

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024, DECEMBER 31, 2023, AND SEPTEMBER 30, 2023

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



PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.
CONDENSED INTERIM FINANCIAL POSITION STATEMENT

ASSET	Note	As of	As of	LIABILITY AND EQUITY	Note	As of	As of
		September 30,	December 31,			September 30,	December 31,
		2024	2023			2024	2023
		USD 000	USD 000			USD 000	USD 000
Current asset				Current liabilities			
Cash and cash equivalents	8	129,607	41,147	Other financial liabilities	14	1,196,657	2,062,428
Trade accounts receivable	9	224,664	279,226	Trade accounts payable	15	1,212,202	1,903,813
Other accounts receivable	10	380,506	467,043	Accounts payable to related entities	16	611,224	958,649
Inventories	11	697,426	854,410	Other accounts payable		166,134	169,337
Other assets		1,182	2,543	Other provisions	17	70,081	73,330
Total current assets		1,433,385	1,644,369	Lease liabilities		42,407	19,260
				Total current liabilities		3,298,705	5,186,817
Non-current assets				Non-current liabilities			
Other accounts receivable	10	1,091,196	956,394	Other financial liabilities	14	3,882,126	3,085,690
Property, plant, and equipment	12	6,945,996	7,117,703	Other provisions	17	12,913	12,521
Investment properties		2,721	2,729	Lease liabilities		29,218	17,199
Intangible assets	13	127,589	85,173	Total non-current liabilities		3,924,257	3,115,410
Right-of-use assets		69,557	35,790	Total liabilities		7,222,962	8,302,227
Deferred tax assets		12,768	48,011				
Total non-current assets		8,249,827	8,245,800	Equity	18		
				Shareholder equity		2,675,209	2,675,209
				Additional capital		1,617,691	-
				Legal reserve		8,724	8,724
				Accumulated results		(1,841,374)	(1,095,991)
				Total equity		2,460,250	1,587,942
TOTAL ASSET		9,683,212	9,890,169	TOTAL LIABILITIES AND EQUITY		9,683,212	9,890,169

The accompanying notes on pages 6 to 43 are part of the condensed interim financial statements.



PETROLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM COMPREHENSIVE INCOME STATEMENT

	Note	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2024	2023	2024	2023
		USD 000	USD 000	USD 000	USD 000
Ordinary activities income	19	812,855	1,132,416	2,589,337	2,963,566
Other operating income		17,992	17,005	55,017	49,505
Total income		830,847	1,149,421	2,644,354	3,013,071
Sales cost	20	(956,894)	(1,111,931)	(2,909,511)	(3,196,461)
Gross profit		(126,047)	37,490	(265,157)	(183,390)
Selling and distribution expenses	21	(15,064)	(16,775)	(46,086)	(49,032)
Administration expenses	22	(41,307)	(75,983)	(111,678)	(147,237)
Other income	24	3,145	2,736	22,477	12,323
Other expenses	24	(1,002)	(15,463)	(17,249)	(27,817)
Total operation costs		(54,228)	(105,485)	(152,536)	(211,763)
Profit from operating activities		(180,275)	(67,995)	(417,693)	(395,153)
Financial income		238	769	2,411	3,521
Financial expenses		(99,189)	(72,138)	(299,526)	(189,163)
Net exchange difference		(3,440)	21,004	14,650	43,155
Profit before income tax		(282,666)	(118,360)	(700,158)	(537,640)
Income tax expense	25	(10,598)	(31,547)	(45,225)	7,425
Net income for the period and comprehensive income		(293,264)	(149,907)	(745,383)	(530,215)
Basic and diluted earnings per share	27	(0.031)	(0.011)	(0.078)	(0.081)

The accompanying notes on pages 6 to 43 are part of the condensed interim financial statements.



PETROLÉOS DEL PERÚ - PETROPERÚ S.A.

**CONDENSED INTERIM EQUITY CHANGES STATEMENT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024, AND 2023**

	Number of shares	Social capital USD 000	Additional capital USD 000	Legal reserve USD 000	Accumulated results USD 000	Total equity USD 000
Balance as of January 1, 2023	5,572,168,000	1,660,586	1,014,623	8,724	(31,610)	2,652,323
Comprehensive income:						
Net income for the period	-	-	-	-	(530,215)	(530,215)
Total comprehensive income	-	-	-	-	(530,215)	(530,215)
Transactions with shareholders:						
Capital contribution						
Transfer to additional capital and legal reserve	4,000,000,000	1,014,623	(1,014,623)	-	-	-
Transfer from additional capital to capital stock	-	-	-	-	-	-
Total transactions with shareholders	4,000,000,000	1,014,623	(1,014,623)	-	-	-
Balance as of September 30, 2023	9,572,168,000	2,675,209	-	8,724	(31,610)	2,122,108
Balance as of January 1, 2024	9,572,168,000	2,675,209	-	8,724	(1,095,991)	1,587,942
Comprehensive income:						
Net income for the period	-	-	-	-	(745,383)	(745,383)
Total comprehensive income	-	-	-	-	(745,383)	(745,383)
Transactions with shareholders:						
Capital contribution			1,617,691			
Transfer to additional capital and legal reserve	-	-	-	-	-	-
Transfer from additional capital to capital stock	-	-	-	-	-	-
Total transactions with shareholders	-	-	1,617,691	-		1,617,691
Balance as of September 30, 2024	9,572,168,000	2,675,209	1,617,691	8,724	(1,841,374)	2,460,250

The accompanying notes on pages 6 to 43 are part of the condensed interim financial statements.



PETROLEOS DEL PERÚ - PETROPERÚ S.A.
CONDENSED INTERIM CASH FLOW STATEMENT

		For the nine-month period ended September 30,	
Note	2024	2023	
	USD 000	USD 000	
OPERATING ACTIVITIES			
		(527,814)	245,930
		(291,271)	(42,092)
14		(15,682)	(21,993)
		(834,767)	181,845
INVESTMENT ACTIVITIES			
		(18,768)	(33,308)
		(216,690)	(195,210)
		(1,889)	(99,697)
		(14,407)	(5,262)
		(251,754)	(333,477)
FINANCING ACTIVITIES			
		2,026,496	1,875,923
16		451,647	-
		1,617,691	-
		(1,368,730)	(1,729,002)
13		(738,531)	-
		(787,384)	-
		(24,568)	(14,875)
		1,176,621	132,046
		90,100	(19,586)
		(1,640)	2,687
		41,147	88,746
		129,607	71,847
TRANSACTIONS FROM FINANCING AND INVESTMENT ACTIVITIES THAT DID NOT GENERATE CASH FLOWS			
		76,151	67,674
14		14,895	8,805
		59,732	29,669
		-	-

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PETROLÉOS DEL PERÚ - PETROPERÚ S.A.
CONDENSED INTERIM CASH FLOW STATEMENT

	Note	For the nine-month period ended September 30,	
		2024	2023
		USD 000	USD 000
Net income for the year		(745,383)	(530,215)
Adjustments to reconcile net income for the year to cash provided by operating activities from operating activities:			
Provision for contingencies	17	691	2,346
Provision for capping and environmental remediation		16,727	27023
Depreciation of property, plant and equipment and investment property	12	213,801	152715
Allowance for impairment of trade receivables			71
Provision for retirement pensions		4	-
Amortization		6,365	2,474
Depreciation of right-of-use assets		18,677	9551
Property, plant and equipment and investment property retirement and adjustments		41	793
Deferred income taxes		35,244	-7639
Provision for termination of employment			0
Effect of unrealized foreign exchange difference adjustment		1,640	-2687
		<u>(452,193)</u>	<u>(345,568)</u>
Net changes in operating assets and liabilities:			
Trade accounts receivable		54,562	141,932
Other accounts receivable		5,748	(75,238)
Inventories		156,984	(62,488)
Expenses contracted in advance		1,359	5,717
Trade accounts payable		(549,492)	401,199
Other accounts payable and provisions		255,218	180,376
Net cash provided by (applied to) operating activities		<u>(527,814)</u>	<u>245,930</u>

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024, DECEMBER 31, 2023, AND SEPTEMBER 30, 2023

1 IDENTIFICATION AND ECONOMIC ACTIVITY

a) Identification:

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

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

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

The Company's main offices are located at Prolongación Av. G-2, Zona de Refinería Talara, Peru.

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

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

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

The provisions of Law No. 30130 published on December 18, 2013, which was called "Law that declares of public necessity and national interest the priority execution of the modernization of the Talara Refinery to ensure the preservation of air quality and public health and adopts measures to strengthen the Corporate Governance of Petróleos del Perú - PETROPERÚ S.A.", also apply to it, which provides that the Company execute the *Proyecto de Modernización de la Refinería de Talara* (Talara Refinery Modernization Project) (hereinafter, PMRT), as well as its Regulations, approved by Supreme Decree No. 008-2014-EM,

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published on March 24, 2014. According to Article 5 "Approval of guarantees' granting" of Law No. 30130 it is approved the granting of guarantees by the National Government up to an amount of USD 200 million annually, up to a cumulative total of USD 1,000 million in support of the financial obligations derived from the financing contracted by the Company to execute the PMRT, in case the Company does not reach the financial flows to assume said obligations. As of December 31, 2023, and September 30, 2024, the use of said guarantees has not been required.

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

By means of Emergency Decree No. 023-2022, published on October 25, 2022, it was approved the capital contribution of the State in favor of the Company for the amount of S/ 4,000'000,000 (four billion and 00/100 Peruvian soles), as well as the short-term debt operation, under the modality of granting a guarantee from the National Government, for up to USD 500'000,000 (five hundred million and 00/100 US dollars) for its operations of importing crude oil, fuels, other hydrocarbon derivatives and biofuels. In addition, the Emergency Decree established that the Company should hire a specialized international consulting firm to present a restructuring plan to be submitted to the General Shareholders' Meeting within a maximum term not to exceed July 31, 2023.

b) Economic activity:

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

Law No. 28840, the Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A., published on July 23, 2006, establishes that the Company will act with economic, financial, and administrative autonomy and in accordance with the annual and five-year objectives approved by the Ministry of Energy and Mines of Peru. The acts and agreements that it subscribes in the fulfillment of its corporate purpose will be subject to what is established in: i) Legislative Decree No. 043 and its amendments, ii) its Statute, iii) its internal regulations, iv) the agreements of its Board of Directors, v) the Standards of the National Control System and vi) the specific regulations for the Company.

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

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

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



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

North Peruvian Pipeline:

Legislative Decree No. 1292, published on December 30, 2016, declared the safe operation of the North Peruvian Pipeline of public necessity and of national interest, providing the reorganization of the Company and the improvement of its corporate governance, granting a term of 720 calendar days from the date of publication of said Legislative Decree, for the elaboration of a plan that regulates, among others, the modification, execution of agreements and contracting of services related to the business units of the Company; the Company's participation in hydrocarbon exploration and exploitation agreements; the possibility of the Company to participate in social responsibility actions under the mechanism of works for taxes; the application of the capital increase referred to in section 8.1 of Article 8 of Law No. 29970 for the execution of the Talara Refinery Modernization Project and, the modification of Article 4 and the second complementary provision of Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. to implement Legislative Decree No. 1292, approved by the Board of Directors. Said plan was approved by the Board of Directors with Agreement No. 067-2018-PP dated August 6, 2018 (Note 1-h). In this regard, the Company has been making disbursements for remediation work, crude oil recovery, soil monitoring and other services related to spills (Note 17).

Block 64:

On September 28, 2021, through Supreme Decree No. 024-2021-EM, the assignment of Geopark Perú S.A.C.'s interest in Block 64 in favor of the Company was approved. In this way, the Company assumed 100% of the rights and obligations of the exploration and exploitation of hydrocarbons. On June 16, 2024, the Company received notification of the approval of the terms of reference (TDR) and the citizen participation plan (PPC) from the *Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles* (National Environmental Certification Service for Sustainable Investments) (SENACE) for the beginning of the detailed environmental impact study. As of September 30, 2024, the Development Environmental Impact Assessment (EIA) is being prepared with ERM Consulting company and a meeting was held with SENACE for the presentation of the EIA work plan.

As of September 30, 2024, and December 31, 2023, investments made in Block 64 amount to USD 35,414 thousand and USD 33,802 thousand, respectively.

Block 192:

On February 3, 2024, Supreme Decree No. 005-2024-EM was published in the official gazette El Peruano, which approved the modification of the License Agreement for the Exploitation of Hydrocarbons in Block 192, in order to reflect the assignment of the contractual position of 61% participation in the Contract by the Company in favor of Altamesa Energy Perú S.A.C.

Altamesa has been carrying out reactivation and road maintenance activities, environmental inspections in Andoas, José Olaya and San Jacinto. Likewise, they are carrying out activities for the start-up of the site, such as inspection of horizontal pumps (water injection system), inspection of treatment plant instruments, inspection of electrical generation and distribution, increase of accommodation capacity in Andoas camp, among others.



As of September 30, 2024, and December 31, 2023, the investments made in Block 192 amount to USD 25,283 thousand and USD 12,895 thousand, respectively.

Block X:

Through Supreme Decree No. 008-2024-EM, published on May 19, 2024, the Company and the consortium formed by OIG PERU S.A.C, Aguaytía Energy del Perú S.R.L. and Termoselva S.R.L. signed with PERUPETRO S.A. the License Agreement for the Exploitation of Hydrocarbons in Block X (Talara), for a term of 30 years. The License Agreement came into effect on Monday, May 20. PETROPERÚ has a 40% participation in the block, designating OIG PERU S.A.C. as operator.

The average September production of Oil and Associated Natural Gas corresponding to PETROPERÚ's participation is 2,711 BOPD and 4,656 MPCD, respectively.

Other blocks:

With Supreme Decree No. 022-2023-EM, published on October 21, 2023, the License Agreement between the Company and PERÚPETRO S.A. was approved for the Exploitation of Hydrocarbons in Block I, for a period of 2 years, and was signed on October 21, 2023.

In Block I, the average September production of Oil and Associated Natural Gas is 492 BOPD and 2,458 MPCD, respectively.

Also, on October 21, 2023, the Company and PERUPETRO S.A. signed the License Agreement for the Exploitation of Hydrocarbons in Block VI, with an extension of 2 years being approved by Supreme Decree No. 023-2023-EM published on October 21, 2023.

In Block VI, the average September production of Oil and Associated Natural Gas is 1,723 BOPD and 3,472 MPCD, respectively.

By means of Supreme Decree No. 027-2023-EM, published on November 13, 2023, the License Agreement between the Company and PERÚPETRO S.A. for the Exploitation of Hydrocarbons in Block Z-69 was approved for a period of 2 years, being subscribed on November 15, 2023.

In Block Z-69, the average September production of Oil and Associated Natural Gas is 4,445 BOPD and 9,740 MPCD, respectively.

c) Regulatory framework for the Company's sales prices -

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

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

- The prices of liquid fuels and specialties are determined according to supply and demand, in compliance with the provisions of the Organic Hydrocarbons Law and regulations that modify or replace it.
- The list prices of liquid fuels and specialties will be approved by the Executive Prices Committee chaired by the General Manager and made up of the Corporate Finance Manager, Corporate Supply Chain Manager, Corporate Operations Manager and Corporate Commercial Manager or whoever assumes their duties.
- The determination of the prices of liquid fuels and specialties that the Company sells in the local market will consider the opportunity cost and will be set at prices that

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allow the Company to compete in the market and at the same time achieve its strategic and budget goals. In the case of liquid fuels, the opportunity cost corresponds to the Import Parity Price calculated with the methodology defined by the Company in its guidelines.

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

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

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

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

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

At the beginning of 2022, the Price Stabilization Fund began to apply, up to date, to industrial oil 6, Diesel BX and LPG-E. With Supreme Decree No. 002-2022-EM, published on March 28, 2022, up to December 31, 2022, Gasoline of 84 and 90 octane, Gasohol of 84 octane, Liquefied Petroleum Gas for bulk use (LPG-G) and Diesel 2 for vehicle use were added. By Supreme Decrees No. 033-2023-EM dated December 28, 2023, and No. 007-2024-EM, LPG-E was extended as a product subject to the FEPC until March 28, 2024, and June 27, 2024, respectively. As of September 2024, the products subject to the FEPC are only PI 6 and Diesel BX.

As of September 30, 2024, the Price Stabilization Fund represented -0.3% of the Company's revenue (contribution) and 0.1% of revenue as of September 2023 (compensation).

d) Approval of financial statements -

The interim financial statements for the nine-month period ended September 30, 2024, have been approved by the Company's General Management on October 31, 2024. The audited financial statements as of December 31, 2023, were approved by the General Shareholders' Meeting on July 24, 2024.



2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim financial statements for the nine-month period ended September 30, 2024, have been prepared in accordance with the International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34) issued by the International Accounting Standards Board (IASB).

The information in the statement of financial position as of December 31, 2023, and the corresponding notes are derived from the financial statements as of that date.

The unaudited condensed interim financial statements arise from accounting records and are prepared on a historical cost basis, with the exception of derivative financial instruments that are measured at fair value. The condensed interim financial statements are presented in thousands of United States dollars, except when a different monetary expression is indicated. The accounting policies applied are consistent with those of the 2023 year and the comparative interim period.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read together with the financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS issued by the IASB.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in the applicable regulations as of January 1, 2024

New standards and amendments effective for financial statements for annual periods beginning on January 1, 2024, have been evaluated and applied by the Company.

- Amendments to IAS 1: Classification of liabilities as current or non-current.
- Amendments to IFRS 16: Sale and leaseback.
- Amendments to IAS 7 and IFRS 7: Supplier financing arrangements.
- Amendments to IAS 21: Lack of interchangeability.
- IFRS 18: Presentation and disclosure in financial statements.
- IFRS 19: Non-publicly accountable subsidiaries and disclosures.

The amendments to the standards and interpretations listed above have had no impact on the Company's financial statements of prior or current years; likewise, they are not expected to have a material impact on the financial statements of future years.

3.2 Significant accounting policies:

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2023, as described therein, except for the accounting treatment of income tax in interim periods, which are accounted for using the tax rate that would be applicable to the total expected annual profit or loss (see Note 4). Income tax expense is recognized in each interim period according to the best estimate of the expected effective annual income tax rate for the full year. The Company's Management considers that the amount accrued for income tax expense in an interim period may have to be adjusted in a later interim period of that same year if the estimate of the annual effective income tax rate changes.

4 ESTIMATES AND CRITICAL ACCOUNTING CRITERIA

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



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

In preparing the condensed interim financial statements, the relevant judgments and estimates made by Management in the application of the Company's accounting policies and in the critical information for estimating uncertainties were the same as those applied in the financial statements by the year ended December 31, 2023, except for changes in estimates that are required to determine the provision for income tax.

Income tax:

To determine income tax in interim periods, Management uses the effective tax rate that would be applicable to the total expected annual profit or loss (see Note 3.2 and Note 25), which requires Management's judgment to determine the expected results for tax purposes.

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

If the effective income tax rate had been +/- 1% different from Management's estimates, the Company would need to increase/decrease the income tax expense by USD 452 thousand in the nine-month period ended on September 30, 2024 (USD 74 thousand in the nine-month period ended September 30).

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors:

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

The condensed interim financial statements do not include all the financial risk management information and disclosure required in the annual financial statements; they should be read along with the Company's annual financial statements as of December 31, 2023, as there have been no changes in the related assessments of financial risks since the end of the year.

5.2 Liquidity risk:

Management manages its liquidity risk by ensuring that it has sufficient credit lines at all times and that its working capital is solvent with cash flows from operating activities and, in exceptional cases, with the financial support of its shareholder, the Peruvian government. The Company is also implementing a Restructuring Plan, one of the objectives of which is to ensure the financial sustainability of its operations.

As of September 2024, the Company still has liquidity limitations, partly due to the delay in the repayment of the amounts owed by the Fuel Price Stabilization Fund, which represents a lower liquidity to continue with the inventory replenishment cycle through imports of crude oil and products, and the indebtedness generated in the stage of higher product imports in the period of progressive implementation of the NRT.

The Company has sufficient credit capacity to have access to credit lines with the best rated financial institutions (institutions with no history of default and of local standing) in terms of market. In addition, the Company is developing new banking relationships in order to have adequate funds available at all times.



As of September 30, 2024, and 2023, all the Company's debt is to finance its operations and the start-up of the New Talara Refinery at fixed rates. For the start-up of the PMRT: i) bullet bonds whose interest is paid semi-annually since December 2017 at rates of 4.750% and 5.625% maturing in 2032 and 2047, respectively; and ii) CESCE loan at a rate of 3.285%, whose interest is paid semi-annually since May 2019 maturing in 2030. While for working capital (iii) short term unsecured bank loans at rates in US dollars between 7.63% and 12.22% (iv) Loan from the Ministry of Economy and Finance (MEF) according to Emergency Decree No. 010-2022 at rates in Peruvian soles between 5.00% and 6.75%; and according to Emergency Decree No. 013-2024 at rates in Peruvian soles between 5.95% and 9.05%.

The Company's Corporate Finance Management supervises the cash flow projections made on liquidity requirements to ensure that there is sufficient cash to meet operational needs while maintaining sufficient margin for unused credit lines, so that the Company does not default on borrowing limits on any credit lines. Cash surpluses and balances more than that required for working capital management are invested in interest-bearing instruments, choosing instruments with appropriate maturities or sufficient liquidity, and are immediately available.

The table below analyzes the Company's financial liabilities grouped on the basis of the remaining period as of the date of the financial position statement until due date. The amounts disclosed in the table are the undiscounted cash flows:

	<u>Carrying value</u> <u>cash flows</u> USD 000	<u>Undiscounted</u> <u>cash</u> USD 000	<u>Less than 1</u> <u>year</u> USD 000	<u>More than 1</u> <u>year</u> USD 000	<u>More than 2</u> <u>years</u> USD 000
Other financial liabilities	5,078,783	7,884,166	1,202,776	1,033,890	5,647,500

5.3 Capital risk:

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

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

As of September 30, 2024, Fitch Ratings issued its report on May 21, 2024, downgrading PETROPERÚ's long-term local and foreign currency debt issuer rating to "CCC+" from "BB+", as well as downgrading the stand alone credit profile (SCP) to "cc" from "ccc-" and finally assigning a negative outlook in line with the sovereign's outlook. On May 28, 2024, S&P Global Ratings downgraded PETROPERÚ's long-term debt rating to "B" from "B+" and also downgraded the company's stand-alone credit profile (SACP) to "ccc" from "ccc+", placing PETROPERÚ on negative credit watch. In its September 20, 2024 report, S&P Global Ratings maintained the rating and assigned a stable outlook, removing the negative credit watch.

As of September 30, 2024, and December 31, 2023, the leverage ratios were as follows:



	2024	2023
	USD 000	USD 000
Other financial liabilities	5,078,783	5,148,118
Accounts payable to related parties	611,224	958,649
Cash and cash equivalents	(129,607)	(41,147)
Net debt (A)	5,560,400	6,065,620
Total equity (B)	2,460,250	1,587,942
Total capital (A) + (B)	8,020,650	7,653,562
Ratio (A)/(A+B)	0.69	0.79

As of September 30, 2024, the leverage ratio decreased to 0.69, explained by the capitalization of loans received from the State, arranged with the ED No. 013-2024, for a total of S/ 6,100,313 thousand (equivalent to USD 1,617,691 thousand); mitigated by: i) the loan of S/ 1,700,000 thousand (equivalent to USD 451,647 thousand) for working capital, received in September 2024 from the State, within the framework of ED No. 013-2024, and ii) by the increase in equity, with the capitalization described at the beginning of this paragraph, mitigated by the loss of USD 745,383 thousand, generated as of September 2024.

6 INFORMATION BY SEGMENTS

a) Description of the main segments and activities

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

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

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

The following summary describes the operations of each reportable segment:

Reportable segment	Operations
Production and commercialization	Exploration, exploitation, refining and commercialization of crude oil and petroleum products and operations of Block I
Pipeline operations	Transfer and custody service of crude oil from the northern jungle of the country
Rented and privatized units	Assets that generate cash inflows derived from rentals
Exploitation of blocks	Exploitation of hydrocarbons in operations with License Agreements

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

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



b) Statement of financial position by segment:

	Production and commercialization (*) USD 000	Pipeline operations USD 000	Rented and privatized units USD 000	Exploitation of blocks (**) USD 000	Total USD 000
As of September 30, 2024					
Assets:					
Current	1,196,882	17,652	29,153	189,698	1,433,385
Non-current	7,830,080	210,817	168,452	40,478	8,249,827
Total Assets	9,026,962	228,469	197,605	230,176	9,683,212
Liabilities:					
Current	2,867,099	133,229	147,950	150,427	3,298,705
Non-current	3,906,900	17,357	-	-	3,924,257
Total Liabilities	6,773,999	150,586	147,950	150,427	7,222,962

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

(**) The Exploitation segment includes the following blocks:

	Block I (New contract) USD 000	Block VI USD 000	Block Z 69 USD 000	Blocks X USD 000	Total USD 000
As of September 30, 2024					
Assets:					
Current	10,538	41,257	106,156	31,747	189,698
Non-current	-	-	40,478	-	40,478
Total Assets	10,538	41,257	146,634	31,747	230,176
Liabilities:					
Current	8,893	27,564	94,424	19,546	150,427
Non-current	8,893	27,564	94,424	19,546	150,427
Total Liabilities	8,893	27,564	94,424	19,546	150,427

The statement of financial position by segment as of December 31, 2023, is as follows:

	Production and commercialization (*) USD 000	Pipeline operations USD 000	Rented and privatized units USD 000	Exploitation of blocks (**) USD 000	Total USD 000
As of December 31, 2023					
Assets:					
Current	1,479,723	79,155	39,924	45,566	1,644,368
Non-current	7,875,039	157,695	168,569	44,498	8,245,801
	9,354,762	236,849	208,493	90,064	9,890,169
Liabilities:					
Current	4,964,019	76,213	120,948	25,637	5,186,817
Non-current	3,097,991	17,419	-	-	3,115,410
	8,062,010	93,632	120,948	25,637	8,302,227



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

(**) The Exploitation segment includes the following blocks:

	<u>Block I</u> USD 000	<u>Block VI</u> USD 000	<u>Block Z 69</u> USD 000	<u>Total</u> USD 000
As of December 31, 2023				
Assets:				
Current	18,418	12,820	14,328	45,566
Non-current	-	-	44,498	44,498
	<u>14,418</u>	<u>12,820</u>	<u>58,826</u>	<u>90,064</u>
Liabilities:				
Current	<u>6,135</u>	<u>5,783</u>	<u>13,720</u>	<u>25,637</u>

c) Statement of comprehensive income by segment:

	<u>Production and commercialization (*)</u> USD 000	<u>Pipeline operations</u> USD 000	<u>Rented and privatized units</u> USD 000	<u>Exploitation of blocks (**)</u> USD 000	<u>Total</u> USD 000
For the nine-month period ended September 30, 2024					
Ordinary activities income	2,570,291	191	-	18,855	2,589,337
Other operating income	34,523	5,159	15,335	-	55,017
Total income	<u>2,604,814</u>	<u>5,350</u>	<u>15,335</u>	<u>18,855</u>	<u>2,644,354</u>
Sales cost	(2,719,222)	(41,595)	(12)	(148,682)	(2,909,511)
Transfers	(212,891)	21,058	-	191,833	-
Gross profit	<u>(327,299)</u>	<u>(15,187)</u>	<u>15,323</u>	<u>62,006</u>	<u>(265,157)</u>
Selling and distribution expenses	(41,085)	(1)	(5,000)	-	(46,086)
Administration expenses	(93,408)	(8,565)	-	(9,705)	(111,678)
Other income and expenses	20,983	(15,774)	(5)	24	5,228
Profit (loss) from operating activities	<u>(440,809)</u>	<u>(39,527)</u>	<u>10,318</u>	<u>52,325</u>	<u>(417,693)</u>
Financial, net	(278,010)	(5,319)	571	293	(282,465)
Profit before income tax	<u>(718,819)</u>	<u>(44,846)</u>	<u>10,889</u>	<u>52,618</u>	<u>(700,158)</u>
Income tax expense	(34,879)	(111)	(255)	(9,980)	(45,225)
Net result of the year	<u>(753,698)</u>	<u>(44,957)</u>	<u>10,634</u>	<u>42,638</u>	<u>(745,383)</u>

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



(**) The Exploitation segment includes the following blocks:

	Block I (New contract)	Block VI	Block Z 69	Blocks X	Total
	USD 000	USD 000	USD 000	USD 000	USD 000
For the nine-month period ended September 30, 2024					
Ordinary activities income	2,064	2,636	12,319	1,836	18,855
Ordinary activities income	2,064	2,636	12,319	1,836	18,855
Total income	(10,059)	(24,150)	(96,703)	(17,770)	(148,682)
Sales cost	12,039	42,029	105,522	32,243	191,833
Transfers	4,044	20,515	21,138	16,309	62,006
Gross profit	(2,087)	(1,777)	(3,671)	(2,170)	(9,705)
Administration expenses	-	23	1	-	24
Profit (loss) from operating activities	1,957	18,761	17,468	14,139	52,325
Financial, net	147	-	146	-	293
Profit before income tax	2,104	18,761	17,614	14,139	52,618
Income tax expense	(557)	(3,009)	(4,323)	(2,091)	(9,980)
Net result of the year	1,547	15,752	13,291	12,048	42,638

The statement of comprehensive income by segment as of September 30, 2023, is as follows:

	Production and commercialization (*)	Pipeline operations	Rented and privatized units	Block I	Total
	USD 000	USD 000	USD 000	USD 000	USD 000
For the nine-month period ended September 30, 2023					
Ordinary activities income	2,960,722	176	-	2,668	2,963,566
Other operating income	27,735	44	16,663	-	44,442
Total income	2,988,457	220	16,663	2,668	3,008,008
Sales cost	(3,147,369)	(37,168)	(4,032)	(7,892)	(3,196,4)
Transfers	(29,960)	19,678	-	10,282	-
Gross profit	(188,872)	(17,270)	12,631	5,058	(188,453)
Selling and distribution expenses	(44,379)	(1)	(4,652)	-	(49,032)
Administration expenses	(137,588)	(8,575)	-	(1,074)	(147,237)
Other income and expenses	15,039	(25,470)	-	-	(10,431)
Profit (loss) from operating activities	(355,800)	(51,316)	7,979	3,984	(395,153)
Financial, net	(143,599)	(183)	1,295	-	(142,487)
Profit before income tax	(499,399)	(51,499)	9,274	3,984	(537,640)
Income tax expense	7,699	(5)	(55)	(214)	7,425
Net result of the year	(491,700)	(51,504)	9,219	3,770	(530,215)

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



d) Geographic income information:

As of September 30, 2024, and 2023, revenue from ordinary activities by segment is based on the geographical location of the customers:

	2024	2023
	USD 000	USD 000
Peru	2,277,201	2,642,233
Other countries	367,153	365,775
	2,644,354	3,008,008

7 SIGNIFICANT CHANGES IN THE CURRENT PERIOD

The Company's financial position and performance were particularly affected by the following factors during the nine-month period ended September 30, 2024:

- The Total liabilities decreased by USD 1,079,285 thousand, mainly due to: i) the capitalization of credits received from the State, as provided for in ED No. 013-2024, for a total of S/ 6,100,313 thousand (equivalent to USD 1,617,691 thousand), ii) mitigated by the loan of S/ 1,700,000 thousand (equivalent to USD 451,647 thousand) for working capital, received in September 2024 from the State, within the framework of ED No. 013-2024.
- Net equity increased by USD 872,308 thousand, derived from: i) USD 1,617,697 thousand for capitalization of credits received from the State, disposed with ED No. 013-2024 (equivalent to S/ 6,100,313 thousand), mitigated with ii) mitigated with the net loss of USD 745,383 thousand, generated as of September 2024.
- Higher operating expenses by S/ 300 million (S/ 669 vs. S/ 369 million as of September 2023) mainly derived from the stabilization period in which the NRT has been maintained, in which higher maintenance and depreciation expenses have been generated to the extent that the new process and auxiliary units were fully operational, as opposed to the previous year when they were being commissioned progressively; also, the increase in expenses for third-party services necessary for the operation of the oil blocks (I, VI, Z-69 and X).
- Higher financial expenses paid for: i) interest on long-term financing (Bonds and CESCE credit) for the construction of the NRT (USD 149 million), ii) interest on short-term financing for working capital (USD 107 million) and iii) hedging instruments, mainly SWAP operations (USD 22 million). As with operating expenses, interest related to NRT's process and auxiliary units that are already in operation from January to September 2024, had a greater impact than interest related to units that were gradually being put into operation during 2023.
- Until August, exports of residual oil originated during the NRT stabilization process were maintained, whose market value is lower than the acquisition cost of the raw material (crude oil). However, a higher production of gasoline, diesel and turbo has been obtained with respect to the previous year, coming from the operation of the NRT.
- The downward trend in the international prices of crude oil and products, affecting the realization and valuation of inventories. The fall in the international price of crude oil and derivatives in the last month resulted in the realization of higher cost inventory at lower sales prices and the renewal of its volume at lower average costs, which directly impacts on the higher cost of sales and lower results.
- As of September 2024, the operation of Blocks I, VI, Z-69 and X has contributed net income of USD 43 million to the company's net income.



8 CASH AND CASH EQUIVALENT

As of September 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Current accounts (*)	129,596	41,135
Fixed funds	11	12
	<u>129,607</u>	<u>41,147</u>

(*) The Company maintains cash deposited in financial institutions in the form of current accounts in national currency and in foreign currency. As of September 30, 2024, the funds in these accounts are freely available and earn preferential interest rates of 2.26% in Peruvian soles and 2.86% in US dollars (7.40% in Peruvian soles and 5.50% in US dollars, as of December 31, 2023).

9 COMMERCIAL ACCOUNTS RECEIVABLE

As of September 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Wholesale distributors	46,369	75,823
Mining sector	40,557	58,857
Oil companies	18,092	31,899
Fuel marketers	38,387	22,423
Construction sector	8,798	11,529
Foreign market	23,050	9,221
Armed Forces and National Police of Peru	11,335	16,045
Industrial sector	8,375	22
Aviation business	806	2,522
Electricity sector	1,285	977
Transport sector	966	691
Fishing sector	-	258
Different customers	895	1,039
Doubtful collection accounts	13,144	13,532
	<u>212,059</u>	<u>244,838</u>
Price Stabilization Fund - MEM (Note 1-c)	42,672	47,920
	<u>254,731</u>	<u>292,758</u>
Minus: Expected loss of trade receivables	(13,144)	(13,532)
	<u>241,587</u>	<u>279,226</u>

Trade accounts receivable balances correspond to invoices denominated in Peruvian soles and US dollars, mainly originated from the sale of refined products. Accounts receivable from the Armed Forces and the National Police of Peru have an expiration of 45 and 25 days, respectively. Accounts receivable from wholesale distributors and other customers have maturities between 7 and 45 days. Accounts receivable, in accordance with the Company's internal policies, are mostly guaranteed with letters of guarantee or with other instruments of the national financial system in accordance with the credit policy approved by the Board of Directors.

Fuel Price Stabilization Fund - Ministry of Energy and Mines:



The total amount receivable from the General Directorate of Hydrocarbons (DGH) as of September 30, 2024, and December 31, 2023, amounts to USD 52,096 thousand and USD 63,548 thousand, respectively, generated by compensation and contribution operations. These amounts include, as of December 31, 2024, the Amparo Claim recorded in a Claims account for USD 15,624 thousand (USD 15,628 thousand as of December 31, 2023), classified as other long-term accounts receivable (Note 9-d).

As of September 30, 2024, and December 31, 2023, the movement of the total balance of the Price Stabilization Fund heading is explained as follows:

	2024	2023
	USD 000	USD 000
Opening balance	47,920	213,386
Price compensation	8,855	54,122
Price contribution	(15,816)	(50,202)
Net (charged) credited to income from ordinary activities (note 19)	(6,961)	3,920
Compensation generated by importation of products	-	2,976
Contribution generated by importation of products	-	(5,642)
Collection and payments of compensation and/or contribution	(4,586)	(167,558)
Exchange rate difference	99	838
Final balance receivable (payable)	<u>36,472</u>	<u>47,920</u>

Expected loss of trade receivables:

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

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

Expected loss rates are based on payment profiles for sales over a twelve-month period prior to September 30, 2024, and December 31, 2023, and historical credit losses are adjusted to reflect current and prospective information of macroeconomic factors affecting the ability of customers to settle trade receivables.

On that basis, the provision for losses as of September 30, 2024, and December 31, 2023, was determined as follows:

	2024			2023		
	Expected loss rate	Gross carrying amount	Expected loss	Expected loss rate	Gross carrying amount	Expected loss
	%	USD 000	USD 000	%	USD 000	USD 000
In force	0.00	188,090	0	0.02	230,643	40
1 to 30 days	48.19	25	12	0.73	153	1
31 to 60 days	44.85	164	74	0.76	23	-
61 to 360 days	100.00	23	23	0.85	-	-
More than 360 days	100.00	13,402	13,404	95.25	14,019	13,491
Total (*)		<u>201,705</u>	<u>13,513</u>		<u>244,838</u>	<u>13,532</u>

(*) Does not include the Price Stabilization Fund.



As of September 30, 2024, and December 31, 2023, the movement of the estimate of the expected loss of trade accounts receivable was as follows:

	2024	2023
	USD 000	USD 000
Opening balance	13,532	13,109
Expected loss	-	71
Exchange rate	(19)	352
Closing balance	13,513	13,532

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

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

10 OTHER ACCOUNTS RECEIVABLE

As of September 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Current		
Tax credit - General Sales Tax and Income Tax (a)	249,492	322,594
Tax credit - Income Tax (b)	25,019	47,508
Advances granted to suppliers	39,309	20,555
Restricted funds	41,857	57,404
Staff loans	2,698	3,497
Loans to third parties	1,970	2,008
Miscellaneous	20,161	2,089
Doubtful collection accounts	33,873	33,874
	414,379	500,917
Expected loss on other accounts receivable (f)	(33,873)	(33,874)
Current part	380,506	467,043
Non-current		
Tax credit - General Sales Tax, long term (c)	1,059,812	925,290
Claims for the Price Stabilization Fund - Ministry of Energy and Mines (Note 1 (c)) - (d)	15,624	15,628
Claims to the Tax Administration Superintendency (e)	7,861	5,577
Other tributes, long term	7,899	9,699
Non-current part	1,091,196	956,394

(a) Tax credit - General Sales Tax, short-term:

As of September 30, 2024, it corresponds to the General Sales Tax on operations for USD 681,994 thousand (equivalent to S/ 2,532,926 thousand), PMRT General Sales Tax for an amount of USD 114,112 thousand (equivalent to S/ 423,812 thousand) and tax credit for selective consumption tax for USD 72,623 (equivalent to S/269,722 thousand).



As of December 31, 2023, it corresponds to the General Sales Tax of operations for USD 60,418 thousand (equivalent to S/ 224,333 thousand), General Sales Tax of the PMRT for an amount of USD 104,912 thousand (equivalent to S/ 389,538 thousand) and tax credit for selective consumption tax for USD 157,264 (equivalent to S/ 583,920 thousand).

From January to September 2024, SUNAT refunded the General Sales Tax credit for USD 65,300 thousand (equivalent to S/ 245,664 thousand) and during 2023 SUNAT refunded the General Sales Tax credit for USD 100,590 thousand (equivalent to S/ 378,396 thousand), which were requested by the Company through a refund of the tax credit balance in favor of the benefit.

(b) Tax credit - Income tax, short term:

As of September 30, 2024, corresponds to accumulated payments on account of income tax of USD 25,019 thousand (equivalent to S/ 92,921 thousand), which will be applied to the tax payable at the end of the year.

As of December 31, 2023, corresponds to accumulated payments on account of income tax of USD 47,319 thousand (equivalent to S/ 175,695 thousand).

(c) Tax credit - General Sales Tax, long term:

As of September 30, 2024, corresponds to the balance in favor of the General Sales Tax paid for the acquisition of goods and services related mainly to the Talara Refinery Modernization Project amounting to USD 377,818 thousand (equivalent to S/ 1,403,214 thousand) and the General Sales Tax for operations amounting to USD 62,757 thousand (equivalent to S/ 233,081 thousand).

As of December 31, 2023, corresponds to the balance in favor of the General Sales Tax paid for the acquisition of goods and services related mainly to the PMRT amounting to USD 368,256 thousand (equivalent to S/ 1,367,335 thousand) and the General Sales Tax for operations amounting to USD 557,034 thousand (equivalent to S/ 2,068,267 thousand).

This tax credit balance has no expiration date. The Company expects to recover this tax credit through its operations in the long term.

(d) Claim from the Price Stabilization Fund to the Ministry of Energy and Mines:

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

On November 28, 2018, Resolution No. 16 was issued in which it was resolved to declare the claim inadmissible. By means of Resolution No. 17, the Appeal of the referred Judgment, filed by our party, was granted.

On December 17, 2020, by means of Resolution No. 5, issued by the Third Civil Chamber, Resolution No. 16, which declared the claim inadmissible, was declared NULL and VOID, ordering the Judge of first instance to issue a new resolution in accordance with the above.

On October 28, 2020, through Resolution No. 19, the court of first instance requested:



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

On March 4, 2021, by means of Resolution No. 20, the Company complies with the reasons why Resolution No. 075-2010-EM/DGH is not applicable retroactively, as requested by Resolution No. 19. On December 29, 2023, the Second Constitutional Court of Lima issued a decision (Resolution No. 21) declaring the lawsuit inadmissible. On April 15, 2024, the appeal was granted with suspensive effect and the proceedings were sent to the Third Civil Court of Lima.

By means of Resolution No. 12 dated September 6, 2023, the Third Civil Court of Lima declared null and void Resolution No. 21, which declared the claim inadmissible and ordered that the affected procedural act be renewed.

By Resolution No. 26 dated May 13, 2024, the Second Constitutional Court declared the claim founded, which was appealed by the Ministry of Energy and Mines. Subsequently, by Resolution No. 27 dated June 4, 2024, the appeal was granted with suspensive effect and is currently pending before the Third Civil Court.

By Resolution No. 16 dated August 14, 2024, the Third Civil Chamber of the Superior Court of Justice of Lima, resolved to CONFIRM the judgment issued by Resolution No. 26 dated May 13, 2024:

- 1) Declaring the claim filed by Petróleos del Perú - PETROPERU S.A. against the Ministry of Energy and Mines to be founded,
- 2) Declare Directorial Resolution No. 075-2010EM/DGH inapplicable to the plaintiff, for having violated its fundamental right to due process and the principle of prohibition of retroactive application of the norm,
- 3) Order the defendants to refrain from calculating and/or determining the amounts not compensated or not contributed by the appellant from August 19, 2008, to April 23, 2010.

e) Claims to the National Superintendency of Customs and Tax Administration (SUNAT):

As of September 30, 2024, and December 31, 2023, this item includes only File No. 17806-2012, which mainly corresponds to claims related to assessments for the product Turbo A-1 (fuel exclusively destined to aeronautical activities) arising from Supreme Decree No. 186-2002-EF, which established the exemption of sales of Turbo A-1 destined to aeronautical activities in general from the Selective Consumption Tax - ISC. In this regard, the Company considers it illegal to restrict them to those sales made by for-profit entities, since they were ultimately destined to aviation companies under private contracts.

According to the opinion of the Company's legal advisors, the sales of Turbo A-1 were made in accordance with the law, so on February 4, 2022, the Management filed a Contentious-Administrative Lawsuit against Resolution No. 09743-4-2021, which is being processed before the 22nd Contentious-Administrative Court, Sub-Specialty Tax Court (File No. 0744-2022-0-1801-JR-CA-22).

In November 2012, the Company paid the amount of USD 8,651 thousand (equivalent to S/ 29,197 thousand), in response to several Determination and Fine Resolutions issued for alleged omissions in the payment of Selective Consumption Tax and General Sales Tax corresponding to Turbo A-1 sales for the year 2007. As of December 31, 2023, and 2022, this lawsuit, which is being processed before the 22nd Contentious-Administrative Court of Appeals (File No. 0744-2022-0-1801-JR-CA-22), is



pending resolution. The expectation of the Company and its external legal advisors is that the probability of recovering the claim is high, based on the resolution of other similar claims that were favorable to the plaintiffs.

f) Expected loss of other accounts receivable -

This loss is mainly related to ongoing claims made to municipalities for property taxes and local taxes, whose probability of recovery is low.

With respect to other accounts receivable, the Company considers that the credit risk of the counterparties is low, and therefore has not recorded an expected loss on these accounts as they are considered not significant.

As of September 30, 2024, and December 31, 2023, the movement of the provision for the expected loss is as follows:

	<u>2024</u> USD 000	<u>2023</u> USD 000
Opening balance	33,874	33,466
Exchange difference	(1)	332
Recoveries	-	76
Closing balance	<u>33,873</u>	<u>33,874</u>

11 INVENTORIES

As of September 30, 2024, and December 31, 2023, this heading comprises:

	<u>2024</u> USD 000	<u>2023</u> USD 000
Raw oil	272,784	326,472
Refined products:		
In process	173,809	194,337
Finished	238,590	310,544
Refined products purchased	25,917	62,617
Inventories in transit	481	1,692
Supplies	84,376	71,899
Reclassification to property, plant and equipment (*)	(94,512)	(109,109)
	<u>701,445</u>	<u>858,452</u>
Minus - Estimate for devaluation of supplies	(4,019)	(4,042)
	<u>697,426</u>	<u>854,410</u>

As of September 30, 2024, the cost of inventories recognized as an expense and included in cost of sales amounted to USD 2,240,642mil (USD 2,827,997 thousand as of September 30, 2023), which is equivalent to cost of sales less production operating expenses (Note 20).

As of September 30, 2024, the price of crude oil had a downward trend, closing at USD 68.17 per barrel (USD 90.70 per barrel as of September 30, 2023). The average price during the month of September 2024 was USD 69.49 per barrel (USD 89.58 per barrel as of September 30, 2023).

(*) Corresponds to the reclassification of the minimum amount of crude oil required for ONP to operate.

As of September 30, 2024, and December 31, 2023, the movement of the provision for impairment of supplies is explained as follows:



	<u>2024</u>	<u>2023</u>
	USD 000	USD 000
Opening balance	4,042	4,142
Impairment of supplies	-	195
Recovery	(23)	-
Exchange difference	-	(295)
Closing balance	<u>4,019</u>	<u>4,042</u>

This provision has been recognized as a result of analyzing the net realizable value of the inventories, taking into account the expectation of net flow that will be obtained from their sale or consumption, also taking into account their physical condition. As of September 30, 2024, and December 31, 2023, the Company considers that the provisioned amount reflects the risk of impairment of all its inventories due to both physical obsolescence and net realizable value.



12 PROPERTY, PLANT AND EQUIPMENT

	Land USD 000	Buildings and other constructio ns USD 000	Machinery and equipment USD 000	Transpor t unit USD 000	Furnitur e and fixtures USD 000	Miscellaneo us and computer equipment USD 000	Tools Replac ement Units USD 000	Out- of-use equip ment USD 000	Work in progress USD 000	Additional investmen ts USD 000	Total USD 000
Cost	217,806	1,225,713	5,112,405	47,998	8,077	326,461	844	12,847	1,522,783	7,022	8,481,956
Accumulated depreciation	-	(143,662)	(700,427)	(24,979)	(6,170)	(69,522)	(16)	(12,847)	-	-	(957,623)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	-	-	(406,630)
As of December 31, 2023	217,806	1,082,051	4,005,348	23,019	1,907	256,939	828	-	1,522,783	7,022	7,117,703
2024											
Opening balance of carrying amount	217,806	1,082,051	4,005,348	23,019	1,907	256,939	828	-	1,522,783	7,022	7,117,703
Additions Capitalization s	-	154,036	952,386	-	153	107,932	13,231	-	(1,227,737)	-	91,096
Withdrawals	-	-	(26)	(200)	(5)	(14)	-	(2,278)	-	-	(2,523)
Transfers	-	-	(581)	(37)	(14)	(832)	-	1,465	-	-	-
Reclassificati on of Inventory	-	-	(14,598)	-	-	-	-	-	-	-	(14,598)
Reclassificati ons of cost	-	-	-	-	-	-	-	-	(34,374)	-	(34,374)
Depreciation of the period	-	(19,693)	(161,208)	(1,568)	(410)	(30,394)	(122)	-	-	-	(213,395)
Depreciation in prior years	-	(19)	(341)	(34)	-	(7)	-	-	-	-	(397)
Depreciation of withdrawals	-	-	25	199	5	14	-	2,278	-	-	2,521
Expenses from discontinued operations of fixed assets	-	-	-	-	-	-	-	(39)	-	-	(39)
Depreciation transfers	-	-	574	35	14	802	-	(1,426)	-	-	-
Adjustments	-	1,411	10,062	214	-	434	-	-	(12,114)	(7)	-
As of September 30, 2024	217,806	1,217,790	4,791,642	21,628	1,649	334,873	13,937	-	335,029	11,643	6,945,996
Cost	217,806	1,381,160	6,059,648	47,974	8,211	433,981	14,075	12,033	335,029	11,643	8,521,560
Accumulated depreciation	-	(163,370)	(861,376)	(26,346)	(6,562)	(99,106)	(138)	(12,033)	-	-	(1,168,934)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	-	-	(406,630)
As of September 30, 2024	217,806	1,217,790	4,791,642	21,628	1,649	334,873	13,937	-	335,029	11,643	6,945,996



Property, plant, and equipment of Block Z-69

Property, plant and equipment includes assets acquired by the Company related to oil fields, in this case referring only to Block Z-69, which are detailed below:

	<u>Land</u> USD 000	<u>Buildings and other constructio ns</u> USD 000	<u>Machinery and equipment</u> USD 000	<u>Transport unit</u> USD 000	<u>Furnitur e and fixtures</u> USD 000	<u>Miscellaneo us equipment</u> USD 000	<u>Total</u> USD 000
As of							
December							
31, 2023							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(77,613)	(664)	(332)	(239)	(79,267)
Net cost	6,795	-	37,703	-	-	-	44,498
2024							
Opening balance of net book cost	6,795	-	37,703	-	-	-	44,498
Depreciation of the period	-	-	(4,021)	-	-	-	(4,021)
Net cost	6,795	-	33,683	-	-	-	40,478
Balance as of							
September							
30, 2024							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(81,634)	(664)	(332)	(239)	(83,288)
Net cost	6,795	-	33,683	-	-	-	40,478

(*) On November 15, 2023, the License Agreement for Lot Z-69 was signed for a term of 2 years. As a consequence of this agreement, the land that was leased to SAVIA until November 14, 2023 and that was presented under Investment Properties, was transferred as of November 15, 2023 to Property, plant and equipment Z-69.



Talara Refinery Modernization Project - PMRT

Its objective is the technological development that involves the construction of new industrial facilities, modernization, and expansion of existing ones to achieve the following:

- (i) The production of Diesel and Gasoline with less than 50 parts per million (ppm) of sulfur.
- (ii) Increasing the refinery's production capacity from 65 to 95 thousand bpd (barrels per day).
- (iii) The processing of heavier and more economical crudes for the production of lighter fuels of higher commercial value.

The status of the project as of September 30, 2024, is detailed below, specifying the contractual advances of the assets and the economic advances for costs incurred:

a) Comprehensive physical progress of the PMRT

With Board of Directors Agreement No. 175-2023-PP dated December 29, 2023, the Board of Directors of PETROPERÚ S.A. approved the update of the amount of pre-operating interests with which the investment amount of the PMRT is updated to USD 6,530.3 million (with pre-operating interests). The amount without pre-operating interest remains as approved by Board of Directors Agreement No. 095-2023-PP of August 11, 2023 (USD 5,538.5 million).

By means of Board of Directors Agreement No. 030-2024-PP dated March 27, 2024, the Board of Directors of PETROPERU S.A. approved the Change Proposal PC-31, which extends the permanence of the supervision (PMC Talara Consortium) until December 2024.

Also, on July 1, 2024, the inspection and maintenance of the FCK unit was completed, which is awaiting start-up.

Finally, by means of Board of Directors Agreement No. 080-2024-PP dated July 22, 2024, the Board of Directors of PETROPERÚ S.A. approved the redistribution of the amount of items that make up the investment amount of the PMRT, without altering the amount approved by means of Board of Directors Agreement No. 095-2023-PP dated August 11, 2023.

The composition of the Cost (Economic Progress) of the Project, compared to the disbursements incurred as of September 30, 2024, is detailed below:

	As of September 30, 2024		Total budget	
	Disbursement	Percentage of completion	Scheduled	Total percentage
	USD 000	%	USD 000	%
Técnicas Reunidas (TR) -				
Process units	3,416,030	98.68	3,461,772	53.01
Cobra SCL Consortium -				
Auxiliary units	909,470	95.29	954,466	14.62
Additional works	388,609	91.13	426,454	6.53
Others -				
Supervision	390,727	97.53	0,626	6.13
Management	267,917	90.76	295,204	4.52
Contingencies	-	-	-	-
Interest on financing	984,880	99.30	991,793	15.19
	6,357,633	97.36	6,530,315	100.00



b) Progress EPC Process Units – Agreement with Técnicas Reunidas (TR)

As of September 30, 2024, the overall physical progress on the EPC Contract with TR is 99.90% versus 100% scheduled (actual progress of 99.88% versus 100% scheduled progress as of December 31, 2023).

As of September 30, 2024, the cumulative executed amount is USD 3,375 million (USD 3,363 million as of December 31, 2023).

c) Advance EPC Auxiliary Units and Additional Works – Agreement with Cobra SCL UA&TC Consortium

As of September 30, 2024, the comprehensive contractual progress in the execution of the EPC Contract with the Cobra SCL UA&TC Consortium is 100% versus 100% as scheduled (an actual progress of 97.78% versus a scheduled progress of 100%, as of December 31, 2023).

As of September 30, 2024, the cumulative executed amount is USD 1,047 million.

d) Management

Financial structure of PMRT

The financial structure of the PMRT is as follows:

- Capital contribution: USD 325 million
- Own resources: USD 1,750 million
- Security issuance (15 and 30 years): USD 2,000 million.
- Financing guaranteed by Compañía de Seguros de Crédito a la Exportación (CESCE): USD 1.3 million
- Security reopening (30 years): USD 1,155.3 million (includes share premium).

Social Responsibility and Community Relations

The total workforce as of September 30, 2024, was 263 jobs; local unskilled labor accounted for 88.2% (out of a total of 17 unskilled), exceeding the minimum established in the EIA (70%). Meanwhile, the local skilled labor force had a 68.7% share (out of a total of 246 skilled).

13 INTANGIBLE ASSETS

The changes in this heading as of September 30, 2024, and December 31, 2023, are as follows:

	<u>Intangibles</u> USD 000	<u>Work in progress (a)</u> USD 000	<u>Total</u> USD 000
Cost	63,512	48,046	111,558
Accumulated depreciation	(26,385)	-	(26,385)
As of December 31, 2023	37,127	48,046	85,173
Year 2024			
Opening balance of net book cost	37,127	48,046	85,173
Additions	-	14,407	14,407
Capitalizations	34,374	(34,374)	-
Withdrawals	(237)	-	(237)
Reclassifications of cost	-	34,374	34,374
Depreciation for the period	(6,365)	-	(6,365)
Depreciation of withdrawals	237	-	237
Net cost as of September 30, 2024	65,136	62,453	127,589
Balance as of September 30, 2024			
Cost	97,649	62,453	160,102
Accumulated depreciation	(32,513)	-	(32,513)



Net cost	65,136	62,453	127,589
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(a) As of September 30, 2024, intangibles in progress correspond mainly to exploration costs of Block 64 and pre-operating enabling costs of Block 192 for USD 35,414 thousand and USD 25,283 thousand, respectively (USD 33,802 thousand and USD 12,895 thousand, respectively, as of December 31, 2023).

(b) In 2024, the transfers correspond mainly to the capitalization of software for the operation of the NRT.

14 OTHER FINANCIAL LIABILITIES

As of September 30, 2024, and December 31, 2023, this heading comprises:

	2024 USD 000	2023 USD 000
Current liabilities		
Unsecured bank loans (i)	981,134	1,033,457
CESCE loan (iii)	144,444	1,011,111
Accrued interest	71,079	17,860
A	1,196,657	2,062,428
Non-current liabilities		
Corporate securities (ii)	3,000,000	3,000,000
CESCE loan (iii)	794,444	-
Transaction costs and share premium	87,682	85,690
B	3,882,126	3,085,690
Total financial debt	A + B 5,078,783	5,148,118

(i) Unsecured bank loans:

These correspond to contracts entered into by the Company with local and foreign financial institutions, which were used as working capital. These loans are current maturities, are denominated in Peruvian soles and US Dollars and do not have specific guarantees (see section "a" of this note).

(ii) Corporate securities:

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

Below is a detail of the bonds issued:

- 2032 Notes, main amount of USD 1,000,000 thousand with semiannual coupon payments at a fixed annual rate of 4.750%, for a period of 15 years. Coupons have been paid since December 2017 and main payment will be made on the maturity date of the bonds. Transaction costs amounted to USD 7,558 thousand and as of September 30, 2024, the balance amounts to USD 4,559 thousand (USD 5,029 thousand as of September 30, 2023).



- 2047 Notes, main amount of USD 2,000,000 thousand (USD 1,000,000 thousand received in the first issuance in June 2017 and an additional USD 1,000,000 thousand resulting from the bond reopening in February 2021), at a fixed rate of 5.625% per year, for a term of 30 years. Coupons are payable semi-annually since December 2017 and the main payment will take place on the maturity date of the bonds. Transaction costs amounted to USD 9,558 thousand and as of September 30, 2024, the balance amounts to USD 8,549 thousand (USD 8,728 thousand as of September 30, 2023) and the excess amount of the placement over par of the bonds at reopening amounts to USD 135,889 thousand and as of September 30, 2024, the balance amounts to USD 126,190 thousand (USD 131,732 thousand as of September 30, 2023).

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

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

(iii) CESCE Loan:

On January 31, 2018, a syndicated loan agreement was signed, being the administrative agent Deutsche Bank SAE for USD 1,300,000 thousand. The total disbursements related to the loan were received between 2018 and 2021, which were destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas:

Transactional costs amounted to USD 72,478 thousand and as of September 30, 2024, the balance amounts to USD 27,524 thousand (USD 30,566 thousand as of September 30, 2023). Interest and main amount are paid semiannually, beginning in May 2019 and June 2022, respectively. This loan matures in 2030, based on a fixed interest rate of 3.285%.

The loan in question is 99% guaranteed by Compañía Española de Seguros de Crédito a la Exportación (CESCE), for which the Company pays a commission as consideration. This loan has no specific contractual guarantees from the Company or the Peruvian government.

As part of the contract, the Company is obligated to comply with certain covenants, which are as follows:

Financial covenants:

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

As a result of the audit of the Company's financial statements as of December 31, 2023, the net loss amounted to USD 1,064,381 thousand, with which the financial indebtedness ratio exceeded that established in the loan agreement (which should be less than 3.75), for which reason the non-current financial obligations related to the CESCE loan were reclassified as part of current liabilities in the statement of financial position as of December 31, 2023.

However, the Company took steps to amend the financial indicators of the CESCE loan agreement and, to date, an amendment has been approved by the banks that are part of the syndicated loan, which establishes that as of September 2024 the maximum value of this indicator must be 4.00, thus leaving without effect the



compliance with the values set until December 2023; therefore, the financial obligations are presented as non-current liabilities.

Non-financial covenants:

- Preserve and maintain business operations.
- Submit the Company's audited financial statements within 150 days after the close of each fiscal year.
- Use the loan to pay for the acquisition of goods and services, including EPC contract payments.
- Grant the loan the status of *pari passu* (equal terms) in the priority of payment with all its creditors.
- Comply with the procedures established for the purpose of preventing the Company from being used in money laundering activities, financing of terrorist activities, fraud or other corrupt or illegal purposes or practices.

The changes in debt for financial obligations were as follows:

	Unsecured bank loans	Corporate securities	CESCE loan	Total
	USD 000	USD 000	USD 000	USD 000
Balance as of January 1, 2024	1,046,070	3,122,700	979,346	5,148,118
New loans	2,026,496	-	-	2,026,496
Main amount payments	(2,083,891)	-	(72,222)	(2,156,113)
Amortized cost	-	951	5,186	6,137
Share premium	-	(4,146)	-	(4,146)
Accrued interest	92,145	119,781	24,760	236,686
Paid interest	(81,603)	(80,000)	(16,792)	(178,395)
Balance as of September 30, 2024	999,217	3,159,286	920,280	5,078,783

15 COMMERCIAL ACCOUNTS PAYABLE

As of September 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Foreign suppliers of crude oil and refined products	880,411	1,392,252
National suppliers of crude oil and refined products	87,635	158,411
Goods and service suppliers	207,155	310,000
Shipping companies and operators of terminals and sales plants	37,001	43,150
	1,212,202	1,903,813

As of September 30, 2024, the main domestic supplier of crude oil is Petrotal Perú S.R.L., whose balance amounts to USD 32,572 thousand equivalent to S/ 122,062 thousand (USD 37,219 thousand equivalent to S/ 139,969 as of December 31, 2023). The main foreign supplier is Shell Western Supply and Trading, which is owed USD 225,140 thousand equivalent to S/ 839,280 thousand (USD 112,310 thousand equivalent to S/ 421,807 thousand as of December 31, 2023).

As of September 30, 2024, the main service providers are: OIG Perú S.A.C., whose balance amounts to USD 29,429 thousand equivalent to S/ 110,126 thousand (USD 0 thousand as of December 31, 2023), IMI del Perú S.A.C., whose balance amounts to USD 24,388 thousand equivalent to S/ 91,200 thousand (USD 4,338



thousand equivalent to S/ 16,074 thousand as of December 31, 2023), Técnicas Reunidas de Talara S.A.C., whose balance amounts to USD 11,996 thousand equivalent to S/ 44,391 thousand (USD 94,829 thousand equivalent to S/ 358,102 thousand as of December 31, 2023) and DEPC Consortium, whose balance amounts to USD 5,375 thousand equivalent to S/ 20,219 thousand (USD 984 thousand equivalent to S/ 3,707 thousand as of December 31, 2023).

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

16 ACCOUNTS PAYABLE TO RELATED ENTITIES

As of September 30, 2024, and December 31, 2023, this heading includes:

	2024 USD 000	2023 USD 000
Loan and interest	458,487	812,242
Interest and payment documents	152,737	146,407
	611,224	958,649

The movement and composition of this item is shown below:

	ED Loan No. 010-2022 (a) USD 000	ED Loan No. 004-2024 (c) USD 000	ED Loan No. 013-2024 (d) USD 000	Payment documents (b) USD 000	Total USD 000
Balances as of December 31, 2023	812,242	-	-	146,407	958,649
New loans	-	798,648	451,647	-	1,250,295
Main amount payments	(738,531)	(787,384)	-	-	(1,525,915)
Accrued interest	28,484	17,074	753	6,290	52,600
Paid interest	(90,954)	(17,074)	-	-	(108,028)
Exchange difference	(11,241)	(11,264)	6,087	40	(16,377)
Balance as of September 30, 2024	-	-	458,487	152,737	611,224

- a) By means of Emergency Decree No. 010-2022, issued on May 12, 2022, extraordinary economic and financial measures were established to secure the local fuel market, for which temporary financial support was granted by the Ministry of Economy and Finance (MEF) through the General Directorate of the Public Treasury. Financial support through a loan to the Company for an amount in Peruvian soles equivalent to USD 750,000 thousand, destined to meet short-term obligations during 2022, equivalent to S/ 2,785,000 thousand; with original expiration on December 31, 2022, extended to December 31, 2024, through an addendum dated December 29, 2022. This debt bears interest at a rate of 5%. With ED No. 013-2024 issued on September 13, 2024, its capitalization was approved, plus interest as of the effective date of said guideline (September 14, 2024).

- b) Issuance of payment documents - Public Treasury in favor of the Company, in application of Emergency Decree No. 010-2022, the Company requested the General Directorate of the Public Treasury (DGTP) of the MEF, the issuance of payment documents in favor of the Company, up to the amount of S/ 500,000 thousand, to be used for the payment of customs duties and taxes associated with the purchases of crude oil and fuel products, as well as other taxes for fuel commercialization operations. These payment documents were issued on a monthly basis during 2022, at the Company's request. As of December 31, 2022, the Company received payment documents for S/ 595,865 thousand (equivalent to



USD 157,295 thousand) and amortized S/ 95,868 thousand (equivalent to USD 24,721 thousand), bearing interest at rates between 5% and 6.75%. With ED No. 013-2024 the payment term is extended to July 31, 2025.

- c) By means of Emergency Decree No. 004-2024, issued on February 27, 2024, the Short-Term Borrowing Operation is approved, under the modality of granting a National Government Guarantee for an amount in Peruvian soles equivalent to USD 800,000 thousand, in support of Petroperu's obligations, derived from a loan to be granted by Banco de la Nación for working capital necessary to maintain the inventory levels that guarantee the continuity of fuel supply and the development of economic activities at a national level. As of September 2024, S/ 2,969,224 thousand had been received. ED No. 013-2024 issued on September 13, 2024, approves the assumption of the debt by the MEF, plus interest as of the effective date of said guideline (September 14, 2024); which specifies that it constitutes a capital contribution by the State.
- d) By means of Emergency Decree No. 013-2024, issued on September 13, 2024, the Short-Term Borrowing Operation was approved, under the modality of granting a National Government Guarantee for an amount in Peruvian soles equivalent to USD 1,000,000 thousand, in support of Petroperu's obligations, derived from a loan that the Banco de la Nación must grant to Petroperu to finance working capital. As of September 2024, S/ 1,700,000,000 thousand (equivalent to USD 451,647 thousand) was received.

17 OTHER PROVISIONS

As of September 30, 2024, and December 31, 2023, this heading comprises:

	<u>2024</u>	<u>2023</u>
	USD 000	USD 000
Current		
Provision for environmental improvements (a)	56,909	58,905
Provisions for civil claims (b)	9,525	9,508
Provisions for labor claims	2,963	4,189
Well plugging provision	519	519
Provision for retirement pensions	6	6
Provision of job separation	159	61
Other provisions	-	142
	<u>70,081</u>	<u>73,330</u>
Non-current		
Provision for environmental improvements (a)	12,485	12,504
Provision of job separation	398	5
Provision for retirement pensions	12	12
	<u>12,913</u>	<u>12,521</u>

The movement of the other provisions is as follows:

	Provision for environmental improvements	Provision for claims	Provision for claims	Provision for well plugging	Provision for retirement pensions	Provision of job separation	Other provisions	Total
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Balances as of December 31, 2023	71,409	9,508	4,189	519	18	66	142	85,851
Provisions for the period	16,727	227	464	-	4	476	-	17,898
Payments	(19,009)	-	(1,483)	-	(4)	(3)	-	(20,499)
Reversal of unused provisions	-	(208)	(226)	-	-	-	(188)	(622)
Exchange rate difference	285	(2)	19	-	-	18	46	366
Balance as of September 30, 2024	<u>69,412</u>	<u>9,525</u>	<u>2,963</u>	<u>519</u>	<u>18</u>	<u>557</u>	<u>-</u>	<u>82994</u>

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

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As of September 30, 2024, 04 significant spills have been recorded and are in the process of being investigated by OSINERGMIN. Insurance work is currently underway.

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

	Balance as of January 1	Payments	Provision and update	Balance as of June 30,
	USD 000	USD 000	USD 000	USD 000
Year 2024				
Block 8	2,126	-	-	2,126
Block X	1,962	(9)	-	1,953
Pampilla	1,537	(91)	-	1,446
Lubricants	118	-	-	118
North terminals	341	-	-	341
South terminals	85	-	-	85
Center terminals	1,618	-	-	1,618
Natural gas electric system	20	-	-	20
Total privatized units	<u>7,807</u>	<u>(100)</u>	<u>-</u>	<u>7,707</u>
Talara operations	1,991	(22)	-	1,969
Conchán operations	729	(104)	-	625
Pipeline operations	57,246	(18,783)	16,727	55,190
Iquitos refinery operations	1,392	-	-	1,392
Commercial operations	603	-	-	603
Exploration and exploitation management	959	-	-	959
Total own units	<u>62,920</u>	<u>(18,909)</u>	<u>16,727</u>	<u>60,738</u>
Total	<u>70,727</u>	<u>(19,009)</u>	<u>16,727</u>	<u>68,445</u>
Exchange rate difference	682			967
	<u>71,409</u>			<u>69,412</u>

18 EQUITY

a) Share capital:

As of September 30, 2024, the authorized, subscribed and paid-in capital is represented by 9,572,168,000 common shares (9,572,168,000 as of December 31, 2023), with a par value of one Peruvian sol each. As of September 30, 2024, the composition of the shareholding that participates in the issued capital of the Company is as follows:

Class	Number of shares	Percentage
		%
A	7,657,734,400	80
B	1,914,433,600	20
	<u>9,572,168,000</u>	<u>100</u>

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

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



b) Legal reserve:

In accordance with Article 229 of the General Law of Companies, a legal reserve must be established with the transfer of no less than 10% of the annual net profit until reaching 20% of the paid-in capital. In the absence of undistributed profits or unrestricted reserves, the legal reserve may be applied to offset losses, and must be replaced with profits from subsequent years. In reference to the regulation, the legal reserve registered as of September 30, 2024, amounts to USD 8,724 thousand.

c) Additional capital:

On September 13, 2024, ED No. 013-2024 - Emergency Decree establishing extraordinary and urgent economic and financial measures to overcome the financial situation of PETROPERÚ S.A. the assurance of the commercialization of hydrocarbons at the national level and the sustainability of the Company was published. This emergency decree approved the capital contribution of its shareholders (the State) to the Company of: i) the transitory financial support granted by the Ministry of Economy and Finance (MEF), provided by Emergency Decree No. 010-2022, issued on May 12, 2022, for S/ 2,785,000 thousand, plus interest as of the effective date of ED No. 013-2024 (September 14, 2024), for S/ 337,804 thousand, for a total of S/ 3,122,804 thousand, and ii) the assumption by the MEF of the short-term indebtedness operation with Banco de la Nación, provided by Emergency Decree No. 004-2024, issued on February 27, 2024, for S/ 2,969,224 thousand, plus interest as of the effective date of ED No. 013-2024 (September 14, 2024) for S/ 8,285,285, for a total of S/ 2,977,509 thousand.

19 INCOME FROM ORDINARY ACTIVITIES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
National sales	728,886	925,095	2,199,967	2,561,717
Price Stabilization Fund (* (Note 9)	(7,503)	39,201	(6,961)	1,994
Income related to ordinary activities	6,231	12,532	29,178	34,080
	727,614	976,828	2,222,184	2,597,791
Foreign sales	85,241	155,588	367,153	365,775
	812,855	1,132,416	2,589,337	2,963,566



As of September 30, 2024, and 2023, sales break down as follows:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
National sales:				
Miscellaneous Diesel	420,633	620,981	1,285,429	1,606,727
Gasolines	193,627	269,382	586,551	768,530
Turbo A1	49,759	39,217	145,578	82,331
Asphalt	21,905	18,511	69,732	44,426
Industrial Petroleum	13,846	14,193	56,773	39,340
LPG	15,610	10,289	43,083	40,868
Solvents	2,827	3,339	8,318	10,531
Wet gas BLOCK I	1,246	916	1,836	2,667
Primary naphtha and others	2,540	-	7,848	2,371
Natural gas liquids - PP	4,809	-	14,695	-
Dry gas blocks - PP	802	-	2,324	-
Fine-grained Coke (TM)	10	-	17	-
Total national sales	727,614	976,828	2,222,184	2,597,791
Foreign sales				
Industrial petroleum	64,959	154,751	308,461	356,846
Turbo a1	454	813	15,048	7,898
Asphalts and solvents	293	24	759	1,031
Gran Tierra crude oil Block 95	19,535	-	34,264	-
Reduced crude oil	-	-	8,621	-
Total foreign sales	85,241	155,588	367,153	365,775
Total	812,855	1,132,416	2,589,337	2,963,566

20 COST OF SALES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Opening inventory of stock	714,598	735,579	893,970	954,356
Purchases of crude oil, refined products, and supplies	714,942	1,199,579	2,057,772	2,840,357
Production operating expenses (a)	262,080	191,939	735,165	495,257
Supply consumption during operation	(23,626)	(48,450)	(66,296)	(126,793)
Closing stock inventory	(711,100)	(966,716)	(711,100)	(966,716)
	956,894	1,111,931	2,909,511	3,196,461

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



	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Third-party services (*)	99,049	85,228	290,171	196,639
Depreciation (Note 12)	66,969	51,894	198,349	140,136
Personnel charges (Note 23)	17,434	14,544	50,442	40,070
Insurances	13,054	5,721	31,323	15,903
Depreciation of right-of-use assets	5,358	2,461	17,592	8,534
Different management charges	26,785	944	53,162	3,311
Employee participation (Note 23)	1,016	2	2,229	34
Payment	1,656	89	4,968	216
Other production materials and supplies	30,474	30,455	85,165	88,704
Others	285	601	1,764	1,710
	<u>262,080</u>	<u>191,939</u>	<u>735,165</u>	<u>495,257</u>

(*) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Freight and ground transportation expenses	20,018	21,987	61,063	55,351
Maintenance and repair services	29,097	13,242	71,052	32,968
Energy and water	15,635	24,492	50,161	44,347
Other freight	14,812	8,317	52,781	18,154
Product storage	2,099	3,050	7,354	9,017
Product dispatch	3,478	3,333	10,143	7,733
Freight and sea freight expenses	-	2,450	-	6,249
Industrial security and protection	2,311	1,727	6,512	4,159
Food and accommodation	1,665	896	2,592	2,255
Advertising	131	1,854	1,941	5,682
Storage and dispatch (PNP – Petrored)	1,134	1,284	3,144	3,327
Miscellaneous	8,669	2,596	23,428	7,397
	<u>99,049</u>	<u>85,228</u>	<u>290,171</u>	<u>196,639</u>

21 SALES AND DISTRIBUTION EXPENSES

This heading includes:



	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Personnel charges (Note 23)	5,192	5,452	15,125	15,877
Taxes	3,615	4,331	11,266	12,383
Third-party services (*)	2,375	2,881	7,183	7,886
Depreciation	2,653	2,176	8,188	6,507
Insurance	332	1,037	1,759	3,351
Materials and supplies	739	714	2,167	2,608
Different management charges	123	126	278	195
Depreciation of right-of-use	35	40	120	125
Expected loss on accounts receivable (Note 8)	-	-	-	71
Employee participation (Note 23)	-	18	-	29
	<u>15,064</u>	<u>16,775</u>	<u>46,086</u>	<u>49,032</u>

(*) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Maintenance and repair services	608	875	1,830	2,839
Miscellaneous third-party services	784	1,083	2,558	2,477
Industrial safety and protection	698	545	1,990	1,713
Rentals	42	37	100	114
Energy and water	99	104	312	313
Travel expenses and transfers	17	45	95	108
Freight and other expenses	48	48	146	110
Food and accommodation	79	144	152	212
	<u>2,375</u>	<u>2,881</u>	<u>7,183</u>	<u>7,886</u>

22 ADMINISTRATION EXPENSES

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Personnel loads (Note 23)	18,406	16,786	45,745	46,645
Third-party services (*)	12,835	20,207	42,325	44,367
Other provisions	442	1,318	691	2,346
Different management charges	1,793	33,359	6,747	39,619
Depreciation	4,341	2,020	7,263	6,072
Taxes	846	723	3,706	3,534
Payment	236	753	1,397	2,258
Materials and supplies	367	271	871	784
Depreciation of right-of-use	440	300	966	892



Employee participation	1,213	12	1,292	12
Insurance	388	234	675	708
	41,307	75,983	111,678	147,237

(*) It includes the following:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Advice, expertise, and audits	680	7,621	4,578	16,271
Banking expenses	387	4,090	7,811	6,061
Maintenance and repair services	1,998	2,313	6,930	6,144
IBM outsourcing services	2,177	1,633	4,465	4,302
Industrial safety and protection	1,779	1,757	4,708	4,148
Freight and other freight	499	619	1,667	1,760
Temporary services	3,666	710	7,285	1,968
Advertising	73	160	260	395
Travel expenses and transfers	63	136	247	327
Medical services	137	182	547	496
Miscellaneous	1,376	985	3,827	2,494
	12,835	20,207	42,325	44,366

23 STAFF LOADS

This heading includes:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Wages and salaries	17,178	15,340	48,331	43,203
Bonuses	6,878	6,771	19,605	18,508
Social contributions	5,549	5,425	14,208	15,117
Gratuities	4,012	4,249	9,961	9,842
Compensation for length of service	2,176	1,996	6,524	6,031
Holidays	1,118	1,122	3,350	3,387
Food	914	923	2,815	2,766
Overtime	492	569	1,640	1,531
Transport	216	262	782	805
Compensation for remote work	33	3	60	30
Employee participation	2,229	6	3,521	75
Others	2,466	148	4,036	1,372
	43,261	36,814	114,833	102,667



24 OTHER INCOME AND EXPENSES

Other income and expenses include:

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Other income:				
Claims and/or indemnities (insurance/non-compliances)	1,999	2,047	19,182	9,250
Other income	607	460	1,849	2,884
Recovery of provisions	207	-	574	22
Refund from SUNAT - Interest on the balance in favor of the 3rd category income tax	-	-	345	-
Recovery of fee for the use of the Pucallpa port	79	(2)	274	167
Regularization of provisions	238	231	238	-
	<u>3,145</u>	<u>2,736</u>	<u>22,477</u>	<u>12,323</u>

	For the three-month period ended on September 30,		For the nine-month period ended on September 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Other income				
Provision for oil pipeline claims	508	15,415	16,727	27,024
Net cost of disposal of assets held for sale	483	-	480	-
Voluntary separation program	11	48	42	793
	<u>1,002</u>	<u>15,463</u>	<u>17,249</u>	<u>27,817</u>

25 INCOME TAX

The income tax expense is recognized in accordance with Management's estimate of the annual income tax rate expected for the full financial year. The estimated annual effective rate used for the years 2024 and 2023 is 6.5% and 1.4%, respectively.

26 CONTINGENCIES

As of September 30, 2024, and December 31, 2023, the Company has pending resolution the following labor, civil, tax and customs claims of a contingent nature considered as possible:

	2024	2023
	USD 000	USD 000
Civil proceedings	86,859	96,756
Tax and customs processes	30,147	31,238
Labor processes	<u>1,780</u>	<u>14,876</u>



118,786	142,870
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The movement of contingencies is detailed below:

	Balance as of January 1	Additions	Deductions	Balance as of September 30
	USD 000	USD 000	USD 000	USD 000
Civil proceedings (a)	96,756	3,912	(13,809)	86,859
Tax and customs processes (b)	31,238	-	(1,091)	30,147
Labor processes (c)	14,876	514	(13,610)	1,780
	142,870	4,426	(28,510)	118,786

- a) As of September 30, 2024, the main civil lawsuits include: Heaven Petroleum Operators for USD 30,082 thousand (equivalent to S/ 115,423 thousand), SIMA for USD 5,403 thousand (equivalent to S/ 21,933 thousand), Pluspetrol Norte for USD 782 thousand (equivalent to S/ 3,000 thousand), AFP's for USD 1,565 thousand (equivalent to S/ 5,812 thousand), JS Industrial for USD 1,106 thousand (equivalent to S/ 4,107 thousand), Rebaza Vigo Percy for USD 1,167 thousand (equivalent to S/ 4,335 thousand), Hispánica for USD 803 thousand (equivalent to S/ 2,981 thousand) and E&A Servicios Afines for USD 486 thousand (equivalent to S/ 1,865 thousand), among the main ones. Proceedings with Public Prosecutor of the Regional Government of Lambayeque, Salazar Fernández Enrique, for USD 6,687 thousand (equivalent to S/ 19,527 thousand), FCC Consortium for USD 4,916 thousand (equivalent to S/ 18,292 thousand), OEFA and OSINERMING for USD 736 thousand (equivalent to S/ 2,800 thousand) were extinguished.
- b) As of September 30, 2024, the main processes correspond to those maintained with the Tax Administration (SUNAT) for USD 29,566 thousand (equivalent to S/ 110,501 thousand), of which one is related to file No. 04315-2020-0-1801-JR-CA-21 for USD 14,594 thousand (equivalent to S/ 56,000 thousand) and another is related to File No. 06304-2019-01801 for USD 14,972 thousand (equivalent to S/ 54,501 thousand). File No. 06305-2019-01801 for USD 17,086 thousand (equivalent to S/ 61,665 thousand) and municipal proceedings for USD 1,087 thousand (equivalent to S/ 4,036 thousand) were reversed.

27 BASIC AND DILUTED PROFIT (LOSS) PER SHARE

The calculation of basic and diluted profit per share as of September 30, 2024, and 2023, which are expressed by the same value in the absence of shares with dilutive effect, is presented below:

	Profit USD 000	Weighted average shares outstanding (in thousands)	Profit per share
As of September 30, 2024			
Basic and diluted profit / (loss) per share	(745,383)	9,572,168	(0.078)
As of September 30, 2023			
Basic and diluted profit / (loss) per share	(530,215)	6,581,385	(0.081)

28 GUARANTEES

Guarantees and letters of guarantee:



As of September 30, 2024, the Company has letters of guarantee issued by local financial institutions in favor of suppliers for S/ 107,385,561 thousand (equivalent to USD 28,961 thousand) and for USD 86,389 thousand. As of September 30, 2023, the Company had letters of guarantee issued by local financial institutions in favor of suppliers for S/ 127,391 thousand (equivalent to USD 33,550 thousand) and USD 91,593 thousand.

29 RELATED PARTIES

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

30 SUBSEQUENT EVENTS

After September 30, 2024, and as of the date of approval of the financial statements, no other events have occurred that require adjusting the items of the financial statements or to be disclosed in the notes thereto.

