

## Tecpetrol S.A. announces results for the three-month period ended on March 31, 2021

Summary and analysis of results for the three-month period ended on March 31, 2021

	3 months 2021	3 months 2020	%
<b>Production (equivalent Mm<sup>3</sup>) (*)</b>	1,186	1,297	(9%)
<b>Net sales (ARS millions)</b>	21,692	16,343	33%
<b>Operating profit (ARS millions)</b>	11,268	5,060	123%
<b>EBITDA (ARS millions)</b>	16,171	11,467	41%
<b>Net profit (ARS millions)</b>	4,112	2,208	86%

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

The Interim Condensed Financial Statements are prepared using the functional currency of the Company (USD) and then are translated into ARS for its presentation. Therefore, the following explanations are based on changes in the functional currency.

Total production for the first quarter of 2021 reached 1,186 Mm<sup>3</sup>, compared to 1,297 Mm<sup>3</sup> in the same period of the previous year. The decrease in production was mainly caused by the lower demand due to the impact of the economic crisis caused by the COVID-19 syndemic.

Net sales increased ARS 5,349.4 million compared to the same period of the previous year. Besides the fluctuation in the exchange rate (because of the effect of functional currency and presentation currency abovementioned), it was due to an increase in average crude sales prices, all of which was partially offset by fewer deliveries of gas and oil and a drop in average gas sales prices.

Operating costs increased 13% compared to the same period of the previous year, which is mainly explained by the exchange rate fluctuation, in spite of a decrease in depreciation of Property, plant and equipment, royalty expenses and maintenance operations and wells service costs, as a consequence of the abovementioned drop in production.

Operating profit increased by ARS 6,208.5 million compared to the first quarter of 2020. This variation is mainly explained by an increase in the gross margin, as a consequence of the abovementioned variations, and a decrease in selling expenses mainly because of an allowance for doubtful accounts recovery.

Net profit for the first quarter of 2021 totaled ARS 4,112.4 million, compared to a profit of ARS 2,208.3 million for the same period of the previous year. This variation is primarily explained by the aforementioned increase in operating profit, which was partially offset by: (i) an increase in exchange differences on balances in ARS and holding of other investments, which generates an increase in net financial losses despite an increase in interest income from short-term deposits and; (ii) an increase in income tax expense, caused by the effect of the exchange rate fluctuation and the tax inflation



adjustment upon tax balances above the variations in sales, costs and other expenses already mentioned.

Liquidity and cash flows

Investments in Property, plant and equipment during the three-month period ended on March 31, 2021, net of unpaid acquisitions at the end of such period, reached \$3,317.6 million (mainly from Fortín de Piedra area).

At March 31, 2021, net debt (being Net Debt = Financial Debt - Cash and cash equivalents and Other Investments) totaled ARS 73,411.6 million. At December 31, 2020, net debt amounted to ARS 73,872.3 million.