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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada.
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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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US$ = United States dollar
S/ = Peruvian sol
EUR = Euro
JPY = Japanese yen

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors
Petróleos del Perú - PETROPERÚ S.A.

Qualified opinion

We have audited the financial statements of **Petróleos del Perú - PETROPERÚ S.A.** (hereinafter the Company), which comprise the statement of financial position at December 31, 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, except for the unquantified effect of the matter described in paragraph a), and the possible effect of the matter described in paragraph b) of the Basis for qualified opinion section of our report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Company at December 31, 2025, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for qualified opinion

a) As disclosed in Note 11(viii) to the financial statements, due to the existence of impairment indicators affecting the assets of the Production and Marketing Cash-Generating Unit (CGU), the Company's management performed the related impairment test for this CGU. For this purpose, management estimated the CGU's recoverable amount based on its value in use and concluded that no additional impairment provision was required in the financial statements as of December 31, 2025, because the recoverable amount exceeded the carrying amount of the CGU at that date. However, as a result of our audit procedures, we identified significant inconsistencies in certain key assumptions used by management to project future cash flows and estimate the CGU's recoverable amount, as well as in the related sensitivity analysis disclosures. Specifically, these assumptions are not consistent with recent historical performance, particularly for 2025, when New Talara Refinery, which forms part of the CGU, commenced operations. Had management used key assumptions based on observable historical and current data, the CGU's recoverable amount would have been less than its carrying amount and, in accordance with International Accounting Standard 36, "Impairment of Assets," the impairment provision already recognized in the financial statements as of December 31, 2025 would have required to be increased. Accordingly, as of that date, the impairment loss, the impairment provision, the related deferred income tax asset, and the impairment sensitivity analysis were understated by amounts that we, as auditors, have not been able to reliably quantify, this is due to the nature of the key assumptions used, which are highly sensitive to changes, resulting in a very broad range of potential additional impairment outcomes.

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b) As disclosed in Notes 18 and 30 to the financial statements as of December 31, 2025, the Company has recorded provisions for contingencies classified as probable, as well as contingencies disclosed in the notes as possible, in the amounts of US$177,460 thousand and US$493,102 thousand, respectively. As a result of our audit procedures, we identified that management does not include or update in its contingency matrix all outstanding proceedings that could give rise to a payment obligation as of December 31, 2025. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of the contingencies recorded and/or disclosed in the financial statements as of December 31, 2025.

We conducted our audit in accordance with International Standards on Auditing (ISA) approved for its application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants, the General Standards of Government Control, Directive No. 004-2022-CG/VCSCG Government Financial Audit and the Government Audit Manual, which together are referred to as the Government Financial Audit Standards (NAFG by its acronym in Spanish) approved for application in Peru by the General Comptroller's Office of Peru. Our responsibilities, under those standards, are further described in the Auditor's Responsibilities for the audit of financial statements section of our report.

We are independent of the Company, in accordance with the ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) approved for its application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants that are relevant for our audit of the financial statements in Peru. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion and Material uncertainty related to going concern section, we have determined that together with the matter described below, are the key audit matters to be communicated in our report.

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Key audit matters	***How the matter was handled in our audit***

Risk of override of controls by management in the procurement processes for goods, services and works (Note 1-g)

Between 2021 and 2025, Company's Management became aware of possible irregularities, presumed favors and/or conflicts of interest related to the procurement processes for goods, services and works carried out by the Company and ongoing investigations by of the Prosecutor's Office against officials and former officials.

In this regard, in 2025, management executed certain actions to mitigate the risk and identify the potential impact of these situations on the financial statements of the company. Some of the actions carried out by management and described in Note 1-g) are summarized as follows:

- A risk assessment of the hydrocarbon procurement process from prior years, with the support of an external expert.

- The review of the procurement processes for goods, services and works in the Company.

- The assessment of the impact on financial statements based on internal and external reports.

- The assessment of the degree of institutional responsibility in the face of investigations by the Public Prosecutor's Office against officials and former officials.

We consider the risk of violation of controls by management in the procurement processes for goods, services and works carried out, as a key audit matter, due to:

- The potential impact this risk could have on the financial statements as a whole, including their explanatory notes; and

- The additional effort in the execution of audit procedures that leads us to increase the scope of our work in the procurement processes for goods, services and works carried out and includes the involvement of experts in legal matters.

The audit procedures that we carried out related to these situations have been, among others, the following:

(i) We obtained an understanding of the scope of the procedures executed by management, which included the procurement of external experts, internal reviews, reviews of the General Comptroller's Office of Peru and its Institutional Control Body related to the analysis of the procurement processes for goods, services and works carried out and support of transactions and preventive and corrective measures.

(ii) We obtained an understanding of the contracting modalities and levels of contract approval.

(iii) We tested the completeness of the information used in the execution of the different procedures carried out by the Company.

(iv) For purchase transactions related to the procurement of goods, services and works, we selectively review that they correspond to real transactions, verifying that, as appropriate, the good has been received or that the service has been rendered.

(v) We reviewed that there are no hydrocarbon purchase transactions with entities subject to allegations during 2025.

(vi) We selectively review the complaints reported on the Company's Integrity Line.

(vii) We evaluated the results of the work carried out by the external expert and management itself, as well as management's conclusions.

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Gaveglio Aparicio y Asoc. S. Civil de R.L.
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Key audit matters	How the matter was handled in our audit
	(viii) We evaluated the result of the work carried out by the Comptroller General of the Republic of Peru and the Institutional Control Body, and the conclusions of management. (ix) Together with our legal experts, we evaluated the conclusions of management and its external legal advisors regarding the degree of responsibility to which the Company is exposed in reference to the investigations by the Prosecutor's Office against an official and former employee of the Company. (x) We evaluated the adequacy of the information disclosed in notes to the financial statements with respect to this matter.

Material uncertainty related to going concern

We draw attention to Note 1-f of the financial statements, which describes that the Company has generated a loss of US$601,482 thousand for the year ended December 31, 2025 and, at that date, the current liabilities exceed the current assets in US$2,296,448 thousand. These circumstances, together with other conditions described in Note 1-f, indicate that a material uncertainty exists that may raise significant doubts on the Company's ability to continue as a going concern. Our opinion is unchanged in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises the annual report corresponding to the year ended December 31, 2025 required by the Peruvian Superintendency of the Securities Market ("Superintendencia del Mercado de Valores" - SMV), which is not part integral of the financial statements or our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion on that other information.

Regarding our audit of the financial statements, our responsibility is to read the other information indicated above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or if it appears that there is a material misstatement in the other information for some other reason.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

As described in paragraph a) of the preceding Basis for Qualified Opinion section, the Company should have increased the impairment provision in the financial statements as of December 31, 2025, and, consequently, has understated the impairment loss, the impairment provision, and the related deferred tax asset by unquantified amounts. We have concluded that the annual report, which discloses the value of the assets and the loss for the year, contains a material misstatement for the same matter described in paragraph a) of the preceding Basis for Qualified Opinion section.

Furthermore, as described in paragraph b) of the preceding Basis for Qualified Opinion section, we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of the contingencies recorded and/or disclosed in the financial statements as of December 31, 2025. Accordingly, we were unable to conclude whether the annual report, which discloses the liabilities and the loss for the year, contains material misstatements with respect to the same matter described in paragraph b) of the preceding Basis for Qualified Opinion section.

Responsibilities of management and those charged with Corporate Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Corporate Governance of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA and NAFG, approved for its application in Peru, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISA and NAFG, approved for its application in Peru, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Corporate Governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Corporate Governance of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with Corporate Governance of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

May 22, 2026

Gaveglio Aparicio y Asociados

Countersigned by

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---------------------------------------(partner)
Vicente Tieri
Peruvian Public Accountant
Registration No.C37180

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As of December 31, 2025 US$000	As of December 31, 2024 US$000
Current assets			
Cash and cash equivalents	7	26,435	130,856
Trade receivables	8	209,954	219,660
Other receivables	9	293,590	325,528
Inventories	10	559,053	723,183
Other assets		1,710	2,049
Total current assets		1,090,742	1,401,276
Non-current assets			
Other receivables	9	1,256,965	1,075,468
Property, plant and equipment	11	6,970,723	7,046,339
Investment properties		2,708	2,717
Intangible assets	12	134,311	124,923
Right-of-use assets	13	28,877	58,884
Deferred income tax assets	19	356,179	229,515
Total non-current assets		8,749,763	8,537,846
TOTAL ASSETS		9,840,505	9,939,122

LIABILITIES AND EQUITY	Note	As of December 31, 2025 US$000	As of December 31, 2024 US$000
Current liabilities			
Other financial liabilities	14	960,756	1,800,263
Trade payables	15	1,087,007	1,282,042
Payables to related entities	16	912,121	-
Other liabilities and other payables	17	187,319	99,449
Provisions	18	210,310	77,884
Lease liabilities	13	29,677	41,623
Total current liabilities		3,387,190	3,301,261
Non-current liabilities			
Other financial liabilities	14	4,208,083	3,810,395
Payables to related entities	16	359,606	320,839
Provisions	18	12,944	12,658
Lease liabilities	13	2,068	19,533
Other liabilities and other payables	17	40,368	42,708
Total non-current liabilities		4,623,069	4,206,133
Total liabilities		8,010,259	7,507,394
Equity	20		
Share capital		4,292,900	2,675,209
Additional capital		-	1,617,691
Legal reserve		8,724	8,724
Retained earnings		(2,471,378)	(1,869,896)
Total equity		1,830,246	2,431,728
TOTAL LIABILITIES AND EQUITY		9,840,505	9,939,122

The attached notes from pages 13 to 104 form part of the financial statements.

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended December 31, 2025 US$000	2024 US$000
Revenue from ordinary activities	21	3,380,362	3,456,397
Other operating income	22	58,908	70,923
Total revenue		3,439,270	3,527,320
Cost of sales	23	(3,424,866)	(3,813,330)
Gross profit (loss)		14,404	(286,010)
Selling and distribution expenses	24	(55,605)	(61,406)
Administrative expenses	25	(156,217)	(181,064)
Impairment of property, plant and equipment	11	-	(24,669)
Other income	27	43,909	27,880
Other expenses	27	(39,181)	(60,362)
Operating expenses, net		(207,094)	(299,621)
Loss from operating activities		(192,690)	(585,631)
Financial income	28	3,748	2,766
Financial expenses	28	(496,578)	(383,755)
Exchange difference, net		13,387	11,213
Loss before income tax		(672,133)	(955,407)
Income tax	29	70,651	181,502
Net loss and comprehensive income for the year		(601,482)	(773,905)
Basic and diluted loss per share (in US$)	31	(0.043)	(0.081)

The attached notes from pages 13 to 104 form part of the financial statements.

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Note	Number of shares	Share capital US$000	Additional capital US$000	Legal reserve US$000	Retained earnings US$000	Total equity US$000
Balance as of January 1, 2024		9,572,168,000	2,675,209	-	8,724	(1,095,991)	1,587,942
Net loss for the year		-	-	-	-	(773,905)	(773,905)
Transactions with shareholders:							
Loan capitalization with shareholders	20	-	-	1,617,691	-	-	1,617,691
Balance as of December 31, 2024		9,572,168,000	2,675,209	1,617,691	8,724	(1,869,896)	2,431,728
Balance as of January 1, 2025		9,572,168,000	2,675,209	1,617,691	8,724	(1,869,896)	2,431,728
Net loss for the year		-	-	-	-	(601,482)	(601,482)
Transactions with shareholders:							
Transfer of additional capital to share capital	20	6,100,312,855	1,617,691	(1,617,691)	-	-	-
Balance as of December 31, 2025		15,672,480,855	4,292,900	-	8,724	(2,471,378)	1,830,246

The attached notes from pages 13 to 104 form part of the financial statements.

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

STATEMENT OF CASH FLOWS

	Note	For the year ended December 31, 2025 US$000	2024 US$000
OPERATING ACTIVITIES			
Net cash provided by (applied to) operating activities		47,898	(664,762)
Interest payment	13, 14 and 16	(314,115)	(317,153)
Income tax payment		(15,016)	(15,682)
Net cash applied to operating activities		(281,233)	(997,597)
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	11	(93,588)	(288,044)
Capitalized interest payment	14-c	-	(2,736)
Payment for purchase of intangible assets	12	(16,779)	(15,755)
Net cash applied to investing activities		(110,367)	(306,535)
FINANCING ACTIVITIES			
Loans from financial institutions	14	962,931	2,250,277
Execution of MEF guarantee honors	16	898,589	-
Loan received from Banco de la Nación (E.D. No. 004-2024)	16	-	798,648
Payment of loans to financial institutions	14	(1,528,149)	(1,620,855)
Payment of lease liability	13	(39,478)	(32,967)
Net cash provided by financing activities		293,893	1,395,103
(Net decrease) net increase in cash and cash equivalents		(97,707)	90,971
Effect of changes in exchange rate on cash		(6,714)	(1,262)
Cash and cash equivalents at the beginning of the year		130,856	41,147
Cash and cash equivalents at the end of the year		26,435	130,856
NON-CASH TRANSACTIONS FROM FINANCING AND INVESTING ACTIVITIES			
- Unpaid accrued interest	14	8,589	14,634
- Work in progress payable	15	90,770	79,613
- Addition for right-of-use assets and lease liabilities	13	10,032	59,861
- Assumption by the MEF of certain balances of the CESCE debts and Corporate bonds (E.D. No. 013-2024)	16	-	168,158
- Assumption by the MEF of debt with Banco de la Nación (E.D. No. 013-2024)	20	-	789,581
- Capitalization of loans with shareholders	20	-	1,617,691

The attached notes from pages 13 to 104 form part of the financial statements.

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

STATEMENT OF CASH FLOWS (continued)

	Note	For the year ended December 31, 2025 US$000	2024 US$000
Net loss for the year		(601,482)	(773,905)
Adjustments to reconcile the net income for the year with cash from operating activities:			
Provision for impairment of inventories	10	200	198
Provision for contingencies	18	167,835	21,961
Provision for environmental remediation	18	3,975	21,412
Provision for impairment of property, plant and equipment	11	-	24,669
Depreciation of property, plant and equipment and investment properties	11	168,916	226,878
Amortization of intangible assets	12	7,391	7,916
Depreciation of right-of-use assets	13	27,424	25,293
Withdrawal and adjustments of property, plant and equipment and investment properties	11	843	5,612
Deferred income tax	29	(126,665)	(181,502)
Effect of exchange rate changes on cash		7,011	1,262
		(344,552)	(620,206)
Net variations in operating assets and liabilities:			
Trade receivables		9,706	59,566
Other receivables		(149,559)	22,441
Inventories		163,930	123,965
Other assets		339	492
Trade payables		(195,035)	(544,369)
Other payables and provisions		563,069	293,349
Net cash provided by (applied to) operating activities		47,898	(664,762)

The attached notes from pages 13 to 104 form part of the financial statements.

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PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1 BACKGROUND AND ECONOMIC ACTIVITY

a) Background -

The Company is a government-owned company under private law operating in the hydrocarbons subsector within the Energy and Mining Industry. The Company is organized and incorporated as a stock company, under the provisions of Legislative Decree No. 043, *Ley de la Empresa Petróleos del Perú - PETROPERÚ S.A.*, enacted on March 5, 1981, and its amendments, by which the Peruvian Government holds the Company's total share capital. The Company is also subject to the provisions of Article 12 of the rules for application of Law No. 28840, "Ley de Fortalecimiento y Modernización de la Empresa de Petróleos del Perú - PETROPERÚ S.A." (Law No. 28840), approved by Supreme Decree No. 012-2013-EM, setting forth that each member of the General Shareholders' Meeting shall represent the number of equity shares of the Company resulting from dividing the total number of shares by the number of members designated to act on behalf of the Peruvian Government.

The Company is registered with the Peruvian company and securities regulator ("Superintendencia de Mercados de Valores" - SMV).

The legal address of the Company is Av. Enrique Canaval y Moreyra No. 150, San Isidro, Lima, Peru.

Under the provisions of Law No. 28840, the Company was expressly excluded from the scope of the Peruvian Fund to Finance the Government Business Activity ("Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado" – FONAFE) and the public investment system ("Sistema Nacional de Inversión Pública" - SNIP). Further, by means of the second final provision of Law No. 28840, the Supreme Resolution No. 290-92-PCM - by which the Company was included within the scope of the process of private investment promotion, and any other regulation opposing Law No. 28840 was superseded.

The Company's activities are governed by its Organic Law approved under Legislative Decree No. 043, its Bylaws, Law No. 28840 (and its internal rules, approved under Supreme Decree No. 012-2013-EM dated April 27, 2013); it is also governed by the Peruvian Corporate Law on a supplementary basis and is under the oversight of the General Comptroller's Office of Peru ("Contraloría General de la República" - CGR), supervisory entities such as the SMV and regulatory entities (OSINERGMIN, OEFA, SUNAT, SUNAFIL, among others).

Other applicable laws and regulations are the provisions of the legislation stating the need for the modernization of the Talara Oil Refinery, Law No. 30130 enacted on December 18, 2013 (originally called "Ley que declara de necesidad pública e interés nacional la prioritaria ejecución de la modernización de la Refinería de Talara para asegurar la preservación de la calidad del aire y la salud pública y adopta medidas para fortalecer el Gobierno Corporativo de Petróleos del Perú - PETROPERU S.A.", (hereinafter the PMRT) as well as its rules for application, as approved under Supreme Decree No. 008-2014-EM, published on March 24, 2014. The Law No. 30130 approved the grant by the Peruvian Government of up to US$200,000 thousand per year and up to a cumulative total of US$1,000,000 thousand to secure the financial obligations derived from the financing to be contracted by the Company to execute the PMRT in the event the Company is not able to obtain the necessary resources to honor its obligations. As of December 31, 2025 and 2024, there has been no need to use those guarantees.

In this regard, it should be noted that the New Talara Refinery (hereinafter, NTR) that arises from the aforementioned PMRT was built to allow it to produce gasoline, diesel and LPG, with a maximum sulfur content of 50 parts per million. Likewise, it will be able to process heavy crudes such as those extracted from the Peruvian jungle, which could not be done in the previous refinery, as well as carry out the deep conversion of residuals to products such as diesel, gasoline and LPG and low-octane gasoline to high octane gasoline, thanks to its new flexicoking and catalytic reforming units, licensed by Exxon Mobil and Axens, respectively; which management considers to be a key factor for its profitability. As of December 31, 2025 and 2024, all NTR units are in operation.

Additionally, on December 30, 2016, Legislative Decree No. 1292 was enacted declaring of public need and national interest the safe operation of Peruvian northern oil pipeline (“Oleoducto Norperuano”) (hereinafter ONP or Oil Pipeline) and stipulating the re-organization and improvement of the corporate governance of the Company (Note 1-g). Pursuant to Law No. 30993, enacted on August 15, 2019, the development and execution of the Project for the Strengthening and Modernization of the Peruvian northern oil pipeline was declared of national interest, to guarantee its operation and efficient maintenance, expand its extension, as well as increase its transportation capacity and profitability. This Law also seeks to safeguard the conservation of the environment and complement the Talara Refinery Modernization Project, as well as guaranteeing adequate participation for taxes, canon and royalties in favor of the Peruvian Government.

By Emergency Decree No. 013-2024 (E.D. No. 013-2024), dated September 13, 2024, extraordinary and urgent economic and financial measures were established to enable the Company to overcome its financial situation, ensure the continuity of hydrocarbon marketing nationwide, secure the supply of fuels for the development of economic activities throughout the country, and preserve its sustainability. The decree also provided that: i) the term of the short-term borrowing transaction, in the form of a guarantee granted by the National Government for the foreign trade credit facility with Banco de la Nación (BN), was extended until July 31, 2025, for up to the equivalent in Peruvian soles of US$1,000,000 thousand. This term was subsequently extended until December 31, 2028, under Law No. 32185, the Public Sector Budget Law for fiscal year 2025; ii) the obligations payable by the Company arising from maturities occurring in the second half of 2024, related to bond issuances in the international capital markets and financing guaranteed by Compañía de Seguros de Crédito a la Exportación (CESCE), intended to partially finance the NTR, were assumed; iii) the Company’s obligations under the working capital loan entered into with Banco de la Nación, for up to US$800,000 thousand, were assumed and capitalized in the Company; v) the temporary financial support approved under Article 2 of Emergency Decree No. 010-2022, granted by the Peruvian Ministry of Economy and Finance through the General Directorate of the Public Treasury for up to US$750,000 thousand, was capitalized; and vi) the Company was required to engage a specialized firm to design and manage the implementation of the so-called Comprehensive Transformation Service, consisting of the execution of strategic, operational and financial measures aimed at ensuring the Company's sustainability.

Finally, through Emergency Decree No. 010-2025 (E.D. No. 010-2025), dated December 31, 2025, extraordinary economic and financial measures were established for the Company's equity reorganization and to ensure the continuity of the production chain. These measures included the Company in the process for promoting private investment referred to in Legislative Decree No. 674, the Law for the Promotion of Private Investment in Government-Owned Companies. It was established that PROINVERSIÓN may choose any of the modalities provided for in that Legislative Decree and shall also be responsible for the design, management and execution of the entire equity reorganization process for the transfer of asset blocks under the Promotion Plan, which must be approved by the Executive Director of PROINVERSIÓN or the person acting in such capacity. The provisions of Law No. 30130 shall not apply to the extent they conflict with the Emergency Decree. As of the date of this report, the Company has not received any communication from PROINVERSIÓN regarding an approved Promotion Plan.

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In addition, by Board of Directors' Resolution No. 010-2026-PP, the cancellation of the procurement process for the Company's Comprehensive Transformation Service under Emergency Decree No. 013-2024 was authorized, in order to begin the activities included in the private investment promotion plan to be led by PROINVERSIÓN, as provided in the aforementioned E.D. No. 010-2025.

b) Economic activity -

The Company is a Peruvian government-owned company governed by private law, engaged in the production, transportation, refining, distribution and marketing of fuels and other petroleum products. The Company operates three refineries strategically located in Talara (Piura), Iquitos (Loreto) and Conchán (Lurin, Lima). It is also responsible for the Peruvian northern oil pipeline, which enables the transportation of crude oil extracted in the Amazon region to the Bayóvar maritime terminal on Peru's northern coast.

Pursuant to Law No. 28244, enacted on June 2, 2004, the Company is authorized to enter into contracts with PERUPETRO S.A. for exploration and exploitation operations as well as petroleum-related services as permitted by law.

Furthermore, Law No. 28840 establishes that the Company has economic, financial and administrative autonomy in accordance with its annual and five-year business objectives approved by the Peruvian Ministry of Energy and Mines. The agreements and contracts entered into to achieve its business purpose are subject to the guidelines established under i) Legislative Decree No. 043, as amended; ii) its Bylaws; iii) its internal rules; iv) Board agreements; v) the Standards of the National Control System; and vi) the standards and regulations specific to the Company.

The Company's foreign trade transactions are governed by the generally accepted practices and uses of international trade and International Law standards as well as the generally accepted practices in the hydrocarbon and energy industry.

As part of its core business purpose, the Company carries out activities in accordance with the Peruvian Hydrocarbons Law ("*Ley Orgánica de Hidrocarburos"*) - Law No. 26221. These activities consist of all oil industry phases, such as oil trade, including its by-products, basic petrochemicals and other forms of energy.

Pursuant to Law No. 29970 - Law for the strengthening of the energy supply continuity throughout the Southern Region in Perú *("Ley que afianza la Seguridad Energética y promueve el desarrollo del Polo Petroquímico en el Sur del País"*), the Company shall take part, individually or jointly, in the petrochemical development described in the above-mentioned law.

Pursuant to Law No. 30130, enacted on December 18, 2023, the Company is authorized to sell or issue shares to be placed in the Securities Market. In this process, the Peruvian Government is allowed to incorporate a private stake of up to 49% of its share capital outstanding. Also, the Company is allowed to carry out investment activities and projects as long as no current or future firm or contingent liabilities are incurred by the Company, do not affect the guarantees for the PMRT; and no Treasury resources are required; which is not restrictive of those ongoing projects that enable the Company to be operational at the effective date of this law. These restrictions will cease to exist whenever the Company generates sufficient cash flows to be able to secure repayment of the borrowings contracted to invest in implementing the PMRT and a private stake of at least 40% has been incorporated in its outstanding share capital.

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Peruvian northern oil pipeline ("Oleoducto Norperuano") -

Pursuant to Legislative Decree No. 1292, issued on December 30, 2016, the safe operation of the Peruvian northern oil pipeline ("Oleoducto Norperuano") was declared of public need and national interest; in this sense, the Company was ordered to re-organize and enhance its corporate governance, authorizing a period of 720 days for that purpose, to come due on December 30, 2018, to prepare a plan to govern, among others: the contracting and amending of agreements/contracts as well as service agreements relating to the Company's business units; the participation of the Company in contracts of hydrocarbon exploration and exploitation; the possibility for the Company to take part in social responsibility actions under the mechanism of work in exchange for taxes; using the capital increase referred to in subsection 8.1, Article 8, Law No. 29970 to implement the New Talara Refinery (NTR) and the amendment of Article 4 and Complementary Provision to Law No. 28840 - *"Ley de Fortalecimiento y Modernización de la Empresa de Petróleos del Perú - PETROPERÚ S.A."* to implement the Legislative Decree No. 1292" approved by the Board of Directors. This plan was approved by the Board of Directors through Agreement No. 067-2018-PP dated August 6, 2018. In this regard, the Company has been making disbursements for remediation work, crude oil recovery, soil monitoring and other services related to certain spills that have occurred in recent years within the framework of its operations (Note 18).

Block 64 -

On September 28, 2021, Supreme Decree No. 024-2021-EM approved the assignment of Geopark Perú S.A.C.'s (former operator) interest in Block 64 to the Company, whereby the Company assumed 100% of the rights and obligations related to the exploration and exploitation of hydrocarbons. On June 16, 2024, notification was received regarding the approval of the terms of reference and the citizen participation plan by the National Environmental Certification Service for Sustainable Investments ("Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles" - SENACE) for the beginning of the Detailed Environmental Impact Study.

On November 29, 2024, public call No. Petroperú-001-2004-L64 was launched for the selection of a strategic partner for the operation of Block 64. This public call concluded in June 2025 and was declared void. As of the date of approval of the financial statements, a proposal has been submitted to PROINVERSIÓN to initiate a direct award process.

As of December 31, 2025 and 2024, the investments made in Block 64 amount to US$37,663 thousand and US$35,834 thousand, respectively (Note 12).

Block 192 -

Pursuant to Law No. 30357, enacted on November 6, 2015, the Fourth Complementary Final Provision was incorporated into Law No. 0130, authorizing PERUPETRO S.A. to, after evaluation and through direct negotiation, sign the hydrocarbon exploitation contract of Block 192 with the Company.

Supreme Decree No. 009-2022-EM enacted on July 25, 2022, authorized the signing of the License Agreement for the Exploitation of Hydrocarbons of Block 192, for a period of 30 years, which was signed by the Company and PERUPETRO S.A. on February 28, 2023.

On February 3, 2024, Supreme Decree No. 005-2024-EM was enacted in the Peruvian official Gazette "El Peruano". The amendment of the License Agreement for the Exploitation of Hydrocarbons in Block 192 was approved to reflect the assignment of contractual position of 61% interest in the Agreement by the Company in favor of Altamesa Energy Perú S.A.C.

In February 2025, the Company ended its partnership with Altamesa Energy Perú S.A.C. and, as of the date of this report, continues the selection process to identify a new operator for the Block 192 License Agreement.

As of December 31, 2025 and 2024, the investments made in Block 192 amounted to US$40,911 thousand and US$26,057 thousand, respectively (Note 12).

Block X -

Pursuant to Supreme Decree No. 008-2024-EM, enacted on May 19, 2024, the Company and the consortium formed by OIG PERÚ 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 became effective on Monday, May 20, 2024. PETROPERÚ holds a 40% interest in the block, with OIG PERÚ S.A.C. designated as the operator.

The average production of oil and associated natural gas corresponding to the Company’s interest during 2025, amounted to 3,257 barrels of oil per day (hereinafter BOPD) and 4,793 thousand cubic feet per day (hereinafter MCFD), respectively.

Investments made in fixed assets (Note 11) during 2025 and 2024 amounted to US$16,801 thousand and US$3,700 thousand, respectively. Based on its 40% interest, the Company must recognize US$6,720 thousand and US$1,480 thousand, respectively.

Other blocks -

Block I -

Pursuant to Supreme Decree No. 022-2023-EM, enacted on October 21, 2023, the License Agreement between the Company and PERUPETRO S.A. for the Exploitation of Hydrocarbons in Block I was approved, for a period of 2 years, signing said agreement on October 21, 2023, or until the effective date of a new contract for the exploitation of hydrocarbons.

In Block I, the average oil and associated natural gas production during 2025 and until October 21, 2025, the date of completion of the contract was 493 BOPD and 2,343 MPCD, respectively, and during 2024, it was 469 BOPD and 2,474 MPCD, respectively.

Block VI -

Likewise, on October 21, 2023, the Company and PERUPETRO S.A. signed the License Agreement for the Exploitation of Hydrocarbons in Block VI, with a 2-year extension, approved by Supreme Decree No. 023-2023-EM published on October 21, 2023, or until the effective date of a new contract for the exploitation of hydrocarbons.

In Block VI, the average oil and associated natural gas production during and until October 21, 2025, the date of completion of the contract was 1,543 BOPD and 2,943 MPCD, respectively, and during 2024, was 1,746 BOPD and 3,220 MPCD, respectively.

Block Z-69 -

Pursuant to Supreme Decree No. 027-2023-EM, enacted on November 13, 2023, the License Agreement between the Company and PERUPETRO S.A. for the Exploitation of Hydrocarbons in Block Z-69 was approved for a period of 2 years, signing said agreement on November 15, 2023.

In Block Z-69, the average production of Oil and Associated Natural Gas, during 2025, was 3,369 BOPD and 8,598 MPCD, respectively and during 2024, was 4,508 BOPD and 9,194 MPCD, respectively. Through Supreme Decree No. 022-2025-EM, published on November 14, 2025, the License Agreement held by the Company was extended until May 15, 2026, or until the effective date of a new hydrocarbon exploitation agreement.

The hydrocarbon exploitation license agreements in force as of December 31, 2025 and 2024 related to Blocks X, Z-69, 64 and 192, which include the existing assets, facilities and equipment in the area of each agreement that were delivered by PERUPETRO S.A. to the Company under a free-use assignment arrangement, without transfer of ownership. Under these agreements, the Company pays royalties to PERUPETRO S.A. based on the quantities produced. Upon termination of each agreement, the Company is required to return such assets in good condition as to preservation, maintenance and operation.

c) Regulatory framework governing the Company’s selling prices -

In accordance with Article 77 of the Organic Hydrocarbon Law, the activities and prices of crude oil and by-products are governed by supply and demand.

- The fuel pricing policy of the Company approved by the Board of Directors establishes that:

  - Pricing of liquid and specialty fuels is determined based on supply –and demand in compliance with the provisions of the Peruvian Law of Hydrocarbons (“Ley Orgánica de Hidrocarburos”) and regulations that modify or replace it.
  - The price listing of liquid and specialty fuels will be approved by the Executive Committee of Prices (“Comité Ejecutivo de Precios”) led by the General Management comprising Corporate Finance Management, Commercial Corporate Management and Supply Chain, Corporate Operating Management and Corporate Planning Manager, or those who fulfill those functions.
  - The determination of the prices of liquid and specialty fuels sold by the Company in the local market will consider the cost-opportunity basis and will be set at prices that allow the Company to compete in the market and at the same time achieve its strategic and budgetary goals. In the case of liquid fuels, the opportunity cost comprises the Import Parity Price (“Precio de Paridad de Importación” - PPI) calculated with the methodology defined by the Company in its guidelines.
  - The Company’s price lists of liquid fuels should be competitive in relation with other economic agents - manufacturers and importers – at the Sales Plants nationwide in which sales are conducted, provided that economic benefits are obtained.
  - In case international market events or circumstances have an adverse impact on prices of liquid and specialty fuels up or down, that negatively affect the Company's reputation or put it in an economic condition of potential risk, the Price Executive Committee may decide to progressively transfer those events to customers or ignore those price variances specific to a current economic juncture until the local or international market stabilizes, taking into account the financial sustainability of the Company.

- Price Stabilization Fund of Petroleum Derived Fuels (hereinafter, Price Stabilization Fund).

  The Price Stabilization Fund was established by the Peruvian Government under Emergency Decree No. 010-2004, relevant rules standards and amendments. Pursuant to this piece of legislation the Peruvian Government establishes a contingency fund to prevent the volatility of the hydrocarbon prices being transferred to the final consumers; however, the Peruvian Ministry of Energy and Mines (MEM) will compensate the Company for the pricing differences that are not transferred to its customers.

  Under the above-mentioned regulations, the National Hydrocarbons Office (“Dirección General de Hidrocarburos” - DGH) within the MEM sets a price range per each fuel product sold in Peru. Article 6 of Supreme Decree No. 133-2010-EF (dated June 23, 2010) stipulates that OSINERGMIN shall update and publish every two months in the Peruvian official gazette “El Peruano”, the price ranges (“bandas de precios”) per each product the last Thursday of the second month, computed from the effective date of the last price update.

On a weekly basis, OSINERGMIN publishes a reference price per each fuel product sold in Perú known as “Import parity price (“Precio de paridad de importación” - PPI). Whenever the PPI is higher than to the upper range, the difference is the Compensation factor and whenever the PPI is lower than the lower range, the difference is the Contribution factor.

Pursuant to Supreme Decrees No. 033-2023-EM enacted on December 28, 2023, and No. 007-2024-EM dated March 26, 2024, was extended as a product subject to the Fuel Price Stabilization Fund (FEPC, by its acronym in Spanish) until March 28, 2024, and June 27, 2024, respectively. As of December 31, 2025 and 2024, the products subject to the FEPC include only industrial oil 6 and Diesel BX.

As of December 31, 2025 and 2024, the FEPC represented -0.43% and -0.10%, respectively, of the Company's revenue (contribution).

d) Operating results -

The Company reported a loss of US$601,482 thousand, mainly due to:

(i) Operating restrictions resulting from port closures due to abnormal wave conditions, which affected the operation of the NTR and prevented the normal supply of crude oil to the refinery and the normal delivery of its production to terminals and sales plants during the first half of the year.

(ii) A downward trend in international crude oil and product prices, which affected inventory realization.

(iii) Restrictions on access to bank credit facilities, which affected the availability of the liquidity required for the acquisition and timely assurance of the supply of crude oil and products for processing at the refineries.

(iv) A downward trend in international crude oil and product prices, which affected inventory realization.

(v) A lower contribution from oil blocks to net income (US$29,000 thousand in 2025 compared to US$77,000 thousand in 2024), mainly attributable to the expiration of the license agreements for Blocks I and VI in October 2025, as well as the negative results reported by Block Z-69.

In this regard, the Company has been taking actions to reverse this adverse economic situation, as disclosed in paragraph e) of this note.

e) Restructuring plan -

Pursuant to Emergency Decree No. 004-2024 (E.D. No. 004-2024), published on February 27, 2024, which establishes extraordinary economic and financial measures aimed at ensuring the continuity of fuel supply and the development of economic activities nationwide, and at improving the Company's governance efficiency, the Restructuring Plan prepared by the Consultants was replaced by the 2024 Restructuring Actions approved by the Company's Board of Directors on April 1, 2024. Its implementation of these actions involved the monitoring of 52 indicators, 19 of which were originally included in the Consultants' Restructuring Plan, while 33 new indicators were added, with particular emphasis on governance, economic, financial, organizational, operational and strategic matters. In addition, due to the complex economic and financial environment faced by the Company, the Board of Directors approved the 2024 - 2025 Complementary Restructuring Actions on June 24, 2024, under which 13 indicators were monitored, with particular emphasis on economic, financial and organizational matters.

Also aligned with this, E.D. No. 013-2024, referred to in section a) of this note, was published.

In this regard, through Board of Directors' Resolution AD No. 112-2024, dated November 21, 2024, the Company's Board of Directors approved the creation of Working Committees for the implementation of urgent restructuring actions for the Company during the 2024 - 2025 period, in accordance with the provisions set forth in E.D. No. 004-2024 and E.D. No. 013-2024

As of December 31, 2025, the Board of Directors and FONAFE were informed of the results of the implementation of Emergency Decree No. 004-2024, in relation to the Restructuring Actions and Complementary Restructuring Actions approved through Board of Directors' Resolutions No. 031-2024-PP and No. 065-2024-PP.

As of December 31, 2025, the Board of Directors was informed of the consolidation of the results obtained by the Working Committees approved through Board of Directors' Resolution A.D. No.112-2024, dated November 21, 2024, which were created for the purpose of implementing urgent actions aimed at restructuring the Company during the 2024-2025 period.

Within this framework, the Non-Strategic Asset Monetization Committee, the Company's Comprehensive Transformation Committee and the Labor Policy Committee completed the actions planned to meet the objectives established under Board of Directors' Resolution A.D. No. 112-2024.

As of the date of this report, the Committee for Recovery of Debt Owed to the Company, the Forensic Audit Committee, the Ethics and Transparency Committee, and the Oil Blocks Committee showed partial progress, mainly due to external factors and original approaches that, in the current context, are no longer feasible to implement or complete.

It should be noted that, in line with E.D. No. 010-2025, dated December 31, 2025, which entrusts PROINVERSIÓN with the design, management and full execution of the Company's equity reorganization process, as well as the administrative authority to issue and grant approvals on behalf of the Company within such framework, and in order to avoid overlapping activities with those included in the private investment promotion plan led by PROINVERSIÓN, the provisions of Board of Directors' Resolution A.D. No. 112-2024 were deemed completed.

f) Going concern and working capital -

The financial statements as of December 2025 and 2024 have been prepared using the going concern accounting principle, which is based on the assumption that the Company will be able to continue its activities normally in the foreseeable future.

This assumption is based on the Company's ability to meet its financial obligations as they fall due. In 2025, the Company reported a net loss of US$601,482 thousand (compared to a net loss of US$773,905 thousand in 2024). As of December 31, 2025, the Company reported negative working capital, since current liabilities exceeded current assets by US$2,296,448 thousand (US$1,899,985 thousand as of December 31, 2024). These results and financial position in both years are mainly explained by the following factors:

- In 2025, the loss reported was lower than in 2024, mainly as a result of higher production of low-sulfur diesel and gasoline, in line with the stabilization process of the New Talara Refinery (NTR). The Company also recorded an increase in domestic sales volumes, mainly diesel and gasoline, associated with the recovery of sales and the greater availability of NTR production. In addition, the reduction in the negative result is explained by a lower volume of residual product exports, as well as by lower net operating expenses of US$84,181 thousand, mainly due to lower depreciation of assets as a result of the annual review of their useful lives and the cost optimization initiatives implemented by the Company. Finally, higher financial expenses of US$112,823 thousand were recorded, mainly explained by the provision for interest related to road tax that was not paid on imports from 2019 to 2023, amounting to US$156,852 thousand (Note 28), partially offset by a decrease in direct obligations with suppliers and by lower interest associated with working capital financing, in a context of limited access to credit facilities.

- On the other hand, in 2024, higher net operating expenses of US$292,834 thousand were incurred due to services related to the operation and maintenance of processing and auxiliary units, the increase in depreciation due to the full commissioning of the NTR, as well as the contracting services necessary for the operation of the oil blocks, mainly Block Z-69 for US$66,700 thousand and Block X for US$11,400 thousand, which began operations in December 2023 and May 2024, respectively.

- Events that occurred in the Company in 2021 and 2022 that have generated investigations for alleged irregularities committed by the former general management and related officials, which affected its corporate governance and the efficiency of its management.

- Reduced credit rating. In March 2025 and as of the date of issuance of the financial statements, the international rating agency Moody's Ratings assigned the Company a "B3" credit rating (equivalent to "B-") as a long-term debt issuer and for its bonds in the international market. It also assigned a baseline credit assessment (BCA) of "CA" (equivalent to "CC"), with a stable outlook.

In addition, the following factors were observed in 2025:

- In January 2026, Moody's Ratings issued a new report downgrading the Company's rating from "Caa1" (equivalent to "CCC+") to "B3" (equivalent to "B-"), as an issuer in the international debt market, and changed the outlook from negative to stable.

- Operating restrictions resulting from port closures caused by abnormal wave conditions, which affected the operation of the New Talara Refinery (NTR), preventing the regular supply of crude oil to the refinery and the normal delivery of its production to terminals and sales plants during the first half of the year.

- A downward trend in international crude oil and product prices, which affected inventory realization.

- Commercialization of crude oil during January and February 2025, as a result of operating restrictions in the NTR crude oil receiving system, caused by an environmental event at the Submarine Terminal, as well as port closures due to abnormal wave conditions.

- Continued restrictions on bank credit facilities, which affected the availability of the liquidity required for the acquisition and timely assurance of the supply of crude oil and products for processing at the refineries.

- A lower contribution from oil blocks to net income, partly attributable to the expiration of the license agreements for Blocks I and VI in October 2025, as well as the negative results reported by Block Z-69.

- Fixed expenses associated with the Oil Pipeline, without the corresponding generation of revenue from crude oil transportation services.

These situations establish material uncertainty that may cause significant doubt that the Company will continue as a going concern and, therefore, it may not be able to realize its assets and settle its liabilities in the normal course of business. However, the Company monitor cash flow projections carried out on the basis of the liquidity requirements of the Company to ensure sufficient cash to cover the operating needs, while maintaining sufficient headroom on its credit facilities. In this sense, the Company considers revolving credit lines with local and foreign banks and cash flows of its operating activities, with the start-up of the NTR. The most relevant benefits are the possibility of refining heavy crude oils that cannot be processed with prior technology, increasing refining capacity, improving the hydrocarbon trade balance, reducing the risk of fuel shortages due to fuel production independent of external factors, and business sustainability, among others. This will allow it to increase its profit margins to reduce accumulated losses and maintain enough cash to meet its obligations and reverse the current negative working capital in the medium term.

On the other hand, in 2025, the Company has reduced its current debt with banks and suppliers, as described below:

- Trade payables and short-term bank loans have decreased significantly reduced, as a result of funds generated from operating activities and the execution of guarantees under the foreign trade credit facility agreement with a sovereign guarantee entered into by the Company, the Peruvian Ministry of Economy and Finance (MEF) and Banco de la Nación, whereby the MEF honored letters of credit issued and executed by Banco de la Nación. However, high balances payable to suppliers remain as a result of the credit terms agreed with suppliers of crude oil, refined products, goods, and services, and the need for liquidity to finance commercial operations.

- The Company monitors cash flow projections related to liquidity requirements to ensure that sufficient cash is available to cover operating needs. In this regard, the Company considers that cash flows from operating activities will enable it to partially meet immediate needs, and that the increase in its profit margins will allow it to reduce accumulated losses and maintain adequate cash levels to meet its obligations and improve working capital management in the medium term.

In addition, under E.D. No. 010-2025, dated December 31, 2025, which establishes extraordinary economic and financial measures for the Company's equity reorganization and to ensure the continuity of the production chain, the following provisions were enacted:

- The decree seeks to establish urgent and extraordinary economic and financial measures to ensure the continuity of the production chain and the supply of hydrocarbons, enabling the development of economic activities related to transportation, distribution, marketing and supply, among others.

- Its purpose is to ensure, immediately and exceptionally, the continuity of the hydrocarbon production and supply chain nationwide, in view of economic and financial risks that compromise the Company's operations, thereby safeguarding the country's energy security and the stability of essential economic activities.

- It authorizes, on an exceptional basis and for reasons of public necessity, the equity reorganization of the Company's assets.

- For purposes of the Company's equity reorganization, the Company is deemed to be included in the private investment promotion process referred to in Legislative Decree No. 674, the Law for the Promotion of Private Investment in Government-Owned Companies.

- The promotion modality or modalities and the related Private Investment Promotion Plan are approved by the Executive Director of PROINVERSIÓN. This Promotion Plan, prepared by the Special Committee and including the promotion modality, must be approved within a maximum period of sixty (60) calendar days from the effective date of this regulation.

Supplementary provisions

- First: Authorize PROINVERSIÓN, on behalf of the Company, to coordinate, negotiate and agree with financial creditors, and to request any authorizations, waivers or consents that may be required,

- Second: As long as the assets or asset blocks remain under the ownership of the Company, for purposes of its hydrocarbon production and commercialization processes, the Company will implement the mechanisms necessary to maintain the operation of its facilities and reduce expenses.

Action plans:

Pursuant to Emergency Decree No. 010-2025, PROINVERSIÓN must design, lead and execute an equity reorganization strategy to integrate asset blocks and thereby restore Petroperú's stability, profitability and solvency through a comprehensive process divided into three stages: (i) identification of asset blocks, (ii) private investment promotion process, and (iii) execution of the promotion processes.

1. Identification of asset blocks

PROINVERSIÓN will define one or more asset blocks transferable to special-purpose vehicles owned by Petroperú, including strategic and non-strategic assets. These blocks do not constitute simple administrative groupings, but rather are part of a financial and operating strategy aimed at maximizing the Company's value and ensuring its future viability. Therefore, the following are the main premises that will guide the analysis and definition of "asset blocks":

- No material dilution of equity.
- Increase the Company's growth in the short and medium term.
- Enable the inflow of capital and evaluate operating partners.
- Attract investment that generates economic development for the country.
- Generate financial resources for Petroperú.

The following initial criteria are established for the definition of "Asset Blocks", as part of the financial and operating strategy designed to maximize value recovery for the Government and ensure the Company's future viability:

- Functional autonomy and stand-alone capability - Each asset block will be analyzed and defined as a functional economic unit capable of operating independently or with minimal dependence on the parent company.
- Cash flow generation.
- Preservation of critical vertical synergies ("No Destruction of Value").
- Efficient allocation of risks and liabilities ("De-Risking").
- Market interest and operator specialization.

2. Private Investment Promotion Process

This stage includes the preparation of the Promotion Plan.

The results of the analysis of the viability and compatibility of the private investment promotion modalities under Legislative Decree No. 674, and their application to Petroperú's equity reorganization strategy within the framework of Emergency Decree No. 010-2025, are set out below:

2.1 Transfer of assets

The Promotion Plan does not contemplate the sale of shares as an applicable mechanism; however, it does include the sale of assets. It also recognizes obligations and covenants arising from bond issuances and financing agreements to the extent they constitute existing and enforceable contractual arrangements. Accordingly, the transfer of assets as part of the equity reorganization process will ensure compliance with those obligations.

2.2 Execution of agreements

Private-sector participation is allowed through structures such as partnerships, joint ventures, leases, management agreements or concessions, in order to incorporate experience and efficiency without necessarily transferring state ownership. This modality is viable and applicable to this Promotion Plan.

The matters described above constitute the Framework Promotion Plan, which establishes the strategic guidelines and general rules for the equity reorganization of Petroperú S.A. Its approval represents the initial milestone of the strategy provided for in Emergency Decree No. 010-2025, authorizing PROINVERSIÓN to lead the design and full execution of the process.

The operational execution will be materialized through specific Promotion Plans, which will be prepared and progressively approved once the respective Heritage Blocks are determined and formed. These plans will define the private investment modality applicable to each block, its valuation and the particular contractual scheme, thereby ensuring value maximization, continuity of fuel supply and compliance with the company's financial and labor obligations.

3. Execution of the promotion processes

Once the asset blocks have been identified and the promotion process strategy set out in the Promotion Plan has been defined, which is expected to take place during 2026, implementation will proceed.

In addition, through Emergency Decree (E.D.) No.003-2026, which establishes extraordinary and urgent economic and financial measures to mitigate the national energy crisis and ensure the supply of hydrocarbons nationwide, the creation of a special-purpose vehicle was approved to receive, channel and replenish contributions intended to ensure the Company's operating continuity. PROINVERSIÓN leads, structures and supports the process. The vehicle may be incorporated with the Company as its sole partner or shareholder, without affecting its validity, continuity or operation.

To ensure the viability of the transaction, the Peruvian Ministry of Energy and Mines (MINEM) is authorized to assume contingent commitments with domestic or international entities, for up to the equivalent in Peruvian soles to US$2,000,000 thousand plus the related financial costs, charged to its institutional budget, exclusively to finance the Company's operating continuity, including, but not limited to: i) financing working capital; ii) replenishing fuel inventories and other supplies; and (iii) services necessary for hydrocarbon production. MINEM is authorized to make payments or financial transfers in favor of the domestic and international entities with which the contingent commitments are entered into. MINEM is authorized to assume short-term contingent commitments for up to US$500,000 thousand.

For the implementation of this E.D., the Company is exempted from the provisions of its Bylaws to the extent they conflict with or prevent the implementation of the provisions of this regulation.

PROINVERSIÓN is authorized to sign on behalf of MINEM, all documentation that mainly includes conditions, terms, manner and form, or any act necessary to perfect the contingent commitments.

Management has been carrying out a series of actions and strategies focused on strict compliance with the second transitional supplementary provision of E.D. No.010-2025, in order to sustain the operating continuity of the Company's different business units. In this sense, the Company has been prioritizing payments to suppliers of crude oil and products, based on the daily collection levels recorded by the Company, which has required active and ongoing management and coordination with key suppliers. These actions have enabled the Company to achieve the scheduled production and sales levels. Within the framework of compliance with E.D. No.010-2025 and E.D. No.003-2026, management has been actively and continuously coordinating with PROINVERSIÓN and the MEF the creation of the special-purpose vehicle to receive, channel and replenish contributions aimed at ensuring the operating continuity of the Company's different business units, in a context of liquidity constraints that make operational management difficult.

To continue reducing indebtedness levels and improving working capital, the Company has been carrying out the following action plans:

(i) Expanding the portfolio of financial institutions to arrange new financing transactions in order to meet current obligations with suppliers over the next twelve months.

(ii) Rescheduling financial liabilities, including the receipt of new capital contributions and/or shareholder loans. In addition, at the General Shareholders' Meeting held on May 15, 2026, it was approved that, through Petroperú, the institutional support of the Peruvian Government for the Company's operating and management continuity would be expressed, as evidenced by the enactment of legal provisions with the force of Law issued between 2022 and 2026, through which various measures were established to improve PETROPERÚ's financial health and strengthen its institutionality framework.

(iii) The following actions were also completed:

- Extending until December 31, 2028, the term established in Article 3 of Emergency Decree No. 023-2022, which establishes economic and financial measures aimed at preventing fuel shortages nationwide, including its amendments and extensions.

- Extending until December 31, 2028, the term established in Article 5 of Emergency Decree No. 013-2024, which establishes extraordinary and urgent economic and financial measures to enable the Company to overcome its financial situation, ensure the commercialization of hydrocarbons nationwide and preserve the company's sustainability.

Due to the abovementioned, Company's management and Board of Directors consider that the action plans that are being carried out allow the use of the going concern principle to prepare the financial statements to continue to be appropriate.

g) Assessment of possible irregularities, alleged favors and/or conflicts of interest related to the processes of procurement of goods, services and works carried out by the Company and ongoing investigations by the Prosecutor's Office against officials and former officials-

Between 2021 and 2025, the Company became aware of alleged irregularities related to the procurement processes for goods, services and works, and performed certain actions or assessments to mitigate the risk and identify the potential impact of these situations on the financial statements. These situations are summarized as follows:

- In April 2021, the Company became aware, through a journalistic complaint in the international media, of possible irregular acts in contracts made between Petroecuador and the hydrocarbon suppliers Gunvor S.A. and Gunvor International B.V. (hereinafter Gunvor). In May 2021, management ended the commercial relationship with such suppliers and hired an external expert to carry out a diagnostic investigation on the risks associated with the hydrocarbon purchase process, focused on transactions carried out in previous years with such suppliers.

- In December 2021, the Company became aware, through the local media and Specific Control Reports, of the alleged irregular purchase of biodiesel from the company Heaven Petroleum Operators. This fact generated investigations and criminal complaints by the Prosecutor's Office, in addition to sanctions by the CGR, to the former Company officials related to the case. Chain, Hydrocarbons Purchase, and withdrew trust in the former Company's Distribution Manager. In 2022 and 2023, the Company hired the services of Deloitte Corporate Finance S.A.C. (hereinafter DTT) for the “review and analysis of the bidding and award processes to third parties by the Company” from October to December 2021 and from January 1 to April 5, 2022, respectively, under a “Forensic Due Diligence” approach with the objective of identifying possible irregularities, presumed favors and/or conflicts of interest, in the aforementioned processes of procurement of goods, services and works carried out by the Company.

In addition to the work performed by its external experts, the Company implemented other review mechanisms, including the following:

- Verified compliance in the procurement of goods, services and works through purchase transactions;
- Evaluated the reports issued by the Office of the General Comptroller’s Office of Peru from January 2021 to date;
- Evaluated the reports issued by the Institutional Control Body from January 2021 to date;
- Evaluated the complaints received through the Company's Integrity Line to date; and
- Together with legal experts, it evaluated the level of responsibility to which the Company is exposed in connection with investigations conducted by the Public Prosecutor's Office against officers and former officers.

As a result of the procedures carried out, improvement situations were identified in the procurement procedures, including purchases of goods and services, and improvements to anti-corruption risk prevention and management systems, among others. The Board of Directors, through the Audit and Control Committee, monitors the action plans that the Company's management designed with the participation of Compliance Management. The action plans include reviewing and/or updating the risk matrices of the processes involved; as well as design and implement changes to internal processes that cover the identified improvement opportunities, which are in the process of implementation to minimize or prevent adverse situations to the Company, as well as improve and/or strengthen the Company's processes, for the fulfillment of its strategic objectives.

The Board of Directors has approved the reports on the prevention and detection of fraud and errors and compliance with laws and regulations prepared and countersigned by General Management, Corporate Finance Management, Legal Management and Regulatory Affairs, Human Resources Management, Corporate Administration Management, Corporate Commercial and Supply Chain Management and Compliance Management. These reports allow the Board of Directors and management to conclude that, to the best of their knowledge and belief, the situations identified have not led to fraud or irregularities that have had a significant impact on the Company's financial statements.

h) Internal Forensic Analysis Service for the New Talara Refinery -

In November 2024, pursuant to Board of Directors' Resolution No. 112-2024, in compliance with the request of the former Chairman of the Board of Directors and the former Director, the Company's management was requested to take the necessary steps to engage a forensic audit of the NTR, hereinafter the Internal Forensic Analysis of the NTR. In this regard, the Company launched International Competitive Bidding Process No. PCI-001-2025-OFP for the award of the Internal Forensic Analysis Service for the NTR as part of the Company's recovery and sustainability plan under Emergency Decree No. 013-2024. As a result of this process, on November 10, 2025, the award was granted to a consulting firm that would carry out the project. However, in April 2026, through General Management Resolution No. GGRL-0799-2026, the award was withdrawn because the bidder had submitted inaccurate information, which affected the Integrity Principle. Accordingly, as of the date hereof, the Company continues to evaluate the bids submitted for the service.

The service to be engaged will cover all stages of the project, from its inception through its operation, with the objective of identifying relevant technical and financial findings. Under the Technical Conditions, the service will have a term of 250 calendar days to present its results.

During 2025, the Company's management and the Board of Directors evaluated the need to continue the procurement process for this service, also considering that other review mechanisms are maintained without significant observations from prior years, such as:

- In April 2023, International Competitive Bidding Process No. PCI-0002-2023-OTL/PETROPERÚ was launched for the "Reasonableness Analysis of the Comprehensive Investment Amount and Analysis of the Decision-Making Process that affected such amount". The award was granted in September 2023 to Arthur D. Little LLC.

  In August 2024, the Final Report "Reasonableness Analysis of the Comprehensive Investment Amount of the PMRT and analysis of the decision-making process that affected such amount" was obtained. The report concluded that the investment amount of the PMRT is reasonable, although it is in a high range compared with refineries of similar characteristics and capacity in Latin America, mainly due to the contractual time lag in the management of the Auxiliary Units and the impact of the Covid-19 pandemic. The report also noted that the analysis was aimed at understanding the evolution of the project, its reasonableness and opportunities for institutional improvement.

- Likewise, the General Comptroller's Office of Peru, from 2018 to date, within the framework of concurrent control, issued 33 Control Milestone Reports, which reveals a systematic accompaniment to the PMRT, having identified 39 adverse situations in the exercise of a preventive function, of which to date 33 (84.6%) adverse situations have been corrected, and 6 (15.4%) are in process.

  Finally, the Company's management and the Board of Directors, considering all the facts revealed in the preceding paragraphs, to the best of their knowledge and understanding, have not become aware of any irregular event that generates alerts or incidents in the financial information, and that has motivated the need to have a forensic evaluation of the project. However, in order to reinforce the principles of transparency, accountability and public confidence in the management of the Company's resources, it has been considered appropriate to continue the procurement of the aforementioned service, by express decision of the Board of Directors.

i) Approval of the financial statements -

The financial statements as of December 31, 2025 have been issued with the authorization of General Management on May 21, 2026 and approved by the Board of Directors in the same date and then will be submitted for consideration of the General Shareholders' Meeting for final approval. The financial statements audited as of December 31, 2024 were approved by the General Shareholders' Meeting on February 3, 2026.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation -

i) Compliance with IFRS -

The financial statements of the Company have been prepared in accordance with IFRS issued by the IASB, effective at the date of the financial statements. The information contained in these financial statements is responsibility of the Company's management, which expressly states that in preparing them, it has applied all accounting principles and criteria required under the IFRS issued by the IASB.

ii) Basis of measurement -

The financial statements of the Company have been prepared under the historical cost convention. The financial statements are presented in thousands of U.S. dollars, unless a different monetary expression is indicated.

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

iii) New standards and amendments in force for the financial statements for annual periods beginning on or after January 1, 2025 that have been evaluated and applied by the Company -

The mandatory regulatory changes for the 2025 financial statements considered by the Company in preparing these financial statements are mainly limited to the following change:

- Amendments to IAS 21 - Lack of Exchangeability.

This standard has not had a relevant impact on the Company's financial statements because it does not maintain operations in territories where there is a lack of exchangeability.

iv) New standards, amendments to standards and interpretations effective for financial statements for annual periods beginning on or after January 1, 2026 and that have not been early adopted.

Certain standards and amendments to standards have been released that are mandatory for implementation by 2026 or later and have not been early adopted by the Company. These amendments are detailed below:

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.
- IFRS 18, Presentation and Disclosure in Financial Statements.

- Annual Improvements to IFRS 2024 - Volume 11.
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.

The Company is currently evaluating the potential impact of these changes on its financial statements. No other standards have been identified that are not yet in effect and that could have a significant impact on the Company in current or future reporting periods, or on foreseeable future transactions.

2.2 Cash and cash equivalents -

Cash and cash equivalents presented in the statement of financial position, and for the purposes of preparing the statement of cash flows, include cash held in bank checking accounts and cash on hand. Term deposits with original maturities greater than three months from the date of issuance are not considered cash equivalents for the purposes of preparing the statement of cash flows and are presented as restricted funds under “other receivables” in the statement of financial position.

2.3 Financial assets -

Classification and initial measurement -

The Company classifies its financial assets in the following categories:

- Measured at fair value (through profit or loss, or other comprehensive income), and
- Measured at amortized cost.

The classification depends on the Company’s business model for managing its financial assets and the contractual terms that impact cash flows.

Financial assets are not reclassified after initial recognition, unless the Company changes its business model to manage financial assets.

The Company measures financial assets at amortized cost, which are subsequently measured using an effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is written off, modified or impaired.

The Company’s financial assets include cash and cash equivalents, trade receivables and other receivables, which are measured at amortized cost.

Interest income for loans receivable on the basis of the proportion of time elapsed is recognized using the effective interest method. When the loan or receivables has been impaired, the Company reduces the carrying amount to its recoverable amount, with future cash flows being discounted at the original interest rate.

Subsequent measurement -

Debt instruments -

Subsequent measurement of debt instruments depends on the Company’s business model established for management of those assets as well as the cash flow characteristics of the assets. There are three possible categories in which debt instruments can be classified, these are:

- Amortized cost.
- Fair value through other comprehensive income (FVOCI).
- Fair value through profit or loss (FVPL).

As of December 31, 2025 and 2024, the Company only maintains debt instruments at amortized cost.

Amortized cost is applicable for financial assets held within a business model whose objective is to hold assets to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. Interest arising from these assets is recognized as financial income using the effective interest method. Any gains or losses arising from the disposal of these assets are recognized through profit or loss shown within “Other income” or “Other expenses” with the associated exchange gains or losses. Impairment losses of financial assets are shown within the item “Selling and distribution expenses”.

Derecognition of accounts -

A financial asset (or, when applicable, a financial liability or part of a group of similar financial assets) is derecognized, that is, it is removed from the statement of financial position, when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows on the asset or has assumed an obligation to pay the entire cash flows received immediately at a third under a “pass through” arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has not transferred substantially all the risks and rewards of the asset, but it has transferred its control.

Trade receivables -

Trade receivables are amounts owed to the Company by customers for items sold or services rendered in the ordinary course of business. If collection of these accounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognized at their fair value and are subsequently measured at their amortized cost using the effective interest method, less the provision for impairment.

2.4 Inventories -

Inventories are stated at the lower cost and net realizable value. The cost includes direct material costs, direct labor-related production overheads (based on normal operating capacity). It excludes borrowing costs and exchange differences and includes costs incurred in transferring inventories to their actual location and conditions. The cost of crude oil and acquired by-products/derived products is determined using the first-in / first-out method. Refined products in process and finished products are determined at average production cost. Material and supplies at weighted average cost. In-transit inventories are stated at specific cost of acquisition. The volume of crude oil acquired and kept in the oil pipeline (“Oleoducto”) is accounted for at the cost of acquisition.

The provision for impairment of inventories of in-process refined products, finished products and by-products acquired is applied directly to the carrying amount of inventories, with a charge to cost of sales; the carrying amount of these inventories is reduced to their net realizable value in the same year. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

With respect to supplies, management makes a periodic provision for obsolescence based on a technical study or considering those items with no movement for more than two years; said estimated provision is recognized with a charge to profit or loss of the period they relate to.

2.5 Property, plant and equipment -

The property, plant and equipment are recorded at acquisition cost, less their accumulated depreciation and accumulated amount of any impairment loss. The cost of an element of property, plant and equipment comprises its purchase price or construction or manufacturing cost, including customs duties and non-reimbursable purchase taxes, as well as any necessary cost, the initial estimate of the obligation to dismantle the asset and, for assets that require substantial time to be ready for their intended use (qualifying assets), borrowing costs (Note 2.11). The purchase price or construction cost comprises the total amount paid, and the fair value of any other consideration given to purchase the asset. The elements of property, plant and equipment are recognized at a major component level.

Costs incurred to replace a component of an item or element of property, plant and equipment are capitalized separately if the qualifying criterion is met and the carrying amount of the component being replaced is written down.

Subsequent costs attributable to an item of fixed assets are capitalized, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, otherwise they are accounted for as expenses.

Assets under construction are capitalized as a separate component. Recognition of costs will cease when the item is ready for use as expected by management and from that date those items are depreciated. When the items are ready for their intended use, they are transferred to their final category.

The cost of the items of property, plant and equipment, net of their residual value is depreciated over their estimated useful lives. Depreciation of assets is recognized as cost or expense depending on their function.

Land is not depreciated. Depreciation is calculated using the straight-line method over the estimated useful life of each asset, as follows:

	Years
Buildings and other constructions	Between 25 and 80
Machinery and equipment	Between 2 and 80
Containers and returnable containers	Between 40 and 70
Vehicles	Between 5 and 40
Other equipment	Between 3 and 60
Computer equipment	Between 4 and 10
Furniture and fixtures	Between 2 and 20

The assets' residual values, useful lives and depreciation method applied are reviewed, and adjusted if appropriate, at the date of each statement of financial position. Any change in these estimates is prospectively adjusted (Note 4.1-a).

Items of property, plant and equipment are written off when they are disposed of or when economic benefits are no longer expected from their use or subsequent sale.

The carrying amount of property, plant and equipment is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount according to with is described in Note 2.7.

Gains or losses on disposal are determined considering the difference between the proceeds and carrying amount of the assets. These are included in statement of comprehensive income.

The accounting treatment of the capitalization of interest on qualifying assets is described in Note 2.11.

Assets received by donation or assignment are recorded at their fair value as part of the asset, under “Other income” in the statement of comprehensive income. During 2025 and 2024, the Company did not receive any significant donations.

The assets received as a result of the signing of license agreements for the exploitation of hydrocarbon blocks are not recognized such as right-of-use assets and lease liabilities in the financial statements of the Company (Note 2.12).

2.6 Intangible assets and other -

Software -

Intangible assets include acquired computer software licenses and software, which are capitalized based on costs incurred to acquire and put the specific software to use. These costs are amortized over their estimated useful lives (between three and ten years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated that the software product will generate probable future economic benefits.
- adequate technical, financial and other resources are available to complete the development and to use or sell the software product and the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of the corresponding overheads.

Hydrocarbon exploration activities -

Exploration costs such as seismic lines and exploratory well drilling are capitalized until the technical and commercial feasibility of extracting resources from the area are demonstrated.

If the exploration and evaluation activities are not expected to be successful, such assets are charged to profit or loss recognizing an impairment loss in the statement of comprehensive income. In the event feasible reserves are identified, exploration and evaluation assets are re-classified from said category as development costs after evaluating their recoverability. Depreciation is not recognized during the exploration and evaluation phase.

If events or circumstances indicate a possible impairment of resource exploration and evaluation assets have occurred, their recoverability is assessed by grouping assets at the lowest levels for which there are separately identifiable cash flows, cash-generating units, based on considerations such as geographical and geological features, common use of facilities and contractual terms and conditions. Such events and circumstances include the interpretation of seismic data, return requirements of areas, drilling results, remaining period to comply with the exploration commitment period, remaining capital investment plans and political and market conditions.

2.7 Impairment of non-financial assets of indefinite useful lives -

The Company conducts an impairment test under the provisions of International Accounting Standard 36 “Impairment of assets” and performs annual tests of impairment of its items of property, plant and equipment, intangible assets, investment properties and right-of-use assets to determine whether there are indications that said items are impaired. If there is any indication of impairment, management calculates the recoverable amount to determine the extent of the impairment loss (if any). If the recoverable amount of an individual asset item cannot be determined, the Company calculates the recoverable amount of the respective CGU to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Provided that consistent and reasonable criteria of asset allocation are used, common assets are also allocated to individual CGUs; or otherwise to the smallest groups of CGUs identified on a consistent and reasonable basis.

The recoverable amount of an asset or a CGU is the higher of the asset’s value in use or fair value less costs of disposal. For purposes of calculating the recoverable amount, the Company determines the value in use of its assets subject to impairment testing. Value in use corresponds to the present value of the estimated future cash flows discounted to current value using a pre-tax discount rate that reflects the current market conditions, and the specific risks associated with each asset or CGU.

Impairment losses, calculated with reference to the value in use of the assets, recognized in previous years, are reversed if there is a change in the estimates used when an impairment loss was last recognized.

Impairment losses of assets are recognized in profit or loss in the categories of expenses corresponding to the nature of the impaired asset.

2.8 Financial liabilities -

The Company classifies its financial liabilities into the following categories: i) financial liabilities at fair value through profit or loss and ii) other financial liabilities at amortized cost. The classification depends on the purpose for which the liabilities were assumed and the way in which they are managed. The Company determines the classification of its financial liabilities at the date of initial recognition.

As of December 31, 2025 and 2024, the Company only holds liabilities in “other financial liabilities at amortized cost”, which are measured at amortized cost using the effective interest rate method. Profits and losses are recognized in the statement of comprehensive income when liabilities are derecognized, as well as through the amortization process of the effective interest rate.

Amortized cost is calculated taking into account any discount or premium in the acquisition and fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is recognized in the statement of comprehensive income as finance income.

As of December 31, 2025 and 2024, the Company maintains within the category of “other financial liabilities measured at amortized cost” the (i) corporate bonds, (ii) unsecured bank loans, (iii) CESCE loan, (iv) trade payables, (v) payables to related parties, (vi) some items included in other payables and (vi) lease liabilities.

2.9 Trade payables -

Trade payables are payment obligations for goods or services acquired from suppliers in the normal course of business. Payables are classified as current liabilities if payment must be made within one year or less (or in the normal operating cycle of the business if it is greater), otherwise, they are presented as non-current liabilities.

Payables are initially recognized at their fair value and subsequently, if the time value of money is relevant, they are remeasured at amortized cost using the effective interest method, otherwise they are shown at their nominal value.

2.10 Borrowings -

Borrowings consist of loans obtained from financial institutions and related parties, including unsecured short-term, which are used during 2025 for working capital and during 2024 for capital expenditures in the NTR (before PMRT), corporate bonds and CESCE loan, loan received from the Peruvian Ministry of Economy and Finance and cancellation documents. Borrowings are classified based on the terms and conditions of the agreements signed and considering the economic substance of the agreement.

Loans maintained by the Company are initially recognized at their fair value, net of transaction costs incurred. These loans are subsequently recorded at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the loan using the effective interest method. The Company presents borrowings within other financial liabilities and payables to related entities.

Fees and commissions paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case transaction costs are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as payments for services to obtain liquidity and are recognized in the statement of income over the period of the facility to which it relates.

Borrowings are derecognized from the statement of financial position when the obligation specified in the contract is settled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the paid consideration, including non-cash transferred or the liabilities assumed are recognized in profit or loss within other finance income or finance costs.

Borrowings are classified as current liabilities unless the Company obtains the unconditional right to defer the payment of the obligation by no less than 12 months from the statement of financial position date.

2.11 Borrowing costs -

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale (qualifying assets), are added to the cost of those assets. Capitalization starts when activities are being carried out to bring the qualifying asset to its expected condition for use and costs are being incurred, as well as borrowing costs; capitalization ends when all the activities required to prepare the asset for its expected use have been completed. The Company has defined that a substantial period is one year or more, to capitalize borrowing costs on qualifying assets. During 2025, the Company recognized borrowing costs under financial expenses in the statement of comprehensive income (Note 28), as no assets qualifying for capitalization were identified. During 2024, borrowing costs related to the NTR were capitalized under Property, Plant and Equipment (Note 11).

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are recognized in the statement of income as financial expenses.

2.12 Leases -

The Company mainly leases property, shipping units and other equipment. These lease contracts do not give rise to any other performance obligation apart from guarantee on the lease assets that are held by the lessor. The lease assets cannot be used to guarantee a borrowing.

Leases are recognized as a right-of-use assets and a lease liability at the date the leased asset is ready for use by the Company.

Assets and liabilities arising from a lease are initially measured at present value. The initial measurement of the lease liability is based on fixed payments and variable payments that depend on an index or rate.

Variable lease payments that do not depend on an index or rate are not measured as part of lease liabilities and are recognized in profit or loss when the payment obligation is incurred. The Company has determined that oil assets received under free-use assignments, arising from the license agreements in effect for the exploitation of Blocks X, Z-69, 64, and 192 are excluded from measurement under IFRS 16 because the royalty payment is based on the quantities produced volumes, constituting variable consideration. Furthermore, there are commitments that the Company must fulfill upon signing these agreements, which are disclosed in Note 32.

Rights-of-use assets are depreciated under the straight-line basis over the shorter of the asset's useful life and lease term. If the Company has reasonable certainty that a purchase option will be exercised, the right-of-use asset is depreciated over the useful life of the underlying leased asset.

Short-term lease payments and low-value leases are recognized under the straight-line method as expenses in profit or loss. Short-term leases are leases of 12 months or less. Low-value assets consist of IT equipment and small office furniture fixtures.

Lease payments to be made under renewal options with reasonable certainty to be exercised are also included in the measurement of the liability.

Lease payments are discounted using an interest rate implicit in the lease contract, if determinable, or otherwise the Company's incremental borrowing rate, the rate a lessee would have to pay on borrowings to obtain the required cash to obtain a similar right-of-use asset in a similar economic environment under similar terms and conditions.

In determining the incremental borrowing rate, the Company uses the rate used on recent financing obtained from third parties as a starting point and adjusts it to reflect changes in circumstances from the date those borrowings were obtained.

The Company is exposed to future possible lease variable payments linked to an index or rate, which are not included in the lease liability until they become effective. When index-linked payments come in effect, the lease liability is re-assessed and adjusted to the right-of-use asset.

Each lease payment is allocated between the liability and the finance charges. The finance cost is recognized in profit or loss over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In determining the lease term, management considers all facts and circumstances that lead the Company to exercise the option to renew or early terminate the lease contract. Renewals options (post-termination extensions) are only included in the terms of the contracts if it is reasonably certain that the lease contract will be extended (or not terminated).

Accounting policy as lessor -

A lessor will classify each of its leases as an operating lease or a finance lease.

A lease is classified as a finance lease when it transfers significantly all the risks and benefits inherent to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer significantly all the risks and benefits inherent to ownership of an underlying asset.

Revenue from leases in which the Company is a lessor is recognized in profit or loss under the straight-line method. Initial costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and are expressed over the lease term under the same basis as the revenue from leases. The leased assets are stated in the statement of financial position based on their nature.

The Company maintains property that leases to third parties, which are classified as operating leases and are presented in the statement of financial position under investment properties. Revenues from these leases are presented in the statement of comprehensive income under other operating income in the statement of comprehensive income.

2.13 Employee benefits -

a) Statutory bonuses -

The Company recognizes an expense for statutory bonuses and related liability in accordance with laws and regulations currently in force. Statutory bonuses consist of two one-month salaries per year paid every July and December, respectively. Statutory bonuses are recognized proportionally to the time during which a worker has provided the services that entitle him/her to said benefit.

b) Employees' severance indemnities -

Employees' severance indemnities for time of service of the Company's personnel correspond to their indemnification rights, calculated in accordance with the regulations in force in Peru, which has to be credited to the bank accounts designated by the workers in May and November every year. Personnel severance indemnity is equivalent to one-half of a one-month salary prevailing at the date of deposit, which is recognized in profit or loss as accrued. The Company does not have additional payment obligations once the annual deposits of the funds that the worker is entitled to are made.

c) Vacation leave -

Personnel's annual vacation leave is recognized on an accrual basis. The provision for the estimated obligation for annual vacation of personnel resulting from services provided by the employees is recognized at the date of the statement of financial position. The annual leave to which the employee is entitled is 30 days.

d) Workers' profit sharing -

The Company recognizes a liability and an expense for the workers' profit sharing in accordance with laws and regulations currently in force. Workers' profit sharing is the 10% of the taxable income determined by the Company in accordance with current income tax legislation.

2.14 Provisions -

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are reviewed at each period end. When the effect of the time value of money is significant, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the obligation. The reversal of the discount due to the passage of time gives rise to an increase in the obligation recognized with a charge to the statement of comprehensive income as finance cost. Provisions are not recognized for future operating losses.

Provision for environmental remediation and plugging wells of privatized units -

The obligation to be incurred in environment remediation and plugging wells arises from the operating units transferred by the Peruvian Government to the private sector in 1997 and from a specific mandate. The Peruvian Government, through the Company assumed these obligations. In this respect, the Peruvian Government will refund all expenses incurred by the Company in meeting these obligations. The obligation assumed by the Peruvian Government was recognized with a charge to prior-year profit or loss. The amount of the provision at that date is adjusted at each year-end.

At the date of initial recognition of the liability arising from this obligation, as measured at its present value of the estimated disbursement flows, the same amount was simultaneously charged to the statement of comprehensive income. Subsequently, the liability amount is reviewed and increased in each period, if applicable. In settling this liability, the Company recognizes any resulting profit or loss. Changes in the estimated fair value of the initial obligation and the interest rates are recognized in the statement of comprehensive income.

2.15 Contingent liabilities and assets -

Contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability. The contingent assets are not recognized but are disclosed when it is probable that there will be an entry of economic benefits for the Company.

Given their nature, contingencies are only resolved when one or more events occur or not. Determining contingencies inherently involves the exercise of judgment in the calculation of estimates of the results of future events.

2.16 Current and deferred income tax -

The income tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in the statement of other comprehensive income or in equity. In this case tax is also recognized in the statement of other comprehensive income or directly in equity, respectively. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the date of the statement of financial position. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Company establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using the tax rates (and tax laws) enacted at the date of the statement of financial position and expected to be applicable when the deferred income tax is realized or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

For the recognition and measurement of current and deferred income tax, the Company has evaluated the existence of probable uncertain tax positions assumed by the Company; however, the Company has not identified significant uncertain tax positions that need to be accounted for.

2.17 Capital -

Subscribed and paid-in common shares are classified as share capital in equity. Shareholder cash capital contributions, as well as the capitalization of profits or debt with shareholders, for which shares remain to be subscribed and issued are recognized as additional capita, on the date on which these asset movements are approved by shareholders or the board, and, with regard to cash contributions pending subscription and issuance of shares, when the cash is received.

2.18 Revenue recognition -

a) Revenue from sales of refined products -

The Company sells refined products principally in the local market, but a smaller portion is exported. Revenue from sales of products is recognized when control of goods is transferred, which occurs when the product is delivered to the customer and there are no performance obligations to be satisfied that may make customer not accept the goods. A product is delivered for products sold in the local market when the goods are delivered to the Company's plants and sales terminals; for exported goods, it all depends on the export contractual conditions, which mainly occur when the goods are delivered to the port of shipment.

Revenue from these sales is recognized based on the price list to which the contract refers, net of the estimated volume discounts. In certain cases, products are sold applying discounts by retroactive volumes, based on cumulative sales for a period of 12 months. Historical information is used to estimate and record discounts recognizing revenue only to the extent it is highly probable that no significant reversal will occur in the future. Discounts are stated net of the balance of trade receivables at the estimated volume discounts that are expected to be offset against customer sales billings. There was no need to separate any financing component because sales are agreed at a term not exceeding 45 days, which is consistent with the practice in the local market.

b) Revenue from the fuel price stabilization fund (Note 1-c) -

Revenue derived from the fuel price stabilization fund is recognized simultaneously with the revenue from sales to customers of the refined products comprising the Fuel Price Stabilization Fund, for which the General Direction of Hydrocarbons (DGH) of the MEM sets a price range. The Company’s price policy is to use as a reference the Import Price Parity (PPI); nevertheless, the price billed to customers must be within the price ranges set for the products within the scope of the Fund.

In accordance with the provisions of Emergency Decree No. 010-2004, whenever the Company’s price is above the upper price range threshold, the Company records revenue and the respective receivable from the MEM, for the amount equivalent to the difference between the price billed to customers and the upper price range threshold, since this is a compensating factor; whenever the Company’s price is below the lower price range threshold, the Company recognizes a reduction in revenue and the receivables from MEM, for the amount equivalent to the difference between the price billed to customers and the lower price range threshold, since this is a contribution factor.

Revenue from the Price Stabilization Fund is recognized as part of revenue from ordinary activities.

c) Revenue from sales of services -

The Company provides services at fixed prices in accordance with contractual terms.

Revenue from services rendered is recognized when control over service is transferred to the customer. For the services of operating terminals, freight, supply, and use of hydrocarbons, the transfer of control occurs when the service is completed and there are no other performance obligations remaining to be satisfied that may affect the customers' acceptance of the service (revenue recognized at a point in time). For the services of transport of crude oil and other services, transfer of control occurs over time, because the relevant performance obligations are satisfied to the extent the service is being rendered.

d) Interest income -

Interest income is recognized on a time-proportion basis using the effective interest method.

2.19 Earnings (losses) per share -

Earnings (losses) per share are calculated by dividing the profit or loss attributable to the Company's shareholders, by the weighted average number of shares outstanding during the year.

2.20 Recognition of cost of sales and expenses -

The cost of sales of products and services is recorded in profit or loss when the products are delivered or the services are rendered, simultaneously with revenue recognition in accordance with the accounting policies. Freight and transportation expenses related to the delivery of products are presented as part of cost of sales.

Selling and administrative expenses and other expenses are recognized as they are accrued, regardless of when they are paid and are recorded in the periods to which they relate.

2.21 Segment reporting (Note 5) -

Segment information is presented in a manner consistent with the internal information provided to the Board of Directors, which is the Company's chief decision maker, which allocates resources and monitors the performance of operating segments.

An operating segment is defined as a component of an entity over which there is separate financial information, and it is continuously evaluated.

3 FINANCIAL RISK MANAGEMENT

Management is responsible for establishing and supervising the risk management structure. Corporate Finance Management is responsible for risk management. Management identifies, evaluates and manages financial risks.

The Company's financial risk management policies are established to identify and assess the risks to which the Company is exposed and set adequate risk limits and controls and monitor risks and compliance with limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and entity-specific operations.

3.1 Financial risk factors -

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

a) Market risk -

The most relevant market risks for the Company's activities are explained below:

i) Foreign exchange risk -

Transactions in currencies other than the functional currency (foreign currencies) are mainly agreed in Peruvian soles, euros and yen. The Company is exposed to the risk of severe fluctuations in the exchange rate of said currencies.

The Company manages the foreign exchange risk, seeking a balance between assets and liabilities in foreign currency. As of December 31, 2025 and 2024, the Company has not carried out financial derivative operations to hedge exchange rate risk; therefore, it assumes this risk.

As of December 31, assets and liabilities related to transactions in foreign currency, as well as the net position exposed to exchange risk, are summarized as follows (expressed in thousands and in the corresponding currencies):

	2025			**2024**		
	S/000	**EUR000**	**JPY000**	**S/000**	**EUR000**	**JPY000**
Assets:						
Cash and cash equivalents	41,127	-	-	307,511	-	-
Trade receivables	482,296	-	-	543,217	-	-
Other receivables	467,575	102,814	-	515,415	-	-
	990,998	102,814	-	1,366,143	-	-
Liabilities:						
Other financial liabilities	(3,824,458)	-	-	(3,774,210)	-	-
Trade payables	(517,199)	(7,178)	(50,510)	(388,836)	(7,400)	(230,523)
Payables to related parties	(607,833)	-	-	(574,867)	-	-
Other payables	(740,582)	-	-	(500,623)	-	-
Lease liabilities	(4,939)	-	-	(7,689)	-	-
	(5,695,011)	(7,178)	(50,510)	(5,246,225)	(7,400)	(230,523)
Net asset (liability) exposure	(4,704,013)	95,636	(50,510)	(3,880,082)	(7,400)	(230,523)

These items were translated into its functional currency using the exchange rates published by the Peruvian banking, insurance and pension plan regulator ("Superintendencia de Banca y Seguros y AFP" - SBS). The following exchange rates were used per each foreign currency:

	Exchange rate as of December 31,	
	2025	**2024**
S/	0.297	0.265
EUR	1.223	1.120
JPY	0.007	0.000

For the years ended December 31, 2025 and 2024, the Company recognized a net exchange gain of US$13,387 thousand and US$11,213 thousand, respectively, as stated in "Exchange difference, net" in the statement of comprehensive income.

Sensitivity analysis -

If the U.S. dollar had strengthened/weakened against the Peruvian soles by 10% (the currency that has the most exposure), with all other variables held constant, it would have affected profit before income tax as follows:

	Movement of the year	Effect on profit and loss before taxes			
		Revaluation		Devaluation	
		US$000	S/000	US$000	S/000
Year 2025					
S/	10%	139,709	427,638	(139,709)	(522,668)
Year 2024					
S/	10%	102,822	352,735	(102,822)	(431,120)

As of December 31, 2025 and 2024, if the U.S. dollar had strengthened/weakened against the euros and yens by 5% with all other variables held constant, it would not have affected profit before income tax.

ii) Interest rate risk -

The Company maintains some assets that accrue interest at fixed market rates.

The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings at fixed rates expose the Company to fair value interest rate risk on its borrowings. Management's policy is to maintain financing mainly at fixed interest rates. The Company assumes the interest rate risk on the fair value of its short-term and long-term loans.

As of December 31, 2025 and 2024, the Company maintains all of its debt to finance its operations and the construction of the NTR (before PMRT) at fixed rates according to the following: i) bullet bonds, interest are paid on a semi-annual basis from December 2017 at rates of 4.750% and 5.625% and maturity in 2032 and 2047, respectively; ii) CESCE loan at a rate of 3.285%, interest is payable on a semi-annual basis from May 2019 and maturity in 2030; (iii) bank loans without short-term guarantees in U.S. dollars at rates between 3.85% and 12.22% and (iv) Loan of the MEF according to Emergency Decree No. 010-2022 in Peruvian soles at rates between 5.00% and 6.75% (effective until December 2028); and according to E.D. No. 013-2024 in Peruvian soles at rates between 5.95% and 9.05% in U.S. dollars at rates between 3.58% and 4.24%.

iii) Price risk of crude oil or commodities -

Selling prices of the products traded by the Company are exposed to commercial risks inherent to the volatility of international prices. Prices invoiced by the Company are modified according to the variations in international prices (Note 1-c).

As explained in Note 1-c, prices in the local market are determined considering the international prices of crude oil and by-products. Prices are expressed in soles at the effective exchange rate, taking into consideration the legal requirements issued in prior years, according to which, under the regime established for the "Price Stabilization Fund" the Peruvian Government can make compensating payments or receive contributions to stabilize the price of certain products for final consumers. This mechanism mitigates the effect of changes in the prices of some products, which are not transferred to the final consumer.

As of December 31, 2025 and 2024, Note 8 shows the net balance of compensations and contributions made by the Peruvian Government.

b) Credit risk -

Credit risk arises from the cash and cash equivalents, time deposits with banks as well as the exposure to wholesale and retail credit customers, that is reflected by the balance of trade receivables.

i) Risk management -

Credit risk is the risk that a counterparty may not be able to meet its borrowings in relation to a financial instrument or sales contract, generating a financial loss. The Company's financial assets, potentially exposed to credit risk concentrations, mainly comprise bank deposits, trade receivables and some items included in other receivables.

With respect to bank deposits, the Company reduces the probability of significant concentrations of credit risk by distributing its excess funds in prestigious financial institutions and sets limits on the amounts of credit risk exposure with any of these financial institutions.

For trade receivables, credit risk concentration mostly relates to wholesale customers, which are nation-wide prestigious prime-rated companies. The Company has policies in place to make sure that sales of goods are made to wholesale customers with an adequate credit history and guarantees. Such policies comprise, among others, approving credit limits on a customer-by-customer basis, monitoring procedures and continuous follow-up of payment behavior. With respect to agreements signed with Government entities, Peruvian Armed Forces maintain 45-day credit with the Company, while the National Police of Peru maintain 25-day credit. The Company does not foresee significant losses arising from its counterparties.

ii) Impairment of financial assets -

The Company has the following types of financial assets that are subject to models to determine the expected credit loss:

- Cash and cash equivalents and certain items of other receivables,
- Trade receivables for sales of products and services.

For cash and cash equivalents and certain items of other receivables, the Company considers any credit loss as immaterial.

For trade receivables, the Company applies the simplified approach according to IFRS 9 to measure expected credit losses, which uses expected losses over the life of the asset.

To measure the expected credit losses, trade receivables are grouped based on common risk characteristics that reflect the payment capacity of each segment of customers for the amounts owed and the number of days past due. The Company has grouped its customers into (i) Trade, (ii) Armed Forces, (iii) Industrial and (iv) Wholesale.

For 2025 and 2024, The rates of expected credit losses are based on the payment profiles of over a 12-month period before December 31, 2024 and 2023, respectively, and the historical credit losses are adjusted to reflect the current and prospective information about macroeconomic factors that affect customers' ability to settle the Company's trade accounts receivable. The expected credit loss is shown in Note 8.

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c) Liquidity risk -

Prudent liquidity risk management involves maintaining sufficient cash and cash equivalents, the availability of financing through an adequate number of sources of committed credit facilities and the capacity to close positions in the market. As of December 31, 2025 and 2024, the negative working capital and liquidity problems presented by the Company are being managed with the management plans (Note 1-e).

The Company manages its liquidity risk by ensuring that sufficient committed lines of credit are available at all times and meeting its working capital needs with the cash flows obtained from operating activities and in exceptional cases, it has the financial support of it shareholder on Peruvian Government. Likewise, the Company is implementing a restructuring plan to reverse the adverse liquidity situation, ensure financial sustainability and its operations.

As of December 31, 2025, the Company maintains short-term revolving credit lines with local and foreign banks for US$376,875 thousand, of which US$354,635 thousand are used in operations to purchase crude oil and refined products in the local territory and in foreign markets and other obligations related to working capital. These credit limits involve no maintenance costs or collateral requirements.

The Company's Corporate Finance Management supervises the cash flow projections carried out based on its liquidity requirements to ensure that there is sufficient cash to cover the operating needs while maintaining sufficient headroom on its undrawn committed borrowing facilities, so that the Company does not breach borrowing limits or covenants, where applicable, on any of its borrowing facilities. Cash surpluses and balances above what is required for the administration of working capital are profitable in interest-bearing products and are immediately available.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the period remaining at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows:

	Carrying amount	Cash flows non-discounted	Less than 1 year	More than 1 year	More than 2 years
	US$000	US$000	US$000	US$000	US$000
2025					
Other financial liabilities	5,168,839	7,091,006	1,040,756	341,955	5,708,295
Trade payables	1,087,007	1,087,007	1,087,007	-	-
Lease liabilities	31,745	34,330	30,872	3,252	206
Payables to related parties	1,271,727	1,271,727	912,121	-	359,606
Other payables (*)	92,689	92,689	92,689	-	-
	7,652,007	9,576,759	3,163,445	345,207	6,068,107
2024					
Other financial liabilities	5,610,658	7,884,166	1,202,776	1,033,890	5,647,500
Trade payables	1,282,042	1,282,042	1,282,042	-	-
Lease liabilities	61,156	68,016	46,188	18,623	3,205
Payables to related parties	320,839	406,307	10,778	10,778	384,751
Other payables (*)	89,485	89,485	89,485	-	-
	7,364,180	9,730,016	2,631,269	1,063,291	6,035,456

(*) Other payables do not include liabilities for taxes, advances, or labor liabilities.

3.2 Capital risk management -

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) and payables to related parties, without including lease liabilities less cash and cash equivalent. Total capital is calculated as ‘equity’ as shown in the statement of financial position plus net debt.

As of December 31, 2025, with respect to the Company's long-term debt, Moody's Ratings and Fitch Ratings maintained ratings of B3 (equivalent to B-) with a stable outlook and CCC+ (with no outlook assigned for this rating category), respectively. In turn, on December 22, 2025, S&P Global Ratings reported that its committee had decided to downgrade the Company's rating from 'B' to 'B-' and placed it on “Creditwatch Negative”, considering an increase uncertainty regarding the Government's capacity to implement sustainable corrective measures and the lower likelihood of government support.

It should be noted that, as of December 31, 2025 and 2024, the Company did not have contracts in force with local rating agencies, pursuant to General Superintendency Resolution No. 039-2024-SMV/11.1, which was notified to the Company through the SMV Portal on May 24, 2024.

As of December 31, 2025 and 2024, gearing ratios were as follows:

	2025	**2024**
	US$000	**US$000**
Other financial liabilities	5,168,839	5,610,658
Payables to related parties	1,271,727	320,839
Cash and cash equivalents	(26,435)	(130,856)
Net debt (A)	6,414,131	5,800,641
Total equity (B)	1,830,246	2,431,728
Total capital (A)+(B)	8,244,377	8,232,369
Ratio (A/(A+ B))	0.78	0.70

The increase in the gearing ratio is mainly attributable to the debt arising from the execution of the guarantee for the purchase of hydrocarbons with the Peruvian Ministry of Economy and Finance.

3.3 Estimation of fair value -

The information used by the Company to estimate the fair value is classified as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs generally based on the Company’s internal estimates and assumptions).

For disclosure purposes to determine the fair value of bonds (measured at the amortized cost), the Company has used observable market inputs (Bloomberg), classified in Level 1; for the fair value of unsecured borrowings, it is estimated by discounting the contractual future cash flows using a current market interest rate that is available to the Company for similar financial instruments and the inputs of which have been classified in Level 2; while for the CESCE loan, guaranteed loan and payables to related entities, the Company has discounted the contractual cash flows at the Company’s average borrowing rate at mid- and long-term plus a spread, information that is classified in Level 3 (Notes 14 and 16).

The carrying amount of cash and cash equivalents corresponds to their fair value. The Company considers that the carrying amount of receivables and payables (including borrowings and payables to related parties) are similar to their fair values due to their short-term maturity and the impact of the discount is not significant.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Estimates and critical accounting criteria -

The Company makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results. The estimates and criteria that have a significant risk of causing a material adjustment to the carrying amounts of the reported assets and liabilities are addressed below:

a) Useful life and depreciation of property, plant and equipment -

Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary to operate by management and is calculated under the straight-line method over the estimated useful life of the asset. This results in depreciation charges that are proportional to the estimated wear and tear of the assets as measured in number of years.

The annual review of useful lives is performed by technical committees composed of specialists from the Company's operating areas and is carried out using the best information available at the assessment date. This analysis includes an evaluation of: (i) expected physical wear and tear, (ii) the expected usage pattern of the asset, and (iii) the technical information contained in the files, manuals and specifications provided by the manufacturers and suppliers of the assets, which allows for a more reliable and accurate determination of the period over which the assets are expected to generate future economic benefits.

In 2025, as a result of the annual review of the useful life of property, plant and equipment, based on the technical analysis performed by management and the additional information available since 2025, the Company determined that it was necessary to update the estimated useful life of certain asset classes, mainly those related to the NTR. This update was intended to more appropriately and reasonably reflect both the expected pattern of consumption of future economic benefits and the estimated duration of such benefits, considering, among other relevant factors, that in 2025 the NTR became fully operational. The adjustments resulting from this review represented changes in accounting estimates and were recognized prospectively, in accordance with the applicable accounting standards.

As a result of the review performed, the useful life ranges of certain groups of assets were modified, mainly in the following categories:

	Until
Buildings and other constructions	80 years
Machinery and equipment	80 years
Other equipment	60 years

As a result of the review of useful life, in 2025, the Company recognized a lower depreciation expense of approximately US$61,000 thousand. Management considers that the changes made to useful lives improve the reliability and relevance of financial information by more appropriately reflecting the expected operating performance of assets.

b) Provisions and contingencies -

The Company is subject to a number of laws and regulations as well as business practices effective in Peru. In this sense, management makes judgement and estimates in recording environmental matters and seeking to meet the technical standards issued by the local regulatory authorities. Actual costs may differ from estimates for a number of reasons, such as changes in the assumptions and differing interpretations of laws, opinions and assessments in determining the amount of losses.

The Company updates the provision for remediation of privatized and own units as well as the provision of plug-back costs to reflect new events, changes in circumstances and any other relevant information available to determine the costs that it will incur to cover these items (Note 18). Changes in the variables used to establish the amount of the environmental obligation and plugging wells costs may give rise to major adjustments to the balance of the obligation. Also, the Company determines the provisions required for the environmental remediation obligation arising from oil spills derived from the events that occurred on the Peruvian northern oil pipeline ("Oleoducto Norperuano"), considering the contracts with the suppliers that carry out the remediation tasks pending execution and the estimate of the services in the procurement process.

Furthermore, in the ordinary course of business, the Company is exposed to certain contingent liabilities relating to existing or potential claims, litigation and other actions brought against it, including some involving taxes.

A provision is recorded for contingencies when it is probable that an outflow of resources will be required to settle an obligation, and the amount can be reasonably estimated. The Company's estimates are based on projections that are updated considering the results of the above-mentioned litigation or other actions and the previous experience of its technical staff and legal counsel both internal and external to address and resolve legal, labor-related and tax claims. To the extent the amount of obligations is being more clearly defined or further information become available, the Company may change its future cost estimates, which may have a significant effect on the results of its operations and its financial position or liquidity.

c) Taxes -

Determination of tax expenses and obligations requires interpretation of the Peruvian tax laws. The Company seeks professional advice in tax matters before making tax-related decisions. Management considers that these estimates are reasonable and appropriate at the reporting date; however, it considers that a particular interpretation of a point of tax laws by the Peruvian tax authorities that is subsequently known may eventually result in additional taxes payable in the future. The Company recognizes liabilities for the observations resulting from tax audits when additional taxes become payable; any differences have an impact on the balances of current income tax for the fiscal period in which those observations are determined.

Deferred income tax assets are reviewed at each reporting date to determine its recoverability.

The current income tax determination is performed by the Company following applicable laws and regulations and the experience of previous tax audits examinations. Accordingly, no sensitivity analysis has been considered necessary to be included to simulate variances in calculation, because management considers that no significant differences will arise that may have a material impact on its financial statements.

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d) Testing of possible impairment in property, plant and equipment -

The Company performs an assessment of whether a provision for impairment is required following the accounting policy described in Note 2.7. This determination requires the Company to exercise judgment in analyzing evidence of impairment and determining the recoverable amount. In determining the latter, judgment is required to calculate the expected future cash flows, including management's projections of the Company operations in the future, projections of economic factors that may affect the Company's expected revenue and costs as well as determining the discount rate to be applied to those cash flows.

For the estimates used in determining the recoverable amount of assets consider the Company's historical performance, current operations, future expectations as well as changes in the Company's business strategy. These considerations are the most relevant for estimating expected future cash flows.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The Company determines the recoverable amount based on value in use, considering that, due to certain key assumptions used, the specialized nature of the assets, the information available at the date of the valuation and the reasonable expectations for the generation of future cash flows, value in use reasonably exceeds the estimate of fair value less disposal costs. For these purposes, it estimates the expected long-term cash flows, over a period of 16 years, which it considers appropriate because it observes that after said period there is a stabilization of the discount rate. At the same time, the determination of value in use presumes the existence of a terminal value of the asset, at the end of the period indicated above.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The Company groups its assets into four CGUs: (i) Production and trading; (ii) Oil Pipeline operations (Note 11), (iii) Leased and privatized Units and (iv) Exploitation of Blocks.

The CGU for Production and Trading groups together the assets of the Conchan, Iquitos and Talara refineries as well as the assets associated with the Company's trading activity, because its corporate purpose and obligation, defined by government Decree Law (Note 1), is the supply of fuel to the entire country through its three refineries located throughout the national territory. This obligation requires the Company to operate its three refineries in a consistent manner, where fuel supply is the priority with the objective of supplying national demand. Likewise, the products that the Conchan and Iquitos refineries sell to third parties require, to a certain extent, inputs that come from the Talara refinery, which led the Company to conclude that the cash flows of the Conchan and Iquitos refineries are not largely independent.

With respect to the CGU for Production and Trading, as of December 31, 2025 and 2024, the Company has considered internal and external information (in particular, lower-than-expected economic returns as a result of the decrease in sales revenues to the domestic market, due to aggressive competition that grants higher discounts and lower production availability of the NTR, downward trend in international prices of crude oil and derived products, unforeseen shutdown of the NTR's Flexicoking unit, and higher operating expenses, which generated net losses for this CGU as of December 31, 2025 and 2024 for US$510,894 thousand and US$809,040 thousand) and has identified signs of a possible impairment in the value of the assets comprising this CGU. Accordingly, the Company performed the corresponding impairment tests (Note 11).

With respect to the CGU for Pipeline Operations, the Company considered internal and external information (particularly the lower-than-expected economic performance resulting from pipeline breakdowns caused by exogenous events. As a result, the CGU as of December 31, 2025 and 2024 recorded net losses of US$67,567 thousand and US$58,680 thousand, respectively) and has identified indications of a possible impairment in the value of the assets comprising this CGU. Therefore, the Company performed the corresponding impairment tests (Note 11).

CGUs for rented and privatized units and Exploitation of Blocks, considering their current economic performance, have not identified internal or external indications that would require impairment testing.

With respect to work in progress under the Property, plant and equipment item, the Company performs an annual technical and economic viability assessment to determine whether the carrying amount may be impaired. As a result of this assessment, the Company has not identified any significant impairment losses that have not been recognized in the net carrying amounts as of December 31, 2025 and 2024.

4.2 Critical judgments in the application of accounting policies -

Determination of functional currency -

Under IAS 21, “The Effects of Changes in Foreign Exchange Rates”, an entity must define its functional currency as the currency of the primary economic environment in which the Company operates. As part of its assessment, an entity analyzes primary indicators (those associated with the economic forces that mainly influence sales prices and costs); when the primary indicators are not conclusive, it analyzes secondary indicators (those associated with the currency in which funds from financing activities are generated and in which cash surpluses are maintained). After this evaluation, the determination of the functional currency may not be evident, in which case, management should exercise judgment to determine its functional currency as the currency that most faithfully reflects the economic effects of the Company’s underlying transactions.

The Company sells its products and services mostly in the Peruvian market; selling prices of crude are influenced by the international market and by the local market and regulations. Most of the costs correspond to the import of crude, this cost is denominated in U.S. dollars and is mainly influenced by the international markets, most Note by the United States market.

As of December 31, 2025 and 2024, management has not observed any relevant change in the circumstances prevailing in the past. On the other hand, in relation to the secondary indicators established by IAS 21 “The Effects of Changes in Foreign Exchange Rates”, referring to the currency in which the funds from financing activities are generated, the Company maintains the prevalence of the U.S. dollar since 2017 to date (Note 14).

The financing structure and the notable prevalence of the U.S. dollar led the Company to define this currency as its functional currency.

As of December 31, 2025 and 2024, according to Company’s critical judgment, the functional currency is the U.S. dollar.

5 SEGMENT INFORMATION

a) Description of business segments and core activities -

The Company’s chief decision-maker (Board of Directors) evaluates the Company’s performance in its four divisions that are considered reportable segments. These divisions offer different products and services and are managed separately since they require different sales and financial business strategies.

The Company’s operations are assessed by the activities of the following business units: (i) Production and trading, (ii) Oil Pipeline operations and (iii) Leased and privatized units and (iv) Exploitation of Blocks.

As set forth under IFRS 8, the reportable operating segment based on its level of revenue and assets is ‘Production and trading’. However, the Company voluntarily reports all its operating segments as detailed in this Note.

The following summary describes the operations of each reportable segment:

Segment	Operations
Production and trading	Refining and commercialization of petroleum products
Oil Pipeline operations	Service of transfer and custody of crudes from the Northern jungle of Peru
Leased and privatized units	Assets that originate cash inflows derived from rentals
Exploitation of Blocks	Exploitation of hydrocarbons in operations with License agreements

Company’s General Management and Board of Directors review the internal management reports of each segment on a quarterly basis.

There are several levels of transactions between the Production and trading segments and Oil Pipeline operations. These transactions include oil transfers or other products and transportation services.

Statement of financial position by segments -

	Production and trading (*)	Oil pipeline operations	Leased and privatized units	Exploitation of blocks (**)	Total
	US$000	US$000	US$000	US$000	US$000
As of December 31, 2025					
Assets:					
Current	918,270	95,842	39,804	36,826	1,090,742
Non-current	8,251,979	270,040	185,767	41,977	8,749,763
	9,170,249	365,882	225,571	78,803	9,840,505
Liabilities:					
Current	3,279,342	91,837	136	15,875	3,387,190
Non-current	4,605,649	17,420	-	-	4,623,069
	7,884,991	109,257	136	15,875	8,010,259

(*) Include refineries, a gas station, commercial area and main office.
(**) The Exploitation of Blocks segment includes the following blocks:

	Block Z 69	Block X	Total
	US$000	US$000	US$000
As of December 31, 2025			
Assets:			
Current	7,260	29,566	36,826
Non-current	33,776	8,201	41,977
	41,036	37,767	78,803
Liabilities:			
Current	8,940	6,935	15,875

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Statement of financial position by segments -

	Production and trading (*)	Oil pipeline operations	Leased and privatized units	Exploitation of blocks (**)	Total
	US$000	US$000	US$000	US$000	US$000
As of December 31, 2024					
Assets:					
Current	1,213,926	54,842	39,905	92,603	1,401,276
Non-current	8,146,454	180,967	171,322	39,103	8,537,846
	9,360,380	235,809	211,227	131,706	9,939,122
Liabilities:					
Current	3,165,616	93,874	182	41,589	3,301,261
Non-current	4,188,786	17,347	-	-	4,206,133
	7,354,402	111,221	182	41,589	7,507,394

(*) Include refineries, a gas station, commercial area and main office.

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

	Block I	Block VI	Block Z 69	Block X	Total
	US$000	US$000	US$000	US$000	US$000
As of December 31, 2024					
Assets:					
Current	6,333	27,559	35,298	23,413	92,603
Non-current	-	-	39,103	-	39,103
	6,333	27,559	74,401	23,413	131,706
Liabilities:					
Current	3,228	9,157	18,342	10,862	41,589

Statement of comprehensive income by segments -

	Production and trading (*)	Oil pipeline operations	Leased and privatized units	Exploitation of Blocks (**)	Total
	US$000	US$000	US$000	US$000	US$000
Year 2025					
Revenue from ordinary activities	3,355,127	246	-	24,989	3,380,362
Other operating income	35,456	3,113	20,339	-	58,908
Inter-segment revenue	-	22,140	-	217,202	239,342
Total revenue	3,390,583	25,499	20,339	242,191	3,678,612
Cost of sales	(3,208,506)	(34,694)	(14)	(181,652)	(3,424,866)
Inter-segment cost	(239,342)	-	-	-	(239,342)
Gross (loss) profit	(57,265)	(9,195)	20,325	60,539	14,404
Selling and distribution expenses	(52,447)	(2)	(3,156)	-	(55,605)
Administrative expenses	(125,873)	(14,678)	-	(15,666)	(156,217)
Other income and expenses	(15,111)	19,260	579	-	4,728
(Loss) profit from operating activities	(250,696)	(4,615)	17,748	44,873	(192,690)
Financial (expenses) income	(471,126)	(1,652)	1,088	(7,753)	(479,443)
(Loss) profit before income tax	(721,822)	(6,267)	18,836	37,120	(672,133)
Income tax	78,699	(303)	1,937	(9,682)	70,651
Net results from the year and comprehensive income	(643,123)	(6,570)	20,773	27,438	(601,482)

(*) Include refineries, a gas station, commercial area and main office.

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

	Block I (New contract)	Block VI	Block Z 69	Block X	Total
	US$000	US$000	US$000	US$000	US$000
Year 2025					
Revenue from ordinary activities	2,252	2,754	17,787	2,196	24,989
Inter-segment revenue	11,519	33,563	86,426	85,694	217,202
Cost of sales	(9,499)	(21,885)	(99,849)	(50,419)	(181,652)
Gross profit	4,272	14,432	4,364	37,471	60,539
Administrative expenses	(1,289)	(1,471)	(5,917)	(6,989)	(15,666)
Profit (loss) from operating activities	2,983	12,961	(1,553)	30,482	44,873
Financial expenses	(294)	(902)	(4,407)	(2,150)	(7,753)
Profit (loss) before income tax	2,689	12,059	(5,960)	28,332	37,120
Income tax	(558)	(2,343)	(1,080)	(5,701)	(9,682)
Net results from the year and comprehensive income	2,131	9,716	(7,040)	22,631	27,438

Statement of comprehensive income by segments -

	Production and trading (*)	Oil pipeline operations	Leased and privatized units	Exploitation of blocks (**)	Total
	US$000	US$000	US$000	US$000	US$000
Year 2024					
Revenue from ordinary activities	3,429,411	263	-	26,723	3,456,397
Other operating income	44,387	5,659	20,877	-	70,923
Inter-segment revenue	-	27,585	-	258,215	285,800
Total revenue	3,473,798	33,507	20,877	284,938	3,813,120
Cost of sales	(3,564,329)	(54,754)	(14)	(194,233)	(3,813,330)
Inter-segment cost	(285,800)	-	-	-	(285,800)
Gross (loss) profit	(376,331)	(21,247)	20,863	90,705	(286,010)
Selling and distribution expenses	(54,697)	(2)	(6,707)	-	(61,406)
Administrative expenses	(145,303)	(20,983)	-	(14,778)	(181,064)
Other income and expenses	(41,496)	(17,825)	1,445	725	(57,151)
(Loss) profit from operating activities	(617,827)	(60,057)	15,601	76,652	(585,631)
Financial (expenses) income	(371,601)	1,089	512	224	(369,776)
(Loss) profit before income tax	(989,428)	(58,968)	16,113	76,876	(955,407)
Income tax	180,388	288	826	-	181,502
Net results from the year and comprehensive income	(809,040)	(58,680)	16,939	76,876	(773,905)

(*) Include refineries, a gas station, commercial area and main office.

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

	Block I (New contract)	Block VI	Block Z 69	Block X	Total
	US$000	US$000	US$000	US$000	US$000
Year 2024					
Revenue from ordinary activities	2,856	3,735	16,947	3,185	26,723
Inter-segment revenue	15,816	53,781	135,223	53,395	258,215
Cost of sales	(12,823)	(31,299)	(121,353)	(28,758)	(194,233)
Gross profit	5,849	26,217	30,817	27,822	90,705
Administrative expenses	(1,123)	(2,567)	(6,996)	(4,092)	(14,778)
Other income and expenses	-	280	445	-	725
Profit from operating activities	4,726	23,930	24,266	23,730	76,652
Financial income	112	-	112	-	224
Net results from the year and comprehensive income	4,838	23,930	24,378	23,730	76,876

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b) Other information -

The revenue by segments on the customers' geographical location are as follows:

	2025	2024
	US$000	US$000
Peru	3,048,430	3,117,788
Other countries	390,840	409,532
	3,439,270	3,527,320

The revenue information broken down by type of product is described in Note 21.

6 FINANCIAL INSTRUMENTS

6.1 Financial instruments per category -

The classification of financial assets and liabilities per category is as follows:

	As of December 31,	
	2025	2024
	US$000	US$000
Financial assets as per the statement of financial position		
Financial assets at amortized cost:		
- Cash and cash equivalents (Note 7)	26,435	130,856
- Trade receivables (Note 8)	209,954	219,660
- Other receivables (*) (Note 9)	41,623	78,512
	278,012	429,028
Financial liabilities as per the statement of financial position		
Other financial liabilities at amortized cost:		
- Other financial liabilities (Note 14)	5,168,839	5,610,658
- Trade payables (Note 15)	1,087,007	1,282,042
- Payables to related parties (Note 16)	1,271,727	320,839
- Lease liabilities (Note 13)	31,745	61,156
- Other payables (*) (Note 17)	92,689	89,485
	7,652,007	7,364,180

(*) Not including taxes, labor liabilities nor advances.

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6.2 Credit quality of financial assets -

The credit quality of financial assets is shown in Note 3.1.b).

According to the information provided by Apoyo & Asociados Internacionales S.A.C. (Fitch Ratings representative), the credit quality of the financial institutions in which cash is maintained in checking accounts, liquidity funds, term deposits and funds subject to restriction is broken down as follows:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Cash and cash equivalents -		
Checking accounts:		
A+	25,200	109,865
A	1,222	20,981
	26,422	130,846
Other receivables -		
Funds subject to restriction:		
A+	1,934	61,806
A	2,703	44
	4,637	61,850

Risk ratings "A" and "A+" in the above table represent high quality ratings. For banks in Peru, risk ratings are obtained from the credit rating agencies authorized by the Superintendence of Banking, Insurance and AFP (SBS by its acronym in Spanish).

Customers' credit quality is assessed in three categories (internal ranking):

A: new customers / related parties (less than six months),
B: existing customers / related parties (more than six months) with no history of default,
C: existing customers / related parties (more than six months) with some history of default in the past.

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Trade receivables (Note 8)		
A	1,028	17
B	134,418	141,250
C	74,508	78,393
	209,954	219,660

7 CASH AND CASH EQUIVALENTS

This item comprises:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Checking accounts	26,422	130,846
Cash in hand	13	10
	26,435	130,856

The Company maintains cash in checking accounts in local and foreign currency with financial institutions. As of December 31, 2025, these funds are freely available and accrue interest rates of 3.5% in Peruvian soles and 3.0% in U.S. dollars (4.50% in Peruvian soles and 3.03% in U.S. dollars, as of December 31, 2024).

8 TRADE RECEIVABLES

This item comprises:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Wholesalers	96,653	90,881
Oil companies	30,032	31,354
Fuel traders	17,803	18,518
External market	11,200	9,254
Armed Forces and National Police Force	7,637	8,487
Aviation business	7,153	11,079
Industrial industry	6,719	2,189
Construction industry	2,729	604
Electric power industry	371	1,275
Mining industry	371	331
Transport industry	169	1,084
Fishing industry	-	4,495
Other customers	702	741
Doubtful accounts from different customers	14,747	13,335
	196,286	193,627
Price Stabilization Fund - MEM (Note 1-c)	28,415	39,368
	224,701	232,995
Less: Expected credit loss of trade receivables	(14,747)	(13,335)
	209,954	219,660

Trade receivables -

The balances of trade receivables are invoices in Peruvian soles and U.S. dollars mainly originated by sales of refined products. For the Armed Forces and National Police Force, receivables fall due after 45 and 25 days, respectively; for wholesalers and other customers, from 7 to 45 days, respectively. Following internal policies, receivables are mostly secured by a performance bond and other instruments of the Peruvian financial system in accordance with the credit policy approved by the Board of Directors.

Price Stabilization Fund – Peruvian Ministry of Energy and Mines (MEM) -

As of December 31, 2025 and 2024, the total amount receivable from the general hydrocarbons' agency (Dirección General de Hidrocarburos - DGH) amounted to US$28,415 thousand and US$39,368 thousand, respectively, generated from compensation and contribution transactions (Note 2.18-b).

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The annual movement of the total balance of the item Price Stabilization Fund is explained as follows:

	2025 US$000	2024 US$000
Opening balance receivable	39,368	47,920
Price compensation	2,766	14,131
Price contribution	(17,335)	(17,678)
Net charged to revenue from ordinary activities (Note 21)	(14,569)	(3,547)
Collection of compensation and contribution payments	-	(4,555)
Exchange difference	3,616	(450)
Closing balance receivable	28,415	39,368

Expected loss of trade receivables -

To measure the expected credit losses, the Company has classified its customers based on common risk characteristics that reflect the payment capacity of each segment of customers considering the amounts owed. This classification was performed considering the segments that represent specific risks: wholesale, industrial, trade and armed forces segments.

The rates of expected credit losses are based on the payment profiles of sales over a 12-month period before December 31, 2025 and 2024, and the historical credit losses are adjusted to reflect the current and prospective information about macroeconomic factors that affect customers' ability to settle the Company's trade receivables. The Company has identified the growth rate of hydrocarbon Gross Domestic Product (GDP) and the variation in real minimum vital remuneration as the most relevant factors and, consequently, adjusts the historical loss rates based on the expected changes in these factors.

Based on that information, the provision for losses as of December 31, 2025 and 2024 was determined as follows:

	2025			2024		
	Expected loss rate %	Gross carrying amount US$000	Expected loss US$000	Expected loss rate %	Gross carrying amount US$000	Expected loss US$000
Current	-	178,356	-	-	179,438	-
From 1 to 30 days	1.72	578	10	37.91	40	15
From 31 to 60 days	1.81	779	14	100.00	1	1
From 61 to 360 days	2.40	1,542	241	100.00	338	338
More than 360 days	96.00	15,031	14,482	94.00	13,810	12,981
Total (*)		196,286	14,747		193,627	13,335

(*) Not including the Price Stabilization Fund.

The movement in the provision for expected loss of trade receivables is as follows:

	2025 US$000	2024 US$000
Opening balance	13,335	13,532
Exchange difference, net	1,412	(197)
Closing balance	14,747	13,335

Management considers that the provision for the expected loss recognized in the financial statements and guarantees required are sufficient to cover any eventual risk of collection of trade receivables at the date of the statement of financial position.

Trade receivables that have reached maturity, on which no losses are expected, are related to independent customers maintaining performance bonds and/or whose debt is reconciled and is expected to be collected in the short term; therefore, management has not estimated an expected loss for these accounts.

9 OTHER RECEIVABLES

This item comprises:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Current		
Tax credit - VAT (a)	224,153	193,494
Tax credit - Income tax (b)	-	41,808
Funds held as guarantee (f)	16,670	-
Advances granted to suppliers (h)	19,812	19,510
Assets from financial instruments - Swap (g)	14,623	-
Funds subject to restriction (e)	4,637	61,850
Loans to personnel	3,663	3,150
Loans to third parties	1,824	1,962
Others	8,208	3,754
Doubtful accounts	35,349	33,649
	328,939	359,177
Uncollectible loss of other receivables (f)	(35,349)	(33,649)
Current portion	293,590	325,528
Non-current		
Tax credit - VAT, long-term (c)	1,241,450	1,060,386
Claims against Peruvian tax authorities (d)	8,668	7,796
Other long-term taxes	6,847	7,286
Non-current portion	1,256,965	1,075,468

(a) Tax credit - Value added tax (VAT), short-term -

As of December 31, 2025, it corresponds to the Value Added Tax - “VAT” (IGV in Peru) credit of operations for US$81,438 thousand (equivalent to S/274,282 thousand) and VAT of the NTR for US$142,715 thousand (equivalent to S/480,668 thousand).

As of December 31, 2024, it corresponds to the Value Added Tax - “VAT” (IGV in Peru) credit of operations for US$61,601 thousand (equivalent to S/232,235 thousand), VAT of the NTR for US$117,975 thousand (equivalent to S/444,766 thousand) and tax credit for excise tax for US$13,918 thousand (equivalent to S/52,472 thousand).

During 2025 and 2024, SUNAT refunded VAT tax credits for US$44,151 thousand (equivalent to S/160,746 thousand) and US$73,252 thousand (equivalent to S/275,762 thousand), respectively, which had been requested by the Company as a refund of the exporter’s credit balance.

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

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

As of December 31, 2024, this balance corresponds to accumulated income tax prepayments of US$41,808 thousand (equivalent to S/157,616 thousand), which were recovered through a refund request.

(c) Tax credit - VAT, long-term -

As of December 31, 2025, it corresponds to the Value Added Tax credit paid for the acquisition of goods and services mainly related to the NTR amounting to US$419,253 thousand (equivalent to S/1,412,044 thousand) and the VAT for operations amounting to US$822,197 thousand (equivalent to S/2,769,159 thousand).

As of December 31, 2024, it corresponds to the Value Added Tax credit paid for the acquisition of goods and services mainly related to the NTR amounting to US$367,589 thousand (equivalent to S/1,385,812 thousand) and the VAT for operations amounting to US$692,797 thousand (equivalent to S/2,611,843 thousand).

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

(d) Claims to the Peruvian tax authorities (“Superintendencia Nacional de Aduanas y de Administración Tributaria” - SUNAT) -

As of December 31, 2025 and 2024, this item only includes File No. 17806-2012, which mainly comprises claims against tax assessments involving the Turbo A-1 (fuel intended only for aviation activities) resulting from the provisions of Supreme Decree No. 186-2-002-EF, which stipulated the sales of Turbo A1 intended for general aviation activities were not subject to Excise Tax (ISC in Peru). In this regard, the Company considers it illegal to restrict the tax to sales conducted by profit-making entities since they were finally directed to aviation entities by virtue of private contracts.

In November 2012, the Company paid a total of US$8,651 thousand (equivalent to S/29,197 thousand), in respect of a number of tax determination and tax penalty resolutions involving allegedly unpaid excise tax (ISC) and VAT (IGV) comprising sales of Turbo A-1 for fiscal 2007. These Resolutions were challenged by PETROPERÚ (Case No. 17806-2012), and the Fourth Chamber of the Tax Court, as the final administrative instance, issued Resolution No. 09743-4-2021 dated November 5, 2021, confirming Regional Resolution No. 0150140010514 with respect to the tax adjustment related to sales of Turbo A-1 fuel not intended for aviation companies.

The Company's legal advisors consider that the sales of Turbo A - 1 were carried out according to law, therefore, on February 4, 2022, management filed a Contentious-Administrative Lawsuit against Resolution No. 09743- 4-2021, which is processed before the 22nd Contentious-Administrative Court (“22° Juzgado Contencioso Administrativo”), Tax Subspecialty (File No. 0744-2022-0-1801-JR-CA-22).

On December 24, 2025, the 22nd Administrative Litigation Court, Tax Subspeciality, dismissed as unfounded the claim filed by the Company (Case File No. 0744-2022-0-1801-JR-CA-22). As of December 31, 2025, Legal Management is analyzing the corresponding appeal.

(e) Funds subject to restriction -

These mainly correspond to judicial withholdings made by Banks as of December 31, 2025 and 2024 for US$4,637 thousand and US$61,850 thousand, respectively. These withholdings will be released or applied to potential payments once the judicial proceedings are completed.

(f) Guarantee funds -

As of December 31, 2025, it corresponds to a guarantee fund in favor of PERUPETRO S.A., in order to guarantee the faithful fulfillment of the Company's obligations of the work program for the first period, contained in Clause Four of the License Contract for the Exploitation of Hydrocarbons in Block 192, signed with PERUPETRO S.A.

(g) Assets from financial instruments - Swap -

These correspond to short-term contracts entered into by the Company with Citibank, in which a cash flow on an initial contractual date was exchanged for other flows in a different currency to be delivered on later dates in order to mitigate exposure to a specific currency. As of December 31, 2025 and 2024, these agreements also generate a financial liability that is presented under Other financial liabilities (Note 14).

(h) Advances granted to suppliers -

These mainly correspond to advances to suppliers for the purchase of crude oil for which control of the oil has not yet been obtained.

(i) Uncollectible loss on other receivables -

This loss is mainly related to ongoing claims submitted to municipalities involving property taxes and municipal taxes; the probability of a favorable outcome is low.

With respect to the other items of other receivables, the Company considers that the credit risk of counterparties is low. Therefore, the Company has not registered an expected loss for these accounts as it is not significant.

The annual movement of the uncollectible loss is as follows:

	2025	**2024**
	US$000	**US$000**
Opening balance	33,649	33,874
Exchange difference	1,700	(225)
Closing balance	35,349	33,649

10 INVENTORIES

This item comprises:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Crude oil	168,369	220,572
Refined products:		
- In-process	170,204	158,842
- Finished	122,766	208,406
- Acquired refined products	20,520	69,739
In-transit inventories	81,631	96,710
Supplies	103,407	89,112
Reclassification to property, plant and equipment (*)	(103,837)	(116,174)
	563,060	727,207
Less - Provision for impairment of supplies	(4,007)	(4,024)
	559,053	723,183

In 2025, the cost of inventories recognized as expenses and included in the cost of sales amounted to US$2,665,713 thousand (US$2,969,994 thousand in 2024) which are equivalent to cost of sales excluding operating expenses of production.

As of December 31, 2025, the crude oil price had a lowing trend, with a closing price of US$57.42 per barrel (US$71.72 per barrel as of December 31, 2024). The average price during December 2025 was US$57.94 per barrel (US$69.78 per barrel as of December 31, 2024). As of December 31, 2025, the crude oil inventory is made up of 2,901 MBL - Thousand Barrels of Crude Oil (3,543 MBL as of December 31, 2024).

(*) As of December 31, 2025, this corresponds to the reclassification of the minimum amount of crude oil that the ONP needs to operate for US$103,837 thousand (US$93,176 thousand as of December 31, 2024, an amount that also includes the reclassification of critical spare parts considered as part of the inventory to Fixed asset for an amount of US$22,998 thousand.

The annual movement of the provision for impairment of supplies is explained as follows:

	2025	**2024**
	US$000	**US$000**
Opening balance	4,024	4,042
Impairment of supplies	200	198
Recovery	(217)	(216)
Closing balance	4,007	4,024

This provision was recognized as a result of analyzing the net realizable value of inventories, taking into account the expectations of obtaining net cash flows from consumption and considering their physical condition. As of December 31, 2025 and 2024, the Company considers that the amount of the provision adequately reflects the risk of impairment of all its inventories both by physical obsolescence and net realizable value.

11 PROPERTY, PLANT AND EQUIPMENT

This item comprises:

	Land	Buildings and other constructions	Machinery and equipment	Vehicles	Furniture and fixtures	Other and computer equipment	Spare parts	Equipment out of use	Work in progress	Additional investments	Total
	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance as of January 1, 2024											
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 January 1, 2024	217,806	1,082,051	4,005,348	23,019	1,907	256,939	828	-	1,522,783	7,022	7,117,703
Year 2024											
Opening balance of net 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	-	661	2,339	-	-	2,574	-	3	195,744	9,321	210,642
Transfers	386	224,305	1,069,017	214	326	118,875	13,984	-	(1,427,107)	-	-
Disposals	-	-	(26)	(200)	(9)	(19)	-	(2,325)	-	-	(2,579)
Reclassification to equipment out of use	-	-	(644)	(37)	(32)	(860)	-	1,573	-	-	-
Reclassifications to inventory	-	-	(15,934)	-	-	-	-	-	-	-	(15,934)
Reclassifications of inventory	-	-	-	-	-	-	22,998	-	-	-	22,998
Reclassifications to intangible assets (Note 12)	-	-	-	-	-	-	-	-	(31,911)	-	(31,911)
Depreciation for the year	-	(27,047)	(182,636)	(2,148)	(546)	(14,286)	(215)	-	-	-	(226,878)
Depreciation of disposals	-	-	25	199	6	16	-	2,278	-	-	2,524
Provision for impairment	-	-	-	-	-	-	-	-	(24,669)	-	(24,669)
Disposal of equipment out of use	-	-	635	35	32	827	-	(1,529)	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	(5,557)	(5,557)
Net cost as of December 31, 2024	218,192	1,279,970	4,878,124	21,082	1,684	364,066	37,595	-	234,840	10,786	7,046,339
Balance as of December 31, 2024											
Cost	218,192	1,450,679	6,167,157	47,975	8,362	447,031	37,826	12,098	259,509	10,786	8,659,615
Accumulated depreciation	-	(170,709)	(882,403)	(26,893)	(6,678)	(82,965)	(231)	(12,098)	-	-	(1,181,977)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	(24,669)	-	(431,299)
As of December 31, 2024	218,192	1,279,970	4,878,124	21,082	1,684	364,066	37,595	-	234,840	10,786	7,046,339
Year 2025											
Opening balance of net carrying amount	218,192	1,279,970	4,878,124	21,082	1,684	364,066	37,595	-	234,840	10,786	7,046,339
Additions	-	280	13,645	23	1	481	3	-	90,090	2,535	107,058
Transfers	1,404	13,351	73,284	2,544	112	11,426	756	-	(102,877)	-	-
Disposals	-	-	(2,502)	(757)	(2)	(3)	-	(1,313)	-	-	(4,577)
Reclassification to equipment out of use	-	-	(2,057)	(1,064)	(26)	(34)	-	3,181	-	-	-
Reclassifications of inventory	-	-	10,661	-	-	-	-	-	-	-	10,661
Reclassifications to inventory	-	-	-	-	-	-	(20,293)	-	-	-	(20,293)
Depreciation for the year	-	(17,050)	(135,705)	(1,533)	(539)	(13,807)	(282)	-	-	-	(168,916)
Depreciation of disposals	-	-	3,732	1,807	28	35	-	(1,868)	-	-	3,734
Adjustments	-	-	-	-	-	-	-	-	-	(3,283)	(3,283)
As of December 31, 2025	219,596	1,276,551	4,839,182	22,102	1,258	362,164	17,779	-	222,053	10,038	6,970,723
Cost	219,596	1,464,310	6,260,188	48,721	8,447	458,901	18,292	13,966	246,722	10,038	8,749,181
Accumulated depreciation	-	(187,759)	(1,014,376)	(26,619)	(7,189)	(96,737)	(513)	(13,966)	-	-	(1,347,159)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	(24,669)	-	(431,299)
As of December 31, 2025	219,596	1,276,551	4,839,182	22,102	1,258	362,164	17,779	-	222,053	10,038	6,970,723

Property, plant and equipment of oil blocks -

The items of property, plant and equipment include assets acquired by the Company related to oil blocks, in this case referring only to Block Z-69, which are detailed below:

	Land	Building and other constructions	Machinery and equipment	Vehicles	Furniture and fixtures	Other equipment	Total
	US$000	US$000	US$000	US$000	US$000	US$000	US$000
As of December 31, 2024							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(82,975)	(664)	(332)	(239)	(84,629)
Net cost	6,795	-	32,342	-	-	-	39,137
As of December 31, 2025							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(88,335)	(664)	(332)	(239)	(89,989)
Net cost	6,795	-	26,982	-	-	-	33,777

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(i) Major projects -

a) New Talara Refinery, formerly Talara Refinery Modernization Project - PMRT -

Its objective is the technological development involving building new manufacturing facilities, modernizing and extending current facilities to:

i) Manufacture Diesel and Gasoline with less than 50 ppm (part per million) of Sulphur.
ii) Enlarge the production capacity of the refinery from 65 to 95 thousand bpd (barrels per day).
iii) Process heavy and more economic crudes to be used in manufacturing light fuels of higher commercial value.

As of December 31, 2025, the status of the Project specifying the physical progress of the assets and the economic progress for costs incurred is described as follows:

- **Overall progress -**

- Overall progress of NTR is 99.97% Real versus 100% Scheduled

On December 20, 2024, Addendum 13 was signed with Consorcio Cobra SLC UA&TC - Cobra. Additionally, on May 28, 2024, and December 19, 2024, two Amendments were signed with Técnicas Reunidas (TR).

With Technical Report No. GCOP-3276-2025 of October 27, 2025, the Corporate Operations Management approves the Redistribution of Items that make up the Investment Amount of the NTR, without altering the amount approved by A.D. 095-2023-PP of August 11, 2025.

As of December 31, 2025, the overall physical progress of the NTR project had not reached 100% of the planned progress, because the Company is finalizing the construction of the new DICAPI Talara facility, which is part of the NTR's complementary works and acquisitions. Completion of this project is expected by the end of 2026.

As of December 31, 2025 and 2024, the table below shows a breakdown of the budgeted cost (economic progress) of the project compared to the disbursements incurred:

	As of December 31, 2025		**Total budget**	
	Disbursements	**Progress percentage**	**Planned cost**	**Percentage of cost**
	US$000	**%**	**US$000**	**%**
Técnicas Reunidas (TR) and other minors -				
Processing units	3,440,858	99.31	3,464,899	53.06
Consorcio Cobra SCL UA& TC -				
Auxiliary units	933,337	97.96	952,745	14.59
Complementary work	409,719	96.87	422,971	6.48
Others -				
Supervising	405,146	98.89	409,702	6.27
Management	270,685	93.92	288,205	4.41
Interest on financing	988,730	99.69	991,793	15.19
	6,448,475	98.75	6,530,315	100.00

	As of December 31, 2024		**Total budget**	
	Disbursements	**Progress percentage**	**Planned cost**	**Percentage of cost**
	US$000	**%**	**US$000**	**%**
Técnicas Reunidas (TR) and other minors -				
Processing units	3,438,512	99.33	3,461,772	53.01
Consorcio Cobra SCL UA& TC -				
Auxiliary units	929,082	97.34	954,466	14.62
Complementary work	408,835	95.87	426,454	6.53
Others -				
Supervising	398,105	99.37	400,626	6.13
Management	270,175	91.52	295,204	4.52
Interest on financing	988,730	99.69	991,793	15.19
	6,433,439	98.52	6,530,315	100.00

- **Progress of EPC Unidades de Proceso - Contract with Técnicas Reunidas (TR) -**

As of December 31, 2025 and 2024, the comprehensive physical progress in the EPC Contract with TR is 100% Real vs. 100% Scheduled.

As of December 31, 2025, the accumulated executed amount is US$3,491,000 thousand.

- **Progress of EPC Unidades Auxiliares y Trabajos Complementarios - Contract with Consorcio Cobra SCL UA&TC -**

the comprehensive physical progress in the execution of the EPC Contract with the Consorcio Cobra SCL UA&TC is 100% Real vs. 100% Scheduled.

As of December 31, 2025, the accumulated executed amount is US$1,065,350 thousand.

- **Financial structure of the NTR -**

As of December 31, 2025 and 2024, NTR funding comes from the following sources:

- Capital contribution: US$325,000 thousand.
- Own resources: US$1,750,000 thousand.
- Bond placement (15 and 30 years): US$2,000,000 thousand.
- Loan secured by Compañía de Seguros de Crédito a la Exportación (CESCE): US$1,300,000 thousand.
- Reopening of bonds (30 years): US$1,155,300 thousand (includes share premium for US$155,300 thousand).

- **Social responsibility and Community Relations -**

- Local labor plan (“Plan de Mano de Obra Local”)

As of December 31, 2024, the total labor plan was 108 job positions. The share of local unqualified labor was 84.6% (from a total of 13 unqualified labor), above the limit set in the EIA (70%), while the share of local qualified labor was 73.7% (from a total of 95 qualified labor).

b) Project to set up and operate the New Ilo Terminal -

This project consists of the construction, installation and startup of a new Supply Terminal in Ilo, storage capacity: 227 MB for the reception, storage, and dispatch of fuels (Diesel, Premium Gasoline, and Regular Gasoline), to meet demand in the southern region of Perú. During 2024, the accumulated investment increased to US$33,790 thousand, which represents 74.20% of the investment budget; however, the Company’s management decided to discontinue the project, recognizing an impairment loss on the asset value for US$18,767 thousand. Likewise, as of December 31, 2025, management is assessing the final disposal of the non-impaired assets amounting to US$12,256 thousand.

c) Supply Plant in Ninacaca -

Construction, installation and start-up of a new Supply Plant in the district Ninacaca, province of Pasco, to meet the demand for liquid fuels in the central region of the country. As of December 31, 2024, the investment in this project amounts to US$5,902 thousand, which represents 99.95% of the investment budget; however, the Company’s management decided to discontinue the project, recognizing an impairment loss on the asset value for US$5,902 thousand.

d) Puerto Maldonado Plant and Selling Point (1st stage) -

Construction, installation and start-up of a new Fuel Supply Plant in Puerto Maldonado, storage capacity: 50 MB (DB5-S50: 38 MB and G Regular: 12 MB), to meet the demand for liquid fuels in the surrounding area.

As of December 31, 2025, the status of the project is as follows:

- the investment amount totals US$17,294 thousand, of which 100% has been executed. The global physical progress was 59.7% vs.73.4% scheduled. As of the date of these financial statements, the Company is evaluating an additional investment of US$23,800 thousand, which is currently under review by the Board of Directors.

- The project remains under comprehensive re-evaluation (technical and economic assessment).

(ii) Insurance -

The assets and operations of the Company are covered with an integral insurance policy against:

(a) Property and loss of profits policy for up to US$600,000 thousand with declared values of US$9,505,027 thousand; effective until December 22, 2026.
(b) Sabotage and terrorism policy for up to US$200,000 thousand with declared value of assets of US$7,764,374 thousand; effective until August 26, 2026.
(c) Public general liability insurance (“Póliza de responsabilidad civil general comprensiva”) for up to US$100,000 thousand; effective until May 25, 2026.
(d) Air carrier’s civil liability insurance (“responsabilidad civil de aviación”) for up to US$500,000 thousand, effective until February 24, 2027.

As of December 31, 2025 and 2024, management believes that the comprehensive insurance policy described above appropriately covers the estimated risk of loss of its assets.

(iii) Depreciation -

As of December 31, 2025 and 2024, the annual depreciation charge to profit or loss on property, plant and equipment is distributed as follows:

	2025	**2024**
	US$000	**US$000**
Cost of sales (Note 23)	159,301	209,105
Selling and distribution expenses (Note 24)	3,940	10,790
Administrative expenses (Note 25)	5,674	6,983
	168,915	226,878

(iv) As of December 31, 2025 and 2024, the Company has not granted any element of its fixed assets as collateral for loans.

(v) The gross cost of totally depreciated assets still in use as of December 31, 2025 was US$210,883 thousand, equivalent to S/709,165 thousand (US$202,678 thousand, equivalent to S/680,122 thousand in 2024).

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(vi) Major additions related to work in progress –

As of December 31, 2025, additions to work in progress mainly correspond to EPC, PMC, Auxiliary Services and Other Services related to the NTR, which amount to US$15,036 thousand equivalent to S/51,765 thousand (US$122,018 thousand equivalent to S/460,3123 thousand in 2024); and other works in progress at the corporate level amounting to US$75,054 thousand equivalent to S/279,836 thousand (US$69,238 thousand equivalent to S/260,271 thousand in 2024).

Additionally, borrowing costs capitalized over 2024 related to the NTR amounted to US$4,488 thousand. In 2025, there were no capitalized borrowing costs.

(vii) Transfer of assets -

They correspond to property, plant and equipment that came into operation when they were ready for use under the conditions foreseen by management. In 2025 and 2024, auxiliary and ongoing units of the NTR began their operation, as well as other machinery and equipment.

(viii) Impairment of assets -

Cash-generating units (CGUs) -

In 2025, the Company, taking into account the decrease in income and results of the yearof the CGU operations Oil Pipeline and Production and trading (Note 5), based on internal and external information, considers that there are certain indications that the assets of the CGUs could be impaired.

The impairment test was performed by comparing the recoverable amount of the CGUs against the carrying amount of the assets of that CGU. The CGU is the smallest group of identifiable assets capable of generating cash flows for the Company. The Company has determined the recoverable amount of the CGU using their value in use. Key assumptions used in determining the value in use were as follows:

Oil Pipeline operations (ONP) -

- Have been considered operating cash flows from the service of transportation and custody of crude from the Northern jungle in Peru.
- Forecast crude volumes: based on crude production volume projections released by the Exploration, Production and Pipeline Management and Petrotal Perú S.R.L., Management has prepared forecast of crude volumes expected to be carried through the Oil Pipeline (ONP).
- Forecast transportation rate: The Company estimates the transportation rate applied in its projections based on the current rate schedule.
- Operating flow for the unloading service: the estimated inflows come from the service to operators of blocks 8, 64, 95 and 192.
- Have been considered cash flows from services rendered to the Production and trading CGU of transport and selling of residual products from the Iquitos Refinery.
- All relevant assets have been allocated to the respective CGU.
- A 10-year projection horizon and perpetuity. The perpetuity calculation considers no growth rate in the long term. The Company considers it appropriate to use a projection of 10 years, since as of December 31, 2025, not all the oil blocks located in the northern jungle to which the corresponding transfer service would be provided are operating, which is estimated will happen in the long term.

Projections do not include cash inflows or outflows from financing activities.

- The discount rate is determined before taxes and is affected by the risks associated with a specific CGU and the current assessments that the market makes on the value of money over time.

- Projected costs and expenses are estimated based on the budgeted expenses for 2026 prepared by the Company.

Key assumptions used in calculating the value in use are as follows:

	2025	**2024**
Average annual growth rate (%)	15	13
Average gross margin (%)	52	55
Average transportation rate ($/Bl)	10	12
Discount rate (%)	11.96	12.18

In 2025, the annual growth rate corresponds to annual growth rate compound income during the period 2026 to 2035. Revenue growth is generated according to the forecasts prepared by oil block operators.

The budgeted gross margin is the average gross margin for 10-year projections.

The rates used are before taxes and reflect specific risks associated with the business of the CGU.

As of December 31, 2025, the Company has estimated that the recoverable amount of the Oil Pipeline CGU amounts to US$67,680 thousand (equivalent to S/227,880 thousand). As of December 31, 2025, the carrying amount of this CGU, net of impairment losses, which as part of its assets considers investments in Property, plant and equipment, as well as certain items of current assets and liabilities that affect the working capital also included in the projection of flows, amounts to US$67,147 thousand equivalent to S/226,085 thousand (including an accumulated impairment provision of US$128,527 thousand equivalent to S/432,750 thousand). Consequently, Company's management concluded that it is not necessary to recognize an additional impairment provision in the financial statements as of December 31, 2025, because the recoverable amount of the CGU exceeds its net carrying value at that date.

As of December 31, 2024, the Company has estimated that the recoverable amount of the Oil Pipeline CGU amounts to US$238,819 thousand (equivalent to S/900,348 thousand). As of December 31, 2024, the carrying amount of this CGU, net of impairment losses, which as part of its assets considers investments in Property, plant and equipment, as well as certain items of current assets and liabilities that affect the working capital also included in the projection of flows, amounts to US$118,904 thousand equivalent to S/448,68 thousand (including an accumulated impairment provision of US$128,527 thousand equivalent to S/484,547 thousand).

Sensitivity analysis -

The Company has carried out the sensitivity of the key assumptions used in determining the recoverable amount, assuming a negative variation in each case of 1%, in which case the impairment of assets of this CGU would be as follows:

Key assumption	Variation	Impairment 2025	Impairment 2024
		US$000	US$000
Projected volumes (MMBl/year)	-1%	(6,139)	-
Prices for the year ($/Bl)	-1%	(4,261)	-
Discount rate (%)	-1%	(1,178)	-

Production and Trading -

As of December 31, 2025, the Company has deemed it appropriate to perform the impairment test of the CGU for Production and Trading, taking into account the lower than expected economic returns, as a result of the decrease in revenues from domestic sales that is mainly due to aggressive competition offering higher discounts, the entry of new competitors, the downward trend in international prices of crude oil and derivative products and, operational restrictions presented in the operation of the NTR due to anomalous waves and decreased crude oil supply.

The impairment test was performed by comparing the recoverable amount of the CGU against the carrying amount of the Project assets. The CGU corresponds to the smallest identifiable group of assets, capable of generating cash flows in favor of the Company. The Company has determined the recoverable amount of the CGU by estimating their value in use. Key assumptions used in determining the value in use are as follows:

- Have been considered operational cash flows from the Talara, Iquitos and Conchán refineries. Cash flow projections comprise all cash flows that are expected to be generated in the normal course of the business. All relevant assets have been assigned to the CGU.
- These refineries have established significant synergies, through which they exchange inputs and transfer products in process, in the absence of an active market in which they can be sold; so that greater income and significant savings are obtained.
- A 16-year projection horizon and perpetuity. The perpetuity calculation consider growth rate in the long term of 1.65%. The Company considers it appropriate to use a projection period of 16 years, which is aligned with the standardization of the debt/equity ratio, the operating cycle of the NTR and the projection of the sales prices of its products during this horizon, according to reports from independent third parties.
- The discount rate is determined before taxes and is affected by the specific risks of the CGU and the current evaluations that the market makes of the time value of money.
- Projections considered in valuation were operating cash flows from purchases, refinery and sales of crude by-products.
- Fixed and variable costs were defined by the Company.
- Forecast selling prices: the Company estimates the selling prices of oil-by products based on import parity prices, which consider the evolution over time of WTI crude oil prices and spreads of by-products in time, considering inputs obtained from a specialized international price source S&P Global.
- Selling prices used in valuation are prices at the plant site.
- Forecast crude product volume purchases: refinery loads are estimated by the Corporate Planning Management ("Gerencia Planeamiento Corporativo") using the mathematical refining model.

- Acquisition price forecast: based on projections released by the consulting firm S&P Global, the Company has prepared a forecast of acquisition costs for crude oil and products, considering the movement of prices of WTI crude oil and spreads of by-products in time.
- Projected costs and expenses are estimated based on the 2026 budgeted expenses prepared by the Company.

Key assumptions used in determining the value in use are as follows:

	2025	2024
Average annual growth rate (%)	7	4
Margin EBITDA (%)	10.90	11.00
Average price of refined oil ($/Bl)	118	131
Discount rate (%)	7.15	7.35

The annual growth rate corresponds to annual growth rate compound of income during the period 2026 to 2041. The average growth rates used are based on the expected performance of the asset and the Company's forecasts.

The budgeted EBITDA margin is the average EBITDA margin for 16-year projections.

The price corresponds to the simple average of the projection. Management determined the budgeted prices based on past performance, current trends in the industry, established rates, market development expectations, and information provided by the consulting firm S&P Global.

Risk-adjusted rates are pre-tax and reflect the risks associated with the relevant business.

In 2025, the Company has estimated that the recoverable amount of the Production and trading CGU amounts to US$6,179,387 thousand (equivalent to S/20,805,995 thousand). As of that date, the carrying amount of this CGU, net of impairment losses, which as part of its assets considers investments in Property, plant and equipment and intangible assets, as well as certain items of current assets and liabilities that affect the working capital also included in the projection of flows, amounts to US$6,063,884 thousand (equivalent to S/20,417,099 thousand), including an accumulated impairment provision of US$277,794 thousand (equivalent to S/935,332 thousand). Company's management concluded that it is not necessary to recognize an additional impairment provision in the financial statements as of December 31, 2025, because the recoverable amount of the CGU exceeds its net carrying value at that date.

As of December 31, 2024, the Company has estimated that the recoverable amount of the CGU for Production and trading amounts to US$6,657,682 thousand (equivalent to S/25,099,461 thousand). As of December 31, 2024, the carrying amount of this CGU, net of impairment losses, which as part of its assets considers investments in Property, plant and equipment and Intangible assets, as well as certain items of current assets and liabilities that affect the working capital also included in the cash flow projection, amounts to S/22,504,348 thousand (equivalent to US$5,969,323 thousand), including an accumulated impairment provision of S/1,047,283 thousand (equivalent to US$277,794 thousand).

Sensitivity analysis -

The Company has conducted a sensitivity analysis of the key assumptions used in determining the recoverable amount, assuming a negative variation in each case of 5%, in which case the impairment of the assets of this CGU would be as follows:

Key assumption	**Variation**	**Impairment 2025**	**Impairment 2024**
		US$000	**US$**
Projected volumes (MBDC)	-5%	(180,002)	-
Average price margin ($/Bl)	-5%	(580,911)	-
Discount rate (%)	-5%	(302,880)	-

12 INTANGIBLE ASSETS

The movement of this item for the years 2025 and 2024 is as follows:

	Software and licenses	**Intangible assets in progress (a)**	**Total**
	US$000	**US$000**	**US$000**
As of January 1, 2024			
Cost	63,513	48,045	111,558
Accumulated depreciation	(26,385)	-	(26,385)
Net cost	37,128	48,045	85,173
Year 2024			
Net cost as of January 1, 2024	37,128	48,045	85,173
Additions	-	15,755	15,755
Reclassification from property, plant and equipment	31,911	-	31,911
Disposals	(377)	-	(377)
Amortization of the year	(7,916)	-	(7,916)
Amortization of disposals	377	-	377
As of December 31, 2024	61,123	63,800	124,923
Balance as of December 31, 2024			
Cost	95,047	63,800	158,847
Accumulated amortization	(33,924)	-	(33,924)
Net cost	61,123	63,800	124,923
Year 2025			
Net cost as of January 1, 2025	61,123	63,800	124,923
Additions	73	16,706	16,779
Transfers	741	(741)	-
Amortization of the year	(7,391)	-	(7,391)
As of December 31, 2025	54,546	79,765	134,311
Cost	95,841	79,765	175,606
Accumulated amortization	(41,295)	-	(41,295)
As of December 31, 2025	54,546	79,765	134,311

(a) As of December 31, 2025, intangible assets in progress mainly comprise the exploration costs of Block 64 and pre-operating costs of enabling Block 192 for US$37,663 thousand and US$40,911 thousand, respectively (US$35,834 thousand and US$26,057 thousand, respectively, as of December 31, 2024).

(b) In 2025 and 2024, transfers mainly comprise the implementation of NTR software for US$741 thousand and US$31,911 thousand, respectively.

(c) As of December 31, 2025, an amount of US$55,679 thousand has been included as part of the carrying amount of the CGU Production and Commercialization for the purposes of impairment testing (Note 11) (US$61,088 thousand as of December 31, 2024).

As of December 31, 2025, an amount of US$29 thousand has been included as part of the carrying amount of the Norperuano Oil Pipeline CGU for the purposes of impairment testing (Note 11) (US$34 thousand as of December 31, 2024).

(d) The charge to profit or loss for the amortization of the year is distributed as follows:

	2025	2024
	US$000	US$000
Cost of sales (Note 23)	6,319	6,279
Administrative expenses (Note 25)	1,072	1,637
	7,391	7,916

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This item comprises:

	As of December 31,	
	2025	2024
	US$000	US$000
Right-of-use asset	28,877	58,884
Lease liabilities:		
Current portion	29,677	41,623
Non-current portion	2,068	19,533
	31,745	61,156

The lease liability includes the net present value of the payments of the right-of-use assets related to rental of housing, boats, barges and information technology goods.

As of December 31, 2025 and 2024, leases accounted for as right-of-use assets do not contain variable considerations, nor leases with residual value guarantees.

Leases of less than 12 months and low-value leases have not been recognized as expenses according to the policy stated in Note 2.12.

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(a) The annual movement of right-of-use assets and lease liabilities is as follows:

	2025 US$000	2024 US$000
Right-of-use-assets		
Cost:		
Opening balance	175,397	115,536
Additions for new leases (b)	10,722	59,861
Closing balance	186,119	175,397
Depreciation:		
Opening balance	(116,513)	(79,746)
Operating cost	(12,574)	(9,272)
Depreciation for the year (c)	(27,424)	(25,293)
Adjustments for incremental rate update and others	(731)	(2,202)
Net cost	28,877	58,884
Lease liabilities:		
Opening balance	61,156	36,459
Additions for new leases (b)	10,722	59,861
Lease payment	(39,478)	(32,967)
Adjustments for incremental rate update and others	(880)	(2,163)
Exchange difference	225	(34)
Accrued interest (Note 28)	5,281	5,333
Interest paid	(5,281)	(5,333)
Closing balance	31,745	61,156

(b) As of 31 December 2025, right-of-use asset additions mainly consist of renewals of barge lease agreements expiring in 2027 and a lease agreement for electrical charging and air conditioning equipment expiring in 2028. As of December 31, 2024, the additions for right-of-use assets mainly comprises the renewal of barge lease contracts whose term expires in 2028.

(c) The charge to profit or loss for the depreciation for the year of the right-of-use asset is distributed among the following cost centers:

	2025 US$000	2024 US$000
Cost of sales (Note 23)	26,125	23,717
Selling and distribution expenses (Note 24)	149	162
Administrative expenses (Note 25)	1,150	1,414
	27,424	25,293

(d) The charges in the statement of comprehensive income for expenses related to variable lease payments (licenses to use oil blocks and related assets) not included in lease liabilities during the years 2025 and 2024 amount to US$57,925 thousand and US$68,436 thousand, respectively, which have been included in cost of sales as royalties for the operation of oil blocks (Note 23).

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14 OTHER FINANCIAL LIABILITIES

This item comprises:

	As of December 31,	
	2025	2024
	US$000	US$000
Current liabilities		
Unsecured bank loans (i)	226,921	1,641,185
CESCE loan (iv)	722,222	144,444
Accrued interest	11,613	14,634
	960,756	1,800,263
Non-current liabilities		
Corporate bonds (iii)	3,090,042	3,111,848
CESCE loan (iv)	-	698,547
Secured bank loans (ii)	1,118,041	-
	4,208,083	3,810,395
Total financial debt	5,168,839	5,610,658

(i) Unsecured bank loans -

They correspond to contracts signed by the Company with local and foreign financial entities, which were used as working capital. These loans have current maturities, are denominated in Peruvian soles and U.S. dollars, and do not have specific guarantees (see section “a” in this same note).

(ii) Secured bank loans -

They correspond to a loan, with a sovereign guarantee granted by the Peruvian State starting in 2025, for US$1,118,041 thousand (equivalent to S/3,765,590 thousand), granted by Banco de la Nación through Emergency Decree No. 013-2024 and its amendments, intended for working capital financing. The loan has been structured with a repayment schedule consisting of 46 installments, subject to an interest rate of 5.55% with monthly due dates, which began in January 2025 and ends on December 15, 2028. In 2025 and 2024, the Company paid the accrued interest according to the schedule.

(iii) Corporate bonds -

On June 12, 2017, the Company issued bonds in the international market for a total of US$2,000,000 thousand under the U.S. Rule 144A and S Regulation, which are exceptions (“Safe-harbors”) to the U.S. regulatory framework (US Securities Act - 1933 and US Securities Exchange Act -1934) by which foreign issuers are allowed to offer, place and/or resell securities without the requirement to register those securities with the relevant New York Stock Exchange agency (SEC). The funds received are allocated to the construction of the NTR.

The bonds issued are as follows:

- 2032 Notes, a principal of US$1,000,000 thousand, with coupons paid semi-annually at a fixed rate of 4.750% per year, with a maturity of 15 years. Coupons are due from December 2017 and repayment of principal fall due on the bond maturity date. Transaction costs amounted to US$7,558 thousand, which are deferred over the term of the debt and, as of December 31, 2025, remain an amortized balance of US$3,935 thousand (an amortized balance of US$4,441 thousand as of December 31, 2024).

- 2047 Notes, a principal of US$2,000,000 thousand (US$1,000,000 thousand received in the first issue of June 2017 and an additional US$1,000,000 thousand resulting from the reopening of bonds in February 2021), at a fixed rate of 5.625% per year, for a term of 30 and 26 years, respectively. Coupons are due from December 2017 and repayment of principal falls due on the bond maturity date. Transaction costs amounted to US$9,558 thousand, which are deferred over the term of the debt, and as of December 31, 2025, they remain amortized balance of US$8,309 thousand (a balance to be amortized of US$8,504 thousand as of December 31, 2024). Furthermore, these bonds were issued at par upon reopening; the excess amount of the placement over par amounted to US$135,889 thousand, which is recognized in profit or loss over the term of the debt and, as of December 31, 2025, the balance amounts to US$119,227 thousand (a balance of US$124,793 thousand as of December 31, 2024).

In 2025 and 2024, the Company has recognized accrued interest expenses and accrued transaction costs totaling US$155,135 thousand and US$155,600 thousand, respectively (see section “c” in this same note).

Under the bond issue agreement, there are no covenants that need to be met; however, it requires the provision of financial information to bondholders.

Bonds issued are not secured with specific guarantees; nevertheless, under Law No. 30130 guarantees are approved to be given by the Government for up to US$1,000,000 thousand (Note 1-a).

(iv) CESCE loan -

On January 31, 2018, a syndicated loan agreement was signed, with Deutsche Bank SAE, acting as administrative agent, for up to US$1,300,000 thousand. All disbursements related to the loan were received between 2018 and 2021 and were used to reimburse the different financing sources used to pay invoices for the construction of the NTR, corresponding to the EPC with Técnicas Reunidas.

Transaction costs amounted to US$72,478 thousand and as of December 31, 2025, the outstanding balance accrued amounts to US$16,940 thousand (US$23,675 thousand as of December 31, 2024). Interest and principal are amortized semiannually, beginning in May 2019 and June 2022, respectively. This loan matures in 2030, based on a fixed interest rate of 3.285%. In 2025 and 2024, the Company recognized interest expenses and accrued transaction costs of US$34,387 thousand and US$39,637 thousand, respectively (see section "c" in this note).

The loan is 99% secured by the Spanish Export Credit Agency (CESCE), for which the Company pays a commission as consideration. This loan does not have specific contractual guarantees given by the Company or by Peruvian Government.

As part of the signed agreement, the Company is obliged to meet certain covenants, which are the following:

Financial covenants:

- Debt ratio.
- Service coverage ratio.
- Direct financing for investment in the NTR (previously known as PMRT).

In September 2024, the maximum value of the debt ratio was set at 4.00, thereby rendering ineffective compliance with the values set until December 2023. As of December 31, 2025 and 2024, the financial debt ratio was 3.46 and 2.38, respectively, maintaining the non-current liability.

Non-financial covenants:

- To preserve and maintain business operations.
- To submit the Company's audited financial statements within 150 days after the closing date of each fiscal year.
- To use the loan to pay for the acquisition of goods and services, including EPC contract payments.
- To grant the pari passu rank (ranking equally and without preference) to the loan in the priority of payment with all its creditors.
- To comply with established procedures to prevent the Company from being used in money laundering activities, financing of terrorist activities, fraud or other corrupt or illegal purposes or practices.
- To comply with presenting financial statements in accordance with IFRS, with an unqualified opinion from an internationally recognized independent auditor.

As of December 31, 2024, management considers that the Company has complied with the established covenants, with the exception of the non-financial covenant of the loan agreement with CESCE, due to the submission of an independent auditor's report with a qualified opinion. In this regard, the Company has reclassified the non-current financial obligations related to the CESCE loan as part of current liabilities in the statement of financial position as of December 31, 2025. However, the Company is working with PROINVERSIÓN to amend this classification with the banks that are part of the syndicated loan. Therefore, it is expected that the current financial obligations will be reclassified as non-current liabilities in the coming months.

(a) Debt repayment terms and timetable -

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

			As of December 31, 2025		As of December 31, 2024	
	Original currency	Maturity	Nominal value US$000	Carrying amount US$000	Nominal value US$000	Carrying amount US$000
Unsecured bank loans	S/	2025	-	-	1,107,685	1,107,685
Unsecured bank loans	US$	2025	-	-	533,500	533,500
Unsecured bank loans	S/	2026	115,522	115,523	-	-
Unsecured bank loans	US$	2026	111,400	111,400	-	-
Secured bank loans	S/	2028	1,118,041	1,118,041	-	-
CESCE loan	US$	2030	722,222	705,282	866,667	842,991
Corporate bonds	US$	2032	1,000,000	996,065	1,000,000	995,559
Corporate bonds	US$	2047	2,000,000	2,110,917	2,000,000	2,116,289
Accrued interest			-	11,611	-	14,634
			5,067,185	5,168,839	5,507,852	5,610,658

The carrying amount is the amortized cost of borrowings, discounted at the effective rate.

(b) Classification of loans by type of use (*) -

The Company allocated or will allocate the funds obtained by financing, as follows:

	2025 US$000	2024 US$000
Working capital	1,344,963	1,641,185
NTR	3,812,264	3,954,839
	5,157,227	5,596,024

(*) Not including accrued interest payable.

As of December 31, 2025 and 2024, the Company maintained specific loans for the NTR and its effective interest rates were the used interest capitalization rates until 2024, period in which the construction stage was completed (Note 11-vii).

In 2025 and 2024, interest generated on loans originally obtained for the construction of the NTR is presented under Financial Income and Expenses as US$195,105 thousand and US$189,595 thousand, respectively (Note 28).

As of December 31, 2025 and 2024, capitalized interest totals US$988,730 thousand, which includes US$4,488 thousand of interest capitalized in 2024. In 2025, there was no interest capitalization.

(c) Movement of borrowings -

The movement of the debt for borrowings was as follows:

	Unsecured bank loans US$000	Secured bank loans US$000	Corporate bonds US$000	CESCE loan US$000	Total US$000
Balance as of January 1, 2024	1,046,070	-	3,122,700	979,348	5,148,118
New loans	2,250,277	-	-	-	2,250,277
Payments of principal	(1,644,569)	-	-	(144,444)	(1,789,013)
Interest and transaction cost accrued	105,714	-	155,600	39,637	300,951
Interest paid (*)	(106,948)	-	(160,000)	(32,727)	(299,675)
Balance as of December 31, 2024	1,650,544	-	3,118,300	841,814	5,610,658
Balance as of January 1, 2025	1,650,544	-	3,118,300	841,814	5,610,658
New loans	962,931	-	-	-	962,931
Payments of principal	(1,383,705)	-	-	(144,444)	(1,528,149)
Interest and transaction cost accrued	58,468	57,323	155,135	34,387	305,313
Interest paid	(64,512)	(56,669)	(160,000)	(27,653)	(308,834)
Financial instrument - Swap	14,623	-	-	-	14,623
Reclassifications between bank loans	(1,001,109)	1,001,109	-	-	-
Exchange difference	(7,004)	119,302	(17,467)	17,466	112,297
Balance as of December 31, 2025	230,236	1,121,065	3,095,968	721,570	5,168,839

(*) In 2024, the Company allocated US$2,736 thousand of the interest paid on investing activities in the statement of cash flows, mainly in relation to the NTR.

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(d) Fair value estimation -

As of December 31, the carrying amount and fair value of borrowings, including related party loans (Note 16) are as follows:

	Carrying amount		Fair value	
	2025	2024	2025	2024
	US$000	US$000	US$000	US$000
Unsecured loans	230,236	1,650,544	113,524	2,692,715
Secured loans	1,121,065	-	1,090,283	-
Bonds	3,095,968	3,118,300	2,030,330	2,041,329
CESCE loan	721,570	841,814	668,881	810,482
Payables to related parties (Note 16)	1,271,727	320,839	1,237,697	316,822
	6,440,566	5,931,497	5,140,715	5,861,348

As of December 31, 2025 and 2024, to determine the fair value for disclosure purposes, in the case of bonds, the Company has used observable sources (Bloomberg), classified at Level 1. For secured and unsecured loans, they were estimated by discounting future contractual cash flows at a current market interest rate that is available to the Company for similar financial instruments and the inputs of which have been classified in Level 2. For the CESCE loan, management has discounted the contractual cash flows at the Company's average borrowing rate at mid- and long-term plus a spread, information that is classified at level 3.

15 TRADE PAYABLES

This item comprises:

	2025	2024
	US$000	US$000
Foreign suppliers of crude and refined products	487,537	899,442
National suppliers of crude and refined products	175,311	78,236
Suppliers of goods and services	377,983	265,171
Shipping companies and terminal operators and sales plants	46,176	39,193
	1,087,007	1,282,042

Trade payables reflect the Company's obligations related to the acquisition of crude oil and refined products, transportation and plant operators, supplies and spare parts.

Invoices are mostly issued in U.S. dollars and are due in the short term. In 2024, longer credit terms with direct suppliers were negotiated through letters of credit, which led to higher recognition of related banking expenses (Note 25-a). At the close of 2025, purchases were made via prepayment or cash payment. Invoices are issued in U.S. dollars, are current due, do not accrue interest, and the Company has not provided any specific guarantees.

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16 PAYABLES TO RELATED PARTIES

This item comprises:

	As of December 31,	
	2025	2024
	US$000	US$000
Cancellation documents and interest (b)	180,472	152,483
Loans and interest (d)	179,134	168,356
Letter of credit drawdowns (e)	912,121	-
	1,271,727	320,839
By maturity:		
Short-term	912,121	-
Long-term	359,606	320,839
	1,271,727	320,839

The annual movement of this item comprises:

	Loan DU No. 010-2022 (a)	Cancelation documents (b)	Loan DU No. 004-2024 (c)	Loan DU No. 013-2024 (d)	Execution of letters of credit (e)	Total
	US$000	US$000	US$000	US$000	US$000	US$000
Balances as of January 1, 2024	812,242	146,407	-	-	-	958,649
New loans	-	-	798,648		-	798,648
New loans (non-monetary)	-	-	-	168,158	-	168,158
Debt capitalization	(828,110)	-	(789,581)	-	-	(1,617,690)
Accrued interest	28,459	8,421	17,081	198	-	54,159
Interest paid	-	-	(14,881)	-	-	(14,881)
Exchange difference	(12,591)	(2,345)	(11,268)	-	-	(26,204)
Balances as of December 31, 2024	-	152,483	-	168,356	-	320,839
Balances as of January 1, 2025	-	152,483	-	168,356	-	320,839
Honoring of a sovereign guarantee (MEF)	-	-	-	-	898,589	898,589
Accrued interest	-	9,287	-	10,777	13,533	33,597
Exchange difference	-	18,702	-	-	-	18,702
Balances as of December 31, 2025	-	180,472	-	179,133	912,122	1,271,727

(a) Emergency Decree No. 010-2022 (E.D. No. 010-2022), enacted on May 12, 2022, established extraordinary economic and financial measures aimed at ensuring supply to the local fuel market. As a result, the MEF, through the General Directorate of the Public Treasury, granted the Company a temporary financial support loan amounting to US$750,000 thousand (equivalent to S/2,785,000 thousand), to meet short-term obligations during 2022. Under Emergency Decree No. 013-2024, issued on September 13, 2024, the capitalization of the loan was approved, including the interest accrued up to the effective date of said decree (September 14, 2024) for an amount of US$828,110 thousand (Note 20).

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(b) Issuance of Cancellation documents - Public Treasury in favor of the Company. Pursuant to Emergency Decree No. 010-2022, the Company requested the General Directorate of the Public Treasury (DGTP by its acronym in Spanish) of the Peruvian Ministry of Economy and Finance (MEF) to issue Treasury Bonds in favor of the Company, up to the sum of US$148,456 thousand (equivalent to S/500,000 thousand), to be used for the payment of customs duties and taxes associated with the purchase of crude oil and fuel products, as well as other taxes on fuel marketing operations. These Bonds were issued monthly during 2022 at the Company's request. In 2022, the Company received Bonds totaling US$157,295 thousand (equivalent to S/595,865 thousand), of which it amortized US$24,721 thousand (equivalent to S/95,868 thousand). The outstanding balance accrues interest at rates between 5% and 6.75%. Emergency Decree No. 013-2024 extended the payment deadline to July 31, 2025, and Law No. 32185, the Public Sector Budget Law for Fiscal Year 2025, extended the repayment deadline to December 31, 2028.

(c) Under Emergency Decree No. 004-2024, enacted on February 27, 2024, the approval was granted for a Short-Term Debt Operation under the modality of a National Government Guarantee, for an amount of US$800,000 thousand (equivalent to S/2,694,400 thousand). The loan was to be granted by Banco de la Nación for working capital purposes, to ensure the continuity of fuel supply and the Company’s nationwide economic activities. In September 2024, US$798,648 thousand (equivalent to S/2,969,224 thousand). was disbursed. Likewise, under Emergency Decree No. 013-2024, its capitalization was approved, following an initial assumption of the debt by the MEF, for an amount of US$789,581 thousand (equivalent to S/2,659,309 thousand) that includes interest accrued up to the effective date of said decree (Note 20).

(d) Likewise, Emergency Decree No. 013-2024 also approved the assumption, by the MEF, through the General Directorate of the Public Treasury, of the payment of maturities occurring in the second half of 2024 of the Company’s debt obligations related to external financing operations without National Government guarantees. These obligations were incurred through bond issuances authorized under Ministerial Resolutions No. 170-2017-EF/52 and No. 023-2021-EF/52, and through a CESCE-guaranteed loan authorized under Ministerial Resolution No. 017-2018-EF/52. The funds from these operations were used to partially finance the construction of the NTR (New Talara Refinery). In this context, on November 22, 2024, PETROPERÚ signed a debt assumption agreement with the General Directorate of the Public Treasury for amortization between 2029 and 2032.

(e) It corresponds to the letter of credit drawdowns under a sovereign guarantee, as of December 2025, for US$912,122 thousand (US$898,589 thousand principal and US$13,533 thousand interest), within the framework of the Credit Line Agreement for foreign trade operations with sovereign guarantee signed between the Company, the Peruvian Ministry of Economy and Finance (MEF), and the Banco de la Nación, whereby the MEF has honored the letters of credit issued and executed by the Banco de la Nación, due to the Company's default. The outstanding balance accrued interest rates are between 4.8% and 5.2%.

(f) The Company's key management compensation was as follows:

	2025	**2024**
	US$000	**US$000**
Short-term employee benefits:		
Key management salaries (excluding remuneration of directors)	3,035	3,619
Remuneration of directors (all non-executives)	298	212

There were no post-employment benefits, long-term benefits, termination benefits and share-based payments in the years 2025 and 2024.

(g) Owners -

The Peruvian State owns the Company's capital shares and is represented by each member of the General Shareholders' Meeting. According to the Article 23 of the Company's bylaws, the General Shareholders' Meeting is made up of five members representing the class "A" and "B" shares owned by the Peruvian government: the MEM, who will chair it, and four members on behalf of the Peruvian State designated by Supreme Decree (MEF, Vice Ministry of Hydrocarbons of the MEM, Vice Ministry of Economy of the MEF and Vice Ministry of Finance of the MEF). Transactions between the Company and the Peruvian State and the MEM comprise transactions with shareholders.

17 OTHER LIABILITIES AND OTHER PAYABLES

This item comprises:

	As of December 31,	
	2025	**2024**
	US$000	**US$000**
Current		
Remuneration payable	26,946	25,752
Obligations for arbitration decision (a)	25,000	26,623
Advances from customers (b)	20,858	14,088
Taxes (c)	71,382	12,832
Workers' profit sharing (d)	15,812	-
Guarantee deposits (e)	15,281	11,103
Consideration for the right of usufruct of assets (f)	2,500	2,500
Others	9,540	6,551
	187,319	99,449
Non-current		
Consideration for the right of usufruct of assets (f)	40,368	42,708
	227,687	142,157

(a) This corresponds to the lease agreement entered into with Savia, which ended on November 15, 2023. In this regard, in November 2013, the Company signed a lease agreement for real estate assets located in Block Z-2B with Savia Perú S.A. for a term of 10 years, which expired on November 15, 2013. The agreement remained in effect under Article 1700 of the Peruvian Civil Code, which stipulates that, upon the expiration of the contractual term, if the lessee continues to use the leased property, this does not constitute a tacit renewal, but rather a continuation of the lease under the same terms until the lessor requests its return, which may occur at any time. Under this lease, Savia had been paying the Company US$10,000 thousand per year until 2018.

In April 2018, Norex Energía S.A. initiated arbitration proceedings against the Company, arguing that it was not required to pay the rent stipulated in the contract, as it had made payments through 2013 equivalent to the value of the assets, amounting to US$200,000 thousand. On June 12, 2019, the Company submitted its response to the Arbitration Center of the Lima Chamber of Commerce.

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On July 12, 2021, the Arbitration Center of the Lima Chamber of Commerce issued a final award, setting the annual lease amount at US$5,000 thousand, effective from 2013, and ordering the reimbursement of excess lease payments collected from Savia since that date. On September 28, 2021, the Company filed a claim before the Judiciary seeking the annulment of the arbitral award, on the grounds that, in management's opinion, there were defects in the arbitration process that constitute grounds for annulment. The Company also requested a suspension of the enforcement of the award, which was admitted by the Peruvian Judiciary in 2022. As of December 31, 2025 and 2024, the annulment request remains pending resolution.

(b) This item includes funds received from advances from local and foreign customers amounting to US$20,858 thousand (equivalent to S/70,250 thousand), to secure the supply of fuel pending delivery (US$14,088 thousand, equivalent to S/52,595 thousand as of December 31, 2024).

(c) As of December 31, 2025, taxes payable mainly include the road tax, FISE (Energy Social Inclusion Fund), VAT withholdings, and the Osinergmin levy for US$43,471 thousand, US$18,757 thousand, US$1,660 thousand, US$1,453 thousand and US$914 thousand, respectively. Taxes payable as of December 31, 2024, mainly include the road tax, FISE, VAT withholdings, and the Osinergmin levy for US$5,269 thousand, US$2,047 thousand, US$1,554 thousand and US$1,050 thousand, respectively.

(d) Workers' profit sharing is explained by the following main factors:

For tax purposes, the Company calculates the taxable income base to determine profit sharing in Peruvian soles, in accordance with the applicable tax framework. A significant exchange rate gain of S/2,367,000 thousand was generated in Peruvian soles due to the high level of liabilities in U.S. dollars, which generated accounting profit in that currency.

In addition, taxable profit increased due to the adjustment of financial expenses for exceeding the 30% EBITDA limit, as per the Income Tax Law.

Both factors result in a taxable profit of S/1,065,000 thousand, which is used to offset losses and calculate workers' profit sharing. Both factors result in a taxable profit of S/1,065,000 thousand, which is used to offset losses and calculate workers' profit sharing.

(e) Comprising security deposits received by third parties to transport fuel to cover possible loss occurrences. If no such event occurs, the security deposit is returned at the end of the contract.

(f) Comprising the consideration received from Matheson Global under the usufruct agreement for the hydrogen (PHP) and nitrogen (NIS) plants of the NTR for a 20-year term. Under this agreement, in February 2023, the Company collected an advance payment of US$50,000 thousand. As of December 31, 2025, the outstanding balance is US$42,868 thousand and as of December 31, 2024, the outstanding balance is US$45,208 thousand. The use of these plants will be exclusively for the provision of operation services pursuant to the hydrogen and nitrogen supply agreement signed between Matheson Global and the Company.

18 PROVISIONS

This item comprises:

	As of December 31, 2025 US$000	2024 US$000
Current		
Provisions for customs claims (a)	173,479	14,854
Provision for environmental improvements (b)	30,895	48,986
Provision for labor-related court actions (d)	2,463	2,806
Provision for civil lawsuit (c)	1,518	9,975
Provision for plugging of wells (a)	572	511
Other provisions	1,383	752
	210,310	77,884
Non-current		
Provision for environmental improvements (b)	12,563	12,494
Other provisions	381	164
	12,944	12,658
	223,254	90,542

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The annual movement of provisions is as follows:

	Provision for environmental improvements	**Provision for civil lawsuits (*)**	**Provision for labor-related court actions (*)**	**Provision for plugging of wells**	**Provision for customs claims(*)**	**Other provisions**	**Total**
	US$000	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**	**US$000**
Balances as of January 1, 2024	71,409	9,508	4,189	519	-	226	85,851
Provision for the year (Notes 25 and 27)	21,412	5,622	597	-	14,854	888	43,373
Payments	(30,941)	(4,882)	(1,662)	-	-	(65)	(37,550)
Reversal of unused provisions	-	(208)	(308)	-	-	(188)	(704)
Exchange difference	(400)	(65)	(10)	(8)	-	55	(428)
Balances as of December 31, 2024	61,480	9,975	2,806	511	14,854	916	90,542
Provision for the year (Notes 25 and 27)	3,975	9,642	1,341	-	156,852	-	171,810
Amounts applied during the year	(24,044)	(2,306)	(1,589)	-	-	(15)	(27,954)
Reversal of unused provisions	-	(6,292)	(225)	-	-	744	(5,773)
Compensation with assets for reimbursement	-	(10,110)	-	-	-	-	(10,110)
Exchange difference	2,047	609	130	61	1,773	119	4,739
Balances as of December 31, 2025	43,458	1,518	2,463	572	173,479	1,764	223,254

(*) These correspond to provisions derived from contingent processes for an amount of US$177,460 thousand.

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(a) Provision for customs claims -

This item includes a provision for a tax contingency amounting to S/56,000 thousand (equivalent to US$16,627 thousand) related to a customs proceeding concerning discrepancies in the use of the duty-free merchandise replenishment mechanism in 2019. As of the date of this report, the proceeding is before the Judiciary, which ruled in favor of the Peruvian tax authorities in the first instance. Consequently, the Company filed a constitutional relief action ("recurso de amparo").

As of December 31, 2025, five tax proceedings remain pending in connection with the collection of road tax on imports for 2019 to 2023, for which interest has been provided for US$156,852 thousand, the details of which are as follows:

(i) By Tax Court Resolution No. 02803-A-2026 dated March 20, 2026, the Customs Chamber declared the appeal unfounded filed against Intendancy Resolution No. 4090140013791 issued by SUNAT (Peruvian tax authorities) related to the road tax applicable to imports made in 2019 in the amount of S/120,342 thousand (equivalent to US$35,731 thousand), as well as the VAT payable due to the higher road tax applicable to said imports in the amount of S/21,662 thousand (equivalent to US$6,432 thousand). To date, an administrative litigation lawsuit has been filed against said Tax Court Resolution before the 30th Administrative Litigation Court under Case No. 8445-2026-0-1899-JR-CA-30.

(ii) By Tax Court Resolution No. 02808-A-2026 dated March 20, 2026, the Customs Chamber declared the appeal unfounded filed by the Company against Intendancy Resolution No. 4090140015296 issued by SUNAT (Peruvian tax authorities) related to the road tax applicable to imports made in 2020 in the amount of S/117,908 thousand (equivalent to US$35,008 thousand), as well as the VAT payable due to the higher road tax applicable to said imports in the amount of S/21,223 thousand (equivalent to US$6,301 thousand). To date, an administrative litigation lawsuit has been filed against said Tax Court Resolution before the 29th Administrative Litigation Court under Case No. 8446-2026-0-1899-JR-CA-29.

(iii) Currently, the appeal filed against Intendancy Resolution No. 4090140019263 issued related to the road tax in the amount of S/264,964 thousand (equivalent to US$78,671 thousand) and VAT on imports made in 2021 in the amount of S/47,789 thousand (equivalent to US$14,189 thousand) is pending resolution before the Customs Chamber of the Tax Court.

(iv) Currently, the appeal filed against Intendancy Resolution No. 4090140019257 issued related to the road tax in the amount of S/340,104 thousand (equivalent to US$100,981 thousand) and VAT on imports made in 2022 in the amount of S/61,219 thousand (equivalent to US$18,177 thousand) is pending resolution before the Customs Chamber of the Tax Court.

(v) Currently, the appeal filed by the Company against Intendancy Resolution No. 0001462025-SUNAT/323100 issued related to the road tax in the amount of S/181,669 thousand (equivalent to US$53,940 thousand) and VAT on imports made in 2023 in the amount of S/32,700 thousand (equivalent to US$9,709 thousand) is pending resolution by SUNAT.

The total amount related to these proceedings is S/1,209,582 thousand (equivalent to US$359,139 thousand, Note 30-b). Management and its external legal advisors have assessed, based on, among other factors, the constitutional grounds of the Company's position and the applicable case law, that the probability of success of these claims is "possible".

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(b) Provision for environmental improvements and plugging wells costs -

The Peruvian Government promotes the conservation of the environment and responsible use of natural resources in hydrocarbon activities in accordance with the Political Constitution of Peru, Law No. 26221, Organic Law of Hydrocarbons in the National Territory; Law No. 26821, Organic Law for the Sustainable Use of Natural Resources; Law No. 27446, Law of the National System of Evaluation of the Environmental Impact; Law No. 28245, Framework Law for Environmental Management; Law No. 28611, General Law of the Environment and Law No. 29134, Law Regulating the Environmental Liabilities of the Hydrocarbons Sub-Sector, among others.

The MEM, pursuant to Supreme Decree No. 039-2014-EM, enacted on November 12, 2014, approved the new Rules for the Environmental protection of Hydrocarbon Activities, which set forth the standards and regulations for the national territory, the Environmental Management of the activities of exploration, exploitation, refining, processing, transport, trade, warehousing and distribution of hydrocarbons, over their life cycle, as a way to prevent, control, mitigate and remediate the adverse environmental impact of such activities.

Also, within the framework of Legislative Decree No. 674, "Ley de Promoción de la Inversión Privada en las Empresas del Estado", the Company assumed contractual obligations of environmental remediation of its privatized units, guaranteed by the Peruvian Government. Therefore, as per the applicable laws and regulations, the signed contracts and management policies, as of December 31, 2024, the Company continues to implement environmental remediation activities in its own operating units and privatized units.

Privatized operating units -

During 2017, no significant environmental remediation work was performed in the privatized units considering the new regulatory framework, but administrative and legal steps are taken within the framework of the Contracts for Privatized Operating Units.

In compliance with these provisions, the Company has made provisions for the remediation of negative environment impacts generated during the time that the privatized units operated. As of December 31, 2025, the balance of this provision for privatized units amounts to US$7,508 thousand (US$$7,666 thousand as of December 31, 2024).

With respect to the privatized units (La Pampilla Refinery, Lubricant Plant, Block X, Block 8, Terminales, Selling Plants, Planta de Generación Eléctrica y Gas Natural), the estimates made were based on the environmental studies ruled favorable by the general hydrocarbon's agency (Dirección General de Hidrocarburos - DGH) or the general environmental office (Dirección General de Asuntos Ambientales Energéticos – DGAAE).

Own operating units -

Of a total 230 of projects of which the environmental management programs ("Programas de Adecuación y Manejo Ambiental" - PAMA) were implemented and met by the Company from 1995 to adapt its operations to the first regulations to protect the environment - "Reglamento para la Protección Ambiental en las Actividades de Hidrocarburos" (S.D. No. 046-93-EM). As of December 31, 2025 and 2024, 210 projects have been executed.

Regarding the management instrument of the Complementary Environmental Plan ("Plan Ambiental Complementario" – PAC) of the NTR (formerly PMRT), due to an operational need, it has been determined that the "Instalación del Oxidador para la planta de soda gastada proveniente del tratamiento de nafta craqueada y GLP (Item 9 del PAMA)", must be carried out with the PMRT Technical Report No. 113-2015-PP dated December 21, 2015, in which it was approved by Board Agreement No. 113-2015-PP, stating that the Spent Soda Plant would be part of the scope of the NTR. As of December 31, 2025, the progress is 100%.

Own operating units correspond to Talara operations, Oil Pipeline operations, Refinería Conchán, Refinería Selva, Planta de Ventas Aeropuerto and Block 64.

In compliance with these provisions, the Company has established provisions for the remediation of negative environmental impacts generated by operations in its privatized units since 1997. As of December 31, 2025, the balance of this provision for own operating units amounts to US$33,621 thousand (US$53,532 thousand as of December 31, 2024).

With respect to its own operating units, estimates were made on the basis of the Company's ISO 14001 Environmental Management System and available data of the costs of the privatized units; this information is also updated on an annual basis considering its own operational needs, the cost of work performed, actually performed or in the process of implementation, of market prices and estimated costs of work remaining to be completed based on information sourced from the own operating units.

As of December 31, 2025, the "Characterization of Contaminated Sites" reports from 20 Company facilities are under review by personnel from the Environmental Transportation and Distribution Headquarters, in order to be presented for evaluation by the Peruvian Ministry of Energy and Mines (MEM) and the Regional Governments (GORE). Currently, the Iquitos Sales Plant Characterization report is under evaluation in the Loreto GORE.

From 2014 to 2025, a total number of 94 oil spills (79 due to third-party actions, 12 for geodynamic phenomena, 2 related to technical aspects and 1 to be determined) have occurred at Provisional Standarization Office (ONP by its acronym in Spanish), of which 58 have been completely served, 30 are approved by the relevant agency ("Organismo de Evaluación y Fiscalización Ambiental") (hereinafter OEFA), and 6 are still in remediation process, under the oversight and monitoring of the staff of the Environmental Headquarters, which is committed to making sure the Company will continue operating, on a sustainable basis, and reducing the potential impact on the environment.

Additionally, from 2014, 20 Environmental and Social Assessments have been performed for the significant events in the ONP, conducted in the framework of industry best practices and which have resulted in, among others, obtaining actual data on the dimension of the impact on the environment of contingent events. It should be noted that this information is useful for the Company to defend itself against potential allegations of negligence and /or environmental and health risk; based on the results of these assessments, the environmental impacts have been determined to be temporary, restricted and reversible.

Also, as a result of the contingencies that occurred in the ONP, the OEFA, under Director's Resolution No. 012-2016-OEFA/DS, ordered the Company to submit a Project to update the IGA of ONP with the MEM; in this context, the Company presented its proposal to the DGAAE-MEM containing its Terms of Reference for Updating PAMA of the ONP, which were approved under Report No. 022-2018-MEM-DGAAH/DEAH dated September 7, 2018. However, on February 25, 2019, the Directorate of Environmental Assessment of Hydrocarbons ("Dirección de Evaluación Ambiental de Hidrocarburos – DEAH") of the MEM sent to PETROPERÚ S.A. the record No. 171-2019-MEM-DGAAH / DEAH containing the recommendations that should be included as content of the TOR. In this regard, the relevant coordination was carried out so that finally on August 23, 2019, under report No. 588-2019-MEM/DGAAH/DEAH, MEM approved the final TORs for updating the PAMA of the ONP.

In 2024, 6 significant spills caused by external events were recorded. Of these, containment activities are currently underway in four cases, while cleanup efforts have been completed in the remaining two.

In 2025, 6 significant spills were recorded. Containment and recovery activities are currently being carried out, in order to comply with current regulations and ensure site safety.

As part of its contingency plan, the Company contracted specialized companies to halt and contain the oil spills and begin the environmental remediation of the affected areas.

The movement of the provision for environmental remediation is as follows:

	Balance as of January 1	Payments	Provision and update	Balance as of December 31
	US$000	US$000	US$000	US$000
Year 2025				
Block 8	2,126	-	-	2,126
Block X	1,953	-	-	1,953
Pampilla	1,405	(158)	-	1,247
Lubricants	118	-	-	118
Northern terminals	341	-	-	341
Southern terminals	85	-	-	85
Mid-country terminals	1,618	-	-	1,618
Natural Gas Electric system	20	-	-	20
Subtotal privatized units	7,666	(158)	-	7,508
Operations in Talara	1,969	-	-	1,969
Operations in Conchán	568	(168)	-	400
Operations in Oleoducto	48,041	(23,718)	3,975	28,298
Operations in Iquitos Refinery	1,392	-	-	1,392
Commercial operations	603	-	-	603
Management Exploration and Exploitation	959	-	-	959
Total own units	53,532	(23,886)	3,975	33,621
	61,198	(24,044)	3,975	41,129
Exchange difference	282	-	2,047	2,329
	61,480	(24,044)	6,022	43,458
Year 2024				
Block 8	2,126	-	-	2,126
Block X	1,962	(9)	-	1,953
Pampilla	1,537	(132)	-	1,405
Lubricants	118	-	-	118
Northern terminals	341	-	-	341
Southern terminals	85	-	-	85
Mid-country terminals	1,618	-	-	1,618
Natural Gas Electric system	20	-	-	20
Subtotal privatized units	7,807	(141)	-	7,666
Operations in Talara	1,991	(22)	-	1,969
Operations in Conchán	729	(161)	-	568
Operations in Oleoducto	57,246	(30,617)	21,412	48,041
Operations in Iquitos Refinery	1,392	-	-	1,392
Commercial operations	603	-	-	603
Management Exploration and Exploitation	959	-	-	959
Total own units	62,920	(30,800)	21,412	53,532
	70,727	(30,941)	21,412	61,198
Exchange difference	682	-	(400)	282
	71,409	(30,941)	21,012	61,480

Disbursements required in the environmental remediation activities conducted by the Company in the privatized units are recorded with a charge to profit or loss within other management charges. As stated in Article 6 of Law No. 28840, “Ley de Fortalecimiento y Modernización de la Empresa de Petróleos del Perú - PETROPERÚ S.A.”, the government treasury agency “Dirección General del Tesoro Público” shall transfer the Company the total resources needed to cover the expenses to be incurred in environmental remediation activities of the respective privatized units, which was re-confirmed by another piece of legislation (“Vigésima Sexta Disposición Complementaria Final de la Ley No. 30114, Ley de Presupuesto del Sector Público”) for fiscal 2014, which authorizes the Peruvian Ministry of Energy and Mines to transfer financial resources to the Company so that it can complete environmental remediation activities in the privatized units that belonged to it.

The mandate under Article 6 of Law No. 28840 by which the Peruvian Government shall compensate the Company for the environmental remediation work to be performed in its privatized units was re-confirmed by another piece of legislation ("Vigésima Sexta Disposición Complementaria Final de la Ley No. 30114, Ley de Presupuesto del Sector Público") for fiscal 2014, which authorizes the Peruvian Ministry of Energy and Mines to transfer financial resources to the Company so that it can complete environmental remediation activities in the privatized units that belonged to it. As of December 31, 2025 and 2024, a total of US$11,000 thousand remained to be transferred for future expenditures, which was recognized by the MEM in 2014.

Continuing with the procedures begun in 2006, the Company presented to the MEM invoices and similar documentation supporting the expenses incurred in environmental remediation for the period from January 2007 to October 2014. In response to this action, the MEM deposited into the Company's accounts on December 31, 2014, a total of US$1,377 thousand (equivalent to S/4,116 thousand).

The Company has sent communications to MEM requesting financial remittances intended for environmental remediation, which resulted in contributions of US$20,900 thousand (equivalent to S/62,600 thousand), during 2015; these resources covered the total expenses incurred by the Company as of December 31, 2017 in environmental remediation of its privatized units. As of December 31, 2025, the Company is taking the necessary steps to transfer the outstanding US$9,382 thousand (equivalent to S/34,000 thousand) to cover the environmental remediation liabilities which the Company has to fulfill.

(c) Provision for civil claims -

As of December 31, 2025, the Company has estimated a provision of US$1,518 thousand (equivalent to S/5,113 thousand), which includes: Covise S.A., for US$1,128 thousand, (equivalent to S/3,800 thousand) and others for US$391 thousand (equivalent to S/1,295 thousand)

As of December 31, 2024, the Company has estimated a provision of US$9,975 thousand (equivalent to S/37,356 thousand), which includes proceedings against suppliers: P&D for US$5,397 thousand (equivalent to S/20,347 thousand), Fracsa for US$2,041 thousand (equivalent to S/7,644 thousand), Covise S.A., for US$1,008 thousand (equivalent to S/3,775 thousand), a proceeding against Mr. Murga Pastor Tobias for US$731 thousand (equivalent to S/2,738 thousand), Man Trading for US$215 thousand (equivalent to S/805 thousand) and others for US$583 thousand (equivalent to S/2,183 thousand).

(d) Provision for labor-related court actions -

Comprising contingent labor-related processes for which the Company considers that it will be probable to make future disbursements.

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19 DEFERRED INCOME TAX

The movement of the deferred income tax for the years ended December 31, 2025 and 2024 is as follows:

	Balance as of January 1, 2024	Credit (charge) to profit or loss (Note 29-b)	Balance as of December 31, 2024	Credit (charge) to profit or loss (Note 29-b)	Balance as of December 31, 2025
	US$000	US$000	US$000	US$000	US$000
Deferred assets:					
Provision for environmental remediation	21,047	(2,929)	18,118	(5,315)	12,803
Carry-over loss tax benefit	254,416	195,660	450,076	(43,341)	406,735
Lease liability	10,759	6,477	17,236	(6,906)	10,330
Tax EBITDA	78,728	82,582	161,310	(29,217)	132,092
Other provisions	8,544	1,241	9,785	(14,396)	(4,611)
Provision for impairment of assets	119,890	-	119,890	-	119,890
	493,384	283,031	776,415	(99,175)	677,239
Deferred liabilities:					
Right-of-use assets	(10,842)	(7,404)	(18,246)	6,724	(11,522)
Attributed cost of property, plant and equipment and intangible assets and exchange effect of non-monetary items (*)	(434,529)	(94,125)	(528,654)	219,116	(309,538)
	(445,371)	(101,529)	(546,900)	225,840	(321,060)
Net deferred assets (liabilities)	48,013	181,502	229,515	126,665	356,179

(*) Comprising the deferred income tax arising from the exchange rate affecting non-monetary items (mainly goods of property, plant and equipment), given the fact the Company is levied with income tax in a currency (Peruvian soles) other than its functional currency (US$).

In 2025, the U.S. dollar had a significant depreciation in relation to the Peruvian sol, which gave rise to deferred income tax US$203,596 thousand. In 2024, the U.S. dollar had a significant appreciation in relation to the Peruvian sol, which gave rise to deferred income tax of US$96,982 thousand.

20 EQUITY

(a) Share capital -

As of December 31, 2025, the authorized, subscribed and paid-in share capital comprises 15,672,480,855 common shares at S/1 par value each and as of December 2024 comprised 9,572,168,000 common shares. As of December 31, 2025, the Company's shareholding structure is as follows:

Class	Number of shares	Percentage
		%
A	12,537,984,684	80
B	3,134,496,171	20
	15,672,480,855	100

The class "A" shares are held by the Peruvian Ministry of Energy and Mines and the Peruvian Ministry of Economy and Finance, who own 32% and 48%, respectively. These shares have voting right, but are indivisible, non-transferable and non-sizeable shares and cannot be pledged, loaned or affected in any way.

The class “B” shares are held by the Peruvian Ministry of Energy and Mines and the Peruvian Ministry of Economy and Finance, who own 8% and 12%, respectively. These shares have voting rights and are transferable via centralized trading mechanisms in the securities market.

(b) Additional capital -

Emergency Decree No. 013-2024 (Note 1-a) approved, among other matters, the following capital increases:

- The capitalization of the temporary financial support approved under Article 2 of Emergency Decree No. 010-2022, granted by the Peruvian Ministry of Economy and Finance through the General Directorate of the Public Treasury, up to the amount of US$750,000 thousand plus accrued interest as of the effective date of this legal provision. As a result, the payment obligation was extinguished. The capitalized amount of US$828,110 thousand (equivalent to S/3,122,804 thousand) (Note 16-a) was reconciled with the Peruvian Ministry of Economy and Finance (MEF).
- The assumption, by the Peruvian Ministry of Economy and Finance, through the General Directorate of the Public Treasury, of the obligations in charge of the Company, related to the working capital loan contracted with Banco de la Nación, up to the amount of US$800,000 thousand plus accrued interest as of the effective date of this Emergency Decree. This loan was backed by a sovereign guarantee approved under Article 2 of Emergency Decree No. 004-2024 and consequently constituted a capital contribution from the State to the Company in the amount of US$789,581 thousand (equivalent to S/2,977,509 thousand (Note 16). The amount of capital increase was reconciled with the MEF.

On April 1, 2025, the Public Registry Office of Lima issued the corresponding registration entry for the increase in share capital by S/6,100,313 thousand (equivalent to US$1,617,691 thousand), with which the registration passed to Share Capital.

(c) Legal reserve -

In accordance with Peruvian Corporate Law (“Ley General de Sociedades”) in Article No. 229, the legal reserve is established by transferring at least 10% of the net income each year, after deducting accumulated losses, up to an amount equivalent to 20% of the capital. In the absence of earnings or non-restricted reserves, the legal reserve may be used to offset losses but shall be replenished.

As of December 31, 2025 and 2024, the recorded legal reserve amounts to US$8,724 thousand (equivalent to S/29,382 thousand).

(d) Retained earnings -

The General Shareholders’ Meeting approved the dividends policy, which states that: “The distributable profits and after the deduction of workers’ profit sharing, the Legal taxes and legal reserve that may be applicable, will be destined to the investment projects for the modernization or expansion of the activities of the Company, in compliance with its approved annual and five-year objectives, in conformity with the provisions of Article 4 of Law No. 28840- Law for the Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A.”, which is concordant with Article 29 subsection F) of the current Corporate by-laws.

21 REVENUE FROM ORDINARY ACTIVITIES

This item comprises:

	2025 US$000	2024 US$000
Local sales	2,970,967	3,010,005
Price Stabilization Fund (*) (Note 8)	(14,569)	(3,547)
Other revenue from ordinary activities	33,124	40,407
	2,989,522	3,046,865
Foreign sales	390,840	409,532
	3,380,362	3,456,397

(*) Pursuant Supreme Decrees No. 033-2023-EM, dated December 28, 2023, and No. 007-2024-EM, dated March 26, 2024, extended the inclusion of LPG-E under the FEPC until March 28, 2024, and June 27, 2024, respectively. As of December 31, 2025 and 2024, the only products subject to the FEPC are Industrial Oil 6 and Diesel BX.

In 2025 and 2024, sales are broken down as follows:

	2025 US$000	2024 US$000
Local sales:		
Diesel - others	1,751,867	1,734,416
Gasoline	926,079	822,726
Industrial oil	92,941	90,534
Asphalt	81,183	95,195
LPG	54,872	68,734
Turbo A1	42,978	189,901
Natural Gas Liquids - PP	21,047	20,391
Solvent	9,406	10,687
Others (ULSD- B100-Alcohol)	3,480	3,364
Dry Gas Blocks -PP	3,317	3,148
Wet Gas Block I	2,196	3,185
Primary naphtha	122	4,549
Fine petroleum coke (MT)	34	35
Total local sales	2,989,522	3,046,865
Foreign sales:		
Turbo A1	132,159	15,852
Crude East	101,480	-
Industrial oil	59,559	322,648
Gasoline	42,408	-
Cutting material	26,127	27,119
Virgin Naphtha	10,116	-
Clarified Oil	7,392	-
ULSD (EXP)	5,635	-
Sulfuric Acid (MT)	4,813	-
Asphalt	843	1,027
Diesel - others	308	-
Reduced Crude	-	8,622
Gran Tierra crude Block 95	-	34,264
Total foreign sales	390,840	409,532
Total	3,380,362	3,456,397

22 OTHER OPERATING INCOME

This item comprises:

	2025 US$000	2024 US$000
Income recognized at a point in time:		
Terminal operating fees (a)	20,339	20,877
Operating services for Terminals (b)	21,256	19,496
Maritime operations services	6,299	6,560
PNP supply operations	5,454	5,323
Recoverable freight (c)	272	8,294
Service of operation of fuel stations and cisterns to mining companies	-	1,782
Income recognized over time:		
Rentals	4,007	3,840
Other revenue from services	1,281	1,586
Crude transport via oil pipeline	-	3,165
	58,908	70,923

(a) Comprising revenue from operating agreements of the terminals of the Company signed with Terminales del Perú for the terminals and northern and central plants.

(b) Comprising revenue from fuel reception, storage and dispatch services.

(c) Comprising revenue from billing of transportation expenses incurred by customers. The Company considers a handling margin when billing this type of expenses.

23 COST OF SALES

This item comprises:

	2025 US$000	2024 US$000
Opening inventory of goods (**)	657,559	893,970
Purchase of crude oil, refined products and supplies (*)	2,490,013	2,733,583
Operating expenses of production (a)	759,153	843,336
Closing inventory of goods (**)	(481,859)	(657,559)
	3,424,866	3,813,330

(*) The decrease in the value of 2025 purchases is due to the lower average price of crude oil and products (78.66 US$BL in 2025 versus 88.3 US$BL in 2024), mitigated by the higher volume of purchases (87 MBDC in 2025 versus 85 MBDC in 2024).

(**) The balance of the opening and final inventory excludes balances for materials, supplies, and goods in transit.

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

	2025 US$000	2024 US$000
Services provided by third parties (**)	366,044	394,236
Depreciation of assets (Note 11)	159,301	209,105
Personnel charges (Note 26)	71,354	65,662
Other management charges (***)	58,222	69,000
Insurance	31,893	42,420
Other materials and supplies (*)	28,395	29,184
Depreciation of right-of-use assets (Note 13)	26,125	23,717
Workers' profit sharing (Note 26)	8,578	-
Amortization (Note 12)	6,319	6,279
Others	2,922	3,733
	759,153	843,336

(*) Comprising the consumption of materials and supplies acquired and used for the maintenance of the processing and auxiliary units of the NTR, which have been in operation since the first quarter of 2024.

(**) Including the following:

	2025 US$000	2024 US$000
Maintenance and repair services	133,756	96,244
Ground transport freight and expenses	84,344	88,752
Energy and water	55,504	65,939
Other freights	22,495	68,751
Dispatch of products	14,392	13,775
Natural gas supply service	10,528	17,177
Product storage	10,459	9,943
Product storage	9,789	9,100
Other consultancies	6,304	5,286
Storage and dispatch (PNP – Petrored)	4,459	4,292
Food and lodging	3,224	3,741
Advertising	2,957	2,158
Others	7,833	9,078
	366,044	394,236

(***) Including the following:

	2025 US$000	2024 US$000
Royalties for the operation of oil fields	57,925	68,436
Environmental management	282	255
Arbitration with suppliers	-	294
Newspapers and magazines	15	15
	58,222	69,000

24 SELLING AND DISTRIBUTION EXPENSES

This item comprises:

	2025 US$000	2024 US$000
Personnel charges (Note 26)	19,026	19,402
Taxes (a)	15,541	15,432
Services provided by third parties (b)	11,001	9,791
Depreciation of assets (Note 11)	3,940	10,790
Materials and supplies	2,653	3,320
Workers' profit sharing (Note 26)	1,907	-
Insurance	737	2,080
Other management charges	651	429
Depreciation of right-of-use assets (Note 13)	149	162
	55,605	61,406

(a) Including the following:

	2025 US$000	2024 US$000
Aliquot Osinergmin (*)	12,311	12,211
OEFA contribution	2,913	2,886
Others	317	335
	15,541	15,432

(*) Comprising the contribution aimed at supporting Osinergmin, applicable to companies in the hydrocarbons sector, established by Article 10 of Law No. 27332, which is calculated as a percentage of local sales.

(b) Including the following:

	2025 US$000	2024 US$000
Maintenance and repair services	4,255	2,659
Other services provided by third parties	3,136	3,466
Industrial protection and safety	2,703	2,606
Rentals	190	136
Energy and water	412	419
Travel and transfer expenses	148	128
Freight and other expenses	40	197
Food and lodging	117	180
	11,001	9,791

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25 ADMINISTRATIVE EXPENSES

This item comprises:

	2025 US$000	2024 US$000
Personnel charges (Note 26)	62,253	61,636
Services provided by third parties (a)	55,975	69,375
Other management charges (b)	14,135	26,343
Taxes	6,689	5,323
Depreciation of assets (Note 11)	5,674	6,983
Workers' profit sharing (Note 26)	5,302	-
Materials and supplies	1,803	1,232
Administrative civil and labor contingencies (Note 18)	1,359	6,219
Depreciation of right-of-use assets (Note 13)	1,150	1,414
Amortization (Note 12)	1,072	1,637
Insurance	805	902
	156,217	181,064

(a) Including the following:

	2025 US$000	2024 US$000
Bank expenses	18,338	22,661
Maintenance and repair services	8,201	9,793
Advisory, expertise and audits	7,413	7,335
Industrial protection and safety	5,548	5,864
IBM outsourcing services	5,200	6,266
Freight and other freights	3,284	2,386
Temporary services	2,219	8,949
Medical services	1,037	702
Advertising	347	352
Travel and transfer expenses	304	366
Others	4,084	4,701
	55,975	69,375

(b) Including the following:

	2025 US$000	2024 US$000
Environmental management	9,116	6,243
Management with creditor	3,340	1,592
Administrative penalties	746	17,647
Others	933	861
	14,135	26,343

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26 PERSONNEL CHARGES

This item comprises:

	2025	2024
	US$000	US$000
Wages and salaries	68,010	64,898
Bonuses	26,626	26,082
Social contributions	22,391	19,297
Workers' profit sharing	15,787	-
Statutory bonuses	12,204	11,989
Employees' severance indemnities	8,420	8,174
Vacation leave	4,408	4,305
Feeding	3,711	3,545
Overtime	1,809	1,916
Transportation	1,051	876
Remote Work Compensation	84	120
Others	3,919	5,498
	168,420	146,700
Number of employees at the end of the year	2,524	2,659

In 2025, the number of Company employees decreased as a result of the implementation of the voluntary severance plan and employee retirements.

Personnel charges and workers' profit-sharing expenses were recorded with charges to profit and loss of the year as follows:

	2025	2024
	US$000	US$000
Cost of sales (Note 23)	79,932	65,662
Selling expenses and distribution (Note 24)	20,933	19,402
Administrative expenses (Note 25)	67,555	61,636
	168,420	146,700

27 OTHER INCOME AND OTHER EXPENSES

This item comprises:

	2025	2024
	US$000	US$000
Other income:		
Claims and/or compensation (a)	32,268	22,676
Contingency reversal - Consorcio P&D case	5,406	-
Capitalization of assets	1,534	-
Recovery of civil and labor provisions	1,360	647
Recovery of the fee for use of the loading port in Pucallpa	168	362
Regularization of provision	-	892
Recovery of doubtful account provision	-	15
Others	3,173	3,288
	43,909	27,880

	2025	2024
	US$000	US$000
Other expenses:		
Contingencies due to seizures (c)	16,035	-
Civil contingencies (Note 18)	9,642	-
Fines and interest for audit 2019	7,961	-
Provision for losses in oil pipeline (Note 18)	3,975	21,412
Net cost of disposal	842	-
Voluntary Disengagement Program	726	886
Contingencies for replacement of merchandise under franchise (b)	-	38,064
	39,181	60,362

(a) Claims and/or indemnities refer to insurance collections for incidents that occurred in the Peruvian northern oil pipeline (“Oleoducto Norperuano”), as well as claims and/or indemnities for contractual breaches by transportation service providers.

(b) Including the payment made to the Peruvian tax authorities in 2024 amounting to US$23,209 thousand (equivalent to S/87,000 thousand) in relation to the tax proceeding concerning the use of the duty-free goods replacement mechanism. It also includes a provision for tax contingency amounting to US$14,855 thousand (equivalent to S/56,000 thousand) related to the same mechanism, for which there is currently no final court ruling.

(c) This corresponds to administrative penalty processes, for which account seizures occurred and which were transferred to the plaintiffs' funds (Osinergmin, OEFA, Sutran, among others).

28 FINANCIAL INCOME AND EXPENSES

This item comprises:

	2025	2024
	US$000	US$000
Interest on bank deposits	2,689	2,377
Interest on receivables	1,059	389
	3,748	2,766
Loan interest related to NTR (a)	(195,105)	(189,595)
Interest on tax debt (b)	(156,852)	-
Interest on working capital loans (c)	(119,216)	(139,872)
Interest on forward contracts (d)	(14,480)	(20,267)
Interest on leases (Note 13-a)	(5,281)	(5,333)
Interest on trade obligations	(3,289)	(20,176)
Tax obligations	(2,263)	(2,608)
Financial loss in crude oil purchase price	-	(5,904)
Others	(92)	-
	(496,578)	(383,755)

(a) This corresponds to interest generated from loans originally obtained for the construction of the NTR. During the construction phase, such interest was capitalized as part of the cost of the asset. However, in 2024, as the NTR was progressively commissioned, certain assets completed their construction phase and were ready for use under the conditions necessary to operate as intended by the Company’s management. In 2025, the Company recognized all interest as a financial expense because the units were 100% received in 2024.

(b) It corresponds to the interests related to the tax administration audit by SUNAT corresponding to the road tax (Note 18-a).

(c) In 2025 and 2024, the Company's limited access to credit lines, resulting from downgraded credit ratings by rating agencies, led to higher interest rates charged by banks on short-term working capital loans. This item also includes interest on loans received under Emergency Decrees No. 010-2022, No. 004-2024, and No. 013-2024 (Note 16).

(d) This corresponds to accrued interest on trade payables resulting from negotiations with crude oil and finished product suppliers regarding the maturity dates of such payables.

29 TAX SITUATION

(a) Tax rates -

In accordance with current legislation, the Company is individually subject to applicable taxes. Management has determined the taxable income under the Peruvian General Income Tax Regime, by adding to and deducting from the results shown in the financial statements, those items that are considered as taxable and non-taxable, respectively. The applicable Income tax rate ha has been 29.5% since 2017 onwards, pursuant to Legislative Decree No. 1261 enacted on December 10, 2016. The determination of income tax on the activities of the Exploitation of Blocks segment is carried out separately from the activities of the other segments.

As of December 31, 2025, the Company has tax losses of S/5,187,619 thousand, equivalent to US$1,378,763 thousand (S/5,720,053 thousand, equivalent to US$1,525,682 thousand as of December 31, 2024). The Company uses the system "B" to carry forward tax losses, which consists of offsetting said losses until its amount is exhausted, against 50% of the net income obtained in the years immediately following its generation. System option "B" is exercised with the opportunity of filing the annual income tax return for the fiscal year in which the losses were generated. Once the option is exercised, it is not possible to modify the system. In accordance with management's projections, the Company will offset accumulated tax losses with future tax gains. In 2025, the Company offset tax losses with tax profits from the Exploitation of Blocks segment for S/103,523 thousand, equivalent to US$28,566 thousand and from the related activities segment (production and trading) for S/428,912 thousand, equivalent to US$118,353 thousand. In 2024, no carry-forward losses were offset.

It should be noted that under current Peruvian laws, non-domiciled parties are only subject to income tax on their Peruvian-source income. In general, income obtained by non-domiciled parties that provide services in Peru will be subject to a 30% income tax rate on gross income; this is as long as no double taxation agreement (CDI) is applicable. In respect of technical assistance services or digital services rendered by non-domiciled parties to legally resident taxpayers; the place where the services are rendered will not be relevant; in all cases, will be subject to income tax of 15% and 30%, respectively on a gross basis. The income tax rate on technical assistance services is 15% as long as the qualifying requirements under the Peruvian income tax law are met.

(b) Income tax determination -

The income tax expense shown in the statement of comprehensive income (which corresponds entirely to the income tax applicable in the country) comprises:

	2025 US$000	2024 US$000
Current	(56,014)	-
Deferred (Note 19)	126,665	181,502
	70,651	181,502

Reconciliation between the effective income tax rate to the tax rate is as follows:

	2025		2024	
	US$000	%	US$000	%
Loss before income tax	(672,133)	100.00	(955,407)	100.00
Income tax according to tax rate	(198,279)	(29.5)	(281,845)	(29.5)
Permanent non-deductible expenses	61,108	9.09	27,715	2.90
Permanent non-taxable income	-	-	-	-
Effect of exchange difference on tax fixed assets (*)	(203,596)	(30.3)	96,982	10.15
Effect of higher (lower) current tax resulting from exchange difference (**)	250,659	37.29	(22,220)	(2.33)
Adjustment from previous years	8,763	1.30	-	-
Others	10,694	1.59	(2,134)	(0.22)
Income tax (Current and deferred)	(70,651)	(10.51)	(181,502)	(20.31)

(*) Comprising changes in deferred income tax resulting from the exchange rate fluctuations that affect the tax base of non-monetary assets.

(**) Comprising the lower current income tax resulting from the exchange rate fluctuation that affects its determination in Peruvian soles but not the financial statement whose functional currency is the U.S. dollar.

The Peruvian tax authorities have the right to review and, if necessary, amend the income tax determined by the Company in the last four years from January 1 of the year following the date of filing the corresponding tax return (years subject to examination). Fiscal years 2021 to 2025 are subject to examination. Since discrepancies may arise over the interpretation of the tax laws by Peruvian tax authorities, it is currently not possible to determine whether these reviews will result in additional liabilities for the Company. Any additional tax, penalties and interest will be recognized in the results of the period when such differences of opinion with the Peruvian tax authorities are resolved. The Company considers that no significant liabilities will arise as a result of these eventual tax examinations.

As established under current legislation, for purposes of determining Income Tax and Value Added Tax "VAT" (IGV in Peru), transactions between related parties and/or those entered into with parties domiciled in tax havens are subject to transfer pricing rules. These transactions must have documentation and information supporting the valuation methods and criteria applied in their determination. Peruvian tax authorities are entitled to request such information from the taxpayer. Based on an analysis of the Company's business, management and its legal advisors consider that no significant contingencies will arise as a result of this legislation for the Company as of December 31, 2025.

(c) Temporary tax on net assets (ITAN by its acronym in Spanish) -

The Company is subject to the ITAN. The taxable base is the prior period adjusted net asset value less depreciation, amortization admitted by the Peruvian Income Tax Law, as shown in the respective standard (Law 28424 and its Regulation). The ITAN rate is 0.4% for 2025 and 2024 applied to the amount of net assets that exceed S/1 million. It may be paid in cash or in nine consecutive monthly installments. The amount paid may be used as a credit against payments of the general income tax regime for taxable periods from March to December of the fiscal period for which the tax was paid until maturity date of each of the payments on account and against the regularization of income tax payments for the related fiscal year.

(d) Tax on financial transactions -

For fiscal 2025 and 2024, the rate of the Tax on Financial Transactions was set at 0.005% and is applicable to bank debits and credits or cash movements through the formal financial system, unless the transaction is exempt. This tax is presented for as tax expenses within administrative expenses.

(e) Tax Regime of VAT -

The VAT rate (including Wholesale Price Index) currently in force is 18%.

Pursuant to Supreme Decree No. 068-2022-EF, enacted on April 3, 2022, the Peruvian Executive has approved the amendment of the New Appendix III of the Single Ordered Text of the Value Added Tax and Selective Consumption Tax Law, which excludes until June 30, 2022 Gasolines with a Research Octane number (RON) greater than or equal to 84, but less than 90, greater than or equal to 90, but less than 95, Gasoils, Diesel B2, with a sulfur content less than or equal to 50 ppm, Diesel B5 and Diesel B20, with a sulfur content less than or equal to 50 ppm, as well as other mixtures of Diesel 2 with Biodiesel B100.

The exclusion period may be extended for a maximum of six additional months, after evaluating the evolution of the international price of oil and its impact on domestic prices.

(f) Examination by the Peruvian tax authorities -

As of December 31, 2025, SUNAT (Peruvian tax authorities) completed its audit of the Income Tax determination for the period from January to December 2019, issuing Determination Resolutions No. 012-003-0147065 to No. 012-003-0147079 and Penalty Resolutions No. 012-002-0041183 to No. 012-002-0041185. These fines, totaling S/2,540 thousand (equivalent to US$754 thousand), were paid under protest and recorded in the statement of comprehensive income under the heading of administrative expenses. The Legal and Regulatory Affairs Department is currently evaluating the possibility of filing a tax appeal against these Resolutions.

As of December 31, 2024, SUNAT (Peruvian tax authorities) completed its audit of the Income Tax determination for January through December 2018, issuing Determination Resolutions No. 012-003-0138556 through No. 012-003-0138575 and Penalty Resolutions No. 012-002-0039802 through No. 012-002-0039813. These fines, totaling S/2,931 thousand (equivalent to US$870 thousand), were paid under protest and recorded in the comprehensive income statement for that year under the heading of administrative expenses. The Legal and Regulatory Affairs Department is currently evaluating the possibility of filing a tax appeal against these Resolutions.

On July 26, 2023, the Peruvian Tax Administration began the final audit process for the 2017 Income Tax. As part of this process, SUNAT issued: i) Determination Resolutions No. 012-003-0132683 to 012-003-0132694 for alleged omissions related to the third-category (corporate) income tax – additional rate corresponding January to December 2017; (ii) Determination Resolutions No. 012-003-0132672 to 012-003-0132681 related to advance payments of income tax from January to December 2017; (iii) Determination Resolution No. 012-003-0132682 related to the third-category (corporate) income tax for fiscal year 2017; (iv) Fine Resolution No. 012-002-0038732 issued for the infraction classified under numeral 1) of Article 178 of the Tax Code related to the determination of the third-category (corporate) income tax for fiscal year 2017; and (v) Fine Resolutions No. 012-002-0038722 to 012-002-0038731 issued for the infraction classified under numeral 1) of Article 178 of the Tax Code related to the advance payments corresponding March to December 2017. Subsequently, on August 10, 2023, the Company paid the tax debt determined in the aforementioned Determination and Fine Resolutions, under protest, for an amount of S/27,323 thousand (equivalent to US$8,113 thousand), which was recognized in that year in the statement of comprehensive income under administrative expenses.

On December 16, 2022, regarding the final audit process for the period from January to December 2016 Income Tax, SUNAT issued: (i) Determination Resolutions No. 012-003-0129532 to 012-003-0129536 for alleged omissions related to the third-category (corporate) income tax – additional rate corresponding to July, August, September, November and December 2016; (ii) Determination Resolutions No. 012-003-0129519 to 012-003-0129530 related to advance payments of income tax for January to December 2016; (iii) Determination Resolution No. 012-003-0129531 related to the third-category (corporate) income tax for fiscal year 2016; and (iv) Fine Resolution No. 012-002-0038228 issued for the infraction classified under numeral 1) of Article 178 of the Tax Code related to the determination of the third-category (corporate) income tax for fiscal year 2016. Subsequently, the Company filed an Appeal on December 23, 2022 through Determination Resolutions No. 012-003-0129532 to 012-003-0129536 and Fine Resolution No. 012-002-0038228 and paid the tax debt contained in Determination Resolutions No. 012-003-0129519 to 012-003-0129531, which was resolved by Intendancy Resolution No. 4070140000534 dated May 26, 2023. The Company filed an appeal against the latter resolution, which, as of December 31, 2025, remains pending resolution.

30 CONTINGENCIES

The Company has the following labor-related court actions, civil lawsuits, tax and customs claims pending resolution. Management and its legal advisors consider that these contingencies have been considered as possible and, consequently, they have not been recognized in the financial statements:

	2025	2024
	US$000	US$000
Civil	131,243	87,410
Tax and customs claims	359,247	15,068
Labor-related	2,612	1,730
	493,102	104,208

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The movement of contingencies is detailed below:

	Balance as of January 1	Additions	Deductions	Balance as of December 31
	US$000	US$000	US$000	US$000
Year 2025				
Civil (a)	87,410	107,044	(63,211)	131,243
Tax and customs claims (b)	15,068	359,139	(14,960)	359,247
Labor-related (c)	1,730	1,093	(211)	2,612
	104,208	467,276	(78,382)	493,102
Year 2024				
Civil (a)	84,989	16,085	(13,664)	87,410
Tax and customs claims (b)	31,238	-	(16,170)	15,068
Labor-related (c)	14,876	487	(13,633)	1,730
	131,103	16,572	(43,467)	104,208

(a) As of December 31, the main civil proceedings include:

	2025	2024
	US$000	US$000
Consorcio Terminales del Perú (i)	83,000	-
Comunidad Nativa San José de Paragua Poza	9,194	8,214
Biddle Inc. S.A.C.	8,196	-
Federación de Trabajadores Petroleros - Fenpetrol	7,535	-
Servicios industriales de la Marina – SIMA	5,403	5,403
Consorcio JS-CEEC	3,366	-
Aptim Peru S.A.C.	2,963	2,647
CIME Ingenieros S.R.L.	1,876	1,676
Administradoras de Fondos de Pensiones - AFP's	1,722	1,685
Rebaza Vigo Percy	1,287	1,150
Procuraduría Pública	1,128	-
Pluspetrol Norte	891	796
Hispánica de Calderería Sucursal Perú	885	791
Ruesta de García Juana y Ubillus Ordinola	594	530
E&A Servicios Afines	554	495
GUVI SERVICES EIRL	457	408
Juegos Panamericanos	456	408
Heaven Petroleum Operators (ii)	-	30,616
Others	1,736	2,591
	131,243	87,410

(i) As of December 31, 2025, the addition corresponds to the arbitration process between the Company and Consorcio Terminales del Perú for US$83,000 thousand, initiated before the Arbitration Center of the Lima Chamber of Commerce (CCL), for the purpose of resolving disputes related to the fulfillment of contractual obligations arising from the hydrocarbon terminal operation agreements signed in 2014.

(ii) As of December 31, 2025, the provision related to the ongoing legal proceedings with Heaven Petroleum Operators was reversed for US$30,616 thousand, as a result of the change in the contingency grade from possible to probable and the update of the contingent amount to US$9,642 thousand (Note 18). Additionally, the Company filed an appeal and requested the retention of the guarantee held for US$10,100 thousand. The Company applied this amount from the court-ordered retained funds held in the restricted funds (Note 9-e and 18).

(b) As of December 31, 2025, the additions mainly correspond to five tax processes for claims with the Peruvian tax authorities (SUNAT) related to the payment of the road tax on imports for the periods 2019 to 2023 for an amount of S/1,209,582 thousand (equivalent to US$359,139 thousand) (Note 18-a).

As of December 31, 2025, the following process maintained with SUNAT was reversed by US$14,960 thousand (equivalent to S/50,385 thousand), related to file No. 06304-2019-01801 having been archived in June 2025.

As of December 31, 2024, the main processes correspond to those maintained with SUNAT for S/54,032 thousand (equivalent to US$14,972 thousand), related to file No. 06304-2019-01801.

(c) As of December 31, 2025, the additions mainly correspond to labor processes with former employees related to compensation for damages amounting to US$1,093 thousand.

As of December 31, 2024, the labor dispute between the Company and the Administrative Workers' Union was resolved in favor of the Company for US$13,256 thousand (equivalent to S/48,000 thousand).

31 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

As of December 31, 2025 and 2024, the calculation of basic and diluted loss per share shows the same value as there are no shares with dilutive effects as follows:

	Loss US$000	Weighted average number of shares used (in thousands)	Loss per share US$
2025			
Basic and diluted loss per share	(601,482)	14,151,581	(0.043)
2024			
Basic and diluted loss per share	(773,905)	9,572,168	(0.081)

32 GUARANTEES AND COMMITMENTS

GUARANTEES

As of December 31, 2025, the Company has given performance bonds backed by local financial institutions to suppliers for a total S/28,285 thousand (equivalent to US$8,398 thousand) and US$78,111 thousand. As of December 31, 2024, the Company has given performance bonds backed by suppliers for a total S/91,847 thousand (equivalent to US$24,362 thousand) and US$80,132 thousand.

Guarantees related to borrowings are disclosed in Note 14.

COMMITMENTS

The Company has obligations with respect to the existing assets, oil facilities, and equipment provided by PERUPETRO S.A. (hereinafter PERUPETRO) under a gratuitous use, as stipulated in the Hydrocarbon Exploration and Production License Agreements entered into with PERUPETRO. These obligations are limited exclusively to the provisions of said agreements (Note 1-b) and may not be understood to be expanded, extended, or applicable beyond what is established therein.

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The most important obligations are detailed below:

- Preservation and maintenance of the assets, including obtaining insurance and paying the corresponding taxes (property tax).
- Conducting inventories and verifying assets, equipment, and facilities six months prior to the termination of the Agreement.

Upon termination of the Agreement:

- Return to PERUPETRO the goods received in good condition, properly maintained and functioning, taking into account normal wear and tear incurred during the term of the Agreement.
- Transfer to the Peruvian State, through PERUPETRO, the goods acquired during the Agreement necessary for the continuity of operations, in adequate working condition.

Additionally, under the existing contracts, the Company is primarily obligated to: perform activities in accordance with the Contract and applicable regulations, assume rights and obligations as a contractor, manage environmental responsibilities, including those arising after the contract's expiration, develop and implement abandonment plans, fulfill minimum work commitments, facilitate tax audits, assume all costs and taxes, maintain separate accounting records and report financial information, report on relevant social aspects, and comply with confidentiality obligations, among others. As of December 31, 2025, the Company returned the assets corresponding to Blocks I and VI, whose contracts expired on October 21, 2025. As of that date, the contracts for Blocks 192, 64, Z-69, and X remain in effect.

33 SUBSEQUENT EVENTS

As of December 31, 2025, and the date of approval of the financial statements, no other events have occurred, in addition to those mentioned below, that require adjusting the items of the 2025 financial statements or being disclosed in their notes:

a) Financing

In January 2026, the international rating agency Moody's Ratings assigned the Company a credit rating of “Caa1” (equivalent to “CCC+”) as a long-term debt issuer and for its bonds issued in the international market. It also assigned a benchmark credit rating (BCA) of “CA” (equivalent to “CC”), with a negative outlook.

b) Emergency Decree No. 010-2025

On December 31, 2025, Emergency Decree No. 010-2025 was issued, authorizing the Peruvian Ministry of Energy and Mines to make financial transfers during 2026, up to the sum of S/240,000 thousand, for the operational strengthening of the Company. It also established extraordinary measures for the Company's asset and operational reorganization, including its incorporation into the private investment promotion process managed by PROINVERSIÓN.

Subsequently, during the first half of 2026, the Private Investment Promotion Plan (“Plan de Promoción de la Inversión Privada”) was approved, which defines strategic guidelines for the Company's reorganization, encompassing three stages: (i) identification of asset blocks, (ii) design of the private investment promotion process, and (iii) execution of said processes. To date, only general guidelines have been established; the specific definition of the asset blocks and the execution of the corresponding actions are still pending.

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In particular, the obligations, rights and financial effects associated with the asset reorganization will only be generated as the stages of the plan are defined and implemented during the year 2026.

c) Emergency Decree No. 003-2026

On May 8, 2026, Emergency Decree No. 003-2026 was issued, which seeks to guarantee the viability of operations. It authorizes the Peruvian Ministry of Energy and Mines (MINEM) to assume contingent commitments with national or international entities, up to the equivalent of US$2,000,000 thousand, plus their respective financial costs, charged to its institutional budget, exclusively to finance the Company's operational continuity, including, but not limited to: i) financing working capital; ii) replenishing fuel and other supplies stock; and iii) services necessary for hydrocarbon production. MINEM is authorized to make payments or financial transfers to the national and international entities with which the contingent commitments are entered into. MINEM is authorized to assume short-term contingent commitments up to the amount of US$500,000 thousand.

For the implementation of this Emergency Decree, the Company is exempt from the provisions of its Bylaws insofar as they conflict with or impede the implementation of the provisions of this regulation.

PROINVERSIÓN is authorized to sign, on behalf of MINEM, all documentation that primarily contains conditions, terms, methods, forms, or any other act necessary to finalize the contingent commitments.

Firmante: VICENTE TIERI MARINO
Fecha: 01/06/2026 19:12