Earnings Release

Petroperú

PETROPERÚ[1] Announces Third Quarter 2023 Earnings Results - 3Q23

Lima, Peru, November 06, 2023: Petróleos del Perú - PETROPERÚ S.A. (OTC: PETRPE) announced financial and operating results for the third quarter ("3Q23") period ended September 30, 2023. For a more comprehensive financial analysis please refer to the Intermediate Financial Statements 3Q23[2] available on the *Superintendencia Mercado de Valores del Perú website - SMV* (www.smv.gob.pe).

HIGHLIGHTS

- **Total Revenue** for 3Q23 decreased by 16% (US$-222 million) compared to 3Q22.
- **Gross Profit** increased more than 100% YoY[3], from US$-131 million in 3Q22 to US$35 million in 3Q23.
- **Operating Loss** decreased by 60% YoY, from US$-172 million in 3Q22 to US$-68 million in 3Q23.
- **Net Loss** in 3Q23 was US$-150 million compared to US$-175 million in 3Q22 (a reduction of 14% YoY).
- **Adjusted EBITDA**[4] increased from US$-174 million in 3Q22 to US$1 million in 3Q23.
- Final **Cash Balance** reached US$72 million at 3Q23 vs. US$15 million at 3Q22.
- The **Cash Conversion Cycle (CCC)** as of 3Q23 reached 11 days vs -2 days as of 3Q22. Accounts payable turnover has been extended to 93 days.
- **NTR[5] integral progress** as of September 2023 was 99.03%. Regarding the Process Units, there is a progress of 99.86%, and a progress of 97.18% regarding the Auxiliary Units.
- **Total Sales Volume** reached 102 KBPD[6] in 3Q23, lower in 5% than 3Q22 (108 KBPD).
- In reference to the **Norperuano Oil Pipeline (ONP)**, there have occurred eleven contingencies from January to September 2023.
- Regarding **hydrocarbon exploration and production activities**, currently, in Block 64 the preparation of the Environmental Impact Study (EIS) continues, and the collection permits of SERFOR and PRODUCE were obtained. On the other hand, regarding Block 192, Altamesa, which would be the operating partner of PETROPERÚ, has obtained the qualification from Perupetro, and the procedures for the assignment of PETROPERÚ's share in favor of them have been initiated. At the end of 3Q23, PETROPERÚ achieved production levels in the order of 508 barrels of oil per day and 3.3MM cubic feet per day of natural gas in Block I. Finally, PETROPERÚ has been taking the necessary steps to assume the operation of Block VI and Block Z-69 in 4Q23.

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[1] Petróleos del Perú-PETROPERÚ S.A. (hereinafter "PETROPERÚ" or "the Company").

[2] Intermediate Financial Statements for the Third Quarter 2023. Unless otherwise noted, all financial figures are presented in US$, and references "Dollars" or "US$". Quarterly Financial Statements have been prepared in according with International Financial Reporting Standards (IFRS), as issued by the IASB (International Accounting Standards Board).

[3] YoY: Year over Year, annual comparison.

[4] EBITDA is defined as Net Income plus Income Tax plus Workers' Profit Sharing minus Finance Income plus Finance Cost plus Amortization & Depreciation. Adjusted EBITDA is defined as EBITDA minus net other income & expenses, and net exchange differences.

[5] New Talara Refinery: which consists of the construction of a new refinery with the highest technological standards and competitivity in the region. The new refinery will completely modify the current production structure of the Talara Refinery, through the incorporation of new refining processes, auxiliary services, and related facilities.

[6] KBPD: Thousands of Barrels Per Day

It should be noted that the economic and financial results of PETROPERÚ will improve substantially with the commissioning of the Flexicoking Unit, which will allow converting products of low commercial value (fuel oil) into products of higher value in the market (LPG, Gasoline and Diesel), capturing a greater margin that will cover the incremental expenses of the NTR's operation.

1. ANALYSIS

1.1. MACROECONOMIC ENVIRONMENT

Global economic activity has registered higher-than-expected growth, mainly explained by the better performance of the United States and other developed economies, which offset the deterioration in China. In this way, the global economy has shown resilience to the various shocks presented, such as monetary adjustment, energy growth and geopolitical conflicts, mainly. At the economic sector level, the services sector continues to be the driver. As a result, global economic growth for 2023 has been revised from 2.5% to 2.8%.

Regarding the economies of Latin America, economic activity has shown a markedly different dynamism. For example, Brazil, Mexico, Colombia and Chile have shown better performance, mainly linked to the increase in oil prices and reduced uncertainty on the political issue.

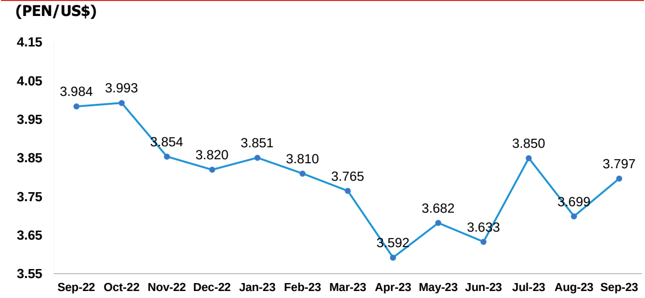
Concerning inflation, after June 2023 at the global level it began to show a slight growth, mainly explained by inflation in the United States, partially offset by prices fall in China.

In the case of Peru, growth is expected to slow down compared to 2022, with a rate of 0.9% in 2023. This scenario is based on a growth of 0.4% in the non-primary sectors due to the low dynamism of private consumption and lower private investment. The manufacturing and construction sectors would be the most affected, in addition to the agricultural and fishing sectors, associated with changes in extreme temperatures. Meanwhile, mining, supported by the entry into operation of the Quellaveco Project, would be cushioning a further decline. Similarly, when considering the occurrence of an El Niño Phenomenon (ENF), projections to 2024 would be affected, mainly in the agricultural sector and could even affect the anchovy fishing season.

Regarding year-on-year inflation, from June to September 2023 it registered a reduction from 6.46% to 5.04%. The items that contributed most to the variation in inflation in the last twelve months were foods such as chicken, fresh fish and potatoes, as well as electricity.

Regarding the exchange rate, at the end of September it stood at S/3.797 per dollar, higher than the closing of the previous month S/3,699 per dollar, which shows a depreciation of our currency. Year to date, the BCRP has carried out spot sale operations, placement of CDRs, swaps, among others.

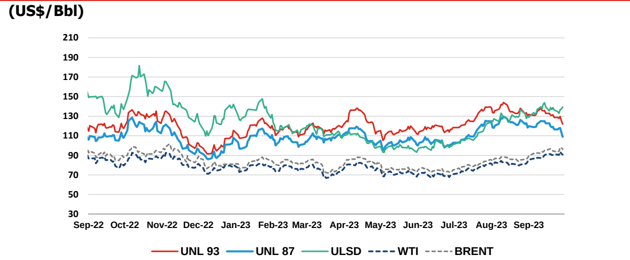
Exchange Rate



	3Q22	4Q22	1Q23	2Q23	3Q23
Exchange Rate	3.984	3.820	3.765	3.633	3.797

Source: SBS

WTI & Other International By-Product Prices



US$/Bl (End of Period)	3Q22	4Q22	1Q23	2Q23	3Q23
UNL 93	117.4	115.5	120.8	118.3	122.0
UNL 87	107.9	108.0	111.3	102.9	108.9
ULSD	136.9	142.1	109.6	101.0	139.3
WTI	79.5	80.3	75.7	70.7	90.8
BRENT	87.9	81.3	79.1	75.0	96.3

Source: Platts

Notes: The UNL87 USGC Regular Gasoline equals a 92-octane gasoline, and the Premium Gasoline UNL 93 USGC is equivalent to a 98-octane gasoline.

In relation to oil prices, so far this year the average markers for Brent and WTI in 3Q23 were around US$96 and US$91/Bl, respectively. This upward trend in the last quarter was mainly due to the prospects of a deficit global market due to OPEC+ supply cuts (mainly Saudi Arabia and Russia), as well as fears of lower US crude inventories and low shale oil production in the United States.

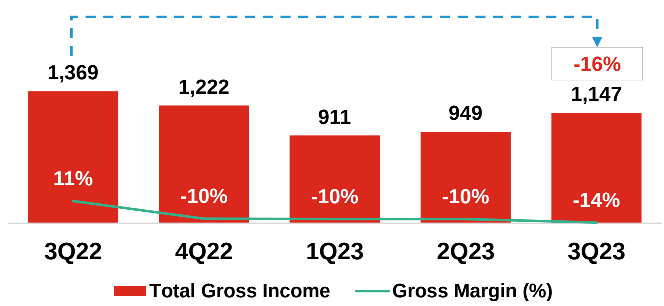
Peru has a Petroleum Fuels Price Stabilization Fund (FEPC) whose purpose is to prevent the high volatility of international oil prices from being passed on to local consumer prices, taking into account that a large part of the crude oil and products consumed locally are currently imported. The FEPC consists of a price band with an upper and a lower price limit, established by OSINERGMIN in such a way that the prices charged internally are within that band, so that, when the international price rises above the upper limit, consumers pay the equivalent of the upper limit, and the State uses the resources of the fund to pay the difference to the companies trading petroleum products that are registered in the fund subsequently. However, if the international price falls below the lower limit, the consumer will pay the price of that limit and the difference would be paid to the fund by the companies trading petroleum products that are registered in the fund. Currently the products affected by the FEPC are the liquefied petroleum gas intended for bulk (LPG-G), the Fuel Oil 6 and BX diesel for vehicular use.

1.2. FINANCIAL RESULTS

1.2.1. INCOME STATEMENT

Quarterly Revenue & Gross Margin

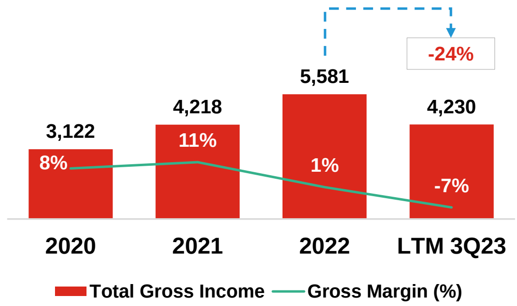
(In millions of US$)



	3Q22	4Q22	1Q23	2Q23	3Q23
Total Sales (US$ million)	1,357	1,196	897	934	1,132
Volume (MMbbl)	9.9	10.1	7.8	8.9	9.4

Annual Revenue & Gross Margin

(In millions of US$)



	2020	2021	2022	LTM 3Q23
Total Sales (US$ million)	3,045	4,156	5,517	4,160
Volume (MMbbl)	44.9	45.5	42.6	36.2

Note: For the calculation of the Unit Prices in US$, Total Sales do not include Other Income.

Total Revenue reached US$1,147 million in 3Q23, a reduction of 16% YoY, mainly as a result of lower sales in the domestic market (79 vs 90 KBPD in 3Q22), in addition to the reduction of fuel sales prices. On the other hand, in the same period of 2022, crude oil was being exported and sold locally, the same that is being injected with the start-up process of the NTR, but it is not yet 100% processing the products of higher value, and instead a large amount of fuel oil is being processed which is being exported.

Local sales decreased by 17%, from US$1,176 million in 3Q22 to US$977 million in 3Q23. Also, the exports decreased 14% YoY, from US$181 million to US$156 million, due to a significant increase in fuel oil exports originating during the NTR start-up process (2,189 MB vs. 214 MB during 3Q22), at lower prices compared to the acquisition of the raw material (crude oil). Total Sales (excluding Other Revenues) decreased by 17% compared to 3Q22 mainly due to the reduction in LPG, Gasoline and Turbo volumes sold.

Cost of Goods Sold (COGS) as a proportion of Total Gross Income was 97% in 3Q23 vs. more than 100% in 3Q22, resulting in a Gross Margin of 3% in 3Q23. Gross Margin went from -10% in 3Q22 to 3% in 3Q23, this is mainly due to a more than proportional reduction in the COGS compared to that of Total Revenue. The lower COGS was affected by a lower purchase of finished products due to the change in the cargo structure in the NTR, switching to using crude oil instead of imported products for the production of fuels, obtaining a lower cost of production, as well as the revaluation of inventories as a result of the increase in international prices since the end of last quarter. COGS decreased by 26% compared to 3Q22 while Total Revenue decreased 16%.

Petroperú

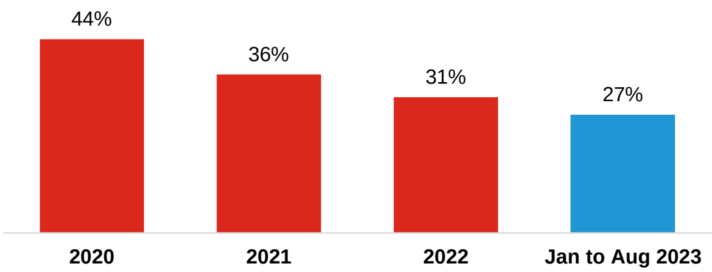
Analysis of the Product Portfolio:

SALES	3Q22	3Q23	YoY	Weight on Total Sales
	SALES (In Millions of US$)			
LOCAL SALES				
LPG [(1) (2)]	33	10	-68%	0.9%
Gasolines/Gasohols [(1)]	296	269	-9%	23.8%
Turbo A-1	31	38	25%	3.4%
Diesel B5 [(1) (2)]	661	617	-7%	54.5%
Industrial Oil [(1) (2)]	15	14	-5%	1.3%
Bunkers (Marine Residual - IFO + Marine Diesel N°2) [(1)]	1	4	384%	0.3%
Asphalt Liquid / Asphalt Solid [(1)]	27	19	-31%	1.6%
Others [(1) (3)]	113	5	-96%	0.4%
Total Local Sales	**1,176**	**977**	**-17%**	**86.3%**
EXPORTS				
Virgin Naphtha	0	0	-	0.0%
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	10	155	1483%	13.7%
Diesel 2	26	0	-100%	0.0%
Others [(4)]	145	1	-99%	0.1%
Total Exports	**181**	**156**	**-14%**	**13.7%**
Total Local Sales & Exports	**1,357**	**1,132**	**-17%**	
Other Operational Income[(5)]	12	15	23%	
TOTAL REVENUE	**1,369**	**1,147**	**-16%**	

(1) Discount Included
(2) FEPC Included
(3) Cutting material, Solvents, Gasoline Aviation and Naphthenic Acid.
(4) Turbo A-1, Gasolines, Asphalts, IFO's, Naphthenic Acid and crude oil.
(5) Includes terminal operation fees, oil transportation by oil pipeline, lease Savia Perú S.A. among others.

During 3Q23, PETROPERÚ had Sales Revenue of US$1,132 million, 17% lower than in 3Q22 (US$1,357 million), with 86% of sales concentrated in the domestic market, due to the fact that during 3Q23 there were swells of light to moderate intensity along the coast, affecting the distribution of fuels and LPG due to the closure of ports, which in turn implied that the first fishing season 2023 did not start in the north-central area of the country.

PETROPERÚ Market Share Evolution



At the end of August 2023, the domestic liquid fuel market share was estimated at 27%. Diesel and Gasolines are the best-selling fuels in PETROPERÚ. The share of diesel sales in the local market is approximately 33% and gasoline is approximately 43%.

The lower sales in the domestic market are mainly due to an aggressive competition, which offers greater commercial discounts, a situation that is still difficult to face because it does not yet have the optimized refining margins that the NTR would generate, in addition to the lower sales of LPG in Talara due to prioritization of NTR consumption.

With the commissioning of the NTR complex, it is estimated to improve the competitiveness of products, allowing it to offer a more competitive commercial bid in the national market and recover greater participation in the fuel market.

In order to increase its share of the local market, PETROPERÚ has been carrying out the following actions:

- Prioritize the integral start of all NTR production, in order to reduce imports, improve the company's margins and guarantee supply locally.
- Short- and medium-term corporate measures are established to improve PETROPERÚ's commercial competitiveness in the fuel market, with the support of the other areas of the company.
- To continue with the change of visual identity of the PETROPERÚ NETWORK, according to the planned program and thus continue with the sustained growth of sales in the retail channel.
- Participate in mining and industrial competitions.
- To have an adequate corporate communication that allows us to improve the perception of customers and the general public regarding our business management.

Revenue Breakdown

(In millions of US$)

	LTM 3Q23
LOCAL REVENUE	
LPG [1] [2]	62
Gasolines/Gasohols [1]	1,012
Turbo A-1	109
Diesel B5 [1] [2]	2,172
Industrial Oil [1] [2]	59
Bunkers (Marine Residual - IFO + Marine Diesel N°2) [1]	6
Asphalt Liquid / Asphalt Solid [1]	73
Others [1] [3]	155
Total Local Revenue	**3,648**
EXPORTS	
Virgin Naphtha	26
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	420
Diesel 2	1
Others [4]	64
Total Exports	**512**
TOTAL REVENUE	**4,160**

% Participation	
4 Products	**81%**
Diesel B5 [1] [2]	52%
Gasolines/Gasohols [1]	24%
LPG [1] [2]	1%
Turbo A-1	3%
2 Products	**77%**
Diesel B5 [1] [2]	52%
Gasolines/Gasohols [1]	24%
Local Revenue	**88%**
Exports	**12%**

[1] Discount Included
[2] FEPC Included
[3] Cutting material, Solvents, Gasoline Aviation and Naphthenic Acid.
[4] Turbo A-1, Gasolines, Asphalts, IFO's and Naphthenic Acid.

PETROPERÚ maintains a network of approximately 753 affiliated service stations as of September 2023, which are distributed across the 24 regions of the country. Additionally, it can be verified that the most representative products of the Company and that have been contributing the highest income during the last 12 months to 3Q23 are Diesel B5 (Includes Diesel B5 S-50) and gasoline/gasohols with a participation with respect to Total Revenue of 52% and 24% respectively.

LOCAL MARKET

Sales volume has decreased by approximately 13% compared to the same period of 2022, 3Q23 Revenues from domestic sales reached US$977 million, a reduction of 17% YoY equivalent to US$199 million, mainly due to the effect of the reduction of sales volume compared to the same period in 2022.

Sales in the domestic market are made through the Direct Channel (Retail and Industry sector) and through the Wholesale Channel. The largest sales are made through the Direct Channel. However, PETROPERÚ faces aggressive competition given that in recent years transnational oil companies have entered the market, which are vertically integrated and have greater competitive advantages, offering highly aggressive commercial conditions in search of capturing customers and sales. This situation will be reversed as the NTR's fund conversion units come in, which will optimize its refining margin.

EXTERNAL MARKET

Export revenues were US$156 million, which represented 14% of Total Sales Revenues in 3Q23. The Company exported a volume of 24 KBPD, 35% more compared to the same period in 2022. Among the products, the one most exported during 2023 was No. 6 Fuel Oil, mainly due to the marketing of fuel oil surplus generated by the NTR start-up sequence.

SUPPLY CHAIN

During 3Q23 there have been 142 days of port closures, which has hindered in Talara the transfers of cabotage to the different terminals of the country, as well as the exports of residuals; however, different actions have been deployed in logistics to maintain the supply of fuel.

The progress situation of the projects related to the supply of fuels is as follows:

1. **Terminal Ilo:** as of September 2023, the comprehensive physical progress of 25.8%. In September, the process of reviewing the scope of the project was concluded, so a new engineering study will be carried out in order to obtain the updated investment amount. It is estimated to be completed in the second quarter of 2024. In addition, considering the data of the reevaluation of the project, the technical documentation is being worked on to request from the Provincial Municipality of Ilo a new extension of the deadline for the continuation of the construction activities on the site of the terminal, whose current term expires on December 31, 2023.
2. **Pasco - Ninacaca Supply Plant:** as of September 2023, the comprehensive physical progress of 47.5%. Considering the baseline of the September 2023 schedule. Currently, the strictly necessary actions are being carried out for the preservation and conservation of the equipment and materials that are in the construction area of the project.
3. **Puerto Maldonado Supply Plant:** as of September 2023, the comprehensive physical progress of 59.7% explained by the review of the baseline of the project. It should be noted that to date the comprehensive review of the new scope and amount of investment continues.

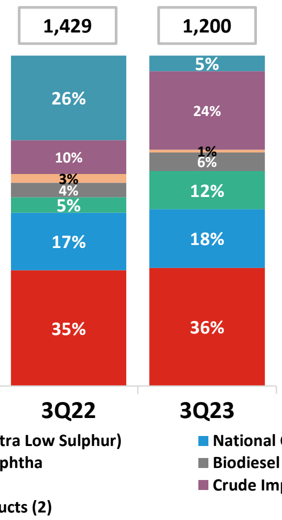
PURCHASES

Purchases

(In millions of US$)

IMPORTS	3Q22
Imported Crude	147
Diesel 2 (ULS)	501
Cracked Naphtha	67
Biodiesel B100	63
Others	388
	1,166

LOCAL	3Q22
Crude Oil	249
Others	14
	263
TOTAL Million US$	1,429



IMPORTS	3Q23
Imported Crude	285
Diesel 2 (ULS)	429
Cracked Naphtha	138
Biodiesel B100	68
Others	54
	974

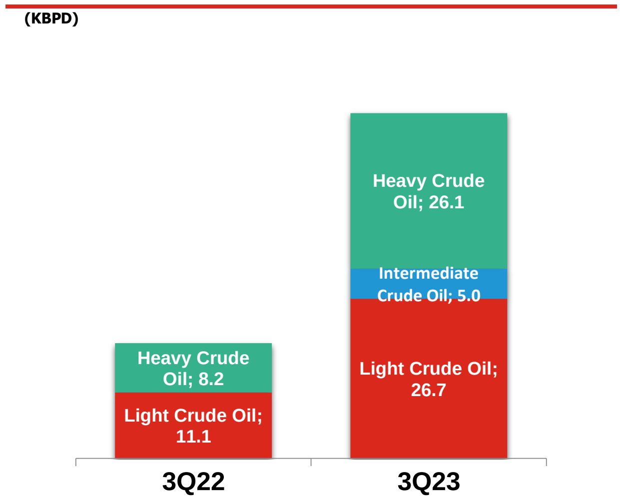
LOCAL	3Q23
Crude Oil	213
Others	12
	225
TOTAL Million US$	1,200

(1) Inputs for formulation of Diesel B5
(2) Includes: HOGBS, Gasoline Aviation, Alcohol Fuel, Natural Gas Condensate and Turbo A1

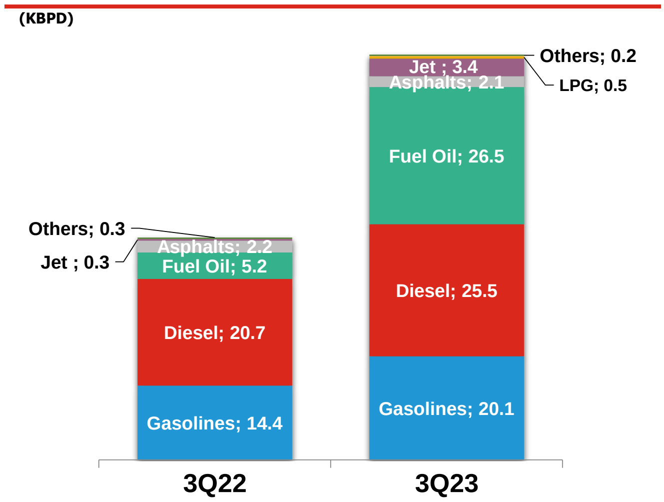
The oil processed in our refineries comes from the local or international market. Local crude oil comes mainly from the northwestern area, mainly in Talara, and is purchased considering a basket of average oil prices. Domestic crude (which includes crude from the Northwest of the country) during 3Q23 represented 43% of Total Purchases while import crude represented 57%. During 3Q23, 63 KBPD of crude oil was purchased compared to the 44 KBPD purchased in the same period in 2022.

Regarding to the purchase of products, in terms of volume, as a percentage of Total Purchases, imported products accounted for 94%, while local purchases accounted for 6%. During 3Q23, 59 KBPD of products were purchased compared to 73 KBPD in the same period 2022. This increase in oil purchases in relation to the purchases of finished products that are more expensive is the effect of the start of production of the NTR, which will allow the decrease in the purchase of finished products to be even smaller when it operates at 100%.

Crude Oil Load



Fuels Produced

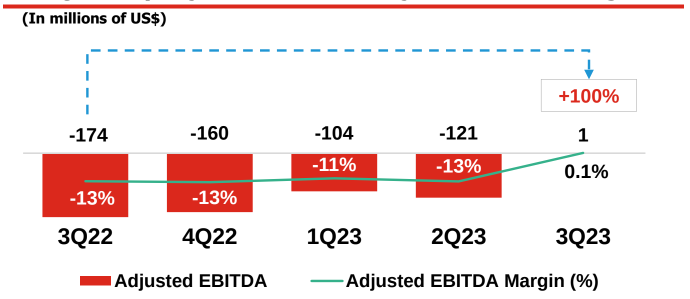


During 3Q23, a higher percentage of Crude Oil was loaded in relation to the same period in 2022 due to progressive onset of NTR. Since the NTR is in the process of being started, a greater amount of fuel oil is still being produced, as it can see in the graph. After blending the crude oil with other products, mostly gasoline and diesel were obtained, which are products of higher value. As can be seen, there is no direct correlation between cargo and production because fuel production also includes the blend of intermediate products.

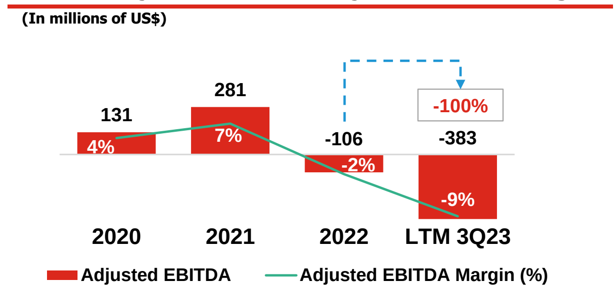
The NTR is in start-up tests, so the volume of crude oil processed is included in the load and the values of the final products produced in this test period are included in the production.

EBITDA

Quarterly Adjusted EBITDA & Adjusted EBITDA Margin



Annual Adjusted EBITDA & Adjusted EBITDA Margin



PETROPERÚ generated an Adjusted EBITDA of US$1 million in 3Q23, compared to US$-174 million in 3Q22 mainly derived from the Gross Profit of 3Q23 contrary to the Gross Loss obtained in 3Q22 (US$35 million vs US$-131 million). The main reasons for the Gross Profit are a better differential between sale and purchase prices compared to September 2022 due to the strategies that have been implemented to optimize the purchase of crude oil and products; as well as strict control in the realization of inventories by product and point of sale.

Operating expenses per business unit are as follows:

OPEX: Operating Expenses

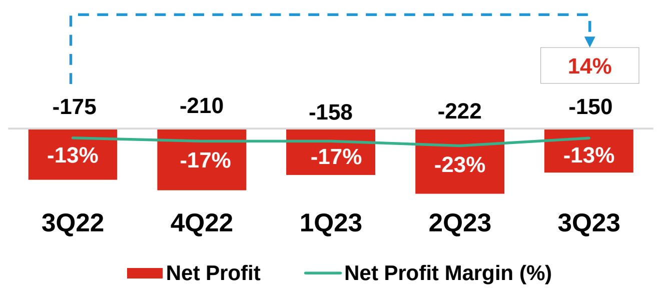
(In thousands of US$)

Business Unit	Executed as of Set22	Executed as of Set23
Refining	192,930	428,686
Distribution & Comercialization	109,039	109,270
Transportion through ONP	49,750	49,767
Exploration & Production (Block I)	6,971	9,331
Others	59,308	94,396
Total	**417,998**	**691,451**

The information shown in the table above does not include employee participation, and the heading "Others" corresponds to expends from Main Office and Rented Units. The refining operation represents the highest operating expenses among all the Company's business units (62% as of September 2023 and 46% as of September 2022); whereas the Distribution and Marketing unit concentrates only 16% through the Supply Plants and Storage Tanks across the country, followed by the ONP with 7%, among others. Currently, the Conchán and Iquitos refineries are in operation, whereas the NTR is in the process of gradual and progressive start-up.

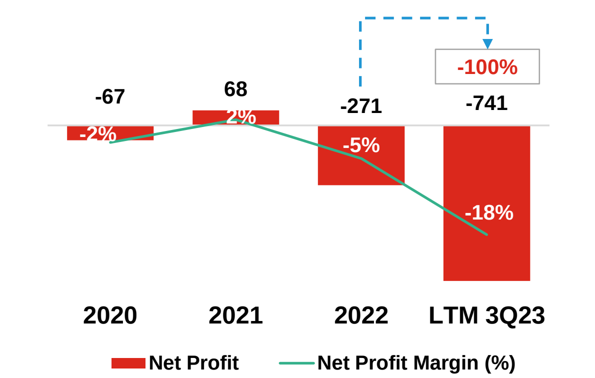
Quarterly Net Profit & Net Profit Margin

(In millions of US$)



Annual Net Profit & Net Profit Margin

(In millions of US$)



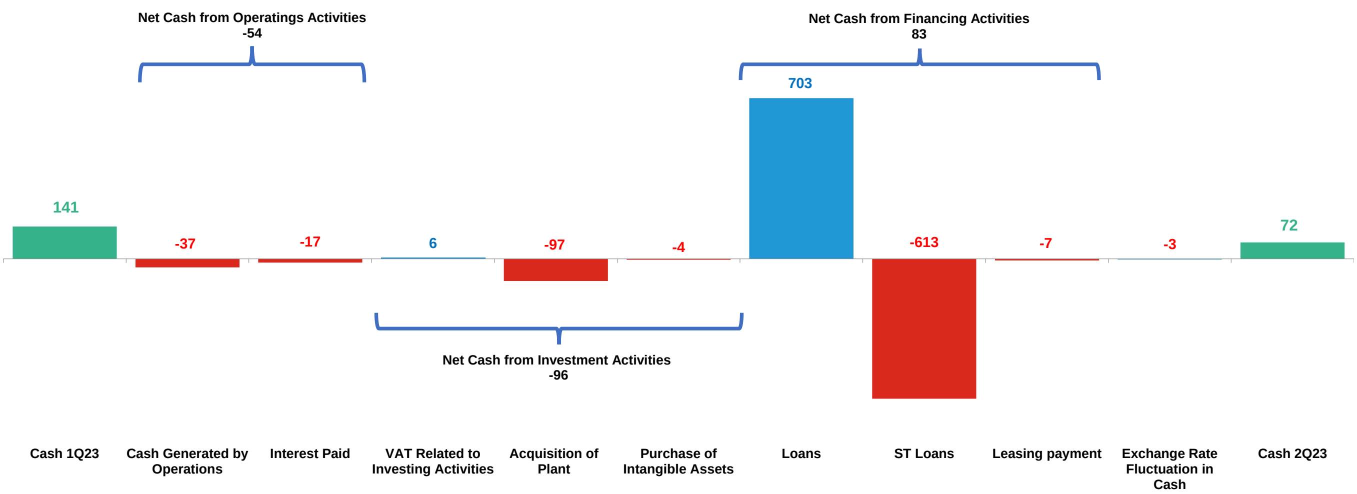
Net Loss in 3Q23 was US$-150 million compared to Net Loss of US$-175 million in 3Q22, mainly due to a better gross performance of the company due to a better differential between sale and purchase price compared to September 2022 due to the strategies that have been implemented to optimize the purchase of crude oil and products; as well as strict control in the realization of inventories by product and point of sale.

Additionally, a lower COGS was caused by a lower purchase of finished products due to the change in the cargo structure in the NTR, due to the use of crude oil instead of imported products for the production of fuels, obtaining a lower cost of production, as well as the revaluation of inventories as a result of the increase in international prices since the end of the last quarter. A greater difference in net exchange (US$21b) compared to 3Q22 (US$-15b) also had an impact.

1.2.2. CASH FLOW STATEMENT

Cash Flow Analysis 3Q23

(In millions of US$)



PETROPERÚ registered a total of US$72 million in cash at the end of 3Q23, compared to US$15 million in 3Q22 and lower than US$141 million of 2Q23. Compared to 2Q23, Cash from Operating Activities in 3Q23 was lower than in 2Q23 (US$-54 million vs US$209 million), this is mainly due to the fact that: i) in 2Q23 the recovery of the tax credit of the VAT was obtained for an amount of approximately US$61 million, a situation that did not occur in 3Q23; (ii) higher payments to crude oil and product suppliers for credit maturities; iii) the commissioning of new NRT units implies higher payments for third-party services, for the purchase of energy and maintenance costs.

On the other hand, at the end of 3Q23 there was a Cash Flow from Investment Activities of US$-96 million versus US$-129 million in 2Q23, due to the fact that the Company is in the last stage of commissioning the NTR, resulting in lower capitalized interest linked to the start-up of the NRT Units compared to 2Q23.

Likewise, the Cash Flow from Financing Activities went from US$-54 million in 3Q22 to US$83 million in 3Q23, mainly since it received more loans from financial institutions for working capital.

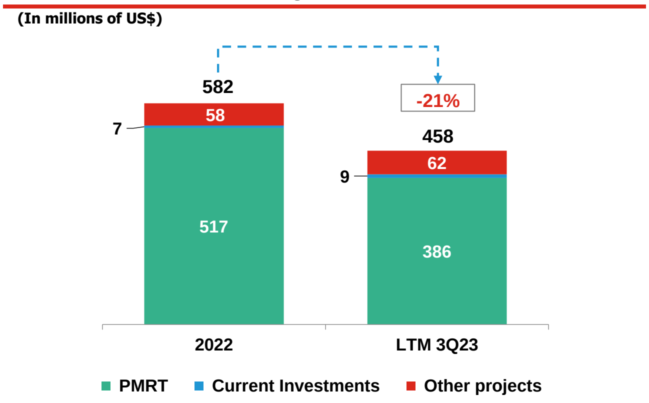
1.2.3. BALANCE SHEET

Total Assets as of 3Q23 amounted to US$10,097 million, 4% higher than 3Q22 (US$9,710 million). This year-on-year variation is mainly explained by a higher balance of net and intangible fixed assets by US$294 million due to the advance of the NTR, the increase in other current and non-current receivables by US$152 million driven by a higher IGV tax credit for the investment in the NTR, offset by the reduction in advances granted to crude oil and product suppliers, additionally, a higher inventory balance of US$103 million mainly due to the higher volume in purchases of Oriente crude oil and to a lesser extent by Chaza and Acordionero, attenuated by lower average cost. In relation to the Price Stabilization Fund, it had a significant negative variation mainly due to the collection made in the month of February 2023 (S/568 million) and the lower sales recorded, which reduced the balance of the fund by US$190 million.

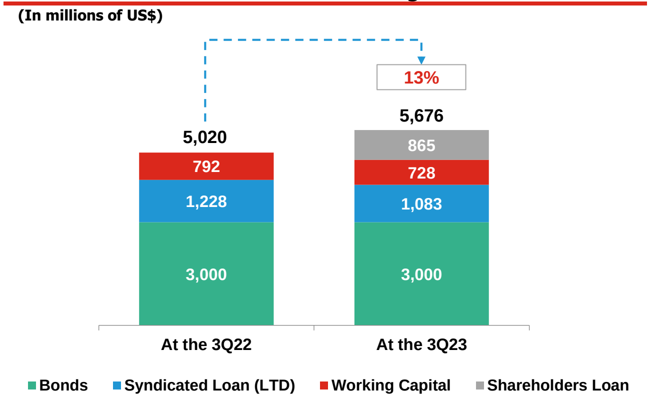
Regarding CAPEX, in 3Q23 there was an execution of US$262 million, lower than the executed in the same period of 2022 (US$386 million). In annual terms, in the last 12 months at the end of September 2023, a total of US$458 million has been executed, 21% lower than what was executed in 2022 (US$582 million). The NTR represents 82% of execution in 3Q23 (US$214 million).

Working Capital as of 3Q23 reached US$-1,537 million compared to US$-1,389 million as of 3Q22. This difference is due to the fact that in September 2022 the State loan was received for S/2,785 million (equivalent to US$750 million), which led to the working capital to US$-1,389 million. However, the higher indebtedness with financing and suppliers caused working capital to be more negative as of September 2023, reaching US$-1,537 million.

CAPEX



Debt Outstanding



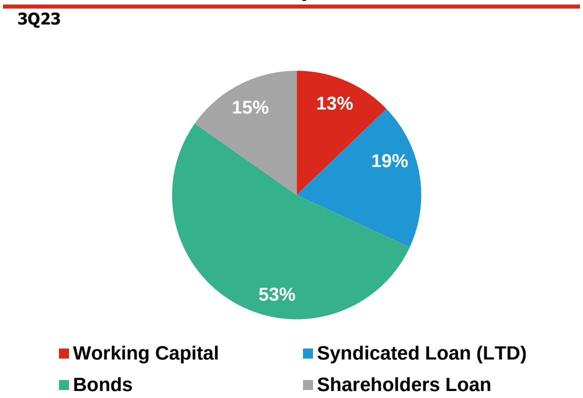
As of 3Q23, Total Debt is 99% US dollars and 1% in soles. The Modified Duration of the 15-year bond is 7.09 years and 9.63 years for the 30-year bond. It is important to mention that the contract of the issued bonds does not contemplate the obligation to comply with the commitments beyond the delivery of financial information. These bonds do not have specific guarantees. It also includes the US$728 million shareholder loan.

Additionally, at the beginning of August 2023, the Company was forced to request, through the Ministry of Energy and Mines, financial support to mitigate the risks of an eventual fuel shortage at the national level, especially in regions where other suppliers do not reach. This responds to a complex situation due to extraordinary and irreversible factors that affected the implementation of the NTR, including social unrest and Cyclone Yaku, situations that generated delays in its start-up, which has recently been completed. Likewise, the request responds to the need to maintain sufficient inventories to guarantee the supply of fuels in the face of the imminent effects that the ENF would cause. To date, the application is still under review.

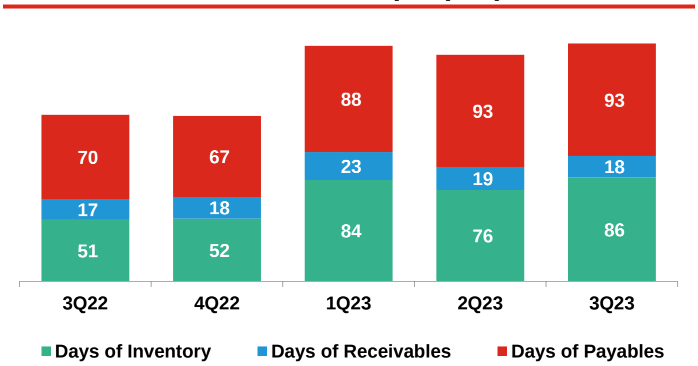
On the other hand, in line with the commitment sustained with bondholders and creditors of the CESCE guaranteed financing in the last quarter, the 2022 Audited Financial Statements were published in August 2023, which, in the auditor's opinion, presented fairly, in all material aspects, the financial position of the company as of December 31, 2023, its results and its cash flows for the year ended on that date, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

To date, the Total Debt is distributed as follows: 53% Bonds, 19% Long-Term Syndicated Loans with CESCE guarantee, 15% Shareholders Loan and 13% Working Capital (the latter does not consider the short-term debt related to the NTR). As of September 30, 2023, US$216.7 million of the syndicated loan with CESCE guarantee has been amortized.

Debt Composition



Cash Conversion Cycle (CCC)



	3Q22	4Q22	1Q23	2Q23	3Q23
Cash Conversion Cycle[1]	-2	3	19	2	11

[1] Days of Inventory + Days of Receivables – Days of Payable

The CCC in 3Q23 reached 11 days, due to a more than proportional increase in inventory turnover with respect to accounts payable turnover, which partly explains the variation from a negative CCC to 3Q22 vs 3Q23.

Finally, Equity increased by US$274 million, due to the financial contribution received in 2022 (US$1,015 million) within the framework of Emergency Decree No. 023-2022, which was offset by the accumulated loss as of September 2023.

1.2.4. FINANCIAL INDICATORS

Ratios

	2020	2021	2022	LTM 3Q23	3Q22	2Q23	3Q23	YoY	QoQ
EBITDA / Financial Expenses	5.8	12.5	-0.7	-1.5	0.4	-2.8	-1.5	-100%	45%
Debt / Assets	61%	58%	59%	60%	53%	61%	60%	7pp	-1pp
EBITDA / Assets (LTM)	1.8%	3.2%	-1.1%	-3.8%	0.5%	-5.7%	-3.8%	-4pp	2pp
Debt / EBITDA (LTM)	34x	18x	-55x	-16x	116x	-11x	-16x	-100%	-49%
Current Rate	0.5x	0.6x	0.9x	0.6x	0.6x	0.6x	0.6x	-6%	1%

Note: Financial Expenses only includes financial expenses for short-term credits. Financial expenses derived from long-term loans are capitalized in accordance with the provisions of IAS-23 Borrowing costs.
The Financial Debt includes the State loan according to DU N°010-2022 per State of US$750 million and approximately US$108 million in canceling documents plus accrued interest.

The EBITDA/Financial Expenses ratio evaluated in the last twelve months was reduced by less than 100% in 3Q23 compared to the same period in 2022, went from 0.4 to -1.5 mainly due to the reduction in EBITDA impacted mainly by: (i) delay in the progressive and gradual commissioning of the NRT process units; (ii) lower sales; (iii) higher exports of residuals from Talara due to the grubbing up process of the NTR, placed at lower prices than the acquisition of the raw material, due to lack of tanking; and iv) higher expenditures derived from the progressive sequence of NRT start-ups, which have an impact on corporate expenses.

Regarding the Financial Debt/Assets ratio, in 3Q23 it increased by 7pp from 53% in 2Q22 to 60% in 3Q23, due to the increase in financial debt to cover mainly the obligations with suppliers for imports of crude oil and NTR products and obligations. Considering the above regarding EBITDA and Financial Debt, as of 2Q23, the Company has a Financial Debt/EBITDA Ratio (LTM) of -16x, below 100% compared to 3Q22, mainly due to negative EBITDA (LTM) by more than 100% compared to the same period in 2022. Finally, at the end of 3Q23, the Liquidity Ratio is similar to that of 3Q22.

1.3. OPERATING RESULTS

PETROPERÚ focuses on three business lines, the participation of each business with respect to the Total Revenue of the Company as of 3Q23 is as follows: 1) refining and commercialization, which represented 99.35%, 2) leasing and sale of certain units, which represented 0.55%, 3) ONP which represented 0.01%, and 4) Block I represented 0.09%.

1.3.1. New Talara Refinery (NTR)

PETROPERÚ has been carrying out various strategies jointly with the supervising company and in coordination with the project contractors, thus achieving that the execution of the Project is in the last stage of safe and progressive start-up and commissioning of the new units, in accordance with their current start-up sequence. In this sense, at the end of September 2023, the NTR registered a comprehensive progress of 99.03%.

Engineering, Procurement and Construction (EPC) Contract for the Process Units

Regarding the EPC Contract with Técnicas Reunidas (TR), there is a physical progress as of September 2023 of 99.86%.

The main advances for each component of the service were:

Detailed Engineering: Completed.
Procurement: Completed.
Construction: Completed.

Commissioning: Completed.

Auxiliary units and complementary works

The EPC Contract activities in charge of Consortium COBRA-SCL UA & TC have reached a progress rate of 97.18% as of September 2023.

Engineering: Completed.
Procurement: Completed.
Construction: Completed.
Commissioning: Completed.

As part of the gradual and progressive start-up process, in August 2023 the Fluid Catalytic Cracking (FCC) unit began operating and the first products were produced, the reception of this unit was made in September 2023.

Currently, the commissioning and warranty testing of the Deep Conversion Unit (FCK) continues, with the expectation of completing this secure boot process in 4Q23.

Financing

The investment amount of the NTR is US$5,539 million, and the sources of financing are composed, on the one hand, by the issuance of bonds representing US$3,000 million, of which US$2,000 million were issued in 2017 (with maturities in 2032 and 2047) and US$1,000 million corresponding to the reopening of the 2047 bond that took place during 1Q21 from which an additional US$155 million was received for the profitability of US$147 million and US$8 million of interest, and, on the other hand, the financing with CESCE guarantee for US$1,300 million. The balance will be offset with own resources generated from the business, a financing alternative that is still under evaluation.

Local Labor Recruitment

As of 3Q23, the workforce was 918 jobs, including personnel from both Contractors (TR and Cobra-SCL Consortium). Local unskilled labor had a participation of 95.6%, exceeding the minimum established by the EIS (70%). Meanwhile, the local skilled labor had a share of 60.3%.

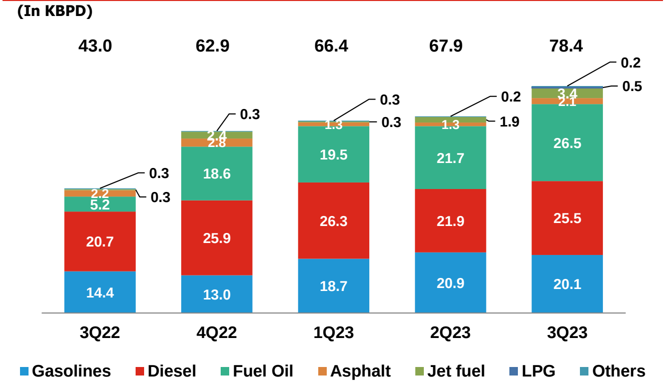
1.3.2. REFINING

Operating Data

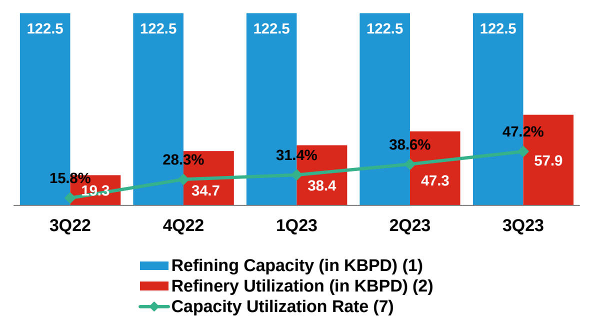
	2020	2021	2022	LTM 3Q23	3Q22	2Q23	3Q23	YoY	QoQ
Refining Capacity (in KBPD) (1)	28	28	123	123	123	123	123	N.A.	N.A.
Refinery Utilization (in KBPD) (2)	11	10	45	45	19	47	58	+100%	22%
Refined Products (in KBPD) (3)	19	16	55	55	55	60	85	N.A.	42%
Capacity Utilization Rate (4)	41%	37%	36%	36%	16%	39%	47%	31pp	9pp
Volume Sales (in KBPD)	123	125	99	99	108	98	102	-5%	5%

Notes:
(1) Maximum amount of crude that can be introduced into the first step of refining process, referred to as atmospheric distillation.
(2) Total amount of crude, asphalts residual and diesel reprocess introduced into the first step of the refining process, referred to as atmospheric distillation.
(3) Total amount of refined products produced by one complete cycle of the refining process.
(4) Defined crude refinery utilization (in thousands of average barrels per day for the period) divided by atmospheric distillation refining capacity.

Refined Products



Capacity Utilization Rate



(1) Maximum amount of crude that can be introduced into the second step of the refining process, referred to as atmospheric distillation.
(2) Total amount of crude, asphalts reside, and diesel reprocess introduced into the second step of the refining process, referred to as atmospheric distillation
(3) Defined as crude refinery utilization (in thousands of average barrels per day for the period) divided by atmospheric distillation refining capacity.

1.3.3. NORPERUANO OIL PIPELINE (ONP)

The pumped crude oil volumes accumulated as of September 2023 are the following:

SECTION	PUMPED VOLUME AT SEPTEMBER (KBPD)
SECTION I	1.9
SECTION II	0
ORN	0

During the period January - September 2023, there was a lower volume transported compared to the same period of 2022. On August 28, 2023, the contingency for third parties was registered in the progressive Km 24+332 and on September 20, 2023, also another contingency for third parties was registered in the progressive Km 62+459 of Section I, immediately the Contingency Plan was activated, the definitive repair was executed 100%. As of September 30, 2023, Section I has been on a scheduled shutdown since April 29, 2023, due to low crude oil inventories at Station 1.

Regarding Section II, it continues to be stopped, mainly due to low crude oil inventories at Station 5. In July, a contingency was registered at the progressive Km 323+744 (July 14, 2023). In addition, in August a contingency was registered at the progressive Km 392+710 (August 07, 2023), events that were caused by third parties, immediately activating the Contingency Plan. It is specified that these contingencies already have 100% definitive repair.

The North Branch Pipeline (ORN) has not been pumped since February 21, 2020, due to the fact that operations in Block 192 continue to be paralyzed. As of February 27, 2020, there are no deliveries of Loreto crude oil at Andoas Station.

For both Section II, Section I and ORN Section of the ONP, the calculation of the volume spilled and the volume recovered will be estimated when crude oil transport operations are resumed by the ORN. The ORN remains unpumped since February 21, 2020.

The state of the contingencies occurred in 2023, were the following:

DATE	LOCATION	SITUATION
20.09.23	Km 62+459 - Section I	- Pipeline repair: temporary repair executed, pending permanent repair. - Environmental Cleanup: pending. - A company was hired for the custody and surveillance of containment barriers, with 08 people of local labor. - The construction of gantries was completed to continue with the definitive repair activities. - On 19.10.23, an inspection was carried out by the Prosecutor's Office and OSINERGMIN.
04.09.23	Km 355+259 - Section II	- Final Repair: Executed (100%) - Environmental Cleanliness: pending.

		- Access is enabled and the impacted area is determined.
28.08.23	Km 24+332 - Section I	- Pipe repair: 100% completed. - Environmental Cleanliness: pending. - Barrier protection work has been carried out with 08 local workers since 30.09.23. - On 21.09.23 the invitation was made to companies to quote the recovery service. - After the evaluation of the proposals received for the recovery service, adjustments were made to the technical conditions and a second market study will be carried out.
07.08.23	Km 392+710 - Section II	- Final Repair: Executed (100%) - Environmental Cleanliness: pending. - Preliminary clean-up and recovery of hydrocarbon residues began on 10.08.23 and are scheduled to be completed on 22.10.23. From 23.10.23 to 04.11.23 the area will be secured. - The construction of collection center No. 8 for hydrocarbon waste was completed. - The third photogrammetric inspection was carried out showing areas free of supernatant hydrocarbon.
14.07.23	Km 323+824 - Section II	- Final Repair: Executed (100%) - Environmental Cleanliness: pending. - On 13.09.23, the preliminary cleaning and recovery of hydrocarbons service began at Km 323+744 Section II, which continues without news.
30.05.2023	Km 392+483 - Section II	- Final Repair: Executed (100%) - Environmental Cleanliness: pending. - "Support service for containment activities, crude oil recovery and preliminary cleanup of the area impacted in the emergency at Km 392+487 of Section II of the ONP". Containment booms were installed in the area. - The "Service of securing, control and protection of the areas affected by the crude oil spill that occurred at Km 392+483 of Section II of the ONP" is carried out, the custody of the barriers began on 09.08.23. - In review of the First Response Plan (PPR) to upload it to OEFA's Plus D platform.
15.05.2023	Km 358+835 - Section II	- Final Repair: Executed (100%) - Hydrocarbon waste collection work is being carried out in the area. - In review of the First Response Plan (PPR) to upload it to OEFA's Plus D platform.
10.05.2023	Km 400+811 - Section II	- Final Repair: Executed (100%) - Authorities of the San Pedro Native Community (Marañón River) request to be included in the hydrocarbon recovery work. He was told that he will coordinate with the mayor of Tupac Amaru I. - The First Response Plan (PPR) was uploaded to OEFA's Plus D platform.
02.02.2023	Km 399+865 - Section II	- Final Repair: Executed (100%) - Verification of barriers at checkpoints 0, 1, 2, 3 and 4. - Night guards are carried out at the temporary collection center for hazardous solid waste. - Custody and surveillance service runs smoothly.
19.01.2023	Km 390+210 - Section II	- Final Repair: Executed (100%) - A number of sheltering and sheltering activities are carried outin the area. - Cleaning, control and securing of containment barriers in the WAMAK and KAYAMAS creek sectors. - Verification of daytime guarding and hazardous waste warehouses.
02.01.2023	Km 43+106 / Km 43+499 - Section I	- Final Repair: Executed (100%) - On 10.04.23, the "Securing, control and protection service of the areas affected by the crude oil spill at Km 43+190 and Km 43+499 Section I of the ONP" was initiated. - The following activities are carried out: ▪ Control of three (03) containment barriers. ▪ Patrolling, surveillance, cleaning and gathering of vegetation at checkpoints.

The historical statistics of the contingencies that occurred in the ONP can be seen on the PETROPERÚ website, which is updated when a new contingency arises. See the following link:

https://oleoducto.petroperu.com.pe/en/contingency-plan/statistics/

On the other hand, maintenance activities are carried out in compliance with the Annual Maintenance Plan that is prepared according to the recommendations of the Integrity and Reliability area of the ONP. Likewise, compliance with this Plan is also permanently supervised by Supervisory Agency for Investment in Energy and Mining (OSINERGMIN) with the aim of ensuring a permanent, safe and quality hydrocarbon transport service.

Additionally, in order to aspire to a safe and reliable operation of the ONP, the most relevant inspection and monitoring services are:

1. Internal Inspection Service of 16", 24" and 36" DN Pipeline of the ONP, which includes five high-resolution inspection techniques: geometric, inertial, thickness loss (UT), detection of longitudinal and circumferential cracks (UTCD).
2. Air Patrol Service and Topographic Survey with LIDAR of the ONP and ORN.
3. Integral Geotechnical Study of the KM 318 to KM 331 section of the ONP.
4. Topographic and Bathymetric Survey Service in the ONP and ORN (LIDAR, GREEN LIDAR and Multibeam Interferometric Echosounder).
5. Physical Verification and Engineering of the Maintenance of the Right of Way of the ORN and ONP.
6. External and Internal Corrosion Monitoring Service of the ONP.
7. Inspection Service, Quality Control of Pipe Reinforcements and Failure Analysis in the ONP and ORN.
8. General Inspection of the Port Facilities of the Bayóvar Maritime Terminal.
9. General Inspection Service of the Storage Tanks of the ONP and ORN.
10. Pipeline Inspection Service in ONP and ORN Stations.
11. Update of the Study of Security Risks in the ONP and ORN.
12. Service of Inspection of Electrical Networks and Instrumentation in Stations of the ONP and ORN

In compliance with the strategic objective of operating safely, efficiently and protecting the environment, it is important to note that the General Management has approved the implementation of the comprehensive strategy and action plan to guarantee the viability of the operations of the North Peruvian Pipeline.

Due to the forecast of the ENF, a Contingency Plan has been put in place in order to mitigate possible adverse effects. This includes preventive measures, especially in the ONP, to protect workers, contractors and communities, as well as Petroperú facilities. Actions have been activated such as the reinforcement of protective walls, cleaning of areas near the Huancabamba River and adjacent streams to avoid flooding and damage to stations 8 and 9, which are the most vulnerable to the phenomenon.

1.3.4. EXPLORATION AND PRODUCTION

Block 64

PETROPERÚ has been the operator of the Block since September 27, 2021. The Development EIS is currently being prepared. In addition, collection permits were obtained from SERFOR and PRODUCE.

The Terms of Reference, the Preliminary Environmental Assessment and the Citizen Participation Plan were submitted to SENACE for evaluation. The Morona Base Camp continues to operate. The problem remains regarding the lack of definition regarding the requirement or not of Prior Consultation. In this regard, a meeting has been held with SERFOR and MINCUL and is being coordinated with the Ministry of Foreign Affairs.

Block 192

Since February 28, 2023, PETROPERÚ is the only operator of Block 192 whose operation will begin when Perupetro approves the incorporation of an operating partner. Altamesa, which would be the operating partner of PETROPERÚ, has obtained the qualification of Perupetro, and the procedures for the transfer of PETROPERÚ's stake in favor of Altamesa have begun.

The activities that PETROPERÚ carries out in the field are pre-operational and include road maintenance, waste management, identification of environmental findings of responsibility of previous operators/administrators, attention to environmental events that are generated due to the state of the facilities, rehabilitation of the Andoas Camp to serve the personnel (food, hotels, fumigation), surveillance of the facilities, electricity generation, among others.

Block I

PETROPERÚ assumed the operation and production of hydrocarbons in Block I from December 27, 2021, to October 21, 2023, and from October 22, 2023 it will continue with the operation of said lot in accordance with the new License Agreement that is valid for 2 years.

At the end of September 2023, PETROPERÚ managed to reach production levels of the order of 508 barrels of oil per day and 3.3 million cubic feet per day of natural gas, ensuring the operational continuity of Block I.

Block VI and Block Z-69

PETROPERÚ has been taking the necessary steps to take over the operation of Block VI as of October 22, 2023, and Block Z-69 as of November 16, 2023.

2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

2.1. ENVIRONMENTAL MATTERS

PETROPERÚ frames its environmental management and performance under the strategic concept of generating shared economic value for the Company and its Stakeholders, with corporate responsibility and in permanent search for the sustainability of its businesses, the environments and populations where it operates, under the guidance of the UN Sustainable Development Goals (SDG 2030).

Regarding exploration and exploitation activities in Block 64, as part of the preparation of the detailed EIS for exploitation, SERFOR and PRODUCE have approved the Collection Authorizations. Regarding Block I, the Ministry of Energy and Mines declared the end of the evaluation procedure of the "Abandonment Plan for Termination of the Temporary License Contract for the Exploitation of Hydrocarbons in Block I", determining that it is not appropriate to continue with the evaluation procedure given that there are no components that must be removed or abandoned from Block I.

In relation to the ONP, regarding emergency attention, it is reported that in the last quarter a total of five (05) environmental emergencies have been reported, in addition to the six (06) reported in the first quarters of 2023 in the route of the ONP, according to the following detail:

DATE	PROGRESSIVE	SECTION	ORIGIN
20.09.23	Km 62+459	Section I	Made by third parties.
04.09.23	Km 355+210	Section II	Made by third parties.
28.08.23	Km 24+332	Section I	Made by third parties.
07.08.23	Km 392+710	Section II	Made by third parties.
14.07.23	Km 323+824	Section II	Made by third parties.
30.05.23	Km 392+483	Section II	Made by third parties.
15.05.23	Km 358+835	Section II	Made by third parties.
10.05.23	Km 400+818	Section II	Made by third parties.
02.02.23	Km 399+860	Section II	Made by third parties.
18.01.23	Km 390+184	Section II	Made by third parties.
02.01.23	Km 43+106 y Km 43+499	Section I	Made by third parties.

In this regard, PETROPERÚ has been acting in accordance with the emergency response scheme established in the legal regulations in force and in our Emergency Response Plans reported to the Competent Authority.

2.2. SOCIAL MATTERS

During 3Q23, PETROPERÚ has developed activities that reaffirm its commitment with its main stakeholders through risk management and seeking to contribute, through activities that contribute to local development, to the improvement of education and health, the economic reactivation of their communities and the strengthening of initiatives in a joint work with local, provincial and regional authorities.

In relation to the education projects, the "Jinkay" II stage Educational Project was carried out, which seeks to improve the learning of more than 150 children from the native communities of Morona (Arutam, Fernando Rosas, Nueva Musa Kandashi and Nazareth), in the Loreto region, which will be implemented through activities aimed at school leveling in mathematics and communication during 01 year and a half, in addition to receiving educational material that will allow them to develop the program more efficiently.

With respect to health, between July and August, 07 medical campaigns were carried out with 9,306 medical attentions in the following specialties: General Medicine, Pediatrics, Endocrinology, Gastroenterology, Ophthalmology, Dentistry, Physical Therapy and Psychology for the benefit of the population in the area of influence.

In July, the Cacao production project began in Section II of the ONP, which proposes to promote and strengthen the cacao value chain for four years in the native communities within the area of influence of this section, where 80 hectares of cacao will be installed through an agroforestry production system that will be marketed under associative models that provide sustainability.

PETROPERÚ is committed to micro-entrepreneurs, so in September, the Entrepreneurship Fair was inaugurated in Talara's Plaza Grau, as part of the celebrations for the 25th anniversary of Talara's Tourism Week, with the participation of more than 100 entrepreneurs from the province. For 03 days, the public had free access to the products offered for sale and, in this way, to promote the different business initiatives resulting from the training provided by PETROPERÚ in: marine handicrafts, gastronomy, pastry, confectionery and handicrafts, among others.

Finally, the project for the maintenance, rehabilitation and restoration of the gardens and green areas of the Pariñas District in Talara was carried out with the purpose of recovering the green areas and creating awareness of the necessary care to maintain them.

2.3. CORPORATE GOVERNANCE

In compliance with the provisions set forth in Emergency Decree No. 023-2022, by means of which extraordinary economic and financial measures were approved in order to avoid fuel shortage at national level, the Board of Directors of PETROPERÚ S.A. approved to submit to the consideration of the General Shareholders' Meeting the amendments to several articles of the Company's Bylaws, Internal Regulations of the Organization and Functioning of the Board of Directors and the Regulations of the General Shareholders' Meeting. The amendments were approved by the General Shareholders' Meeting at its Universal Session held on September 25, 2023.

On September 26, 2023, the Board of Directors approved the proposal of the new basic organizational structure of PETROPERÚ S.A. in accordance with the Restructuring Plan of PETROPERÚ S.A. At its Meeting No. 032-2023 held on September 26, 2023, the Board of Directors approved the proposal of the new basic organizational structure of PETROPERÚ S.A. in accordance with the Restructuring Plan of PETROPERÚ S.A.

On September 29, 2023, the General Shareholders' Meeting approved the Annual Report corresponding to fiscal year 2022, as agreed by the Board of Directors at its Meeting 031-2023 on September 21, 2023.

3. COPORATIVE ACTIONS

In compliance with paragraphs 4.1 and 4.2 of Emergency Decree 023-2022, the Company has been implementing the Restructuring Plan aimed at strengthening its governance, financial sustainability and its operations nationwide.

The plan prepared by the Arthur D. Little and Columbus MB Latam Inc. consortium has been approved by the Board of Directors and presented to the General Shareholders' Meeting on July 25, 2023.

Regarding ESG management, PETROPERU has been developing 3 activities, which are in charge of the S&P Global Group, which seek to make the company visible in the ESG standard at a local and international level:

ESG Score: is an objective (quantitative) evaluation of a company's performance based on environmental, social and governance criteria. In March 2023, the ESG Score of 28 was obtained in the Corporate Sustainability Assessment (CSA). Preliminary steps are currently being taken to obtain the necessary information and initiate the CSA 2023.

TCFD Report: is the Task Force on Climate Related Financial Disclosures. S&P Global has prepared the estimate of transition and physical risks. A preliminary report is available for dissemination to the market.

ESG-focused Strategy and Sustainability Plan: specialized support on ESG issues to prepare the ESG strategy and sustainability plan. In the first part of the year, S&P Global held two workshops in which initiatives focused on reducing CO2 emissions (Quick Wins) were presented. In the second part of the year, presentation workshops were held with the participation of senior management and corporate management on the strategy that should be promoted in the short, medium and long term. Currently, the Strategy and Sustainability Plan service with ESG focus is in the final stage, so the necessary coordinations are being made for the final presentation to the Board of Directors, which is estimated for the end of 2023.

4. FINANCIAL SUMMARY

4.1. INCOME STATEMENT

In Millions of US$	2020	2021	2022	LTM 3Q23	3Q22	2Q23	3Q23	YoY [1]	QoQ[2]
Domestic Sales	2,818	3,801	4,889	3,648	1,176	813	977	-17%	20%
Exports	228	356	628	512	181	122	156	-14%	28%
Other Revenue	76	62	64	70	12	15	15	23%	-1%
Total Revenue	3,122	4,218	5,581	4,230	1,369	949	1,147	-16%	21%
COGS	-2,862	-3,764	-5,540	-4,541	-1,500	-1,082	-1,112	-26%	3%
COGS (% of Revenue)	92%	89%	99%	107%	-110%	-114%	-97%	13pp	17pp
Gross Profit	**259**	**454**	**41**	**-311**	**-131**	**-133**	**35**	**+100%**	**+100%**
Gross Margin (%)	8%	11%	1%	-7%	-10%	-14%	3%	13pp	17pp
SG&A	-259	-194	-270	-310	-40	-58	-103	+100%	78%
SG&A (% of Revenue)	8%	5%	5%	7%	3%	6%	9%	6pp	3pp
Operating Profit	**0.2**	**260**	**-229**	**-621**	**-172**	**-191**	**-68**	**60%**	**64%**
Operating Margin (%)	0.01%	6.17%	-4.11%	-15%	-13%	-20%	-6%	7pp	14pp
Net Profit	**-67**	**68**	**-271**	**-741**	**-175**	**-222**	**-150**	**14%**	**33%**
Net Profit Margin (%)	-2%	2%	-5%	-18%	-13%	-23%	-13%	0.3pp	10pp
Adj. EBITDA	**131**	**281**	**-106**	**-383**	**-174**	**-121**	**1**	**+100%**	**+100%**
Adj. EBITDA Margin (%)	4%	7%	-2%	-9%	-13%	-13%	0.1%	13pp	13pp
Adj. EBITDA (LTM)	**131**	**281**	**-106**	**-383**	**44**	**-558**	**-383**	**-100%**	**31%**

(1) Year-over-year (YoY): Compare financial results with those of the same period in the previous year.
(2) Quarter-on-quarter (QoQ): Compare financial results with those of the same period in the previous quarter.

4.2. CASH FLOW STATEMENT

In Millions of US$	2020	2021	2022	LTM 3Q23	3Q22	2Q23	3Q23	YoY	QoQ
Initial Balance	**376**	**85**	**240**	**15**	**32**	**111**	**141**	**+100%**	**27%**
Operating Cash Flow	455	363	-1,261	-319	55	209	-54	-100%	-100%
Capital Expenditures	-962	-825	-656	-571	-89	-129	-96	-8%	25%
Cash Flow from Financing	224	629	1,774	952	18	-54	83	+100%	+100%
Changes in the Exchange Rate	-8	-12	-8	-6	-1	3	-3	-100%	-100%
Final Balance	**85**	**240**	**89**	**72**	**15**	**141**	**72**	**+100%**	**-49%**

Final Balance is affected by the exchange rate fluctuation on cash.

4.3. BALANCE SHEET

In Millions of US$	2020	2021	2022	AS OF 3Q23	3Q22	2Q23	3Q23	YoY	QoQ
Current Assets	951	1,459	2,093	1,955	2,060	1,667	1,955	-5%	17%
Non-Current Assets	6,308	7,227	7,848	8,142	7,650	8,059	8,142	6%	1%
Total Assets	**7,260**	**8,686**	**9,942**	**10,097**	**9,710**	**9,726**	**10,097**	**4%**	**4%**
Short Term Debt	1,197	825	1,002	1,770	976	1,629	1,770	81%	9%
Long Term Debt	3,218	4,241	4,851	4,325	4,171	4,327	4,325	4%	-0.1%
Total Debt	4,414	5,065	5,853	6,095	5,147	5,956	6,095	18%	2%
Other Liabilities	1,004	1,711	2,187	2,176	2,715	1,796	2,176	-20%	21%
Total Liabilities	**5,419**	**6,777**	**7,289**	**7,975**	**7,862**	**7,453**	**7,975**	**1%**	**7%**
Stockholders´ Equity	1,841	1,909	2,652	2,122	1,848	2,273	2,122	15%	-7%
Total Capitalization (Debt + Equity)	**7,260**	**8,686**	**9,942**	**10,097**	**9,710**	**9,726**	**10,097**	**4%**	**4%**
Current Liabilities	2,083	2,301	2,265	3,492	3,448	2,995	3,492	1%	17%
Working Capital	-1,132	-843	-172	-1,537	-1,389	-1,328	-1,537	-11%	-16%