(n-l-m-k)/(-m-k)	-0.9			-1.0

^aEBITDA/R after dividends to associates and minorities. Note: Debt includes other off-balance-sheet debt.
 Source: Fitch Ratings, Fitch Solutions, Petroleos del Peru - Petroperu S.A.

FX Screener

Fitch FX Screener

(Petroleos del Peru - Petroperu S.A. — BB+/Negative, September 2022, USD 000)

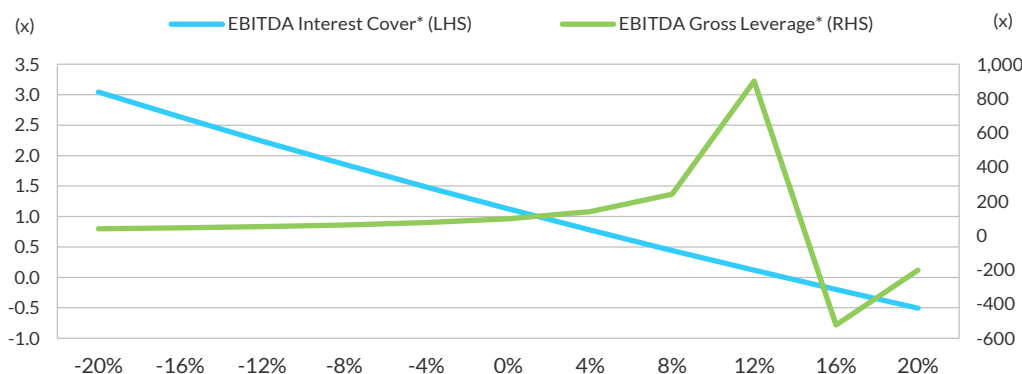


* Post hedge, absolute figures displayed are Fitch's analytical estimates, based on publicly available information

Source: Fitch Ratings

Fitch FX Screener — Foreign to Reported Currency Stress Test — Absolute Variation

(Petroleos del Peru - Petroperu S.A. — BB+/Negative, September 2022)

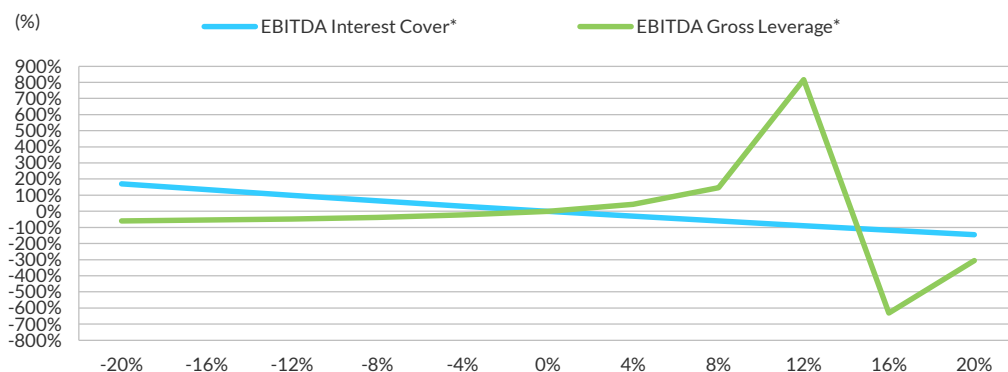


*EBITDA after dividends to associates and minorities

Source: Fitch Ratings

Fitch FX Screener — Foreign to Reported Currency Stress Test — Relative Variation

(Petroleos del Peru - Petroperu S.A. — BB+/Negative, September 2022)



*EBITDA after dividends to associates and minorities

Source: Fitch Ratings

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