



Tecpetrol Sociedad Anónima

INTERIM CONDENSED FINANCIAL STATEMENTS

at March 31, 2023

and for the three-month period ended on March 31, 2023

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
Interim Condensed Financial Statements at March 31, 2023

LEGAL INFORMATION

Legal domicile:	Pasaje Della Paolera 299/297, 16th floor, City of Buenos Aires
Reported fiscal year:	No. 44
Company's main line of business:	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
Registration dates with the Companies Registration Office:	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
Date of expiry of Company's by-laws:	June 19, 2080
Correlative registration number with the Companies Controlling Office	802,207
Name of Parent Company:	Tecpetrol Internacional S.L.U.
Legal domicile of Parent Company:	Calle De Recoletos 23, 3rd floor, apartments A and B, 28001 Madrid, Spain.
Parent Company's main line of business:	Investment
Equity interest held by Parent Company:	95.99%
Percentage of votes of Parent Company:	98.175%

Capital status (Note 22)	Type of shares	At March 31, 2023
		Total subscribed, paid-up and registered \$
	Book entry shares	
	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
		<hr/> 4,436,448,068

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED INCOME STATEMENT

For the three-month periods ended on March 31, 2023, and March 31, 2022

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

	Notes	Three-month period ended on March 31,	
		2023	2022
		(Unaudited)	
Continuing operations			
Net sales	5	56,502,967	28,221,734
Operating costs	6	(42,977,191)	(20,452,983)
Gross margin		13,525,776	7,768,751
Selling expenses	7	(3,055,863)	(1,378,060)
Administrative expenses	8	(4,359,933)	(1,921,327)
Exploration and evaluation		(2,485,529)	(8,917)
Other operating income	10	373,922	57,711
Other operating expenses	10	(77,056)	(3,568)
Operating income		3,921,317	4,514,590
Financial income	11	874,462	1,234,071
Financial costs	11	(9,641,561)	(1,458,569)
Other net financial profit (loss)	11	4,820,020	(6,923,864)
Profit (loss) before profit (loss) from investments in entities accounted for using the equity method and income tax		(25,762)	(2,633,772)
Profit (loss) from investments in entities accounted for using the equity method	15	150,666	22,058
Profit (loss) before income tax		124,904	(2,611,714)
Income tax	12	4,982,978	5,412,820
Profit for the period		5,107,882	2,801,106
Profit (loss) attributable to:			
Owners of the Parent Company		5,107,882	2,801,106

The accompanying notes 1 to 34 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, 2022.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three-month periods ended on March 31, 2023, and March 31, 2022
(Amounts stated in thousands of pesos, unless otherwise specified)

	Notes	Three-month period ended on March 31,	
		2023	2022
		(Unaudited)	
Profit (loss) for the period		5,107,882	2,801,106
Other comprehensive income:			
<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		120,619	19,467
<i>Items that will not be reclassified to profit or loss:</i>			
Currency translation differences - Tecpetrol S.A.		35,193,864	8,337,083
Changes in the fair value of investments in equity instruments	16	(129,887)	350,607
Income tax related to components of other comprehensive income (i)	27	43,541	(123,611)
Total other comprehensive income for the period		35,228,137	8,583,546
Total comprehensive income for the period		40,336,019	11,384,652
Comprehensive income attributable to:			
Owners of the Parent Company		40,336,019	11,384,652

(i) Generated by changes in the fair value of investments in equity instruments.

The accompanying notes 1 to 34 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, 2022.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
at March 31, 2023, and December 31, 2022

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

	Notes	March 31, 2023	December 31, 2022
		(Unaudited)	
ASSETS			
Non-current assets			
Property, plant and equipment - Exploration, evaluation and development assets	13	326,444,266	264,404,993
Right-of-use assets	14	5,538,332	5,265,628
Investments in entities accounted for using the equity method	15	870,085	598,800
Investments in equity instruments at fair value	16	3,996,102	3,506,724
Deferred tax assets	27	17,788,303	10,450,437
Other receivables and prepayments	17	5,424,414	2,616,320
Income tax credit		1,474,074	4,255,266
Total Non-current assets		361,535,576	291,098,168
Current assets			
Inventories	19	7,190,874	6,368,256
Other receivables and prepayments	17	17,740,948	17,001,629
Income tax credit		4,847,480	1,400,000
Trade receivables	18	39,928,715	26,124,111
Other investments	20.a	32,647,173	39,968,330
Cash and cash equivalents	20.b	383,562	371,411
Total Current assets		102,738,752	91,233,737
Total Assets		464,274,328	382,331,905
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4,436,448	4,436,448
Capital contributions		897,941	897,941
Legal reserve		8,954,931	5,904,780
Other reserves		91,406,360	76,744,000
Reserve for future dividends		123,119,817	72,332,686
Retained earnings		5,547,444	33,711,067
Total Equity		234,362,941	194,026,922
Non-current liabilities			
Borrowings	23	88,915,167	57,251,259
Right-of-use liabilities	14	1,798,607	1,760,115
Employee benefits programs	24	6,916,692	5,793,501
Provisions	25	11,711,666	9,615,762
Total Non-current liabilities		109,342,132	74,420,637
Current liabilities			
Borrowings	23	71,742,751	71,002,807
Right-of-use liabilities	14	1,977,198	2,127,589
Employee benefits programs	24	1,270,111	1,252,825
Provisions	25	838,803	636,640
Trade and other payables	26	44,740,392	38,864,485
Total Current liabilities		120,569,255	113,884,346
Total Liabilities		229,911,387	188,304,983
Total Equity and Liabilities		464,274,328	382,331,905

The accompanying notes 1 to 34 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, 2022.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three-month periods ended on March 31, 2023, and March 31, 2022

(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				
Notes		Subscribed capital (i)	Capital contributions	Legal reserve	Other reserves (ii)	Reserve for future dividends	Retained earnings	Total
								(Unaudited)
Balances at December 31, 2022		4,436,448	897,941	5,904,780	76,744,000	72,332,686	33,711,067	194,026,922
Profit (loss) for the period		-	-	-	-	-	5,107,882	5,107,882
Currency translation differences		-	-	1,364,598	14,748,706	18,761,617	439,562	35,314,483
Changes in the fair value of investments in equity instruments		-	-	-	(129,887)	-	-	(129,887)
Income tax related to components of other comprehensive income		-	-	-	43,541	-	-	43,541
Other comprehensive income for the period		-	-	1,364,598	14,662,360	18,761,617	439,562	35,228,137
Total comprehensive income for the period		-	-	1,364,598	14,662,360	18,761,617	5,547,444	40,336,019
Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 13, 2023:								
Reserve allocation		-	-	1,685,553	-	32,025,514	(33,711,067)	-
Balances at March 31, 2023		4,436,448	897,941	8,954,931	91,406,360	123,119,817	5,547,444	234,362,941

(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 30 (iii)].

The accompanying notes 1 to 34 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, 2022.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three-month periods ended on March 31, 2023, and March 31, 2022 (cont'd)

(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		Reserved earnings			Retained earnings	Total
	Subscribed capital (i)	Capital contributions	Legal reserve	Other reserves (ii)	Reserve for future dividends		
							(Unaudited)
Balances at December 31, 2021	4,436,448	897,941	1,093,052	42,439,772	10,047,762	43,079,489	101,994,464
Profit (loss) for the period	-	-	-	-	-	2,801,106	2,801,106
Currency translation differences	-	-	276,308	3,864,984	4,099,532	115,726	8,356,550
Changes in the fair value of investments in equity instruments	-	-	-	350,607	-	-	350,607
Income tax related to components of other comprehensive income	-	-	-	(123,611)	-	-	(123,611)
Other comprehensive income for the period	-	-	276,308	4,091,980	4,099,532	115,726	8,583,546
Total comprehensive income for the period	-	-	276,308	4,091,980	4,099,532	2,916,832	11,384,652
Distribution of earnings according to the decision adopted during the Annual General Meeting of Shareholders held on March 23, 2022:							
Reserve allocation	-	-	2,330,627	-	40,748,862	(43,079,489)	-
Balances at March 31, 2022	4,436,448	897,941	3,699,987	46,531,752	54,896,156	2,916,832	113,379,116

(i) See Note 22.

(ii) It includes USD 65 million related to General Resolution No. 609/12 of the CNV [See Note 30 (iii)].

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Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

INTERIM CONDENSED CASH FLOW STATEMENT

for the three-month periods ended on March 31, 2023, and March 31, 2022

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

		Three-month period ended on March 31,	
	Notes	2023	2022
		(Unaudited)	
OPERATING ACTIVITIES			
Profit (loss) for the period		5,107,882	2,801,106
Adjustments to profit (loss) for the period to reach operating cash flows	28	21,195,007	9,359,732
Changes in working capital	28	(18,362,958)	(1,735,422)
Others, including currency translation differences		(4,747,865)	2,829,353
Payment of employee benefits programs		(789,346)	(109,265)
Payment of income tax		(663,147)	(369,823)
Cash generated by operating activities		1,739,573	12,775,681
INVESTING ACTIVITIES			
Investments in property, plant and equipment		(32,257,776)	(13,092,051)
Collection from the sale of property, plant and equipment		97,175	8,795
Decrease/(Increase) in other investments		15,943,061	(970,088)
Payments of assets classified as held for sale		-	(53,180)
Cash used in investing activities		(16,217,540)	(14,106,524)
FINANCING ACTIVITIES			
Proceeds from borrowings	23	761,500	-
Issuance of negotiable obligations	23	30,109,483	-
Payment of borrowings	23	(22,323,895)	(8,940,808)
Paid dividends distributed in 2022		(513,274)	-
Right-of-use liabilities payments	14	(793,052)	(358,973)
Cash generated by/ (used in) financing activities		7,240,762	(9,299,781)
Decrease in cash and cash equivalents		(7,237,205)	(10,630,624)
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period, net of current account overdrafts		(9,665,022)	18,688,759
Decrease in cash and cash equivalents		(7,237,205)	(10,630,624)
Financial profits (losses) generated by cash and cash equivalents		2,052,918	(130,459)
Currency translation differences		2,770,740	1,063,685
Cash and cash equivalents at the end of the period, net of current account overdrafts		(12,078,569)	8,991,361
At March 31,			
		2023	2022
Cash and cash equivalents		383,562	8,991,361
Current account overdrafts	23	(12,462,131)	-
Cash and cash equivalents at the end of the period		(12,078,569)	8,991,361
Non-cash transactions			
Unpaid investments in property, plant and equipment at the end of the period		19,287,606	11,003,102

The accompanying notes 1 to 34 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, 2022.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

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Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023

(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 over which the Company holds all rights and obligations in the areas of Fortín de Piedra and Punta Senillosa (granted in July 2016 for a 35-year period) and in Puesto Parada area (granted in December 2022 for a 35-year period); and (ii) joint operations over unconventional exploitation concessions in the areas of Los Toldos I Norte, Los Toldos II Este and Los Toldos I Sur.

In addition, Tecpetrol S.A. operates in conventional hydrocarbon areas in Neuquina, Noroeste, Golfo San Jorge and other basins, through joint operations (see Note 33). 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 May 9, 2023.

Macroeconomic setting

The Company has been conducting its business under challenging situations both at local and international levels.

From the international point of view, the Russian invasion of Ukraine, in February 2022, led to considerable uncertainty in the markets, particularly impacting on hydrocarbon international prices and interest rates (which have increased), and fueling inflation.

In relation to the local scenario, there remains a high inflationary rate exceeding the target rate, a large fiscal deficit, certain policies intended to restrain a price rise, several exchange restrictions, and other variables which anticipate a halt in economic recovery. Moreover, the local setting is influenced by the presidential election that will take place in 2023, and which might impact the development of the national economy. Besides, the commencement of activities in President Néstor Kirchner gas pipeline (scheduled for this year) will allow an increase in the natural gas supply for industrial and residential consumption; therefore, enabling the replacement of energy imports and facilitating current subsidy cuts.

In such uncertain 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) intended to restrict access to the exchange market for the purposes of restraining the demand for foreign currency remain in force. Prior approval from the BRCA 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 (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 and services which are necessary for the ordinary development of the Company.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

1. General information (cont'd)

Macroeconomic setting (cont'd)

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 March 31, 2023, have been valued based on MULC current quotations.

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 three-month period ended on March 31, 2023, 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, 2022; therefore, they must be read together.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

2. Basis for preparation (cont'd)

All information corresponding to the balances at December 31, 2022, and at the three-month period ended on March 31, 2022, is part of these Interim Condensed Financial Statements and is presented for comparative purposes only. If applicable, some figures from the Financial Statements at March 31, 2022, have been reclassified in order to present comparative information in respect of the current period. Particularly, in three-month period ended on March 31, 2022, the Company recorded a reclassification of export rights from *Net sales* to *Selling expenses* in the Income Statement for \$548.9 million.

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 fiscal year ended on December 31, 2022, and pursuant to General Resolution No. 941/2022 from the CNV, currency translation differences from reserved earnings and accumulated profits (losses) for the year are classified and accumulated directly under the item where it is recognized within equity (legal reserve, reserve for future dividends or retained earnings, which includes the profits (losses) for the year). For the purposes of standardizing comparative information in the Interim Condensed Statement of Changes in Equity, there has been a reclassification at March 31, 2022, between *Legal reserve* and *Retained earnings* of \$276,308, and between *Reserve for future dividends* and *Retained earnings* of \$4,099,532.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

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.

4. Segment information

	Three-month period ended on March 31, 2023 (Unaudited)			
	Neuquina basin	Noroeste - San Jorge and other basins	Others (1)	Total
Net sales - Managerial vision	47,701,169	6,435,059	99,572	54,235,800
Effect of hydrocarbon inventory valuation	(763,092)	3,030,259	-	2,267,167
Net sales - IFRS				56,502,967
Gas	32,622,185	1,037,362	44,990	33,704,537
Oil	14,045,292	8,422,629	2,381	22,470,302
Other services	270,600	5,327	52,201	328,128
Net sales - IFRS				56,502,967
Operating profit - Managerial vision	6,574,108	1,883,685	(470,893)	7,986,900
Adjustment of hydrocarbon inventory valuation	(773,653)	1,112,282	-	338,629
Depreciation differences	27,405	(150,214)	-	(122,809)
Administrative expenses (2)				(4,281,403)
Operating profit - IFRS				3,921,317
Depreciation of PPE (3) - Managerial Vision	(22,274,152)	(840,439)	(78,530)	(23,193,121)
Depreciation differences	27,405	(150,214)	-	(122,809)
Depreciation of PPE - IFRS				(23,315,930)
PPE - Managerial Vision	298,010,128	25,341,835	1,914,114	325,266,077
Accumulated depreciation and impairment differences				1,178,189
PPE - IFRS				326,444,266
Investments in PPE	34,683,827	4,246,310	150,078	39,080,215
Investments in PPE				39,080,215

(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 March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

4. Segment information (cont'd)

	Three-month period ended on March 31, 2022 (Unaudited)			
	Neuquina basin	Noroeste - San Jorge and other basins	Others (1)	Total
Net sales - Managerial vision	20,307,768	4,500,051	2,601,805	27,409,624
Effect of hydrocarbon inventory valuation	1,150,266	(338,156)	-	812,110
Net sales - IFRS				28,221,734
Gas	15,446,280	425,797	196,308	16,068,385
Oil	5,872,049	3,732,431	2,403,881	12,008,361
Other services	139,705	3,667	1,616	144,988
Net sales - IFRS				28,221,734
Operating profit (loss) - Managerial vision	2,929,455	1,857,829	787,093	5,574,377
Adjustment of hydrocarbon inventory valuation	859,543	(83,841)	-	775,702
Depreciation differences	33,482	8,601	1,038	43,121
Administrative expenses (2)				(1,878,610)
Operating profit - IFRS				4,514,590
Depreciation of PPE (3) - Managerial Vision	(10,177,856)	(399,747)	(43,755)	(10,621,358)
Depreciation differences	33,482	8,601	1,038	43,121
Depreciation of PPE - IFRS				(10,578,237)
PPE - Managerial Vision	134,395,589	11,037,502	832,777	146,265,868
Accumulated depreciation and impairment differences				(462,024)
PPE - IFRS				145,803,844
Investments in PPE	15,715,301	1,269,871	53,900	17,039,072
Investments in PPE				17,039,072

(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 March 31, 2023, net sales arose mainly from the United States (14%), Chile (13.3%) and Argentina (72.2%), whereas at March 31, 2022, net sales came primarily from the United States (23.3%), Brazil (9.1%) and Argentina (66.7%). The designation of net sales is based upon customer location.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

4. Segment information (cont'd)

At March 31, 2023, Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA), Raizen Argentina S.A.U. and Enel Generación Chile S.A. represented 20.4%, 12% and 12%, respectively, of all sales revenues of the Company, without taking into account the incentives paid directly by the National Government; whereas at March 31, 2022, CAMMESA, Trafigura Pte. LTD and Phillips 66 Company represented 26.9%, 12% and 11.2%, respectively, of all sales revenues.

5. Net sales

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Gas (i)	33,704,537	16,068,385
Oil	22,470,302	12,008,361
Other services	328,128	144,988
	56,502,967	28,221,734

(i) It includes \$758,647 and \$662,631 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.Ar"), for the three-month periods ended on March 31, 2023, and March 31, 2022, respectively.

6. Operating costs

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Inventories at the beginning of the period	(6,368,256)	(3,426,980)
Purchases, uses and production costs	(42,680,453)	(20,280,536)
Inventories at the end of the period	7,190,874	3,523,982
Currency translation differences	(1,119,356)	(269,449)
Operating costs	(42,977,191)	(20,452,983)
Labor costs	(3,077,707)	(1,254,975)
Fees and services	(686,441)	(258,156)
Maintenance operations and wells service costs	(4,850,370)	(2,508,815)
Depreciation of property, plant and equipment	(23,237,400)	(10,535,520)
Depreciation of right-of-use assets	(434,057)	(193,188)
Treatment and storage	(313,323)	(155,081)
Royalties and other taxes (ii)	(6,707,139)	(3,026,887)
Others	(1,729,124)	(1,059,793)
Purchases and stock uses	(1,644,892)	(1,288,121)
Purchases, uses and production costs	(42,680,453)	(20,280,536)

(ii) 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.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

7. Selling expenses

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Taxes and rights	(1,944,663)	(1,147,262)
Storage and transport	(934,888)	(294,755)
(Expense)/Recovery of allowance for doubtful accounts	(155,907)	55,061
Others - (expense)/recovery	(20,405)	8,896
	(3,055,863)	(1,378,060)

8. Administrative expenses

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Labor costs	(3,721,257)	(1,477,276)
Fees and services	(563,958)	(210,319)
Depreciation of property, plant and equipment	(78,530)	(42,717)
Depreciation of right-of-use assets	(100,612)	(31,154)
Taxes	(558,522)	(272,448)
Office expenses	(390,969)	(234,638)
Reimbursement of expenses (i)	1,053,915	347,225
	(4,359,933)	(1,921,327)

(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)

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Salaries, wages and others	(4,735,598)	(1,987,274)
Social security costs	(1,158,804)	(437,309)
Employee benefits programs (Note 24)	(904,562)	(307,668)
	(6,798,964)	(2,732,251)

10. Other net operating profits (losses)

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Other operating income	-	1,302
Recovery of provisions for legal claims and contingencies	-	8,700
Gains (losses) from the sale of property, plant, equipment and materials	59,745	22,117
Reversal of provision for asset retirement obligations	-	25,592
Others	314,177	57,711
	373,922	57,711

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Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

10. Other net operating profits (losses) (cont'd)

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
<i>Other operating expenses</i>		
Provision for legal claims and contingencies	(2,428)	-
Others	(74,628)	(3,568)
	(77,056)	(3,568)

11. Net financial profits (losses)

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Interest income	874,462	1,234,071
Financial income	874,462	1,234,071
Interest cost	(9,641,561)	(1,458,569)
Financial costs	(9,641,561)	(1,458,569)
Net profit (loss) from exchange differences	1,919,610	(3,774,899)
Changes in the fair value of derivative instruments	-	(827,230)
Profit (loss) from the purchase and holding of other investments	2,987,524	(2,309,888)
Other net financial profit (loss)	(87,114)	(11,847)
Other net financial profit (loss)	4,820,020	(6,923,864)
Net financial profits (losses)	(3,947,079)	(7,148,362)

12. Income tax

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Deferred income tax - profit (Note 27)	4,982,978	5,412,820
	4,982,978	5,412,820

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. As from this fiscal year 2022, and based on Law No. 27.701, the Company agreed to differ the allocation of the positive inflation adjustment in three fiscal years and committed to make certain investments of an amount equal to or higher than \$30,000 million during each of the two fiscal years following the fiscal year to which the positive inflation adjustment corresponds.

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 March 31, 2023 (cont'd)

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

	Three-month period ended on March 31,						
	2023						2022
	Development and production assets	Machinery and equipment	Asset retirement obligations	Exploration and evaluation	Works in progress (i)	Others	Total
<u>Cost</u>							(Unaudited)
At the beginning of the period	523,247,470	210,060,991	4,766,145	27,167,554	45,256,561	10,857,155	821,355,876
Currency translation differences	95,902,990	38,078,424	848,142	4,724,624	8,769,465	1,932,815	150,256,460
Additions	-	-	63,203	-	38,752,149	-	38,815,352
Transfers of right-of-use assets	-	-	-	-	328,066	-	328,066
Transfers	27,201,902	4,060,452	-	428,851	(31,537,281)	(153,924)	-
Write-offs	(5,901,229)	(418,029)	(164,534)	(ii) (2,283,300)	(184,951)	(67,984)	(9,020,027)
At the end of the period	640,451,133	251,781,838	5,512,956	30,037,729	61,384,009	12,568,062	1,001,735,727
<u>Depreciation</u>							
At the beginning of the period	380,893,195	165,342,208	3,993,705	-	-	6,721,775	556,950,883
Currency translation differences	69,488,675	30,145,325	712,002	-	-	1,226,192	101,572,194
Depreciation of the period	17,653,166	5,297,887	94,928	-	-	269,949	23,315,930
Write-offs	(5,901,229)	(418,029)	(164,534)	-	-	(63,754)	(6,547,546)
At the end of the period	462,133,807	200,367,391	4,636,101	-	-	8,154,162	675,291,461
Residual value	178,317,326	51,414,447	876,855	30,037,729	61,384,009	4,413,900	326,444,266
							145,803,844

(i) It includes \$2,230,667 from works in progress related to assessment and exploratory investments at March 31, 2023.

(ii) It corresponds to lower assessment and exploratory costs in Los Toldos II area, which were included under Assessment and exploratory costs in the Interim Condensed Income Statement at March 31, 2023.

Tecpetrol Sociedad Anónima
Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (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 three-month periods ended on March 31, 2023, and March 31, 2022, 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 at March 31, 2023, and March 31, 2022:

Right-of-use assets

	Three-month period ended on March 31,					
	2023					2022
	Drilling equipment	Other equipment	Offices	Others	Total	Total
	(Unaudited)					
At the beginning of the period	589,574	1,225,193	2,208,810	1,242,051	5,265,628	3,115,469
Currency translation differences	76,967	198,688	383,104	234,498	893,257	241,608
Net additions	(2,292)	5,369	-	239,105	242,182	133,650
Transfers to property, plant and equipment	(310,351)	-	-	(17,715)	(328,066)	(147,118)
Depreciation of the period	(24,677)	(256,119)	(162,664)	(91,209)	(534,669)	(224,342)
At the end of the period	329,221	1,173,131	2,429,250	1,606,730	5,538,332	3,119,267

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Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

14. Leases (cont'd)

Right-of-use liabilities

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
At the beginning of the period	3,887,704	2,851,461
Exchange and translation differences	400,215	211,997
Net additions	242,182	133,650
Interest accrued (i)	38,756	37,401
Payments and compensations	(793,052)	(358,973)
At the end of the period	3,775,805	2,875,536

	March 31, 2023	December 31, 2022
	(Unaudited)	
Non-current	1,798,607	1,760,115
Current	1,977,198	2,127,589
	3,775,805	3,887,704

(i) Included under Financial costs in the Interim Condensed Income Statement at March 31, 2023, and March 31, 2022.

15. Investments in entities accounted for using the equity method

At March 31, 2023, and March 31, 2022, 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:

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
At the beginning of the period	598,800	229,916
Currency translation differences	120,619	19,467
Profit (loss) from investments in entities accounted for using the equity method	150,666	22,058
At the end of the period	870,085	271,441

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 March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (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:

	At March 31, 2023	At December 31, 2022
	(Unaudited)	
Share capital	868,399	868,399
Profit for the period/ year	1,004,440	1,009,147
Equity	5,800,573	3,992,000
Holding of common shares (1 vote)	130,259,852	130,259,852

16. Investments in equity instruments at fair value

	March 31, 2023	December 31, 2022
	(Unaudited)	
Non-quoted investments	3,996,102	3,506,724

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

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
At the beginning of the period	3,506,724	2,085,520
Currency translation differences	619,265	182,797
Changes in the fair value	(129,887)	350,607
At the end of the period	3,996,102	2,618,924

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

Company	Country	Interest %		March 31, 2023	December 31, 2022
		Mar-23	Dec-22		
(Unaudited)					
Tecpetrol del Perú S.A.C.	Peru	2.00	2.00	1,989,561	1,742,498
Tecpetrol Bloque 56 S.A.C.	Peru	2.00	2.00	865,626	841,743
Oleoductos del Valle S.A.	Argentina	2.10	2.10	815,463	645,728
Terminales Marítimas Patagónicas S.A.	Argentina	4.20	4.20	188,736	159,975
Tecpetrol Operaciones S.A. de C.V.	Mexico	0.95	0.95	87,215	74,865
Tecpetrol Colombia S.A.S.	Colombia	0.149	0.149	48,146	40,809
Other investments				1,355	1,106
Total				3,996,102	3,506,724

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 future hydrocarbon prices, inflation, exchange rates, collection of dividends, costs and other cash expenditures, on the basis of the best estimate the Company foresees regarding each of its investments and available market information.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

17. Other receivables and prepayments

	March 31, 2023	December 31, 2022
	(Unaudited)	
Non-current		
Prepayments to suppliers and expenses paid in advance	3,424,679	1,038,777
Employees loans and prepayments	564,807	304,062
Other receivables from related parties (Note 32)	1,434,928	1,273,481
	5,424,414	2,616,320
Current		
Receivables (i)	5,727,061	8,363,529
Tax credits	10,175,196	7,255,207
Expenses paid in advance	587,631	481,601
Employees loans and prepayments	259,346	300,790
Other receivables from related parties (Note 32)	1,136,161	749,591
	17,885,395	17,150,718
Allowance for doubtful accounts	(144,447)	(149,089)
	17,740,948	17,001,629

(i) It includes \$4,892,793 and \$7,598,950 from incentives obtained under Plan Gas.Ar. At March 31, 2023, and December 31, 2022, \$4,279,467 and \$6,025,635, respectively, were past due.

There follows the evolution of the allowance for doubtful accounts:

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Balance at the beginning of the period	(149,089)	(328,787)
Exchange and translation differences	(440)	(5,916)
Net recoveries	5,082	54,140
Balance at the end of the period	(144,447)	(280,563)

18. Trade receivables

	March 31, 2023	December 31, 2022
	(Unaudited)	
Trade receivables	40,436,936	26,593,779
Trade receivables from related parties (Note 32)	461,046	331,102
	40,897,982	26,924,881
Allowance for doubtful accounts	(969,267)	(800,770)
	39,928,715	26,124,111

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

18. Trade receivables (cont'd)

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

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Balance at the beginning of the period	(800,770)	(746,306)
Exchange and translation differences	(7,508)	(431)
Net (increases)/recoveries	(160,989)	921
Balance at the end of the period	(969,267)	(745,816)

19. Inventories

	March 31, 2023	December 31, 2022
	(Unaudited)	
Hydrocarbons	758,023	1,681,330
Materials and spare parts	6,432,851	4,686,926
	7,190,874	6,368,256

20. Other investments and Cash and cash equivalents

(a) Other investments

	March 31, 2023	December 31, 2022
	(Unaudited)	
Bonds	32,647,173	39,968,330
	32,647,173	39,968,330

(b) Cash and cash equivalents

	March 31, 2023	December 31, 2022
	(Unaudited)	
Cash and banks	243,818	166,880
Short-term deposits	139,744	204,531
	383,562	371,411

21. Financial instruments

21.1 Liquidity risk

At March 31, 2023, Tecpetrol had a negative working capital of \$17,830.5 million (at December 31, 2022, it had a negative working capital of \$22,650.6 million) which was generated mainly by borrowings. This situation is constantly monitored by the members of the Board and the Management. The Company has different alternatives that will allow it to adequately honor all commitments assumed.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

21. Financial instruments (cont'd)

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
At March 31, 2023				
Assets				
(Unaudited)				
Investments in equity instruments at fair value	-	-	3,996,102	3,996,102
Other receivables	-	7,937,361	-	7,937,361
Trade receivables	-	39,928,715	-	39,928,715
Other investments (i)	32,647,173	-	-	32,647,173
Cash and cash equivalents	139,744	243,818	-	383,562
Total	32,786,917	48,109,894	3,996,102	84,892,913

	Amortized cost	Total
At March 31, 2023		
Liabilities		
(Unaudited)		
Borrowings	160,657,918	160,657,918
Right-of-use liabilities	3,775,805	3,775,805
Trade and other payables	37,086,786	37,086,786
Total	201,520,509	201,520,509

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
At December 31, 2022				
Assets				
Investments in equity instruments at fair value	-	-	3,506,724	3,506,724
Other receivables	-	10,239,510	-	10,239,510
Trade receivables	-	26,124,111	-	26,124,111
Other investments (i)	39,968,330	-	-	39,968,330
Cash and cash equivalents	204,531	166,880	-	371,411
Total	40,172,861	36,530,501	3,506,724	80,210,086

	Amortized cost	Total
At December 31, 2022		
Liabilities		
Borrowings	128,254,066	128,254,066
Right-of-use liabilities	3,887,704	3,887,704
Trade and other payables	33,984,661	33,984,661
Total	166,126,431	166,126,431

(i) At March 31, 2023, and December 31, 2022, it primarily includes Argentinian sovereign bonds and corporate bonds from selected issuers.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

21. Financial instruments (cont'd)

21.3 Fair value estimate

At March 31, 2023, and December 31, 2022, 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 three-month period ended on March 31, 2023.

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 March 31, 2023, and December 31, 2022:

At March 31, 2023 (Unaudited)	Level 1	Level 3
Assets		
Investments in equity instruments at fair value	-	3,996,102
Other investments	32,647,173	-
Cash and cash equivalents	139,744	-
Total	32,786,917	3,996,102
 At December 31, 2022	 Level 1	 Level 3
Assets		
Investments in equity instruments at fair value	-	3,506,724
Other investments	39,968,330	-
Cash and cash equivalents	204,531	-
Total	40,172,861	3,506,724

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

22. Equity

Share capital

At March 31, 2023, and December 31, 2022, 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.

23. Borrowings

	March 31, 2023	December 31, 2022
	(Unaudited)	
Non-current		
Bank borrowings	56,050,250	57,251,259
Negotiable obligations	32,864,917	-
	88,915,167	57,251,259
Current		
Bank borrowings	54,605,791	59,806,382
Current account overdrafts	12,462,131	10,036,433
Negotiable obligations	4,674,829	1,159,992
	71,742,751	71,002,807

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 March 31, 2023, and December 31, 2022.

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.

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 non-related counterparties 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 March 31, 2023, the Company refinanced its debts in compliance with the above-mentioned Communications.

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Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

23. Borrowings (cont'd)

There follows the evolution of borrowings:

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Balance at the beginning of the period	128,254,066	91,600,758
Proceeds from borrowings	761,500	-
Issuance of negotiable obligations	30,109,483	-
Payments of borrowings	(22,323,895)	(8,940,808)
Interest accrued	8,236,060	1,217,178
Paid interest	(4,495,957)	(640,593)
Current account overdraft agreements	2,425,698	-
Exchange and translation differences	17,690,963	7,045,575
Balance at the end of the period	160,657,918	90,282,110

Bank borrowings and borrowings from related parties are detailed below:

Lender	Mar-23	Interest rate	Contract's currency	Amortization of capital	Maturity
		(Unaudited)			
J.P. Morgan Chase Bank, Citibank and others	11,600,602	Adjusted Term SOFR + 1.50%	USD	Quarterly	Jun-23 to Sep-24
Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A. (i)	62,875,241	Term SOFR + 2.15%	USD	Quarterly	Jul-23 to Apr-26
Itaú Unibanco S.A. Nassau Branch	27,484,476	5.75%	USD	Quarterly	Jun-23 to Sep-24
Bolsas y Mercados Argentinos	1,144,610	72.71%	ARS	At maturity	May-23 (ii)
Bolsas y Mercados Argentinos	874	72.40%	ARS	At maturity	Apr-23 (ii)
Banco Patagonia	3,500,000	76.00%	ARS	At maturity	Apr-23 (ii)
Banco Santander	4,050,238	77.00%	ARS	At maturity	Apr-23 (ii)

(i) The Parent Company, Tecpetrol Internacional S.L.U., unconditionally and irrevocably guarantees the above-mentioned loan.

(ii) At the date of issuance of these Interim Condensed Financial Statements, these amounts were paid off.

Lender	Dec-22	Interest rate	Contract's currency	Amortization of capital	Maturity
J.P. Morgan Chase Bank, Citibank and others	11,472,769	Adjusted Term SOFR + 1.50%	USD	Quarterly	Mar-23 to Sep-24
Itaú Unibanco S.A. Nassau Branch and Banco Santander S.A.	53,492,497	Term SOFR + 2.15%	USD	Quarterly	Apr-23 to Apr-26
Itaú Unibanco S.A. Nassau Branch	27,178,766	5.75%	USD	Quarterly	Mar-23 to Sep-24
Banco BBVA	3,191,087	50.35%	ARS	At maturity	Jan-23
Banco Patagonia	3,500,000	76.00%	ARS	At maturity	Apr-23
Banco Galicia	5,097,999	74.50%	ARS	At maturity	Jan-23
Banco Galicia	4,785,688	74.75%	ARS	At maturity	Jan-23
Banco Citibank	4,290,089	73.00%	ARS	At maturity	Jan-23
Banco Santander	4,048,746	77.00%	ARS	At maturity	Apr-23

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Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

23. Borrowings (cont'd)

Negotiable obligations are detailed below:

Series	Mar-23	Dec-22	Interest rate	Contract's currency	Amortization of capital	Maturity
	(Unaudited)					
Class 4 (i)	-	1,159,992	4.00%	USD	At maturity	Feb-23
Class 5 (ii)	37,539,746	-	BADLAR + 2%	ARS	At maturity	Jul-24

(i) 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%, which bore interest at a fixed rate of 4% and matured on February 9, 2023. 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. At the date of issuance of these Interim Condensed Financial Statements, these negotiable obligations were paid off.

(ii) In January 2023, the Company issued Class 5 negotiable obligations for a nominal value of \$32,897.9 million, with an issuance price of 100%, which bear interest at a BADLAR rate plus a 2% margin and mature in July 2024. Interest is payable quarterly, and the capital will be fully paid off upon maturity. Funds obtained from the issuance of such negotiable obligations were mainly intended for investments in fixed assets, the integration of working capital and the refinancing of liabilities. In April 2023, the members of the Board of Directors of the Company approved such use of the funds and complied with the requirements set forth in Section 25, Chapter V, Title II of CNV Regulations.

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:

	March 31, 2023 (Unaudited)	December 31, 2022
Non-current		
Pension programs and other plans (i)	4,254,296	3,573,459
Employee retention and long-term incentive program	2,662,396	2,220,042
	6,916,692	5,793,501
Current		
Employee retention and long-term incentive program	1,270,111	1,252,825
	1,270,111	1,252,825

(i) There were no enforceable debts at March 31, 2023, and December 31, 2022.

	Three-month period ended on March 31, 2023	2022
	(Unaudited)	
Pension programs and other plans	(288,767)	(105,995)
Employee retention and long-term incentive program	(615,795)	(201,673)
Total included in Labor costs (Note 9)	(904,562)	(307,668)

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

25. Provisions

	March 31, 2023	December 31, 2022
	(Unaudited)	
Non-current		
Asset retirement obligations	11,532,205	9,458,968
Provision for other contingencies	179,461	156,794
	11,711,666	9,615,762
Current		
Asset retirement obligations	816,270	626,821
Provision for other contingencies	22,533	9,819
	838,803	636,640

The evolution of provisions is disclosed below:

Asset retirement obligations

	Three-month period ended on March 31, 2023	2022
	(Unaudited)	
Balance at the beginning of the period	10,085,789	4,810,997
Currency translation differences	1,848,846	392,256
Net increases	417,791	138,308
Uses	(3,951)	(30,224)
Balance at the end of the period	12,348,475	5,311,337

Other contingencies

	Three-month period ended on March 31, 2023	2022
	(Unaudited)	
Balance at the beginning of the period	166,613	105,202
Exchange and translation differences	22,663	5,111
Net (recoveries)/increases	12,718	(1,034)
Balance at the end of the period	201,994	109,279

26. Trade and other payables

	March 31, 2023	December 31, 2022
	(Unaudited)	
Trade payables	28,715,755	24,271,493
Payables to related parties (Note 32)	8,363,382	9,689,543
Social security debts and other taxes	7,653,606	4,879,824
Other liabilities	7,649	23,625
	44,740,392	38,864,485

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Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

27. Deferred income tax

There follows the evolution of deferred income tax:

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Balance at the beginning of the period - Net deferred assets	10,450,437	101,234
Charged directly to Other comprehensive income	43,541	(123,611)
Profit (loss) for the period	4,982,978	5,412,820
Currency translation differences	2,311,347	226,692
Balance at the end of the period - Net deferred assets	17,788,303	5,617,135

28. Cash Flow Statement complementary information

Adjustments to profit (loss) for the period (i)

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Depreciation of property, plant and equipment (Note 13)	23,315,930	10,578,237
Depreciation of right-of-use assets (Note 14)	534,669	224,342
Profits (losses) from the sale of property, plant, equipment and materials (Note 10)	(59,745)	(8,700)
Profits (losses) from the purchase and holding of other investments (Note 11)	(2,987,524)	2,309,888
Financial profits (losses) generated by cash and cash equivalents	(2,052,918)	130,459
Exploration and evaluation	2,485,529	8,917
Income tax (Note 12)	(4,982,978)	(5,412,820)
Net accrued interest from borrowings	3,740,103	576,585
Accrued interest from right-of-use liabilities (Note 14)	38,756	37,401
Provisions - Net increases	409,289	629,813
Profit (loss) from investments in entities accounted for using the equity method (Note 15)	(150,666)	(22,058)
Profit (loss) from employee benefits programs (Note 9)	904,562	307,668
	21,195,007	9,359,732

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

Changes in working capital

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Increase in trade and other receivables	(17,515,872)	(4,588,149)
Increase in inventories	(741,894)	(387,016)
Changes in derivative financial instruments	-	68,556
(Decrease)/Increase in trade and other payables	(105,192)	3,171,187
	(18,362,958)	(1,735,422)

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

29. Assets and liabilities in currency other than Argentine pesos ⁽¹⁾

Item	Type ⁽²⁾	03.31.2023 (Unaudited)		12.31.2022	
		Amount in currency other than Argentine pesos ⁽³⁾	Amount in local currency at 209.01 ⁽⁴⁾	Amount in currency other than Argentine pesos ⁽³⁾	Amount in local currency at 177.16 ⁽⁴⁾
Assets					
Non-current assets					
Other receivables and prepayments	USD	19,250	4,023,427	9,060	1,605,079
Current assets					
Other receivables and prepayments	USD	7,499	1,567,432	6,522	1,155,455
Other investments	USD	77,871	16,275,774	98,369	17,427,077
Trade receivables	USD	76,068	15,898,925	56,060	9,931,544
Cash and cash equivalents	USD	581	121,396	660	116,999
Total assets			37,886,954		30,236,154
Liabilities					
Non-current liabilities					
Borrowings	USD	268,170	56,050,250	323,161	57,251,259
Right-of-use liabilities	USD	5,863	1,225,391	6,896	1,221,675
Provisions	USD	55,175	11,532,205	53,392	9,458,968
Current liabilities					
Borrowings	USD	219,655	45,910,069	203,504	36,052,765
Right-of-use liabilities	USD	7,934	1,658,227	10,409	1,844,077
Provisions	USD	3,905	816,270	3,538	626,821
Trade and other payables	USD	91,393	19,102,044	124,177	21,999,232
Total liabilities			136,294,456		128,454,797

(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 March 31, 2023, and December 31, 2022, respectively.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

30. Contingencies, 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.

(ii) Main 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.Ar, for USD 32.37 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.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, of all obligations set forth under Section 64 of the Annex to Decree No. 892/20 related to the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028, for USD 6.33 million.
- Guarantee, in favor of the Federal Administration of Public Revenue for Argentina (Administración Federal de Ingresos Públicos, AFIP), for general and special taxes on a temporary import of a single unit of a Dew Point Adjustment (Joule Thomson) and a Glycol Regeneration Unit, for USD 1.95 million.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, for keeping the offer submitted under the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028 - 4 Round - Neuquina basin, for USD 1.0 million.
- Guarantee, in favor of the Office of the Secretary of Energy of the Ministry of Economy, for keeping the offer submitted under the National Public Bidding for the Reinsurance and Enhancement Plan of Hydrocarbon Production, Self-supply, Exports, Import Substitution and Expansion of the Transportation System for all Hydrocarbon Basins in the Country for the period 2023-2028 - 5 Round - Austral and Noroeste basins, for USD 0.2 million.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

30. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

(ii) Main commitments and guarantees (cont'd)

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 40 million of such amount are pending).
	Gran Bajo Oriental	- Drilling of one exploratory well of 1,900 meters below rig floor (equivalent to 570 working units) before June 2025.
	Aguaragüe	- Execution of one workover and two asset removals to be made in 2023. Drilling of one development well, execution of one workover and two asset removals to be made in 2024, and two asset removals to be made in 2025. Seismic reprocessing in Rio Pescado.
	MLO-124	- Seismic acquisition and processing before October 2025
Neuquina	Agua Salada	- Execution of two workovers to be completed before 2025.
	Los Bastos	- Exploratory investments for USD 10.85 million to be made until 2026 outside the exploitation area. (I)
	Puesto Parada	- Drilling of 2 additional horizontal wells to be made before November 2025.
	Los Toldos I Norte	- Four horizontal wells will have been drilled, completed and partially tested before February 1, 2024 (one of them in the north of the block). Development of the infrastructure necessary for the evacuation of the production, which must be ready upon well testing.
	Los Toldos II Este	- Two horizontal wells will have been 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.

Under Plan Gas.Ar, Tecpetrol assumed a total investment commitment from 2021 to 2028 of approximately USD 1,081 million in Neuquina basin which will be made as follows: (i) USD 13 million during the first quarter of 2021, (ii) USD 29.2 million starting from the second quarter of 2021 and until the fourth quarter of 2022, and (iii) USD 36 million per quarter from 2023 to 2028. At March 31, 2023, Tecpetrol has already made investments for USD 859.5 million. Besides, according to Rounds 1 and 3 from Plan Gas.Ar, Tecpetrol committed to inject 14.9 million m³/d in Neuquina basin until 2024. According to Round 4.1, such period was extended until 2028. The Company has also agreed to inject 2.5 million m³/d starting on July 2023 until 2028, as awarded in Round 4.2. 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 2028. At the date of issuance of these Interim Condensed Financial Statements, Tecpetrol honored all commitments.

The agreements entered into with the distribution service licensees, CAMMESA and ENARSA, for the supply of natural gas under Plan Gas.Ar, included standard clauses for the delivery or payment of up to 10.64 million m³/d until June 2023 and up to 13.14 million m³/d from July 2023 to December 2028, contemplating increases of 4.5 million m³/d from May to September of 2023, 7.25 million m³/d from May to September of 2024 and 6 million m³/d from May to September of each year from 2025 to 2028.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

30. Contingencies, commitments and restrictions on the distribution of profits (cont'd)

(ii) Main commitments and guarantees (cont'd)

Likewise, the agreements entered into with industrial parties and other traders for the supply of gas intended for industrial users or CNG stations included standard clauses for the delivery or payment of around 6.5 million m³/d until April 2024, date upon which volumes will significantly drop due to contract termination.

Gas transportation agreements include ship or pay clauses for amounts ranging from 2.2 million m³/d to 2.9 million m³/d during 2023-2025.

In relation with the Open Bidding Process No. 1/2022 from Oldelval and the Open Bidding Process No. 1/2022 from Oiltanking Ebytem, Tecpetrol committed to contract transport, shipping and storage services including ship or pay clauses for approximately 3,066 m³/d, 3,522 m³/d and 21,122 m³, respectively. Such commitments will enter into force once the facilities are ready for operations and until 2037.

(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.

31. 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").

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.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

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

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.

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.

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Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

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

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 was applied retrospectively; thus, affecting the compensations already settled corresponding to April-July 2018. This change of criteria impacted adversely on cash flows.

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.

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 (for the remaining term of the Program) all Provisional Payments and Payment Adjustments pursuant to the criterion laid down by the Company. Besides, direct and indirect shareholders of Tecpetrol S.A. may file claims before international courts.

Tecpetrol Sociedad Anónima

Interim Condensed Financial Statements at March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

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

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.Ar), subject to the term and validity of Plan Gas.Ar 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.Ar 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 (and until the expiration date of the Program), 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 under the Program. 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.Ar.

32. 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 March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

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

Main transactions with related parties

	Three-month period ended on March 31,	
	2023	2022
	(Unaudited)	
Net sales		
Other related companies	2,757,535	1,219,599
Purchases of goods and services		
Other related companies	(14,752,288)	(4,978,766)
Oleoducto Loma Campana - Lago Pellegrini S.A.	(56,017)	(33,992)
	<u>(14,808,305)</u>	<u>(5,012,758)</u>
Reimbursement of expenses		
Other related companies	242,310	58,029
Interest income		
Other related companies	20,609	31,741
Interest cost		
Tecpetrol Internacional S.L.U.	-	(109,880)
Other related companies	(13,432)	(12,913)
	<u>(13,432)</u>	<u>(122,793)</u>

Balances with related parties

	March 31, 2023	December 31, 2022
	(Unaudited)	
Other receivables from related parties (Note 17)		
<i>Non-current</i>		
Expenses paid in advance - Other related companies	218,333	242,281
Borrowings - Other related companies	1,216,595	1,031,200
	<u>1,434,928</u>	<u>1,273,481</u>
<i>Current</i>		
Other receivables - Tecpetrol Internacional S.L.U.	10,202	9,366
Other receivables - Tecpetrol Internacional S.L.U. Uruguay Branch	1,890	2,687
Other receivables - Other related companies (i)	1,100,455	734,049
Borrowings - Other related companies	23,614	3,489
	<u>1,136,161</u>	<u>749,591</u>
Trade receivables from related parties (Note 18):		
Current - Other related companies	461,046	331,102
Right-of-use liabilities:		
Non-current - Other related companies	1,359,127	1,263,459
Current - Other related companies	703,404	625,456
Trade and other payables with related parties (Note 26):		
Current - Tecpetrol Internacional S.L.U.	-	492,672
Current- Tecpetrol Investments S.L.U.	3,010	23,102
Current - Oleoducto Loma Campana - Lago Pellegrini S.A.	1,095	27,028
Current - Other related companies (ii)	8,359,277	9,146,741
	<u>8,363,382</u>	<u>9,689,543</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 March 31, 2023

Notes to Interim Condensed Financial Statements at March 31, 2023 (cont'd)

33. Main joint operations

Joint operations

a) Areas operated by Tecpetrol S.A.

Name	Location	% at March 31, 2023	% at December 31, 2022	Expiration date of the concession
Aguaragüe (i)	Salta	23.0	23.0	Nov-37
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 (ii) (iii)	Santa Cruz	74.6	74.6	Nov-33
Loma Ancha (iv)	Neuquén	95.0	95.0	Dec-22
Los Toldos (I Norte, II Este)	Neuquén	90.0	90.0	May-54

(i) In February 2023, the Company and the authorities of the province of Salta agreed to a 10-year extension of the concession over Aguagagüe expiring in November 2037 and San Antonio Sur expiring in November 2034. As of the date of issuance of these Interim Condensed Financial Statements, the agreement is pending approval by the Executive Branch of the province.

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

(iii) In February 2023, Tecpetrol S.A. assigned to APASA its rights and obligations associated with the exploitation concession over Estancia La Mariposa area, waived its concession over the areas of Lomita de la Costa and Cerro el Mangrullo, and assigned its contractual position in joint venture Lago Argentino. As of the date of issuance of these Interim Condensed Financial Statements, the local implementation authority has not yet approved said request.

(iv) Tecpetrol S.A. assumes 100% of the costs and investments during the basic exploration period under an agreement with its partner Gas y Petróleo del Neuquén S.A. At the date of issuance of these Interim Condensed Financial Statements, Tecpetrol S.A. was negotiating with the authorities of the province of Neuquén the permit over Loma Ancha area as a lot under assessment.

b) Areas operated by third parties

Name	Location	% at March 31, 2023	% at December 31, 2022	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.

34. Subsequent events

In April 2023, the Company entered into two loan agreements with CITIBANK N.A. (Argentina branch) to prefinance exports for \$20,900 million and a term overdraft agreement for \$8,000 million with Banco Galicia and Buenos Aires S.A.U. maturing in April 2024.

No events, situations or circumstances have taken place as from March 31, 2023, 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 - 16th floor
Autonomous City of Buenos Aires
Tax Code No. 30-59266547-2

Report on the interim condensed financial statements

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 March 31, 2023, the interim condensed income statement, the interim condensed statement of comprehensive income, the interim condensed statement of changes in equity and the interim condensed cash flow statement for the three-month period ended March 31, 2023 and selected explanatory notes.

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 the review

Our responsibility is to express a conclusion on these interim condensed financial statements based on our review, which was performed in accordance with the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", 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 condensed financial statements involves making inquiries mainly of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, it does not enable us to obtain assurance that we will become aware of all the significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

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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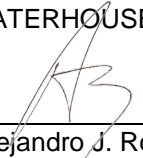
Report on compliance with current regulations

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 March 31, 2023, 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 \$273,617,066, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 9, 2023

PRICE WATERHOUSE & CO. S.R.L.

by  (Partner)
Alejandro J. Rosa