



## **Tecpetrol Sociedad Anónima**

### **INTERIM CONDENSED FINANCIAL STATEMENTS**

**At September 30, 2022**

and for nine-month period ended on September 30, 2022

Translation of a document originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

# **Tecpetrol Sociedad Anónima**

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## TECPETROL SOCIEDAD ANÓNIMA

### SUMMARY OF INFORMATION

In accordance with the regulations issued by the National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), the Board of Directors of the Company has approved this Summary of information for the nine-month period which commenced on January 1, 2022 and ended on September 30, 2022.

#### **1. Activity of the Company**

The operations of Tecpetrol mainly consist in the exploration and exploitation of oil and gas in Argentina.

Operating profits or losses of the Company are affected by production levels; sales prices; market demand for oil, gas and derivative products; fluctuations in operating costs; the national economic and financial setting and government regulations.

By the end of February 2022, when people around the world were ready to leave behind the COVID-19 pandemic, the Russian invasion of Ukraine caused more uncertainty in the markets, particularly affecting international prices of hydrocarbon and raising inflation. Under such adverse circumstances, the Company shows limited growth opportunities given the Argentinian macroeconomic setting and the fragility of external finances.

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health of the Company.

This Summary of information should be construed in light of these circumstances.

The Interim Condensed Financial Statements are prepared based on items that are recorded in the functional currency (USD) and translated into ARS for presentation purposes. Therefore, the following explanations are based upon variations in the functional currency and do not take into account the effect of currency translation into the presentation currency.

#### Analysis of the third quarter of 2022

Net sales totaled \$59,123.0 million, representing an increase in relation to the same period of the previous year. Such increase was caused by an increase in the volumes of gas and crude oil delivered and an increase in average crude sales prices, all of which was partially offset by a drop in gas prices, since as from the current period, all gas volumes delivered fall only under Plan Gas 4 and no longer under Resolution No. 46-E/2017 because its validity term ended on December 31, 2021.

Gas production totaled 1,766 million m<sup>3</sup>, representing an increase of 15% in relation to the amounts sold in the same period of 2021. In the third quarter of 2022, 129.3 million m<sup>3</sup> of gas were exported, whereas in the same period of 2021, exports totaled 9.2 million m<sup>3</sup>.

Volumes of crude oil production reached 168 thousand m<sup>3</sup> (34% from escalante crude oil and 66% from medianito crude oil), representing a 6% decrease with respect to the production recorded during the same period of 2021. In the third quarter of 2022, crude oil exports totaled 155.4 thousand m<sup>3</sup> (part of which was delivered after the closing date), whereas in the same period of 2021, crude oil exports totaled 114.8 thousand m<sup>3</sup>.

Operating costs totaled \$32,441.7 million, representing an increase of 77% in relation to the amount recorded in the same period of 2021. Said variation is mainly explained by an increase in costs associated with higher production levels (depreciation of property, plant and equipment, and royalty expenses), an increase in maintenance operations and wells service activities, and an increase in labor costs.

The Company recorded selling and administrative expenses for \$5,160.3 million, compared to \$2,819.8 million recorded in the same period of 2021. Such variation is primarily explained by an increase in storage and transport expenses due to higher production levels and increasing labor costs.

Net financial profits (losses) resulted in a loss of \$6,049.0 million, compared to profits for \$311.4 million recorded in the same period of 2021. Such fluctuation is primarily explained by an increase in net losses generated by exchange differences on balances in ARS, by profits and losses from the purchase, sale and holding of other investments, and by an increase in interest costs due to increasing borrowings during the quarter under analysis.

The income tax expense totaled \$1,062.5 million, compared to an amount of \$4,074.3 million recorded in the same period of 2021. Such variation is mainly explained by fluctuations in sales, costs and other expenses already mentioned, and the difference between the inflation rate used to calculate the tax inflation adjustment and the devaluation of the Argentine peso.

Profits for the period recorded a profit of \$14,345.1 million, while in the same period of 2021, the Company had profits for \$11,072.0 million.

#### Analysis of the nine-month period ended on September 30, 2022

Net sales for the nine-month period ended on September 30, 2022 totaled \$128,194.4 million, representing an increase in relation to the same period of 2021. Such increase was primarily caused by an increase in the volumes of gas and crude oil delivered and an increase in average crude sales prices, all of which was partially offset by a drop in gas prices, since as from the current period, all gas volumes delivered fell only under Plan Gas 4 and no longer under Resolution No. 46-E/2017 because its validity term ended on December 31, 2021.

During the first nine months of 2022, gas production totaled 4,767 million m<sup>3</sup>, representing an increase of 26% in relation to that of the same period of 2021 which was 3,772 million m<sup>3</sup>. In the nine-month period ended on September 30, 2022, 272.7 million m<sup>3</sup> of gas were exported, whereas in the same period of 2021, exports totaled 12.9 million m<sup>3</sup>.

Volumes of crude oil production reached 501 thousand m<sup>3</sup> (34% from escalante crude oil and 66% from medianito crude oil), representing a 13% increase with respect to the production recorded during the same period of the previous year. In the nine-month period ended on September 30, 2022, crude oil exports totaled 376 thousand m<sup>3</sup> (part of which was delivered after the closing date), whereas in the nine-month period ended on September 30, 2021, crude oil exports totaled 263.1 thousand m<sup>3</sup>.

In the nine-month period ended on September 30, 2022, operating costs totaled \$78,171.8 million, representing an increase of 74% in relation to the amount recorded in the nine-month period ended on September 30, 2021, \$44,984.0 million. Said variation is mainly explained by an increase in costs associated with higher production levels (depreciation of property, plant and equipment, and royalty expenses), an increase in maintenance operations and wells service activities, an increase in labor costs and the impairment of some slow-moving inventory.

Selling and administrative expenses in the first nine months of 2022 amounted to \$12,416.7 million, in comparison with the amount recorded in the same period of 2021, which was \$3,368.9 million. Such variation is primarily explained by an allowance for doubtful accounts recovery in the previous period and an increase in storage and transport expenses during the current period due to higher production levels and increasing labor costs, fees and services, and taxes.

Net financial profits (losses) showed a loss of \$17,540.6 million in the nine-month period ended on September 30, 2022, compared to the loss of \$6,031.9 million recorded in the same period of 2021. Such fluctuation is primarily explained by an increase in net losses generated by exchange differences on balances in ARS and by losses from the purchase, sale and holding of other investments, all of which was partially offset by an increase in interest income from short-term deposits and a decrease in interest cost from fewer borrowings, net of the effect of translation into the presentation currency.

Income tax profit (loss) triggered profits for \$4,798.9 million, compared to losses for \$9,053.1 million recorded during the same period of 2021. Such variation is explained by fluctuations in sales, costs and other expenses already mentioned, and the difference between the inflation rate used to calculate the tax inflation adjustment and the devaluation of the Argentine peso.

Profits for the nine-month period ended on September 30, 2022 recorded a profit of \$24,433.0 million, while in the nine-month period ended on September 30, 2021, the Company had profits for \$20,310.5 million.

#### Liquidity and cash flows

Net cash generated by operating activities during the first nine months of 2022 was \$62,720.3 million.

At September 30, 2022, the Company's borrowings totaled \$117,504.7 million and equity totaled \$167,087.6 million.

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with a non-related counterparty and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021 is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, December 9, 2021, March 3, 2022, and October 13, 2022, through Communications "A" 7230, "A" 7416, "A" 7466 and "A" 7621, respectively, the BCRA extended the obligation to submit a refinancing plan for principal amounts maturing from April 1, 2021 to December 31, 2021, from January 1, 2022 to June 30, 2022, and from July 1, 2022 to December 31, 2022, and from January 1, 2023 to December 31, 2023, respectively, pursuant to Communication "A" 7106. At the date of issuance of this Summary of information, the Company refinanced its debts in compliance with the above-mentioned Communications.

Additionally, on July 21, 2022, the BCRA issued Communication "A" 7552 including the holding of CEDEARS (that is, securities that are traded on the Buenos Aires Stock Exchange representing shares of companies listed on international markets) within the quota of USD 100,000 of liquid foreign assets which determine access to the Argentine foreign exchange market (Mercado Único y Libre de Cambios, MULC). At the date of issuance of this Summary of Information, the Company did not hold CEDEARS.

On August 23, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of dividends, and therefore, partially reduced the reserve for future dividends by \$7,346 million (\$6,832 million were distributed in kind (bonds) and \$514 million were distributed in cash). Such dividends were paid on August 30, 2022.

Investments in Property, plant and equipment during the nine-month period ended on September 30, 2022 reached \$62,089.5 million (mainly from the development of Fortín de Piedra area).

**2. Structure of Financial Position at September 30, 2022** (comparative at September 30, 2021, September 30, 2020, September 30, 2019 and September 30, 2018 – amounts stated in thousands of pesos)

	At September 30,				
	2022	2021	2020	2019	2018
Non-current assets	224,042,444	129,707,805	102,234,939	99,721,242	69,512,017
Current assets	106,134,241	77,052,459	44,420,843	30,364,683	17,800,343
<b>Total Assets</b>	<b>330,176,685</b>	<b>206,760,264</b>	<b>146,655,782</b>	<b>130,085,925</b>	<b>87,312,360</b>
Equity attributable to the owners of the Company	167,087,612	74,708,997	40,555,504	26,551,685	15,464,213
<b>Total Equity</b>	<b>167,087,612</b>	<b>74,708,997</b>	<b>40,555,504</b>	<b>26,551,685</b>	<b>15,464,213</b>
Non-current liabilities	32,138,298	89,843,343	53,526,739	53,987,806	57,811,195
Current liabilities	130,950,775	42,207,924	52,573,539	49,546,434	14,036,952
<b>Total Liabilities</b>	<b>163,089,073</b>	<b>132,051,267</b>	<b>106,100,278</b>	<b>103,534,240</b>	<b>71,848,147</b>
<b>Total Equity and Liabilities</b>	<b>330,176,685</b>	<b>206,760,264</b>	<b>146,655,782</b>	<b>130,085,925</b>	<b>87,312,360</b>

**3. Structure of Income and Comprehensive Income for the nine-month period ended on September 30, 2022** (comparative with the nine-month periods ended on September 30, 2021, September 30, 2020, September 30, 2019 and September 30, 2018 – amounts stated in thousands of pesos)

	Nine-month period ended on September 30,				
	2022	2021	2020	2019	2018
Operating profit	37,068,336	35,398,980	12,509,714	15,489,061	5,456,321
Net financial losses	(17,540,610)	(6,031,856)	(7,966,154)	(8,496,398)	(4,117,860)
Profit (loss) from investments in entities accounted for using the equity method	106,437	(3,498)	701	(44,453)	-
<b>Profit before taxes</b>	<b>19,634,163</b>	<b>29,363,626</b>	<b>4,544,261</b>	<b>6,948,210</b>	<b>1,338,461</b>
Income tax	4,798,867	(9,053,131)	(1,268,742)	(4,137,358)	797,986
<b>Profit from continuing operations</b>	<b>24,433,030</b>	<b>20,310,495</b>	<b>3,275,519</b>	<b>2,810,852</b>	<b>2,136,447</b>
Profit from discontinued operations	-	-	-	-	53,407
<b>Profit for the period</b>	<b>24,433,030</b>	<b>20,310,495</b>	<b>3,275,519</b>	<b>2,810,852</b>	<b>2,189,854</b>
<b>Statement of Comprehensive Income</b>					
Profit for the period	24,433,030	20,310,495	3,275,519	2,810,852	2,189,854
Other comprehensive income from continuing operations	48,006,355	8,780,030	8,316,565	9,747,454	7,717,915
Other comprehensive income from discontinued operations	-	-	-	-	(11,727)
<b>Comprehensive income for the period</b>	<b>72,439,385</b>	<b>29,090,525</b>	<b>11,592,084</b>	<b>12,558,306</b>	<b>9,896,042</b>

**4. Structure of Cash Flow for the nine-month period ended on September 30, 2022** (comparative with the nine-month periods ended on September 30, 2021, September 30, 2020, September 30, 2019 and September 30, 2018 – amounts stated in thousands of pesos)

	Nine-month period ended on September 30,				
	2022	2021	2020	2019	2018
Cash generated by operating activities	62,720,339	54,421,063	25,752,797	22,758,230	2,885,164
Cash used in investing activities	(67,292,978)	(39,815,427)	(4,372,981)	(19,687,774)	(22,399,980)
Cash (used in)/generated by financing activities	(12,918,284)	(19,720,957)	(11,542,831)	837,284	11,444,143
Total cash generated/(used) during the period	<u>(17,490,923)</u>	<u>(5,115,321)</u>	<u>9,836,985</u>	<u>3,907,740</u>	<u>(8,070,673)</u>

**5. Statistical Data for the nine-month period ended on September 30, 2022** (comparative with the nine-month periods ended on September 30, 2021, September 30, 2020, September 30, 2019 and September 30, 2018 – amounts stated in thousands of m<sup>3</sup> of oil and gas equivalents)

	Nine-month period ended on September 30,				
	2022	2021	2020	2019	2018
<b>Production volume (*)</b>					
Total production in equivalent units	5,268	4,216	3,941	4,832	2,415
Oil production	501	444	415	485	379
Gas production	4,767	3,772	3,526	4,347	2,036
Domestic market	4,619	3,940	3,683	4,655	2,246
Exports	649	276	258	177	169

(\*) Volumetric equivalence (1,000 m<sup>3</sup> gas = 1 m<sup>3</sup> oil)

**6. Indicators at September 30, 2022** (comparative at September 30, 2021, September 30, 2020, September 30, 2019 and September 30, 2018)

	At September 30,				
	2022	2021	2020	2019	2018
Liquidity	0.81	1.83	0.84	0.61	1.27
Solvency	1.02	0.57	0.38	0.26	0.22
Locked-up capital	0.68	0.63	0.70	0.77	0.80

Liquidity: Current assets/Current liabilities

Solvency: Total Equity/Total liabilities

Locked-up capital: Non-current assets/Total assets

## **7. Prospects**

The Company has knowledge and skills which give it a competitive advantage to position itself as a leader in the regional development of unconventional resources in long-term projects which are significant for the country's economy, since they have an impact upon job creation, the development of value chains, tax savings, import replacement, the improvement of the trade balance and the reduction in gas prices for consumers and industries.

In Neuquina basin, Tecpetrol is taking part in Plan Gas 4, which is expected to keep the levels of drilling and completion activities in order to keep the gas production plateau around 18 million m<sup>3</sup>/d.

## **8. Subsequent events**

On November 1, 2022, the Company fully redeemed Class 1 negotiable obligations. The redemption value equals 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption.

On October 17, 2022, Tecpetrol took out a loan from Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. adding up to USD 300 million. Such amount was received on October 28, 2022 and was used for partially financing the total redemption of Class 1 negotiable obligations mentioned above, in compliance with the requirements set forth under subsection 3.17 of Communication "A" 7490 from the BCRA (Consolidated Text on Foreign Trade and Exchange). The loan matures in April 2026. Principal will be paid in 13 equal installments after a six-month period following receipt of funds, therefore, the loan will be totally paid off by the maturity date. The loan bears compensatory interest at an annual 3-month Term SOFR rate plus a margin of 2.15% per year, which must be paid on a quarterly basis. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

In October 2022, BBVA Francés, Banco Patagonia, Banco Galicia, Citibank and Banco Santander agreed to overdraft facilities for a total amount of \$23,800 million.

On October 28, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of cash dividends, and therefore, partially reduced the reserve for future dividends by \$3,411 million. Such dividends were paid on November 4, 2022.

No events, situations or circumstances have taken place as from September 30, 2022 and until the date of issuance of this Summary of information, other than the ones mentioned herein, which affect or might significantly affect the economic and financial position of the Company or are otherwise worth mentioning.

City of Buenos Aires, November 9, 2022.



**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**LEGAL INFORMATION**

<b>Legal domicile:</b>	Pasaje Della Paolera 299/297, 16th floor, City of Buenos Aires
<b>Reported fiscal year:</b>	No. 43
<b>Company's main line of business:</b>	Exploration, exploitation and development of hydrocarbon fields; transport, distribution, transformation, distillation and industrial use of hydrocarbons and by-products and hydrocarbons trade; electric power generation and commercialization through the construction, operation and exploitation in any manner of power plants and equipment for the generation, production, self-generation and/or co-generation of electric power
<b>Registration dates with the Companies Registration Office:</b>	By-laws: registered under No. 247 of Book 94, Volume of companies by Shares on June 19, 1981  Amendments to by-laws: March 25, 1983; October 16, 1985, July 1, 1987; February 24, 1989; December 12, 1989; August 18, 1992; December 21, 1992; April 6, 1993; December 14, 1995; October 30, 1997; October 13, 2000; September 14, 2005; November 16, 2007; March 23, 2009; September 20, 2010; March 2, 2016; November 25, 2016; September 28, 2017 and August 14, 2018
<b>Date of expiry of Company's by-laws:</b>	June 19, 2080
<b>Correlative registration number with the Companies Controlling Office (Inspección General de Justicia, IGJ):</b>	802,207
<b>Name of Parent Company:</b>	Tecpetrol Internacional S.L.U.
<b>Legal domicile of Parent Company:</b>	Calle De Recoletos 23, 3rd floor, apartments A and B, 28001 Madrid, Spain.
<b>Parent Company's main line of business:</b>	Investment
<b>Equity interest held by Parent Company:</b>	95.99%
<b>Percentage of votes of Parent Company:</b>	98.175%

<b>Capital status (Note 22)</b>	<b>Type of shares</b>	<b>At September 30, 2022</b>
		<b>Total subscribed, paid-up and registered \$</b>
	<b>Book entry shares</b>	
	Class A common shares of \$1 par value -1 vote per share	3,106,342,422
	Class B common shares of \$1 par value -5 votes per share	1,330,105,646
		<b>4,436,448,068</b>

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED INCOME STATEMENT**

**For the three-month and nine-month periods ended on September 30, 2022, and September 30, 2021**

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on September 30,		Nine-month period ended on September 30,	
		2022	2021	2022	2021
<b>Continuing operations</b>		<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Net sales	5	59,123,016	36,374,680	128,194,427	84,173,553
Operating costs	6	(32,441,692)	(18,360,320)	(78,171,848)	(44,983,984)
<b>Gross margin</b>		<b>26,681,324</b>	<b>18,014,360</b>	<b>50,022,579</b>	<b>39,189,569</b>
Selling expenses	7	(2,198,093)	(1,131,401)	(4,740,664)	701,485
Administrative expenses	8	(2,962,174)	(1,688,398)	(7,676,000)	(4,070,423)
Exploration costs		(287,762)	(200,727)	(1,389,369)	(412,613)
Other operating income	10	179,927	14,395	868,366	181,588
Other operating expenses	10	(7,011)	(184,441)	(16,576)	(190,626)
<b>Operating profit</b>		<b>21,406,211</b>	<b>14,823,788</b>	<b>37,068,336</b>	<b>35,398,980</b>
Financial income	11	1,500,731	1,158,798	4,036,015	2,716,683
Financial costs	11	(2,366,410)	(1,549,510)	(5,291,694)	(4,820,960)
Other net financial profit (loss)	11	(5,183,346)	702,104	(16,284,931)	(3,927,579)
<b>Profit before profit from investments in entities accounted for using the equity method and income tax</b>		<b>15,357,186</b>	<b>15,135,180</b>	<b>19,527,726</b>	<b>29,367,124</b>
Profit (loss) from investments in entities accounted for using the equity method	15	50,457	11,142	106,437	(3,498)
<b>Profit before income tax</b>		<b>15,407,643</b>	<b>15,146,322</b>	<b>19,634,163</b>	<b>29,363,626</b>
Income tax	12	(1,062,524)	(4,074,348)	4,798,867	(9,053,131)
<b>Profit for the period</b>		<b>14,345,119</b>	<b>11,071,974</b>	<b>24,433,030</b>	<b>20,310,495</b>
<b>Profit attributable to:</b>					
Owners of the Parent Company		14,345,119	11,071,974	24,433,030	20,310,495

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**for the three-month and nine-month periods ended on September 30, 2022, and September 30, 2021**  
(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on September 30,		Nine-month period ended on September 30,	
		2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
<b>Profit for the period</b>		<b>14,345,119</b>	<b>11,071,974</b>	<b>24,433,030</b>	<b>20,310,495</b>
<b>Other comprehensive income:</b>					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences from investments in entities accounted for using the equity method		64,659	6,420	120,960	31,529
<i>Items that will not be reclassified to profit or loss:</i>					
Currency translation differences - Tecpetrol S.A.		24,493,154	2,101,992	47,756,513	8,762,715
Changes in the fair value of investments in equity instruments	16	(54,623)	227,761	239,723	413,731
Remeasurement of post-employment benefit obligations		-	-	(35,008)	(190,730)
Income tax related to components of other comprehensive income (i)	27	17,234	(68,745)	(75,833)	(237,215)
<b>Total other comprehensive income for the period</b>		<b>24,520,424</b>	<b>2,267,428</b>	<b>48,006,355</b>	<b>8,780,030</b>
<b>Total comprehensive income for the period</b>		<b>38,865,543</b>	<b>13,339,402</b>	<b>72,439,385</b>	<b>29,090,525</b>
<b>Comprehensive income attributable to:</b>					
Owners of the Parent Company		38,865,543	13,339,402	72,439,385	29,090,525

(i) Generated by changes in the fair value of investments in equity instruments and remeasurement of post-employment benefit obligations.

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**at September 30, 2022, and December 31, 2021**

(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	September 30, 2022 (Unaudited)	December 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment - Exploration, evaluation and development assets	13	207,269,659	128,946,423
Right-of-use assets	14	4,479,400	3,115,469
Investments in entities accounted for using the equity method	15	457,313	229,916
Investments in equity instruments at fair value	16	3,346,055	2,085,520
Deferred tax assets	27	6,918,045	101,234
Other receivables and prepayments	17	1,497,633	861,219
Income tax credit		74,339	46,581
<b>Total Non-current assets</b>		<b>224,042,444</b>	<b>135,386,362</b>
<b>Current assets</b>			
Inventories	19	4,905,063	3,426,980
Other receivables and prepayments	17	19,670,368	11,524,577
Income tax credit		1,641,405	1,742,301
Trade receivables	18	37,683,975	13,165,006
Derivative financial instruments	28	-	844
Other investments	20.a	38,494,491	34,381,743
Cash and cash equivalents	20.b	3,738,939	18,688,759
<b>Total Current assets</b>		<b>106,134,241</b>	<b>82,930,210</b>
Assets classified as held for sale	35	-	208,518
<b>Total Assets</b>		<b>330,176,685</b>	<b>218,525,090</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	4,436,448	4,436,448
Capital contributions		897,941	897,941
Legal reserve		3,423,679	621,256
Other reserves		63,380,171	42,439,772
Reserve for future dividends		43,450,387	7,500,558
Retained earnings		51,498,986	46,098,489
<b>Total Equity</b>		<b>167,087,612</b>	<b>101,994,464</b>
<b>Non-current liabilities</b>			
Borrowings	23	18,344,372	20,208,796
Right-of-use liabilities	14	2,132,490	1,627,483
Employee benefits programs	24	4,606,015	2,720,327
Provisions	25	7,055,421	4,405,734
<b>Total Non-current liabilities</b>		<b>32,138,298</b>	<b>28,962,340</b>
<b>Current liabilities</b>			
Borrowings	23	99,160,356	71,391,962
Right-of-use liabilities	14	1,951,083	1,223,978
Employee benefits programs	24	570,401	397,716
Provisions	25	413,382	510,465
Derivative financial instruments	28	115,696	166,061
Trade and other payables	26	28,739,857	13,878,104
<b>Total Current liabilities</b>		<b>130,950,775</b>	<b>87,568,286</b>
<b>Total Liabilities</b>		<b>163,089,073</b>	<b>116,530,626</b>
<b>Total Equity and Liabilities</b>		<b>330,176,685</b>	<b>218,525,090</b>

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**for the nine-month periods ended on September 30, 2022, and September 30, 2021**

(Amounts stated in thousands of pesos, unless otherwise specified)

		Attributable to the owners of the Parent Company					
		Shareholders' contributions		Accumulated profit (loss)			
Notes	Share capital	Capital contributions	Reserved earnings			Retained earnings	Total
	Subscribed capital (i)		Legal reserve	Other reserves (ii)	Reserve for future dividends		
							(Unaudited)
<b>Balances at December 31, 2021</b>	<b>4,436,448</b>	<b>897,941</b>	<b>621,256</b>	<b>42,439,772</b>	<b>7,500,558</b>	<b>46,098,489</b>	<b>101,994,464</b>
Profit for the period	-	-	-	-	-	24,433,030	24,433,030
Currency translation differences	-	-	-	20,811,517	-	27,065,956	47,877,473
Changes in the fair value of investments in equity instruments	-	-	-	239,723	-	-	239,723
Remeasurement of post-employment benefit obligations	-	-	-	(35,008)	-	-	(35,008)
Income tax related to components of other comprehensive income	-	-	-	(75,833)	-	-	(75,833)
<b>Other comprehensive income for the period</b>	-	-	-	<b>20,940,399</b>	-	<b>27,065,956</b>	<b>48,006,355</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>20,940,399</b>	-	<b>51,498,986</b>	<b>72,439,385</b>
Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 23, 2022:							
Reserve allocation	-	-	2,802,423	-	43,296,066	(46,098,489)	-
Partial reduction of the reserve for future dividends, according to the decision adopted by the members of the Board of Directors on August 23, 2022:							
Cash dividends and in-kind dividends (i)	-	-	-	-	(7,346,237)	-	(7,346,237)
<b>Balances at September 30, 2022</b>	<b>4,436,448</b>	<b>897,941</b>	<b>3,423,679</b>	<b>63,380,171</b>	<b>43,450,387</b>	<b>51,498,986</b>	<b>167,087,612</b>

(i) See Note 22.

(ii) It includes USD 65 million related to General Resolution No. 609/12 of the National Securities Commission for Argentina (Comisión Nacional de Valores, CNV) [See Note 31 (iii)].

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**for the nine-month periods ended on September 30, 2022, and September 30, 2021 (cont'd)**

(Amounts stated in thousands of pesos, unless otherwise specified)

		Attributable to the owners of the Parent Company						
		Shareholders' contributions		Accumulated profit (loss)				
		Share capital		Reserved earnings			Total	
Notes		Subscribed capital (i)	Capital contributions	Legal reserve	Other reserves (ii)	Reserve for future dividends	Retained earnings	
		(Unaudited)						
Balances at December 31, 2020		4,436,448	897,941	430,559	34,051,673	3,877,319	1,924,532	45,618,472
Profit for the period		-	-	-	-	-	20,310,495	20,310,495
Currency translation differences		-	-	-	6,822,829	-	1,971,415	8,794,244
Changes in the fair value of investments in equity instruments		-	-	-	413,731	-	-	413,731
Remeasurement of post-employment benefit obligations		-	-	-	(190,730)	-	-	(190,730)
Income tax related to components of other comprehensive income		-	-		(237,215)	-	-	(237,215)
Other comprehensive income for the period		-	-	-	6,808,615	-	1,971,415	8,780,030
Total comprehensive income for the period		-	-	-	6,808,615	-	22,281,910	29,090,525
Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 25, 2021:								
Reserve allocation		-	-	190,697	-	3,623,239	(3,813,936)	-
Balances at September 30, 2021		4,436,448	897,941	621,256	40,860,288	7,500,558	20,392,506	74,708,997

(i) See Note 22.

(ii) It includes USD 65 million related to General Resolution No. 609/12 of the CNV [See Note 31 (iii)].

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**INTERIM CONDENSED CASH FLOW STATEMENT**

**for the nine-month periods ended on September 30, 2022, and September 30, 2021**

(Amounts stated in thousands of pesos, unless otherwise specified)

		Nine-month period ended on September 30,	
	Notes	2022	2021
		(Unaudited)	
<b>OPERATING ACTIVITIES</b>			
Profit for the period		24,433,030	20,310,495
Adjustments to profit for the period to reach operating cash flows	29	42,382,225	35,854,454
Changes in working capital	29	(24,617,692)	(6,619,842)
Others, including currency translation differences		22,379,673	6,654,883
Payment of employee benefits programs		(196,519)	(800,596)
Payment of income tax		(1,660,378)	(978,331)
<b>Cash generated by operating activities</b>		<b>62,720,339</b>	<b>54,421,063</b>
<b>INVESTING ACTIVITIES</b>			
Investments in property, plant and equipment		(57,215,341)	(21,814,726)
Collection from the sale of property, plant and equipment		168,531	16,245
Increase in other investments		(10,944,748)	(18,126,822)
Collected dividends	11	389,567	109,876
Payments of assets classified as held for sale		(135,003)	-
Collection from the sale of assets classified as held for sale		444,016	-
<b>Cash used in investing activities</b>		<b>(67,292,978)</b>	<b>(39,815,427)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings	23	5,897,774	25,573,146
Issuance of negotiable obligations		-	467,977
Payment of borrowings		(16,971,822)	(44,673,189)
Repurchase of negotiable obligations	23	-	(531,110)
Distribution of dividends	22	(514,237)	-
Right-of-use liabilities payments	14	(1,329,999)	(557,781)
<b>Cash used in financing activities</b>		<b>(12,918,284)</b>	<b>(19,720,957)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(17,490,923)</b>	<b>(5,115,321)</b>
<b>Changes in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period		18,688,759	10,391,822
Decrease in cash and cash equivalents		(17,490,923)	(5,115,321)
Currency translation differences		2,541,103	1,252,768
<b>Cash and cash equivalents at the end of the period</b>		<b>3,738,939</b>	<b>6,529,269</b>
<b>At September 30,</b>			
		2022	2021
		(Unaudited)	
Cash and cash equivalents		3,738,939	6,529,269
<b>Cash and cash equivalents at the end of the period</b>	20.b	<b>3,738,939</b>	<b>6,529,269</b>
<b>Non-cash transactions</b>			
Unpaid investments in property, plant and equipment at the end of the period		11,526,223	7,594,994
Dividends in kind paid	22	6,832,000	-
Payments in kind of negotiable obligations		-	109,262

The accompanying notes 1 to 36 form an integral part of these Interim Condensed Financial Statements. These Interim Condensed Financial Statements must be read together with the audited Financial Statements at December 31, 2021.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

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# **Tecpetrol Sociedad Anónima**

## **Interim Condensed Financial Statements at September 30, 2022**

### **Notes to Interim Condensed Financial Statements at September 30, 2022**

(Amounts stated in thousands of pesos, unless otherwise specified)

#### **1. General information**

Tecpetrol S.A. (hereinafter referred to as the “Company”) was incorporated on June 5, 1981, and its main activity consists in the exploration and exploitation of oil and gas in Argentina. Its legal domicile is Pasaje Della Paolera 299/297, 16th floor, city of Buenos Aires, Argentina.

The Company has an important presence in Vaca Muerta area, through (i) unconventional exploitation concessions in the areas of Fortín de Piedra and Punta Senillosa, which were granted in July 2016 for a period of 35 years and over which the Company holds all rights and obligations; (ii) joint operations over unconventional exploitation concessions in the areas of Los Toldos I Norte, Los Toldos II Este and Los Toldos I Sur, and (iii) the exploration permission over Loma Ancha area.

In addition, Tecpetrol S.A. operates in conventional hydrocarbon areas in Neuquina, Noroeste - Golfo San Jorge and other basins, through joint operations (see Note 34). It also holds all exploitation rights over the area Los Bastos (province of Neuquén) and has an exploratory (and potential exploitation) permission over the area Gran Bajo Oriental located in the province of Santa Cruz.

These Interim Condensed Financial Statements were approved for issuance by the members of the Board of Directors on November 9, 2022.

#### *Macroeconomic setting*

By the end of February 2022, when people around the world were ready to leave behind the COVID-19 pandemic, the Russian invasion of Ukraine caused more uncertainty in the markets, particularly affecting international prices of hydrocarbon and raising inflation. Under such adverse circumstances, the Company shows limited growth opportunities given the Argentinian macroeconomic setting and the fragility of external finances.

Besides, the restrictions imposed by the Central Bank of Argentina (Banco Central de la República Argentina, BCRA) in 2020 remain in force. Such limitations intend to restrict access to the exchange market for the purposes of restraining the demand for foreign currency; therefore, prior approval from the BCRA is required in order to conduct specific transactions and refinance specific debts. Measures applicable to the Company mainly relate to the payment of principal from financial borrowings abroad with a creditor that is not a counterparty related to the debtor and the payment of debt securities issued in Argentina and denominated in foreign currency (see Note 23). Regarding the exchange regime for commercial transactions, besides the obligation to convert foreign currency proceeds from the export of goods and services into local currency, more restrictions were imposed to access the foreign exchange market for payment of the imported goods which are necessary for the ordinary development of the Company.

Additionally, on July 21, 2022, the BCRA issued Communication “A” 7552 including the holding of CEDEARS (that is, securities that are traded on the Buenos Aires Stock Exchange representing shares of companies listed on international markets) within the quota of USD 100,000 of liquid foreign assets which determine access to the Argentine foreign exchange market (Mercado Único y Libre de Cambios, MULC). At the date of issuance of these Interim Condensed Financial Statements, the Company did not hold CEDEARS.

These exchange restrictions, and the ones that might be implemented in the future, could affect the Company's access to the MULC, and therefore, the acquisition of foreign currency to honor its financial and commercial obligations. Assets and liabilities in foreign currency at September 30, 2022, have been valued based on MULC current quotations.

# **Tecpetrol Sociedad Anónima**

## **Interim Condensed Financial Statements at September 30, 2022**

### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

#### **1. General information (cont'd)**

##### *Macroeconomic setting (cont'd)*

The management of the Company closely monitors the evolution of the abovementioned situations in order to adopt measures according to the complexity of the events, aiming at safeguarding the integrity of the staff, keeping operations running and preserving the corporate financial health of the Company.

These Interim Condensed Financial Statements of the Company should be construed in light of such circumstances.

##### *Seasonality*

Neither the demand for crude oil significantly varies throughout the year nor its seasonal prices. Gas demand for residential use and electricity generation is seasonal; thus, there are substantial fluctuations in winter and summer seasons. Gas demand intended for industrial use and compressed natural gas (CNG) stations does not significantly vary throughout the year. Gas prices vary upon demand.

Consequently, the operations of Tecpetrol S.A. might be subject to seasonal fluctuations in relation to both volume and sales prices.

#### **2. Basis for preparation**

These Interim Condensed Financial Statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), under a historical cost convention, modified by the revaluation of financial assets and liabilities at fair value.

The National Securities Commission for Argentina (Comisión Nacional de Valores, CNV), by means of General Resolution No. 622/13, has established the application of Technical Resolutions No. 26 and 29 issued by the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas, FACPCE) which adopt IFRS issued by the IASB, for entities included in the public offering regime under Law No. 17.811 and amendments, either due to their capital stock or negotiable obligations, or because they request authorization to be included in such regime.

These Interim Condensed Financial Statements of Tecpetrol S.A. for the nine-month period ended on September 30, 2022 were prepared in accordance with International Accounting Standard (IAS) 34 titled "Interim Financial Reporting" and are presented in thousands of Argentine pesos, unless otherwise stated.

These Interim Condensed Financial Statements were prepared pursuant to the same accounting policies applied in the preparation of the audited Financial Statements at December 31, 2021; therefore, they must be read together.

All information corresponding to the balances at December 31, 2021 and at the nine-month period ended on September 30, 2021 is part of these Interim Condensed Financial Statements and is presented for comparative purposes only. If applicable, some figures from the Financial Statements at September 30, 2021 have been reclassified in order to present comparative information in respect of the current period.

# **Tecpetrol Sociedad Anónima**

## **Interim Condensed Financial Statements at September 30, 2022**

### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

#### **2. Basis for preparation (cont'd)**

Pursuant to the IFRS, the preparation of these Interim Condensed Financial Statements requires the management of the Company to make certain estimates that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the income and expense figures for the reported periods. Actual profits or losses might differ from these estimates.

##### *Functional and presentation currencies*

Items included in the Interim Condensed Financial Statements are reported in the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is the United States Dollar ("USD"), since this is the currency which best reflects the economic substance of the transactions. Both sales and prices of main drilling costs are negotiated, agreed upon and settled either in USD or considering the exchange rate fluctuation with respect to said currency.

The presentation currency of these Interim Condensed Financial Statements is the Argentine peso ("ARS").

##### *Translation of Interim Condensed Financial Statements*

Interim Condensed Financial Statements prepared using the functional currency of the Company are translated into the presentation currency pursuant to the following:

- (i) assets and liabilities are translated at the closing exchange rate at each reporting date; profits and losses are translated at the average exchange rate of the period.
- (ii) all resulting exchange differences are recognized under *Other comprehensive income* as currency translation differences. When a subsidiary is dissolved or disposed of, accumulated currency translation differences are reported as profits or losses upon sale or disposal.

As from the year ended on December 31, 2021, currency translation differences from reserved earnings and profits or losses for the year are classified as and accumulated directly under *Retained earnings*. For the purposes of standardizing comparative information in the Interim Condensed Statement of Changes in Equity, there has been a reclassification between *Retained earnings* and *Other reserves* of \$1,889,404 and \$82,011 at December 31, 2020 and September 30, 2021, respectively.

#### **3. New accounting standards**

##### *(a) New standards, interpretations and amendments to published standards effective as from the current period*

There were no new standards, interpretations and amendments to published standards in force that were relevant to the Company.

##### *(b) New standards, interpretations and amendments to published standards not yet effective and not early adopted*

The Management assessed the importance of other new standards, interpretations and amendments not yet effective and concluded that they were not relevant for the Company.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**4. Segment information**

	<b>Nine-month period ended on September 30, 2022 (Unaudited)</b>			
	<b>Neuquina basin</b>	<b>Noroeste - San Jorge and other basins</b>	<b>Others (1)</b>	<b>Total</b>
Net sales - Managerial vision	109,329,988	15,477,896	4,541,138	129,349,022
Effect of hydrocarbon inventory valuation	468,928	(1,348,592)	(274,931)	(1,154,595)
<b>Net sales - IFRS</b>				<b>128,194,427</b>
Gas	90,546,282	2,557,171	353,266	93,456,719
Oil	18,765,946	11,558,707	3,889,905	34,214,558
Other services	486,688	13,426	23,036	523,150
<b>Net sales - IFRS</b>				<b>128,194,427</b>
Operating profit - Managerial vision	38,510,356	3,905,564	824,316	43,240,236
Adjustment of hydrocarbon inventory valuation	922,257	(339,954)	(29,223)	553,080
Depreciation and impairment differences	147,058	634,884	1,038	782,980
Administrative expenses (2)				(7,507,960)
<b>Operating profit - IFRS</b>				<b>37,068,336</b>
Depreciation of PPE (3) - Managerial Vision	(40,809,931)	(2,147,795)	(169,078)	(43,126,804)
Depreciation and impairment differences	147,058	634,884	1,038	782,980
<b>Depreciation of PPE - IFRS</b>				<b>(42,343,824)</b>
PPE - Managerial Vision	189,693,647	16,080,567	1,197,859	206,972,073
Accumulated depreciation and impairment differences				297,586
<b>PPE - IFRS</b>				<b>207,269,659</b>
Investments in PPE	56,051,983	5,824,233	213,273	62,089,489
<b>Investments in PPE</b>				<b>62,089,489</b>

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit (loss) of defined reportable segments.

(3) PPE: Property, plant and equipment.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**4. Segment information (cont'd)**

	Nine-month period ended on September 30, 2021 (Unaudited)			
	Neuquina basin	Noroeste - San Jorge and other basins	Others (1)	Total
Net sales - Managerial vision	76,755,108	8,292,732	15,165	85,063,005
Effect of hydrocarbon inventory valuation	(106,144)	(783,308)	-	(889,452)
<b>Net sales - IFRS</b>				<b>84,173,553</b>
Gas	65,680,449	1,167,259	-	66,847,708
Oil	10,633,543	6,330,903	-	16,964,446
Other services	334,990	11,263	15,146	361,399
<b>Net sales - IFRS</b>				<b>84,173,553</b>
Operating profit (loss) - Managerial vision	36,542,565	3,219,893	(242,347)	39,520,111
Adjustment of hydrocarbon inventory valuation	161,280	(352,556)	-	(191,276)
Depreciation differences	105,031	(103,751)	7,421	8,701
Administrative expenses (2)				(3,938,556)
<b>Operating profit - IFRS</b>				<b>35,398,980</b>
Depreciation of PPE (3) - Managerial Vision	(26,174,102)	(816,371)	(139,288)	(27,129,761)
Depreciation differences	105,031	(103,751)	7,421	8,701
<b>Depreciation of PPE - IFRS</b>				<b>(27,121,060)</b>
PPE - Managerial Vision	115,193,046	7,784,310	736,502	123,713,858
Accumulated depreciation and impairment differences				(437,023)
<b>PPE - IFRS</b>				<b>123,276,835</b>
Investments in PPE	25,284,598	1,464,052	393,904	27,142,554
<b>Investments in PPE</b>				<b>27,142,554</b>

(1) It corresponds to other activities of the Company not included under the defined operating segments.

(2) It corresponds to expenses not allocated to operating profit (loss) of defined reportable segments.

(3) PPE: Property, plant and equipment.

Depreciation and impairment differences mainly arise from the difference in acquisition costs resulting from the Property, plant and equipment valuation criteria adopted upon transition to IFRS; and from the different criteria of depreciation of seismic exploration, which is depreciated, under Managerial Vision, according to the straight-line method in a four-year period; and, under IFRS, pursuant to the depletion method.

The adjustment of the hydrocarbon inventory valuation is explained because, under managerial vision, the hydrocarbon inventory is valued at its net realizable value; whereas under IFRS, it is valued at cost, using the weighted average cost formula or the net realizable value, whichever is the lowest.

At September 30, 2022, net sales arose mainly from the United States (12.6%), Chile (5.9%), Brasil (5.5%) and Argentina (76.0%), whereas at September 30, 2021, net sales came mainly from the United States (13.1%), The Netherlands (5.1%) and Argentina (81.4%). The designation of net sales is based upon customer location.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**4. Segment information (cont'd)**

At September 30, 2022, Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) represented 18.3% of all sales revenues of the Company, without taking into account the incentives paid directly by the National Government, whereas at September 30, 2021, CAMMESA and Energía Argentina S.A. (ENARSA) represented 25.4% and 14.9%, respectively, of all sales revenues.

**5. Net sales**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Gas (i) (ii)	93,456,719	66,847,708
Oil	34,214,558	16,964,446
Other services	523,150	361,399
	<b>128,194,427</b>	<b>84,173,553</b>

(i) It includes \$11,960,663 and \$2,508,396 due to incentives obtained under the Public Bidding – Promotion Plan for Argentine Natural Gas Production/2020-2024 Supply and Demand Scheme under Resolution No. 317/2020 from the Office of the Secretary of Energy (hereinafter referred to as “Plan Gas 4”), for the nine-month periods ended on September 30 2022, and September 30, 2021, respectively.

(ii) It includes \$21,074,819 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution 46E/2017 as amended, at the nine-month period ended on September 30, 2021 (see Note 32).

**6. Operating costs**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Inventories at the beginning of the period	(3,426,980)	(2,771,888)
Purchases, uses and production costs	(78,062,667)	(45,026,634)
Inventories at the end of the period	4,905,063	3,291,499
Currency translation differences	(1,587,264)	(476,961)
<b>Operating costs</b>	<b>(78,171,848)</b>	<b>(44,983,984)</b>
Labor costs	(5,087,677)	(2,400,842)
Fees and services	(703,213)	(432,385)
Maintenance operations and wells service costs	(9,428,019)	(4,826,632)
Depreciation of property, plant and equipment	(42,175,784)	(26,989,193)
Depreciation of right-of-use assets	(704,966)	(457,591)
Treatment and storage	(522,661)	(347,291)
Royalties and other taxes (iii)	(14,186,211)	(7,571,141)
Others	(2,833,088)	(1,900,713)
Purchases and stock uses	(2,421,048)	(100,846)
<b>Purchases, uses and production costs</b>	<b>(78,062,667)</b>	<b>(45,026,634)</b>

(iii) Royalties are paid for the production of crude oil and natural gas ranging from 12% to 17% of said production, valued on the basis of the prices actually obtained in the commercialization of hydrocarbons in the area, less deductions provided for in the legislation for the treatment of the product to make it fit for delivery to third parties.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**7. Selling expenses**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Taxes	(2,801,446)	(1,649,084)
Storage and transport	(2,101,439)	(619,703)
Recovery of allowance for doubtful accounts	155,906	2,999,983
Others - recovery/(expense)	6,315	(29,711)
	<b>(4,740,664)</b>	<b>701,485</b>

**8. Administrative expenses**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Labor costs	(5,153,703)	(2,607,710)
Fees and services	(1,135,436)	(543,389)
Depreciation of property, plant and equipment	(168,040)	(131,867)
Depreciation of right-of-use assets	(107,639)	(70,694)
Taxes	(1,398,884)	(906,111)
Office expenses	(820,791)	(412,524)
Reimbursement of expenses <sup>(i)</sup>	1,108,493	601,872
	<b>(7,676,000)</b>	<b>(4,070,423)</b>

(i) These are not liable to association or proration in connection with each line involved in the costs and/or expenses notes, but rather in connection with the tasks which constitute the function of the operator.

**9. Labor costs (included in Operating costs and Administrative expenses)**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Salaries, wages and others	(7,777,657)	(3,758,848)
Social security costs	(1,500,817)	(819,008)
Employee benefits programs (Note 24)	(962,906)	(430,696)
	<b>(10,241,380)</b>	<b>(5,008,552)</b>

**10. Other net operating profit (loss)**

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
<i>Other operating income</i>		
Recovery of provisions for legal claims and contingencies	1,302	-
Profit from the sale of property, plant, equipment and materials	101,036	13,173
Reversal of provision for asset retirement obligations	180,550	-
Reimbursements and compensations	40,728	14,124
Profit from other sales	-	20,287
Profit from the sale of Parques Eólicos de la Buena Ventura S.A. (Notes 33 and 35)	235,498	-
Others	309,252	134,004
	<b>868,366</b>	<b>181,588</b>

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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**10. Other net operating profit (loss) (cont'd)**

	Nine-month period ended on September 30,	
	2022	2021
	(Unaudited)	
<i>Other operating expenses</i>		
Provision for legal claims and contingencies	(8,545)	(7,527)
Others	(8,031)	(183,099)
	<b>(16,576)</b>	<b>(190,626)</b>

**11. Net financial profit (loss)**

	Nine-month period ended on September 30,	
	2022	2021
	(Unaudited)	
Dividend income	389,567	109,876
Interest income	3,646,448	2,606,807
<b>Financial income</b>	<b>4,036,015</b>	<b>2,716,683</b>
Interest cost	(5,291,694)	(4,820,960)
<b>Financial costs</b>	<b>(5,291,694)</b>	<b>(4,820,960)</b>
Net loss from exchange differences	(14,904,375)	(6,386,578)
Changes in the fair value of derivative instruments	(1,597,010)	(1,270,762)
Profit from the purchase and holding of other investments	296,651	4,033,770
Other net financial loss	(80,197)	(304,009)
<b>Other net financial loss</b>	<b>(16,284,931)</b>	<b>(3,927,579)</b>
<b>Net financial loss</b>	<b>(17,540,610)</b>	<b>(6,031,856)</b>

**12. Income tax**

	Nine-month period ended on September 30,	
	2022	2021
	(Unaudited)	
Current income tax	-	(5,124,083)
Deferred income tax - profit/(loss) (Note 27)	4,798,867	(3,929,048)
	<b>4,798,867</b>	<b>(9,053,131)</b>

Law No. 27.430/2017, as amended, was considered for the assessment of income tax for the period, given that there was a variation percentage of the Consumer Price Index (CPI) which exceeded the 100% accumulated during the last three years prior to the commencement of the current period. Additionally, the Company has made inflation adjustments upon tax losses originated as from January 1, 2018, in compliance with Income Tax Law (as revised in 2019 and subsequently amended). The re-statement of tax losses due to inflation (pursuant to section 25 of Income Tax Law) is subject to a special regime which differs from the regime applicable to the remaining updates included in such legislation.



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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**13. Property, plant and equipment - Exploration, evaluation and development assets**

	Nine-month period ended on September 30,							
	2022							2021
	Development and production assets	Machinery and equipment	Asset retirement obligations	Exploration and evaluation	Works in progress (i)	Others	Total	Total
<u>Cost</u>								
								(Unaudited)
At the beginning of the period	248,043,634	116,364,539	2,429,411	9,692,850	20,219,398	6,530,981	403,280,813	298,745,658
Currency translation differences	117,553,347	51,599,947	1,073,381	4,840,815	10,636,486	2,665,781	188,369,757	53,102,485
Additions	-	-	100,784	-	61,161,350	377,015	61,639,149	27,253,766
Transfers of right-of-use assets	-	-	-	-	551,124	-	551,124	15,357
Transfers	41,632,186	5,120,857	-	7,379,792	(54,041,755)	(91,080)	-	-
Write-offs	-	-	-	-	(1,350,990)	(543,877)	(1,894,867)	(666,195)
At the end of the period	407,229,167	173,085,343	3,603,576	21,913,457	37,175,613	8,938,820	651,945,976	378,451,071
<u>Depreciation</u>								
At the beginning of the period	187,051,545	81,590,215	2,167,346	-	-	3,525,284	274,334,390	193,161,310
Currency translation differences	87,285,304	38,309,450	968,657	-	-	1,602,528	128,165,939	34,906,475
Depreciation of the period	28,849,318	12,898,523	127,553	-	-	468,430	42,343,824	27,121,060
Write-offs	-	-	-	-	-	(167,836)	(167,836)	(14,609)
At the end of the period	303,186,167	132,798,188	3,263,556	-	-	5,428,406	444,676,317	255,174,236
<b>Residual value</b>	<b>104,043,000</b>	<b>40,287,155</b>	<b>340,020</b>	<b>21,913,457</b>	<b>37,175,613</b>	<b>3,510,414</b>	<b>207,269,659</b>	<b>123,276,835</b>

(i) It includes \$499,468 and \$296,296 from works in progress related to exploration and evaluation investments at September 30, 2022 and September 30, 2021, respectively.

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**13. Property, plant and equipment - Exploration, evaluation and development assets (cont'd)**

**Impairment of long-term assets**

The Company analyses *Property, plant and equipment - Exploration, evaluation and development assets and Right-of-use assets* for impairment periodically or whenever events or changes in the circumstances indicate potential evidence of impairment.

The recoverable value of each CGU (considering a CGU as each area in which Tecpetrol S.A has interest) is estimated as the higher of an asset's fair value less direct costs of disposal and value in use. The value in use is calculated based on the discounted cash flows, applying a discount rate based on the weighted average cost of capital (WACC), which considers the risks of the country where the CGU operates and its specific characteristics.

The determination of the discounted cash flows is based on projections approved by the Management and includes a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sales prices, the evolution of the curve of future hydrocarbon prices, inflation, exchange rates, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding its operations and available market information.

Cash flow derived from the different CGUs is usually projected for a period that covers the existence of commercially exploitable reserves and is limited to the existence of reserves for the term of the concession or contract.

In the nine-month periods ended on September 30, 2022 and September 30, 2021, the Company did not recognize impairment charges in Property, plant and equipment - Exploration, evaluation and development assets.

**14. Leases**

*Right-of-use assets and liabilities*

There follows the evolution of right-of-use assets and liabilities disclosed in the Interim Condensed Statement of Financial Position at September 30, 2022 and September 30, 2021:

*Right-of-use assets*

	Nine-month period ended on September 30,					
	2022					2021
	Drilling equipment	Other equipment	Offices	Others	Total	Total
	(Unaudited)					
At the beginning of the period	736,692	932,962	1,337,750	108,065	3,115,469	1,520,902
Currency translation differences	280,608	336,917	553,631	186,446	1,357,602	292,296
Net additions	315,076	171,648	171,254	712,080	1,370,058	1,235,569
Transfers to property, plant and equipment	(540,979)	(3,533)	-	(6,612)	(551,124)	(15,357)
Depreciation of the period	(39,633)	(470,805)	(219,188)	(82,979)	(812,605)	(528,285)
<b>At the end of the period</b>	<b>751,764</b>	<b>967,189</b>	<b>1,843,447</b>	<b>917,000</b>	<b>4,479,400</b>	<b>2,505,125</b>

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**14. Leases (cont'd)**

*Right-of-use liabilities*

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
At the beginning of the period	2,851,461	1,611,976
Exchange and translation differences	1,068,352	283,265
Net additions	1,370,058	785,648
Interest accrued <sup>(i)</sup>	123,701	97,063
Payments	(1,329,999)	(557,781)
<b>At the end of the period</b>	<b>4,083,573</b>	<b>2,220,171</b>

  

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Non-current	2,132,490	1,627,483
Current	1,951,083	1,223,978
	<b>4,083,573</b>	<b>2,851,461</b>

(i) Included under Financial costs in the Interim Condensed Income Statement at September 30, 2022 and September 30, 2021.

**15. Investments in entities accounted for using the equity method**

At September 30, 2022 and September 30, 2021, the Company held 15% of the share capital of Oleoducto Loma Campana - Lago Pellegrini S.A. and YPF S.A. held the remaining 85%. Both shareholders exercise joint control over such company, pursuant to the Shareholders' Agreement.

The evolution of investments in joint ventures is disclosed below:

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
At the beginning of the period	229,916	187,618
Currency translation differences	120,960	31,529
Profit (loss) from investments in joint ventures	106,437	(3,498)
<b>At the end of the period</b>	<b>457,313</b>	<b>215,649</b>

Regarding the financing of the project, the shareholders agreed that 70% of such funds would come from a loan granted by the National Social Security Administration (Administración Nacional de la Seguridad Social, ANSES), acting as legal administrator of the Pension Fund of the Argentine Integrated Pension System (Fondo de Garantía de Sustentabilidad del Sistema Integrado Previsional Argentino, FGS-ANSES); and the remaining 30% would come from shareholders' contributions in proportion to their interest. As a condition precedent to the first payment under the loan for consumption entered into by Oleoducto Loma Campana – Lago Pellegrini S.A and the FGS-ANSES, for up to an amount of USD 63 million, in May 2019, YPF S.A. and the Company granted a first-ranking pledge over all shares of Oleoducto Loma Campana – Lago Pellegrini S.A., in favor of FGS-ANSES.

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**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**15. Investments in entities accounted for using the equity method (cont'd)**

Accounting information from Oleoducto Loma Campana - Lago Pellegrini S.A. is disclosed below:

	<b>At September 30, 2022</b>
	<b>(Unaudited)</b>
Share capital	868,399
Profit for the period	709,580
Equity	3,048,753
Holding of common shares (1 vote)	130,259,852

**16. Investments in equity instruments at fair value**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Non-quoted investments	3,346,055	2,085,520

The evolution of investments in equity instruments at fair value is as follows:

	<b>Nine-month period ended on September 30, 2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
At the beginning of the period	2,085,520	1,542,888
Currency translation differences	1,020,812	280,394
Net write-offs <sup>(i)</sup>	-	(1,156)
Changes in the fair value	239,723	413,731
<b>At the end of the period</b>	<b>3,346,055</b>	<b>2,235,857</b>

(i) In February 2020, Tecpetrol S.A. and its Parent Company, Tecpetrol Internacional S.L.U., approved the incorporation of Tecpe Trading S.A., whose main objective was the commercialization of hydrocarbons and electric power, among others. In July 2022, the liquidation of Tecpe Trading S.A. due to inactivity was recorded with the IGJ.

There follows a detail of the main investments in equity instruments at fair value:

<b>Company</b>	<b>Country</b>	<b>Interest %</b>		<b>September 30, 2022</b>	<b>December 31, 2021</b>
		<b>Sep-22</b>	<b>Dec-21</b>		
				<b>(Unaudited)</b>	
Tecpetrol del Perú S.A.C.	Peru	2.00	2.00	1,639,392	1,100,615
Tecpetrol Bloque 56 S.A.C.	Peru	2.00	2.00	939,026	511,729
Oleoductos del Valle S.A.	Argentina	2.10	2.10	517,341	309,675
Terminales Marítimas Patagónicas S.A.	Argentina	4.20	4.20	133,030	92,756
Tecpetrol Operaciones S.A. de C.V.	Mexico	0.9482	0.9482	73,744	38,724
Tecpetrol Colombia S.A.S.	Colombia	0.149	0.149	42,653	31,408
Other investments				869	613
<b>Total</b>				<b>3,346,055</b>	<b>2,085,520</b>

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**16. Investments in equity instruments at fair value (cont'd)**

The fair value of the investments in equity instruments is estimated on the basis of discounted cash flows, which includes a set of sensitive estimates and assumptions, such as changes in hydrocarbons production levels, sale price, the evolution of the curve of hydrocarbon prices, inflation, exchange rates, collection of dividends, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding the evolution of its investments and available market information.

**17. Other receivables and prepayments**

	September 30, 2022	December 31, 2021
	(Unaudited)	
<b>Non-current</b>		
Expenses paid in advance	1,106,741	645,150
Employees loans and prepayments	250,543	103,115
Other receivables from related parties (Note 33)	140,349	112,954
	<b>1,497,633</b>	<b>861,219</b>
<b>Current</b>		
Receivables (i) (ii)	12,479,753	8,016,708
Tax credits	3,023,721	2,036,982
Expenses paid in advance	443,877	158,936
Employees loans and prepayments	1,130,111	105,349
Other receivables from related parties (Note 33)	2,786,972	1,535,389
	<b>19,864,434</b>	<b>11,853,364</b>
Allowance for doubtful accounts	(194,066)	(328,787)
	<b>19,670,368</b>	<b>11,524,577</b>

(i) It includes \$11,433,135 and \$664,276 from incentives obtained under Plan Gas 4. At September 30, 2022 and December 31, 2021, \$5,653,849 and \$523,026, respectively, are past due.

(ii) It includes \$6,726,869 due to incentives to investments in natural gas production developments from unconventional reservoirs, granted under Resolution 46E/2017 as amended, at December 31, 2021 (see Note 32).

There follows the evolution of the allowance for doubtful accounts:

	Nine-month period ended on September 30, 2022	2021
	(Unaudited)	
Balance at the beginning of the period	(328,787)	(2,562,960)
Exchange and translation differences	(36,868)	(415,980)
Net recoveries	171,589	2,610,777
Uses	-	318
Balance at the end of the period	<b>(194,066)</b>	<b>(367,845)</b>

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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**18. Trade receivables**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Trade receivables	37,952,998	13,696,077
Trade receivables from related parties (Note 33)	485,121	215,235
	<b>38,438,119</b>	<b>13,911,312</b>
Allowance for doubtful accounts	(754,144)	(746,306)
	<b>37,683,975</b>	<b>13,165,006</b>

The evolution of the allowance for doubtful accounts is disclosed below:

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Balance at the beginning of the period	(746,306)	(1,116,937)
Exchange and translation differences	7,845	(52,903)
Net (increases)/recoveries	(15,683)	389,206
Uses	-	32,268
Balance at the end of the period	<b>(754,144)</b>	<b>(748,366)</b>

**19. Inventories**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Hydrocarbons	789,039	332,168
Materials and spare parts	4,116,024	3,094,812
	<b>4,905,063</b>	<b>3,426,980</b>

**20. Other investments and Cash and cash equivalents**

*(a) Other investments*

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Bonds	38,494,491	26,333,676
Share deposit certificates	-	8,048,067
	<b>38,494,491</b>	<b>34,381,743</b>

*(b) Cash and cash equivalents*

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Cash and banks	436,816	4,693,867
Short-term deposits	3,302,123	13,994,892
	<b>3,738,939</b>	<b>18,688,759</b>

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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**21. Financial instruments**

**21.1 Liquidity risk**

At September 30, 2022, Tecpetrol had a negative working capital of \$24,816.5 million (at December 31, 2021 it had a negative working capital of \$4,638.1) which was generated mainly by borrowings. This situation is constantly monitored by the members of the Board and the Management. At the date of issuance of these Interim Condensed Financial Statements, such situation was handled (see Notes 23 and 36).

**21.2 Financial instruments by category**

Financial instruments by category are disclosed below:

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
<b>At September 30, 2022</b>				
<b>Assets</b>				
<b>(Unaudited)</b>				
Investments in equity instruments at fair value	-	-	3,346,055	3,346,055
Other receivables	-	15,215,102	-	15,215,102
Trade receivables	-	37,683,975	-	37,683,975
Other investments	38,494,491	-	-	38,494,491
Cash and cash equivalents	3,302,123	436,816	-	3,738,939
<b>Total</b>	<b>41,796,614</b>	<b>53,335,893</b>	<b>3,346,055</b>	<b>98,478,562</b>
<b>At September 30, 2022</b>				
<b>Liabilities</b>				
<b>(Unaudited)</b>				
Borrowings	-	117,504,728	117,504,728	
Right-of-use liabilities	-	4,083,573	4,083,573	
Derivative financial instruments	115,696	-	115,696	
Trade and other payables	-	22,051,938	22,051,938	
<b>Total</b>	<b>115,696</b>	<b>143,640,239</b>	<b>143,755,935</b>	
<b>At December 31, 2021</b>				
<b>Assets</b>				
Investments in equity instruments at fair value	-	-	2,085,520	2,085,520
Other receivables	-	9,225,604	-	9,225,604
Trade receivables	-	13,165,006	-	13,165,006
Derivative financial instruments	844	-	-	844
Other investments	34,381,743	-	-	34,381,743
Cash and cash equivalents	13,994,892	4,693,867	-	18,688,759
<b>Total</b>	<b>48,377,479</b>	<b>27,084,477</b>	<b>2,085,520</b>	<b>77,547,476</b>

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**21. Financial instruments (cont'd)**

**21.2 Financial instruments by category (cont'd)**

<b>At December 31, 2021</b>	<b>At fair value through profit or loss</b>	<b>At amortized cost</b>	<b>Total</b>
<b>Liabilities</b>			
Borrowings	-	91,600,758	91,600,758
Right-of-use liabilities	-	2,851,461	2,851,461
Derivative financial instruments	166,061	-	166,061
Trade and other payables	-	11,506,730	11,506,730
<b>Total</b>	<b>166,061</b>	<b>105,958,949</b>	<b>106,125,010</b>

**21.3 Fair value estimate**

At September 30, 2022 and December 31, 2021, the fair value of all assets and liabilities valued at amortized cost did not significantly differ from their carrying value. Moreover, there were no transfers among fair value hierarchies of financial instruments of Tecpetrol S.A during the nine-month period ended on September 30, 2022.

Financial instruments measured at fair value can be classified into any of the following hierarchical levels, depending on how the fair value is estimated:

Level 1 – Based on quoted prices in active markets for identical assets and liabilities. A market is considered active when the quoted prices are available and such prices represent transactions regularly conducted between independent parties.

Level 2 – Based on market inputs (other than quoted market prices included within Level 1) that are observable for assets and liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices). The fair value of financial instruments that are not traded in an active market is determined by means of standard valuation techniques which maximize the use of observable market inputs.

Level 3 – Based on information not observable in the market (for example, discounted cash flows).

The following table presents the financial instruments measured at fair value by hierarchy level at September 30, 2022 and December 31, 2021:

<b>At September 30, 2022 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Investments in equity instruments at fair value	-	-	3,346,055
Other investments	38,494,491	-	-
Cash and cash equivalents	3,302,123	-	-
<b>Total</b>	<b>41,796,614</b>	<b>-</b>	<b>3,346,055</b>
<b>Liabilities</b>			
Derivative financial instruments	-	115,696	-
<b>Total</b>	<b>-</b>	<b>115,696</b>	<b>-</b>



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**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**21. Financial instruments (cont'd)**

**21.3 Fair value estimate (cont'd)**

<b>At December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Investments in equity instruments at fair value	-	-	2,085,520
Derivative financial instruments	-	844	-
Other investments	34,381,743	-	-
Cash and cash equivalents	13,994,892	-	-
<b>Total</b>	<b>48,376,635</b>	<b>844</b>	<b>2,085,520</b>
<b>Liabilities</b>			
Derivative financial instruments	-	166,061	-
<b>Total</b>	<b>-</b>	<b>166,061</b>	<b>-</b>

**22. Equity**

**Share capital**

At September 30, 2022 and December 31, 2021, the Company's capital amounted to \$4,436,448 and was represented by 4,436,448,068 shares carrying a nominal value of \$1 each.

**Distribution of dividends**

On August 23, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of dividends, and therefore, partially reduced the reserve for future dividends by \$7,346 million, \$6,832 million were distributed in kind (bonds) and \$514 million were distributed in cash. Such dividends were paid on August 30, 2022.

**23. Borrowings**

	<b>September 30, 2022 (Unaudited)</b>	<b>December 31, 2021</b>
<b>Non-current</b>		
Bank borrowings	18,344,372	19,540,099
Negotiable obligations	-	668,697
	<b>18,344,372</b>	<b>20,208,796</b>
<b>Current</b>		
Bank borrowings	26,461,515	16,234,083
Borrowings from related parties (Note 33)	-	5,810,239
Negotiable obligations	72,698,841	49,347,640
	<b>99,160,356</b>	<b>71,391,962</b>

The Company must comply with certain obligations and must refrain from performing certain acts under the conditions set forth in the borrowing agreements and negotiable obligations. Such commitments have been fulfilled at September 30, 2022 and December 31, 2021.

Pursuant to Communication "A" 7030, as amended, issued by the BCRA on May 28, 2020, prior approval from the BCRA is required to access the foreign exchange market in order to settle principal payments of offshore financial debts when the lender is a counterparty related to the debtor.

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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**23. Borrowings (cont'd)**

By means of Communication "A" 7106 dated September 15, 2020, the BCRA introduced restrictions to access the exchange market. One of such measures applicable to entities with offshore financial debt with a non-related counterparty and with debt securities issued in Argentina and denominated in foreign currency, maturing between October 15, 2020 and March 31, 2021 is the obligation to submit a refinancing plan under certain parameters. Additionally, on February 25, 2021, December 9, 2021, March 3, 2022, and October 13, 2022, through Communications "A" 7230, "A" 7416, "A" 7466 and "A" 7621, respectively, the BCRA extended the obligation to submit a refinancing plan for principal amounts maturing from April 1, 2021 to December 31, 2021, from January 1, 2022 to June 30, 2022, and from July 1, 2022 to December 31, 2022, and from January 1, 2023 to December 31, 2023, respectively, pursuant to Communication "A" 7106. At the date of issuance of these Interim Condensed Financial Statements, the Company refinanced its debts in compliance with the above-mentioned Communications.

There follows the evolution of borrowings:

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Balance at the beginning of the period	91,600,758	96,197,330
Proceeds from borrowings	5,897,774	25,573,146
Issuance of negotiable obligations	-	577,239
Payments of borrowings	(16,971,822)	(44,782,451)
Interest accrued	4,480,881	4,242,417
Paid interest	(3,167,382)	(3,550,367)
Loss from the repurchase of negotiable obligations	-	222,108
Repurchase of negotiable obligations	-	(531,110)
Exchange and translation differences	35,664,519	14,955,018
<b>Balance at the end of the period</b>	<b>117,504,728</b>	<b>92,903,330</b>

Bank borrowings and borrowings from related parties are detailed below:

<b>Lender</b>	<b>Sep-22</b>	<b>Interest rate</b>	<b>Contract's currency</b>	<b>Amortization of capital</b>	<b>Maturity</b>
J.P. Morgan Chase Bank, Citibank and others <sup>(i)</sup>	10,897,533	Adjusted Term SOFR + 1.50%	USD	Quarterly	Dec-22 to Sep-24 (i)
Banco Santander Río	1,111,590	4.25%	USD	1 installment	Nov-22
Itaú Unibanco S.A. Nassau Branch	25,829,464	5.75%	USD	Quarterly	Dec-22 to Sep-24
Banco Citibank	3,544,311	50.35%	ARS	At maturity	Oct-22
Banco Patagonia	3,422,989	57.35%	ARS	At maturity	Oct-22

(i) In February 2022, Tecpetrol S.A. agreed to refinance the remaining balance of the debt extending the definitive maturity date to September 2024, therefore complying with Communications "A" 7416 and 7466 from the BCRA. Besides, under such addendum, from March 18, 2022, principal bears quarterly compensatory interest at a Term SOFR rate with an adjustment of 0.16161% and an applicable margin of 150 bps per year. The remaining terms and conditions are the ones regularly used in this type of refinancing transactions.

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**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**23. Borrowings (cont'd)**

<b>Lender</b>	<b>Dec-21</b>	<b>Interest rate</b>	<b>Contract's currency</b>	<b>Amortization of capital</b>	<b>Maturity</b>
Tecpetrol Internacional S.L.U.	5,810,239	9.00%	USD	1 installment	Mar-22
J.P. Morgan Chase Bank, Citibank and others	9,458,166	Libor 3M + 1.50%	USD	Quarterly	Mar-22 to Dec-23
Banco Santander Río	1,550,488	4.25%	USD	2 installments	May-22 and Nov-22
Itaú Unibanco S.A. Nassau Branch	24,765,528	5.75%	USD	Quarterly	Mar-22 to Sep-24

Negotiable obligations are detailed below:

<b>Series</b>	<b>Sep-22</b>	<b>Dec-21</b>	<b>Interest rate</b>	<b>Contract's currency</b>	<b>Amortization of capital</b>	<b>Maturity</b>
Class 1 (i)	71,734,231	49,343,756	4.875%	USD	At maturity	Dec-22
Class 4 (ii)	964,610	672,581	4.00%	USD	At maturity	Feb-23

(i) On December 12, 2017, the Company issued Class 1 Negotiable obligations for a nominal value of USD 500 million, with an issuance price of 100%, which bear interest at a fixed rate of 4.875% and mature on December 12, 2022. Interest is payable semi-annually as from June 12, 2018. Principal must be paid upon maturity; and the Company has the right to redeem the negotiable obligations with no premium, in whole or in part, at any time as from December 12, 2020. Funds obtained from the issuance of such negotiable obligations were used to invest in fixed assets in Fortín de Piedra area in Vaca Muerta formation, located in the province of Neuquén. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the negotiable obligations of the Company.

At September 30, 2022, and December 31, 2021, the Company purchased Class 1 negotiable obligations at market values for a total of USD 20 million (nominal value).

On November 1, 2022, the Company fully redeemed Class 1 negotiable obligations. The redemption value equals 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption (see Note 36).

(ii) On February 9, 2021, the Company issued Class 4 negotiable obligations for a nominal value of USD 6.5 million, paid in cash (in USD) and in kind through the delivery of negotiable obligations Class 2, with an issuance price of 100%, bearing interest at a fixed rate of 4% and maturing on February 9, 2023. Interest is payable quarterly, and principal will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations were used for the partial refinancing of Class 2 negotiable obligations, as stated under Communication "A" 7106 from the BCRA.

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**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**24. Employee benefits programs**

The liability recognized in the Interim Condensed Statement of Financial Position and the amounts disclosed in the Interim Condensed Income Statement are detailed below:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
<b>Non-current</b>		
Pension programs and other plans <sup>(i)</sup>	2,688,498	1,643,292
Employee retention and long-term incentive program	1,917,517	1,077,035
	<b>4,606,015</b>	<b>2,720,327</b>
<b>Current</b>		
Employee retention and long-term incentive program	570,401	397,716
	<b>570,401</b>	<b>397,716</b>

(i) There were no enforceable debts at September 30, 2022 and December 31, 2021.

	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	<b>(Unaudited)</b>	
Pension programs and other plans	(547,307)	(227,811)
Employee retention and long-term incentive program	(415,599)	(202,885)
<b>Total included in Labor costs (Note 9)</b>	<b>(962,906)</b>	<b>(430,696)</b>

**25. Provisions**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
<b>Non-current</b>		
Asset retirement obligations	6,915,468	4,300,532
Provision for other contingencies	139,953	105,202
	<b>7,055,421</b>	<b>4,405,734</b>
<b>Current</b>		
Asset retirement obligations	409,847	510,465
Provision for other contingencies	3,535	-
	<b>413,382</b>	<b>510,465</b>

The evolution of provisions is disclosed below:

*Asset retirement obligations*

	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	<b>(Unaudited)</b>	
Balance at the beginning of the period	4,810,997	4,663,621
Currency translation differences	2,154,859	831,608
Net increases	416,589	247,238
Uses	(57,130)	(21,500)
<b>Balance at the end of the period</b>	<b>7,325,315</b>	<b>5,720,967</b>

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**25. Provisions (cont'd)**

*Other contingencies*

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Balance at the beginning of the period	105,202	86,119
Exchange and translation differences	28,534	16,292
Net increases	9,752	56,075
Balance at the end of the period	<b>143,488</b>	<b>158,486</b>

**26. Trade and other payables**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Trade payables	16,099,090	9,886,305
Payables to related parties (Note 33)	5,676,854	1,421,992
Social security debts and other taxes	6,687,919	2,371,374
Other liabilities	275,994	198,433
	<b>28,739,857</b>	<b>13,878,104</b>

**27. Deferred income tax**

There follows the evolution of deferred income tax:

	<b>Nine-month period ended on September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
Balance at the beginning of the period - Net deferred assets/(liabilities)	101,234	(4,085,293)
Charged directly to Other comprehensive income	(75,833)	(237,215)
Profit (loss) for the period	4,798,867	(3,929,048)
Currency translation differences	2,093,777	(989,052)
<b>Balance at the end of the period - Net deferred assets/(liabilities)</b>	<b>6,918,045</b>	<b>(9,240,608)</b>

**28. Derivative financial instruments**

There follows a detail of net fair values of derivative financial instruments:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
Foreign currency derivatives	-	844
<b>Derivatives with a positive fair value</b>	<b>-</b>	<b>844</b>
Foreign currency derivatives	(115,696)	(166,061)
<b>Derivatives with a negative fair value</b>	<b>(115,696)</b>	<b>(166,061)</b>

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**28. Derivative financial instruments (cont'd)**

There follows a detail of derivative financial instruments:

Purchase currency	Sale currency	Maturity	Type of contract	Fair value	
				September 30, 2022	December 31, 2021
				<b>(Unaudited)</b>	
USD	ARS	2022	Forward (NDF)	(115,696)	(165,217)
USD	ARS	2022	Futures (Rofex)	-	-
				<b>(115,696)</b>	<b>(165,217)</b>

**29. Cash Flow Statement complementary information**

*Adjustments to profit for the period (i)*

	Nine-month period ended on September 30,	
	2022	2021
	<b>(Unaudited)</b>	
Depreciation of property, plant and equipment (Note 13)	42,343,824	27,121,060
Depreciation of right-of-use assets (Note 14)	812,605	528,285
Profit from the sale of property, plant, equipment and materials (Note 10)	(101,036)	(13,173)
Profit from the sale of Parques Eólicos de la Buena Ventura S.A. (Note 10)	(235,498)	-
Exploration costs	1,389,369	412,613
Income tax (Note 12)	(4,798,867)	9,053,131
Net accrued interest from borrowings	1,313,499	692,050
Accrued interest from right-of-use liabilities (Note 14)	123,701	97,063
Dividend income (Note 11)	(389,567)	(109,876)
Provisions - Net increases/(recoveries)	1,067,726	(2,583,001)
Loss from the repurchase of negotiable obligations (Note 23)	-	222,108
(Profit) loss from investments in entities accounted for using the equity method (Note 15)	(106,437)	3,498
Loss from employee benefits programs (Note 9)	962,906	430,696
	<b>42,382,225</b>	<b>35,854,454</b>

(i) There is no significant difference between interest income and interest collected.

*Changes in working capital*

	Nine-month period ended on September 30,	
	2022	2021
	<b>(Unaudited)</b>	
Increase in trade and other receivables	(33,174,291)	(8,735,979)
Increase in inventories	(2,067,612)	(519,611)
Changes in derivative financial instruments	(49,521)	(95,878)
Increase in trade and other payables	10,673,732	2,731,626
	<b>(24,617,692)</b>	<b>(6,619,842)</b>

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**30. Assets and liabilities in currency other than Argentine pesos <sup>(1)</sup>**

Item	Type <sup>(2)</sup>	09.30.2022 (Unaudited)		12.31.2021	
		Amount in currency other than Argentine pesos <sup>(3)</sup>	Amount in local currency at 147.32 <sup>(4)</sup>	Amount in currency other than Argentine pesos <sup>(3)</sup>	Amount in local currency at 102.72 <sup>(4)</sup>
<b>Assets</b>					
<b>Non-current assets</b>					
Other receivables and prepayments	USD	3,790	558,334	3,084	316,744
<b>Current assets</b>					
Other receivables and prepayments	USD	20,156	2,969,422	13,636	1,400,697
Other investments	USD	84,676	12,474,490	67,711	6,955,315
Trade receivables	USD	64,730	9,535,966	40,822	4,193,280
Cash and cash equivalents	USD	632	93,146	1,136	116,645
<b>Total assets</b>			<b>25,631,358</b>		<b>12,982,681</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	USD	124,521	18,344,372	196,737	20,208,796
Right-of-use liabilities	USD	11,109	1,636,560	15,064	1,547,405
Provisions	USD	46,942	6,915,468	41,867	4,300,532
<b>Current liabilities</b>					
Borrowings	USD	625,801	92,193,056	695,015	71,391,962
Right-of-use liabilities	USD	11,618	1,711,512	11,542	1,185,605
Provisions	USD	2,782	409,847	4,969	510,465
Trade and other payables	USD	73,326	10,802,378	58,001	5,957,897
<b>Total liabilities</b>			<b>132,013,193</b>		<b>105,102,662</b>

(1) This information is presented for the purposes of complying with the provisions of the CNV. Foreign currency is the currency which is different from the Company's presentation currency.

(2) USD = US dollar.

(3) Amounts stated in thousands.

(4) USD quotation: Banco de la Nación Argentina exchange rate in force at September 30, 2022 and December 31, 2021, respectively.

**31. Contingencies, main investment commitments, guarantees and restrictions on the distribution of profits**

**(i) Contingencies**

The Company has contingent liabilities in respect of claims arising from the ordinary course of business. Moreover, there are certain interpretations of controlling authorities as to the calculation and payment of certain taxes that differ from the criterion applied by the Company. Based on the Management's assessment and the opinion of the legal counsels, the Company does not anticipate incurring in any material expenses derived from contingent liabilities other than those provided for in these Interim Condensed Financial Statements.

**Tecpetrol Sociedad Anónima**  
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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**31. Contingencies, main investment commitments, guarantees and restrictions on the distribution of profits (cont'd)**

(ii) Main investment commitments and guarantees

There follows a detail of the main commitments assumed by Tecpetrol S.A. through surety bonds and bank guarantees, at the date of issuance of these Interim Condensed Financial Statements:

- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, of all obligations set forth under Section 81 of the Annex to Decree No. 892/20 related to Plan Gas 4, for USD 71.40 million.
- Guarantee in favor of the Energy Institute of the province of Santa Cruz for contract performance of the second exploratory phase in Gran Bajo Oriental for an amount of USD 2.85 million.
- Guarantee for contract performance under the investment and work plan for the exploration of Block MLO-124 Ronda Costa Afuera N°1 for an amount of USD 1.99 million.
- Guarantee for USD 0.18 million on the shares purchase agreement of Parques Eólicos de la Buena Ventura S.A.

Furthermore, the Company has the following investment commitments in the areas where it operates:

Basin	Area	Pending investment commitments
Noroeste - San Jorge and others	El Tordillo and La Tapera - Puesto Quiroga	Additional investments for USD 200 million to be made until December 31, 2026, aiming at extending the operations in the area for 20 years starting in 2027 (USD 135 million of such amount must be invested before December 31, 2023).
	Gran Bajo Oriental	One vertical well drilled 1900 meters deep will have been completed before June 7, 2025.
	MLO-124	3D seismic studies over the entirety of the area, 3D seismic performance and acquisition of 3D seismic to be completed before October 2025.
Neuquina	Agua Salada	Well servicing (repairs) of 4 wells to be completed before February 2023.
	Los Bastos	Exploratory investments for USD 10.85 million to be made until 2026 outside the exploitation area. (I)
	Los Toldos I Norte	Pilot Project investments consisting of the drilling and completion of 4 wells, acquisition of 3D seismic, infrastructure and other investments until May 2024 (by February 2024, 4 wells have to be drilled, completed and partially tested).
	Los Toldos II Este	Two horizontal wells have to be drilled, completed and partially tested before September 30, 2023.

(I) At the date of issuance of these Interim Condensed Financial Statements, the investments were made; however, certification and examination procedures by governmental authorities of the province of Neuquén are pending.



# **Tecpetrol Sociedad Anónima**

## **Interim Condensed Financial Statements at September 30, 2022**

### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

#### **31. Contingencies, main investment commitments, guarantees and restrictions on the distribution of profits (cont'd)**

##### **(ii) Main investment commitments and guarantees (cont'd)**

Under Plan Gas 4, Tecpetrol assumed a total investment commitment of approximately USD 451 million in Neuquina basin: USD 13 million for the first quarter of 2021 and about USD 29.2 million for the remaining quarters starting on the second quarter of 2021. Such investments will be made during 2021-2024 and include maintaining drilling equipment in operation (an average of 0.85 per quarter). Moreover, Tecpetrol committed to an injection of up to 14.9 million m<sup>3</sup>/d until 2024, and regarding hiring local, regional and national workforce, the Company made a commitment to proportionally increase the number of Argentinian workers under the committed investment plans until 2024. At the date of issuance of these Interim Condensed Financial Statements, Tecpetrol honored all commitments. Also, in relation to the agreements entered into with the distribution service licensees, CAMMESA and ENARSA, for the supply of natural gas under the abovementioned Plan, regular clauses for the delivery or payment of up to 10.64 million m<sup>3</sup>/d until December 2024 were included, considering increases of 4.5 million m<sup>3</sup>/d from May to September of each year.

##### **(iii) Restrictions on the distribution of profits**

In accordance with Companies Law No. 19.550 (hereinafter referred to as "LGS"), the Company's by-laws and General Resolution No. 622/13 issued by the CNV, 5% of the net profits for the year must be allocated to a legal reserve until such reserve equals 20% of the adjusted capital.

CNV General Resolution No. 609/12 sets forth that the difference between the initial balance of retained earnings disclosed in the financial statements of the first year-end under IFRS implementation and the final balance of retained earnings at the end of the last fiscal year under the previous accounting standards then in force shall be allocated to a Special Reserve. Such reserve shall not be used for distribution (whether in cash or in kind) among shareholders or owners of the entity and shall only be used for capitalization purposes or to compensate potential negative balances under *Retained earnings*. On April 26, 2018, the Shareholders at an Annual General Meeting approved the setting up of this reserve and the restrictions upon its use.

The Company's capital does not include preferred stocks. Tecpetrol S.A. is not subject to any other restriction on the distribution of profits other than the ones mentioned in the paragraph above.

#### **32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs**

On March 2, 2017, the Mining and Energy Ministry issued Resolution MINEM 46E/2017, whereby it creates a Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs located in Neuquina basin (hereinafter referred to as the "Program".)

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**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)**

For the purposes of participating in the Program and pursuant to all principles, objectives and guidelines established, Resolution MINEM No. 46-E/2017 set forth certain requirements, including, but not limited to, the presentation of an investment plan approved by the authorities of the province implementing the Program, initial production, an estimated production volume under the concession included during the term of the Program, a projection of the prices Tecpetrol S.A. will charge for natural gas from said exploitation concession, and a presentation of a measurement scheme for the production from said exploitation concession.

Subsequently, by means of Resolution MINEM No. 419-E/2017 dated November 1, 2017, some amendments were introduced to the Program aiming at: (i) including projects that already were in a development phase, but which required, in order to increase production, investments comparable to those made in projects in the early stages of their development phase, and (ii) avoiding market cost distortions arising from the assessment of the compensation based upon sales prices of each beneficiary company. In this respect, it was defined that the determination of the effective price assessment will be based on average prices in the market.

Finally, Resolution MINEM No. 447-E/2017 extended the Program created under Resolution MINEM No. 46-E/2017 in order to include the production of natural gas from unconventional reservoirs located in Austral basin.

For unconventional exploitation concessions whose adherence to the Program has been approved ("Included Concession"), the Program provided for the payment, by the State, over the whole natural gas production from such concession ("Included Production"), of an amount which equals the difference between the value of Included Production of natural gas from unconventional reservoirs ("Minimum Price"), which is of USD 7.5 per million BTU for 2018, USD 7 per million BTU for 2019, USD 6.5 per million BTU for 2020 and USD 6 per million BTU for 2021, and the average price ("Effective Price") according to Resolution MINEM No. 419-E/2017 dated November 1, 2017"). To this effect, and pursuant to the Program, member companies must report: (i) the total volume of natural gas from unconventional reservoirs and (ii) the prices of all sales of natural gas.

Within this compensation scheme, the Program provided for the possibility of member companies to choose a scheme of provisional monthly payments ("Provisional Payments") consisting of 85% (eighty-five percent) of the compensation to be received for the monthly Included Production, over the basis of production estimates submitted by the company for said month. These payments will be subsequently adjusted ("Payment Adjustments") considering final delivered volumes, certificates issued by independent auditors and definitive prices reported to the authority of implementation. The Company adopted the above-mentioned Provisional Payments scheme.

Moreover, member Companies must report to the former Office of Hydrocarbon Resources any circumstance that substantially modifies projected values or any other submitted information affecting the payments.

## **Tecpetrol Sociedad Anónima**

### **Interim Condensed Financial Statements at September 30, 2022**

#### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

##### **32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)**

After fulfilling all related requirements and obtaining approval of the investment plan by the Ministry of Energy, Public Services and Natural Resources of the province of Neuquén by means of Resolution No. 240/17; on August 23, 2017, the Company requested to participate in the Program to obtain an exploitation concession over Fortín de Piedra area.

Adherence of Tecpetrol S.A. to the Program, as beneficiary of the unconventional exploitation concession over Fortín de Piedra area, was approved by the then Secretary of Exploration and Production in charge of the Office of Hydrocarbon Resources through Resolution No. 2017-271-APN-SECRH#MEM dated November 3, 2017.

In relation to the production from January to July 2018 (all seven months included), the authority implementing the Program timely settled and paid to Tecpetrol S.A. the resulting compensations for the total of the production from the unconventional exploitation concession over Fortín de Piedra area.

Nevertheless, the Office of the Secretary of Energy settled Provisional Payment for August 2018 and subsequent months as from such date but introduced a change of criteria regarding the assessment of the compensations provided for in Resolution MINEM 46-E/2017. Said modification consisted in restricting the amount to be paid to the production projections submitted by the Company upon request of adherence to the Program. Such criterion has been retrospectively applied; thus, affecting the compensations already settled corresponding to April-July 2018. This change of criteria has a negative impact upon cash flows; therefore, the Company periodically reassesses the conditions under the Development Plan of Fortín de Piedra area for the purposes of readjusting cash flows to a new scenario and improving financial indicators.

The Company filed appeals against the resolutions issued by the Office of the Secretary of Energy settling Provisional Payments from Aug-18 to Dec-20 inclusive and Payment Adjustments from Apr-18 to Dec-20 inclusive, since the Company considers that the change of criteria adopted flagrantly violates Section 17 of the National Constitution by affecting acquired rights of the Company previously acknowledged by the Government.

In such appeals, the Company claimed, among other things, that the contested issues were contrary to the terms of the promotion regime created under Resolution MINEM 46-E/2017 and the Company's acquired rights protected by said regime after adherence. Moreover, it was explained that the terms of the Program should be understood in the sense of avoiding any kind of restriction to the production of natural gas which is the subject matter of the compensations. Besides, the change of criteria implemented by the Government constitutes a unilateral and arbitrary modification of the legal framework under consideration and violates not only previous commitments assumed by the authority of implementation, but also acts carried out by such government. Additionally, concern was expressed regarding the contended issues arising from resolutions issued by the Office of the Secretary of Energy, including, cause, subject matter, purpose, misuse of power, procedure and issuance, among others. The Company reserved its right to claim interest and damages derived from the above-mentioned contended administrative acts.

## **Tecpetrol Sociedad Anónima**

### **Interim Condensed Financial Statements at September 30, 2022**

#### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

##### **32. Program of Incentives to Investments in Natural Gas Production Developments from Unconventional Reservoirs (cont'd)**

In April 2019, the Ministry of Finance denied the appeals filed by the Company against the resolutions issued by the Office of the Secretary of Energy by means of which Provisional Payments for August, September and October 2018 were determined.

In May 2019, the Company filed a complaint against the State in order to obtain the nullity of the resolutions issued by the Office of the Secretary of Energy and confirmatory resolutions issued by the Ministry of Finance, which settled Provisional Payments for August, September and October 2018, according to the above-mentioned criterion. Apart from the request for nullity, the complaint also included a request for the collection of \$2,553.3 million (plus interest) and a request for an injunction ordering the Office of the Secretary of Energy to settle all Provisional Payments and Payment Adjustments pursuant to the criterion laid down by the Company for the remaining term of the Program. Besides, direct and indirect shareholders of Tecpetrol S.A. may file claims before international courts.

Within the framework of the Public Bidding – Promotion Plan for Argentine Natural Gas Production / 2020-2024 Supply and Demand Scheme, established by means of Executive Decree No. 892/2020 and the Bidding Terms And Conditions of the Public Bidding – Promotion Plan For Argentine Natural Gas Production / 2020-2024 Supply And Demand Scheme under Resolution No. 317/2020 issued by the Office of the Secretary of Energy (Plan Gas 4), subject to the term and validity of Plan Gas 4 and in relation to the volumes of production therein committed and delivered, Tecpetrol accepted that payments under the Program related to the volumes of natural gas delivered in accordance with Plan Gas 4 as from the first delivery, that is, January 1, 2021, will be limited to the production projection of natural gas estimated upon request of adherence of Fortín de Piedra Project to the Program. Therefore, the Company waived its right to demand payments for natural gas volumes under the Program as from January 1, 2021, exceeding the figures projected for the above-mentioned production.

In compliance with applicable accounting standards, the Company included those compensations that are highly likely to be paid by the government according to the assessment criterion used for the last payments. This represented a lower income from net sales for a total amount of \$29,915 million accumulated during the term of the Program and until the adherence to and entry into force of Plan Gas 4.

##### **33. Related-party balances and transactions**

Tecpetrol S.A. is controlled by Tecpetrol Internacional S.L.U., which holds 95.99% of the Company's shares.

San Faustin S.A. ("San Faustin"), a *Société Anonyme* based in Luxembourg, controls the Company through its subsidiaries.

Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a private foundation located in the Netherlands (Stichting) ("R&P STAK") holds enough voting shares in San Faustin to control it. No person neither any group of persons control R&P STAK.

**Tecpetrol Sociedad Anónima**  
**Interim Condensed Financial Statements at September 30, 2022**

**Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

**33. Related-party balances and transactions (cont'd)**

*Main transactions with related parties*

	<b>Nine-month period ended on</b>	
	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
<b>Net sales</b>		
Other related companies	5,893,060	3,562,235
<b>Purchases of goods and services</b>		
Other related companies	(19,467,216)	(7,937,921)
Oleoducto Loma Campana - Lago Pellegrini S.A.	(127,331)	(66,627)
	<u>(19,594,547)</u>	<u>(8,004,548)</u>
<b>Reimbursement of expenses</b>		
Other related companies	330,065	99,637
<b>Interest income</b>		
Other related companies	149,890	48,882
<b>Interest cost</b>		
Tecpetrol Internacional S.L.U.	(109,880)	(1,282,622)
Tecpetrol Internacional S.L.U. Uruguay Branch	-	(20,525)
Other related companies	(42,549)	(21,279)
	<u>(152,429)</u>	<u>(1,324,426)</u>
<b>Other income</b>		
Other related companies	235,498	-

*Balances with related parties*

	<b>September 30,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	
<b>Other receivables from related parties (Note 17)</b>		
<i>Non-current</i>		
Expenses paid in advance - Other related companies	-	112,954
Borrowings - Other related companies	140,349	-
	<u>140,349</u>	<u>112,954</u>
<i>Current</i>		
Other receivables - Tecpetrol Internacional S.L.U.	8,584	950
Other receivables - Tecpetrol Investments S.L.U.	230	602
Other receivables - Tecpetrol Internacional S.L.U. Uruguay Branch	2,235	-
Other receivables - Other related companies (i)	832,891	502,303
Borrowings - Other related companies	1,943,032	1,031,534
	<u>2,786,972</u>	<u>1,535,389</u>
<b>Trade receivables from related parties (Note 18):</b>		
Current - Other related companies	485,121	215,235
<b>Borrowings from related parties (Note 23):</b>		
Current - Tecpetrol Internacional S.L.U.	-	5,810,239
<b>Right-of-use liabilities:</b>		
Non-current - Other related companies	1,195,248	936,650
Current - Other related companies	318,034	165,808
<b>Trade and other payables with related parties (Note 26):</b>		
Current - Oleoducto Loma Campana - Lago Pellegrini S.A.	-	13,423
Current - Other related companies (ii)	5,676,854	1,408,569
	<u>5,676,854</u>	<u>1,421,992</u>

(i) It mainly includes balances from reimbursement of expenses.

(ii) It mainly includes balances from purchases of materials and services.

# Tecpetrol Sociedad Anónima

## Interim Condensed Financial Statements at September 30, 2022

### Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)

#### 34. Main joint operations

##### Joint operations

##### *a) Areas operated by Tecpetrol S.A.*

Name	Location	% at September 30, 2022	% at December 31, 2021	Expiration date of the concession
Aguaragüe	Salta	23.0	23.0	Nov-27
Agua Salada	Río Negro	70.0	70.0	Sep-25
El Tordillo	Chubut	52.1	52.1	Nov-27
La Tapera - Puesto Quiroga	Chubut	52.1	52.1	Aug-27
Lago Argentino (i)	Santa Cruz	74.6	74.6	Nov-33
Loma Ancha (ii)	Neuquén	95.0	95.0	Dec-22
Loma Ranqueles (iii)	Neuquén	-	65.0	Jun-20
Los Toldos (I Norte, II Este)	Neuquén	90.0	90.0	May-54

(i) Tecpetrol S.A. assumes 100% of the costs and investments pursuant to an agreement among private parties and Alianza Petrolera S.A. and a joint venture agreement between Fomento Minero de Santa Cruz S.E. and Alianza Petrolera S.A.

(ii) Pursuant to an agreement with its partner Gas y Petróleo del Neuquén S.A., Tecpetrol S.A. assumes 100% of the costs incurred and the investments made during the basic exploration period. In September 2021, an agreement was signed with the governmental authorities of Neuquén extending the completion of the second exploratory period to December 2022. Such agreement was ratified by the authorities of the province of Neuquén in April 2022.

(iii) In March 2022, the contract with Gas y Petróleo de Neuquén S.A. and Energicón S.A. was terminated and the area was cleared out.

##### *b) Areas operated by third parties*

Name	Location	% at September 30, 2022	% at December 31, 2021	Expiration date of the concession
Ramos	Salta	25	25	Jan-26
Los Toldos I Sur	Neuquén	10	10	Mar-52
MLO-124 (i)	Malvinas marine basin	10	10	Oct-25

(i) The term of the exploration permission is divided into 2 exploratory periods of 4 years each. Once the first period is completed, the Office of the Secretary of Energy should be notified if the area will continue to be explored or not. In March 2022, a 2-year extension was issued.

#### 35. Assets classified as held for sale

In December 2021, Tecpetrol S.A. acquired from Abo Wind Energías Renovables S.A. and Abo Wind AG all of the ordinary shares of Parques Eólicos de la Buena Ventura S.A. (hereinafter referred to as "PEBV"), representing 100% of the share capital and the voting rights. Such company was going through the early development stage of project Parque Eólico de la Buena Ventura, consisting of up to 105 MW and located in Gonzales Chaves, province of Buenos Aires. In November 2021, CAMMESA notified PEBV of the allocation of dispatch priorities in the Renewable Energy Market (Mercado a Término de Energías Renovables, MATER) according to Resolution No. 281/17 from the Mining and Energy Ministry, related to the requests submitted in the third quarter of 2021 consisting in a 100.8 MV power demand.

## **Tecpetrol Sociedad Anónima**

### **Interim Condensed Financial Statements at September 30, 2022**

#### **Notes to Interim Condensed Financial Statements at September 30, 2022 (cont'd)**

##### **35. Assets classified as held for sale (cont'd)**

The purchase price reached USD 2.0 million (USD 1.9 million of the total amount correspond to costs of shares and USD 0.1 million correspond to the assignment of a credit of Abo Wind Energías Renovables S.A. with PEBV). At the date of acquisition Tecpetrol S.A. paid USD 0.7 million, and the remaining balance (subject to certain clauses) will be cancelled in installments until August 2023 (in February 2022, the second instalment for USD 0.5 million was paid off, and in May 2022 the third and fourth instalments were paid for USD 0.2 million and USD 0.5 million, respectively).

At December 31, 2021, the investment in PEBV totaled \$208,518.

In April 2022, the Company sold its interest in PEBV and a credit with PEBV to Sidarca S.A.I.C. for a total amount of USD 4.0 million. Profit from such transaction is included under *Other operating income* in the Interim Condensed Income Statement at September 30, 2022.

##### **36. Subsequent events**

On November 1, 2022, the Company fully redeemed Class 1 negotiable obligations. The redemption value equals 100% of the principal amount of Class 1 negotiable obligations plus accrued and unpaid interest to the date of redemption.

On October 17, 2022, Tecpetrol took out a loan from Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. adding up to USD 300 million. Such amount was received on October 28, 2022 and was used for partially financing the total redemption of Class 1 negotiable obligations mentioned above, in compliance with the requirements set forth under subsection 3.17 of Communication "A" 7490 from the BCRA (Consolidated Text on Foreign Trade and Exchange). The loan matures in April 2026. Principal will be paid in 13 equal installments after a six-month period following receipt of funds, therefore, the loan will be totally paid off by the maturity date. The loan bears compensatory interest at an annual 3-month Term SOFR rate plus a margin of 2.15% per year, which must be paid on a quarterly basis. The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

In October 2022, BBVA Francés, Banco Patagonia, Banco Galicia, Citibank and Banco Santander agreed to overdraft facilities for a total amount of \$23,800 million.

On October 28, 2022, the members of the Board of Directors of Tecpetrol S.A. approved the distribution of cash dividends, and therefore, partially reduced the reserve for future dividends by \$3,411 million. Such dividends were paid on November 4, 2022.

No events, situations or circumstances have taken place as from September 30, 2022 and until the date of issuance of these Interim Condensed Financial Statements, other than the ones mentioned herein, which affect or might significantly affect the economic and financial position of the Company or are otherwise worth mentioning.



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## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

To the Shareholders, President and Directors of  
Tecpetrol Sociedad Anónima  
Legal address: Pasaje Della Paolera 299/297 - 16<sup>th</sup> floor  
Autonomous City of Buenos Aires  
Tax Code No. 30-59266547-2

### **Introduction**

We have reviewed the accompanying interim condensed financial statements of Tecpetrol Sociedad Anónima (hereinafter, "the Company"), which comprise the interim condensed statement of financial position at September 30, 2022, the interim condensed income statement and the interim condensed statement of comprehensive income for the three-month and nine-month periods ended September 30, 2022, the interim condensed statement of changes in equity and the interim condensed cash flow statement for the nine-month period then ended, and selected explanatory notes.

The balances and other information corresponding to the year 2021 and to its intermediate periods are an integral part of the financial statements mentioned above and, therefore, they must be considered in connection with these financial statements.

### **Board's responsibility**

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE, for its Spanish acronym) as professional accounting standards and incorporated by the Argentine Securities Commission (CNV, for its Spanish acronym) to its regulations, as approved by the International Accounting Standards Board (IASB) and, therefore, is responsible for the preparation and presentation of the interim condensed financial statements mentioned in the first paragraph in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34).

### **Scope of our review**

Our review was limited to the application of the procedures established by International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as review standard in Argentina by Technical Resolution No. 33 of the FACPCE as it was approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed financial statements and applying analytical and other review procedures. The scope of this review is substantially less than an audit conducted in accordance with International Standards on Auditing. Consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, comprehensive income and cash flows of the Company.

### **Conclusion**

Based on our review, nothing has come to our attention that caused us to believe that the interim condensed financial statements mentioned in the first paragraph of this report are not prepared, in all material respects, in accordance with International Accounting Standard 34.





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**Report on compliance with current regulations**

In accordance with current regulations, we report, regarding Tecpetrol Sociedad Anónima, that:

- a) the interim condensed financial statements of Tecpetrol Sociedad Anónima are transcribed into the "Inventory and Balance Sheet" book and, as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the interim condensed financial statements of Tecpetrol Sociedad Anónima arise from accounting records kept in all formal respects in conformity with legal provisions;
- c) we have read the Summary of information, on which, as regards those matters that are within our competence, we have no observations to make;
- d) as of September 30, 2022, the debt of Tecpetrol Sociedad Anónima accrued in favor of the Argentine Integrated Social Security System arising from the Company's accounting records amounted to \$801,597,447.31, none of which was claimable at that date.

Autonomous City of Buenos Aires, November 9, 2022

PRICE WATERHOUSE & CO. S.R.L.

by \_\_\_\_\_ (Partner)  
Alejandro J. Rosa