Earnings Release

Petroperú

PETROPERÚ[1] Announces Fourth Quarter 2023 Earnings Results - 4Q23

Lima, Peru, February 21, 2023: Petróleos del Perú - PETROPERÚ S.A. (OTC: PETRPE) announced financial and operating results for the fourth quarter ("4Q23") period ended December 31, 2023. For a more comprehensive financial analysis please refer to the Intermediate Financial Statements 4Q23[2] available on the *Superintendencia Mercado de Valores del Perú website - SMV* (www.smv.gob.pe).

HIGHLIGHTS

- **Total Revenue** for 4Q23 decreased by 18% (US$-221 million) compared to 4Q22.
- **Gross Loss** increased 37% YoY[3], from US$-123 million in 4Q22 to US$-168 million in 4Q23.
- **Operating Loss** increased by 29% YoY, from US$-226 million in 4Q22 to US$-292 million in 3Q23.
- **Net Loss** in 4Q23 was US$-293 million compared to US$-210 million in 4Q22 (an increase of 39% YoY).
- **Adjusted EBITDA**[4] decreased from US$-170 million in 4Q22 to US$-211 million in 4Q23.
- Final **Cash Balance** reached US$64 million as of 4Q23 vs. US$89 million as of 4Q22.
- The **Cash Conversion Cycle (CCC)** as of 4Q23, the CCC was -15 days vs. 3 days as of 4Q22. This negative value is due to the greater negotiation with suppliers for the extension of payment dates.
- **NTR[5] integral progress** as of December 2023 was 99.20%. Regarding the Process Units, there is a progress of 99.88%, and a progress of 97.78% regarding the Auxiliary Units.
- **Total Sales Volume** reached 91 KBPD[6] in 4Q23, lower in 17% than 4Q22 (110 KBPD).
- In reference to the **Norperuano Oil Pipeline (ONP)**, there have occurred eleven contingencies from January to December 2023, no contingencies in 4Q23.
- Regarding **hydrocarbon exploration and production activities**, currently, regarding Block 64, the preparation of the Environmental Impact Study (EIS) for the Development of the Situche Central Deposit continues. On the other hand, regarding the Block 192, work is being done on the reactivation and maintenance of roads and accesses to the Block, as well as the Andoas Camp, and first response and cleanup works are being carried out due to environmental events. At the end of 4Q23, in Block I, oil production was in the order of 500 BPD[7] and Associated Natural Gas production was 3.2 MMcf/D[8]. On the other hand, the oil production of Block VI is in the order of 2 KBPD and that of Associated Natural Gas at 3.8 MMcf/D, while the oil production of Block Z-69 is in the order of 4.6 KBPD and that of Associated Natural Gas at 25 MMcf/D.

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

[2] Intermediate Financial Statements for the Fourth 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

[7] BPD: Barrels Per Day.

[8] MMcf/D: Million standard cubic feet 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

At the end of 2023, global economic growth is revised from 2.8% to 3.0%, associated with a better-than-expected performance in the world's major economies. Of particular note is the performance of the United States, whose results confirm the perception of a moderate slowdown, as well as China, where fears of a sharp cooling of the economy were reduced after the release of the results at the end of 3Q23.

However, the world economy is expected to slow down in 4Q23, related to the lagged impact of monetary policy on financial and credit conditions, as well as the high debt levels of the major economies. There is a contrast in the economic performance of the United States and China with respect to economies such as Germany and the United Kingdom.

Similarly, there are risk factors included in the central scenario, related to the geopolitical conflicts in the Middle East and between Russia and Ukraine, as well as the occurrence of the Global El Niño Phenomenon.

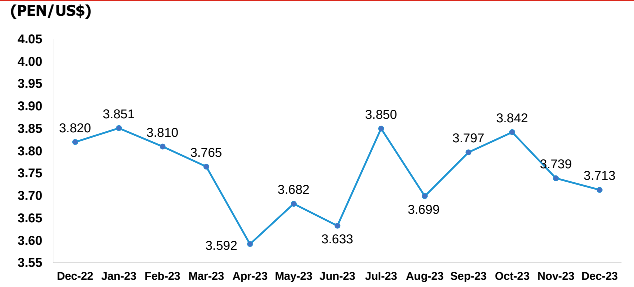
As for the economies of Latin America, there continues to be a markedly different dynamism among the countries of the region. In the case of Brazil and Mexico, both continue to show better performance. Brazil highlights less political uncertainty and fiscal stimuli, which favor the greater dynamism of private consumption. For its part, Mexico has benefited from the increase in exports to the United States. The rest of the countries have shown less dynamism, mainly explained by the adjustment of monetary and credit conditions, as well as the reduction of surplus savings generated during the pandemic, especially Chile and Colombia.

In the case of Peru, a drop in the economy is estimated in the order of 0.5% compared to the growth shown in 2022 of 2.7%. The drop is due to the results recorded in 3Q23, mainly in manufacturing, construction, and services activities. This reflects business expectations in pessimistic territory and lower consumer confidence. There was also a drop in production in the agricultural sector (the largest drop since 1992) due to the impact of the coastal El Niño phenomenon.

Regarding YoY inflation, from September to December 2023 there was a reduction from 5.04% to 3.24%. The items that contributed the most to the variation in inflation in the last twelve months were foods such as potatoes, chicken meat, fresh fish, lemons, as well as electricity.

Regarding the exchange rate, at the end of December it stood at S/ 3.713 per dollar, lower than the end of the previous month at S/ 3,739 per dollar, which shows an appreciation of our currency. So far this year, the BCRP has carried out spot sale operations, placement of CDRs, swaps, among others.

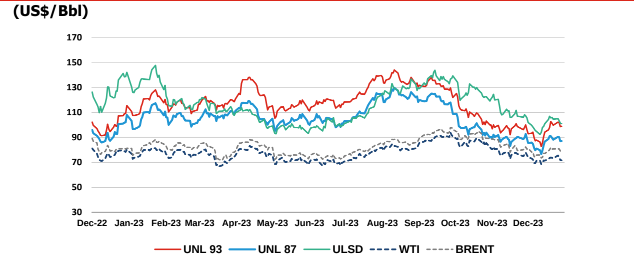
Exchange Rate



	4Q22	1Q23	2Q23	3Q23	4Q23
Exchange Rate	3.820	3.765	3.633	3.797	3.713

Source: SBS

WTI & Other International By-Product Prices



US$/Bl (End of Period)	4Q22	1Q23	2Q23	3Q23	4Q23
UNL 93	115.5	120.8	118.3	122.0	98.9
UNL 87	108.0	111.3	102.9	108.9	87.1
ULSD	142.1	109.6	101.0	139.3	101.0
WTI	80.3	75.7	70.7	90.8	71.7
BRENT	81.3	79.1	75.0	96.3	77.6

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.

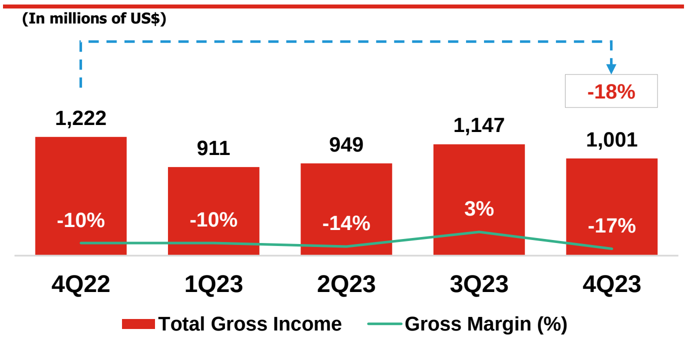
Regarding the oil prices, YTD the average markers of Brent and WTI in 4Q23 are around US$78/Bl and US$72/Bl, respectively. This downward trend in the last quarter was mainly due to the prospects of a surplus world market due to the increase in inventories in the United States, as well as the announcements of the lifting of sanctions on Venezuela, lower demand prospects, among other factors.

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

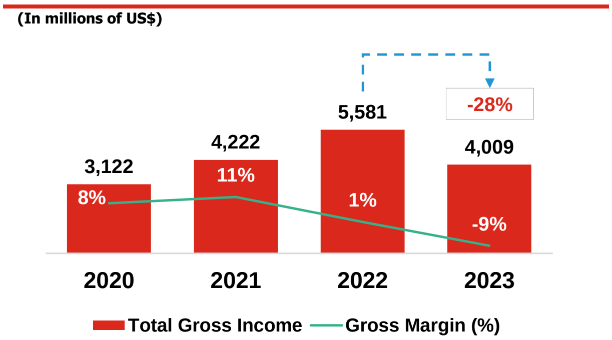
1.2.1. INCOME STATEMENT

Quarterly Revenue & Gross Margin



	4Q22	1Q23	2Q23	3Q23	4Q23
Total Sales (US$ million)	1,196	897	934	1,132	980
Volume (MMbbl)	10.1	7.8	8.9	9.4	8.3

Annual Revenue & Gross Margin



	2020	2021	2022	2023
Total Sales (US$ million)	3,045	4,156	5,517	3,944
Volume (MMbbl)	44.9	45.5	42.6	34.5

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

Total Revenue reached US$1,001 million in 4Q23, a reduction of 18% YoY, mainly as a result of lower sales in the domestic market (73 vs 88 KBPD in 4Q22), in addition to incurring greater discounts to be able to face the competition, taking into account that at that time there were no optimized refining margins of the New Talara Refinery due to the fact that the commissioning of the Flexicoking Unit (FCK) was not yet available. On the other hand, due to the grubbing up process of the NTR, exports of residual originating during this process increased, which has even been marketed at prices lower than the acquisition of the raw material.

In that sense, domestic sales decreased by 17% from US$1,050 million in 4Q22 to US$ 870 million in 4Q23. Exports also declined -24% YoY from US$146 million to US$111 million. Total Sales (excluding Other Revenues) decreased by 18% compared to 4Q22 mainly due to the reduction in LPG and Gasoline volumes sold.

Cost of Goods Sold (COGS) as a proportion of Total Gross Income was 117% in 4Q23 vs. 110% in 4Q22, resulting in a Gross Margin of -17% in 4Q23. Gross Margin went from -10% in 4Q22 to -17% in 4Q23, this is mainly due to the aforementioned reduction in sales revenue. The lower COGS was affected by a lower purchase of finished products due to the change in the cargo structure at the NTR, switching to using crude oil for fuel production, instead of continuing to import finished products resulting in a lower cost of production. COGS decreased by 13% compared to 4Q22 while Total Revenue decreased 18%.

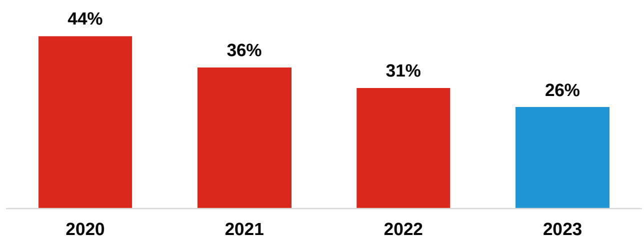
Analysis of the Product Portfolio:

SALES	4Q22	4Q23	YoY	Weight on Total Sales
	SALES (In Millions of US$)			
LOCAL SALES				
LPG [(1) (2)]	21	16	-21%	1.7%
Gasolines/Gasohols [(1)]	243	214	-12%	21.9%
Turbo A-1	29	50	72%	5.1%
Diesel B5 [(1) (2)]	571	536	-6%	54.7%
Industrial Oil [(1) (2)]	20	19	-3%	1.9%
Bunkers (Marine Residual - IFO + Marine Diesel N°2) [(1)]	0	2	N.A.	0.2%
Asphalt Liquid / Asphalt Solid [(1)]	29	23	-19%	2.4%
Others [(1) (3)]	137	8	-94%	0.8%
Total Local Sales	**1,050**	**870**	**-17%**	**88.7%**
EXPORTS				
Virgin Naphtha	26	0	-	0.0%
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	63	109	72%	11.1%
Diesel 2	1	0	-100%	0.0%
Others [(4)]	55	2	-97%	0.2%
Total Exports	**146**	**111**	**-24%**	**11.3%**
Total Local Sales & Exports	**1,196**	**980**	**-18%**	
Other Operational Income[(5)]	26	21	-20%	
TOTAL REVENUE	**1,222**	**1,001**	**-18%**	

(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 4Q23, PETROPERÚ had Sales Revenue of US$1,001 million, 18% lower than in 4Q22 (US$1,222 million), with 89% of sales concentrated in the domestic market, due to the aforementioned reasons regarding the reduction in sales volume in 4Q23 vs 4Q22.

PETROPERÚ Market Share Evolution



At the end of December 2023, the domestic liquid fuel market share was estimated at 26%. Diesel and Gasolines are the best-selling fuels in PETROPERÚ. The share of diesel sales in the local market is approximately 32% and gasoline is approximately 40%.

With the commissioning of the NTR complex (of the 16 process units included in FCK), it is estimated to optimize the production of fuels of greater commercial value and obtain the expected refining margin, allowing it to offer a more competitive commercial offer in the national market and recover market share.

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$)

	2023
LOCAL REVENUE	
LPG [(1)(2)]	57
Gasolines/Gasohols [(1)]	983
Turbo A-1	130
Diesel B5 [(1)(2)]	2,137
Industrial Oil [(1)(2)]	58
Bunkers (Marine Residual - IFO + Marine Diesel N°2) [(1)]	8
Asphalt Liquid / Asphalt Solid [(1)]	68
Others [(1)(3)]	26
Total Local Revenue	**3,467**
EXPORTS	
Virgin Naphtha	-
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	466
Diesel 2	-
Others [(4)]	11
Total Exports	**477**
TOTAL REVENUE	**3,944**

% Participation	
4 Products	**84%**
Diesel B5 [(1)(2)]	54%
Gasolines/Gasohols [(1)]	25%
LPG [(1)(2)]	1%
Turbo A-1	3%
2 Products	**79%**
Diesel B5 [(1)(2)]	54%
Gasolines/Gasohols [(1)]	25%
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 746 affiliated service stations as of December 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 2023 are Diesel B5 (Includes Diesel B5 S-50) and gasoline/gasohols with a participation with respect to Total Revenue of 54% and 25% respectively.

LOCAL MARKET

Sales volume has decreased by approximately 17% compared to the same period of 2022, 4Q23 Revenues from domestic sales reached US$870 million, a reduction of 17% YoY equivalent to US$181 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 (FCK) come in, which will optimize its refining margin.

EXTERNAL MARKET

Export revenues were US$111 million, which represented 11% of Total Sales Revenues in 4Q23. The Company exported a volume of 18 KBPD, 18% less 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 4Q23 there have been 133 days of port closures vs 98 days at same period in 2022, that is, the sum of days for each port of all the ports on the Peruvian coast, 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.

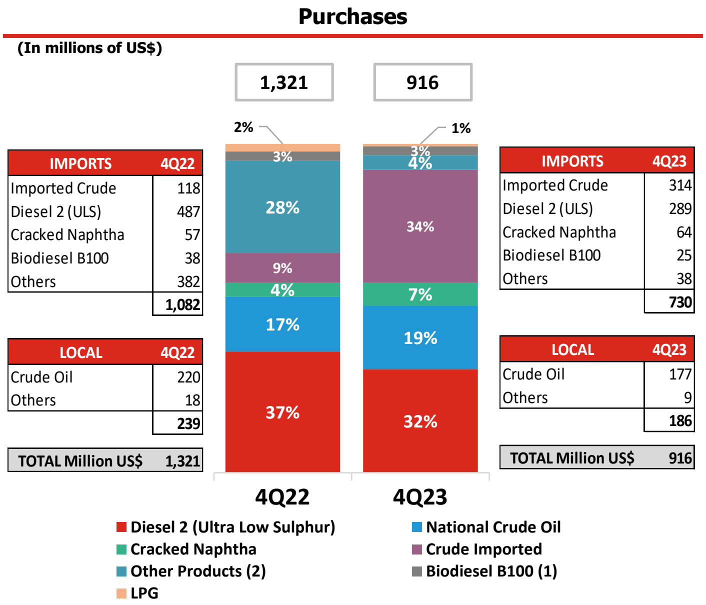
The progress situation of the projects related to the supply of fuels is as follows:

1. **Terminal Ilo:** as of December 2023, the comprehensive physical progress of 25.9%. The execution of the project will continue, mainly advanced in the management works, permitting, updating of the detailed engineering, automation of the terminal, continuation of the preservation of the procurement and assembly of tanks. Regarding the re-evaluation and approval management of the project, it is in the process of contracting the detailed engineering service to obtain the new investment amount, which is estimated to be completed during the second quarter of 2024.

2. **Pasco - Ninacaca Supply Plant:** as of December 2023, the comprehensive physical progress of 47.5%. Currently, there is only the contract for the Plant Surveillance, until the resumption of the service and/or its liquidation. In addition, it is in the process of being resolved by mutual agreement with the Supervision.

3. **Puerto Maldonado Supply Plant:** as of December 2023, the comprehensive physical progress of 59.7%. The execution of the project continues, mainly advancing the permitting work packages. The project is being re-evaluated considering the need to include additional components, such as: external drainage system, access road, among others.

PURCHASES



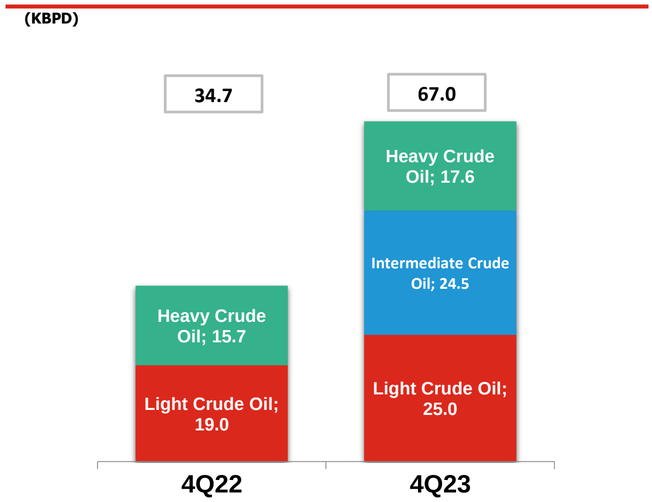
(1) Inputs for formulation of Diesel B5
(2) Includes: HOGBS, Gasoline Aviation, Alcohol Fuel, Natural Gas Condensate and Turbo A1

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 4Q23 represented 38% of Total Purchases while import crude represented 62%. During 4Q23, 61 KBPD of crude oil was purchased compared to the 43 KBPD purchased in the same period in 2022.

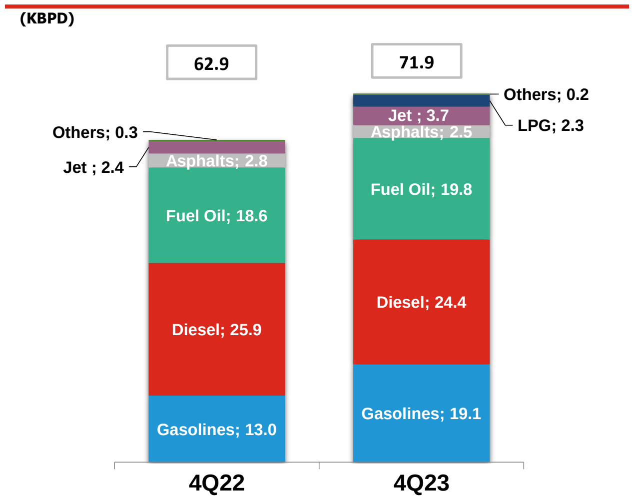
Regarding to the purchase of products, in terms of volume, as a percentage of Total Purchases, imported products accounted for 92%, while local purchases accounted for 8%. During 4Q23, 38 KBPD of products were purchased compared to 74 KBPD in the same period 2022.

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

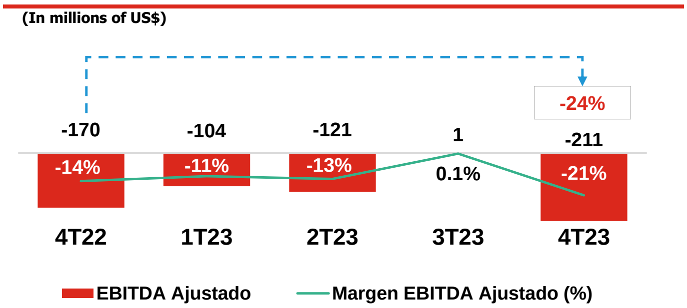


During 4Q23, a higher percentage of Crude Oil was loaded in relation to the same period in 2022 due to progressive onset of NTR. Since the NTR is in the process of being started, a greater amount of fuel oil is still being produced, as it can see in the graph. After blending the crude oil with other 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.

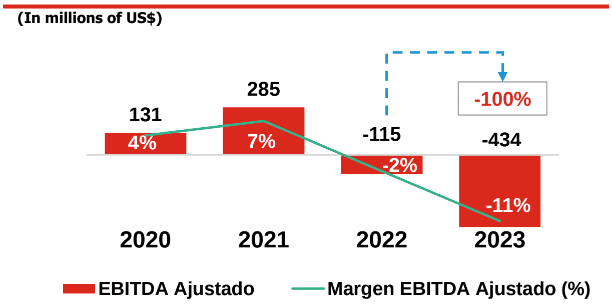
The NTR is in start-up tests, so the volume of crude oil processed is included in the load and the values of the final products produced in this test period are included in the production, as the NTR stabilizes, the production of residual products will be significantly lower in line with an optimal production model.

EBITDA

Quarterly Adjusted EBITDA & Adjusted EBITDA Margin



Annual Adjusted EBITDA & Adjusted EBITDA Margin



PETROPERÚ generated an Adjusted EBITDA of US$-211 million in 4Q23, compared to US$-170 million in 4Q22 mainly derived from the Gross Profit of 4Q23 greater than the Gross Loss obtained in 4Q22 (US$-168 million vs US$-123 million).

Operating expenses per business unit are as follows:

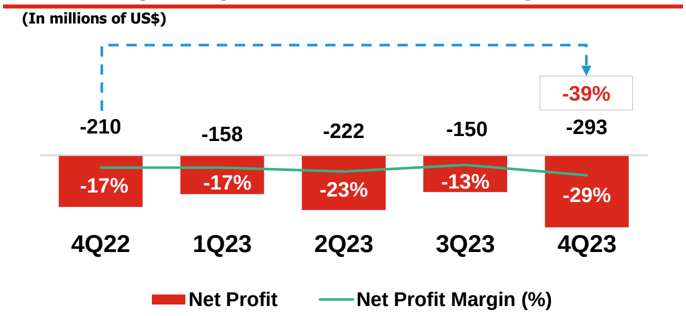
OPEX: Operating Expenses

(In thousands of US$)

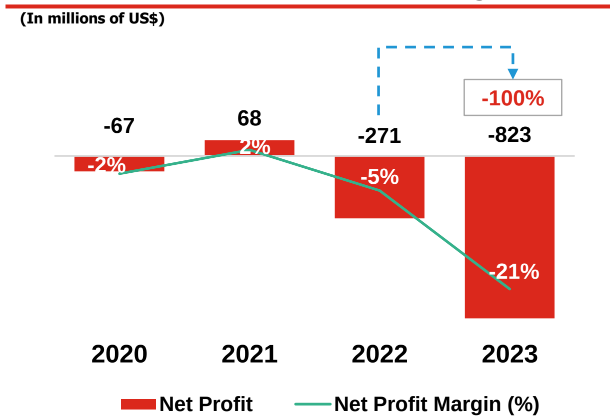
Business Unit	Executed as of Dec22	Executed as of Dec23
Refining	297,765	669,106
Distribution & Comercialization	145,021	147,766
Transportion through ONP	69,115	74,770
Exploration & Production (Block I)	10,025	30,499
Others	102,928	161,308
Total	624,854	1,083,450

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 December 2023 and 48% as of December 2022), mainly due to the progressive start-up of the NTR (increase in material consumption and depreciation of the new units commissioned); while the Distribution and Marketing unit concentrates only 14% through the Supply Plants and Storage Tanks throughout the country, followed by the ONP with 7%, among others. Currently, the Conchán, Iquitos and NTR refineries are in operation.

Quarterly Net Profit & Net Profit Margin



Annual Net Profit & Net Profit Margin

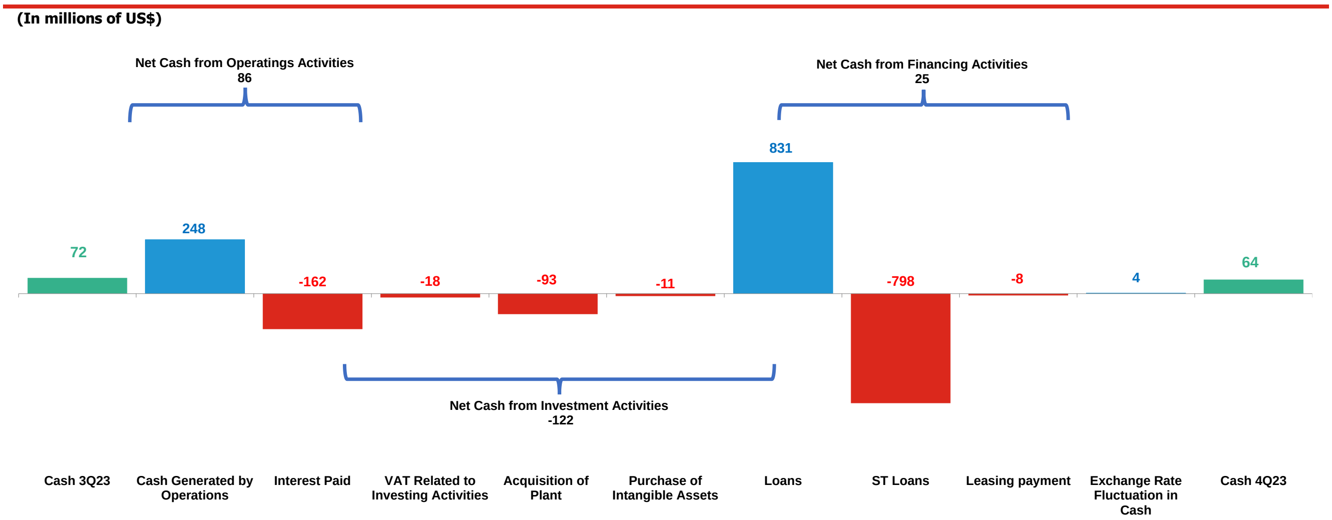


Net Loss in 4Q23 was US$-293 million compared to Net Loss of US$-210 million in 4Q22, mainly due to the Company's lower gross performance because of reduced sales due to the delay in the completion of the comprehensive commissioning of the NTR and the increase in operating expenses; in addition, the net loss was impacted by higher financial expenses.

This situation was mitigated by a lower COGS derived from a lower purchase of finished products due to the change in the cargo structure in the NTR, starting to use crude oil instead of imported products for the production of fuels, obtaining a lower cost of production. A greater difference in net exchange (US$-17 million) compared to 4Q22 (US$16 million) also had an impact.

1.2.2. CASH FLOW STATEMENT

Cash Flow Analysis 3Q23



PETROPERÚ registered a total of US$64 million in cash at the end of 4Q23, compared to US$97 million in 4Q22 and lower than US$72 million of 3Q23. Compared to 3Q23, Cash from Operating Activities in 4Q23 was greater than in 3Q23 (US$86 million vs US$-54 million), this is mainly due to the fact that: i) lower outflows because the rescheduling of payments for imported products (mainly ULSD) was managed, and the crude oil necessary for the NTR has been purchased with longer payment terms between 120 and 180 days; ii) US$23 million was received in 3Q23 and US$32 million in 4Q23. These two favorable factors were attenuated by, iii) The payment of half-yearly interest in December 2023 for the issuance of CESCE Bonds and loan, considering that, as the Company is in the last stage of commissioning the NTR, higher interest is generated that is charged to the financial expense, linked to the start-up of the NTR Units.

On the other hand, at the end of 4Q23 there was a Cash Flow from Investment Activities of US$-122 million versus US$-96 million in 3Q23, due to the payment of half-yearly interest in December 2023 for the issuance of CESCE Bonds and loan, taking into account that, as the Company is in the last stage of commissioning the NTR, lower capitalized interest is generated linked to the commissioning of the NTR Units.

Likewise, Cash Flow from Financing Activities went from US$83 million in 3Q23 to US$25 million in 4Q23, due to higher loans from financial institutions for working capital than in the previous quarter.

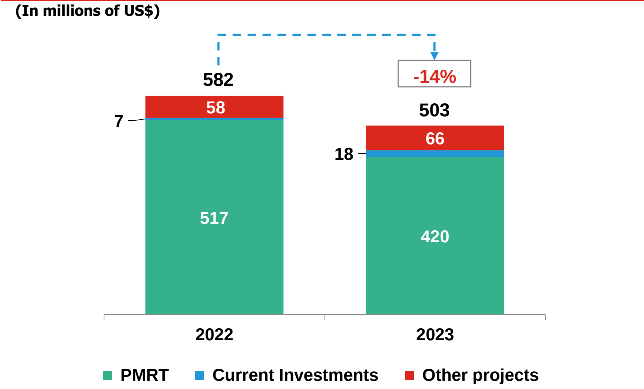
1.2.3. BALANCE SHEET

Total Assets as of 4Q23 amounted to US$10,169 million, 2% higher than 4Q22 (US$9,942 million). This YoY variation is mainly explained by a higher non-current asset compared to the same period in 2022, which has been affected by the increase in fixed assets and intangible assets by around US$334 million due to the advance of the NTR, and the increase in other long-term Accounts Payable that corresponds mainly to the tax credit for General Sales Tax, which had an increase compared to the same period in 2022 of US$240 million.

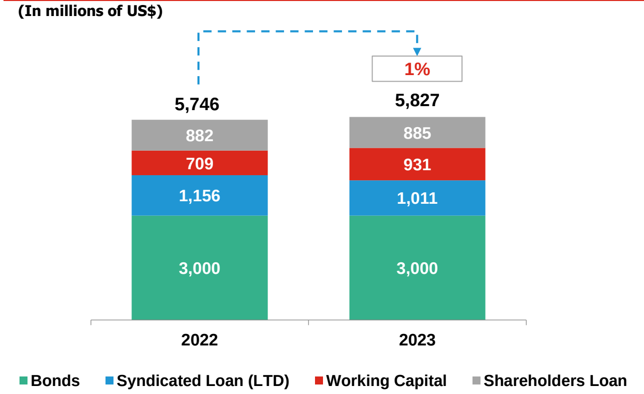
Regarding CAPEX, as of 4Q23 there was an execution of US$503 million, lower than the executed in the same period of 2022 (US$582 million). The NTR represents 83% of execution in 4Q23 (US$420 million).

Working Capital as of 4Q23 reached US$-2,498 million compared to US$-172 million as of 4Q22. This difference is due to the fact that the debt of the shareholders' loan in September 2022 is maintained for S/2,785 million (equivalent to US$750 million), in addition to the increase in Trade Payables (increase of US$807 million) due to the negotiations that have been carried out with suppliers and the increase in Accounts Payable with financial institutions the purchase of inputs and products of the line of business (increase of US$328 million).

CAPEX



Debt Outstanding



As of 4Q23, Total Debt is 84% US dollars and 16% in soles, debt in soles includes short-term loan for working capital and shareholder loan. The Modified Duration of the 15-year bond is 6.61 years and 10.14 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.

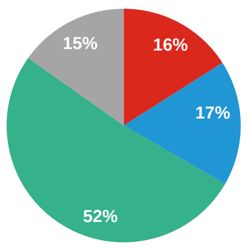
Additionally, at the beginning of August 2023, the Company was forced to request, through the Ministry of Energy and Mines, financial support to mitigate the risks of an eventual fuel shortage at the national level, especially in regions where other suppliers do not reach. This responds to a complex 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.

After the review of the initial order, in 4Q23 a new, more limited requirement was entered according to the possibilities of the Ministry of Economy and Finance, which to date is in the process of being materialized.

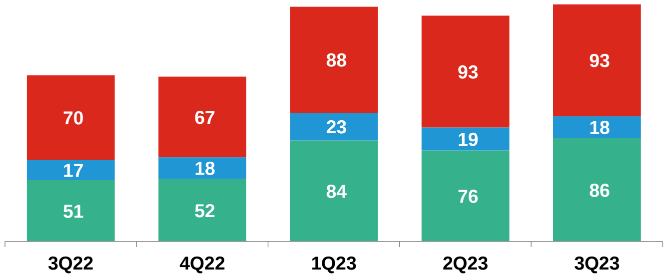
To date, the Total Debt is distributed as follows: 52% Bonds, 17% Long-Term Syndicated Loans with CESCE guarantee, 15% Shareholders Loan and 16% Working Capital (the latter does not consider the short-term debt related to the NTR). As of December 31, 2023, US$288.9 million of the syndicated loan with CESCE guarantee has been amortized.

Debt Composition

4Q23



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**

As of 4Q23, the CCC (Cash Conversion Cycle, CCE, for its acronyms in Spanish, Ciclo de Conversión de Efectivo) was -15 days, due to the significant increase in Accounts Payable Turnover given the negotiations with suppliers to pay them over longer periods.

Finally, Equity has been reduced by 31% compared to the same period in 2022, mainly due to the Net Loss for the period.

1.2.4. FINANCIAL INDICATORS

Ratios

	2020	2021	2022	2023	4Q22	3Q23	4Q23	YoY	QoQ
EBITDA / Financial Expenses	5.8	12.6	-0.7	-1.5	-0.7	-1.5	-1.6	-100%	-10%
Debt / Assets	61%	58%	59%	60%	59%	60%	60%	1pp	-0.3pp
EBITDA / Assets (LTM)	1.8%	3.3%	-1.2%	-4.3%	-1.2%	-3.9%	-4.3%	-3pp	-0.4pp
Debt / EBITDA (LTM)	34x	18x	-51x	-14x	-51x	-16x	-14x	72%	9%
Current Rate	0.5x	0.6x	0.9x	0.4x	0.9x	0.6x	0.4x	-56%	-27%

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 4Q23 compared to the same period in 2022, went from -0.7 to -1.6 mainly due to the reduction in EBITDA impacted mainly by: (i) delay in the progressive and gradual commissioning of the NTR 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 NTR start-ups, which have an impact on corporate expenses; v) Net Losses recorded in the ONP business, due to the lack of income from crude oil transportation services, and vi) the increase in financial expenses.

Regarding the Financial Debt/Assets ratio, in 4Q23 it increased by 1pp from 59% in 4Q22 to 60% in 4Q23, 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 4Q23, the Company has a Financial Debt/EBITDA Ratio (LTM) of -14x, 72% higher than in 4Q22, mainly due to the higher negative EBITDA (LTM) by more than 100% compared to the same period in 2022. Finally, at the end of 4Q23, the Liquidity Ratio was lower than in 4Q22 due to the increase in trade payables due to longer terms agreed with suppliers.

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 4Q23 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) Upstream represented 0.15%.

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 December 2023, the NTR registered a comprehensive progress of 99.20%.

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 December 2023 of 99.88%.

The main advances for each component of the service were:

Detailed Engineering: Completed.
Procurement: Completed.
Construction: 99.81.
Commissioning: 99.18.

Auxiliary units and complementary works

The EPC Contract activities in charge of Consortium COBRA-SCL UA & TC have reached a progress rate of 97.78% as of December 2023.

Engineering: 97.77%
Procurement: 99.77%
Construction: 97.38%
Commissioning: Completed.

At the end of December 2023, the NTR began full operation. It should be noted that, since its start-up stage, it has been producing fuels to supply the national market. The start-up of the NTR ended with the stabilization of processes of the Flexicoking Unit (FCK), which has the capacity to process residual inputs, turning them into top quality and very high-value products.

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 4Q23, the workforce was 301 jobs; local unskilled labor had a participation of 93.3% (out of a total of 45 unskilled), exceeding the minimum established by the EIS (70%). Meanwhile, the local skilled labor had a share of 70.3% (out of a total of 256 skilled).

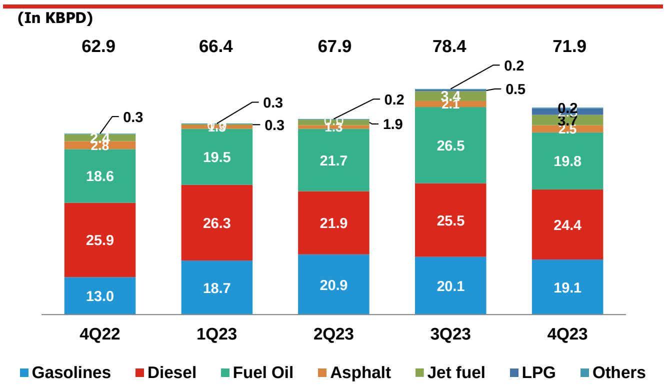
1.3.2. REFINING

Operating Data

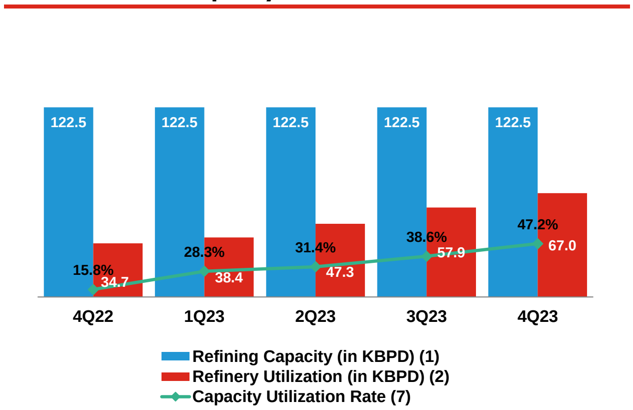
	2020	2021	2022	2023	4Q22	3Q23	4Q23	YoY	QoQ
Refining Capacity (in KBPD) (1)	28	28	123	123	123	123	123	N.A.	N.A.
Refinery Utilization (in KBPD) (2)	11	10	54	54	35	58	67	93%	16%
Refined Products (in KBPD) (3)	19	16	62	62	16	85	53	N.A.	-37%
Capacity Utilization Rate (4)	41%	37%	44%	44%	28%	47%	55%	26pp	8pp
Volume Sales (in KBPD)	123	125	94	94	110	102	91	-17%	-12%

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 December 2023 are the following:

SECTION	PUMPED VOLUME AT DECEMBER (KBPD)
SECTION I	12.1
SECTION II	11.7
ORN	0

During 2023, there was a lower volume transported compared to 2022. On December 27 and 28, 2023, Stage 1 of pressurization and filling of the line up to km 75+501 Section I was executed. On December 29, 2023, Stage 5 of pressurization and filling of the line of Section I (Station 1 - Station 5) was executed.

Regarding Section II, crude oil pumping activities resumed on December 21, 2023, and ended on December 29, 2023. It has been on a scheduled shutdown since December 29, 2023 due to low crude oil inventories.

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.

It should be noted that during 4Q23 there haven't been contingencies in any of the pipeline's sections.

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

DATE	LOCATION	SITUATION
20 Sep. 23	Km 62+459 - Section I	- **Final Repair: Executed (100%)** - On December 17, 2023, the custody and surveillance service of warehouses and barriers began until December 31, 2023. The guard service was expanded because the contractor does not yet have a date to enter the area. - Work is carried out normally.
04 Sep. 23	Km 355+259 - Section II	- **Final Repair: Executed (100%)** - On January 02, 2024, the insurance service ended, which considered 08 workers from surrounding communities. - On January 02, 2024, the presentation was made of the company that from January 03, 2024, will carry out new recovery work of hydrocarbon waste in the area, as a result of the vandalism detected on November 16, 2023, initially, it will be in charge of the guardianship, and then they will begin with the work of crude oil collection and preliminary cleaning.
28 Aug. 23	Km 24+328 - Section I	- **Pipe repair: 100% completed.**
07 Aug. 23	Km 392+710 - Section II	- **Final Repair: Executed (100%)**

		- A total of 13,303 bags impregnated with hydrocarbons and 238 cylinders of emulsified hydrocarbon, of which 215 are located on the roadside, are secured and safeguarded. - The surveillance service is extended. - On December 28, 2023, the contractor in charge entered for the collection of hazardous solid waste from Section II.
14 Jul. 23	Km 323+815 - Section II	- **Final Repair: Executed (100%)** - On November 22, 2023, the custody, warehouse surveillance and containment barriers service began. Service was extended until January 20, 2024.
30 May. 23	Km 392+488 - Section II	- **Final Repair: Executed (100%)** - On August 07, 2023, the service of securing, controlling and safeguarding the affected areas began. - Work is carried out normally.
15 May. 23	Km 358+839 - Section II	- **Final Repair: Executed (100%)** - On September 01, 2023, the insurance service started its activities. - Work is carried out normally.
10 May 23	Km 400+811 - Section II	- **Final Repair: Executed (100%)** - On August 09, 2023, the barrier securing, and custody service began. - Work is carried out normally.
02 Feb 23	Km 399+865 - Section II	- **Final Repair: Executed (100%)** - On September 14, 2023, the securing service began, safeguarding the areas affected by the oil spill at control points 0, 1, 2, 3 and 4. - Work is carried out normally.
19 Jan 23	Km 390+184 - Section II	- **Final Repair: Executed (100%)**
02 Jan 23	Km 43+106 / Km 43+499 - Section I	- **Final Repair: Executed (100%)** - The "Securing, control and protection service of the areas affected by the oil spill at Km 43+190 and Km 43+499 Section I of the ONP" is executed. - Work is carried out normally.

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.

In accordance with the functions of the Security Deputy Management and in coordination with the Pipeline Deputy Management, work is being done on the implementation of an Action Plan to strengthen the security and integrity of the ONP, which contains the following activities:

a) Contracting Support Services

- SAT Early Warning System in the northern branch and section I of the pipeline.
- Service of "sacha" vigilantes (guardians belonging to communities) in the progressive section II of the pipeline.
- Search for classified information.
- Aerial patrol and topographic survey (LIDAR, in charge of the Integrity and Reliability Headquarters of the Pipeline Department).
- River transport for rapid intervention in the eastern part of the pipeline, with the participation of the National Police Authority (PNP, for its acronyms in Spanish – Policía Nacional del Perú), the prosecutor's office and other authorities.

b) Inter-agency coordination

- Peruvian Army (coordination with the Sixth Brigade of the Mesones Muro Military Base to carry out specific patrols in the area of influence of Station 6, from Mesones Muro to Wuawico).
- PNP (coordination with sectoral police stations to carry out specific patrols and preventive actions in the area of influence).
- MINEM-DGH. Official Letter No. 004-2022-MINEM/VMH and Legal Technical Report No. 242-2022-MINEM/DGH-DPTC-DNH establish alternatives to strengthen security in the Nor Peruvian Pipeline.

c) Security Personnel – Patrol

- Recruitment of informants through the communities near the Stations and Pipeline.
- Random tour in Sections I and II, with PETROPERÚ staff.

d) Agreements

- Specific cooperation agreement with the Ministry of Foreign Affairs for intelligence work. In force until 18.07.2025.

1.3.4. EXPLORATION AND PRODUCTION

Block 64

The preparation of the EIS for the Development of the Central Situche Deposit continues. In addition, the Morona Base Camp is under operation and maintenance. On the other hand, environmental monitoring is carried out monthly at the points approved in the Environmental Management Instruments (ISM). Regarding the partner, it is estimated that the selection process will begin in 1Q24.

Block 192

Work is being done on the reactivation and maintenance of roads and accesses to the Block, as well as the Andoas Camp. In addition, electricity is supplied to the communities of Nuevo Andoas, Nuevo Porvenir and Los Jardines. On the other hand, first response and clean-up work for environmental events are being carried out. Finally, the inspection of critical equipment and facilities for the restart of operation began.

Block I

Oil production is in the order of 500 BPD and Associated Natural Gas production is in the order of 3.2 MMcf/D. On the other hand, the oil is destined entirely to the NTR, while the Associated Natural Gas is delivered for its maquila to the Talara Gas Plant owned by the company UNNA Energía S.A. (UNNA). From this process, PETROPERÚ obtains dry gas and natural gas liquids (NGL), the dry gas is transferred to the NTR and the NGL is sold to UNNA. PETROPERÚ has the service of an Integral Services Company for consulting in engineering and management of production operations.

Block VI

Oil production is in the order of 2 KBPD and Associated Natural Gas production is in the order of 3.8 MMcf/D. On the other hand, the oil is destined entirely to the NTR and the Associated Natural Gas is sold to the Talara Gas Plant owned by UNNA. From this process, PETROPERÚ obtains dry gas and NGL, the dry gas is transferred to the NTR and the NGL is sold to UNNA.

Like Block I, PETROPERÚ has the service of an Integral Services Company for consulting in engineering and management of production operations.

Block Z-69

Oil production is in the order of 4.6 KBPD and associated natural gas production is 25 MMcf/D. In this sense, the oil is destined entirely to the NTR and the Associated Natural Gas is transferred to the Talara Gas Plant owned by UNNA (20 MMcf/D) and to the Pariñas Gas Processing Plant (PGP) (5 MMcf/D) for processing.

As a result of the process at the UNNA Plant, PETROPERÚ obtains dry gas and NGLs, the dry gas is transferred to the NTR and the NGL is sold to UNNA. In the case of the PGP Plant, the natural gas liquids obtained are sold to SAVIA and as for the dry natural gas, a part is delivered to the NTR and another part is sold to PROMIGAS and PGP, and finally the difference is re-injected to Block Z-69 for operational reasons. Like Blocks I and VI, we have the service of an Integral Services Company for consulting in engineering and management of production operations.

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). Thus, it has defined as strategic priorities, the reduction of its ecological footprint and the continuous improvement in the eco-efficiency of its activities. Both the Company's environmental management and assets present great opportunities for improvement and modernization. Within this framework and in order to improve the value proposition of the multiple environmental activities that PETROPERÚ has been carrying out with effort since the late 1980s and to relaunch this important pillar of the business, the communication, dissemination and ordering strategy of the so-called Six Environmental Principles has been adopted in the design and execution of the Environmental Operating Plan. About which we can say the following:

1. Efficient use of energy.
2. Caring for air quality.
3. Responsible water consumption.

4. Reduction of impacts on the soil.
5. Comprehensive waste management.
6. Biodiversity conservation.

The 6 environmental principles are a set of precepts that guide PETROPERÚ's actions in environmental matters. They are the basis of the Company's environmental strategy and objectives and are also the basis on which the different standards in terms of environmental protection are derived.

Regarding the exploration and exploitation activities in Block 64, within the framework of the preparation of the detailed EIA for the exploitation, PETROPERÚ submitted the Request for Classification of the Environmental Study for the Development Project of the Northwest Area of Block 64 – Central Situche Field. On 15.11.2023, SENACE sent observations to the Block 64 File, which are being lifted. With regard to Block I, within the framework of the evaluation of the Detailed Environmental Plan (PAD) of Block I, additional information was submitted for the correction of all the observations made by the Authority for the environmental certification of a total of seventy-eight components of the operation of Block I. On the part of Block 192, within the framework of the commitments established in the Environmental Management Instruments, approved for Block 192, PETROPERÚ has been carrying out periodic environmental monitoring of the components, water, air, emissions, in accordance with the activities that are currently being developed; It has also been carrying out waste management, in accordance with Legislative Decree No. 1278, the law on comprehensive solid waste management and its regulations.

In terms of emergency response, we inform that no environmental emergencies have been reported last quarter, in addition to the eleven (11) reported during 2023 and the sixteen (16) environmental emergencies in 2022. In this regard, PETROPERÚ has been acting in accordance with the emergency response scheme established in current legal regulations and in our Emergency Response Plans, meeting for some contingencies in the execution of first response activities to control the leak, contain and recover the spilled product, clean the affected areas, among other activities.

Likewise, and in parallel to the development of first response activities, the Company has been carrying out main cleaning services required to restore the environmental quality of the components affected as a result of the spills, the effectiveness of which will later be verified by OEFA within the framework of its competencies, as was the case of the contingency at Km.373 where OEFA in August 2023, gave his approval of the work carried out.

In all cases, the work carried out by PETROPERÚ has been carried out in accordance with the activities and deadlines committed by the Company in the respective First Response Plans reported to the Competent Authority.

2.2. SOCIAL MATTERS

During 4Q23, 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 education projects, in coordination with the Virgen de la Merced Community Mental Health Center, a series of workshops to combat violence was held in 5 schools in Villa El Salvador (VES), managing to carry out more than 40 workshops for the benefit of more than 800 young people in secondary school; who were able to learn about referral alternatives and helplines in these cases, in addition to improving the culture on issues of mental health, depression, anxiety, among others.

Since August 2023, the second stage of the "Jinkay" Educational Project has been developed, which seeks to improve the learning of more than 150 children from the native communities of Morona, a district of the Datem del Marañón province, in the Loreto region, where activities aimed at school leveling in mathematics and communication are carried out.

With respect to governance and leadership, during 4Q23, a training in Public Management, Governance and Leadership was developed for the benefit of neighborhood leaders in the districts of Pariñas and La Brea - Negritos, which seeks to develop and improve the conditions of coexistence and social welfare.

In relation to local economic development, from April to December 2023, 40 Women from Talara successfully completed the training in gastronomy and computing implemented with the aim of increasing their employability and entrepreneurial capacity. The participants received a certificate of participation from SENATI, as well as training in digital marketing and electronic communication, reinforcing their autonomy in the use of new technologies.

In December 2023, the implementation of a rescue vessel was completed to strengthen safety processes on board in the Artisanal Fishermen's Guild of the port of San Pedro in Talara and training was provided in order to increase its productivity. With this equipment, they will be able to carry out their routes with more precision and safety to have greater efficiency and effectiveness in their fishing tasks.

Additionally, in December 2023, the implementation of a rescue vessel was completed to strengthen safety processes on board in the Artisanal Fishermen's Guild of the port of San Pedro in Talara and training was provided in order to increase its productivity. On the other hand, in November 2023, the Cocoa Production Project in Section II of the ONP, with the "Association of Sustainable Producers IKAM KUITAMAT", participated in the PROCOMPITE 2023 Call – GORE Amazonas, PROCOMPITE JOVEN version, obtaining the prize of S/ 170 thousand to co-finance its business plan called: "Improvement of the joint marketing process of cocoa beans in the Association of Sustainable Producers Ikam Kuitamat Najaim Paraíso Communities, Nueva Unida, Tayuntsa, Alto Pajakuts, district of Nieva, Province of Condorcanqui, Amazonas Region".

Finally, in November 2023, the "Biodiversity and Reforestation" project was developed in coordination with the Regional Government and with the participation of artisans from the Independencia community, adjacent to the Iquitos Refinery pipeline. This project included awareness-raising talks and the planting of five hectares with forest species such as chambira, huasaí and huayruro, inputs for their handicraft products, in order to guarantee the conservation of this raw material.

3. COPORATIVE ACTIONS

Regarding the PETROPERÚ Revamping Plan prepared by the Arthur D. Little / Columbus Latam Consortium, since mid-2023 the Company has been implementing the recommendations issued by the aforementioned consortium, within the framework of the approved plan.

In this regard, the contract for the audit of the 2023 Financial Statements has been in execution since December 2023, by the auditing firm PricewaterhouseCoopers - PwC.

Likewise, actions have been carried out related to the monetization of its accounts receivable, arrangements for loans with various investment banks, among other strategies.

As ADL's plan states, PETROPERÚ is able to access the Northwest Blocks.

On the other hand, since the end of 2022 and the beginning of 2023, PETROPERÚ has been developing management with Environmental, Social and Governance (ESG) criteria through 3 activities: ESG Score, TCFD (Task Force on Climate-related Financial Disclosures) Report and Sustainability Plan with ESG Criteria.

ESG Score

After obtaining the first ESG Score (March 2023), on December 15, 2023, the Corporate Sustainability Assessment (CSA) was completed, complying 100% with the delivery of information through the S&P Global platform, which will allow the second ESG Score, estimated for 1Q24, to be obtained.

TCFD Report

On December 29, 2023, the TCFD Report 2023 was issued, and its dissemination was carried out through Press Releases and its publication on the portal of the Superintendence of the Securities Market (SMV, for its acronyms in Spanish, Superintendencia de Mercado de Valores) as an important fact.

ESG Sustainability Plan

The final report of the Sustainability Strategy with ESG Criteria is available in the web of PETROPERÚ, as well as the Energy Transition Plan.

4. FINANCIAL SUMMARY

4.1. INCOME STATEMENT

In Millions of US$	2020	2021	2022	2023	4Q22	3Q23	4Q23	YoY [1]	QoQ [2]
Domestic Sales	2,818	3,801	4,889	3,467	1,050	977	870	-17%	-11%
Exports	228	356	628	477	146	156	111	-24%	-29%
Other Revenue	76	66	64	65	26	15	21	-20%	39%
Total Revenue	3,122	4,222	5,581	4,009	1,222	1,147	1,001	-18%	-13%
COGS	-2,862	-3,764	-5,540	-4,365	-1,345	-1,112	-1,169	-13%	5%
COGS (% of Revenue)	92%	89%	99%	109%	-110%	-97%	-117%	-7pp	-20pp
Gross Profit	**259**	**458**	**41**	**-356**	**-123**	**35**	**-168**	**-37%**	**-100%**
Gross Margin (%)	8%	11%	1%	-9%	-10%	3%	-17%	-7pp	-20pp
SG&A	-259	-198	-270	-331	-104	-103	-124	-20%	-20%
SG&A (% of Revenue)	8%	5%	5%	8%	8%	9%	12%	4pp	3pp
Operating Profit	**0.2**	**260**	**-229**	**-687**	**-226**	**-68**	**-292**	**-29%**	**-100%**
Operating Margin (%)	0.01%	6.17%	-4.11%	-17%	-19%	-6%	-29%	-11pp	-23pp
Net Profit	**-67**	**68**	**-271**	**-823**	**-210**	**-150**	**-293**	**-39%**	**-95%**
Net Profit Margin (%)	-2%	2%	-5%	-21%	-17%	-13%	-29%	-12pp	-16pp
Adj. EBITDA	**131**	**285**	**-115**	**-434**	**-170**	**1**	**-211**	**-24%**	**-100%**
Adj. EBITDA Margin (%)	4%	7%	-2%	-11%	-14%	0.1%	-21.1%	-7pp	-21pp
Adj. EBITDA (LTM)	**131**	**285**	**-115**	**-434**	**-115**	**-393**	**-434**	**-100%**	**-10%**

(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	2023	4Q22	3Q23	4Q23	YoY	QoQ
Initial Balance	**376**	**85**	**240**	**89**	**15**	**141**	**72**	**+100%**	**-49%**
Operating Cash Flow	455	363	-1,261	267	-500	-54	86	+100%	+100%
Capital Expenditures	-962	-825	-656	-455	-238	-96	-122	49%	-27%
Cash Flow from Financing	224	629	1,774	157	820	83	25	-97%	-70%
Changes in the Exchange Rate	-8	-12	-8	6	-9	-3	4	+100%	+100%
Final Balance	**85**	**240**	**89**	**64**	**89**	**72**	**64**	**-27%**	**-10%**

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

4.3. BALANCE SHEET

En Millones de US$	2020	2021	2022	2023	4T22	3T23	4T23	YoY	QoQ
Current Assets	951	1,459	2,093	1,744	2,093	1,955	1,744	-17%	-11%
Non-Current Assets	6,308	7,227	7,848	8,425	7,848	8,142	8,425	7%	3%
Total Assets	**7,260**	**8,686**	**9,942**	**10,169**	**9,942**	**10,097**	**10,169**	**2%**	**1%**
Short Term Debt	1,197	825	1,002	2,092	1,002	1,770	2,092	+100%	18%
Long Term Debt	3,218	4,241	4,851	4,020	4,851	4,325	4,020	-17%	-7%
Total Debt	4,414	5,065	5,853	6,112	5,853	6,095	6,112	4%	0.3%
Other Liabilities	1,004	1,711	2,187	2,289	2,187	2,176	2,289	5%	5%
Total Liabilities	**5,419**	**6,777**	**7,289**	**8,339**	**7,289**	**7,975**	**8,339**	**14%**	**5%**
Stockholders´ Equity	1,841	1,909	2,652	1,830	2,652	2,122	1,830	-31%	-14%
Total Capitalization (Debt + Equity)	**7,260**	**8,686**	**9,942**	**10,169**	**9,942**	**10,097**	**10,169**	**2%**	**1%**
Current Liabilities	2,083	2,301	2,265	4,242	2,265	3,492	4,242	87%	21%
Working Capital	-1,132	-843	-172	-2,498	-172	-1,537	-2,498	-100%	-63%