



# **COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.**

**Consolidated Financial Statements  
for the fiscal year ended December 31, 2022**  
(With comparative statements of 2021)

**Compañía General de Combustibles S.A.**

**Financial Statements for the Fiscal Year ended December 31, 2022**

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# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

as of December 31, 2022



# **Compañía General de Combustibles S.A.**

## **Annual report 2022**

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#### **BOARD OF DIRECTORS**

|                      |                                 |
|----------------------|---------------------------------|
| <b>Chairman</b>      | Eduardo Hugo Antranik Eurnekian |
| <b>Vice Chairman</b> | Juan Pablo Freijo               |
| <b>Director</b>      | Daniel Kokogian                 |
| <b>Director</b>      | Nestor Raffaeli                 |
| <b>Director</b>      | Fernando Victor Pelaez          |
| <b>Director</b>      | Alain Petitjean                 |
| <b>Director</b>      | Dante Rubén Patritti            |
| <b>Director</b>      | Pablo Arnaude                   |
| <b>Director</b>      | Ignacio Noel                    |

#### **SUPERVISORY COMMITTEE**

|                           |                             |
|---------------------------|-----------------------------|
| <b>Statutory Auditors</b> | Carlos Oscar Bianchi        |
|                           | Carlos Fernando Bianchi     |
|                           | Mariano Miguel De Apellaniz |

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#### **To the Shareholders:**

According to the legal and statutory provisions in force, the Board of Directors submits to your consideration this Annual Report, the Inventory, the Informative Review, the Financial Statements comprising the corresponding Consolidated and Individual Statements of Financial Position, Statements of Comprehensive Income, of Changes in Shareholders' Equity, of Cash Flow, and Notes for Fiscal year No. 103 ended on December 31, 2022, information that should be read, analyzed, and interpreted together so as to have a full vision of the relevant corporate matters of the fiscal year.

The financial statements have been prepared in accordance with accounting standards and the provisions of regulatory agencies, which are detailed in the accompanying notes.

## **I. MACROECONOMIC CONTEXT FOR THE YEAR 2022**

### **Macroeconomic context**

The Company carries out its operations mainly in Argentina, so business depends to a great extent on the evolution of the main variables of the macroeconomic context of the country, which have been highly volatile, particularly the tariff policy measures adopted by the National Government, the local social and political conditions, and the international scenario.

At the beginning of the year, although the COVID 19 health risk subsided, limiting the level of activity and inflation until mid-2021, Russia's invasion of Ukraine broke out, with very harmful consequences both in humanitarian and economic terms.

In economic terms, the war led to a typical oil supply shock that initially caused oil prices to rise from around USD70/80 per barrel (WTI) to highs of USD 125 in March. Throughout the second quarter, the price of oil remained oscillating between 100 and 120 dollars per barrel, but affected the rest of the commodities markets, both energy (such as the price of liquefied gas) and agricultural commodities. Between March and April, the price of soybean rose from 600 to 620 dollars per ton, wheat from 343 to 390 and corn from 253 to 298, among the most relevant commodities.

From May onwards, with the war entering undefined territory, commodity prices were tempered in terms of value and volatility. The price of oil stabilized at around USD/Brl 85 (WTI, that of soybeans oscillated around USD/Tn 530, wheat USD/Tn 300 and corn USD/Tn 240).

The impact of this shock on the level of activity was most clearly felt in some European economies, the most dependent on gas supplies from Russia. For example, Germany, according to preliminary information, would be averaging a growth of only 1% in 2022. In the rest of the world, a slowdown in growth was noted, which has to do with the impact of the war, but also with monetary factors, the increase in interest rates and persistent bottlenecks in several sectors of goods and inputs (derived from the sanitary restrictions imposed by China).

While, in 2021, the main world economies grew uninterruptedly, managing to recover a large part of the GDP declines that occurred in 2020, a generalized slowdown was noted in 2022, without signifying a recessionary environment. GDP growth rates in 2022 are estimated at 2.0% in the USA, 1.0% in Germany, 2.5% in France, 4.0% in the UK, 3.5% in Italy, 5.0% in Spain, 2.5% in Brazil, 2.5% in Mexico and 2.0% in Chile.

The impact of the commodity price war, combined with external demand at elevated levels, resulted in an increase in global inflation that went beyond the jump recorded in 2021. Between June and December 2021, U.S. inflation had risen from 1.4% to 6.8% annually, in Germany from 0.4% to 5.2%, in China from 0.2% to 2.3%, in Mexico from 3.2% to 7.4%, in Brazil from 4.5% to 10.7%. In 2022, this process worsened, driving additional increases in inflation, which in the case of the USA reached 7.1% per year, in Germany 10% per year, in Mexico 7.8% per year, and in Brazil 5.9% per year (data as of November 2022).

The main Central Banks reacted aggressively to the overheating of economies. Until the beginning of 2022, the Federal Reserve and the European Central Bank diagnosed that the increase in inflation was explained by mostly transitory factors such as the increase in the international price of oil, the rest of the energy inputs or metals (prior to the war in Ukraine)

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and also by the resettlement of relative prices (such as tourism, passenger transportation or entertainment), as well as by bottlenecks in the production of intermediate inputs and final goods.

However, this diagnosis and the plans foreseen for its monetary policies were left under review. The war in Ukraine and the March 2022 commodity price hike finalized a different macroeconomic picture and economic policy priorities.

The US Federal Reserve was forced to accelerate the monetary tightening it had announced in 2021. In March, it announced a schedule for reducing its assets and consequently injecting less liquidity into the financial system by selling or not renewing maturities of Treasury bonds and mortgage assets. Since then, the assets on the Fed's balance sheet were reduced by almost USD 400.000 million from USD 8.9 billion in March to USD 8.5 million in December.

Simultaneously, it recalibrated the interest rate adjustment path. The first increase in the Fed Funds rate was in March 2022 and amounted to 25 basis points (bps), to raise it from 0.25% to 0.5%. This was followed by a 50-bps hike in May, 4 hikes of 75 bps in June, July, September, November and a final 50 bps hike in December, leaving the interest rate in the range of 4.25-4.50%.

The rest of the large Central Banks such as the European Central Bank (ECB), the Bank of England and the Bank of Japan (BOJ) followed the Fed's lead. The ECB raised the interest rate 250 bps from 0% in June to 2.5% in December, the Bank of England raised the interest rate from 0.25% to 3.5% while the BOJ has not yet decided on any move.

The war in Ukraine and monetary tightening led to volatile financial markets with corrections in almost all asset classes, corporate bonds, sovereigns, stock markets and currencies. In the last twelve months, up to December 2022, the Dow Jones and Nasdaq indices fell 8% and 32% respectively. In line with the Fed's actions, interest rates on both short and long-term Treasury bonds strengthened (4.3% for the 3-month bond and 3.75% for the 10-year bond) while credit spreads of the riskiest companies (High Yield) widened from levels of 310 to 461 basis points. In the same sense, the credit risk of emerging bonds increased from 370 basis points to 420 (EMBI +, JP Morgan). In the case of international commodity prices, among the main markets, the price of oil rose 4.3% (from USD75.2 to USD 78.5 per barrel WTI), the price of copper fell 14% and soybeans rose 10.5% (from USD 492 to USD 544 per ton).

Another event with a possible economic impact on the region was the Brazilian presidential election, where the coalition led by Luis Ignacio Da Silva defeated Jair Bolsonaro's ruling party in the second round. Da Silva took office in January 2023. Judging by the reaction of the financial markets, a 180° turn in terms of economic policy is not expected, expecting the economic fundamentals of the last thirty years to be maintained. The value of the real remained at levels close to 5.3 to the dollar, the Bovespa stock market index at around 110,000 points, and the EMBI country risk close to historic lows of 260 bps.

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### **Argentina's economic performance 2022**

The most important local economic event at the beginning of the year was the agreement reached with the International Monetary Fund, which cleared the debt maturity horizon with the organization, in exchange for a program that includes quantitative fiscal and monetary targets. The primary deficit originally set for 2022 was \$ 1.8 billions, an adjustment with respect to 2021 of around 0.5 percentage points of GDP. The signing of the Agreement coincided with a change in the international context that had a contrasting impact on public finances. The conflict in Ukraine led to an escalation of international commodity prices, among them, those that Argentina exports (soybeans, grains) but also those that it imports (energy). Thus, while tax collection accelerated because of higher revenues from export taxes, spending was accompanied by higher payments of energy subsidies.

The net impact was negative. Central government primary spending grew 10 points above revenues in the first half of the year (75% annual versus 65% annual, respectively). The fiscal target for the first quarter was barely met thanks to the inclusion of non-cash generating property rents (reluctantly accepted by the IMF), while the second quarter target, which had to be substantially revised upwards after correcting the program's inflation assumptions, was also barely met and after spending was stepped on.

With respect to the level of activity, a high growth rate was maintained throughout 2022. According to the official information released up to October/November, GDP would average a growth rate slightly above 5.0% in 2022. This dynamic was driven by the goods and services sectors. Industry and construction are targeting 5% growth in 2022, trade 6% and tourism 35%. The latter sector still compares against levels where restrictions to the movement of people derived from the 2020-21 health crisis persisted. Contrasting with these sectors are Agriculture and Livestock with projected growth of less than 2%, and Banking and Insurance with projected growth of 1%.

In line with the level of activity, the labor market also recovered. According to the latest published information, the activity rate was 47.9% in the third quarter of 2022 versus 46.9% in the fourth quarter of 2021, the employment rate was 44.2% versus 43.6% in the fourth quarter of 2021, and the unemployment rate was 7.1% versus 7.1% in the fourth quarter of 2021.

In the first eleven months of the year, exports increased 15.3% (USD 10,946 M) driven by a 17.0% improvement in prices, while quantities decreased -1.4%. However, the trade surplus narrowed substantially due to the strong growth in imports, driven by high fuel prices, but also due to the increase in imported quantities. Between January and November, imports increased 34.3% (USD 19,525 M) with respect to the same period of the previous year, with an increase of 16.7% in prices and 15.0% in quantities. Thus, while in the first eleven months of 2021 the trade surplus amounted to USD 14,379 M, in the same period of 2022 it was reduced to USD 5,800 M.

Between January and November 2022, exporters recorded receipts from collections of goods exports for about USD 82,760 million, while shipments totaled USD 82,100 million, so a slight increase in the external debt for advances and pre-financing of goods of about USD 670 million is estimated for this period. Not all sectors evolved in the same way.

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In September, through the Export Increase Program, the government established a differential exchange rate of \$ 200 per ton of soybeans and its derivatives (30% higher than the official exchange rate), effective only for that month. As a result, in September the oilseeds and grains sector earned foreign currency for USD 5,735 M above the exported value, indicating that there was an increase in trade financing. This amount was partially reversed between October and November, in response to the partial cancellation of the September indebtedness. In December the government reestablished (also temporarily) the special dollar for soybeans, setting it at \$ 230 per ton. It is estimated that during the year the oilseeds and grains sector will earn some USD 1,500 / 2,000 million above the values shipped. As for the rest of the sectors, foreign currency inflows in the first eleven months of the year were lower than the values shipped, which indicates that commercial indebtedness has been reduced.

On the other hand, it is estimated that in the first eleven months of the year, the debt for imports of goods would have increased by around USD 9,000 M. Thus, the ratio between foreign indebtedness and the level of imports increased to 37.6% in November 2022.

The evolution of trade in goods and trade debt for exports and imports resulted in a net result for goods in the foreign exchange market of USD 18,600 M in the first eleven months of the year, showing a year-on-year increase of about USD 4,300 M. This amount was higher by about USD 7,800 M than the result of the FOB trade balance for the same period, which recorded a year-on-year fall of USD 7,050 M.

Regarding the private sector financial debt, as of the renegotiations recorded in the first eleven months of 2022, net payments made through the foreign exchange market represented 27% of the original maturities, impacting on lower net purchases for about USD 2,254 million.

As for the BCRA's performance in the foreign exchange market, net purchases for USD 5,824 million were recorded in the year-to-date, while International Reserves increased by USD 4,935 million. The variation in International Reserves was explained by the decrease in the valuation of assets for about USD 2,200 M, due to sales in the Local Currency System for about USD 780 M. These movements were partially offset by the net income of foreign currency debt of the National Government for about USD 2,200 M (net income from the IMF for about USD 5,166 M and net payments of other foreign currency debt for USD 3,000 M) and the net purchases of the BCRA in the exchange market for the aforementioned USD 5,824 M.

Until August, the inflation rate accelerated. The third quarter ended with a monthly average inflation of 6.8% (+1.3 p.p. with respect to the second quarter of 2022) while in the fourth quarter it decelerated to 5.4% monthly (-1.4 p.p. with respect to the third quarter of 2022). In November, the monthly inflation rate slowed to 4.9%, the lowest level since February of this year, and in December it was 5.1%. This moderation followed the significant acceleration of the general price level in July (7.4%) and August (7.0%), in a context of greater local financial volatility, exchange rate uncertainty and increased inflation expectations. The year-on-year inflation rate continued to rise during the last months and closed the year at 94.8% annually.

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After detaching itself from the evolution of retail prices for some months, the BCRA accelerated the "crawling-peg": until September, the monthly devaluation rate lagged inflation, a situation that was reversed as of October. However, this was not enough: with the annual devaluation of around 72.5% versus inflation of 94.8% per year, the exchange rate recorded a real appreciation of 12.9% in 2022. Throughout the year, the gap between the official exchange rate and the CCL (cash with liquidation) dollar benchmark was around 100%.

The evolution of the public accounts was marked by the effort to meet the goals of the agreement with the IMF signed in March. The program envisaged reducing the primary deficit from 3% of GDP in 2021 (\$ 1.4 billion) to 2.5% (\$ 1.8 billion) in 2022, on the basis of strengthening revenues and controlling spending, the latter focused on saving energy subsidies due to the tariff segmentation that was expected to be implemented.

The war in Ukraine and the inflationary acceleration itself disrupted the plans: on the one hand, revenues rose more than expected due to the dynamics of prices, both local and international (energy and food); on the other hand, expenses also accelerated due to higher spending on energy subsidies. The IMF modified the annual fiscal target due to the higher expected inflation, raising the primary deficit to almost \$ 2.1 billion, a target that will be met thanks to the liquefaction of spending due to the acceleration of inflation (a liquefaction that was not offset by the payment of various bonuses and food aid to beneficiaries of minimum pensions and social plans) and to additional sources of income (the "soy dollar" I and II in September and December, which increased the collection of withholding taxes on exports in those months, as well as the advance payment of an income tax advance corresponding to 2023 for companies with extraordinary profits).

The financing of the Treasury's needs was mainly supported by the BCRA, both in pesos and dollars. Peso debt payments followed a meandering path. During the first quarter 2022, the dynamics observed in 2021 continued, with the Treasury achieving positive net financing (placements more than total maturities), but the dynamics changed in the second quarter with accelerating inflation and market volatility. The BCRA was forced to intervene by buying more than \$ 1 trillion of debt in the secondary market to support prices and decompress maturities. Thus, in the second quarter of 2022, the debt rollover rate, which had been comfortably above 130% on average at the beginning of the year, ended at 98%, and only thanks to this help from the BCRA. Debt maturities in dollars continued to be paid with reserves (interest on foreign currency bonds and loans from agencies), while payments to the IMF were made using the disbursements corresponding to the signing of the program and to the fulfillment of each quarter's goals.

The BCRA's monetary assistance to the National Treasury through the Temporary Advances remained within the limits established in the Extended Facilities Program (EFP) agreed with the IMF. Likewise, the National Treasury fulfilled its commitment of not using the remaining balance of temporary advances in the last part of the year. Thus, the accumulated primary expansion of the public sector in terms of GDP was among the lowest in recent years, representing only 0.8% of GDP. The foreign currency purchase operations from the soybean complex carried out within the framework of the "Export Increase Program" implied a considerable expansion of liquidity during September and, to a lesser extent, in December. Another factor that implied an expansion of liquidity during the period under analysis were the purchases of Treasury securities in the secondary debt market in pesos, which were resumed after months without BCRA's participation. Liquidity expansion was ultimately channeled to monetary regulation instruments. Because of the above, the second half of the year saw an increase in the balance of interest-bearing liabilities. In 2022, the BCRA's interest-bearing liabilities accrued interest for \$ 3,386 M, while the stock increased by \$ 4,975 M.

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The stock of interest-bearing liabilities of the BCRA will reach a value of 8% of GDP (annual average) in 2022.

Throughout the year, as monthly inflation accelerated, the BCRA raised the monetary policy interest rate, which by the last quarter of the year was consolidating in positive territory in real terms. In the same way, the minimum guaranteed interest rate for time deposits was also raised.

As of December 2022, total peso deposits grew 90.3% annually (4.5 percentage points less than inflation). Encouraged by the positive real interest rate, time deposits grew 102% annually as of December. Transactional deposits (checking and savings accounts) grew 73.9% year-on-year. The monetary aggregates are at a value close to their historical average (2007-November 2022), while the circulating money held by the public was 41% below the historical average in November, one of the lowest records of the last 15 years.

### **Hydrocarbon activity in Argentina**

During 2022, domestic hydrocarbon production continued to increase because of the recovery of post-pandemic demand. Thus, with year-on-year increases of 13.5% in oil and almost 7% in gas, production levels not seen since 2009-2010 were reached. The Neuquina Basin was once again fundamental to obtain these records. The production of unconventional oil and gas increased 23% and 48%, respectively, and, on average, they already represent half of all the production obtained in the country.

In addition to domestic demand, the expansion projects of the Valley Pipeline System and the reactivation of the Trans-Andean Pipeline underpin the growth possibilities of oil exports. In this sense, the volume exported of domestic hydrocarbons increased 43% last year, generating revenues of more than USD 5 billion.

The construction of the Néstor Kirchner gas pipeline, the first section of which is expected to be inaugurated in mid-2023, represents an optimistic outlook for the gas sector since it will make it possible to increase the production of the Neuquina Basin fields, which currently have a ceiling in their transportation capacity, while improving the supply of residential consumption, reducing dependence on energy imports and promoting investments for the expansion of the petrochemical complex in Bahía Blanca and the development of projects for the construction of infrastructure for exports.

With the purpose of enabling investments to promote production in all the country's basins and satisfy hydrocarbon needs, as a complement, extension and empowerment of Decree N° 892/2020 "Plan for the Promotion of Argentine Natural Gas Production - Supply and Demand Scheme 2020-2024" and the results derived therefrom, on November 3, 2022, Decree N° 770/2022 "Plan for the Reinsurance and Enhancement of Federal Hydrocarbon Production, Domestic Self-Supply, Exports, Substitution of Imports and Expansion of the Transportation System for all hydrocarbon basins in the country 2023-2028" was published in the Official Gazette. The purpose of this decree was (i) to grant predictability to the filling of the Nestor Kirchner gas pipeline from the Neuquina Basin, which in its first stage would be operative in June 2023 (ii) to extend in time and in advance until 2028 the contracting of those volumes assigned in Decree 892/2020, and (iii) to extend in time and in advance until 2028 the contracting of those volumes assigned in Decree 892/2020, which would be operative in June 2023. in Decree 892/2020 and its amendments (iii) to promote the production of all those basins that have idle transportation capacity and that can immediately cooperate in the substitution of alternative fuels that are more expensive for the system ("Incremental Activity Plan"). Within the framework of this call, CGC and CGC Energía -as an economic group the "CGC Group"- participated by extending until December 31, 2028, the natural gas injection and delivery commitments assumed through

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the "Plan de Promoción de la Producción de Gas Natural Argentino - Esquema de Oferta y Demanda 2020-2024", with a maximum allowed decline of 15% per year vs. 2024 (Base curve). Additionally, and within the framework of the same Decree N° 770/2022, the CGC Group participated and was awarded in the Incremental Activity Plan, assuming investment commitments for drilling and repairing wells tending to achieve an Incremental injection curve above the Base curve, from January 1, 2023, until December 31, 2028. This resulted in the execution of a Purchase and Sale Offer with CAMMESA for such term, with prices starting in 2023 at 9.50 USD/MMBtu decreasing in 2028 to 5.00 USD/MMBtu, linearly averaging 7.42 USD/MMBtu in the referred period and with delivery commitments associated to the actual incremental injection produced. This agreement will avoid the acquisition of substitutes (mainly Gasoil) generating an important saving due to lower foreign currency requirements for the National Government.

Regarding gas exports, in 2022 the volume exported at national level reached approximately 2600 MMm3, which represents a doubling with respect to 2021. Additionally, firm export permits were authorized to Chile for 9 MMm3 per day in the Neuquina Basin for the period from October 2022 to April 2023.

CGC exports all its crude oil production from the Austral Basin and sells crude oil from the Golfo San Jorge Basin in the local market. Natural gas in Argentina, unlike other countries in the region, is the predominant energy for consumption and represents 50% of the energy matrix.

## II. SUMMARY OF THE MOST RELEVANT EVENTS OF THE YEAR

- ✓ **CGC ranks seventh as hydrocarbon producer:** as of December 2022, CGC ranked seventh as hydrocarbon producer in Argentina, according to information published by the Energy Secretariat.
- ✓ **CGC fractured and achieved flow and production for the first time from the Palermo Aike:** the source rock of the Austral Basin was fractured, which opens a very promising horizon. This is considered by CGC as a major milestone in the exploration of this Unconventional Shale resource, with very encouraging results, although the flow rates obtained are not commercial, it is the first fracture in a vertical well and it resulted in a sustained flow of liquid hydrocarbons.
- ✓ **New gas and oil discovery in Cuenca Austral, in Estancia El Campamento:** the results obtained proved that there is gas and oil production in this field and encourage a second stage of exploration of the commerciality of these resources through the drilling of horizontal wells.
- ✓ **Successful delineation of the El Cerrito Norte field:** discovered at the end of 2021. Three delineation wells were drilled in the El Cerrito Norte field, which allowed us to define and give greater certainty to the future development strategy of the field.
- ✓ **Acquisition of 25% of Blocks AUS-105 and 106 participating in the offshore of Tierra del Fuego:** these blocks are adjacent to the Carina Block, which produces more than 11% of Argentina's gas, and the Fenix Block, which is scheduled to start production in 2024.
- ✓ **New issuances of Notes:** during 2022, the Company issued Negotiable Obligations for a total of USD 285 million, extending the maturities and lowering the borrowing costs, which allowed it to afford the level of investments in operations. Also, the Class

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18 Notes for a total of USD 18.2 million and the first installment of the syndicated loan for USD 57.5 million were paid in full.

- ✓ **CGC successfully managed natural gas sales during 2022:**
  - Successfully established backup mechanisms that allowed to cover with CGC production previous contracts coming from CGC Energía.
  - Successfully established mechanisms to sale the CGC Energía's incremental production.
  - CGC's average net price according to the information available under Resolution E1/2018 (Secretary of Hydrocarbon Resources) in the January-August period was 33% above the average price for Santa Cruz.
- ✓ **Continuity in natural gas exports:** Continued summer exports of gas to Chile in summer firm quality:
  - The export of natural gas to Methanex from the Austral basin for CMD 500,000m3/d, which had started in October 2021, continued.
  - Additionally, CGC obtained, within the framework of the Gas.Ar Plan, a summer firm export contract with ENEL GENERACIÓN CHILE SA in Neuquina Basin for 500,000 m3/d for the period Oct22-Apr23. This contract was obtained through the basin exchange mechanism foreseen in Resolution 360/2021, representing for CGC a PIST price 2.6 times higher than CGC's Gas.Ar Plan price.
  - 86 million cubic meters of natural gas were exported in 2022.
- ✓ **Better positioning of María Inés crude oil and Liquefied Petroleum Gas ("LPG") in the foreign market and of Cañadón Seco crude oil in the local market:**
  - In fiscal year 2022, because of the price positioning of María Inés crude oil in recent years, 100% of the sales of this crude oil were destined for the export market.
  - The entire production of Cañadón Seco crude oil was destined for the domestic market due to a growing interest of local refining companies in having this type of crude oil, which allowed an increase in the sales price during 2022.
  - CGC maintained LPG exports, which constitute an additional market to evacuate production, taking advantage of the very competitive rising international prices.
- ✓ **EBITDA:** The Company's EBITDA adjusted for dividends received in 2022 amounted to \$ 43,262.2 million, increasing from the previous year by \$ 23,434.5 million, representing 35.1%.
- ✓ **Reserves:** The Company's total proved reserves as of December 31, 2022 amounted to 23,146 Mm3 of oil equivalent, increasing with respect to December 31, 2021 by 15.0%. As of December 31, 2022, reserves are composed of 45% crude and liquids and 55% natural gas.
- ✓ **Investments in exploitation and exploration activities:** Investments in the year ended December 31, 2022, amounted to \$ 64,836.2 million, 280% higher than the previous year, which were concentrated in development activities, 92%, and exploration, 8%.
- ✓ **Production:** Production of oil, natural gas, liquefied petroleum gas and gasoline in fiscal 2022 was 2,879.1 million m3 of oil equivalent, representing an increase of 16.9% over the previous year's production. Liquid hydrocarbons in 2022 accounted for 42.2% and natural gas for 57.8%. In total, we increased oil and gas production by more than

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10%. In Mendoza, production increased 25% since CGC took over the operation. In Golfo San Jorge we tripled the tower equipment and increased gas production by 67% and oil production by 16%.

- ✓ **Community work through social investment programs:** CGC worked intensively in the communities where CGC is present through various social investment programs, in which more than 70 CGC employees participated, directly impacting more than 900 people in the community.
- ✓ **Nationalization of CGC Energía S.A.U., (former Sinopec Argentina Exploration and Production, Inc.):** on June 22, 2022, the voluntary adaptation to Argentine law was approved in terms of article 124 of Law N° 19,550 and the transfer of its legal domicile to the country, which does not imply the creation of a new legal entity, but it will continue to exist in Argentina and CGC Energía S.A.U. is the continuation of Sinopec Argentina Exploration and Production Inc. and its branch registered in the Republic of Argentina.

### III CGC INVESTMENTS IN OTHER COMPANIES

CGC is a leading energy company operating in Argentina and is engaged in the development, exploration and production of gas, oil and, to a lesser extent, LPG (upstream business). The Company has a significant portfolio of exploration and/or production areas in several basins in Argentina, with its main operation located in the province of Santa Cruz, in the southern part of the country. In addition to the upstream business, the Company has investments in the second most important gas pipeline network in Argentina, covering the north and center of the country, and over which it has joint control or significant influence (midstream business).

#### Upstream

CGC has interests in oil and gas fields throughout twelve (12) areas of the continental Austral basin and one (1) area of the Northwest basin. Additionally, after the acquisition of the assets of CGC Energía S.A.U. (formerly Sinopec Argentina Exploration and Production Inc.), the company has substantially increased its operation by incorporating fifteen (15) areas in the San Jorge Gulf basin and five (5) areas in the Cuyana Basin. The extent of the Company's acreage in Argentina on a consolidated basis covers a total of 7.9 million gross acres and 6.8 million net acres. Production, exploration, and development activities are carried out through exploitation concessions and exploration permits granted by the national and provincial governments of Argentina. CGC carries out these activities on its own or through joint venture ("JV") contracts, operating all of its oil and gas fields in the Austral Basin and the San Jorge Gulf Basin.

#### Midstream

CGC indirectly holds a 28.23% interest in Transportadora Gas de Norte S.A. ("TGN"), a 43.5% interest in both GasAndes Argentina and GasAndes Chile, the operators of the GasAndes pipeline in Argentina and Chile, respectively, and a 15.77% interest in Transportadora Gas del Mercosur S.A. ("TGM").

Although the Company's core business is in the upstream activities, CGC plans to maintain its existing interests in the midstream business, as it considers them to be an investment that is strategically and financially complementary to its core business.

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The main participations in the upstream business and the investments in the midstream business are detailed below:

#### UPSTREAM

| COUNTRY/<br>BASIN      | AREA                                      | INTERESTS<br>% | OPERATOR           | ACTIVITY                     |
|------------------------|-------------------------------------------|----------------|--------------------|------------------------------|
| <b>ARGENTINA</b>       |                                           |                |                    |                              |
| <b>Austral</b>         | El Cerrito                                | 100.00         | CGC                | Exploration and exploitation |
|                        | Dos Hermanos                              | 100.00         |                    |                              |
|                        | Campo Boleadoras                          | 100.00         |                    |                              |
|                        | Campo Indio Este / El Cerrito             | 100.00         |                    |                              |
|                        | María Inés                                | 100.00         |                    |                              |
|                        | Cóndor                                    | 100.00         |                    |                              |
|                        | La Maggie                                 | 100.00         |                    |                              |
|                        | Glencross                                 | 87.00          |                    |                              |
|                        | Estancia Chiripa                          | 87.00          |                    |                              |
|                        | Tapi Aike                                 | 100.00         | CGC                | Exploration                  |
|                        | Paso Fuhr                                 | 50.00          |                    |                              |
|                        | Piedrabuena                               | 100.00         |                    |                              |
| <b>Noroeste</b>        | Aguaragüe                                 | 5.00           | Tecpetrol S.A.     | Exploration and exploitation |
| <b>Cuyana</b>          | Cacheuta                                  | 100.0          | CGC Energía S.A.U. | Exploration and exploitation |
|                        | Cajón de los Caballos                     | 25.0           | Roch S.A.          |                              |
|                        | La Ventana – Vacas Muertas                | 30.0           | YPF S.A.           |                              |
|                        | Piedras Coloradas – Estructura Intermedia | 100.00         | CGC Energía S.A.U. |                              |
|                        | Río Tunuyán                               | 30.00          | YPF S.A.           |                              |
| <b>Golfo San Jorge</b> | Bloque 127                                | 100.00         | CGC Energía S.A.U. | Exploration and exploitation |
|                        | Cañadón León                              | 100.00         |                    |                              |
|                        | Cañadón Minerales                         | 100.00         |                    |                              |
|                        | Cañadón Seco                              | 100.00         |                    |                              |
|                        | Cerro Overo                               | 100.00         |                    |                              |
|                        | Cerro Wenceslao                           | 100.00         |                    |                              |
|                        | El Cordon                                 | 100.00         |                    |                              |
|                        | El Huemul – Koluel Kaike                  | 100.00         |                    |                              |
|                        | Las Heras                                 | 100.00         |                    |                              |
|                        | Meseta Espinosa                           | 100.00         |                    |                              |
|                        | Meseta Espinosa Norte                     | 100.00         |                    |                              |
|                        | Meseta Sirven                             | 100.00         |                    |                              |
|                        | Piedra Clavada                            | 100.00         |                    |                              |
|                        | Sur Piedra Clavada                        | 100.00         |                    |                              |
|                        | Tres Picos                                | 100.00         |                    |                              |

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#### MIDSTREAM

| COUNTRY   | COMPANY                                 | DIRECT AND INDIRECT INTEREST % |
|-----------|-----------------------------------------|--------------------------------|
| ARGENTINA | Transportadora de Gas del Norte S.A.    | 28.23(*)                       |
|           | Gasoducto GasAndes Argentina S.A.       | 43.50                          |
|           | Transportadora de Gas del Mercosur S.A. | 15.77                          |
| CHILE     | Gasoducto GasAndes S.A.                 | 43.50                          |

(\*) 28.23% directly and indirectly for its 50.00% interest in Gasinvest S.A.

#### IV. CHANGES IN CGC INDICATORS

The following table sets forth the results of the Company by business area. For this purpose, the results of those companies in which CGC does not exercise corporate control were proportionally consolidated.

The figures below are expressed in currency of purchasing power as of December 31, 2022.

|                           |          | UPSTREAM |         | NATURAL GAS TRANSPORTATION |        | TOTAL   |         |
|---------------------------|----------|----------|---------|----------------------------|--------|---------|---------|
|                           |          | 2022     | 2021    | 2022                       | 2021   | 2022    | 2021    |
| Sales revenues            | MM\$     | 147,291  | 141,920 | 18,650                     | 14,492 | 165,941 | 156,412 |
| Gross margin              | MM\$     | 28,639   | 55,987  | 5,076                      | 1,462  | 33,714  | 57,449  |
| Operating result          | MM\$     | 16,381   | 41,941  | 2,809                      | (749)  | 19,190  | 41,192  |
| Oil production (1)        | m3/day   | 3,326    | 3,247   |                            |        | 3,326   | 3,247   |
| Gas production (3)        | Mm3/day  | 4,562    | 4,771   |                            |        | 4,562   | 4,771   |
| Oil reserves (1)(2) (4)   | Mm3      | 10,440   | 9,080   |                            |        | 10,440  | 9,080   |
| Gas reserves (2)(3) (4)   | MMm3     | 12,706   | 11,047  |                            |        | 12,706  | 11,047  |
| Total reserves (1)(2) (4) | Mm3P.E.  | 23,146   | 20,127  |                            |        | 23,146  | 20,127  |
| Reserves ratio            | Years    | 8.0      | 8.2     |                            |        | 8.0     | 8.2     |
| Gas transported           | MMm3/day |          |         | 14.4                       | 14.7   | 14.4    | 14.7    |

Note: The information by business line is expressed in terms of CGC's participation in each one.

M = Thousands; MM = Millions; m3 = Cubic meters.  
P.E.: Petroleum Equivalent

(1) Includes liquefied petroleum gas and gasoline.

(2) Includes only proved reserves.

(3) Expressed in 9,300 Kcal per m3.

(4) Correspond to reserves audited by DeGolyer & MacNaughton as of 12.31.22 and 12.31.21, except for non-operated areas which correspond to reserves estimated by the company as of 12.31.22 and 12.31.21, respectively.

## **V. ACTIVITIES AND BUSINESSES OF THE COMPANY**

### **A) UPSTREAM**

#### **Exploration and production areas of the Company**

As of December 2022, CGC was the seventh largest hydrocarbon producer in Argentina, according to information published by the Energy Secretariat. Forty wells were drilled between Austral and Golfo San Jorge Basin operations.

In Golfo San Jorge Basin, the start of drilling, completion and workover activities is the most relevant data of the year. The Venver-32 and DLS-70 completion and workover rigs started activity on April 16 and July 16, respectively, during which period 29 well interventions were carried out, of which 17 were workovers and 12 were new well completions. On June 2, the Petreven company's H-202 rig began drilling, drilling 13 wells by the end of the year, and started drilling number 14. A second rig, Estrella-1001, began drilling the CS-4001 well on December 14.

In Austral Basin, drilling activity resumed after 21 days of inactivity due to testing and personnel recovery by COVID. On January 24, the campaign began, and 25 wells were drilled, 3 of them exploratory. The most relevant aspect was the discovery of gas and oil in El Campamento and the successful delineation of the El Cerrito Norte field, discovered the previous year. In May 2022, the fracturing campaign of the basin's source rock, the Palermo Aike Fm, the basin's shale, was completed. The stimulation and subsequent testing of two wells, Cañadón Deus.a-2 and Ea. Campos.a-2, whose results proved that there is oil production from this formation and encourage a second stage of exploration of the commerciality of this vast resource through the drilling of horizontal wells.

At the end of the year, 25% of blocks AUS-105 & 106 were acquired participating in the offshore of Tierra del Fuego, with an area of 4289 km<sup>2</sup> and a commitment to acquire 3D seismic during 2023. These blocks are adjacent to the Carina Block which produces more than 11% of Argentina's gas and the Fenix Block which is scheduled to start production in 2024, both operated by Total Austral.

Regarding wellhead production, referring to figures reported in Chapter IV to the National Energy Secretariat:

Operated areas, at company level recorded a total production of 2,034 million cubic meters of gas and 1.08 million cubic meters of oil plus gasoline. In gas, 79% of the production came from Cuenca Austral and 21% from Golfo San Jorge Basin, while in oil, 73% came from Golfo San Jorge Basin, 19% from Cuenca Austral and 8% from Cuenca Cuyana. There was a year-on-year increase in production of 3.8% for gas and 8.9% for oil and gasoline, comparing production in December 2022 with production in December 2021. Year-on-year declines were recorded in Cuenca Austral of 8.5% for gas and 11.9% for Oil and Gasoline. This was offset by production increases in the Golfo San Jorge and Cuyana Basins. The Golfo San Jorge Basin reported an increase of more than 67% in gas and 16% in oil, because of well workover and pulling activities, production optimization and drilling of new wells. In addition, an increase of 1.9% in oil production was reported in the Cuyana Basin.

The non-operated areas recorded a total production of 21 million cubic meters of gas and 58 thousand m<sup>3</sup> of oil plus gasoline considering the corresponding participation in each area. In terms of gas, 82% of the production came from the Northwest Basin, 12% from the Neuquina Basin and the remaining 6% from the Cuyana Basin. In terms of oil, 89% came from the Cuyana Basin, 6% from the Neuquina Basin and 5% from the Northwest

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Basin. Year-on-year declines were recorded for the Non-Operated areas of 6.1% for gas and 8.2% for Oil and Gasolines.

The remaining proved reserves at December 31, 2022 are 12,706 million m<sup>3</sup> of gas, (at 9300 Kcal) and 10.44 million m<sup>3</sup> of oil (including oil, gasoline and LPG). The replenishment of 1P gas reserves was 200% (incorporation of reserves in relation to the reserves consumed during the year) while, for oil, the replenishment was 212%.

CGC's total proven and probable reserves amount to 16,504 million m<sup>3</sup> of gas, (at 9300 Kcal) and 14.3 million m<sup>3</sup> of oil, which corresponds to 194 million barrels of oil equivalent. In terms of production, CGC produced in December 2022 3,326 m<sup>3</sup> of oil per day and 4,562 million m<sup>3</sup> of gas per day including operated and non-operated areas.

#### **Development and exploration campaigns in the Austral Basin**

The activity was focused on the development and search for gas reservoirs, having drilled 23 wells with this objective and 2 with oil objectives that turned out to be unproductive. In the El Cerrito Oeste field, 10 wells were drilled (40%), including 2 horizontal wells with average drains of 1385m. In Campo Indio, 20% of the activity was carried out with 5 Infill development wells drilled to drain areas poorly drained by existing wells, which allows accelerating production and at the same time increasing reserves. Distances between wells were shortened from 1000-700m to 650-390m. In the El Cerrito Norte field, 3 delineation wells were drilled, which allowed defining and giving greater certainty to the future development strategy of the field. In the El Puma field, an exploratory well, EPu.x-10, was drilled to the northeast, which was of no interest in the main target zone but identified potentially gas-bearing shallow horizons that are pending testing. In addition, 2 development wells were drilled for the Anita Fm. reservoirs. In the El Campamento area, the discovery of gas and oil was reported in the ECa.x-2001 well, the area had been explored in the early 80's with two wells and in 2006 by Petrobras. This was the 4th exploratory well with double objective in FM Piedra Clavada and Fm Anita. Finally, due to problems during drilling it was decided not to continue drilling below 2000 mbbp having only traversed the Anita Fm, which resulted in gas, oil, and water upwelling. This prompted the drilling of a second well, ECa.a-2002 located 550 m southwest of the discovery well. It found the same two reservoirs but with better hydrocarbon saturation conditions. The area will continue to be explored and delineated in 2023 to define strategy and dimensions of the development. In the Piedra Buena exploratory block, the El Galpón.x-1 exploratory well was drilled, which proved to be sterile of its oil targets in the Piedra Clavada and Mata Amarilla formations.

The development campaign provided the expected gas production for new wells per estimated type well. On the oil side, the poor results from the ECO-33 well resulted in liquid hydrocarbon production being 23% of that expected from new wells.

#### **Completion, repair and pulling of wells in the Austral Basin**

The completion and workover team performed 38 well workovers throughout 2022 highlighting the Ea. Campos a-2 well and the Cancha Carrera.x-1001 well, which had begun completion work during 2021.

In the Ea Campos a-2 well, the fracturing and subsequent testing of the Fm. Palermo Aike, the source rock of the basin and an exploratory shale resource of great potential, was carried out. This well is part of exploratory studies that CGC has been conducting since 2016 and which resulted in a first step in October 2021 which was the testing of the Cañadón Deus.a-2 well located in the CI-EC Fracción I (CENCH) concession and the intervention was carried out in October 2021 consisting of the first fracturing of the Palermo

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Aike Fm at a depth of 3.4 km with 4260 sandbags. For 40 days the well was maintained in post-fracture flowback during which 140 m<sup>3</sup> of oil and 362 m<sup>3</sup> of water (20% of the water injected in the fracture) were accumulated.

The test began on November 1 and ended on December 18. On November 17, after almost 10 days of testing, the first hydrocarbon volumes were detected. This is considered by CGC as a major milestone in the exploration of this Unconventional Shale resource, with very encouraging results, although the flow rates obtained are not commercial, it is the first fracture in a vertical well and it resulted in a sustained flow of liquid hydrocarbons.

The Ea. Campos well was fractured in May 2022 in 3 stages at a depth of 3040 to 3170 mbbp injecting a total of 10200 sandbags, the well was then held in natural emergence for an initial period of 48 days, reporting the first signs of oil after 10 days and accumulating a total of 175 m<sup>3</sup> of 38°API oil. The well was brought on production in October 2022 and is still in natural oil and water flow with 1 m<sup>3</sup>/d of oil and about 11 m<sup>3</sup>/d of water. These results are an important endorsement to move to the next stage of resource exploration CGC is evaluating accelerating the action plan in conjunction with interest from other operators in potential joint ventures.

Regarding the Cancha Carrera x-1001 well in the Tapi Aike Block, testing has been completed on the main targets, the Tres Pasos, Cerro Cazador and Morro Chico formations, all of them without commercial hydrocarbon production. With respect to the shallowest target, the Co. the Fm. Dorotea, a fracture at the tested level is pending, which resulted with no contribution.

#### **Golfo San Jorge Basin development campaign**

These are the 15 concessions that were acquired in July 2021 together with 2 operated concessions, 2 non-operated concessions in Cuyana Basin and 1 in Neuquina Basin after the purchase of the assets of CGC Energía S.A.U. (former Sinopec Argentina Exploration and Production Inc.).

During 2022, 19 well workovers were performed, 13 wells were drilled including 2 advanced wells. The workover and completions campaign started in June with one active rig, which was joined by a second and third rig in June and October, respectively. The drilling campaign began in June with one drilling rig, which was joined by a second rig in December.

The campaign started with the drilling of 4 wells in the southern sector of the Piedra Clavada concession. Two wells sought to extend and characterize new development zones and were therefore classified as advanced wells. The campaign continued with the drilling of 9 wells in the El Huemul concession, where the activity was mainly in the north-central and eastern sector of the block. In December, both teams moved east to the Cañadón Seco concession where they began drilling 2 wells, which were completed in January 2023.

The drilling campaign was successful in terms of oil production, 29% above the estimated per well type curve, gas production was below, 63% of the expected per well type. However, in January 2023 with the entry into production of the EH-5010 well, the expected production of the well set doubled.

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#### Well repair and pulling in Golfo San Jorge

19 well repairs were carried out, 6 of which were dedicated to secondary recovery projects. As for Pulling, 273 interventions were carried out, 27 of which were to water injectors for secondary recovery projects.

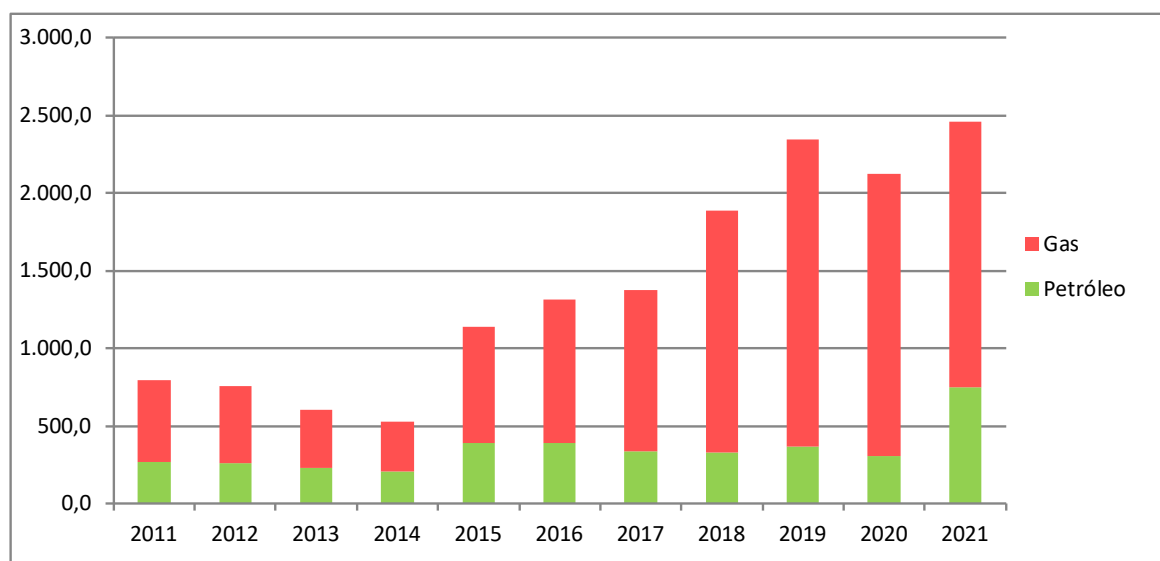
#### Development and exploration campaign in the Cuyana Basin

During 2022 CGC prioritized the improvement of surface facilities as well as a study of the future potential of the Piedras Coloradas and Cacheuta fields.

Among the remarkable events during 2022 is the increase of injection by about 700 m<sup>3</sup>/d, with the reactivation of 3 injector wells and a conversion to injector well. In this way, injection went from 1300 m<sup>3</sup>/d to 2000 m<sup>3</sup>/d on average. This generated the possibility of starting up wells that were inactive due to lack of injection capacity, reactivating 7 producers and optimizing another 3 wells.

This strategy resulted in a 25% increase in average daily oil production. Finally, 64 interventions were carried out, of which 57 were in producers and 7 in injectors.

#### Annual production performance (Mm<sup>3</sup> Eq/year)



(1) Year 2021 includes CGC Energía S.A.U. production for the period July-December.

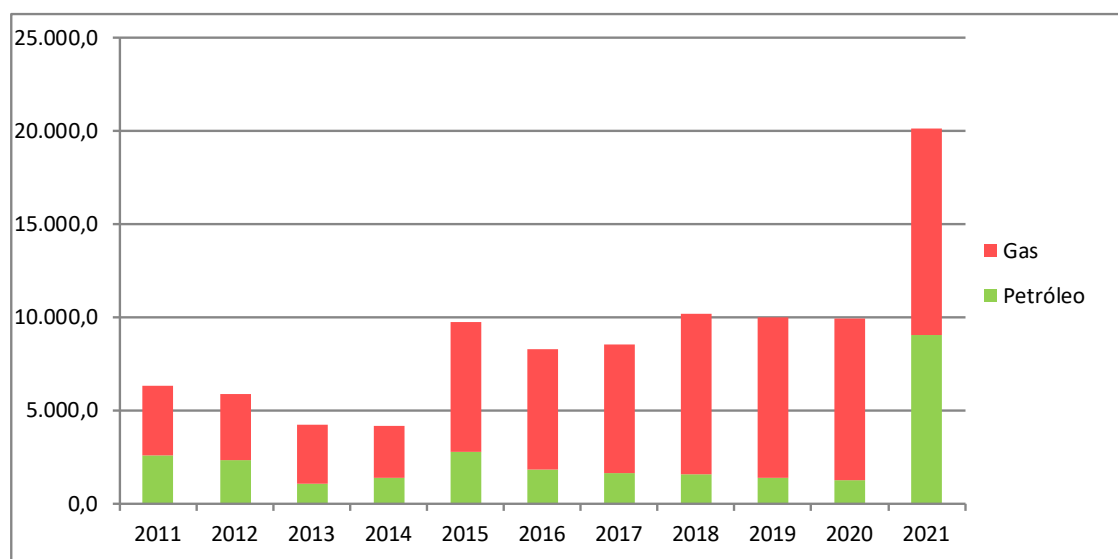
(2) Years 2011 to 2012 include production from the Onado area in Venezuela.

In fiscal year 2022, total production of oil, natural gas, liquefied petroleum gas and gasoline was 2,879.1 Mm<sup>3</sup> of oil equivalent, an increase of 16.9% over the previous year's production. Liquid hydrocarbons accounted for 42.2% and natural gas for 57.8%.

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### Reserves (Mm3 Eq)



(1) Year 2021 includes CGC Energía S.A.U. reserves.

(2) Years 2011 to 2012 include reserves from the Onado area in Venezuela.

The Company's proved reserves on December 31, 2022, were 23,147 Mm3 of oil equivalent. These reserves are composed of 45.1% oil and 54.9% natural gas.

### B) MIDSTREAM

Natural gas in the Republic of Argentina, unlike other countries in the region, is the predominant source of energy for consumption and represents close to 50% of the energy matrix.

The Company indirectly has a 28.23% interest in TGN, a 43.5% interest in both GasAndes Argentina and GasAndes Chile, the operators of the GasAndes pipeline in Argentina and Chile, respectively, and a 15.77% interest in TGM.

#### TGN

CGC holds an indirect 28.23% interest in TGN through its investment in Gasinvest S.A. ("Gasinvest"), in which it has a direct 50% interest. The other shareholder of Gasinvest is Tecpetrol International S.L.U. (50%). Gasinvest is the controlling shareholder of TGN and holds 56.35% of TGN's capital stock. Southern Cone Energy Holding Company Inc. is the second largest shareholder with 23.54%. 20.0% of TGN is held by the public and 0.0565% is held by Tecpetrol Internacional S.L. The Company is also the direct owner of a 0.0565% minority interest.

TGN is one of the two main natural gas transportation companies operating in Argentina and holds a license ("the License") for the provision of public natural gas transportation services, by virtue of which it is granted the exclusive right to operate the two gas pipelines it owns in the North and Center-West regions of Argentina.

TGN, with a system of 6,788 km of gas pipelines, provides natural gas transportation services through high pressure pipelines in central and northern Argentina. It also operates and maintains 11,000 km of its own and third-party pipelines. Through its two trunk pipelines, the "Norte" and the "Centro-Oeste", it supplies eight of the nine gas distributors, numerous power generators and industries located in fifteen Argentine provinces. The

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system is connected to the "Gas Andes" and "Norandino" pipelines built to transport gas to central and northern Chile, respectively; to the "Entrerriano" pipeline, which transports gas to the province of Entre Ríos and the Uruguayan coast; to the "Transportadora de Gas del Mercosur S.A." pipeline, and to the "Gasoducto del Noreste Argentino" ("GNEA"). TGN's activity also includes the operation and maintenance of midstream facilities upstream of its own system in the Vaca Muerta field (Neuquén basin) as well as in the gas pipelines "Gas Pacífico Argentina", "Loma Campana" (YPF Luz) and "Fortín de Piedra" (Tecpetrol). Additionally, TGN provides operation and maintenance services for the Juana Azurduy Integration Gas Pipeline ("GIJA") in Argentine territory. This pipeline extends 30 km from the Argentine-Bolivian border to the Refinor S.A. plant located in the province of Salta, connecting with the North gas pipeline system and with the head of the GNEA.

Since the beginning of its operations in 1992, TGN expanded, with its own- and third-party contributions, the transportation capacity from the headworks from 22.6 MMm<sup>3</sup>/d to 59.7 MMm<sup>3</sup>/d, which represented an increase of 164%. The expansions, as well as the numerous system maintenance and reliability works, required investments of USD 1,541.3 million. In physical terms, the expansions required the installation of 2,619 km of new gas pipelines, the construction of eight new compressor plants and the installation of twenty-one turbocompressor units, which added 216,250 HP of installed power.

The volume of gas received and transported during the year reached 18,710 MMm<sup>3</sup>, which represents an average of 51.26 MMm<sup>3</sup>/d, of which 31.19 MMm<sup>3</sup>/d corresponded to the Central-West pipeline, 13.42 MMm<sup>3</sup>/d to the North pipeline, and 6.65 MMm<sup>3</sup>/d were received in the province of Buenos Aires.

The maximum daily injection values at headers were 35.66 MMm<sup>3</sup>/d in the Central-West pipeline and 20.59 MMm<sup>3</sup>/d in the North pipeline.

In the case of the North pipeline, the average injection from local producers was 2.99 MMm<sup>3</sup>/d and the rest corresponded to gas imported from Bolivia, which reached an average of 10.4 MMm<sup>3</sup>/d, with injection peaks of 16.55 MMm<sup>3</sup>/d during the months of July and September.

Regarding the injection received in the province of Buenos Aires, LNG inflows were recorded in the town of Escobar for a total of 1,267 MMm<sup>3</sup> concentrated between April and August, with a maximum injection of 20.2 MMm<sup>3</sup>/d. In the town of General Rodríguez, Transportadora de Gas del Sur S.A. injected a total of 1,163 MMm<sup>3</sup>.

#### **Regulatory Aspects**

TGN is the holder of a license to provide public natural gas transportation services, by virtue of which it is granted the exclusive right to operate the two gas pipelines it owns in the North and Center-West regions of Argentina. As a provider of an essential public service, TGN is subject to state regulation based on Law N° 24,076 ("Gas Law"), whose enforcement authority is ENARGAS.

#### Effects of the economic emergency on the License. The Comprehensive Tariff Review ("RTI")

The License was subject to renegotiation by virtue of the Public Emergency Law N° 25,561 enacted in January 2002 ("PEL"), which also provided for the pesification of natural gas transportation tariffs for the local market and the repeal of the semiannual adjustment mechanism based on the Producer Price Index. Within such legal framework, and after more than thirteen years of tariff freezing, in March 2017 TGN entered into a License Readjustment Agreement with the PEN (the "Comprehensive Agreement") which was

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ratified and entered into force with the issuance of Decree N° 251 of March 27, 2018. This concluded the renegotiation process developed under the PEL. The provisions of the Comprehensive Agreement cover the contractual period between January 6, 2002, and the date of termination of the License.

Between April 2014 and December 2017 TGN received successive transitory tariff increases on account of the Comprehensive Tariff Review ("RTI") carried out by ENARGAS as from March 2016.

The regulatory framework of the industry establishes the application of non-automatic semiannual tariff review mechanisms due to the variations observed in the prices of the economy linked to the costs of the service, to maintain the economic-financial sustainability of the provision and the quality of the service rendered.

In September 2019, the Energy Secretariat issued Resolution N° 521/2019 (as amended by Resolution N° 751/2019) deferring the semi-annual tariff adjustment that should have been applied as from October 1, 2019, until February 1, 2020.

On June 1, 2021, TGN was notified of certain resolutions issued by both the Ministry of Economy ("MECON") as well as ENARGAS and validated by a presidential decree, by virtue of which a Transitional Tariff Regime ("RTT") was established.

The RTT implies: (i) that TGN's tariffs will continue to be frozen, (ii) that the company must continue to provide gas transportation services, (iii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant credits (except to users or contractors that are not shareholders of TGN) except with prior authorization from ENARGAS, and (iv) that during the RTT no mandatory investment plan applies. Also, the RTT considers the possibility of ENARGAS adjusting TGN's tariffs as from April 1, 2022.

On June 30, 2021, TGN filed an administrative appeal against Decree N° 1020/20, Joint Resolution N° 2/21 of the MECON and ENARGAS which approved the RTT ad referendum of the PEN, Decree N° 353/21 which ratified Joint Resolution N° 2, and Resolution N° 150/21 of ENARGAS through which the RTT tariff charts were put into effect. Based on the express wording of the Gas Law (Article 48) and the "Basic Rules of the Transportation License" (Section 9.8), TGN considers that the cost of any subsidy to natural gas users should be borne by the National Treasury and not by TGN or, failing that, TGN should be compensated by the PEN. Likewise, TGN considers that neither the PEN, the MECON and/or the ENARGAS have the power to establish the prohibitions to do, imposed by the RTT.

By Resolution N° 518/2021 dated December 27, 2021, ENARGAS called for a new public hearing which was held on January 19, 2022, during which the gas transportation and distribution licensees presented their proposals for the transitory tariff adjustment for the year 2022.

On February 18, 2022, TGN entered into a transitory agreement with the MECON and ENARGAS that established a 60% increase in transportation tariffs as from March 2022 (the "2022 Transitory Agreement"). Such agreement, which will remain in force until December 2022 unless extended by agreement of the parties, does not contemplate mandatory investments, but establishes: (i) that the company must continue providing gas transportation services, (ii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant credits (except to users or contractors that are not shareholders of TGN) except with prior authorization of ENARGAS and (iii) that during its term, TGN and its controlling shareholder Gasinvest S. A. ("Gasinvest") undertake not to initiate actions or claims against the National Government based on the tariff freeze provided by the Solidarity Law.

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The Transitional Agreement 2022 became effective on February 22, 2022, as from its ratification by PEN Decree N° 91/22 and by ENARGAS Resolution N° 59/22 dated February 23, 2022, which approved the transitional tariff charts as from March 1, 2022.

On December 6, 2022 the PEN issued the Necessity and Urgency Decree N° 815/22 by which (i) extends for one year the term to conclude the renegotiation of the RTI within the framework of the provisions of Section 5 of the Solidarity Law, and (ii) extends the intervention of ENARGAS, for a term of one year or until the new tariff charts resulting from the renegotiation of the RTI enter into force, whichever occurs first. It also instructs ENARGAS to carry out the necessary measures to tend to a transitional tariff adjustment, in accordance with the provisions of Decree N° 1020/20.

In this sense, by means of Resolution N° 523/22 of December 7, 2022, ENARGAS called for a new public hearing which was held on January 4, 2023, during which the gas transportation and distribution licensees presented their proposals for a transitional tariff adjustment for the current year.

#### Pending controversies related to an export transportation contracts.

In 2004 and because of the increase in domestic gas demand and the simultaneous drop in production and reserves, the National Government took measures, still in force, to guarantee that the supply of natural gas is prioritized to satisfy the local market. This involved restrictions on gas exports, which significantly affected the sales of gas transportation services to foreign destinations, which is why the use of the associated firm transportation has fallen steadily. Although TGN was able to enter into transactional agreements with some foreign customers to early terminate transportation contracts in exchange for economic compensation (which nevertheless generate a net negative effect on TGN's expected cash flows), a legal dispute with the Chilean distributor Metrogas S.A. remains.

With respect to the conflict that TGN had with YPF, on February 3, 2023, the parties reached a settlement agreement.

TGN's Management permanently monitors the evolution of the situations to determine the possible actions to be taken and to identify the eventual impacts on TGN's equity and financial situation.

In the fiscal year ended December 31, 2022, TGN recorded a net loss of \$ 7,173.9 million. TGN's assets amounted to \$ 163,498.6 million and equity amounted to \$ 127,132.1 million.

#### **Gasoducto GasAndes (Argentina) S.A. and Gasoducto GasAndes S.A.**

The Company owns, after exercising, on June 15, 2022, the 3.6% purchase option to AGESA, a direct interest of 43.5% in both GasAndes Argentina and GasAndes Chile. GasAndes Argentina operates the Argentine section of the GasAndes pipeline, while GasAndes Chile operates the Chilean section. The other shareholders of GasAndes Argentina and GasAndes Chile are Aprovechadora Global de Energía S.A., (formerly Metrogas (Chile) S.A.), which owns a 43.5% interest in each entity and AES Gener S.A. which owns the remaining 13.0% of GasAndes Argentina and GasAndes Chile. The pipeline connects the district of La Mora, in the province of Mendoza, Argentina, with the city of Santiago de Chile, in Chile and has an extension of approximately 533 km, a diameter of 24 inches and a transportation capacity of 10.8 million m<sup>3</sup> per day. GasAndes Argentina's operating license expires in 2027 and is extendable for 10 years, subject to review and

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approval by the National Government. GasAndes Chile's operating license is indefinite, subject to review and approval by the Chilean government. GasAndes Argentina is operated by CGC under an operation and maintenance contract which is currently in force.

After a period (from 2004 to 2018) during which the increase in the domestic demand for gas at the same time as the drop in production and the level of reserves led the National Government to take measures to ensure that the supply of natural gas is prioritized to satisfy the local market. In this scenario, customers saw a decrease in gas exports, which led them to question the validity of the contracts. Shippers took different attitudes tending to either renegotiate the terms of firm transportation contracts or to question the enforceability or validity of certain terms of such contracts. GasAndes maintains long-term contracts for the transportation of natural gas with Gasvalpo S.A. and with Metrogas S.A. (Chile) effective until June 2028 and April 2027, respectively.

Towards the end of 2018, the gas supply deficit in Argentina was being reversed and, consequently, in August 2018, the Ministry of Energy resolved a new procedure for Gas Exports. Thus, gas deliveries at Planta Papagayos resumed in October 2018. In the following years, although they showed volatility in the quantities delivered, gas exports were consolidating (3.11 MMm3/day average for the year 2019; 2.40 MMm3/d average for the year 2020 and 1.5 MMm3/d average for the year 2021).

The increase in production in Neuquén throughout 2022 motivated by the Gas.Ar Plan program generated a robust supply for export to central Chile through GasAndes.

This Plan provides for export permits called "Firm Seasonal" between the months of October of one year and April of the following year as an incentive that seeks to stabilize production and cover regional markets taking advantage of existing infrastructure outside the winter, generating competition to achieve quotas in this program. The regulatory authority guarantees temporary export permits independent of the domestic supply situation.

Additionally, interruptible export permits were enabled which, in practice and in view of such production increase, were active even in the winter period 2022 as a consequence of the restriction of transportation capacity from Neuquén.

In this context, the quantities exported in 2022 represented 3.6 times those exported in 2021, reaching an annual average of 5.5 MMm3/d. Singularly in winter, an average of 3.9 MMm3/d was reached. The maximum averaged 8.0 MMm3/d in December 2022.

Quantities were highly volatile, with daily and intraday variations, generating a demanding operational, commercial and customs custody requirement.

In turn, GasAndes managed contracts and nominations of 14 shippers in Argentina and 8 in Chile, multiplying its management of dispatch, control, imbalance, purchase of fuel gas, invoicing and follow-up of contracts.

In such a diverse framework, GasAndes did not have to reject nominations and operated with a high operational standard. This volatility generated a learning curve that improved, along with the renewal of contracts, the management of losses and fuel gas, improving commercial margins.

Some transportation restrictions were due to maintenance works in TGN and, especially, to the MEGA processing plant out of service, which guarantees the quality of natural gas derived from unconventional gas due to the higher ethane and liquefiable content in its

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characteristic composition. In that sense, the quality level limits with the upper end of some parameters, implying a new challenge of stressed control.

In May 2022, the Interruptible Transportation Contracts were renewed on an annual basis, modifying and optimizing the management of the gas retained in charge of GasAndes.

In summary, GasAndes had a very good year and was able to capture opportunities derived from the robust supply and arbitrage with other fuels in central Chile, improving operational and commercial management.

The outlook for 2023 is good in terms of transportation operations due to the good supply conditions in the Neuquén basin.

To the summer export permits authorized for 9.0 MMm3/d in force from October 2022 and until April 2023, firm permits will be added in the months of May and June 2023 for 3.0 MMm3/d -linked to the entry into service of the Néstor Kirchner Gas Pipeline, scheduled for the end of June- according to SE Note NO-2022-139168562-APN-SE#MEC dated December 27, 2022. As from October 2023, summer firm quantities must be authorized according to Resolution SE 774/2022.

In this context and because of the increase in production destined to the new Nestor Kirchner pipeline, two new challenges will arise: (i) the instability of the pipeline commissioning and (ii) the potential conflict for exceeding the quality limits regulated in Argentina and Chile. The Argentine Oil and Gas Institute (IAPG) has proposed to ENARGAS the need to relax the upper limits of some parameters so as not to limit future supply. GasAndes is activating an aggressive agenda for the management of measures mirroring those requested to ENARGAS in Chile to maintain the level of exports through the pipeline.

Thus, GasAndes' challenges will be to maintain service quality, capture all transportation nominations, even under variable conditions, optimize authorized imbalance services, capitalize on the learning curve of operations with more demanding natural gas quality levels and efficiently manage fuel gas consumption in the compressor plants.

In fiscal 2022 the companies distributed cash dividends of \$ 686.0 million in the case of the Argentine company and \$ 1,073.7 million in the case of the Chilean company.

For the year ended December 31, 2022, Gasoducto GasAndes (Argentina) S.A. recorded a net profit of Ps. 1,869.5 million. The assets of Gasoducto GasAndes (Argentina) S.A. amount to \$ 10,484.6 million and the shareholders' equity amounts to \$ 8,785.1 million.

Additionally, during fiscal year 2022, the reserve for revaluation of Property, Plant and Equipment was increased by \$ 2,379.34 in Gasoducto GasAndes (Argentina) S.A. due to the growth observed in the company's economic flows due to the increase in the Gas transportation service.

In the year ended December 31, 2022, Gasoducto GasAndes S.A. (Chile) recorded a net profit of USD 28.6 million. The assets of Gasoducto GasAndes (Chile) S.A. amount to USD 53.1 million and equity to USD 37.4 million. In the year ended December 31, 2022, a reversal for impairment of Property, Plant and Equipment was recognized for USD 18.0 million.

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#### **TGM**

The Company has a direct interest of 15.8% in TGM. The other shareholders of TGM are Tecpetrol Internacional S.L., Central Puerto S.A. and Total Gas y Electricidad Argentina S.A. which own 31.5%, 20.0%, and 32.7% of TGM's capital stock, respectively.

TGM operates the pipeline that transports natural gas from Aldea Brasileira, in the province of Entre Rios in Argentina to Uruguayana, in the state of Rio Grande do Sul in Brazil. The pipeline has an extension of approximately 437 km, a diameter of 24 inches and a transportation capacity of 15.0 million m<sup>3</sup> per day. TGM's operating license expires in 2027 and is extendable for 10 years, subject to review and approval by the National Government.

Because of the crisis in the energy sector caused by a deficit in the supply of natural gas and electricity, the Argentine government took a series of measures in relation to gas exports and the redirection of transportation capacity until mid-2008 when gas exports to the Federative Republic of Brazil ceased completely. This generated a litigation with YPF, related to the breach of the contract for the firm transportation of natural gas for a volume of 2.8 million m<sup>3</sup> per day, on "take or pay" conditions signed in September 1998 between YPF and the Company. This contract, which was terminated by TGM in April 2009 due to YPF's default, represented 99.9% of the Company's revenues.

After different legal actions TGM and YPF entered into, in December 2017, a Transactional Agreement that established YPF's obligation to pay TGM as indemnification the sum of USD 107 million in January 2018, plus the sum of USD 7 million in seven annual and equal installments between February 2018 and February 2024, as full and final payment of all arbitration and legal actions and claims that TGM, currently or eventually, may have against YPF by virtue of arbitration awards.

Additionally, TGM and YPF entered into an interruptible transportation export contract (ITS).

TGM, because of the Transactional Agreement together with the new ITS contract, was able to recompose its Net Worth and its Legal Reserve, which allowed it to cancel its operating debts. Based on the foregoing, it is reasonable to expect that TGM will be able to continue providing the service in a safe manner and meet its operating costs without the need for any type of financing.

For the year ended December 31, 2022, TGM recorded a net loss of \$ 214.0 million. TGM's assets amounted to \$ 1,798.5 million and shareholders' equity to \$ 1,300.0 million.

## **VI. COMMERCIAL MANAGEMENT**

### **Oil Sales - María Inés and Noroeste**

In fiscal year 2022, because of the price positioning of María Inés oil in recent years, 100% of sales were destined to the export market.

Unlike previous years where the export sales procedure was through tenders (Tender) and continuing with the strategy implemented during fiscal year 2020, the direct sales procedure was maintained to optimize each charge and maximize prices, mapping and monitoring the sale of other producers so that buyers could complete their load; in order to look for opportunities in those periods and thus increase the demand interested in María Inés oil. The co-loading operations allowed obtaining very good discounts in the deliveries

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of the first half of the year despite the own and current limitations of the loading port of Muelle Pte. Illia.

The price scenario in the local market, the positioning of María Inés oil in the international market and the lack of interest of local refineries in running María Inés crude oil, created an opportunity to continue developing and strengthening our export markets.

Regarding the oil from the northwest sector of our country, coming from the Aguaragüe area, its destination was the domestic market, entering into monthly and bimonthly spot sale and purchase agreements. During fiscal year 2022, and because of a commercial strategy, the sales price followed the local price of Medanito crude oil.

#### **Sale of Crude Oil - Cañadón Seco and Mendoza**

In fiscal year 2022, all our Cañadón Seco oil production was destined for the domestic market through spot purchase and sale offers. This, together with the application of a direct negotiation process, the permanent monitoring of the needs and conditions of the local market, and the growing interest of local refining companies in having Cañadón Seco oil production available, allowed us to increase the sale price during 2022.

Regarding our oil production in the province of Mendoza, all sales were destined to the domestic market, mostly to YPF S.A., owner and operator of the Luján de Cuyo refinery located in the north of the province of Mendoza.

#### **Liquefied Petroleum Gas (LPG) Sales**

In fiscal year 2022, 65% of LPG sales -in the summer period- and Butane -in the winter period- were for the export market, with Chile as the destination. The prices result from a formula that uses the international quotations of Propane and Butane (Mont Belvieu). Propane sales to the local market were made under the "Nineteenth Extension Agreement for the Indiluted Propane Gas Distribution Networks" ("Propane Networks Agreement"), at regulated and subsidized prices; also, under the "Programa Hogar -Propano-" at regulated prices and with a Transitional Economic Assistance (AET), which originated in August 2021; and in the spot market (Fractionators), at the Export Parity issued and expressed monthly by the Energy Secretariat.

Throughout 2022 CGC maintained LPG exports, which constitute an additional market to evacuate production, taking advantage of the very competitive rising international prices.

#### **Natural Gas Sales**

Natural gas production comes mainly from fields in the Austral (Santa Cruz), Golfo San Jorge (Santa Cruz Norte) and Noroeste basins. The Company sells natural gas through forward sales contracts negotiated under the Gas.Ar Plan to distribution companies (residential segment) and thermoelectric generation plants (through CAMMESA). At the same time, forward sales offers are formalized with Industries, Retailers, demand segments that -together with those of the Gas.Ar Plan- also participate in the spot market through free agreements between Parties or through the Electronic Gas Market ("MEGSA"). Likewise, during the last years, the natural gas export market to Chile was consolidated, both firm and interruptible, with regulatory framework conditions defined by the Energy Secretariat (minimum prices, authorized quotas, etc.) based on priorities assigned to the Gas.Ar Plan awardees.

Sales of natural gas from own production in the Austral basin during 2022 were 1,510 million m<sup>3</sup>, which represents a reduction of 9% with respect to the amounts sold in the previous year. For the Golfo San Jorge basin, sales of natural gas from own production amounted to 133 million m<sup>3</sup>, which represents an increase of 103% with respect to the quantities sold in the previous year.

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In relation to the sales mix, approximately 50% of the revenues corresponded to industrial users (including marketing companies), 26% to distribution service licensees, 20% to power generators and 4% to exports, maintaining approximately the same opening mix per segment as in the previous year.

Given that the invoicing of the generation and distribution segments is made in pesos with collection terms of 45 and 65 days, respectively, while that of the industries is made in dollars and with a shorter term, maintaining the participation within the industrial segment significantly reduces the risk of collectability and devaluation.

In 2022, CGC continued with the supply committed under the Gas.Ar Plan, to the residential and thermoelectric segments, through four-year contracts effective 2021 - 2024 with Metrogas, Naturgy Ban, Camuzzi Gas Pampeana, ENARSA and CAMMESA, as appropriate. The volume committed to these segments amounts to a maximum daily quantity ("CMD") of 2,380 dam<sup>3</sup>/d.

#### **Residential Segment Customers**

Regarding the Residential Segment, CGC delivered an average of 1,340 dam<sup>3</sup>/d under the Gas.Ar Plan.

As of August 31, 2022, the SEN authorized several steps of increases in the PIST price of the residential sector, implementing a segmentation by user category, which allows reducing the exposure to the compensation to be received between the price of the Gas.Ar Plan and the amount actually paid by end users.

#### **Thermoelectric Segment Customers**

Under the Gas.Ar Plan, CGC delivered an average of 848 dam<sup>3</sup>/d to CAMMESA. Additionally, CAMMESA supplemented its supply with interruptible auctions / tenders. In this context, an average of 218 dam<sup>3</sup>/d was sold.

#### **Free Segment Customers**

Industries and marketers: At the end of 2021, contracts were entered into with industries with an annual term starting in May 2022 for 510 dam<sup>3</sup>/d. Additionally, it was decided to contract part of the available gas with trading companies that add value to CGC's business, which led to formalize offers for 440 dam<sup>3</sup>/d with an annual term starting in May, with this type of customers. The agreements negotiated allow the delivery of gas from both Austral and Golfo San Jorge, which optimizes the daily dispatch according to the variation of the production coming from both areas. Due to the increasing production of natural gas, in May 2022 additional contracts were entered into with industries and traders for winter volumes (May to September 2022) for 210 dam<sup>3</sup>/d.

Natural Gas Producers: Within the framework of the Gas.Ar Plan, the regulation of Decree N°892/2020 enables producers that do not comply with their monthly injection commitments in the June-August period to purchase from other producers' surplus of the committed production. In this context, CGC sold natural gas to two producers for 27,400 dam<sup>3</sup> between June and August 2022 at prices significantly higher than those of the rest of the sales.

Export customers: From January to April 2022, 50,900 dam<sup>3</sup> were exported to Methanex in Chile.

On September 1, 2022, CGC was granted an export certificate to Enel Generación Chile in form quality for summer. This export certificate was granted for 500,000 m<sup>3</sup>/d for the term

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October 2022-April 2023. The authorized volumes, according to the Gas.Ar Plan regulations, were not deducted from the commitments assumed with CAMMESA. The delivery scheme from the Neuquina basin was carried out through a swap at no cost between the Austral and Neuquina basins. From October to December 2022, 32,220 dam<sup>3</sup> were delivered under this permit.

CGC Natural Gas Trading Company: The volumes purchased in 2022 totaled 111.4 million m<sup>3</sup>, which include the volume exported to Enel Chile.

The Company purchased from a distributor with firm transportation capacity for resale from the Neuquina basin on the TGS system for 500,000 m<sup>3</sup>/d from October 2021 to April 2023. This capacity foresees total or partial interruptions of between 30 and 60 days during the winter period. This business left a margin of \$ 83 million. On the other hand, during the months of June to September 2022, 132 dam<sup>3</sup>/d of a firm transportation contract was resold to an important industrial customer.

Electric Power: During 2022, the installed power at the Piedra Clavada and Cañadón Seco fields was increased by 2.8MW, accompanying the incremental demand required by the increased activity in Golfo San Jorge. Thus, CGC's thermal generation exceeds 80MW of power, of which 24.4MW correspond to the Austral Basin.

The annual consumption of the reservoirs of the 3 basins reached 312 GWh, exceeding by 10.8% the consumption of 2021. This allowed us to sell to CAMMESA through the El Huemul and Meseta Espinosa power plants connected to SADI, a balance of 70 GWh at an average price of 34.1 USD/MWh.

## **VII. SOCIAL DEVELOPMENT AND ENVIRONMENT**

### **A) Social Development and Welfare**

#### **- Social Investment Programs**

CGC is committed to generate transformations and positive impact, and to foster the development of the communities where it operates, taking care of the environment and contributing to the growth and well-being of the people and institutions present there. To this end, it works in coordination with organizations from the social, public and private sectors, with the conviction that this type of alliance allows the actions and initiatives it develops to have a greater reach than individual actions and to be sustainable over time.

After the acquisition of the assets of CGC Energía S.A.U. (former Sinopec Argentina Exploration and Production Inc.), during 2022 the Social Investment initiatives and programs were developed and distributed mainly in the three basins where the Company is present (Austral, Golfo San Jorge and Cuyana Basins).

Under this scenario, throughout 2022, CGC developed programs and initiatives that were organized in the following work axes: Skills Development, Environment and Education.

#### **1) Competence Development:**

Since 2017, CGC fosters and accompanies processes through which individuals, institutions and communities develop and reinforce their capacities. In this sense during 2022 the following programs have been implemented:

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**Community Development:** this program started in 2017 through an agreement with the social enterprise CreerHacer and whose objective is to generate a positive impact on the community, through the development of initiatives and their articulation with different institutions and local organizations.

**During 2022, various activities of this program were developed:**

- ✓ **"Comunidad Viva" (Alive Community) Event:** hybrid event, face-to-face with live virtual broadcasting, whose objective is to inspire people to lead their own life project through the testimonies of local leaders. In this way, the aim is to empower communities and promote personal development in the society where they belong, continuing to share, transform and unite our stories in community.
- ✓ **Social Transformers Course:** the fifth edition of this program started in 2018 was held, in which 36 people participated. The objective of the program is to empower and strengthen the skills needed to lead people's life projects and be agents of change.
- ✓ **Diploma in Social Transformation:** the fourth edition of this complementary training to the Social Transformers Course was held, whose purpose is to provide tools, understand and address social problems and present a final project with economic, social or environmental impact. In this new edition, 12 social transformers were trained.
- ✓ **Diploma in Social Transformation:** the fourth edition of this complementary training to the Social Transformers Course was held, whose purpose is to provide tools, understand and address problems of society and present a final project with economic, social, or environmental impact. In this new edition, 12 social transformers were trained.
- ✓ **"Encendé tu comunidad" (Turn on your Community) Program:** Through this first edition of the Program, CGC supported 4 projects of community impact designed in the Diploma of Social Transformation, enabling students to put into practice the knowledge acquired during the two years of training.
- ✓ **Community Management in the Golfo San Jorge Basin:** with the aim of getting to know and starting to build a link with social organizations and groups in the north of the province of Santa Cruz, in 2022 a process of identification was started, and meetings were held with social institutions in the towns of Caleta Olivia, Cañadón Seco, Pico Truncado, Koluel Kayke and Las Heras.

**CGC Strengthening Program (PFCGC):** During 2022 CGC continued with the PFCGC, whose objective is to contribute to strengthening the management capacities of formal and informal social organizations, and to accompany them in the design, implementation, and evaluation of social initiatives through a co-investment fund and technical assistance.

In the 2021/2022 edition of the Program, 17 organizations from Río Gallegos were accompanied in the implementation of their projects. The launching, training and selection of projects for the second edition of the PFCGC for the 2022/2023 period took place, the Program extended its scope to the whole province of Santa Cruz, training more than 80 people from 53 organizations and selecting 21 projects that will be accompanied during 2023.

**Sports Scholarship Program:** beyond the benefit as a promoter of healthy habits, access to sports facilitates personal development and social integration processes. During 2022, 36 young people had access to the sports schools of Club Hispano.

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**"Activá tu Rumbo" - ATR Program:** a proposal that seeks to accompany the development of young people between 17 and 25 years of age beyond their academic and work trajectories. This initiative seeks to provide opportunities for self-knowledge and facilitate spaces for training, bonding, and recreation to transition the period between adolescence and youth along with other people in the same stage. In this first edition, 164 young people participated, children of CGC employees and 13 contractor companies.

**CGC RED Program (formerly called Supplier Development Program or PDP):** this proposal began in 2017 inspired by CGC's commitment to the development of its value chain and strengthening the productive fabric of the areas where the Company operates.

During 2022, activities were extended to include the Golfo San Jorge Basin. As a result, the number of suppliers participating in the Program doubled, reaching a total of 57 SMEs and locally based companies.

#### 2) Education:

Throughout the year, the Company continued to promote initiatives aimed at promoting and improving equal access to education and professional training.

**Internships and Professional Internships:** in alliance with different public and private institutions, we received 34 students from technical schools, universities and tertiary institutes from Santa Cruz, Buenos Aires, and Mendoza with the purpose of providing them with an experience that brings them closer to the professional world and gives them the opportunity to learn directly from our employees.

**Partners 2022 Program:** for the third consecutive year, CGC accompanied the development of this program promoted by Junior Achievement. It enables high school seniors to confirm or review their vocational decision through a series of meetings with professionals. During 2022, 10 Company employees were involved as volunteers, sharing their personal and professional trajectories.

**Program your future - Potrero CGC:** during the second half of 2022, in alliance with Fundación Compromiso, the first edition of the program was implemented with the aim of inspiring and helping young people over 18 years of age in socially vulnerable situations to enter the labor market through training in digital trades: Digital Marketing and Web Programming. Eighteen young people completed the first stage and during 2023 they will be taking the second and third stages.

#### Volunteering

During 2022, through various meetings and the launch of the Somos Comunidad CGC platform, the Company's employees were invited to participate in the initiatives of the Social Investment area and/or propose projects to strengthen the communities. Throughout the year, 90 employees participated in the various programs and initiatives.

#### Employee Training and Wellness

At the end of 2022, CGC had 688 employees, distributed in our operations (43% in Buenos Aires, 23% in Austral Basin, 31% in Golfo San Jorge Basin and 3% in Mendoza). Fifty-seven percent of the staff was in the oilfield, under a Collective Bargaining Agreement.

CGC's training plan offers a consolidated proposal of technical, management, language, and IT training. During 2022, the Company provided 39,660 hours of training, with an

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average of 50 hours per person, aimed at strengthening and enhancing the development of our employees and contractors.

#### B) ENVIRONMENT

During 2022, the Company strengthened the established alliances and initiatives with the purpose of fostering environmental care, promoting proper waste management and the promotion and protection of biodiversity.

**Monte Loayza Natural Reserve:** Through the Monte Loayza and Cañadón del Duraznillo Nature Reserve Conservation Program, CGC finances and accompanies Fundación Hábitat y Desarrollo for the conservation of the coastal-marine biodiversity and the Patagonian steppe. The reserve has a total area of 77,440 hectares.

**Transformática:** This initiative promotes the collection and recovery of computer equipment that is repaired by students and then donated to other young people for reuse. The activity is coordinated with Fundación Banco Santa Cruz and Universidad Nacional de la Patagonia Austral (UNPA). During 2022 more than 2,900 kg of material were collected, 125 computers were repaired and 107 were donated.

**Sustainable Cities:** We work together with the Municipality of Río Gallegos, the Environmental Secretariat of the province and a specialized technical team for the diagnosis and definition of a strategy to improve the final disposal of waste and work on the eradication of open dumps, the sanitation of areas and the development of best practices for collection and separation at source.

**Environmental Liabilities:** during 2022 the Company implemented the remediation plan for the Golfo San Jorge areas in compliance with the commitment assumed with the province of Santa Cruz within the framework of the concession extension agreement. Likewise, progress was made both in Cuenca Austral and Mendoza, in the implementation of an improved study methodology for potentially affected sites. This procedure, started in 2021 for the Golfo San Jorge areas, allows characterizing the subsoil through a state-of-the-art multi-electrode tomography, preserving the environment of those sites that do not require intervention.

**Carbon neutrality:** in order to increase the environmental hierarchy of its operations, CGC kicked off a project in 2022 to improve the identification and quantification of its greenhouse gas emissions, and to generate a roadmap for their reduction.

## VIII. FINANCING

The financial strategy consists of maintaining conservative debt levels and maturities in line with the investment cycles, in order to ensure the generation of the necessary funds for the development and exploration of hydrocarbons, according to the company's long-term strategy.

#### Class 24 Notes

On February 25, 2022, the Company issued Class 24 Notes for a nominal value of USD 54 million, denominated in U.S. dollars and payable in pesos at the applicable exchange rate in effect on the payment date. The Class 24 Notes accrue interest at a fixed annual nominal

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rate of 1.375%. Interest will be paid quarterly, and principal will be paid in a single installment on August 25, 2024.

#### **Class 25 Notes**

On February 25, 2022, the Company issued the Class 25 Notes for a nominal value of USD 11 million, denominated in U.S. dollars. The Class 25 Notes accrue interest at a fixed annual nominal rate of 3.25%. Interest will be paid quarterly, and principal will be paid in a single installment on February 25, 2024.

#### **Syndicated Loan in U.S. Dollars 2021**

On July 30, 2021, the Company entered into a syndicated loan agreement in U.S. dollars with Industrial and Commercial Bank of China (Argentina) S.A.U., as administrative agent and lender, Banco Santander Río S.A., Banco de Galicia y Buenos Aires S.A.U., Banco Macro S.A., Citibank N.A.'s branch established in the Republic of Argentina, and Banco Valores S.A. as lenders, and Banco Itaú Argentina S.A. as lenders, Banco Macro S.A., the Argentine Branch of Citibank, N.A., and Banco de Valores S.A. as lenders, and Banco Itaú Argentina S.A. as hedging provider, in the amount of USD 115 million, which was fully disbursed on August 3, 2021.

The Syndicated Dollar Loan 2021 accrued interest at a rate of 8.50% nominal per annum for the unhedged tranche and 7.00% nominal per annum for the hedged tranche. Interest under the 2021 Syndicated Dollar Term Loan was payable quarterly. The proceeds of the 2021 Syndicated Dollar Term Loan were used for working capital, investment and general corporate purposes.

On August 3, 2022, the Company paid the first principal installment of the Syndicated Loan for a total of USD 57.5 million. Additionally, on February 3, 2023, the remaining principal due was paid.

#### **Class 26 Notes**

On June 7, 2022, the Company issued Class 26 Notes with a nominal value of USD 63 million, denominated in U.S. dollars and payable in Pesos at the Exchange Rate Applicable on the payment date. The Class 26 Notes do not include interest. Principal will be paid in a single installment on June 7, 2025.

#### **Class 27 Notes**

On June 7, 2022, the Company issued Class 27 Notes for a nominal value of USD 77 million, denominated in U.S. dollars and payable in Pesos at the Exchange Rate Applicable on the payment date. The Class 27 Notes will accrue interest at a fixed annual nominal rate of 3.5%. Interest will be paid semi-annually, and principal will be paid in nine (9) consecutive semi-annual installments, as of June 7, 2025.

#### **Class 28 Notes**

On September 7, 2022, the Company issued Class 28 Notes for a nominal value of USD 80 million, denominated in U.S. dollars and payable in Pesos at the Exchange Rate Applicable on the payment date. The Class 28 Notes were issued: **(i)** in pesos; and **(ii)** in kind through the delivery of Class 18 Notes. The Class 28 Notes do not include interest. Principal will be paid in three equal and consecutive quarterly installments, starting on March 7, 2026.

#### **Cancellation of Class 18 Notes**

## Compañía General de Combustibles S.A.

### Annual report 2022

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On November 25, 2022, the Company paid the remaining balance of the Class 18 Notes in full in a single payment.

#### Class 29 Notes

On January 19, 2023, the Company issued Class 29 Notes for a nominal value of USD 42 million, denominated in U.S. dollars and payable in Pesos at the Exchange Rate Applicable on the payment date. The Class 29 Notes accrue interest at a fixed rate of 1.00% nominal per annum. Interest will be paid quarterly, and principal will be paid in three equal and consecutive quarterly installments, starting on July 19, 2026.

#### Other Local Notes (*Pagarés Bursátiles*)

During the year 2022, the Company issued Other Local Notes (*Pagarés Bursátiles*) for a total of USD 41 million denominated in U.S. dollars and payable in Pesos at the Applicable exchange rate without interest. Principal will be paid between June 2024 and May 2025.

## IX. CONDENSED EQUITY, RESULTS AND CASH FLOW STRUCTURE OF THE COMPANY

(In million pesos)

The Financial Statements are presented in accordance with the criteria adopted by the National Securities Commission regarding the application of IFRS International Standards. International Accounting Standard N° 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"), consequently, the Company's Financial Statements as of December 31, 2022, including the figures corresponding to the previous year, were restated to consider the changes in the purchasing power of the Argentine currency as of that date.

To analyze the variations, it should be noted that the balances as of December 31, 2021, presented herein arise from restating the amounts of the balances as of that date in the homogeneous currency as of December 31, 2022, following the guidelines detailed in Note 2 to the Consolidated Financial Statements as of December 31, 2022.

| Equity Structure                                  | 2022           | 2021           |
|---------------------------------------------------|----------------|----------------|
| Non-current assets                                | 218,417        | 174,518        |
| Current assets                                    | 69,878         | 78,772         |
| <b>Total assets</b>                               | <b>288,295</b> | <b>253,290</b> |
| Non-current liabilities                           | 150,818        | 126,083        |
| Current liabilities                               | 70,393         | 66,069         |
| <b>Total liabilities</b>                          | <b>221,211</b> | <b>192,152</b> |
| <b>Total shareholders' equity</b>                 | <b>67,084</b>  | <b>61,137</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>288,295</b> | <b>253,290</b> |
| Results Structure                                 | 2022           | 2021           |
| Revenues                                          | 147,291        | 141,920        |
| Cost of revenues                                  | (118,652)      | (85,934)       |
| <b>Gross income</b>                               | <b>28,639</b>  | <b>55,986</b>  |
| Selling expenses                                  | (7,099)        | (5,446)        |

## Compañía General de Combustibles S.A.

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|                                                        |               |               |
|--------------------------------------------------------|---------------|---------------|
| Administrative expenses                                | (9,177)       | (12,874)      |
| Exploration expenses                                   | -             | (29)          |
| Provision for expected losses                          | (62)          | (625)         |
| Other operating income and (expenses), net             | 4,080         | 4,929         |
| <b>Operating income</b>                                | <b>16,381</b> | <b>41,941</b> |
| Result of investments in associates and joint ventures | 862           | (3,965)       |
| Financial income                                       | 588           | 2,652         |
| Financial costs                                        | (8,988)       | (11,907)      |
| Hyperinflation effect                                  | 328           | (7,061)       |
| Other financial results                                | (1,934)       | (18,240)      |
| Business combination results                           | -             | 6,131         |
| <b>Result before taxes</b>                             | <b>7,237</b>  | <b>9,551</b>  |
| Income tax                                             | 637           | (8,640)       |
| <b>Net income of the year</b>                          | <b>7,874</b>  | <b>911</b>    |

| <b>Changes in cash flows</b>                             | <b>2022</b>   | <b>2021</b>   |
|----------------------------------------------------------|---------------|---------------|
| Cash and cash equivalent at the beginning of the year    | 34,551        | 41,454        |
| Net cash generated by operations                         | 18,970        | 39,808        |
| Net cash used for investment activities                  | (46,216)      | (50,414)      |
| Net cash generated by financing activities               | 29,352        | 11,164        |
| Financial results generated by cash and cash equivalents | (6,340)       | (7,461)       |
| <b>Cash and cash equivalent at the end of the year</b>   | <b>30,317</b> | <b>34,551</b> |

## X. ANALYSIS OF RESULTS, FINANCIAL POSITION AND CASH FLOWS

### Results

The results for fiscal year 2022 show a final net income of \$ 7,874 million, compared to a final net income for fiscal 2021 of \$ 911 million.

## **Compañía General de Combustibles S.A.**

### **Annual report 2022**

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EBITDA adjusted for dividends received for fiscal 2022 was \$ 43,262 million, a decrease of \$ 23,435 million compared to fiscal 2021 (see Note 6 to the Consolidated Financial Statements as of December 31, 2022).

In June 2021, as explained in detail in Note 3 to the Consolidated Financial Statements as of December 31, 2021, CGC acquired from TIPTOP Energy Limited 100% of Sinopec (now CGC Energía S.A.U.). This company owns participations in hydrocarbon exploration and exploitation areas located in the Cuyana and Golfo San Jorge basins.

As of July 1, 2021, the Company consolidates the operations of CGC Energía S.A.U. Therefore, in the comparisons of volumes sold of crude oil and gas, it should be considered that sales of CGC Energía S.A. were not consolidated for 435.9 MMm3 and 35.6 MMm3 equivalent of crude oil and gas respectively, for the first half of 2021, which represent approximately 50% of the annual volume sold of CGC Energía S.A.U.

Revenues for the year increased by \$ 5,370.9 million, representing 3.8%, from \$ 141,920.4 million as of December 31, 2021 to \$ 147,291.3 million as of December 31, 2022, mainly as a consequence of the consolidation effect explained in the previous paragraph, an effect partially offset by lower incentives (Resolution N° 46-E/2017) accrued in 2022 for \$ 25,775.5.

Revenues from gas sales amounted to \$ 43,442.4 and \$ 46,736.3 as of December 31, 2022, and 2021, respectively, representing a decrease of \$ 3,293.9 (7.0%) with respect to 2021, due to a decrease in average sales prices measured at real value in pesos of 9%. Although in 2021 CGC Energía's sales were only considered as of July 1, 2021, there are no variations because the sale of gas in CGC Energía S.A.U. is not material with respect to consolidated sales. Consolidated gas sales volumes increased 2% mainly due to the consolidation effect.

Revenues from crude oil sales amounted to \$ 97,116.4 and \$ 62,724.2 in 2022 and 2021 respectively, representing an increase of \$ 34,392.28 (54.8%). When considering CGC Energía S.A.U.'s sales in the consolidated as of July 1, 2021, there has been an increase with respect to the consolidated sales in 2022. Consolidated crude oil sales volumes increased by 58% in 2022 compared to 2021, mainly due to the consolidation effect.

The cost of revenues totaled \$ 118,652.0 million in 2022, representing an increase of 38.1% compared to the \$ 85,933.5 million recorded in 2021. The increase in CGC's operating costs is mainly explained by the variation in the item "royalties, fee and easements" which increased by \$ 6,875.8 million compared to the previous year due to the consolidated effect explained in the previous paragraphs and the increase of \$ 10,601.8 in contracted services, \$ 5,109.6 in well maintenance expenses and \$ 6,193.5 for spare parts and repairs generated by the consolidated effect explained in the previous paragraphs and higher operations in fiscal year 2022.

Gross profit for fiscal 2022 amounted to \$ 28,639.3 million, \$ 27,347.6 million lower than that recorded in fiscal 2021, with margins over revenues of 19.4% and 39.4% for 2022 and 2021, respectively.

Selling expenses totaled \$ 7,098.9 million in fiscal year 2022, representing an increase of \$ 1,652.4 million or 30.3% compared to the previous year. The increase corresponds to **i)** a higher gross income tax charge of \$ 1,043.7 million due to the increase in invoicing in the domestic market mainly due to the twelve-month consolidation of CGC Energía S.A.U. and **ii)** a higher dispatch and transportation charge of \$ 592.7 million due to the higher activity in fiscal 2022.

## Compañía General de Combustibles S.A.

### Annual report 2022

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Administrative expenses in fiscal 2022 totaled \$ 9,176.9 million in fiscal 2022, representing a decrease of \$ 3,697.1 million or 28.7% compared to the previous year. The decrease in administrative expenses corresponds to decreases in Fees and Compensation for Services and Salaries and Wages of \$ 661.9 million and \$ 3,856.0 million, respectively.

In the year 2022, there were no exploration expenses while in the year 2021 they amounted to \$ 29.4 million.

Other operating income and (Expenses), net, totaled gains of \$ 4,079.6 million in fiscal 2022 and \$ 4,929.2 million in 2021. During the fiscal years 2022 and 2021, reversals of the non-financial asset impairment charge of \$ 1,908.1 million and \$ 5,109.2 million, respectively, were recognized, based primarily on an expected improvement in crude oil prices (see note 5 c) to the Consolidated Financial Statements as of December 31, 2022. In addition, an allowance for inventory obsolescence of (\$ 737.5) million was recognized in fiscal 2021 and reversed in fiscal 2022 for \$ 965.0 million.

Results from investments in associates and joint ventures totaled gains of \$ 862.3 million in fiscal 2022 and losses of (\$ 3,965.1) million in the comparative period. The variation of \$ 4,827.4 million is mainly due to lower losses recorded by its associate Gasinvest S.A. for \$ 3,088.3 because it was mostly affected in fiscal 2021 by the suspension of tariff adjustments by the National Government and higher gains recorded by Gasoducto GasAndes S.A. (Chile) for \$ 1,569.8 corresponding to the reversal of a provision for impairment of non-financial assets in fiscal 2022.

The net financial results for the year ended December 31, 2022, showed a loss of \$ 10,005.3 million, which represented a decrease from the loss of \$ 34,555.9 million for the year ended December 31, 2021. The variation is mainly due to the net effect of i) the lower impact of the real exchange differences generated by the indebtedness in foreign currency, due to the lower variation of the quotation of the dollar with respect to the peso (in nominal values), increased by 72.5% in 2022, while in 2021 it had increased by 22.1% and the lower evolution of the quotation of the dollar with respect to the evolution of inflation between both years, lower evolution of 22.32% in 2022, while in 2021 it had a lower evolution of 28.9%; ii) the effect of the cancellation of financial debt in dollars and higher financial expenses in the year 2021.

The business combination result as of December 31, 2021 for \$ 6,131.2 million corresponds to the purchase of 100% of CGC Energía S.A.U.'s shareholding at a convenient price.

Income tax amounted to \$ 636.6 million (gain) in the year 2022 and \$ 8,640.4 million (loss) in the year 2021. In the year 2022 a positive pre-tax result of \$ 2,313.5 is recorded, lower than in the previous year. Additionally, in the year 2021 there were higher loss provisions and higher losses from investments in associates and joint ventures which are permanent differences in income tax.

The net income for the year showed a gain of \$ 7,874.4 million for the year ended December 31, 2022, compared to a gain of \$ 910.9 million for the year 2021 as a result of the variations explained above.

#### Comparative ratios

|           |     | 2022 | 2021 |
|-----------|-----|------|------|
| Liquidity | (a) | 0.99 | 1.19 |
| Solvency  | (b) | 0.30 | 0.32 |

## Compañía General de Combustibles S.A.

### Annual report 2022

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|                       |     |      |      |
|-----------------------|-----|------|------|
| <b>Capital lockup</b> | (c) | 0.76 | 0.69 |
| <b>Profitability</b>  | (d) | 0.12 | 0.01 |

(a) Current assets /current liabilities

(b) Shareholders' equity / Total liabilities

(c) Non-current assets / Total assets

(d) Result / Average equity

As of December 31, 2022, the Company's assets amounted to \$ 288,294.9 million which, compared to liabilities of \$ 221,210.5 million, resulted in shareholders' equity of \$ 67,084.4 million.

Total assets increased by \$ 35,005.4 million with respect to the previous year. This variation was mainly caused by: a) an increase of \$ 44,874.5 million in Property, Plant and Equipment, mainly due to the effect of the investment in exploration and development activities in the Austral Basin and Golfo San Jorge Basin; b) a decrease of \$ 7,216.3 million in Other Receivables, mainly due to a decrease in receivables for incentives credits.

Total liabilities increased \$ 29,058.5 million with respect to the previous year. The main variations were caused by: a) a net increase in financial debts of \$ 28,067.8 million, mainly due to the placement of new Notes to finance the investment in exploration and development activities in the Austral Basin and Golfo San Jorge areas, b) an increase in Provisions for well abandonment and environmental remediation of \$ 10,908.1 million generated by an increase in abandonment costs, partially offset by: c) lower tax debt of \$ 7,521.2 million for income tax.

#### Cash flows

During 2022, operating cash generation reached \$ 18,970.4 million compared to cash generation of \$ 39,807.8 million during 2021. This decrease was generated by a decline in working capital and lower adjusted EBITDA (see note 6 to the consolidated financial statements as of December 31, 2022).

Cash flows used in investing activities totaled \$ 46,216.1 million during 2022, a decrease of 8.3% compared to 2021. During fiscal 2022, there were higher investments in fixed assets of \$12,562.0 million and lower investments in associates and joint ventures of \$ 16,241.9 million.

In 2022, the net cash flow from financing activities represented an increase in funds of \$ 29,352.3 million. Compared to the previous year, there was an increase in debt net of principal payments of \$ 13,126.7 million and lower interest payments of \$ 3,324.9 million.

As of December 31, 2022, the cash and cash equivalents position amounted to \$ 30,316.8 million, reaching a liquidity ratio of 1.0. Financial debt at that date was mainly in dollars and amounted to \$ 130,297.1 million, of which 23.6% was due in the short term.

## XI. PROSPECTS

2022 was the first year of full operation of the assets in the Golfo San Jorge and Cuyana basins, acquired in 2021 through the acquisition of Sinopec Argentina Exploration and Production Inc. (now CGC Energía S.A.U.).

## **Compañía General de Combustibles S.A.**

### **Annual report 2022**

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During this period, the Company has considerably increased its activity in these areas, almost doubling the number of pulling rigs in Golfo San Jorge and introducing three workover rigs. Additionally, as of June, a first drilling rig was incorporated and a second one was added by the end of the year, drilling 15 new wells after several years without this type of activity.

On the other hand, CGC continued with its investment plan in the Austral Basin, with the main objective of maintaining the production and activity levels achieved during 2021, while exploratory wells were drilled to analyze the estimated potential of the basin and its sustainable development.

2023 is projected to be a year of strong investment and growth for the Company. In addition to the development plans in the Golfo San Jorge Basin, the Company plans to significantly increase the activity in the Austral Basin areas, from the award of incremental gas production volumes in rounds 5.1 and 5.2 corresponding to the "Plan for the reinsurance and enhancement of federal hydrocarbon production, domestic self-supply, exports, import substitution and expansion of the transportation system for all hydrocarbon basins in the country 2023-2028" (Decree No. 770/2022).

Such program will allow CGC to rapidly increase its current production level, developing short cycle projects in a more profitable way taking advantage of the market opportunity given by the need for more local production and the high prices of LNG.

With respect to the macroeconomic and political context, CGC expects to develop its activities during the current year under conditions of high uncertainty and possible volatility in the main economic variables. Among the most important factors to consider are the national Open, Simultaneous, and Obligatory Primaries (P.A.S.O.) elections in August, the national general elections in October and a possible ballotage for the election of the President in November.

In relation to the previously mentioned, the Company will pay special attention to the evolution of the variables related to the stability of the exchange market, inflation, and access to financing sources, since abrupt changes in these variables may affect the execution of the investment plan projected for 2023.

In line with these actions, financing efforts will continue to focus on the optimization of the capital structure, as well as on the search for additional sources of financing, based on the Company's investment objectives and growth.

## **XII PROPOSED DISTRIBUTION OF RESULTS**

Fiscal year 2022 resulted in a gain of \$ 7,874.4 million. Unappropriated earnings totaled \$ 9,193.4 million as of December 31, 2022. In view of the above, the Board of Directors recommends to the Shareholders that the unallocated results be used to increase the optional reserve for working capital maintenance and future dividends.

## **Compañía General de Combustibles S.A.**

### **Annual report 2022**

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#### **XIII FEES OF DIRECTORS AND STATUTORY AUDITORS**

As of December 31, 2022, compensation to the Board of Directors in the amount of \$ 132.9 million and to the Statutory Audit Committee in the amount of \$ 5.1 million for the functions performed during the year ended December 31, 2022, have been charged to income for the year, which must be approved by the Stockholders' Meeting that deals with this Report and the corresponding Financial Statements.

Autonomous City of Buenos Aires, March 13, 2023.

THE BOARD OF DIRECTORS

**Eduardo Hugo Antranik Eurnekian**

Chairman

## Glossary

| Term           | Definition                                                              |
|----------------|-------------------------------------------------------------------------|
| <b>AFIP</b>    | Federal Administration of Public Revenue                                |
| <b>ARS/ \$</b> | Argentine peso                                                          |
| <b>Bbl.</b>    | Barrel                                                                  |
| <b>BOE</b>     | Barrel of oil equivalent                                                |
| <b>BRENT</b>   | Benchmark oil price in the European market                              |
| <b>BTU</b>     | British thermal unit                                                    |
| <b>CAMMESA</b> | Compañía Administradora del Mercado Eléctrico Mayorista S.A.            |
| <b>CNV</b>     | National Securities Commission                                          |
| <b>Dam3</b>    | Cubic decimeter                                                         |
| <b>DNU</b>     | Decree of Necessity and Urgency                                         |
| <b>ENARGAS</b> | National Regulatory Entity for Gas                                      |
| <b>ENARSA</b>  | Energía Argentina S.A. (Formerly Integración Energética Argentina S.A.) |
| <b>FACPCE</b>  | Argentine Federation of Professional Councils in Economic Sciences      |
| <b>GAA</b>     | Gasoducto GasAndes (Argentina) S.A                                      |
| <b>GAC</b>     | Gasoducto GasAndes S.A. (Chile)                                         |
| <b>IESC</b>    | Energy Institute of Santa Cruz                                          |
| <b>IGJ</b>     | Legal Entities Regulator                                                |
| <b>IPIM</b>    | Domestic WPI                                                            |
| <b>VAT</b>     | Value added tax                                                         |
| <b>m3</b>      | Cubic meter                                                             |
| <b>MBTU</b>    | Millions of BTUs                                                        |
| <b>MEM</b>     | Wholesale Electricity Market                                            |
| <b>MINEM</b>   | Ministry of Energy and Mining                                           |
| <b>Mm3</b>     | Thousands of cubic meters                                               |
| <b>MMm3</b>    | Millions of cubic meters                                                |
| <b>Mtn</b>     | Thousands of tons                                                       |
| <b>IAS</b>     | International Accounting Standards                                      |
| <b>IFRS</b>    | International Financial Reporting Standards                             |
| <b>ONs</b>     | Notes or Negotiable Obligation                                          |
| <b>PEN</b>     | National Executive Branch                                               |
| <b>RECPAM</b>  | Hyperinflation effect                                                   |
| <b>RTI</b>     | Integral Tariff Review                                                  |
| <b>SEE</b>     | Secretariat of Electric Energy                                          |
| <b>SGE</b>     | Secretariat of Energy                                                   |
| <b>TGN</b>     | Transportadora de Gas del Norte S.A.                                    |
| <b>TGM</b>     | Transportadora de Gas del Mercosur S.A.                                 |
| <b>WACC</b>    | Weighted Average Cost of Capital                                        |
| <b>Tn</b>      | Ton                                                                     |
| <b>USD</b>     | United States dollar                                                    |
| <b>CGU</b>     | Cash Generating Unit                                                    |
| <b>UTE</b>     | Joint Venture                                                           |
| <b>V/N</b>     | Par value                                                               |

“Free translation from the original in Spanish for publication in Argentina”

# **COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.**

**Consolidated Financial Statements**  
**for the fiscal year ended December 31, 2022**  
(Presented in comparative format)

# Compañía General De Combustibles S.A.

## Consolidated Financial Statements

### Legal information

**Legal address:** Bonpland 1745 – City of Buenos Aires. Argentina

**Fiscal Year N°** 103

**Financial Statements as of December 31, 2022**

|                                                                               |                                                                                 |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Company's main line of business:</b>                                       | Exploration and exploitation of hydrocarbons and byproducts                     |
| <b>Date of registration with the Public Registry of Commerce:</b>             | October 15, 1920                                                                |
| <b>Latest amendments to Bylaws:</b>                                           | April 18, 2007<br>September 12, 2007<br>December 19, 2013<br>and April 17, 2015 |
| <b>Registration number with the Legal Entities Regulator:</b>                 | 1648                                                                            |
| <b>Date of termination of the incorporation agreement:</b>                    | September 1, 2100                                                               |
| <b>Name of parent company:</b>                                                | Latin Exploration S.L.U. (1)                                                    |
| <b>Parent company's main line of business:</b>                                | Investment and financial activities                                             |
| <b>Equity interest held by the parent company in capital stock and votes:</b> | 70.00% (1)                                                                      |

### (1) Capital Status

| <b>Ordinary shares with a par value of 1 per share</b> | <b>Subscribed, issued, and paid-up<br/>(Expressed in pesos)</b> |
|--------------------------------------------------------|-----------------------------------------------------------------|
| Class A shares entitled to 1 vote                      | 279,396,499                                                     |
| Class B shares entitled to 1 vote                      | 119,741,357                                                     |
| <b>Total</b>                                           | <b>399,137,856</b>                                              |

(1) Note 33 to the Financial Statements

(2) Note 15 to the Financial Statements

# Compañía General De Combustibles S.A.

## Consolidated Financial Statements

### Consolidated Statement of Financial Position as of December 31, 2022 and 2021

(In thousands of pesos)

|                                                   | Note  | 12.31.2022         | 12.31.2021         |
|---------------------------------------------------|-------|--------------------|--------------------|
| <b>ASSETS</b>                                     |       |                    |                    |
| <b>Non-current assets</b>                         |       |                    |                    |
| Property, plant, and equipment                    | 8     | 162,979,769        | 118,105,231        |
| Investments in associates and joint ventures      | 9.a)  | 43,618,745         | 43,850,585         |
| Right-of- use assets                              | 35    | 6,764,852          | 8,396,210          |
| Other receivables                                 | 10    | 1,310              | 776                |
| Deferred tax assets                               | 34    | 5,052,009          | 4,164,796          |
| <b>Total Non-Current Assets</b>                   |       | <b>218,416,685</b> | <b>174,517,598</b> |
| <b>Current assets</b>                             |       |                    |                    |
| Inventories                                       | 11    | 13,050,898         | 8,573,462          |
| Other receivables                                 | 10    | 6,595,457          | 13,812,296         |
| Trade receivables                                 | 12    | 18,916,930         | 20,301,658         |
| Investments at fair value                         | 13    | 998,124            | 1,533,498          |
| Cash and cash equivalents                         | 14    | 30,316,770         | 34,550,919         |
| <b>Total Current Assets</b>                       |       | <b>69,878,179</b>  | <b>78,771,833</b>  |
| <b>TOTAL ASSETS</b>                               |       | <b>288,294,864</b> | <b>253,289,431</b> |
| <b>EQUITY</b>                                     |       |                    |                    |
| Share capital                                     | 15    | 399,138            | 399,138            |
| Capital adjustment                                |       | 9,665,766          | 9,665,766          |
| Reserves                                          | 16    | 48,465,617         | 44,827,064         |
| Retained earnings                                 | 17.a) | 9,193,472          | 4,498,946          |
| Other comprehensive income                        | 17.b) | (639,607)          | 1,746,550          |
| <b>TOTAL EQUITY</b>                               |       | <b>67,084,386</b>  | <b>61,137,464</b>  |
| <b>LIABILITIES</b>                                |       |                    |                    |
| <b>Non-Current Liabilities</b>                    |       |                    |                    |
| Provisions for legal claims and other proceedings | 18    | 1,747,820          | 1,981,997          |
| Other provisions                                  | 19    | 41,367,091         | 29,249,360         |
| Deferred tax liability                            | 34    | 4,492,474          | 9,420,121          |
| Tax payables                                      | 20    | -                  | 1,466              |
| Lease liabilities                                 | 35    | 3,647,304          | 5,435,845          |
| Financial debts                                   | 21    | 99,563,040         | 79,993,918         |
| <b>Total Non-Current Liabilities</b>              |       | <b>150,817,729</b> | <b>126,082,707</b> |
| <b>Current liabilities</b>                        |       |                    |                    |
| Other provisions                                  | 19    | 2,712,751          | 3,922,425          |
| Other debts                                       | 22    | 1,593,357          | 1,521,831          |
| Tax payables                                      | 20    | 1,428,126          | 8,949,367          |
| Salaries and social security contributions        |       | 3,789,948          | 7,186,669          |
| Lease liabilities                                 | 35    | 1,919,526          | 2,207,821          |
| Financial debts                                   | 21    | 30,734,041         | 22,235,407         |
| Trade payables                                    | 23    | 28,215,000         | 20,045,740         |
| <b>Total Current Liabilities</b>                  |       | <b>70,392,749</b>  | <b>66,069,260</b>  |
| <b>TOTAL LIABILITIES</b>                          |       | <b>221,210,478</b> | <b>192,151,967</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |       | <b>288,294,864</b> | <b>253,289,431</b> |

The accompanying Notes 1 to 40 are an integral part of these Consolidated Financial Statements.

# Compañía General De Combustibles S.A.

## Consolidated Financial Statements

### Consolidated Statement of Comprehensive Income for the years ended December 31, 2022 and 2021

(In thousands of pesos)

|                                                                  | Note    | 12.31.2022         | 12.31.2021         |
|------------------------------------------------------------------|---------|--------------------|--------------------|
| Revenue                                                          | 24      | 147,291,305        | 141,920,406        |
| Cost of revenue                                                  | 25      | (118,652,025)      | (85,933,547)       |
| <b>Gross profit</b>                                              |         | <b>28,639,280</b>  | <b>55,986,859</b>  |
| Selling expenses                                                 | 26      | (7,098,919)        | (5,446,474)        |
| Administrative expenses                                          | 27      | (9,176,874)        | (12,873,930)       |
| Exploration expenses                                             | 28      | -                  | (29,398)           |
| Loss of financial asset impairment                               | 29      | (62,291)           | (625,130)          |
| Other operating income and (expenses), net                       | 30      | 4,079,601          | 4,929,212          |
| <b>Operating income</b>                                          |         | <b>16,380,797</b>  | <b>41,941,139</b>  |
| Result of investments in associates and joint ventures           | 9       | 862,293            | (3,965,145)        |
| Financial income                                                 | 31      | 588,096            | 2,652,302          |
| Financial costs                                                  | 31      | (8,988,329)        | (11,906,554)       |
| Hyperinflation effect                                            | 31      | 329,065            | (7,061,631)        |
| Other financial results                                          | 31      | (1,934,145)        | (18,240,004)       |
| Business combination results                                     | 3       | -                  | 6,131,188          |
| <b>Income before taxes</b>                                       |         | <b>7,237,777</b>   | <b>9,551,295</b>   |
| Income tax                                                       | 34      | 636,643            | (8,640,369)        |
| <b>Income for the year</b>                                       |         | <b>7,874,420</b>   | <b>910,926</b>     |
| <b>OTHER COMPREHENSIVE INCOME</b>                                |         |                    |                    |
| <b>Items that will not be reclassified to profit or loss</b>     |         |                    |                    |
| Asset revaluation reserve                                        | 2.2.3)  | 922,456            | (2,646,164)        |
| <b>Items that may be reclassified to profit or loss</b>          |         |                    |                    |
| Financial Statement translation difference                       | 2.2.11) | (1,989,561)        | (5,611,035)        |
| <b>Total other comprehensive loss for the year, net of taxes</b> |         | <b>(1,067,105)</b> | <b>(8,257,199)</b> |
| <b>Total comprehensive loss for the year</b>                     |         | <b>6,807,315</b>   | <b>(7,346,273)</b> |
| <b>Basic and diluted earnings per share</b>                      | 32      | <b>19.729</b>      | <b>2.282</b>       |

The accompanying Notes 1 to 40 are an integral part of these Consolidated Financial Statements.

## Compañía General De Combustibles S.A.

### Consolidated Financial Statements

#### Consolidated Statement of Changes in Equity for the fiscal year ended December 31, 2022

(In thousands of pesos)

|                                                                                      | Share capital<br>(Note 15) | Capital<br>adjustment | Legal<br>reserve<br>(Note 16) | Optional<br>reserve<br>(Note 16)<br>(1) | Other comprehensive income                      |                                       | Retained<br>earnings<br>(Note 17.a) | Total             |
|--------------------------------------------------------------------------------------|----------------------------|-----------------------|-------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------------------|-------------------------------------|-------------------|
|                                                                                      |                            |                       |                               |                                         | Asset<br>revaluation<br>reserve<br>(Note 2.2.3) | Currency<br>translation<br>difference |                                     |                   |
| <b>Balance as of December 31, 2021</b>                                               | <b>399,138</b>             | <b>9,665,766</b>      | <b>2,012,981</b>              | <b>42,814,083</b>                       | <b>2,688,917</b>                                | <b>(942,367)</b>                      | <b>4,498,946</b>                    | <b>61,137,464</b> |
| Resolution of the Ordinary General Meeting<br>of Shareholders dated April 4, 2022    |                            |                       |                               |                                         |                                                 |                                       |                                     |                   |
| - Appropriation of retained earnings                                                 | -                          | -                     | -                             | 4,498,946                               | -                                               | -                                     | (4,498,946)                         | -                 |
| Resolution of the Ordinary General Meeting<br>of Shareholders dated October 31, 2022 |                            |                       |                               |                                         |                                                 |                                       |                                     |                   |
| - Distribution of dividends among the<br>shareholders                                | -                          | -                     | -                             | (860,393)                               | -                                               | -                                     | -                                   | (860,393)         |
| Net income for the year                                                              | -                          | -                     | -                             | -                                       | -                                               | -                                     | 7,874,420                           | 7,874,420         |
| Reversal of asset revaluation reserve                                                | -                          | -                     | -                             | -                                       | (1,319,052)                                     | -                                     | 1,319,052                           | -                 |
| Other comprehensive income for the year                                              | -                          | -                     | -                             | -                                       | 922,456                                         | (1,989,561)                           | -                                   | (1,067,105)       |
| <b>Balance as of December 31, 2022</b>                                               | <b>399,138</b>             | <b>9,665,766</b>      | <b>2,012,981</b>              | <b>46,452,636</b>                       | <b>2,292,321</b>                                | <b>(2,931,928)</b>                    | <b>9,193,472</b>                    | <b>67,084,386</b> |

(1) For maintenance of working capital and future dividends.

The accompanying Notes 1 to 40 are an integral part of these Consolidated Financial Statements.

## Compañía General De Combustibles S.A.

### Consolidated Financial Statements

#### Consolidated Statement of Changes in Equity for the fiscal year ended December 31, 2021

(In thousands of pesos)

|                                                                                      | Share capital<br>(Note 15) | Capital<br>adjustment | Legal<br>reserve<br>(Note 16) | Optional<br>reserve<br>(Note 16)<br>(1) | Other comprehensive income                      |                                       | Retained<br>earnings<br>(Note 17.a) | Total             |
|--------------------------------------------------------------------------------------|----------------------------|-----------------------|-------------------------------|-----------------------------------------|-------------------------------------------------|---------------------------------------|-------------------------------------|-------------------|
|                                                                                      |                            |                       |                               |                                         | Asset<br>revaluation<br>reserve<br>(Note 2.2.3) | Currency<br>translation<br>difference |                                     |                   |
| <b>Balance as of December 31, 2020</b>                                               | <b>399,138</b>             | <b>9,665,766</b>      | <b>2,012,981</b>              | <b>42,735,923</b>                       | <b>8,923,101</b>                                | <b>4,668,668</b>                      | <b>2,348,733</b>                    | <b>70,754,310</b> |
| Resolution of the Ordinary General Meeting<br>of Shareholders dated April 23, 2021   |                            |                       |                               |                                         |                                                 |                                       |                                     |                   |
| - Appropriation of retained earnings                                                 | -                          | -                     | -                             | 2,348,733                               | -                                               | -                                     | (2,348,733)                         | -                 |
| Resolution of the Ordinary General Meeting<br>of Shareholders dated October 30, 2021 |                            |                       |                               |                                         |                                                 |                                       |                                     |                   |
| - Distribution of dividends among the<br>shareholders                                | -                          | -                     | -                             | (2,270,573)                             | -                                               | -                                     | -                                   | (2,270,573)       |
| Net income for the year                                                              | -                          | -                     | -                             | -                                       | -                                               | -                                     | 910,926                             | 910,926           |
| Reversal of asset revaluation reserve                                                | -                          | -                     | -                             | -                                       | (3,588,020)                                     | -                                     | 3,588,020                           | -                 |
| Other comprehensive income for the year                                              | -                          | -                     | -                             | -                                       | (2,646,164)                                     | (5,611,035)                           | -                                   | (8,257,199)       |
| <b>Balance as of December 31, 2021</b>                                               | <b>399,138</b>             | <b>9,665,766</b>      | <b>2,012,981</b>              | <b>42,814,083</b>                       | <b>2,688,917</b>                                | <b>(942,367)</b>                      | <b>4,498,946</b>                    | <b>61,137,464</b> |

(1) For maintenance of working capital and future dividends.

The accompanying Notes 1 to 40 are an integral part of these Consolidated Financial Statements.

# Compañía General De Combustibles S.A.

## Consolidated Financial Statements

### Consolidated Statement of Cash Flow for the years ended December 31, 2022 and 2021

(In thousands of pesos)

|                                                                              | Note | 12.31.2022          | 12.31.2021          |
|------------------------------------------------------------------------------|------|---------------------|---------------------|
| <b>Cash flow from operating activities</b>                                   |      |                     |                     |
| Net income for the year                                                      |      | 7,874,420           | 910,926             |
| <b>Adjustments to arrive at net cash flow from operating activities</b>      |      |                     |                     |
| Depreciation of property, plant, and equipment                               | 8    | 25,389,236          | 27,372,743          |
| Write-off of property, plant, and equipment                                  | 8    | 1,281,158           | 6,826,222           |
| Depreciation of right-of-use assets                                          | 35   | 1,879,417           | 1,903,991           |
| Result of investments in associates and joint ventures                       | 9.c) | (862,293)           | 3,965,145           |
| Financial results, net                                                       | 31   | 1,485,548           | 7,460,553           |
| Recovery of non-financial assets impairment                                  | 30   | (1,908,116)         | (5,109,182)         |
| Increase in allowances for receivables, net                                  | 29   | 62,291              | 625,130             |
| Increase in provision for legal claims and other proceedings, net            | 27   | (762,049)           | (78,547)            |
| Gas imbalance charges                                                        | 25   | (8,151)             | (10,914)            |
| Income accrued for incentives, net of collections                            | 24   | 806,402             | (477,465)           |
| Business combination results                                                 | 3    | -                   | (6,131,188)         |
| Hyperinflation effect                                                        | 31   | (329,065)           | 7,061,631           |
| Accrued Income tax                                                           | 34   | (636,643)           | 8,640,369           |
| <b>Changes in operating assets and liabilities</b>                           |      |                     |                     |
| Receivables                                                                  |      | (3,292,992)         | (3,267,293)         |
| Inventory                                                                    |      | (5,691,914)         | 604,040             |
| Non-financial debts                                                          |      | 6,378,750           | (7,478,644)         |
| Income tax paid                                                              |      | (12,695,566)        | (3,009,674)         |
| <b>Net cash flow provided by operating activities</b>                        |      | <b>18,970,433</b>   | <b>39,807,843</b>   |
| <b>Net cash flow used in investment activities</b>                           |      |                     |                     |
| Acquisition of property, plant and equipment                                 | 8    | (48,233,831)        | (35,671,866)        |
| Changes in investments in associates and joint ventures                      |      | (200,359)           | (16,442,270)        |
| Interests collected                                                          |      | 421,604             | 1,113,086           |
| Dividends collected                                                          | 9.b) | 1,796,445           | 587,037             |
| <b>Net cash flow used in investment activities</b>                           |      | <b>(46,216,141)</b> | <b>(50,414,013)</b> |
| <b>Net cash flow provided by financing activities</b>                        |      |                     |                     |
| Dividends distributed among the shareholders                                 |      | (860,393)           | (2,270,573)         |
| Lease payments                                                               | 35   | (2,046,622)         | (2,373,229)         |
| Interest paid on financial debts                                             | 21   | (6,819,293)         | (10,144,225)        |
| Financial debts incurred                                                     | 21   | 61,379,263          | 105,723,507         |
| Financial debts settled                                                      | 21   | (22,300,606)        | (79,771,537)        |
| <b>Net cash flow provided by financing activities</b>                        |      | <b>29,352,349</b>   | <b>11,163,943</b>   |
| <b>Net increase in cash and cash equivalents</b>                             |      | <b>2,106,641</b>    | <b>557,773</b>      |
| Cash and cash equivalents at beginning of the fiscal year                    | 14   | <b>34,550,919</b>   | <b>41,454,278</b>   |
| Financial results generated by cash and cash equivalents                     |      | (6,340,790)         | (7,461,132)         |
| <b>Cash and cash equivalents at the end of the fiscal year</b>               | 14   | <b>30,316,770</b>   | <b>34,550,919</b>   |
| <b>Changes not entailing movements of funds.</b>                             |      |                     |                     |
| Acquisitions of property, plant and equipment with pending deferred payments |      | 8,864,842           | 3,542,170           |
| Activation of financial costs                                                |      | -                   | (418,320)           |
| Abandon cost of wells capitalized in property, plant and equipment           |      | 13,904,070          | (2,207,675)         |

The accompanying Notes 1 to 40 are an integral part of these Consolidated Financial Statements.

## **Compañía General De Combustibles S.A.**

### **Index of Notes to the Consolidated Financial Statements**

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## Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2022

(Presented in comparative format)

(In thousands of pesos, unless otherwise expressly indicated)

### Note 1. General information

#### 1.1 The Company and its control group

Compañía General de Combustibles S.A. ("CGC" or "the Group") is a corporation organized under the laws of the Republic of Argentina, registered with the Public Registry of Commerce on October 15, 1920. The incorporation agreement will expire on September 1, 2100, and its legal address is Bonpland 1745, Autonomous City of Buenos Aires, Argentina.

CGC and its associates ("the Group") business activities are focused on the energy sector, specifically consisting of the exploration and production of oil and gas (upstream) and through its associate companies, gas carriage. Upstream activities are carried out both individually and through joint ventures, and gas carriage activities through associates companies. The Company's activities are not subject to significant seasonal changes.

The Company is controlled by Latin Exploration S.L.U. ("LE"), a Spanish company.

The oil and gas exploration and exploitation areas where the Company has equity interests as of December 31, 2022, and 2021, are shown below:

| Country/<br>Basin | Area                          | % Participation | Operator  | Term           | Activity                     |
|-------------------|-------------------------------|-----------------|-----------|----------------|------------------------------|
| <b>Argentina</b>  |                               |                 |           |                |                              |
| <b>Noroeste</b>   | Aguaragüe                     | 5.00            | Tecpetrol | 2027           |                              |
| <b>Austral</b>    | El Cerrito                    | 100.00          | CGC       | 2033-2037-2053 | Exploration and exploitation |
|                   | Dos Hermanos                  | 100.00          | CGC       | 2027-2034-2037 |                              |
|                   | Campo Boleadoras              | 100.00          | CGC       | 2027-2033-2034 |                              |
|                   | Campo Indio Este / El Cerrito | 100.00          | CGC       | 2028-2053      |                              |
|                   | María Inés                    | 100.00          | CGC       | 2027-2028      |                              |
|                   | Cóndor                        | 100.00          | CGC       | 2027           |                              |
|                   | La Maggie                     | 100.00          | CGC       | 2026-2027      | Exploitation                 |
|                   | Glencross                     | 87.00           | CGC       | 2033           |                              |
|                   | Estancia Chiripa              | 87.00           | CGC       | 2033           |                              |
|                   | Tapi Aike                     | 100.00          | CGC       | 2026           |                              |
| <b>Venezuela</b>  | Piedrabuena                   | 100.00          | CGC       | 2022           | Exploration                  |
|                   | Paso Fuhr                     | 50.00           | CGC       | 2022           |                              |
|                   | Campo Onado                   | 26.00           | Petronado | 2026           |                              |

Additionally, as of June 30, 2021, the following oil and gas exploration and exploitation areas have been incorporated through the acquisition of CGC Energía S.A.U. (formerly Sinopec Argentina Exploration and Production, Inc. onwards "CGC Energía S.A.U.") reported in Note 3 to these Consolidated Financial Statements:

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| Country/Basin    | Area                                      | % Participation | Operator           | Term | Activity |
|------------------|-------------------------------------------|-----------------|--------------------|------|----------|
| <b>Argentina</b> |                                           |                 |                    |      |          |
| Cuyana           | Cacheuta                                  | 100.00          | CGC Energía S.A.U. | 2025 |          |
|                  | Cajón de los Caballos                     | 25.00           | Roch S.A.          | 2025 |          |
|                  | La Ventana – Vacas Muertas                | 30.00           | YPF S.A.           | 2027 |          |
|                  | Piedras Coloradas - Estructura intermedia | 100.00          | CGC Energía S.A.U. | 2026 |          |
|                  | Río Tunuyán                               | 30.00           | YPF S.A.           | 2026 |          |
| Golfo San Jorge  | Bloque 127                                | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Cañadón León                              | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Cañadón Minerales                         | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Cañadón Seco                              | 100.00          | CGC Energía S.A.U. | 2036 |          |
|                  | Cerro Overo                               | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Cerro Wenceslao                           | 100.00          | CGC Energía S.A.U. | 2036 |          |
|                  | El Cordón                                 | 100.00          | CGC Energía S.A.U. | 2036 |          |
|                  | El Huemul – Koluel Kaike                  | 100.00          | CGC Energía S.A.U. | 2037 |          |
|                  | Las Heras                                 | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Meseta Espinosa                           | 100.00          | CGC Energía S.A.U. | 2036 |          |
|                  | Meseta Espinosa Norte                     | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Meseta Sirven                             | 100.00          | CGC Energía S.A.U. | 2037 |          |
|                  | Piedra Clavada                            | 100.00          | CGC Energía S.A.U. | 2035 |          |
|                  | Sur Piedra Clavada                        | 100.00          | CGC Energía S.A.U. | 2037 |          |
|                  | Tres Picos                                | 100.00          | CGC Energía S.A.U. | 2035 |          |

Exploration and exploitation

### a) Situation in oil and gas areas

Transactions in Venezuela since April 1, 2006 are performed through the company Petronado S.A., instead of the Onado Joint Venture. CGC holds 26,004% of equity interests in that company (Note 36.4).

### b) Changes in oil and gas areas

Tapi Aike Area: On July 16, 2020 Echo Energy Plc (Echo Energy) transferred to the Company its 19% interest over the exploration permit in the Tapi Aike area, effective April 1, 2020. As a result, the Company owns 100% of the Tapi Aike area as of December 31, 2022, whose exploration permit was granted to the Company by Decree N° 775, in the framework of the Santa Cruz Energy Institute's bidding process N° 01/17.

According to the Resolution of the Santa Cruz Energy Institute ("IESC") of June 24, 2022, access to the Second Exploration Period for four years in the Tapi Aike area was approved. The commitments assumed amount to USD 14.2 million (3D Seismic Processing for 1,812 km<sup>2</sup> and a 3,000-meter-deep exploratory well).

## Compañía General De Combustibles S.A.

Piedrabuena Area: On August 8, 2022, a request was submitted to the IESC to transform the area's surface into an Evaluation Lot for the purpose of evaluating the advisability of proceeding to declare its commerciality. So far the body has not issued a resolution.

Paso Fuhr Area: On September 17, 2021, a request was submitted to the IESC to extend the first exploratory period by one year. To date, the IESC has not been issued a resolution.

### c) Underground gas storage

On February 19, 2020, the first underground natural gas storage system in the Province of Santa Cruz was inaugurated for commercial purposes. The Project is located 20 km from Santa Cruz, in the South of Río Chico area and it considers an investment of USD 50 million in its two stages (pilot and development), and it will allow the conservation of natural gas in underground reservoirs located at a depth of 1,500 meters.

The total investments of the Pilot Stage as of December 31, 2021 is approximately USD 11 million and, as of that date, 22.5 MMm3 (9300 kcal/m3) of cushion gas (gas necessary to give a minimum pressure to the reservoir). There was no injection of gas for storage during the year 2022.

On May 8, 2020 the Province of Santa Cruz issued Provincial Decree N° 498 formalizing the granting of the Concession "Santa Cruz II-Fracción ASGN" for gas storage, which was ratified in December 2020 through Provincial Law 3,716 of the Province of Santa Cruz.

### d) Relevant information

The total amounts of the Statements of Financial Position related to the Company's interests in joint ventures as of December 31, 2022 and 2021 and the Statements of Income for the fiscal years ended December 31, 2022 and 2021 are shown below:

|                          | 12.31.2022       | 12.31.2021        |
|--------------------------|------------------|-------------------|
| Non-current assets       | 2,558,565        | 9,341,008         |
| Current assets           | 786,721          | 732,903           |
| <b>Total assets</b>      | <b>3,345,286</b> | <b>10,073,911</b> |
| Non-current liabilities  | 3,829,715        | 2,082,365         |
| Current liabilities      | 868,400          | 1,352,637         |
| <b>Total liabilities</b> | <b>4,698,115</b> | <b>3,435,002</b>  |
| Operating loss (*)       | 3,705,847        | 625,730           |
| Net loss (*)             | 4,016,935        | 692,720           |

## **Compañía General De Combustibles S.A.**

(\*) Sales in joint ventures are not included since production is directly assigned to each of the participants (Note 2.2.16).

### **e) Investment commitments**

As of December 31, 2022, the Company's participation in the minimum commitments of the Austral basin areas amounted to approximately USD 87.0 million, of which USD 29.7 million correspond to the Cóndor and Campo Boleadoras areas and La Maggie of the concessions fractions A, B, C, and D of the Santa Cruz I area, Fractions A and B of the Santa Cruz II area and Laguna de los Capones, USD 9.2 million to the Tapi Aike area, USD 25.0 million to the Paso Fuhr area, USD 1.8 million to the Piedrabuena area and USD 21.3 million to the Glencross area, none of which have been expired to date. Additionally, for the purpose of extending the term of validity of the hydrocarbon exploitation concessions located in the Golfo San Jorge Basin for an additional term of ten years, under the terms of the provisions of article 35 of the Hydrocarbons Law N° 17,319, investments in activity have been committed for an estimated total value of USD 787.7 million

### **1.2 Economic context in which the Group operates**

The Company operates in a complex economic context, whose main variables have been highly volatile, both domestically and internationally.

At the end of February 2022, because of the conflict between Russia and Ukraine, the average price per barrel of Brent crude oil was close to USD 100, with a significant fluctuation with respect to the prices at the end of 2021, associated with the pressures on international prices. This conflict affected the post-pandemic recovery.

The context of volatility and uncertainty continues at the date of issuance of these Financial Statements. The Company's management permanently monitors the evolution of the variables that affect its business, to define its course of action and identify the potential impacts on its equity and financial situation. The Company's Financial Statements should be read considering these circumstances.

### **Note 2. Basis for presentation and accounting policies**

#### **2.1 Basis for presentation, preparation and measuring unit**

These Consolidated Financial Statements corresponding to the fiscal year ended December 31, 2022 are presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

## **Compañía General De Combustibles S.A.**

The CNV, by means of General Resolution N° 622/13 established the application of Technical Pronouncements N° 26 and amendments of the FACPCE, adopting International Financial Reporting Standards (IFRS), issued by the IASB, for entities included in the public offering regime of Law N° 17,811 and its amendments, due either to their share capital or Notes, or having requested listing authorization to be included in this regime.

These Consolidated Financial Statements are stated in thousands of pesos (\$), legal tender in Argentine Republic, and were prepared based on the accounting records of CGC. They have been stated at historical cost, except for the revaluation of some financial assets and some non-current assets. The reference to \$ or USD refers to thousands of \$ or thousands of USD, respectively, unless otherwise expressly indicated. A hyphen (-) indicates that no information is reported.

The comparative information has been expressed in terms of the current unit of measurement as of December 31, 2022 in accordance with IAS 29 "Financial information in hyperinflationary economies". Certain non-significant figures have been reclassified as of December 31, 2021, which are disclosed in these Financial Statements for comparative purposes.

### **Unit of measurement**

IAS 29 requires that the Financial Statements of an entity, whose functional currency is that of a high inflation economy, are expressed in terms of the unit of measurement current at the closing date of the reporting year, regardless of whether they are based on the historical cost method or on the current cost method. For this purpose, in general terms, inflation from the date of acquisition or from the date of revaluation, as appropriate, must be computed in non-monetary items. These requirements also apply to comparative information in the Financial Statements.

To determine the existence of a hyperinflationary economy under the terms of IAS 29, the standard details a series of factors to consider, including a cumulative inflation rate over three years that is close to or exceeds 100%. For this reason, in accordance with IAS 29, the Argentine economy must be considered as highly inflationary as from July 1, 2018.

In turn, Law N° 27,468, published in the Official Gazette on December 4, 2018, amended Section 10 of Law N° 23,928 and its subsequent amendments, providing that the repeal of the all regulations that establish or authorize price indexing, monetary restatement, cost variation or any other way of restatement of debts, taxes, prices or tariffs of goods, works or services, does not apply to the Financial Statements, to which the provisions of Section 62 in fine of General Companies Law N° 19,550 (1984 restated text), as amended, shall continue to apply. That law also repealed Decree N° 1269/2002 dated July 16, 2002, as amended, and delegated to the National Executive Branch, through its control authorities, the power to set the effective date of the rules governing Financial Statements reporting. Therefore, under General Resolution 777/2018 (Official Gazette December 28, 2018), the CNV established that the issuing entities under its control shall apply to Financial Statements for annual, interim, and special periods ending on or after December 31, 2018 the method of restatement to constant currency, pursuant to IAS 29.

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In accordance with IAS 29, the Financial Statements of entities reporting in the currency of a hyperinflationary economy shall be stated in terms of the measuring unit current at the date of the Financial Statements. Statement of Financial Position amounts not already expressed in terms of the measuring unit current at the date of the Financial Statements shall be restated by applying a general price index. All items in the Statement of Income shall be expressed in terms of the measuring unit current at the date of the Financial Statements by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the Financial Statements.

The inflation adjustment applied to the opening balance was calculated considering the indexes established by the FACPCE based on the price indexes published by the National Institute of Statistics and Census (INDEC). At the date of these Financial Statements, the year-on-year variation was 94.8%.

The main procedures for the inflation adjustment mentioned above are as follows:

- Monetary assets and liabilities recorded at the monetary unit current at year end are not restated as they are already expressed in terms of the monetary unit current at the date of the Financial Statements;
- Non-monetary assets and liabilities recorded at cost at the financial position date, and components of equity, are restated by applying the corresponding index adjustment factors;
- All items in the Statement of Profit or Loss are adjusted by applying the relevant conversion factors;
- The effect of inflation on the Company's net monetary position shall be included in the Statement of Comprehensive Income within Financial Results, under the caption Hyperinflation effect;
- All comparative figures are restated by applying the variation in the general price index until the end of the fiscal year.

Upon initial application of the inflation adjustment, the equity accounts were restated as follows:

- The capital was restated from the date it was contributed or the date of the last accounting adjustment for inflation, whatever happened later, The resulting amount was incorporated to the "Capital adjustment";
- The translation difference was restated in real terms;
- Other comprehensive income items were restated as from each date of accounting allocation; and
- Other income reserves were not restated in the initial application of the standard,

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The preparation of these Financial Statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these Financial Statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity or the areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 5.

These Consolidated Financial Statements of CGC were approved for issuance by the Company's Board of Directors on March 13, 2023.

### **Storage of corporate and accounting documentation**

Pursuant to General Resolution N° 629/14 of the National Securities Commission, we report that the documentation supporting the Company's accounting and management operations and the accounts books and corporate books of CGC are on file at the offices located at Bonpland 1745, City of Buenos Aires, and in the warehouses of the supplier Iron Mountain Argentina S.A. with business address at Amancio Alcorta 2482, City of Buenos Aires.

## **2.2 Accounting policies**

The main accounting policies used in the preparation of these Consolidated Financial Statements are summarized below. These policies have been applied consistently in all periods reported, except as otherwise stated.

### **2.2.1 Changes in accounting policies under IFRS**

#### **New mandatory standards, amendments and interpretations for fiscal year beginning January 1, 2022**

- IAS 16 "Property, plant and equipment": amended in May 2020. It incorporates amendments regarding the recognition of inventories, sales and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to operate as intended.
- IFRS 3 "Business Combinations": amended in May 2020. It incorporates references to the definitions of assets and liabilities of the new Conceptual Framework and clarifications related to contingent assets and liabilities incurred separately from those assumed in a business combination.
- IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": amended in May 2020. It clarifies the scope of the concept of cost of compliance with an onerous contract.
- Annual Improvements to IFRS Standards 2018–2020

The application of these new mandatory rules or amendments did not generate an impact on the Company's results of operations or financial position.

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### **New standards, amendments and interpretations not effective and not adopted in advance by the Company**

- IFRS 17 "Insurance Contracts": issued in May 2017 and amended in June 2020 and December 2021. It replaces IFRS 4 introduced as a provisional standard in 2004 with the exemption from accounting for insurance contracts using national accounting standards, resulting in multiple application approaches. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure related to insurance contracts and is applicable to annual periods beginning on or after January 1, 2023, allowing early adoption for entities that apply IFRS 9 and IFRS 15. Its application will not impact the results of operations or the financial situation of the Company.

- IAS 1 "Presentation of financial statements": modified in February 2021. It incorporates modifications related to the information to be disclosed about accounting policies. The amendments are applicable to annual periods beginning on or after January 1, 2023, allowing early adoption. Their application will not impact the results of operations or the financial situation of the Company.

- IAS 8 "Accounting Policies": modified in February 2021. Clarifies the treatment of the estimates required in the application of accounting policies. The amendments are applicable to annual periods beginning on or after January 1, 2023, allowing early adoption. Their application will not impact the results of operations or the financial situation of the Company.

- IAS 12 "Income Tax": modified in May 2021. It incorporates modifications regarding the recognition of deferred tax related to assets and liabilities that arise from a single transaction, giving rise to taxable and deductible temporary differences of the same amount. The amendments are applicable to annual periods beginning on or after January 1, 2023, allowing early adoption. Their application will not impact the results of operations or the financial situation of the Company.

- IFRS 16 "Leases": modified in September 2022. It incorporates modifications related to sales transactions with subsequent lease. The amendments are applicable to annual periods beginning on or after January 1, 2024, allowing early adoption. Their application will not impact the results of operations or the financial situation of the Company.

- IAS 1 "Presentation of financial statements": modified in January 2020, July 2020 and October 2022. It incorporates modifications related to the classification of liabilities as current or non-current and clarifies the treatment in the case of liabilities subject to compliance with covenants. The amendments are applicable to annual periods beginning on or after January 1, 2024, allowing early adoption. Their application will not impact the results of operations or the financial situation of the Company.

Management evaluated the relevance of other new standards, amendments and interpretations not yet effective and concluded that they are not relevant to the Company.

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### **2.2.2 Participation in joint arrangements and associates**

#### **2.2.2.1 Participation in joint arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control, i.e, the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11, investments in joint arrangements are either joint operations or joint ventures, depending on the contractual rights and obligations of the parties. The Group has analyzed the nature of Upstream joint arrangements and determined that they fall within the scope of joint operations. As a result, the Company recognizes in its Financial Statements the assets, liabilities, revenue from ordinary activities, and expenses relating to its participation in joint operations of the various consortia and joint ventures for hydrocarbon exploration and production, (Note 1.1).

Additionally, as of December 31, 2022 and 2021, the Company defined as a joint venture the interests in Gasinvest S.A., Transportadora de Gas del Norte S.A., Gasoducto GasAndes (Argentina) S.A., Gasoducto GasAndes S.A. (Chile), and Andes Operaciones y Servicios S.A. These holdings were valued following the equity method of associates detailed below.

#### **2.2.2.2 Associates**

Associates are all entities over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the investee, but not control or joint control, (generally accompanying a shareholding of between 20% and 50% of the voting rights).

The Group records its investments in associates using the equity method. Under the equity method, the initial recognition of the investment in an associate is made at cost, including goodwill at the date of acquisition, if applicable. The carrying amount is increased or decreased to recognize the percentage of the Group participation in the profits or losses of the associates and include said result in the Group profits or losses. The investment in the associate will be accounted for applying the equity method, from the moment it becomes an associate. On the acquisition date, the difference between the cost of the investment and the portion that corresponds to the investor in the net fair value of the associate's identifiable assets, liabilities, and contingent liabilities will be recorded in the results for the fiscal year. Therefore: **(a)** Goodwill related to the associate will be included in the carrying amount of the investment. However, the amortization of said goodwill is not allowed and therefore will not be included in the determination of the investor's participation in the results of the associate. **(b)** The excess that over the cost of the investment the investor's participation in the net fair value of the associate's identifiable assets, liabilities, and contingent liabilities will be excluded from the book value of the investment and will be included as income in the determination of participation.

Unrealized gains on transactions with its associates are eliminated to the extent of the interest in the associates.

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Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

To value the investments in associates, each of them is considered a Cash Generating Unit (CGU), it is analyzed if at each closing date there is objective evidence that an investment in an associate is not recoverable. The impairment amount, if any, is calculated as the difference between the recoverable value of the associate and its carrying value, recognizing the resulting amount in the Statement of Comprehensive Income.

### **2.2.3 Adoption of the revaluation model in “Midstream”**

Effective September 30, 2018, the Board of Directors of the Company decided to use within the two models provided for on IAS 16 (Property, plant, and equipment), the “revaluation model” for the core assets valuation, comprising the gas pipeline systems, including gas pipelines, fields and compressor plants. The change of the valuation criteria from the “cost model” to the “revaluation model” is applied prospectively in accordance with IAS 8 (“Accounting Policies, Changes in Accounting Estimates, and Errors”).

This change in accounting policies allows assessing the assets subject to revaluation to their fair value and in this way offering more reliable information in the Statement of Financial Position. Additionally, it has been determined that this group of assets comprises a category of assets pursuant to IFRS 16, considering the nature, characteristics, and inherent risks.

For the application of such model, associate companies use the services of independent experts which were shared with the Board of Directors which approved the revaluation. Furthermore, the Board of Directors decides after discussing with experts and associates, the valuation methods and where applicable, the entry data to be used in each case.

Revaluations must be conducted as frequently as necessary so that the value in the accounting records does not differ significantly from the fair value of the assets at the date of each measurement.

To measure the fair value of assets subject to revaluation, the “income approach” is used as valuation technique as established in IFRS 13 (“Fair Value Measurement”). The Company uses a model of cash flow discounted prepared on the basis of estimates regarding the future behavior of certain variables which are sensitive in determining the fair value: (i) contracted firm transportation volumes and transportation volumes sold under interruptible transportation mode; (ii) gas carriage tariffs; (iii) operating and maintenance costs; (iv) necessary investment for the maintenance of the operating gas pipeline maintenance; (v) weighted discount rate; and (vi) macroeconomic variables such as inflation rate, devaluation rate, etc.

This valuation method is classified under IFRS 13 as hierarchy of fair value Level 3.

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The increase of the carrying value of an asset as a consequence of a revaluation is recognized under “Other Comprehensive Income”, net of the corresponding deferred tax. The effect of the revaluation conducted on Gasoducto GasAndes (Argentina) S.A., Gasinvest S.A., and Transportadora de Gas del Norte S.A., to the interest of CGC is detailed at the end of the note. In the case of the investment in the associated Gasoducto GasAndes S.A. (Chile) the revaluation carried out as of December 31, 2022 and 2021 had no effect.

The increases due to revaluations are recognized in the Statement of Comprehensive Income under the category “Other Comprehensive Income” and they are accumulated in the Reserve for revaluation of assets of the “Statement of Changes in Shareholders' Equity”, unless such increase implies a reduction of the revaluation of that asset previously recognized in the Statement of Income, in which case the increase is recognized in the Statement of Income. A reduction due to revaluation is recognized in the Statement of Income, unless such reduction is offset by an increase in the revaluation of the same asset previously recognized in the Reserve for revaluation of assets.

Reversal of asset revaluation reserve: At the time of sale of the revalued asset, any Reserve for the revaluation of assets related to that asset is transferred to Retained Earnings. Additionally, the Company transfers part of the asset revaluation reserve as the asset is used by the entity. In this case, the amount of the transferred asset revaluation reserve would be equal to the difference between the depreciation calculated according to the revalued value of the asset and that calculated according to its original cost. Transfers from the reserve accounts for revaluation to the accounts of Retained Earnings do not go through the results of the fiscal year.

In accordance with the Restated Text of the CNV, at year-end the positive balance of the “Reserve for revaluation of assets” may not be distributed, capitalized or allocated to absorb accumulated losses, but must be calculated as part of accumulated gains/losses for the purposes of comparison to determine the Company's situation under sections 31, 32, and 206 of Commercial Companies Law N° 19,550.

Based on the measurement conducted for the application of the revaluation model, the following differences have been determined in connection with the carrying values measured by the cost model, for assets subject to revaluation as of December 31, 2022 and 2021:

| <b>Asset revaluation reserve</b>     | <b>12.31.2022</b> | <b>12.31.2021</b> |
|--------------------------------------|-------------------|-------------------|
| Gasinvest S.A.                       | 688,429           | 2,087,684         |
| Gasoducto GasAndes (Argentina) S.A.  | 1,602,016         | 596,531           |
| Transportadora de Gas del Norte S.A. | 1,876             | 4,702             |
| <b>Total</b>                         | <b>2,292,321</b>  | <b>2,688,917</b>  |

### 2.2.4 Foreign currency translation

#### 2.2.4.1 Functional and presentation currency

The items included in the Financial Statements of each of the Group's companies are measured using the currency of the main economic environment in which each entity operates (the “functional currency”). The functional currency of CGC and its joint ventures: Transportadora del Gas del Norte S.A. and Gasinvest S.A. is the Argentine peso; while for its subsidiary CGC Energía S.A.U. and CGC Internacional Corp., and the joint ventures Gasoducto GasAndes (Argentina) S.A. and Gas Pipeline GasAndes S.A. (Chile) is the US dollar.

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The presentation currency of the Group is the Argentine peso.

As the conditions established in IAS 29 to consider Argentina as a hyperinflationary economy are met, the Financial Statements and earnings whose functional currency is the Argentine peso must be restated as indicated in Note 2.1.

### **2.2.4.2 Balance and transactions**

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the date of the transaction or valuation when the items are remeasured.

Exchange gains and losses resulting from the cancellation of such transactions or from the year-end measurement of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Exchange gains and losses are shown in the Statement of Comprehensive Income in the line "Other Financial Results".

### **2.2.4.3 Subsidiaries, joint ventures, and associates**

The results and financial position of the subsidiaries, joint ventures, and associates with a functional currency other than the Group's presentation currency shall be translated into the presentation currency at closing using the following procedures:

- Assets and liabilities are translated at the exchange rate prevailing at closing;
- Profits or losses are translated at average exchange rates of each month, (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at exchange rate prevailing at the date of each transaction);
- Capital and reserves are carried at the year-end exchange rate.

Gains/losses arising from the translation of functional currency into presentation currency are recognized under Other Comprehensive Income. When an investment in a subsidiary, joint venture, or associate is sold or disposed of, said Other Comprehensive Income is reclassified in whole or in part to the Statement of Comprehensive Income as part of the gain or loss from the sale or disposition.

### **2.2.5 Property, plant, and equipment**

Property, plant and equipment (or fixed assets) are valued using the cost model. It is recorded at acquisition cost less depreciation and any accumulated impairment losses.

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In the case of works in progress, the construction of which extends over substantial time until completion, financial costs relating to third-party funding are capitalized (net of the effects of inflation) until the asset built can be used.

### **I) Oil and gas exploration activities**

The Group applies IFRS 6 “Exploration and evaluation of mineral resources” to account for its oil and gas exploration and evaluation activities.

As a result, in accordance with IFRS 6 the Company capitalizes oil and gas exploration and evaluation expenses such as topographical, geological, geochemical, geophysical, and seismic studies; exploratory drilling; evaluation of oil and gas reserves, and mining property associated with unproven reserves, such as assets for exploration and evaluation as a special category (exploration and evaluation assets) within the Property, Plant, and Equipment caption. The costs prior to obtaining an exploration permit are charged to income/loss as incurred. This means that exploration costs are temporarily capitalized until the results of the exploratory efforts is finished, in such a way as to be able to conclude as to the existence (or not) of sufficient hydrocarbon reserves to justify their commercial development.

If exploration and evaluation activities do not conclude that there are sufficient hydrocarbon reserves to justify their commercial development, the amounts capitalized are charged to income/loss at the time this conclusion is reached. Exploration and evaluation assets in relation to which reserves were identified are tested for impairment, prior to reclassification of the line “Production Facilities and Wells”.

Exploration and evaluation assets are not subject to depreciation or amortization.

### **II) Oil and gas development activities**

Development costs are costs incurred to develop and produce proven reserves and provide facilities for extraction, collection and storage of oil and gas. This item includes payments of exploitation concession rights, which are recorded under “Mining Property” line.

Development costs incurred in the drilling of development wells (successful and dry) and in the construction or installation of production equipment and facilities are capitalized and classified as “Work in progress” until they are completed. Once they begin to produce, they are reclassified to “Wells and production facilities” and begin to be depreciated; oil and gas production costs are charged to income.

Subsequent expenditures are incorporated as a component of the cost of such assets only if they constitute an improvement and/or extend the useful life and/or increase the productive capacity of the assets and/or it is probable that the asset will generate an increase in net cash flows.

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Maintenance and repair costs that only restore production to its original level are charged to income in the fiscal year in which they are incurred.

The costs of asset retirement obligation and well plugging obligations are capitalized at discounted value, together with the assets that gave rise (within the "Production facilities and wells" line) to them and are depreciated using the units of production method. As counterpart, a liability is recognized for this item at the estimated value of the discounted sums payable. Changes in the measurement of existing liabilities arising from changes in the estimated schedule or amount of the outflow of resources required to settle the liability or in the discount rate are added to or deducted from the cost of the related asset. If the decrease in liabilities is higher than the asset book value, any such excess is recognized immediately in profit/loss for the period (Note 2.2.14.1).

### III) Depreciation

Below is a detail of depreciation and amortization methods during the estimated useful life of assets:

- i) The acquisition cost of property with proven reserves is depreciated through the application of the ratio between hydrocarbons produced and estimated total proven reserves.
- ii) Assets for the development of hydrocarbons (plants, wells, and exploitation and production facilities) are depreciated area by area through the application of the ratio between the hydrocarbons produced and estimated developed and proven reserves.

Changes in the estimate of reserves are considered in the depreciation calculation as prospective.

- iii) For assets whose service capacity is not directly related with the production of hydrocarbons, the linear estimated rates are applied based on the features of each asset. Rates applied are as follows:

| Caption                              | Rate % |
|--------------------------------------|--------|
| Furniture and fixtures               | 10.00  |
| Machinery, equipment, and facilities | 10.00  |
| Software and computer equipment      | 33.33  |
| Real estate                          | 2.00   |
| Vehicles                             | 20.00  |

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Depreciation rates are reviewed every year and it is compared whether the remaining useful life differs from that previously estimated. The effect of these changes is recorded as profit or loss for the fiscal year in which they are determined.

Gain or loss from the sale of assets is calculated by comparing income obtained with the residual book value. The resulting amount is recognized in the Statement of Comprehensive Income under “Other operating income and (expenses), net”.

### **IV) Impairment of property, plant, and equipment**

The value recorded of property, plant and equipment does not exceed their recoverable value. When there are events or circumstances that indicate a potential impairment, an impairment test is run at the level of identifiable cash flow:

- Exploration and evaluation costs are examined on a regular basis by Management to ensure that the value recorded is recoverable. Such verification is made at least once a year (at the end of the fiscal year) and whenever there are signs of a possible value write-down. Events and signs include the evaluation of seismic data, requirements to abandon areas without renewal of exploration rights, unsuccessful results of drilling and studies, non-compliance of exploration commitments, lack of planned investments and unfavorable market political and economic conditions

As of December 31, 2022 and 2021, \$ 0 and \$ 29,398 were allocated to exploration expenses, respectively (Note 28).

- Property, plant, and equipment (excluding exploration and evaluation costs): The Company's Management assesses their recoverability when events or changes to circumstances (including significant decrease in the market value of the assets, in the prices of the main products sold by the Company, or in the oil and gas reserves, as well as changes in the regulatory framework in which the operations are developed, significant increases in operating costs, or obsolescence evidence or physical damage) may indicate that the value of an asset or CGU may not be recoverable. The value of an asset is adjusted to its recoverable value in case it exceeds such value. Assets that have suffered impairment losses in previous years will be analyzed at the date of each financial statement in order to identify whether the conditions that gave rise to the impairment were reversed, recognizing, if applicable, the recovery of such impairment. See Note 5.c) for the impairment determination methodology.

### **2.2.6 Inventory**

Inventories comprise crude oil and materials. Inventories are valued at production and acquisition costs (stated in terms of measuring units current at the end of fiscal year for those entities whose functional currency is the Argentine peso), with the limit of its net realizable value. The cost is determined based on the weighted average method (WAC). The cost of inventories includes expenses incurred in the production or acquisition and other costs necessary to take them to their current condition and location.

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Net realizable value is the sales price estimated in the normal course of business less applicable estimated costs to sell.

The net realizable value is evaluated at the end of the year and the appropriate value adjustment is charged to income when they are overvalued.

As of December 31, 2022 and 2021, a recovery of \$ 965,001 and a charge of \$ 737,468, respectively are charged to other operating income and (expenses), net, for materials considered slow-moving based on materials that have not had any movement in the last two fiscal years, nor are they considered strategic.

### **2.2.7 Financial Instruments**

#### **Recognition and measurement of financial assets and liabilities**

Financial assets are recognized when an entity within the Group is part of an agreement covering a financial instrument.

The Group classifies financial assets in the following categories: Those that are valued at amortized cost and those that must be measured at fair value. This classification depends on the business model followed by the Company to manage its financial assets and the contractual cash flow characteristics of its financial assets.

#### **Financial assets at amortized cost**

Financial assets are measured at amortized cost when they meet the following criteria:

- i) They are maintained within the business model in order to obtain the contractual cash flow;
- ii) The contractual conditions of the financial asset give rise on specified dates to cash flow that are only collections of the principal and interest on the outstanding principal amount.

#### **Financial assets measured at fair value through changes in profit or loss**

Financial assets measured at fair value through changes in profit or loss are those assets held for sale. A financial asset is classified in this category if it has been acquired with the main purpose of being sold in the short term.

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### **Recognition and measurement**

Purchases and sales of financial assets are recognized on the date of the transaction, which is the date on which the Group commits to the acquisition or sale of the asset. Financial assets at amortized cost are initially recognized at fair value plus those costs attributable to the transaction. Financial assets held at fair value through profit or loss are initially recognized at fair value and the cost of the transaction is recognized in the Statement of Comprehensive Income.

Financial assets are reversed when the right to receive cash flows from realized investments has ceased or when they have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

A gain or loss on a debt instrument that is consistently measured at fair value and is not part of a hedging transaction is recognized in profit or loss and is presented in the Statement of Comprehensive Income within net financial results as it occurs.

The gain or loss on a debt instrument that is measured at amortized cost and is not part of a hedging transaction is recognized through profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest method.

### **Impairment of financial assets**

IFRS 9 establishes an "expected credit loss" ("ECL") model. This requires considerable judgment to be applied with respect to how changes in economic factors affect ECL, which is determined on a weighted average basis.

The impairment model provided by IFRS 9 is applicable to financial assets measured at amortized cost or at fair value through Other Comprehensive Income, except for investments in equity instruments and to contract assets recognized under IFRS 15.

Under IFRS 9, loss provisions are measured using one of the following bases:

- 12-month ECL: These are expected credit losses resulting from possible events of default within 12 months after the reporting date; and
- Lifetime ECL: These are expected credit losses resulting from possible events of default during the expected life of a financial instrument.

In the case of financial placements and in accordance with current placement policies, the Group monitors the credit rating and credit risk of these instruments.

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### **Financial liabilities**

Financial liabilities (including financial debts and trade payables) are measured accordingly at amortized cost using the effective interest method.

The effective interest method is a method used for calculating the amortized cost and allocate interest gains or losses in the appropriate period. The effective interest rate is the exact discount rate of the future cash flow discount (including all expenses paid or received to make up an integral part of the effective rate, transaction costs and other rewards or discounts) over the estimated period of the financial liability or (if appropriate) for a shorter period to the book value upon initial recognition.

#### **2.2.8 Trade receivables and payables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, net of the allowance for expected losses if applicable.

A provision is made for expected losses of trade accounts receivable in accordance with the simplified model established in IFRS 9.

The book value of the asset is reduced through the use of the allowance for expected losses and the amount of losses is recognized in the Statement of Comprehensive Income. When a trade receivable is declared uncollectible it is written off against expected losses. In the case of subsequent recoveries, they are recognized as a gain in the Statement of Comprehensive Income.

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

#### **2.2.9 Other receivables and liabilities**

Remaining receivables and debts have been initially valued at fair value and subsequently valued at amortized cost using the effective interest method less the allowance for expected losses, if applicable.

In the case of credits to boost the production of hydrocarbons granted in favor of CGC within the framework of the Oil and Gas programs created by the National Government, they are recognized as credits within “Other Receivables” from the inception of the right for CGC to collect the credit upon compliance with the requirements established in the programs, with a corresponding gain in the “Income” item in the Statement of Comprehensive Income.

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### **2.2.10 Cash and cash equivalents**

Cash and cash equivalents include cash, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

If any, bank overdrafts are shown under the caption "Financial liabilities" in current liabilities in the Statement of Financial Position and for cash flow purposes are shown under cash and cash equivalents.

### **2.2.11 Equity accounts**

The accounting of the movements of the aforementioned item is carried out in accordance with the decisions of General Shareholders' Meetings, legal or regulatory standards.

- Share capital  
Share capital represents the capital issued which is formed by contributions made by shareholders. It is represented by ordinary nominative non-endorsable shares of \$ 1 face value each.
- Capital adjustment  
The difference between the share capital stated in constant currency and the historical nominal value has been disclosed in the "Capital adjustment" account within Equity.
- Legal reserve  
In accordance with legal provisions of General Companies Law N° 19,550, 5% of the net profits from the Statement of Comprehensive Income for the fiscal year plus/less the adjustments to prior years, transfers from other comprehensive income to unappropriated retained earnings and accumulated losses of prior years must be allocated to the legal reserve until it reaches 20% of the share capital. This reserve is stated in constant monetary units according to the guidelines of Note 2.1).
- Optional reserve  
It corresponds to the allocation made by the Company's Shareholders' Meeting, whereby an specific amount is allocated to set up a special reserve chiefly aimed at maintaining the Company's productive activities which are focused on exploration and production of oil and gas, net of reversals for the payment of dividends. This reserve is stated in constant monetary units, according to the guidelines of Note 2.1).
- Other comprehensive income  
"Other Comprehensive Income" includes the exchange differences generated by the effect of translation into Argentine currency of the interests in related companies and subsidiaries abroad and the reserve for revaluation of Midstream assets, detailed in Note 2.2.3).

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### **- Retained earnings**

It comprises unappropriated gains or accumulated losses which if positive, may be distributed by a decision of the Shareholders' Meeting as long as they are not subject to legal restrictions such as that mentioned in the "Legal Reserve" paragraph.

It comprises the result from prior fiscal years which were not distributed, the amounts transferred from other comprehensive income and prior year adjustments due to the effect of the application of IFRS.

In the event that there are unallocated negative results to be absorbed at the end of the fiscal year to be considered by the Shareholders' Meeting, the following order of allocation of balance must be respected:

- (1) Reserved profits
  - a. Optional reserve
  - b. Legal reserve
- (2) Additional paid-in capital
- (3) Share capital

### **- Distribution of dividends**

Distribution of dividends among the shareholders of the Company is recognized as a liability in the Financial Statements in the fiscal year in which the dividends are approved by the Company's Shareholders' Meeting.

## **2.2.12 Financial debts**

Borrowings are initially recognized at fair value net of the transaction costs incurred. In subsequent periods, borrowings are valued at amortized cost. Any difference between the funds received (net of transaction costs) and the redemption value is recognized in the Statement of Comprehensive Income over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has the right to defer the payment of liabilities for at least 12 months subsequent to the date of the Financial Statements.

## **2.2.13 Income tax**

### **2.2.13.1 Current and deferred income taxes**

Tax charge for the fiscal year comprises current and deferred taxes. Taxes are charged to results, except when they refer to items recognized in other comprehensive income or directly in equity.

Current income tax is calculated based on the laws approved or to be approved at the date of the Financial Statements in the countries in which the Group operates and generates taxable income. Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and if necessary, establishes provisions based on the amounts payable to the tax authorities.

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Deferred tax is recognized according to the liability method for the temporary differences arising between the tax bases of assets and liabilities and their book values in the Financial Statements. However, deferred tax is not recognized when it arises from the initial recognition of an asset or liability in a transaction other than a business combination which at the time of the transaction, does not affect the accounting result or tax gain or loss.

Deferred tax assets are recognized only to the extent that it is probable that the Company will have future taxable profits against which the temporary differences can be offset.

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset the amounts recognized and when deferred tax assets and liabilities derive from income tax payable to the tax authorities by the same entity or different entities which seek to settle the current tax assets and liabilities at their net amount.

Additionally, for the determination of the income tax charge, the following has been considered based on the provisions of Laws N° 27,430/17 and 27,451/19:

- Adjustment for inflation: acquisitions or investments made as from fiscal years beginning on or after January 1, 2018 are adjusted by the Consumer Price Index (CPI),
- Tax inflation adjustment: obligation to apply as from fiscal years beginning on or after January 1, 2018 the tax inflation adjustment in the fiscal year in which there is a CPI variation percentage accumulated in the thirty-six months prior to the closing of the fiscal year being settled, higher than 100%.

In the fiscal years ended December 31, 2022 and 2021, the conditions foreseen for the application of such adjustment have been evidenced, which has been included in the calculation of the provision for income tax and deferred tax, computing the impact thereof in accordance with the provisions of the regulations in force. The amount determined in fiscal years 2019 and 2020 has been imputed 1/6 in each fiscal period and the remaining 5/6 in equal parts in the 5 immediately following fiscal periods. In fiscal year 2021, it is allocated in a single fiscal period and in fiscal years 2022 and 2023 there is the option of imputing the positive tax inflation adjustment in thirds, beginning in 2022 and continuing in the two immediately following fiscal periods, which will only proceed to the extent that the investment in property, plant and equipment (except automobiles) during each of the two fiscal periods immediately following the one in which the first third is calculated, is greater than or equal to \$ 30 billion.

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In June 2021, a law was enacted that establishes a new tiered income tax rate structure with three segments in relation to the level of accumulated net taxable income. The new rates are:

- 25% for accumulated net taxable income up to \$ 7.6 million;
- 30% for the second bracket, which will reach taxable income up to \$ 76.0 million;
- 35% for taxable profits over \$ 76.0 million.

Such modification will be applicable for tax years beginning on or after January 1, 2021

### **2.2.14 Provisions**

#### **2.2.14.1 Other provisions**

Provisions are recognized when the Group has a present obligation (whether legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recorded as provisions is the best estimate of the resource outflow necessary to settle the present obligation at the end of the reporting year, considering the pertinent risks and uncertainties.

When a provision is measured using the estimated cash outflow for settling the present obligation, the book value represents the present value of that cash flow.

Provisions recognized by the Group are:

- Asset retirement obligation and environmental remediation: for the calculation the Company considered the well abandonment plan until the end of the concession and valued them at the estimated cost of abandonment, discounted at the rate reflecting the specific risks of the liability and the time value of money (Note 2.2.5 II). Asset retirement obligations of the area once operations have been completed led management to make estimates regarding the long-term abandonment costs and the time remaining until abandonment.
- Provision for gas imbalance: corresponds to the volume of gas due for gas production assigned to the Company in excess of the production resulting from its contractual participation in the Aguaragüe area. For the calculation, the Company considered the return curve agreed between the parties until the end of the concession and valued it based on the lower of the estimated production cost or book value (Note 19).

#### **2.2.14.2 Provisions for legal claims and other proceedings**

The Group is subject to various claims, lawsuits and other legal proceedings arising in the ordinary course of its business. Liabilities with respect to such claims, lawsuits and other legal proceedings cannot be estimated with certainty. The Group analyzes the status of each contingency and assesses the potential financial exposure, applying the criteria indicated in the preceding section, for which it prepares estimates mainly with the assistance of legal counsel. Contingencies include pending legal proceedings or claims for possible damages to third parties for damages arising from

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the development of activities, as well as claims from third parties arising from legislative interpretation issues.

The Group evaluates the existence of additional expenses directly associated with the final resolution of each contingency, which are included in its valuation if their amount can be reasonably estimated. If the potential loss is not probable, but reasonably possible, or is probable but its amount cannot be estimated, the nature of the contingent liability and an estimate of the possibility of occurrence is disclosed in a note to the Financial Statements. Contingencies considered remote are not disclosed, unless they involve guarantees, in which case the nature of the guarantees is included in a note to the Financial Statements (Note 18).

The Group believes that the results of the provisions recognized in the Statement of Comprehensive Income are appropriate based on the information obtained as of the date of these Financial Statements.

### **2.2.15 Balance with related parties**

Receivables and payables held with the parent and other related parties arising from different transactions have been valued according to the conditions agreed upon by the parties involved (Note 33).

### **2.2.16 Revenue recognition**

Revenue from contracts with customers comprises the current value of the consideration received or receivable for the sale of goods and services to customers, net of value added tax, withholdings and discounts.

Revenue from contracts with customers for sales of hydrocarbons is recognized when control of the goods and services is transferred to the customer, at the fair value of the consideration received or receivable. The performance obligation is satisfied and control is transferred to the customer upon delivery of the hydrocarbons.

Revenues from contracts with customers for services related mainly to the sale of hydrocarbons are recognized over time. The related performance obligation is satisfied as the services are rendered.

Other revenues are recognized on an accrual basis.

Interest income is recognized using the effective interest rate method. Interest income is recorded on a temporary basis, by reference to the principal outstanding and the effective interest rate applicable. Interest income is recognized provided that it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of the transaction can be measured reliably.

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Revenues from sales corresponding to oil and natural gas production activities, in which the Group has a shared interest with other producers, are recognized based on the Group's contractual interest in each Joint Venture regardless of the actual allocation. In the event of an imbalance between the actual allocation and the contractual allocation, this will result in the recognition of a debt or credit, depending on whether the production allocated to the Company is in excess or in shortfall of the production resulting from its contractual participation in the Joint Venture. As of December 31, 2022 and 2021, the Group has recorded liabilities for gas imbalance amounting to \$ 6,072 and \$ 14,223 respectively, corresponding to 59.92 Mm3 and 72.06 Mm3, respectively (Note 19).

### **IAS 20. Accounting for government grants and disclosure of government aid**

Incentives for the production of natural gas from unconventional reservoirs fall within the scope of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" because they consist of revenue-related economic compensation for companies committed to make investments in the development of natural gas production from unconventional reservoirs. This incentive has been included in "Revenues" in the Statement of Comprehensive Income.

The aforementioned incentive is recognized in income for the period on a systematic basis throughout the period where the conditions necessary for its recognition have materialized. The recognition of such income is made at fair value when there is reasonable assurance that the incentive will be received and the established conditions are met.

#### **2.2.17 Segment reporting**

Segment information is presented in a manner consistent with internal reporting used by the Chief Operating Decision Maker ("CODM") who is the Company's Board of Directors. The CODM together with key management are responsible for allocating resources and evaluating the performance of the operating segments. The operating segments are described in Note 6.

For management purposes, the Group analyzes the business based on the energy sector in which it operates, mainly in "Upstream" and "Midstream" activities. Therefore, the Group identifies the following segments: Upstream, which comprises oil and gas exploration and production, and Midstream which comprises the Group's permanent investments in the equity of gas transportation companies. Assets, liabilities and results of the corporate structure are included as "Central Structure".

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### Note 3. Subsidiaries consolidation and business combination

CGC's Financial Statements as of December 31, 2022 were consolidated with the Financial Statements or management reports as of those dates of the following companies:

| Company                                                    | Country      | Currency  | Number of shares<br>(direct and indirect<br>interest) | % of<br>interest<br>(direct and<br>indirect) | Number of<br>voting<br>rights |
|------------------------------------------------------------|--------------|-----------|-------------------------------------------------------|----------------------------------------------|-------------------------------|
| CGC Energía S.A.U.<br>(1)                                  | Islas Cayman | US Dollar | 100                                                   | 100%                                         | 100                           |
| Compañía General<br>de Combustibles<br>Internacional Corp. | Panamá       | US Dollar | 100                                                   | 100%                                         | 100                           |

#### **(1) Business Combination. Acquisition of CGC Energía S.A.U. Argentina Exploration and Production, Inc. ("CGC Energía S.A.U.") effective June 30, 2021 and voluntary adequacy to Argentine law**

On June 30, 2021, TIPTOP Energy Limited accepted the offer submitted by the Company for the purchase, effective as of that date, of 100% ownership of Sinopec Argentina Exploration and Production Inc. (now CGC Energía S.A.U.). Through its branch in Argentina, said company owns the interests in the hydrocarbon exploration and exploitation areas in the Cuyana and Golfo San Jorge basins, detailed in Note 1 to these Consolidated Financial Statements.

The detailed acquisition is strategic because the concessions cover an area of more than 4,600 km<sup>2</sup>, have terms ranging from 2025 to 2027 (extended for an additional term of 10 years - Note 1.1) and are located in the Golfo San Jorge Basin and in the Cuyana Basin.

The fair value of the consideration transferred was \$ 16,442,270 and the fair value of the main assets and liabilities object of the acquisition was \$ 22,573,458. The result from business combination shows a gain of \$ 6,131,188 for purchase on advantageous terms attributed to the year ended December 31, 2021, mainly due to the fact that the previous shareholders of CGC Energía S.A.U. were withdrawing their investments from Argentina, and given CGC's strategic position in the company's area of operations, the negotiations were closed in a convenient manner for CGC.

Considering that the acquisition was dated June 30, 2021, CGC Energía S.A.U.'s results for the six months to December 31, 2022 have been consolidated. If the acquisition had occurred on January 1, 2021, the Company estimates that sales revenues would have increased by approximately \$ 37,327,584 and the result would have represented an additional gain of approximately \$ 4,499,713.

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The costs related to the acquisition were charged to administrative expenses in the comprehensive income statement.

On June 22, 2022, the Board of Directors of CGC Energía S.A.U. approved the voluntary adequacy of Sinopec Argentina Exploration and Production Inc., under the terms of article 124 of Law No. 19,550 and 272 of General Resolution No. 7/15 of the Argentine Office of Corporations (IGJ), through the adoption of the corporate type "single-member corporation". Within the framework of the process of voluntary adequacy to Argentine law, the Board of Directors of CGC Energía S.A.U. approved, among other things, that the corporate name of Sinopec Argentina Exploration and Production Inc. be modified by CGC Energía S.A.U., that the corporate legal address be set at 1745 Bonpland Street in the Autonomous City of Buenos Aires and the deregistration proceed of Sinopec Argentina Exploration and Production Inc. in the Cayman Islands. The voluntary adequacy of Sinopec Argentina Exploration and Production Inc. to Argentine law in accordance with the provisions of article 124 of Law No. 19,550 and the transfer of its legal address to the country, does not imply the creation of a new legal entity, rather, it will continue to exist in Argentina and CGC Energía S.A.U. will be the continuation of Sinopec Argentina Exploration and Production Inc. and its branch registered in the Argentine Republic. On September 26, 2022, the IGJ registered the voluntary adequacy to article 124 of the Corporations Law with the corresponding change of corporate name and legal domicile.

### **Note 4. Financial risk management**

#### **4.1 Financial risk factors**

As of December 31, 2022, considering the situation described in Note 1.2 to these Financial Statements regarding the economic context, the Group has performed a sensitivity analysis to possible changes in commodity price risk, interest rates and exchange rates, and has not been significantly affected by this.

##### **4.1.1 Market risk**

Market risk is the potential loss from adverse movements in market variables.

For each of the market risks described below is included a sensitivity analysis of the main risks inherent to the financial instruments, showing how the result and equity could be affected in accordance with the requirements of IFRS 7 Financial Instruments: Disclosures.

The sensitivity analysis uses variations of the risk factors representative of their historical behavior. The estimates made are representative of both favorable and unfavorable variations. The impact on income and/or equity is estimated based on the financial instruments held by the Company at the end of each fiscal year.

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### a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's results and equity are exposed to changes in the exchange rates of the currencies in which it operates. The currency that generates the greatest exposure is the US dollar. The Company's exposure to currencies other than the US dollar is not significant. Significant depreciations in the value of the Argentine peso, the Group's legal tender and functional currency, with respect to the foreign currency, the currency to which the Company is exposed, may adversely affect the Company.

The Company is also exposed to fluctuations in the corresponding exchange rates when translating the Financial Statements of Group companies that have a functional currency other than the Argentine peso.

The carrying amounts of monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are as follows:

| 2022                                 |                                                     |                             |                                                      | 2021                                      |                                                      |                     |
|--------------------------------------|-----------------------------------------------------|-----------------------------|------------------------------------------------------|-------------------------------------------|------------------------------------------------------|---------------------|
|                                      | Class and amount of foreign currency (in thousands) | Exchange rate applicable \$ | Amount in Argentine currency (in thousands of pesos) | Amount in foreign currency (in thousands) | Amount in Argentine currency (in thousands of pesos) |                     |
| <b>CURRENT ASSETS</b>                |                                                     |                             |                                                      |                                           |                                                      |                     |
| Cash and cash equivalents            | USD                                                 | 136,728                     | 176.96                                               | 24,195,456                                | 123,074                                              | 24,607,788          |
| <b>Other investments</b>             |                                                     |                             |                                                      |                                           |                                                      |                     |
| Publicly traded shares               | USD                                                 | 597                         | 176.96                                               | 105,623                                   | 999                                                  | 199,431             |
| Government securities                | USD                                                 | 4,755                       | 176.96                                               | 841,478                                   | 6,548                                                | 1,308,079           |
| <b>Trade receivables</b>             |                                                     |                             |                                                      |                                           |                                                      |                     |
| Ordinary                             | USD                                                 | 76,460                      | 176.96                                               | 13,530,429                                | 76,131                                               | 15,224,374          |
| <b>Other receivables</b>             |                                                     |                             |                                                      |                                           |                                                      |                     |
| Ordinary                             | USD                                                 | 5,249                       | 176.96                                               | 928,796                                   | 4,021                                                | 802,976             |
| Related companies                    | USD                                                 | 1,312                       | 176.96                                               | 232,095                                   | -                                                    | -                   |
| <b>Total Current Assets</b>          |                                                     |                             |                                                      | <b>39,833,877</b>                         |                                                      | <b>42,142,648</b>   |
| <b>NON-CURRENT ASSETS</b>            |                                                     |                             |                                                      |                                           |                                                      |                     |
| <b>Other receivables</b>             |                                                     |                             |                                                      |                                           |                                                      |                     |
| Ordinary                             | USD                                                 | -                           | -                                                    | -                                         | 7,303                                                | 1,458,427           |
| <b>Total Non-Current Assets</b>      |                                                     |                             |                                                      | <b>-</b>                                  |                                                      | <b>1,458,427</b>    |
| <b>TOTAL ASSETS</b>                  |                                                     |                             |                                                      | <b>39,833,877</b>                         |                                                      | <b>43,601,075</b>   |
| <b>CURRENT LIABILITIES</b>           |                                                     |                             |                                                      |                                           |                                                      |                     |
| Trade payables                       | USD                                                 | 85,846                      | 177.16                                               | 15,208,515                                | 55,635                                               | 11,132,092          |
| Financial debts                      | USD                                                 | 175,086                     | 177.16                                               | 31,018,225                                | 114,198                                              | 22,849,965          |
| <b>Total Current Liabilities</b>     |                                                     |                             |                                                      | <b>46,226,740</b>                         |                                                      | <b>33,982,057</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |                                                     |                             |                                                      |                                           |                                                      |                     |
| Financial debts                      | USD                                                 | 564,221                     | 177.16                                               | 99,957,334                                | 409,302                                              | 81,897,875          |
| <b>Total Non-Current Liabilities</b> |                                                     |                             |                                                      | <b>99,957,334</b>                         |                                                      | <b>81,897,875</b>   |
| <b>TOTAL LIABILITIES</b>             |                                                     |                             |                                                      | <b>146,184,074</b>                        |                                                      | <b>115,879,932</b>  |
| <b>TOTAL, NET</b>                    |                                                     |                             |                                                      | <b>(106,350,197)</b>                      |                                                      | <b>(72,278,857)</b> |

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The Group holds almost all of its financial liabilities in US dollars.

As of December 31, 2022, the Group does not hold derivative financial instruments to hedge against exchange rate fluctuations.

The following table provides a detail of the effect that an additional 20% variation in the corresponding exchange rates would have on the Group's results and shareholders' equity, taking into account the exposure of its financial assets and liabilities in currencies other than the peso at the end of the year:

|                                                                                 | <b>12.31.2022</b> |
|---------------------------------------------------------------------------------|-------------------|
| Net position (liabilities) in U.S. dollars (functional currency pesos) (in USD) | (592,706)         |
| Net position (liabilities) in pesos (functional currency U.S. dollars) (in USD) | (148,837)         |
| Total net position (liabilities) in foreign currency                            | (741,543)         |
| Exchange rate at year-end                                                       | 177,16            |
| <b>Effect of change in purchasing power of the currency</b>                     |                   |
| Sensitivity effect expressed in pesos                                           | (26,274,352)      |
| Applied sensitivity                                                             | 20%               |

The sensitivity of comprehensive income and shareholders' equity as of December 31, 2022, as a result of the appreciation of the exchange rate on financial assets and liabilities denominated in foreign currency would have resulted in a decrease in comprehensive income and shareholders' equity of (\$ 26,274,352).

### b) Interest rate risk

The Company may be exposed to risks associated with interest rate fluctuations to varying degrees, depending on the different maturities and currencies in which it has borrowed or invested cash in financial assets.

Financial liabilities include notes, local financial loans and local bank lines of credit. These loans are mainly used for working capital and investments. Short-term financial assets basically include demand deposits and mutual fund shares.

The Company does not use derivative financial instruments to hedge interest rate risks.

Variations in interest rates may affect the interest income or expense of financial assets and liabilities referenced to a variable interest rate, and may also modify the fair value of financial assets and liabilities that accrue a fixed interest rate.

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As of December 31, 2022, the Company's financial debt is 100% issued at a fixed rate; therefore, the Company is not exposed to significant cash flow risk as a result of changes in interest rates.

The table below shows the breakdown of the Group's loans by interest rate and currency in which they are denominated:

|                                        | 12.31.2022         | 12.31.2021         |
|----------------------------------------|--------------------|--------------------|
| <b>Fixed-rate</b>                      |                    |                    |
| US dollar stated in thousands of pesos | 130,293,398        | 102,229,325        |
| <b>Subtotal fixed-rate loans</b>       | <b>130,293,398</b> | <b>102,229,325</b> |
| <b>Total financial debts</b>           | <b>130,293,398</b> | <b>102,229,325</b> |

Information regarding the Group's financing and related interest rates is disclosed in Note 21.

### 4.1.2 Credit risk

Credit risk consists of the possibility that the Group suffers losses arising from the non-compliance with contractual obligations by third parties.

The credit risk to which the Group is exposed arises mainly from sales of natural gas, oil in the local market, advances to its suppliers or other third parties, and cash and cash equivalents and deposits and investments in financial institutions.

The Company's credit risk is measured and controlled by individual customer or third party.

Provisions for loan losses are determined on the basis of the following criteria:

- Receivables aging.
- The existence of insolvency situations.
- The analysis of the customer's capacity to repay the receivables provided.

As of December 31, 2022, the Company's trade accounts receivable amounted \$ 19,210 million, of which approximately 73% corresponds to receivables related to gas sales revenues. These receivables were distributed as follows: 20% residential segment, 33% plant segment, and 20% industry segment.

During the year ended December 31, 2022 there have been no significant arrears in any of the above segments.

Oil sales are made to the foreign market, concentrated in three international customers and to the local market, mainly to Raizen. Gas sales are made to the local market to the power plants segment through CAMMESA, to the residential segment to Energía Argentina S.A. and two distribution companies and to the industrial segment mainly through Aluar Aluminio Argentino S.A.I.C.

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### 4.1.3 Liquidity risk

Liquidity risk is mainly associated with: (i) the Group's ability to finance its investments and business plans with stable sources of financing, (ii) its level of indebtedness and (iii) the maturity profile of financial debt.

The Board of Directors and Management monitors current and future business projections in order to: (i) structure its financial liabilities in such a way that in the short and medium term their maturity does not interfere with the current flow of business, given the conditions at any given time, in the credit markets to which it has access and (ii) maintain its active positions in instruments with adequate liquidity.

The Group invests cash surpluses in interest-bearing accounts, such as mutual funds and marketable securities, choosing instruments with appropriate maturities and adequate credit quality and liquidity to provide sufficient margin as determined in the projections indicated above.

The Group maintains its sources of financing diversified between banks and capital markets, being exposed to refinancing risk at the time of maturity of the same.

However, if current conditions continue (Note 1.2), the Group's ability to take on additional debt could be limited if it exceeds the limits established in any of the financial ratios given by the financial debt contracted (Note 21). Additionally, given the current macroeconomic context in the world and in Argentina in particular, the Company's financing capacity could be affected.

It should be noted that the Group currently has a solid level of liquidity, which allows it to face the aforementioned volatility in an adequate manner.

Below is an analysis of the Group's financial debt according to contractual maturities. The amounts shown in the table are the contractual undiscounted cash flow:

|                                                 | <b>Less than<br/>1 year</b> | <b>Between<br/>1 and 2 years</b> | <b>Between<br/>2 and 5 years</b> | <b>Between<br/>3 and 5 years</b> |
|-------------------------------------------------|-----------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>As of December 31, 2022</b>                  |                             |                                  |                                  |                                  |
| Bank loans                                      | 10,313,849                  | -                                | -                                | -                                |
| Notes                                           | 19,534,392                  | 24,473,452                       | 26,232,307                       | 42,440,406                       |
| Other Local Notes ( <i>Pagarés Bursátiles</i> ) | 885,800                     | 3,631,780                        | 2,781,412                        | -                                |
| Sundry                                          | -                           | 3,683                            | -                                | -                                |
| <b>Total</b>                                    | <b>30,734,041</b>           | <b>28,108,915</b>                | <b>29,013,719</b>                | <b>42,440,406</b>                |

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|                                | Less than<br>1 year | Between<br>1 and 2 years | Between<br>2 and 5 years | Between<br>3 and 5 years |
|--------------------------------|---------------------|--------------------------|--------------------------|--------------------------|
| <b>As of December 31, 2021</b> |                     |                          |                          |                          |
| Bank loans                     | 11,658,584          | 11,491,262               | -                        | -                        |
| Notes                          | 10,576,823          | 20,461,354               | 14,482,531               | 33,558,770               |
| <b>Total</b>                   | <b>22,235,407</b>   | <b>31,952,616</b>        | <b>14,482,531</b>        | <b>33,558,770</b>        |

### 4.2 Capital risk management

The main objective of the Group's capital management is to maintain credit quality and capital ratios that allow it to sustain its business and maximize value for its shareholders.

The Group also seeks to maintain a level of cash generation from its operating activities that allows it to meet its investment plan and fulfill all its commitments.

The Company monitors its capital on the basis of the leverage ratio. This ratio is calculated by dividing net debt by total capital. Net debt corresponds to total indebtedness (including current and non-current indebtedness) less cash and cash equivalents. Total capital corresponds to equity attributable to owners as shown in the Statement of Financial Position, plus net debt.

The leverage ratios as of December 31, 2022 and 2021 were as follows:

|                                 | <b>12.31.2022</b> | <b>12.31.2021</b> |
|---------------------------------|-------------------|-------------------|
| Total loans                     | 130,297,081       | 102,229,325       |
| Less: cash and cash equivalents | (30,316,770)      | (34,550,919)      |
| Net debt                        | 99,980,311        | 67,678,406        |
| Total principal                 | 167,064,697       | 128,815,870       |
| Leverage ratio                  | 77.99%            | 79.36%            |

### 4.3 Fair value estimate

The Group classifies the measurements of financial instruments at fair value using a fair value hierarchy, which reflects the relevance of the variables used to carry out such measurements. The fair value hierarchy has the following levels:

- Level 1: (Unadjusted) quoted prices in active markets for identical assets or liabilities,
- Level 2: Data other than the quoted prices included in Level 1 observable for assets or liabilities, whether directly (e.g. prices) or indirectly (e.g. derived from prices),
- Level 3: Data on assets and liabilities not based on information observable in the market (e.g. not observable information).

The value of financial instruments traded in active markets is based on quoted market prices at the date of the Statement of Financial Position. A market is considered active if quoted prices are regularly available through a stock exchange, financial intermediary, industry institution, or regulatory body, and those prices reflect current and regular market transactions between parties acting at arm's length. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

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The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market information where available and rely as little as possible on specific estimates of the Group. If all significant inputs used to establish the fair value of a financial instrument are observable, the instrument is included in Level 2.

If one or more inputs used to establish fair value are not observable in the market, the financial instrument is included in Level 3.

The following table presents the Group's financial assets valued at fair value as of December 31, 2022 and 2021:

| As of 12.31.2022                 | Level 1          | Level 2  | Level 3  | Total            |
|----------------------------------|------------------|----------|----------|------------------|
| <b>Current Assets</b>            |                  |          |          |                  |
| <b>Cash and cash equivalents</b> |                  |          |          |                  |
| Mutual funds                     | 5,888,707        | -        | -        | 5,888,707        |
| <b>Investments at fair value</b> |                  |          |          |                  |
| Government securities            | 841,478          | -        | -        | 841,478          |
| Publicly traded shares           | 156,646          | -        | -        | 156,646          |
| <b>Total current assets</b>      | <b>6,886,831</b> | <b>-</b> | <b>-</b> | <b>6,886,831</b> |

| As of 12.31.2021                 | Level 1           | Level 2  | Level 3  | Total             |
|----------------------------------|-------------------|----------|----------|-------------------|
| <b>Assets</b>                    |                   |          |          |                   |
| <b>Cash and cash equivalents</b> |                   |          |          |                   |
| Mutual funds                     | 9,275,673         | -        | -        | 9,275,673         |
| <b>Investments at fair value</b> |                   |          |          |                   |
| Government securities            | 1,308,079         | -        | -        | 1,308,079         |
| Publicly traded shares           | 225,419           | -        | -        | 225,419           |
| Hedging instruments              | 1,458,427         | -        | -        | 1,458,427         |
| <b>Total current assets</b>      | <b>12,267,598</b> | <b>-</b> | <b>-</b> | <b>12,267,598</b> |

### Note 5. Critical accounting criteria and estimates

In the preparation of the Financial Statements it is necessary to use estimates for certain assets, liabilities and other transactions. Although the Group uses assumptions and judgments that are reviewed periodically, actual results may differ from the estimates made.

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

Below is a detail of the most significant estimates and assumptions:

## **Compañía General De Combustibles S.A.**

### **a) Hydrocarbon reserves**

Reserves are defined as the volumes of oil and gas (expressed in m3 of oil equivalent) that originate or are associated with some economic income, in the areas where the Group operates or has an interest and over which it has rights to exploit.

There are numerous factors that generate uncertainty with respect to the estimation of reserves and with respect to the estimation of future production profiles, development costs and prices, including various factors beyond the control of the producer. The reserves calculation procedure is a subjective process of estimating crude oil and natural gas to be recovered from the subsurface, which involves a certain degree of uncertainty. The reserves estimate is made based on the quality of the geological and engineering information available at the date of calculation and its interpretation.

Reserve estimates are adjusted prospectively to the extent that changes in the aspects considered for their evaluation justify it or, at least, once a year. Such reserve estimates have been prepared as of December 31, 2022 by the Company's technical personnel and the areas of the Austral Basin and the Golfo San Jorge Basin in Argentina have been certified by DeGolyer & MacNaughton (Note 40).

### **b) Asset retirement obligation and plugging of wells**

Obligations related to abandonment and plugging of wells upon completion of operations require management to estimate long-term abandonment costs and the time remaining until abandonment. It should be noted that technology, costs, and policy, environmental and safety considerations are continually changing, which may result in differences between actual future costs and estimates.

### **c) Non-Current Assets value impairment**

In order to assess the recoverability of property, plant and equipment, and investments in associates, CGC compares their carrying amounts with their recoverable amounts at the end of the reporting period, or more frequently, if there are indications that an asset may be impaired.

For this purpose, assets are grouped into CGU to the extent that these assets individually do not generate cash flow that are independent of those generated by other assets or CGU, taking into account regulatory, economic, operating and business conditions. Assets for shared services are assigned to the CGU, based on which CGU they serve.

Considering the aforementioned, CGC's assets have been grouped into the CGU detailed below:

## **Compañía General De Combustibles S.A.**

-Upstream segment: Assets in this segment have been grouped considering the basins in Argentina and whether they are operated by CGC or not.

In the Austral Basin, 7 CGU were defined:

- a) El Cerrito
- b) Dos Hermanos
- c) Campo Boleadoras
- d) Campo Indio
- e) María Inés
- f) Cóndor
- g) La Maggie

In the Golfo San Jorge Basin, 7 CGU have been defined:

- a) Cerro Wenceslao
- b) Las Heras, South Piedra Clavada and Piedra Clavada
- c) Block 127, Cañadón Minerales and Cerro Overo
- d) El Cordon, Meseta Espinosa, Meseta Espinosa Norte and Tres Picos (38% of the area)
- e) Cañadón Leon, Cañadón Seco and Tres Picos (62% of the area)
- f) El Huemul
- g) Meseta Sirven

In the Cuyo Basin, 3 CGU have been defined:

- a)** Cajón de los Caballos
- b)** Cacheuta and Piedras Coloradas
- c)** La Ventana and Río Tunuyán

In other basins of the Upstream Segment, the Aguaragüe Joint Venture has been defined in the Noroeste Basin.

Additionally, there are Exploratory Areas that have not yet been defined as CGU, which are a) Estancia Chiripá, b) Tapi Aike, c) Glencross, d) Piedrabuena and e) Paso Fuhr.

-Midstream Segment: Assets in this segment have been grouped within the CGU CGC Gas Carriage, which includes the assets related to the natural gas carriage business (equity interests in the companies TGN, TGM, GAA, and GAC).

The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future net cash flows are discounted to their present value using a rate that reflects the weighted average cost of capital employed. If the recoverable amount of a CGU is less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount, recognizing an impairment loss in the Statement of Comprehensive Income. Impairment losses are allocated to the assets of the CGU in proportion to their net book value. Consequently, once an impairment loss has been recorded for a depreciable asset, the future depreciation base will take into account the reduction in the value of the asset for any accumulated impairment loss.

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### Methodology for estimating recoverable values

The methodology used in estimating the recoverable amount consisted of calculating the value in use of each CGU based on the present value of future net cash flow expected to be obtained from the CGU, discounted at a rate reflecting the weighted average cost of capital employed.

The cash flow were prepared based on estimates regarding the future behavior of certain variables that are sensitive in the determination of the value in use, among which are: (i) reference prices for the products; (ii) nature, opportunity and modality of tariff increases; (iii) demand projections by type of product; (iv) evolution of costs; (v) investment needs for the development of the areas; (vi) macroeconomic variables such as inflation rates, exchange rate, among others.

As a result of the updated analysis carried out by the Company as of December 31, 2022, a gain of \$1,908,116 was identified, corresponding to a recovery for impairment of non-financial assets of \$2,170,028 in the CGUs Dos Hermanos, Cóndor and La Maggie and a loss due to impairment in the CGU Maria Inés for (\$ 261,912). During the year ended December 31, 2021, a gain of \$5,109,182 was recognized, corresponding to a recovery for impairment of non-financial assets as of December 31, 2021 of \$ 5,567,629 in the CGUs Dos Hermanos, Campo Boleadoras, Maria Inés and La Maggie and a loss due to impairment in CGU Cóndor for (\$ 458,447). The charge for impairment and recoveries recorded as of December 31, 2022 and 2021, are included in the Other operating income and expenses caption, in the Statement of Comprehensive Income (Note 30).

As of December 31, 2022 and 2021, the impairment balance of non-financial assets is composed as follows:

| <b>CGU</b>                  | <b>12.31.2022</b> | <b>12.31.2021</b> |
|-----------------------------|-------------------|-------------------|
| Dos Hermanos                | -                 | 404.309           |
| María Inés                  | 2.911.645         | 2.649.733         |
| Cóndor                      | 87.773            | 828.681           |
| La Maggie                   | 997.129           | 2.021.940         |
| <b>Total Cuenca Austral</b> | <b>3.996.547</b>  | <b>5.904.663</b>  |

## Compañía General De Combustibles S.A.

### Main assumptions used

The value-in-use calculation performed by CGC as of December 31, 2022 and 2021, for each CGU, is most sensitive to the following assumptions:

| CGU                                           | 12.31.2022 | 12.31.2021 |
|-----------------------------------------------|------------|------------|
| WACC discount rate used                       | 13.59%     | 13.40%     |
| <b>Crude Oil and Natural Gas Prices</b>       |            |            |
| <b>Crude oil - Brent (USD/bbl,)</b>           |            |            |
| 2022                                          | -          | 66.0       |
| 2023                                          | 64.6       | 66.0       |
| 2024                                          | 65.6       | 64.7       |
| 2025 onwards                                  | 61.2-62.4  | 63.0-70.2  |
| <b>Natural gas – Local prices (USD/MMBTU)</b> |            |            |
| 2022                                          | -          | 3.6        |
| 2023                                          | 5.2        | 3.6        |
| 2024                                          | 5.8        | 3.6        |
| 2025 onwards                                  | 5.5-5.2    | 3.6        |

If the average prices of crude oil and natural gas were 5% lower in the next few years and keeping all other variables constant, the impairment determined would be higher by \$ 400,563. Likewise, a 1% increase in the discount rate used would result in an additional impairment of \$ 134,949.

### d) Determination of the income tax charge and deferred taxes

The valuation of income tax expense depends on several factors, including interpretations related to tax treatments corresponding to transactions and/or events which are not expressly provided for by current tax law, as well as estimates on the timing and realization of deferred taxes. In addition, actual tax receipts and payments may differ from these estimates in the future as a result of, among other things, changes in tax regulations and/or their interpretations, as well as unforeseen future transactions that impact the Group's tax balance.

### e) Contingencies

The Group is subject to various claims, lawsuits and other legal proceedings arising in the ordinary course of its business. Liabilities in respect of such claims, lawsuits and other legal proceedings cannot be estimated with certainty. The Group analyzes the status of each contingency and assesses the potential financial exposure, applying the criteria indicated in Note 2.2.14.2 for which it prepares estimates mainly with the assistance of legal counsel.

## **Compañía General De Combustibles S.A.**

### **Note 6. Segment reporting**

IFRS 8 "Segment Reporting" requires an entity to report financial and descriptive information for those operating segments or groupings of segments classified as reportable that meet certain criteria. Operating segments are those where separate financial information is available and are regularly evaluated by the Chief Operating Decision Maker ("CODM") to make choices about how to allocate resources or analyze asset performance. Operating segments are reported on a consistent basis with internal reporting to the CODM or, if applicable, to the Board of Directors.

The Group has two operating and reportable segments, which are organized on the basis of similar economic characteristics, nature of the products offered, production processes, type and classes of customers and distribution methods, as follows:

- "Upstream": includes results in oil, gas and LPG exploration and production;
- "Midstream": include results from permanent investments in the following gas transportation companies: Transportadora de Gas del Norte S.A., Transportadora de Gas del Mercosur S.A., and Gasoducto GasAndes S.A. (Argentina), and Gasoducto GasAndes S.A., (Chile).

Core structure includes expenses common to the reported segments such as administrative expenses, taxes on financial transactions, interest on financial liabilities and income taxes incurred by the Group in the ordinary course of business, which are not allocated to the reported segments.

The CODM uses Adjusted EBITDA and Adjusted EBITDA with dividends received to make decisions on how to allocate resources and monitor segment performance.

Adjusted EBITDA is defined as the operating result of the consolidated segments excluding depreciation and impairment expenses of property, plant and equipment and right to use lease assets, expected losses on trade and other receivables, provisions for lawsuits and other claims, gains (losses) on return of areas and unsuccessful exploratory investments; taxes on financial transactions. Adjusted EBITDA with dividends received also includes dividends received on investments in associates and joint ventures. Total adjusted EBITDA is defined as the sum of adjusted EBITDA of all segments.

Selected information for each of the business segments identified by the Group's management is detailed below:

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|                                                         | As of 12.31.2022  |                  |                     |                   |
|---------------------------------------------------------|-------------------|------------------|---------------------|-------------------|
|                                                         | Upstream          | Midstream        | Central structure   | TOTAL             |
| Revenue                                                 | 147,291,305       | -                | -                   | 147,291,305       |
| Cost of revenue                                         | (91,938,997)      | -                | -                   | (91,938,997)      |
| <b>Gross profit</b>                                     | <b>55,352,308</b> | <b>-</b>         | <b>-</b>            | <b>55,352,308</b> |
| Selling expenses                                        | (7,098,919)       | -                | -                   | (7,098,919)       |
| Central structure expenses                              | -                 | -                | (8,896,860)         | (8,896,860)       |
| Other operating income and (expenses), net              | 1,768,764         | 402,721          | -                   | 2,171,485         |
| Financial asset impairment allowance                    | (62,291)          | -                | -                   | (62,291)          |
| <b>Adjusted EBITDA</b>                                  | <b>49,959,862</b> | <b>402,721</b>   | <b>(8,896,860)</b>  | <b>41,465,723</b> |
| Recovery of impairment of non-financial assets          | 1,908,116         | -                | -                   | 1,908,116         |
| Depreciation and amortization                           | (26,713,028)      | -                | (280,014)           | (26,993,042)      |
| Results of investments in associates and joint ventures | -                 | 862,293          | -                   | 862,293           |
| <b>Subtotal</b>                                         | <b>25,154,950</b> | <b>1,265,014</b> | <b>(9,176,874)</b>  | <b>17,243,090</b> |
| Financial income                                        | -                 | -                | 588,096             | 588,096           |
| Financial costs                                         | -                 | -                | (8,988,329)         | (8,988,329)       |
| Hyperinflation effect                                   | -                 | -                | 329,065             | 329,065           |
| Other financial results                                 | -                 | -                | (1,934,145)         | (1,934,145)       |
| <b>Income (loss) before taxes</b>                       | <b>25,154,950</b> | <b>1,265,014</b> | <b>(19,182,187)</b> | <b>7,237,777</b>  |
| Income tax                                              | -                 | -                | 636,643             | 636,643           |
| <b>Income (Loss) for the fiscal year</b>                | <b>25,154,950</b> | <b>1,265,014</b> | <b>(18,545,544)</b> | <b>7,874,420</b>  |
| <b>Adjusted EBITDA</b>                                  |                   |                  |                     | <b>41,465,723</b> |
| Dividends collected in this fiscal year                 |                   |                  |                     | 1,796,445         |
| <b>Adjusted EBITDA as per dividends collected</b>       |                   |                  |                     | <b>43,262,168</b> |

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|                                                         | As of 12.31.2021  |                    |                     |                   |
|---------------------------------------------------------|-------------------|--------------------|---------------------|-------------------|
|                                                         | Upstream          | Midstream          | Central structure   | TOTAL             |
| Revenue                                                 | 141,920,406       | -                  | -                   | 141,920,406       |
| Cost of revenue                                         | (56,992,988)      | -                  | -                   | (56,992,988)      |
| <b>Gross profit</b>                                     | <b>84,927,418</b> | <b>-</b>           | <b>-</b>            | <b>84,927,418</b> |
| Selling expenses                                        | (5,446,474)       | -                  | -                   | (5,446,474)       |
| Central structure expenses                              | -                 | -                  | (12,566,169)        | (12,566,169)      |
| Other operating income and (expenses), net              | (782,569)         | 602,599            | -                   | (179,970)         |
| Financial asset impairment allowance                    | (625,130)         | -                  | -                   | (625,130)         |
| <b>Adjusted EBITDA</b>                                  | <b>78,073,245</b> | <b>602,599</b>     | <b>(12,566,169)</b> | <b>66,109,675</b> |
| Exploration expenses                                    | (29,398)          | -                  | -                   | (29,398)          |
| Impairment of non-financial assets                      | 5,109,182         | -                  | -                   | 5,109,182         |
| Depreciation and amortization                           | (28,940,559)      | -                  | (307,761)           | (29,248,320)      |
| Results of investments in associates and joint ventures | -                 | (3,965,145)        | -                   | (3,965,145)       |
| <b>Subtotal</b>                                         | <b>54,212,470</b> | <b>(3,362,546)</b> | <b>(12,873,930)</b> | <b>37,975,994</b> |
| Financial income                                        | -                 | -                  | 2,652,302           | 2,652,302         |
| Financial costs                                         | -                 | -                  | (11,906,554)        | (11,906,554)      |
| Hyperinflation effect                                   | -                 | -                  | (7,061,631)         | (7,061,631)       |
| Other financial results                                 | -                 | -                  | (18,240,004)        | (18,240,004)      |
| Result from business combination                        | -                 | -                  | 6,131,188           | 6,131,188         |
| <b>Income (loss) before taxes</b>                       | <b>54,212,470</b> | <b>(3,362,546)</b> | <b>(41,298,629)</b> | <b>9,551,295</b>  |
| Income tax                                              | -                 | -                  | (8,640,369)         | (8,640,369)       |
| <b>Income (Loss) in fiscal year</b>                     | <b>54,212,470</b> | <b>(3,362,546)</b> | <b>(49,938,998)</b> | <b>910,926</b>    |
| <b>Adjusted EBITDA</b>                                  |                   |                    |                     | <b>66,109,675</b> |
| Dividends collected in fiscal year                      |                   |                    |                     | 587,037           |
| <b>Adjusted EBITDA as per dividends collected</b>       |                   |                    |                     | <b>66,696,712</b> |

## Compañía General De Combustibles S.A.

### Note 7. Financial instruments

#### Financial instruments by category

|                                                | 12.31.2022         | 12.31.2021         |
|------------------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                                  |                    |                    |
| <b>Financial assets at amortized cost</b>      |                    |                    |
| Other receivables                              | 2,917,004          | 12,274,326         |
| Trade receivables                              | 18,916,930         | 20,301,658         |
| Cash and cash equivalents                      | 24,428,063         | 25,275,246         |
| <b>Total</b>                                   | <b>46,261,997</b>  | <b>57,851,230</b>  |
| <b>Financial assets at fair value</b>          |                    |                    |
| Cash and cash equivalents                      | 5,888,707          | 9,275,673          |
| Investments at fair values                     | 998,124            | 1,533,498          |
| <b>Total</b>                                   | <b>6,886,831</b>   | <b>10,809,171</b>  |
| <b>LIABILITIES</b>                             |                    |                    |
| <b>Financial liabilities at amortized cost</b> |                    |                    |
| Trade payables                                 | 28,215,000         | 20,045,740         |
| Financial debts                                | 130,297,081        | 102,229,325        |
| Other debts and social security charges        | 5,383,305          | 8,708,500          |
| <b>Total</b>                                   | <b>163,895,386</b> | <b>130,983,565</b> |

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### Note 8. Property, plant, and equipment

Changes in this caption are as follows:

|                                                | Fiscal year ended December, 31 2022 |                                 |                 |                           |                   |             |                                   |                           |                                    | 12.31.2021  |             |
|------------------------------------------------|-------------------------------------|---------------------------------|-----------------|---------------------------|-------------------|-------------|-----------------------------------|---------------------------|------------------------------------|-------------|-------------|
|                                                | Development and Production Assets   |                                 |                 |                           |                   |             |                                   |                           |                                    |             |             |
|                                                | Wells and production facilities     | Other production related assets | Mining property | Materials and spare parts | Works in progress | Subtotal    | Exploration and evaluation assets | Central management assets | Impairment of non-financial assets | Total       | Total       |
| Cost                                           |                                     |                                 |                 |                           |                   |             |                                   |                           |                                    |             |             |
| Balance at the beginning of the fiscal year    | 222,104,354                         | 611,522                         | 28,851,502      | 1,990                     | 13,696,671        | 265,266,039 | 13,706,864                        | 2,433,256                 | (5,904,663)                        | 275,501,496 | 243,842,581 |
| Additions                                      | 23,534,098                          | 1,224                           | -               | -                         | 36,120,105        | 59,655,427  | 5,180,748                         | 6,166,568                 | -                                  | 71,002,743  | 38,795,716  |
| Transfers                                      | 36,003,376                          | 175,746                         | -               | -                         | (34,622,907)      | 1,556,215   | (1,307,982)                       | (248,233)                 | -                                  | -           | -           |
| Translation                                    | (1,355,824)                         | -                               | (555,634)       | -                         | 118,337           | (1,793,121) | -                                 | 112,130                   | -                                  | (1,680,991) | (3,079,415) |
| Recovery of Impairment of non-financial assets | -                                   | -                               | -               | -                         | -                 | -           | -                                 | -                         | 1,908,116                          | 1,908,116   | 5,109,182   |
| Write-offs                                     | (1,279,168)                         | -                               | -               | (1,990)                   | -                 | (1,281,158) | -                                 | (1,788)                   | -                                  | (1,282,946) | (9,165,326) |
| Balance at the end of the fiscal year          | 279,006,836                         | 788,492                         | 28,295,868      | -                         | 15,312,206        | 323,403,402 | 17,579,630                        | 8,461,933                 | (3,996,547)                        | 345,448,418 | 275,502,738 |
| Accumulated depreciation                       |                                     |                                 |                 |                           |                   |             |                                   |                           |                                    |             |             |
| Balance at the beginning of the fiscal year    | 136,072,278                         | 414,010                         | 19,705,547      | -                         | -                 | 156,191,835 | -                                 | 1,204,430                 | -                                  | 157,396,265 | 130,122,710 |
| Depreciation of the year                       | 23,557,671                          | 77,395                          | 1,216,619       | -                         | -                 | 24,851,685  | -                                 | 537,551                   | -                                  | 25,389,236  | 27,372,743  |
| Translation                                    | (323,059)                           | -                               | 8,245           | -                         | -                 | (314,814)   | -                                 | (250)                     | -                                  | (315,064)   | 33,483      |
| Write-offs and transfers                       | (193)                               | 193                             | -               | -                         | -                 | -           | -                                 | (1,788)                   | -                                  | (1,788)     | (131,429)   |
| Balance at the end of the fiscal year          | 159,306,697                         | 491,598                         | 20,930,411      | -                         | -                 | 180,728,706 | -                                 | 1,739,943                 | -                                  | 182,468,649 | 157,397,507 |
| Residual value                                 | 119,700,139                         | 296,894                         | 7,365,457       | -                         | 15,312,206        | 142,674,696 | 17,579,630                        | 6,721,990                 | (3,996,547)                        | 162,979,769 | 118,105,231 |

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The changes in the allowance for non-financial assets impairment are as follows:

|                                         | 12.31.2022       | 12.31.2021        |
|-----------------------------------------|------------------|-------------------|
| <b>Balance at the beginning of year</b> | <b>5,904,663</b> | <b>11,013,845</b> |
| Decrease (1)                            | (1,908,116)      | (5,109,182)       |
| <b>Balance at year end</b>              | <b>3,996,547</b> | <b>5,904,663</b>  |

(1) Charged to Other operating income and (expenses), net in 2022 and 2021.

The evaluation of the recoverable value of property, plant and equipment is reported in detail in Note 5.c) to these Financial Statements.

### Note 9. Investments in associates and joint ventures

**9.a)** Below is a detail of the investments in associates and joint ventures as of December 31, 2022 and 2021:

| Company                                    | 12.31.2022        | 12.31.2021        |
|--------------------------------------------|-------------------|-------------------|
| <b>Joint Ventures</b>                      |                   |                   |
| Gasinvest S.A.                             | 36,172,231        | 38,307,267        |
| Gasoducto GasAndes (Argentina) S.A.        | 3,821,536         | 2,880,286         |
| Gasoducto GasAndes S.A. (Chile)            | 2,880,383         | 1,837,892         |
| Transportadora de Gas del Norte S,A,       | 72,337            | 76,664            |
| Andes Operaciones y Servicios S,A, (Chile) | 169,800           | 172,958           |
| <b>Associates</b>                          |                   |                   |
| Transportadora de Gas del Mercosur S.A.    | 205,063           | 239,630           |
| <b>Other companies</b>                     |                   |                   |
| Termap S.A.                                | 297,395           | 335,888           |
| <b>Total investments</b>                   | <b>43,618,745</b> | <b>43,850,585</b> |

**9.b)** Below are the changes in investments as of December 31, 2022 and 2021:

|                                                             | 12.31.2022        | 12.31.2021        |
|-------------------------------------------------------------|-------------------|-------------------|
| <b>At the beginning of fiscal year</b>                      | <b>43,850,585</b> | <b>51,697,113</b> |
| Currency translation difference (3)                         | (420,503)         | (984,070)         |
| Acquisitions (4)                                            | 306,491           | -                 |
| Capital (reductions) of capital (5)                         | (106,132)         | -                 |
| Asset revaluation reserve (2)                               | 922,456           | (2,646,164)       |
| Profit sharing                                              | 862,293           | (3,965,145)       |
| Acquisition of CGC Energía S.A.U. (Termap S.A., see Note 3) | -                 | 335,888           |
| Dividends (1)                                               | (1,796,445)       | (587,037)         |
| <b>At the end of fiscal year</b>                            | <b>43,618,745</b> | <b>43,850,585</b> |

## Compañía General De Combustibles S.A.

- (1) As of December 31, 2022 and 2021, the declared dividends have been collected.
- (2) Corresponds to the increase or withdrawal impairment of the reserve for revaluation of property, plant and equipment measured at fair value in the companies Gasoducto GasAndes (Argentina) and Chile, Transportadora de Gas del Norte and Gasinvest S.A, as of December 31, 2022 and 2021.
- (3) Net of \$ 521,400 and \$ 1,047,658 in 2022 and \$ 670,864 and \$ 3,956,101 in 2021 from the conversion of the subsidiary CGC International Corp. and CGC Energía S.A.U.
- (4) Correspond to the purchase of 3.5% of the shares of GasAndes (Argentina) S.A. and GasAndes Chile carried out on June 15, 2022.
- (5) Corresponds to the capital reduction of Transportadora de Gas del Mercosur S.A.

### 9.c) Total result of investments in associates and joint ventures as of December 31, 2022 and 2021

| <b>Company</b>                             | <b>12.31.2022</b> | <b>12.31.2021</b>  |
|--------------------------------------------|-------------------|--------------------|
| <b>Joint Ventures</b>                      |                   |                    |
| Gasinvest S.A. (1)                         | (2,004,299)       | (5,092,548)        |
| Gasoducto GasAndes (Argentina) S.A.        | 804,299           | 700,948            |
| Gasoducto GasAndes S.A. (Chile)            | 1,945,803         | 375,972            |
| Transportadora de Gas del Norte S.A.       | (4,082)           | (10,279)           |
| Andes Operaciones y Servicios S.A. (Chile) | 12,341            | (2,623)            |
| <b>Associates</b>                          |                   |                    |
| Transportadora de Gas del Mercosur S.A.    | 108,231           | 63,385             |
| <b>Total</b>                               | <b>862,293</b>    | <b>(3,965,145)</b> |

### 9.d) The accounting information selected for the investments in associates (according to CGC's percentage of participation) is shown below:

| <b>Company</b>                             | <b>12.31.2022</b> |                    |                |                |
|--------------------------------------------|-------------------|--------------------|----------------|----------------|
|                                            | <b>Assets</b>     | <b>Liabilities</b> | <b>P&amp;L</b> | <b>Revenue</b> |
| Gasinvest S.A.                             | 36,174,690        | 2,459              | (2,004,299)    | -              |
| Gasoducto GasAndes (Argentina) S.A.        | 4,565,140         | 742,835,376        | 813,220        | 4,999,567      |
| Gasoducto GasAndes S.A. (Chile)            | 4,576,025         | 1,695,642          | 1,928,868      | 1,798,319      |
| Andes Operaciones y Servicios S.A. (Chile) | 267,186           | 97,386             | 12,341         | 238,929        |
| Transportadora de Gas del Mercosur S.A.    | 283,708           | 78,646             | 108,231        | 53,307         |
| Transportadora de Gas del Norte S.A.       | 93,030            | 20,692             | (4,082)        | 23,296         |

| <b>Company</b>                             | <b>12.31.2021</b> |                    |                |                |
|--------------------------------------------|-------------------|--------------------|----------------|----------------|
|                                            | <b>Assets</b>     | <b>Liabilities</b> | <b>P&amp;L</b> | <b>Revenue</b> |
| Gasinvest S.A.                             | 38,309,802        | 2,536              | (5,092,548)    | -              |
| Gasoducto GasAndes (Argentina) S.A.        | 2,970,002         | 88,172,958         | 700,948        | 1,928,902      |
| Gasoducto GasAndes S.A. (Chile)            | 3,125,227         | 1,287,335          | 375,972        | 1,235,649      |
| Andes Operaciones y Servicios S.A. (Chile) | 260,453           | 87,495             | (2,623)        | 304,971        |
| Transportadora de Gas del Mercosur S.A.    | 360,025           | 120,395            | 63,385         | 918            |
| Transportadora de Gas del Norte S.A.       | 101,548           | 24,884             | (10,279)       | 22,212         |

## Compañía General De Combustibles S.A.

### Note 10. Other receivables

The breakdown of other receivables is as follows:

|                                      | 12.31.2022       | 12.31.2021        |
|--------------------------------------|------------------|-------------------|
| <b>Non-current:</b>                  |                  |                   |
| Related parties (Note 33.a))         | 977,620          | 1,103,259         |
| Sundry                               | 194,000          | 376,123           |
| Allowance for expected losses        | (1,170,310)      | (1,478,606)       |
| <b>Total</b>                         | <b>1,310</b>     | <b>776</b>        |
| <b>Current</b>                       |                  |                   |
| Receivables for incentives           | 806,402          | 9,152,734         |
| Related parties (Note 33.a))         | 403,833          | 330,760           |
| Other tax credits                    | 3,679,763        | 1,538,746         |
| Advances to suppliers                | 730,902          | 761,134           |
| Expenses to be recovered             | 618,048          | 140,520           |
| Prepaid insurance                    | 100,526          | 115,707           |
| Partner´s Joint Operations           | 32,093           | 99,766            |
| Sundry                               | 278,854          | 310,401           |
| Hedging financial instruments        | -                | 1,458,427         |
| Provision for expected future losses | (54,964)         | (95,899)          |
| <b>Total</b>                         | <b>6,595,457</b> | <b>13,812,296</b> |

Activity in the provision for expected losses is as follows:

|                                            | 12.31.2022       | 12.31.2021       |
|--------------------------------------------|------------------|------------------|
| <b>Non-Current</b>                         |                  |                  |
| <b>Balance at the beginning of year</b>    | <b>1,574,505</b> | <b>1,363,636</b> |
| Hyperinflation effect                      | (760,476)        | (477,880)        |
| Increases (1)                              | 411,245          | 575,186          |
| Acquisition of CGC Energía S.A.U. (Note 3) | -                | 113,562          |
| <b>Balance at fiscal year end</b>          | <b>1,225,274</b> | <b>1,574,504</b> |

(1) Charged \$ 0 and \$ 375,347 for impairment of financial assets in 2022 and 2021 and \$ 411,245 and \$ 102,533 to financial results in 2022 and 2021.

Due to the short-term nature of other current receivables, it is considered that their book value do not differ from their fair value. For the other non-current receivables, the fair values do not differ significantly from their book values.

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### Note 11. Inventories

The breakdown of inventories is as follows:

|                            | 12.31.2022        | 12.31.2021       |
|----------------------------|-------------------|------------------|
| Oil and byproducts         | 3,436,934         | 1,896,512        |
| Materials and spare parts  | 14,145,241        | 12,774,593       |
| Allowance for obsolescence | (4,531,277)       | (6,097,643)      |
| <b>Total</b>               | <b>13,050,898</b> | <b>8,573,462</b> |

The movements in the allowance for obsolescence are as follows:

|                                                | 12.31.2022       | 12.31.2021       |
|------------------------------------------------|------------------|------------------|
| <b>Balance at the beginning of fiscal year</b> | <b>6,097,643</b> | <b>-</b>         |
| Acquisition of CGC Energía S.A.U. (Note 3)     | -                | 6,736,781        |
| Translation                                    | (601,365)        | (404,206)        |
| Decreases (1)                                  | (1,251,396)      | (972,400)        |
| Increases (2)                                  | 286,395          | 737,468          |
| <b>Balance at the end of fiscal year</b>       | <b>4,531,277</b> | <b>6,097,643</b> |

(1) Charged to Other operating income and (expenses), net in 2022 and to applications for the year in 2021.

(2) Charged to Other operating income and (expenses), net.

### Note 12. Trade receivables

The breakdown of trade receivables is as follows:

|                                     | 12.31.2022        | 12.31.2021        |
|-------------------------------------|-------------------|-------------------|
| <b>Non-Current</b>                  |                   |                   |
| Ordinary (1)                        | 201,252           | 392,026           |
| Less: Provision for expected losses | (201,252)         | (392,026)         |
| <b>Total</b>                        | <b>-</b>          | <b>-</b>          |
| <b>Current</b>                      |                   |                   |
| Ordinary                            | 19,008,825        | 20,359,326        |
| Less: Provision for expected losses | (91,895)          | (57,668)          |
| <b>Total</b>                        | <b>18,916,930</b> | <b>20,301,658</b> |

(1) As of December 31, 2022 it corresponds to the balances pending collection by Decree N° 1053/2018 (Note 38.3).

Activity in the provision for expected losses is as follows:

|                                                           | 12.31.2022     | 12.31.2021     |
|-----------------------------------------------------------|----------------|----------------|
| <b>Balance at the beginning of fiscal year</b>            | <b>449,694</b> | <b>301,749</b> |
| Restatement due to changes in the purchasing power parity | (218,838)      | (101,838)      |
| Increases (1)                                             | 62,291         | 249,783        |
| <b>Balance at the end of fiscal year</b>                  | <b>293,147</b> | <b>449,694</b> |

(1) Charged for impairment of financial assets in 2022 and 2021.

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As of December 31, 2022 and 2021, the amount of trade receivables fully comply with their contractual terms and their fair value does not differ significantly from the book value.

The aging of these balance is as follows:

|                     | 12.31.2022        | 12.31.2021        |
|---------------------|-------------------|-------------------|
| <b>Past due</b>     |                   |                   |
| From 0 to 3 months  | 1,692,813         | 883,600           |
| From 3 to 6 months  | 96,517            | 104,594           |
| From 6 to 9 months  | 7,819             | 40,238            |
| From 9 to 12 months | 293               | -                 |
| Over a year         | 89,863            | 17,428            |
| <b>To be due</b>    |                   |                   |
| From 0 to 3 months  | 17,121,520        | 17,564,166        |
| From 3 to 6 months  | -                 | 583,100           |
| From 6 to 9 months  | -                 | 583,100           |
| From 9 to 12 months | -                 | 583,100           |
| Over a year         | 201,252           | 392,026           |
| <b>Total</b>        | <b>19,210,077</b> | <b>20,751,352</b> |

The book value of trade receivables is stated in the following currencies:

|                      | 12.31.2022        | 12.31.2021        |
|----------------------|-------------------|-------------------|
| Argentine peso       | 5,679,648         | 5,526,978         |
| United States dollar | 13,530,429        | 15,224,374        |
| <b>Total</b>         | <b>19,210,077</b> | <b>20,751,352</b> |

### Note 13. Investments at fair value

The breakdown of investments at fair value is as follows:

|                                         | 12.31.2022     | 12.31.2021       |
|-----------------------------------------|----------------|------------------|
| <b>Current</b>                          |                |                  |
| Publicly traded shares                  | 156,646        | 225,419          |
| Government securities at fair value (1) | 841,478        | 1,308,079        |
| <b>Total</b>                            | <b>998,124</b> | <b>1,533,498</b> |

(1) As of December 31, 2022 and 2021, the nominal values of government securities are as follows:

|                                                                     | 12.31.2022 | 12.31.2021 |
|---------------------------------------------------------------------|------------|------------|
| Bonds of the Argentine Nation in US dollars 2030 (Step Up 2030 USD) | 9,610,278  | 9,610,278  |
| Bonds of the Argentine Nation in US dollars 2029 (Step Up 2030 USD) | 717,743    | 717,743    |

### Note 14. Cash and cash equivalents

|                  | 12.31.2022        | 12.31.2021        |
|------------------|-------------------|-------------------|
| Cash and banks   | 90,751            | 106,547           |
| Banks            | 24,337,312        | 25,168,699        |
| Mutual funds (1) | 5,888,707         | 9,275,673         |
| <b>Total</b>     | <b>30,316,770</b> | <b>34,550,919</b> |

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(1) As of December 31, 2022 and 2021, the mutual fund shares are as follows:

|                                                | 12.31.2022  | 12.31.2021  |
|------------------------------------------------|-------------|-------------|
| "Alpha Pesos" Mutual Fund                      | 313,865,130 | 298,342,024 |
| " Toronto Trust Ahorro - Clase B " Mutual Fund | 25,712,355  | -           |
| "Fundcorp Liquidez - Clase C" Mutual Fund      | -           | 630,161,579 |

For purposes of the Statement of Cash Flow, cash and cash equivalents include:

|                        | 12.31.2022        | 12.31.2021        |
|------------------------|-------------------|-------------------|
| Cash and cash in banks | 24,428,063        | 25,275,246        |
| Mutual funds           | 5,888,707         | 9,275,673         |
| <b>Total</b>           | <b>30,316,770</b> | <b>34,550,919</b> |

### Note 15. Share capital

As of December 31, 2022 and 2021, the capital stock amounts to \$ 399,138, being fully subscribed, paid-in and registered. It is comprised of 399,137,856 non-endorsable registered common shares with a par value of \$1 and one vote per share. The shareholders Latin Exploration S.L.U. and Sociedad Comercial del Plata S.A. hold 70% and 30% of the capital stock and votes, respectively. Latin Exploration S.L.U. owns 279,396,499 shares and Sociedad Comercial del Plata S.A. owns 119,741,357 shares.

### Note 16. Reserves

|                                                                                           | Legal reserve    | Optional reserve(1) | Total reserves    |
|-------------------------------------------------------------------------------------------|------------------|---------------------|-------------------|
| <b>Balance as of December 31, 2020</b>                                                    | <b>2,012,981</b> | <b>42,735,923</b>   | <b>44,748,904</b> |
| General Shareholders' Meeting held on April 23, 2021 (appropriation of retained earnings) | -                | 2,348,733           | 2,348,733         |
| General Shareholders' Meeting held on October 30, 2021 (distribution of dividends)        | -                | (2,270,573)         | (2,270,573)       |
| <b>Balance as of December 31, 2021</b>                                                    | <b>2,012,981</b> | <b>42,814,083</b>   | <b>44,827,064</b> |
| General Shareholders' Meeting held on April 4, 2022 (appropriation of retained earnings)  | -                | 4,498,946           | 4,498,946         |
| General Shareholders' Meeting held on October 31, 2022 (distribution of dividends)        | -                | (860,393)           | (860,393)         |
| <b>Balance as of December 31, 2022</b>                                                    | <b>2,012,981</b> | <b>46,452,636</b>   | <b>48,465,617</b> |

(1) For maintenance of working capital and distribution of future dividends and/or absorption of losses. The amounts included under this caption were established by the Shareholders' Meetings that approved the pertinent annual Financial Statements.

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### Note 17. Retained earnings and other comprehensive income

#### 17.a) Retained earnings

|                                                                                           | 12.31.2022       | 12.31.2021       |
|-------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Balance as of December 31, 2020</b>                                                    |                  | <b>2,348,733</b> |
| General Shareholders' Meeting held on April 23, 2021 (appropriation of retained earnings) |                  | (2,348,733)      |
| Reversal of asset revaluation reserve                                                     |                  | 3,588,020        |
| Profit for the year (1)                                                                   |                  | 910,926          |
| <b>Balance as of December 31, 2021</b>                                                    | <b>4,498,946</b> | <b>4,498,946</b> |
| General Shareholders' Meeting held on April 23, 2022 (appropriation of retained earnings) | (4,498,946)      |                  |
| Reversal of asset revaluation reserve                                                     | 1,319,052        |                  |
| Profit for the year (1)                                                                   | 7,874,420        |                  |
| <b>Balance as of December 31, 2022</b>                                                    | <b>9,193,472</b> |                  |

(1) See restrictions to dividends distributions in Note 21.

#### 17.b) Other comprehensive income

|                                          | Asset<br>revaluation<br>reserve<br>(Note 2.2.3) | Currency<br>translation<br>difference | Total             |
|------------------------------------------|-------------------------------------------------|---------------------------------------|-------------------|
| <b>Balance as of December 31, 2020</b>   | <b>8,923,101</b>                                | <b>4,668,668</b>                      | <b>13,591,769</b> |
| Reversal of asset revaluation reserve    | (3,588,020)                                     | -                                     | (3,588,020)       |
| Profit/loss on asset revaluation reserve | (2,646,164)                                     | -                                     | (2,646,164)       |
| Foreign exchange gains/(losses)          | -                                               | (5,611,035)                           | (5,611,035)       |
| <b>Balance as of December 31, 2021</b>   | <b>2,688,917</b>                                | <b>(942,367)</b>                      | <b>1,746,550</b>  |
| Reversal of asset revaluation reserve    | (1,319,052)                                     | -                                     | (1,319,052)       |
| Profit/loss on asset revaluation reserve | 922,456                                         | -                                     | 922,456           |
| Foreign exchange gains/(losses)          | -                                               | (1,989,561)                           | (1,989,561)       |
| <b>Balance as of December 31, 2022</b>   | <b>2,292,321</b>                                | <b>(2,931,928)</b>                    | <b>(639,607)</b>  |

### Note 18. Provisions for legal claims and other proceedings

At the date of issuance of the Financial Statements, the Company maintains interpretative differences with regulatory authorities related to the liquidation of hydrocarbon royalties and others taxes. It is estimated that, from the final resolution of these situations, no significant impacts will arise that have not been considered in these Financial Statements.

The changes in the provisions for legal claims and other proceedings are as follows:

|                                                    | 12.31.2022       | 12.31.2021       |
|----------------------------------------------------|------------------|------------------|
| <b>Non-Current</b>                                 |                  |                  |
| <b>Balance at the beginning of the fiscal year</b> | <b>1,981,997</b> | <b>282,053</b>   |
| Hyperinflation effect                              | (241,722)        | (935,444)        |
| Increases (Decreases)(1)                           | 13,489           | (78,547)         |
| Acquisition of CGC Energía S.A.U. (Note 3)         | -                | 2,869,613        |
| Applications and reclassifications (2)             | (5,944)          | (155,678)        |
| <b>Balance at year end</b>                         | <b>1,747,820</b> | <b>1,981,997</b> |

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- (1) Charged (\$ 762,049) to administration expenses and \$ 775,538 to financial results in 2022 and (\$ 78,547) to administration expenses in 2021.
- (2) Corresponds to \$ 5,944 and (\$ 162,566) of payments for the year in 2022 and 2021, respectively, and \$ 6,888 of reclassifications of Other non-current provisions in 2021.

### Note 19. Other provisions

The breakdown of other provisions is as follows:

|                                                                                         | 12.31.2022        | 12.31.2021        |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Non-current</b>                                                                      |                   |                   |
| Gas imbalance (Note 2.2.14.1)                                                           | 4,951             | 11,880            |
| Asset retirement obligation and provision for environmental remediation (Note 2.2.14.1) | 41,284,050        | 29,149,282        |
| Sundry                                                                                  | 78,090            | 88,198            |
| <b>Total</b>                                                                            | <b>41,367,091</b> | <b>29,249,360</b> |
| <b>Current</b>                                                                          |                   |                   |
| Gas imbalance (Note 2.2.14.1)                                                           | 1,121             | 2,343             |
| Asset retirement obligation and provision for environmental remediation (Note 2.2.14.1) | 2,711,630         | 3,920,082         |
| <b>Total</b>                                                                            | <b>2,712,751</b>  | <b>3,922,425</b>  |

The changes in the provision for gas imbalance asset retirement obligation and environmental remediation are as follows:

|                                                              | Balance at the beginning of year<br>12.31.2021 | Increases         | Decreases          | Hyperinflation effect | Balance at the end of year<br>12.31.2022 |
|--------------------------------------------------------------|------------------------------------------------|-------------------|--------------------|-----------------------|------------------------------------------|
| <b>Non-current</b>                                           |                                                |                   |                    |                       |                                          |
| Gas imbalance (1)                                            | 11,880                                         | -                 | (6,929)            | -                     | 4,951                                    |
| Well abandonment and environmental remediation provision (2) | 29,149,282                                     | 14,253,267        | (203,352)          | (1,915,147)           | 41,284,050                               |
| <b>Total</b>                                                 | <b>29,161,162</b>                              | <b>14,253,267</b> | <b>(210,281)</b>   | <b>(1,915,147)</b>    | <b>41,289,001</b>                        |
| <b>Current</b>                                               |                                                |                   |                    |                       |                                          |
| Gas imbalance (1)                                            | 2,343                                          | -                 | (1,222)            | -                     | 1,121                                    |
| Well abandonment and environmental remediation provision     | 3,920,082                                      | 427,699           | (1,140,570)        | (495,581)             | 2,711,630                                |
| <b>Total</b>                                                 | <b>3,922,425</b>                               | <b>427,699</b>    | <b>(1,141,792)</b> | <b>(495,581)</b>      | <b>2,712,751</b>                         |

- (1) Corresponds to (\$ 8,151) to return gas and was charged to cost of sales.
- (2) Corresponds to \$ 1,773,184 at current value, charged to financial costs, \$13,904,070 to future cost adjustment, charged to property, plant and equipment and (\$ 2,340,210) to applications for the year.

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### Note 20. Taxes payables

The breakdown of taxes payables is as follows:

|                                                 | 12.31.2022       | 12.31.2021       |
|-------------------------------------------------|------------------|------------------|
| <b>Non-current</b>                              |                  |                  |
| Payment plan                                    | -                | 1,466            |
| <b>Total</b>                                    | <b>-</b>         | <b>1,466</b>     |
| <b>Current</b>                                  |                  |                  |
| Provision for income tax                        | -                | 6,828,352        |
| Provision for gross income tax                  | 101,009          | 115,838          |
| Value added tax                                 | 209,096          | 840,604          |
| Gas surcharge perception art. 75 Law No. 25,565 | 217,715          | 182,119          |
| Tax withholdings and deductions                 | 869,089          | 697,528          |
| Payment plans                                   | 753              | 84,121           |
| Sundry                                          | 30,464           | 200,805          |
| <b>Total</b>                                    | <b>1,428,126</b> | <b>8,949,367</b> |

### Note 21. Financial debts

The breakdown of financial debts is as follows:

|                                                 | 12.31.2022        | 12.31.2021        |
|-------------------------------------------------|-------------------|-------------------|
| <b>Non-current</b>                              |                   |                   |
| Bank loans                                      | -                 | 11,491,262        |
| Notes                                           | 93,146,165        | 68,502,656        |
| Other Local Notes ( <i>Pagarés Bursátiles</i> ) | 5,881,712         | -                 |
| Related Parties (Note 33)                       | 531,480           | -                 |
| Sundry                                          | 3,683             | -                 |
| <b>Total</b>                                    | <b>99,563,040</b> | <b>79,993,918</b> |
| <b>Current</b>                                  |                   |                   |
| Bank loans                                      | 10,313,849        | 11,658,584        |
| Notes                                           | 19,534,392        | 10,576,823        |
| Related Parties (Nota 33)                       | 885,800           | -                 |
| <b>Total</b>                                    | <b>30,734,041</b> | <b>22,235,407</b> |

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| Breakdown                                                    | 12.31.2022         | 12.31.2021         | Annual interest rate | Due date  | Currency     |
|--------------------------------------------------------------|--------------------|--------------------|----------------------|-----------|--------------|
| <b>Financial debts</b>                                       |                    |                    |                      |           |              |
| <b>Non-current</b>                                           |                    |                    |                      |           |              |
| <b>Bank loans</b>                                            |                    |                    |                      |           |              |
| Syndicated bank loans (Note 21.j))                           | -                  | 11,491,262         | 7% / 8.5%            | 2022-2023 | Dólar        |
| <b>Subtotal</b>                                              | <b>-</b>           | <b>11,491,262</b>  |                      |           |              |
| <b>Notes</b>                                                 |                    |                    |                      |           |              |
| Class 19 Notes (Note 21.c))                                  | -                  | 7,179,426          | 5.00%                | 2023      | Dólar Linked |
| Class 21 Notes (Note 21.c))                                  | -                  | 2,802,297          | 7.00%                | 2023      | Dólar        |
| Class 22 Notes (Note 21.d))                                  | 3,540,357          | 3,989,031          | 3.00%                | 2024      | Dólar Linked |
| Class 23 Notes (Note 21.d))                                  | 17,671,627         | 19,911,521         | 6.05%                | 2031      | Dólar        |
| Class 24 Notes (Note 21.e))                                  | 9,547,960          | -                  | 1.38%                | 2024      | Dólar Linked |
| Class 25 Notes (Note 21.e))                                  | 1,998,960          | -                  | 3.25%                | 2024      | Dólar        |
| Class 26 Notes (Note 21.f))                                  | 11,169,619         | -                  | 0.00%                | 2025      | Dólar Linked |
| Class 27 Notes (Note 21.f))                                  | 13,579,757         | -                  | 3.50%                | 2025-2029 | Dólar        |
| Class 28 Notes (Note 21.g))                                  | 14,120,632         | -                  | 0.00%                | 2026      | Dólar Linked |
| Class 17 Notes (Note 21.a))                                  | 21,517,253         | 34,620,381         | 9.50%                | 2022-2025 | Dólar        |
| <b>Subtotal</b>                                              | <b>93,146,165</b>  | <b>68,502,656</b>  |                      |           |              |
| <b>Related Parties</b>                                       |                    |                    |                      |           |              |
| Other Local Notes ( <i>Pagarés Bursátiles</i> ) (Note 33.a)  | 531,480            | -                  |                      |           | Dólar Linked |
| <b>Subtotal</b>                                              | <b>531,480</b>     | <b>-</b>           |                      |           |              |
| <b>Other financial debts</b>                                 |                    |                    |                      |           |              |
| Other Local Notes ( <i>Pagarés Bursátiles</i> ) (Note 21.k)) | 5,881,712          | -                  |                      |           | Dólar Linked |
| Sundry                                                       | 3,683              | -                  |                      |           |              |
| <b>Subtotal</b>                                              | <b>5,885,395</b>   | <b>-</b>           |                      |           |              |
| <b>Total non-current assets</b>                              | <b>99,563,040</b>  | <b>79,993,918</b>  |                      |           |              |
| <b>Current</b>                                               |                    |                    |                      |           |              |
| <b>Bank loans</b>                                            |                    |                    |                      |           |              |
| Syndicated bank loans (Note 21.j))                           | 10,313,849         | 11,658,584         | 7% / 8.5%            | 2022-2023 | Dólar        |
| <b>Subtotal</b>                                              | <b>10,313,849</b>  | <b>11,658,584</b>  |                      |           |              |
| <b>Notes</b>                                                 |                    |                    |                      |           |              |
| Class 17 Notes (Note 21.a))                                  | 9,627,029          | 5,436,574          | 9.50%                | 2022-2025 | Dólar        |
| Class 18 Notes (Note 21.b))                                  | -                  | 4,001,831          | 9.50%                | 2021      | Dólar Linked |
| Class 19 Notes (Note 21.c))                                  | 6,371,180          | -                  | 5.00%                | 2022      | Dólar Linked |
| Class 21 Notes (Note 21.c))                                  | 2,486,820          | -                  | 7.00%                | 2023      | Dólar        |
| Accrued interest payable                                     | 1,049,363          | 1,138,418          | 9.50%                | 2025      | Dólar        |
| <b>Subtotal</b>                                              | <b>19,534,392</b>  | <b>10,576,823</b>  |                      |           |              |
| <b>Related Parties</b>                                       |                    |                    |                      |           |              |
| Other Local Notes ( <i>Pagarés Bursátiles</i> ) (Note 33.a)  | 885,800            | -                  |                      |           | Dólar Linked |
| <b>Subtotal</b>                                              | <b>885,800</b>     | <b>-</b>           |                      |           |              |
| <b>Total current</b>                                         | <b>30,734,041</b>  | <b>22,235,407</b>  |                      |           |              |
| <b>TOTAL</b>                                                 | <b>130,297,081</b> | <b>102,229,325</b> |                      |           |              |

The book value of financial debts approximates their fair value with a difference of 11.22 % below par.

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The activity in financial debts as of December 31, 2022 and 2021 is shown below:

|                                                   | 12.31.2022         | 12.31.2021         |
|---------------------------------------------------|--------------------|--------------------|
| <b>Balance at the beginning of the period</b>     | <b>102,229,325</b> | <b>98,354,343</b>  |
| Accrued interest                                  | 8,230,915          | 11,632,854         |
| Exchange difference, net of hyperinflation effect | (12,140,079)       | (23,565,617)       |
| Loans obtained                                    | 61,379,263         | 105,723,507        |
| Payments of principal                             | (22,300,606)       | (79,771,537)       |
| Conversion                                        | (282,444)          | -                  |
| Interest payments                                 | (6,819,293)        | (10,144,225)       |
| <b>Balance at end of period</b>                   | <b>130,297,081</b> | <b>102,229,325</b> |

### Notes in force as of December 31, 2022

#### 21. a) Class 17 Notes

The Class 17 Notes were issued under the exchange offer and consent solicitation filed by the Company on August 6, 2020. Pursuant to the terms of such offer, the Class 17 Notes were integrated exclusively in kind, through the delivery of Class "A" Notes.

On September 16, 2021, the Company announced a new exchange offer of Class "A" Notes for additional Class 17 Notes (which will be fungible with the Class 17 Notes, forming a single class) under the terms set forth in the exchange supplement, which, among other matters, provides that the Company will have the right to accept and settle in advance the Class "A" Notes presented for exchange on the Early Participation Date (as such term is defined in the Exchange Supplement). On September 30, 2021, the Company announced that it would make use of such right and, therefore, on October 4, 2021 the liquidation of the Class "A" Notes that entered into the exchange on the Early Participation Date took place.

On October 29, 2021, the Company announced the final results of the exchange offer, having entered the exchange with holders of Class "A" Notes for USD 8,179 (including those who tendered on the Early Participation Date). The Final Settlement Date was November 2, 2021.

#### 21.b) Cancellation of Class 18 Notes

On November 25, 2022, the Company has fully canceled the Class 18 Notes, for which reason they are not currently outstanding.

#### 21. c) Class 19 and 21 Notes

On June 4, 2021, the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: i) Class 19 Negotiable Notes: denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 35,963, with a principal maturity of 24 months and accruing a fixed annual rate of 5.00%; ii) Class 21 Negotiable Notes: in US dollars for a total amount of USD 14,037, with a principal maturity of 24 months and accruing a fixed annual rate of 7.00%. The main purpose of the funds obtained through the issuance of these notes was the refinancing of financial liabilities (cancellation of the Class 12 and 13 Notes

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and early cancellation of the Class 15 Notes), as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the Company's working capital.

### **21. d) Class 22 y 23 Notes**

On September 15, 2021, the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: i) Notes Class 22: denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 20,000, with a principal maturity of 36 months and accruing an annual fixed rate of 3.00%; ii) Notes Class 23: in US dollars for a total amount of USD 100,000, with a principal maturity of 10 equal semiannual installments of USD 10,000 each as from March 2027 and accruing an annual fixed rate of 6.05%. The funds obtained through the issuance of these Notes will be used to finance investments in the exploitation and exploration of hydrocarbons in the Austral Basin.

### **21.e) Class 24 and 25 Notes**

On February 25, 2022 the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: i) Class 24 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 53,956, with a 30-month principal maturity and accruing a fixed annual rate of 1.375%; ii) Class 25 Notes: in U.S. dollars for a total amount of USD 11,287, with a 24-month principal maturity and accruing a fixed annual rate of 3.25%. The funds obtained through the issuance of these notes will be used to finance investments in hydrocarbon exploitation and exploration in the Austral Basin.

### **21.f) Class 26 and 27 Notes**

On June 3, 2022, the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: i) Class 26 Notes: denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 63,136, with a principal maturity of 36 months and 0% interest rate; ii) Class 27 Notes: in US dollars for a total amount of USD 76,764, with a principal maturity of 84 months and accruing a fixed annual rate of 3.5%. The funds obtained through the issuance of these notes will be used to finance investments in hydrocarbon exploitation and exploration in the Austral Basin.

### **21.g) Class 28 Notes**

On September 5, 2022, the Company placed, under the Frequent Issuer regime, two series of Notes in the local market, as follows: Class 28 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 80,000, with principal maturity at 48 months and 0% interest rate. The funds obtained through the issuance of these notes will be used to finance investments in hydrocarbon exploitation and exploration in the Austral Basin.

### **21.h) Class 29 Notes**

Subsequent to year-end, Class 29 Notes were issued. See Note 39 of subsequent events to these consolidated financial statements.

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### **21.i) Class 30 Notes**

Subsequent to year-end, Class 30 Notes were issued. See Note 39 of subsequent events to these consolidated financial statements.

### **Bank Loans**

#### **21. j) New Syndicated Loan in U.S. Dollars**

On August 2, 2021, the Company, as borrower, entered into a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A.U., Banco Santander Río S.A., the Branch of Citibank, N.A. established in the Republic of Argentina, Banco de Galicia y Buenos Aires S.A.U., Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each as lender (and, in the case of Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each as lender), Banco Itaú Argentina S.A., Banco Macro S.A. and Banco de Valores S.A., each as lender (and, in the case of Banco Itaú Argentina S.A., as hedging provider), and Industrial and Commercial Bank of China (Argentina) S.A.U., as administrative agent, in the amount of USD 115,000 ("Syndicated Dollar Loan"). The loan will be repayable in two equal installments, payable 12 and 18 months from August 3, 2021, the disbursement date. The funds disbursed under the loan bear interest at a nominal annual rate of 8.50% for the unhedged tranche (USD 100,000) and 7.00% nominal annual rate for the hedged tranche (USD 15,000). The syndicated loan agreement in U.S. dollars contains covenants with certain covenants including the compliance with certain ratios. No breaches have been observed to date.

### **Other Local Notes (*Pagarés Bursátiles*)**

#### **21.k) Other Local Notes (*Pagarés Bursátiles*)**

During 2022, the Group issued Other Local Notes (*Pagarés Bursátiles*) for a total of USD 41.2 million denominated in US dollars and payable in Pesos at the Applicable Exchange Rate at a fixed rate. The Notes will accrue interest at a fixed annual nominal rate of 0.00%. The capital will be paid between June 2024 and May 2025.

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### Note 22. Other debts

The breakdown of other debts is as follows:

|                       | 12.31.2022       | 12.31.2021       |
|-----------------------|------------------|------------------|
| <b>Current</b>        |                  |                  |
| Oil and gas royalties | 1,593,357        | 1,330,718        |
| Sundry                | -                | 191,113          |
| <b>Total</b>          | <b>1,593,357</b> | <b>1,521,831</b> |

### Note 23. Trade payables

The breakdown of other debts is as follows:

|                                      | 12.31.2022        | 12.31.2021        |
|--------------------------------------|-------------------|-------------------|
| <b>Current</b>                       |                   |                   |
| Ordinary suppliers                   | 10,585,141        | 5,222,182         |
| Ordinary suppliers of joint ventures | 411,144           | 404,541           |
| Related parties (Note 33.a))         | 4,140,111         | 344,434           |
| Invoices to be received              | 13,078,604        | 14,074,583        |
| <b>Total</b>                         | <b>28,215,000</b> | <b>20,045,740</b> |

### Note 24. Revenue

|                     | 12.31.2022         | 12.31.2021         |
|---------------------|--------------------|--------------------|
| Crude oil delivered | 97,116,446         | 62,724,165         |
| Gas                 | 43,442,439         | 46,736,289         |
| Other               | 4,939,452          | 4,891,503          |
| Incentives (1)      | 1,792,968          | 27,568,449         |
| <b>Total</b>        | <b>147,291,305</b> | <b>141,920,406</b> |

(1) These amounts of incentives are recorded according to IAS 20.

### Note 25. Cost of revenue

|                                      | 12.31.2022         | 12.31.2021        |
|--------------------------------------|--------------------|-------------------|
| Inventories at the beginning of year | 14,671,105         | 16,664,931        |
| Purchases                            | 20,861,016         | 9,710,004         |
| Inventory consumption                | (14,108,258)       | (8,473,090)       |
| Production costs (1)                 | 116,068,079        | 84,023,722        |
| Translation                          | (1,257,742)        | (1,320,915)       |
| Stocks at year end (Note 11)         | (17,582,175)       | (14,671,105)      |
| <b>Cost of revenue</b>               | <b>118,652,025</b> | <b>85,933,547</b> |

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### (1) Production costs

|                                                    | 12.31.2022         | 12.31.2021        |
|----------------------------------------------------|--------------------|-------------------|
| Fees and compensation for services                 | 427,560            | 187,158           |
| Outsourced services                                | 27,889,014         | 17,287,213        |
| Salaries, wages, and social security contributions | 6,863,297          | 3,903,403         |
| Other expenses on personnel                        | 600,254            | 340,157           |
| Depreciation of property, plant and equipment (1)  | 24,848,096         | 27,137,426        |
| Depreciation right-of-use assets                   | 1,864,933          | 1,803,133         |
| Taxes, duties and contributions                    | 529,749            | 195,268           |
| Fuel, gas, and electricity                         | 3,471,924          | 1,982,929         |
| General insurance                                  | 341,580            | 373,332           |
| Spare parts and repairs                            | 13,381,871         | 7,188,411         |
| Wells maintenance                                  | 10,062,369         | 4,952,787         |
| Office expenses                                    | 1,788,296          | 1,147,482         |
| Royalties, fee and easements                       | 22,609,516         | 15,733,768        |
| Gas imbalance                                      | (8,151)            | (10,914)          |
| Environmental control                              | 864,385            | 447,503           |
| Other                                              | 533,386            | 1,354,666         |
| <b>Total</b>                                       | <b>116,068,079</b> | <b>84,023,722</b> |

(1) Includes (\$ 275,611) and (\$ 28,414) included in the crude oil stock as of December 31, 2022 and 2021.

### Note 26. Selling expense

|                                                      | 12.31.2022       | 12.31.2021       |
|------------------------------------------------------|------------------|------------------|
| Dispatch and transportation                          | 1,318,757        | 726,100          |
| Wages and salaries and social security contributions | 325,861          | 205,051          |
| Other personnel expenses                             | 36,123           | 17,308           |
| Gross income tax                                     | 3,678,942        | 2,635,221        |
| Export duties                                        | 1,739,236        | 1,862,794        |
| <b>Total</b>                                         | <b>7,098,919</b> | <b>5,446,474</b> |

### Note 27. Administrative expense

|                                                               | 12.31.2022       | 12.31.2021        |
|---------------------------------------------------------------|------------------|-------------------|
| Fees and compensation for services                            | 1,164,351        | 1,826,265         |
| Salaries, wages and social security contributions             | 5,155,899        | 9,011,907         |
| Other personnel expenses                                      | 1,274,111        | 286,127           |
| Depreciation of property, plant, and equipment                | 265,529          | 206,903           |
| Taxes, duties, and contributions                              | 65,885           | 16,736            |
| General insurance                                             | 29,040           | 76,674            |
| Spare parts and repairs                                       | 754,249          | 397,243           |
| Office expenses                                               | 263,809          | 333,779           |
| Travel and per diem                                           | 204,498          | 180,990           |
| Communications                                                | 99,829           | 61,071            |
| Charge for legal actions and other claims provision (Note 18) | (762,049)        | (78,547)          |
| Other                                                         | 647,239          | 453,924           |
| Depreciation of right of use of assets under leases           | 14,484           | 100,858           |
| <b>Total</b>                                                  | <b>9,176,874</b> | <b>12,873,930</b> |

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### Note 28. Exploration expenses

|                                     | 12.31.2022 | 12.31.2021    |
|-------------------------------------|------------|---------------|
| Geological and geophysical expenses | -          | 349           |
| Unsuccessful studies and wells      | -          | 29,049        |
| <b>Total</b>                        | <b>-</b>   | <b>29,398</b> |

### Note 29. Financial assets impairment

|                                  | 12.31.2022      | 12.31.2021       |
|----------------------------------|-----------------|------------------|
| Loss financial assets impairment | (62,291)        | (625,130)        |
| <b>Total</b>                     | <b>(62,291)</b> | <b>(625,130)</b> |

### Note 30. Other operating income and (expenses), net

|                                                                   | 12.31.2022       | 12.31.2021         |
|-------------------------------------------------------------------|------------------|--------------------|
| <b>Other operating income</b>                                     |                  |                    |
| Fees for services rendered                                        | 624,760          | 574,540            |
| Other customer revenues                                           | 249,743          | 424,699            |
| Recovery of impairment of non-financial assets (Note 8)           | 1,908,116        | 5,109,182          |
| Other customer income                                             | 188,288          | 639,093            |
| Sundry                                                            | 97,148           | 189,514            |
| Income from the sale of vehicles                                  | 36,875           | -                  |
| <b>Subtotal</b>                                                   | <b>3,104,930</b> | <b>6,937,028</b>   |
| <b>Other operating expenses</b>                                   |                  |                    |
| Contracted services                                               | 53,094           | (1,322,259)        |
| Recovery (allowance) for obsolescence of inventories (Note 2.2.6) | 965,001          | (737,468)          |
| Sundry                                                            | (43,424)         | 51,911             |
| <b>Subtotal</b>                                                   | <b>974,671</b>   | <b>(2,007,816)</b> |
| <b>Total</b>                                                      | <b>4,079,601</b> | <b>4,929,212</b>   |

### Note 31. Financial results, net

|                                                                                 | 12.31.2022         | 12.31.2021          |
|---------------------------------------------------------------------------------|--------------------|---------------------|
| <b>Financial income</b>                                                         |                    |                     |
| Interest                                                                        | 588,096            | 2,652,302           |
| <b>Total</b>                                                                    | <b>588,096</b>     | <b>2,652,302</b>    |
| <b>Financial costs</b>                                                          |                    |                     |
| Interest                                                                        | (8,988,329)        | (11,906,554)        |
| <b>Total</b>                                                                    | <b>(8,988,329)</b> | <b>(11,906,554)</b> |
| <b>Results from exposure to changes in the purchasing power of the currency</b> |                    |                     |
| Hyperinflation effect (Nota 2.1)                                                | 329,065            | (7,061,631)         |
| <b>Total</b>                                                                    | <b>329,065</b>     | <b>(7,061,631)</b>  |
| <b>Other financial results</b>                                                  |                    |                     |
| Income from measurement of financial instruments at fair value                  | (25,862)           | (1,681,027)         |
| Exchange differences, net                                                       | 9,227,656          | 20,401,630          |
| Result from measurement at present value of assets                              | -                  | 72,329              |
| Result from measurement at present value of liabilities                         | (2,287,109)        | (2,113,175)         |
| Other financial expenses                                                        | (8,848,830)        | (16,085,228)        |
| Effect of cancellation of loans in US Dollars                                   | -                  | (18,834,533)        |
| <b>Total</b>                                                                    | <b>(1,934,145)</b> | <b>(18,240,004)</b> |

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### Note 32. Earnings per share

|                                                        | 12.31.2022    | 12.31.2021   |
|--------------------------------------------------------|---------------|--------------|
| Income allocable to the Company's shareholders         | 7,874,420     | 910,926      |
| Weighted average number of ordinary outstanding shares | 399,138       | 399,138      |
| <b>Basic and diluted earnings per share (pesos)</b>    | <b>19,729</b> | <b>2,282</b> |

The Company does not have instruments with dilutive effect.

### Note 33. Balances and transactions with related parties

As of December 31, 2022 and 2021 the Company was controlled by Latin Exploration S.L.U., a company based in Spain. The ultimate parent of the Group is Southern Cone Foundation, a foundation incorporated in Liechtenstein.

As of December 31, 2022 and 2021 Latin Exploration S.L.U. owns 70% of the shares and voting rights of Compañía General de Combustibles S.A. and Sociedad Comercial del Plata S.A. the remaining 30%.

a) Balance with related parties as of December 31, 2022 and 2021 are included below:

|                                     | 12.31.2022       | 12.31.2021       |
|-------------------------------------|------------------|------------------|
| <b>Other receivables</b>            |                  |                  |
| <b>Non-Current</b>                  |                  |                  |
| Petronado S.A.                      | 977,620          | 1,103,259        |
| <b>Total</b>                        | <b>977,620</b>   | <b>1,103,259</b> |
| <b>Current</b>                      |                  |                  |
| Gasoducto GasAndes (Argentina) S.A. | 127,796          | 76,339           |
| Unitec Blue S.A.                    | 43,942           | -                |
| Vianpamar S.A.                      | 232,095          | 254,421          |
| <b>Total</b>                        | <b>403,833</b>   | <b>330,760</b>   |
| <b>Trade payables</b>               |                  |                  |
| <b>Current</b>                      |                  |                  |
| Corredor Americano S.A.             | 966,187          | 332,185          |
| Proden S.A.                         | 17,633           | 12,249           |
| Unitec Blue S.A.                    | 3,156,291        | -                |
| <b>Total</b>                        | <b>4,140,111</b> | <b>344,434</b>   |
| <b>Financial debts</b>              |                  |                  |
| <b>Non-Current</b>                  |                  |                  |
| Cerro Negro S.A.                    | 531,480          | -                |
| <b>Total</b>                        | <b>531,480</b>   | -                |
| <b>Current</b>                      |                  |                  |
| Cerro Negro S.A.                    | 885,800          | -                |
| <b>Total</b>                        | <b>885,800</b>   | -                |

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- b) The main transactions with related parties for the fiscal years ended December 31, 2022 and 2021 are detailed below:

| Company                                        | 12.31.2022       |                  |                  |                                   |
|------------------------------------------------|------------------|------------------|------------------|-----------------------------------|
|                                                | Sale of services | Dividends earned | Earned interests | Adquisition of goods and services |
| <b>Associated companies and joint ventures</b> |                  |                  |                  |                                   |
| Gasoducto GasAndes (Argentina) S.A.            | 1,473,105        | 686,063          | -                | -                                 |
| Gasoducto GasAndes S.A. (Chile)                | -                | 1,073,716        | -                | -                                 |
| Transportadora Gas del Mercosur S.A.           | -                | 36,666           | -                | -                                 |
| <b>Other companies</b>                         |                  |                  |                  |                                   |
| Aeropuertos Argentina 2000 S.A. (1)            | 1,873            | -                | -                | 1,255                             |
| Vianpamar S.A. (1)                             | -                | -                | -                | -                                 |
| Proden S.A. (1)                                | -                | -                | 5,016            | 152,649                           |
| Unitec Blue S.A. (1)                           | -                | -                | -                | 3,730,576                         |
| Corredor Americano S.A. (1)                    | -                | -                | -                | 8,604,677                         |

(1) These companies are related entity since there are under the indirect control of the same shareholders as CGC.

| Company                                        | 12.31.2021       |                  |                                   |
|------------------------------------------------|------------------|------------------|-----------------------------------|
|                                                | Sale of services | Dividends earned | Adquisition of goods and services |
| <b>Associated companies and joint ventures</b> |                  |                  |                                   |
| Gasoducto GasAndes (Argentina) S.A.            | 506,256          | 252,497          | -                                 |
| Gasoducto GasAndes S.A. (Chile)                | -                | 334,540          | -                                 |
| <b>Other companies</b>                         |                  |                  |                                   |
| Aeropuertos Argentina 2000 S.A. (1)            | 18,387           | -                | -                                 |
| Proden S.A. (1)                                | -                | -                | 142,404                           |
| Corredor Americano S.A. (1)                    | -                | -                | 5,142,746                         |

(1) These companies are related entities since they are under the indirect control of the same shareholders as CGC.

- c) Accrued compensation for key management personnel and members of the Board of Directors for the years ended December 31, 2022 and 2021 amounts to \$ 3,460,975 and \$ 5,367,507, respectively.

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### Note 34. Income tax

The breakdown of the income tax (loss) gain included in the Statement of Income and the breakdown of deferred tax is the following:

|                         | <b>12.31.2022</b> | <b>12.31.2021</b>  |
|-------------------------|-------------------|--------------------|
| Income tax current      | (5,178,217)       | (6,757,126)        |
| Deferred tax            | 5,814,860         | (1,883,243)        |
| <b>Total Income tax</b> | <b>636,643</b>    | <b>(8,640,369)</b> |

The detail of the main components of deferred tax assets and liabilities are as follows:

|                                                      | <b>12.31.2022</b> | <b>12.31.2021</b>  |
|------------------------------------------------------|-------------------|--------------------|
| Provision for lawsuits                               | 528,579           | 3,094,436          |
| Provision for expected losses                        | 447,685           | 682,517            |
| Inventory                                            | (338,725)         | 464,907            |
| Property, plant, and equipment and intangible assets | 2,390,298         | 4,518,814          |
| Deferral of tax inflation adjustment                 | (2,289,154)       | (5,290,433)        |
| Tax losses                                           | (1,921,082)       | (5,125,891)        |
| Other                                                | 1,741,934         | (3,599,675)        |
| <b>Total deferred tax liability</b>                  | <b>559,535</b>    | <b>(5,255,325)</b> |

#### Classification of deferred taxes

|                                                         |                |                    |
|---------------------------------------------------------|----------------|--------------------|
| Net deferred tax asset (CGC Energía S.A.U.)             | 5,052,009      | 4,164,796          |
| Net deferred tax liabilities (CGC)                      | (4,492,474)    | (9,420,121)        |
| <b>Total net deferred tax liabilities, consolidated</b> | <b>559,535</b> | <b>(5,255,325)</b> |

|                                                      | <b>12.31.2021</b>  | <b>Changes</b>   | <b>12.31.2022</b> |
|------------------------------------------------------|--------------------|------------------|-------------------|
| Provision for lawsuits                               | 3,094,436          | (2,565,857)      | 528,579           |
| Provision for expected losses                        | 682,517            | (234,832)        | 447,685           |
| Inventories                                          | 464,907            | (803,632)        | (338,725)         |
| Property, plant, and equipment and intangible assets | (5,290,433)        | 3,001,279        | (2,289,154)       |
| Inflation tax adjustment deferred                    | (5,125,891)        | 3,204,809        | (1,921,082)       |
| Tax losses                                           | 4,518,814          | (2,128,516)      | 2,390,298         |
| Asset retirement obligation and other                | (3,599,675)        | 5,341,609        | 1,741,934         |
| <b>Total net deferred tax liabilities</b>            | <b>(5,255,325)</b> | <b>5,814,860</b> | <b>559,535</b>    |

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The reconciliation between the charge to income recorded for income tax and that resulting from applying the income tax rates established by current income tax regulations to the accounting income for the year is as follows:

|                                                     | 12.31.2022         | 12.31.2021         |
|-----------------------------------------------------|--------------------|--------------------|
| Income before income tax                            | 7,237,777          | 9,551,295          |
| Effective tax rate applied to P&L for the year      | 35%                | 35%                |
| <b>Subtotal</b>                                     | <b>(2,533,222)</b> | <b>(3,342,953)</b> |
| Effect of change in tax rate                        | -                  | (2,107,627)        |
| Results of equity method investments                | 301,803            | (1,387,801)        |
| Effect of inflation adjustment                      | (2,867,230)        | 2,043,830          |
| Expected losses                                     | 1,105,164          | (2,983,893)        |
| Non-taxable income, non-deductible expenses, others | 4,630,128          | (861,925)          |
| <b>Total income tax</b>                             | <b>636,643</b>     | <b>(8,640,369)</b> |

### Note 35. Lease liabilities and right-of-use assets

The Company recognized the lease liabilities at the present value of the remaining lease payments, The interest rate applied to the lease liabilities as of December 31, 2022 and 2021 was 14.82% and 11.95%.

The movements for the year ended December 31, 2022 and 2021 are detailed below:

|                                                                              | 12.31.2022       | 12.31.2021        |
|------------------------------------------------------------------------------|------------------|-------------------|
| <b>Lease right-of-use assets recognized as of January 1, 2021 and 2021</b>   | <b>8,396,210</b> | <b>8,516,345</b>  |
| Additions of right-of-use in fiscal year                                     | 788,982          | 555,363           |
| Acquisition of CGC Energía S.A.U. (Note 3)                                   | -                | 1,372,694         |
| Cancellations of right of use during the year                                | (444,671)        | -                 |
| Conversion adjustment                                                        | (96,252)         | (144,201)         |
| Depreciation of right-of-use assets in fiscal year                           | (1,879,417)      | (1,903,991)       |
| <b>Lease right-of-use assets recognized as of December 31, 2021 and 2021</b> | <b>6,764,852</b> | <b>8,396,210</b>  |
| <b>Lease liabilities as of January 1, 2021 and 2021</b>                      | <b>7,643,666</b> | <b>10,385,699</b> |
| Additions of right of use in fiscal year                                     | 788,982          | -                 |
| Lease payments                                                               | (2,046,622)      | (2,373,229)       |
| Acquisition of CGC Energía S.A.U. (Note 3)                                   | -                | 579,315           |
| Conversion adjustment                                                        | (107,144)        | (137,994)         |
| Cancellations of right of use during the year                                | (442,183)        | (23,451)          |
| Effect of exchange difference in fiscal year                                 | (731,339)        | (1,592,761)       |
| Effect of discount at present value in fiscal year                           | 461,470          | 806,087           |
| <b>Lease liabilities as of December 31, 2022 and 2021</b>                    | <b>5,566,830</b> | <b>7,643,666</b>  |

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| Classification of lease liabilities | 12.31.2022 | 12.31.2021 |
|-------------------------------------|------------|------------|
| Non-current lease liabilities       | 3,647,304  | 5,435,845  |
| Current lease liabilities           | 1,919,526  | 2,207,821  |

### Note 36. Situation of associates and joint ventures

Investments in associates and joint ventures correspond mainly to investments in natural gas transportation. The detail of investments is as follows:

| Company                                    | Ref. | Participation % |            |
|--------------------------------------------|------|-----------------|------------|
|                                            |      | 12.31.2022      | 12.31.2021 |
| Joint Ventures                             |      |                 |            |
| Gasinvest S.A.                             | (1)  | 50.0000         | 50.0000    |
| Gasoducto GasAndes (Argentina) S.A.        |      | 43.5000         | 39.9999    |
| Gasoducto GasAndes S.A. (Chile)            |      | 43.5000         | 39.9999    |
| Andes Operaciones y Servicios S.A. (Chile) |      | 50.0000         | 50.0000    |
| Transportadora de Gas del Norte S.A.       | (3)  | 0.0569          | 0.0569     |
| Associates                                 |      |                 |            |
| Transportadora de Gas del Mercosur S.A.    | (2)  | 15.7747         | 15.7747    |
| Other companies                            |      |                 |            |
| Petronado S.A. (Venezuela)                 | (4)  | 26.0040         | 26.0040    |

(1) Parent company of Transportadora de Gas de Norte S.A. holding 56.3538%.

(2) The Financial Statements of Transportadora Gas del Mercosur S.A. (TGM) indicate that as a consequence of the energy crisis affecting the country and the problems related to the internal shortage in the gas market, the National Government issued a set of measures tending to restrict and limit gas exports. In this context, due to difficulties in the availability of natural gas affecting the only user of the Company's gas pipeline transportation capacity, the Brazilian thermal power plant AES Uruguaiana Empreendimentos S.A. ("AES U"), the Brazilian thermal power plant AES Uruguaiana Empreendimentos S.A. ("AES U"), contractual disputes have arisen between TGM and its only customer YPF S.A. ("YPF").

On December 20, 2017, TGM's Extraordinary Assembly resolved by majority to approve the execution of a settlement agreement with YPF (the "Settlement Agreement") that put an end to the conflict between both parties.

This agreement established YPF's obligation to pay to TGM as indemnification the sum of USD 107 million in January 2018, plus the sum of USD 7 million in seven (7) annual and equal installments between February 2018 and February 2024, as full and final payment of all arbitration and legal actions and claims that TGM may have against YPF under the arbitration awards.

On January 2, 2018, YPF paid the indemnity installment of the Transaction Agreement in the amount of USD 107 million.

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In December 2017, TGM and YPF, entered into a transportation agreement under the special conditions of the Interruptible Transportation Service for Export ("STI"), effective from December 29, 2017 and until December 28, 2027. As consideration for the ITS, YPF will pay the Company USD 32 per thousand cubic meters transported. YPF irrevocably undertakes to pay TGM annually, from 2018 to 2024, as a non-refundable payment on account of the contractual price, the annual amount of USD 1,857, whether or not it has made use of the ITS.

(3) The Financial Statements of Transportadora Gas del Norte S.A. (TGN) indicate that in March 2017 TGN entered into a License Readjustment Agreement with the National Executive Power ("PEN") (the "Comprehensive Agreement") which was ratified and became effective with the issuance of Decree N° 251 of March 27, 2018. Thus, the renegotiation process developed within the framework of the Public Emergency Law N° 25,561 was concluded. The provisions of the Comprehensive Agreement cover the contractual period between January 6, 2002 and the date of termination of the License. Likewise, the Comprehensive Agreement set the rules to carry out the five-year review of TGN's tariffs, which became effective in March 2018 for the period 2017 - 2021.

In March 2018, ENARGAS approved the tariff charts of the Comprehensive Tariff Review ("RTI") carried out by such agency as from March 2016. Likewise, the RTI establishes that between April 1, 2017 and March 31, 2022 TGN must execute a Mandatory Investment Plan ("PIO") for approximately \$ 5,600 million (expressed in December 2016 currency), amount that will be adjusted in the same proportion in which TGN's tariffs are adjusted. TGN is obliged to execute both the committed investment amount and the works foreseen in the PIO. The regulatory framework of the industry contemplates the application of non-automatic biannual tariff review mechanisms due to the variations observed in the prices of the economy linked to the costs of the service, in order to maintain the economic-financial sustainability of the provision and the quality of the service provided. In September 2019, the Secretariat of Energy issued Resolution 521/2019 (as amended by Resolution 751/2019) deferring the semi-annual tariff adjustment that should have been applied as from October 1, 2019, until February 1, 2020, and also provided to compensate the licensees with the revision of the PIO in the exact incidence of the lower revenues derived from the measure. Consequently, between October and December 2019, TGN submitted to ENARGAS proposals to readjust the PIO for an amount of \$ 459.2 million (expressed in December 2016 currency). Also, the PEN was empowered to administratively intervene ENARGAS for a term of one year. In fact, on March 16, 2020, the PEN ordered the intervention of ENARGAS for a term that was extended until December 31, 2022, entrusting the intervenor with the execution of a legal, technical and economic audit of all the aspects regulated in the Solidarity Law in energy matters, with the charge of submitting a report to the PEN. The tariff freeze established by the Solidarity Law was extended until December 23, 2021 by virtue of Necessity and Urgency Decree N° 543/20.

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On February 18, 2022, TGN entered into a transitory agreement with the MECON and ENARGAS that established a 60% increase in transportation tariffs as from March 2022 (the "2022 Transitory Agreement"). Such agreement, which will remain in force until December 2022 unless extended by agreement of the parties, does not contemplate mandatory investments, but establishes: (i) that TGN must continue providing gas transportation services, (ii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant credits (except to users or contractors that are not shareholders of TGN) except with prior authorization of ENARGAS, and (iii) that during its term, TGN and its controlling shareholder Gasinvest S.A. ("Gasinvest") will agree to distribute dividends to TGN and its controlling shareholder Gasinvest S.A. ("TGN"). ("Gasinvest") undertake not to initiate actions or claims against the National Government based on the tariff freeze provided by the Solidarity Law. The Transitional Agreement 2022 became effective on February 22, 2022 as from its ratification by PEN Decree N° 91/22 and by ENARGAS Resolution N° 59/22 dated February 23, 2022, which approved the transitional tariff charts as from March 1, 2022. On December 6, 2022, the PEN issued Decree of Necessity and Urgency No. 815/22 by which (i) it extends for one year the term to conclude the renegotiation of the RTI within the framework of the provisions of article 5 of the Solidarity Law and (ii) extends the intervention of ENARGAS for a period of one year or until the new rate schedules resulting from the renegotiation of the RTI come into effect, whichever occurs first. Also, it instructs ENARGAS to carry out the necessary measures in order to promote a transition rate adjustment, in accordance with the provisions of Decree 1020/20.

In this sense, through Resolution No. 523/22 of December 7, 2022, ENARGAS convened a new public hearing that was held on January 4, 2023, during which the gas transportation and distribution licensees presented their temporary tariff adjustment proposals for 2023.

On April 20, 2009, TGN filed a lawsuit against YPF to: (i) demand compliance with the export transportation contract signed with YPF and (ii) force YPF to pay overdue invoices. In February 2022, the National Chamber of Appeals in Federal Civil and Commercial Matters substantially confirmed the first instance judgment (an amount to be settled for unpaid invoices of USD 74.8 plus the amount of USD 231 million for lost profits, plus interest thereon). YPF filed an extraordinary appeal against the Chamber's decision. On February 3, 2023 the Company and YPF entered into a settlement agreement terminating the litigation by virtue of which YPF is obliged to pay TGN the sum of USD 190.6 million - in Argentine pesos at the selling currency exchange rate published by Banco de la Nación Argentina - in four annual installments payable each February 1 of the years 2024, 2025, 2026 and 2027.

TGN's management permanently monitors the evolution of the aforementioned situations in order to determine the possible actions to be taken and identify the possible impacts on TGN's equity and financial situation.

CGC's direct and indirect interest in TGN amounts to 28.23% as of December 31, 2022 and 2021.

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- (4) In September 1997, a contract was signed by which the Venezuelan government granted the exploration rights of the Onado Field for a term of twenty years to a consortium comprising, among others, CGC, with a majority interest in the consortium. In 2005, the Venezuelan government announced the mandatory conversion of the 32 operating agreements entered into by subsidiaries of Petróleos de Venezuela, S.A. ("PDVSA") and the Venezuelan government. ("PDVSA") and private oil companies between 1992-1997, including Campo Onado. In August 2006, as a result of this migration process, the Operative Agreement of the Campo Onado area became the joint venture Petronado S.A.

CGC has a 26.004 % shareholding in Petronado S.A.

As a result of the deep economic and political crisis that Venezuela is going through, and with the expectation that as from 2018 the volume of foreign currency that would be offered and/or approved through the exchange control system would be further reduced, the investment in Petronado S.A. began to be valued at its fair value in the item of non-current investments, which is maintained in the current year.

The fair value as of December 31, 2022 and 2021 amounted to \$ 0.

### **Note 37. Secured and restricted assets and other sureties granted**

As of December 31, 2022 and 2021, there are no assets whose availability is restricted.

The main commitments assumed by the Company through surety policies are:

- Bond in favor of the National Court of first instance in commercial matters No. 18, secretariat No. 36, to guarantee the cancellation of the recognized credit to the AFIP, within the framework of file 49,374 on the Preventive Bankruptcy of Compañía General de Combustibles S.A., which has been included in the payment facilities plan regulated by Law No. 26,476. Surety for \$7 million.
- Investment commitments assumed in exploration areas with the Energy Institute of the Province of Santa Cruz for USD 40 million; and
- Commitments assumed with the Ministry of Energy and Mining of the Nation for \$1,067,365 million within the framework of Plan Gas N4 Decree 892/2020 Point 79.3.
- Bond for environmental damage of collective incidence in favor of the Secretary of State for the Environment of the province of Santa Cruz for a total of \$707,664 million.
- Bond for environmental damage of collective incidence in favor of the Secretary of State for the Environment of the province of Santa Cruz for a total of \$2,067,853.

### **Note 38. Regulatory framework of the oil & gas sectors**

#### **38.1 Hydrocarbons Law**

Hydrocarbon exploration, exploitation and production activities are regulated by the general framework of Law N° 17,319 (enacted in 1967) and amended by Law N° 26,197, which established that hydrocarbon deposits located in the territory of the Argentine Republic belong to the patrimony of the Provinces, while those located in its continental shelf belong to the Nation.

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The general regulatory framework was amended by Law N° 27,007 enacted on October 30, 2014 which, among other provisions established:

- New terms for non-conventional hydrocarbon exploitation concessions and for exploitation concessions on the continental shelf and in the territorial sea. It also introduced new guidelines for the extension of exploitation concessions.
- A new Investment Promotion Regime for the Exploitation of Hydrocarbons aimed at projects involving direct investment in foreign currency of not less than USD 250 million.

In addition to this general framework, Decree N° 1,277/2012 published on July 25, 2012 regulating Law N° 26,741 (called "Hydrocarbon Sovereignty of the Argentine Republic"), declared the activity of exploitation and transportation of hydrocarbons to be of national public interest. Decree N° 272/15 amending Decree N° 1,277/2012, among other changes, dissolved the Commission for Strategic Planning and Coordination of the National Hydrocarbons Investment Plan and repealed certain competences of the Commission and established that the tasks previously assigned to the Commission would be transferred to the -today- National Secretary of Energy.

### **38.2 Crude oil market**

In the domestic market, there are currently local prices for the purchase and sale of crude that are unrelated to international market prices. Although there are no regulations that regulate this, the difficulty of moving fuel prices at the pump works as a reference parameter and it is for this reason that local prices are lower than international ones. It is necessary to apply to the Ministry of Energy for an export permit for each spot sale or sale in firm condition that must be dealt with. The regulation that regulates this procedure is Resolution 241/2017.

Currently the DDEE are governed by Art. 7 of the Dto. 488/2020.

### **Propane Gas Supply Agreement for Propane Gas Distribution Networks**

CGC is part of the Propane Gas Supply Agreement for Undiluted Propane Gas Distribution Networks originally entered into on December 27, 2002 and ratified by Decree No. 934/03, between the Argentine Government and propane producing companies, by which undertakes to supply propane to distributors and sub-distributors of propane gas undiluted by networks at a price below the market price, which has been successively extended by the respective Extension Agreements, within the framework of Laws No. 26,019 and No. 26,546.

In August 2020, CGC signed the seventeenth Extension Agreement that serves as a framework for the commercialization of the products stipulated therein for the period from January 1 to December 31, 2021.

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The agreement establishes the payment of economic compensation to the participants to be paid by the Argentine State, which is calculated as the difference between the marketed price within the framework of said agreement and the export parity published monthly by the Ministry of Energy, although with significant delays in collection terms.

As of December 31, 2022 and 2021, revenues of \$ 158.9 million and \$ 149.2 million, respectively, have been recorded in the incentives line of the income caption of the Statement of Comprehensive Income (Note 24).

### **38.3 Gas Market**

#### **Incentive programs for hydrocarbon and reserves production**

##### **GasAr Plan**

On November 13, 2020, Decree N° 892/2020 was published approving the "Argentine Natural Gas Production Promotion Plan - Supply and Demand Scheme 2020-2024" (the "GasAr Plan"), based on a competitive system at the point of entry to the transportation system.

CGC submitted a bid to participate in the GasAr Plan and as a result of the bidding obtained firm contracts for the period January 2021-December 2024 for 2.38MMm3 of gas per day. The price obtained was 3.46USD/MMBtu (maximum price available for the Austral Basin). During 2021, CGC will continue to receive the incentive of the "Programa de Estímulo al Gas No Convencional - Non-Conventional Gas Plan" and will join the GasAr Plan as from 2022.

Gas deliveries to natural gas distribution and/or sub-distribution service licensees (hereinafter, licensees) will be charged at the price in force in the tariff charts and the difference with the price obtained in the bidding process will be paid by the National Government. The Secretariat of Energy issued Tax Credit Guarantee Certificates to back up the payment of the compensation to be paid by the National Government.

By participating in the GasAr Plan, producers undertake to (i) comply with a production curve by basin, an investment plan, a program of proportional and progressive increase of the national added value and (ii) deliver the volumes contemplated in the contracts entered into with the licensees and CAMMESA. In case of non-compliance, penalties such as a lower price, penalties and even exclusion from the GasAr Plan are foreseen.

##### **GasAr Plan IV and V**

With the objective of enabling investments to promote production in all the basins of the country and satisfy the needs of hydrocarbons, as a complement, extension and empowerment of Decree No. 892/2020 "Plan for the Promotion of the Production of Argentine Natural Gas - Scheme of Supply and Demand 2020-2024" and the results derived from it, on November 3, 2022 Decree No. 770/2022 "Plan for Reinsurance and Enhancement of Federal Hydrocarbon Production, Internal Self-Supply, Exports, the Substitution of Imports and the Expansion of the Transportation System for all the hydrocarbon basins of the country 2023-2028". The purpose of this decree was (i) to grant predictability to the filling of the Nestor Kirchner gas pipeline from the Neuquén Basin, which in its first stage would be operational in June 2023 (ii) to extend in time and in advance until the year 2028 the contracting of those volumes assigned in Decree 892/2020 and its amendments (iii) promote the production of all those basins that have idle transportation capacity and that can

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immediately cooperate in the substitution of more onerous alternative fuels for the system (“Plan de Incremental Activity”). Within the framework of this call, CGC and CGC Energía -as an economic group the “CGC Group”- participated by extending until December 31, 2028 the natural gas injection and delivery commitments assumed through the “Production Promotion Plan of Argentine Natural Gas – Supply and Demand Scheme 2020-2024”, with a maximum allowed decline of 15% per year vs. 2024 (Base curve). Additionally, and within the framework of the same Decree No. 770/2022, the CGC Group participated and was awarded the Incremental Activity Plan, assuming investment commitments for drilling and repair of wells aimed at achieving an incremental injection curve above the Base curve, from January 1, 2023 to December 31, 2028. This led to the execution of a Purchase Offer with CAMMESA for said term, with prices that begin in 2023 at USD 9.50/MMBtu, decreasing in 2028 to 5.00 USD/MMBtu, linearly averaging USD 7.42/MMBtu in the referred period and with delivery commitments associated with the actual incremental injection produced. This agreement will avoid the acquisition of substitutes (mainly Diesel) generating significant savings due to lower foreign currency requirements for the National State. Within the framework of the GasAr Incremental Plan, CGC and CGC Energía together as an economic group, have committed investments in activities to be carried out throughout the term of the same, indistinctly by either of the two companies, for a total value of approximately USD 1,135 million.

### **Non-Conventional Gas Plan**

On March 6, 2017, MINEM Resolution 46-E/2017 was published by which the “Stimulus Program for Investments in Natural Gas Production Developments from Unconventional Reservoirs” was created, aimed at encouraging investments for the production of natural gas from such reservoirs in the Neuquén Basin, having a term from its publication until December 31, 2021 (the “Program”, which was later extended to natural gas from unconventional activity in the Austral Basin). By Resolution N° 38/2018, dated January 27, 2018, the Secretariat of Hydrocarbon Resources of the Ministry of Energy and Mining approved the adhesion of Company (Compañía General de Combustibles S.A.) to the “Program to Stimulate Investments in Natural Gas Production Developments from Unconventional Reservoirs”, in its capacity as concessionaire of exploitation over the area “Campo Indio Este-El Cerrito” located in the Province of Santa Cruz. The Resolution authorized CGC to receive compensation accrued by virtue of its adhesion to such program as from January 2018 (the “Included Concession”).

The Stimulus Program established a compensation resulting from subtracting the volume-weighted average price of total natural gas sales in the Argentine Republic published by the Secretariat of Hydrocarbon Resources from the Minimum Unit Price established by the Resolution for each year, multiplied by the volumes of unconventional gas production. The Minimum Prices established by the Resolution were 7.50, 7.00 6.50 and 6.00 USD/MMBtu for the years 2018, 2019, 2020 and 2021 respectively.

Compensations derived from the Program were paid 88% to the companies and 12% to the Province corresponding to each concession included in the Program.

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The Non-Conventional Gas Stimulus Program foresees a specific investment plan that had to be approved by IESC (in its capacity as provincial application authority) and confirmed by the National Energy Secretariat (as application authority of the Program).

During the term of the Program, the Company was awarded Round #1 of the Gas.Ar Plan, approved by Decree 892/2020, ss. and cc. (the “Gas.Ar Plan”), within the framework of which the continuation of the Program incentive was foreseen, confirming that the Company continued to receive said stimuli until December 2021, joining those related to the Gas.Ar Plan as from January 2022.

As a result of the change in the circumstances considered at the time of adhering to the Program and a technical review of the project as a result of the results of the explorations carried out within the framework of the Program, the Company requested the IESC to adjust the Specific Investment Plan for the years 2020-2021 in order to ensure the continuity of the exploration and development projects in the areas until the end of the Program's term. The adequacy request was approved by Resolution IESC 35/2020 and, finally, obtained the express conformity of the National Energy Secretariat by Note NO-2020-90921899-APN-SE#MEC dated December 28, 2020.

On December 27, 2018, the Secretary of the Government of Energy unilaterally readjusted the Provisional Payments under the Program, establishing a new criterion (applicable retroactively and in the future) for the payment of compensations, while considering the projection of production of the Included Concession that was timely submitted in the adhesion request (“Original Curve”) as the maximum volume to be considered in the calculation of compensations, whether provisional or final, thus not considering the volumes effectively produced by the Company for such purposes. . The Company rejected said change in interpretation of the legal regime applicable to the Program and, consequently, filed three administrative appeals (for the periods 2018, 2019 and 2020, separately) in order to require the Ministry of Energy to pay the differences existing (in the compensations) that corresponded to be received between the actual volumes of production from the Included Concession and the volumes recognized by the Ministry of Energy itself within the framework of the Program.

In this regard, it is worth mentioning:

1. On December 6, 2019, due to the silence of the administration in the framework of the first Prior Administrative Claim presented by the Company in order to collect the differences in question (corresponding to part of the 2018 period), it filed a lawsuit against the National State (National Secretariat of Energy) for an amount of \$ 141,255,271.00 plus interest. It was extended in October 2021 and is, to date, in full process, awaiting the tax ruling prior to the notification of said demand (extended) to the National State.
2. On June 16, 2022, due to the silence of the administration in the framework of the second Prior Administrative Claim presented by the Company in order to collect the differences in question (corresponding to the entire 2019 period), it initiated a second claim against the National State (National Secretariat of Energy) for an amount of \$ 1,409,274,592.00 plus interest. To date, the same has been notified to the National State (Treasury Attorney), after the tax ruling favorable to competition and authorization of instance. The response of the National State is awaited in order to close the Litis and continue with the litigation.
3. Finally, on December 27, 2022, and also due to the silence of the administration in the framework of the third Prior Administrative Claim presented by the Company in order to

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collect the differences in question (corresponding to part of the 2020 period), it initiated a third and final lawsuit against the National State (National Secretariat of Energy) for an amount of \$ 302,834,952 plus interest. To date, the same is in full process, awaiting the tax opinion prior to the notification of said demand to the National State.

As of December 31, 2022 and 2021 the Company has recorded as income the benefits of the Investment Incentive Program for the Development of Natural Gas Production from Unconventional Reservoirs in the incentive line of the income line of the Statement of Comprehensive Income for \$ 1,634 million and \$ 27,419 million, respectively (Note 24).

### **Natural Gas for the Residential Segment**

On February 8, 2019, the Secretary of Government of Energy issued Resolution N° 32/2019, which instructed to carry out a price bidding mechanism in the MEGSA for the provision of natural gas in firm condition for the residential segment, for a term of 12 months from April 1, 2019 to March 31, 2020 (the "Residential Auction").

The prices would be established in dollars according to the increasing order of price of each of the offers, but converted to pesos according to the methodology established in Resolution ENARGAS N° 72/2019, which establishes that the exchange rate of the first fifteen days of the month prior to the beginning of the tariff charts must be taken. Therefore, for deliveries as from October 2019 and until March 2020, the average exchange rate between September 1 and 15, 2019 would be considered.

However, the update by exchange rate applicable from October 1, 2019, was deferred through successive resolutions, being finally subject to the maximum term of up to 180 days from the entry into force of Law N° 27,541, which froze tariffs for 180 days from the end of 2019.

Additionally and within the framework of COVID-19, this freeze was extended until the end of 2020, there being consequently no update of the exchange rate by ENARGAS in the exercise of what was indicated by Resolution N° 72/2019.

Within this framework, the Residential Auction contracts were extended firstly until the end of June 2020 and then until the end of December 2020, under the same price conditions prevailing as of March 2020. Consequently, for deliveries throughout 2020, the average exchange rate between March 1 and March 15, 2019 has operated.

As from January 2021 the Company has entered into natural gas sales agreements with distributors under the GasAr Plan.

As of August 31, 2022, the SEN authorized staged increase in the PIST price of the residential sector, implementing a segmentation by user category, which allows reducing the exposure to the compensation to be received between the price of the Gas Ar Plan and the amount actually paid by end users

### **Decree N° 1053/2018**

DNU No. 1053/2018, issued by the PEN under the terms of article 99 paragraph 3 of the National Constitution for the purpose of modifying the national budget for the year 2018, remained in force

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since its publication (on November 16, 2018 ) until its repeal by the National Congress (on November 17, 2020, through article 91 of Law 27,591).

Within the framework of Article 7 of the same and its regulations (ENARGAS Resolutions No. 466/19 and 735/19), the National Government assumed the payment of the Accumulated Daily Differences generated by the exchange rate between the value of natural gas purchased by the providers of the natural gas distribution service through networks to the producers and the value of the natural gas included in the tariff schedules in force between April 1, 2018 and March 31, 2019. Said global amount would have to be paid in a total of 30 (thirty) monthly and consecutive installments with more applicable interest, whose first maturity was on October 1, 2019.

The Company only received 1 (one) of the 30 (thirty) monthly installments to which the National State is bound, December 2019. In view of this, on March 1, 2021, the Company filed a Claim Prior Administrative before the Secretary of Energy of the Nation, requesting the latter the full payment of the debt duly assumed by the National State, with more interest owed. Said Prior Administrative Claim was expanded in its foundations before the Ministry of Economy of the Nation on April 8, 2022.

Configuring the silence of the administration in the framework of the Prior Administrative Claim, the Company initiated, more precisely on December 28, 2022, an ordinary lawsuit against the National State in order to pursue the collection of an amount of \$ 460,325,796, 32 with more interest applicable from its effective debit, representative of (i) capital of the 29 (twenty-nine) installments owed under the regime of Decree No. 1,053/18; (ii) interest for late payment of the only installment paid by the National State.

To date, the lawsuit in question is pending notification to the National State. Once this is done, the defendant will have a period of 60 (sixty) judicial business days to proceed with his answer.

The aforementioned affects the consideration of recoverability of the asset subject to the measure, as defined by IFRS. Consequently, the Company has provisioned all the credits registered as of December 31, 2022.

### **Natural Gas for Generation**

On December 27, 2019, the Ministry of Productive Development issued Resolution N° 12/19 by which it repealed, with effect from December 30, 2019, Resolution SGE N° 70/18, reestablishing the scheme of centralization of fuel supply for generation in CAMMESA.

During 2020 the Company supplied CAMMESA until May 2020 in firm condition, and as from June 2020, under interruptible monthly auctions.

As from January 2021 the Company has entered into natural gas supply agreements with CAMMESA under the GasAr Plan, for the period from January 1, 2021 to December 31, 2024.

## **Compañía General De Combustibles S.A.**

### **Natural gas exports**

Through Resolutions MEyM N° 104/18 and SGE N° 9/18, subsequently replaced in July 2019 by Resolution SGE N° 417/19, the Procedure for the Authorization of Natural Gas Exports was established.

In October 2019, Resolution SSHC N° 284/19 was published in the Official Gazette through which the operating procedure for natural gas exports was approved, effective until September 30, 2021.

Within such framework, the Secretary of Government of Energy granted CGC an authorization to export interruptible long-term natural gas to the Republic of Chile from its own conventional exploitation areas located in the Austral Basin.

On December 15, 2020 CGC was granted an export certificate that extends until December 2021 the permit originally granted until December 2020.

### **38.4 Export duties on hydrocarbons**

Decree No. 488/2020, established with effect from May 19, 2020 aliquots of export duties. This decree establishes a mathematical formula where the rate varies between 0% and 8% depending on the Brent price. The 8% ceiling coincides with the provisions of the Social Solidarity and Productive Reactivation Law No. 27,541 on the matter.

The determination of the applicable rate will depend on the "ICE Brent first line" barrel price (international price or PI).

- If the PI is equal to or less than 45 dollars (which is set as the base value or VB), the rate will be 0% (ie, no export duties will be paid for the merchandise).
- If the value of the PI is equal to or greater than 60 dollars (which is set as a reference value or VR), 8% export duties will be paid for the merchandise.
- If the PI is higher than the VB and lower than the VR, an intermediate value between the VB and the VR will be paid, calculated based on a scale that provides a formula provided in Decree 488/2020 in its Art. 7.

## **Compañía General De Combustibles S.A.**

### **38.5 Exchange Regime**

By means of DNU N° 609/19 of September 1, 2019, the PEN reestablished the exchange control regime that had been progressively repealed since 2015. The Decree was regulated by the BCRA on the same date. The exchange control restrictions, of a transitory nature, would be applicable until December 31, 2019, but through DNU N° 91/19 it was extended in time, with no expiration date set for these restrictions.

DNU N° 609/19 reestablished the obligation to settle the countervalue of exports of goods and services rendered to non-residents and delegated to the BCRA the regulation of the assumptions of access to the Single and Free Foreign Exchange Market (MULC) for the purchase and transfer of foreign currency.

During the year 2020, exchange controls became stricter, thus BCRA Communication "A" 7030 (as amended) provided, among other measures:

- Close access to the MULC for those who, at the time of requesting access have liquid foreign assets for more than USD 100,000 (subject to certain exceptions);
- Temporarily limiting access to the MULC for the payment of imports of most goods and for the cancellation of principal of debts arising from the importation of goods, establishing a formula that computes the value of goods nationalized during 2020 and the payments of imports and import debts;
- Temporarily limiting access to the MULC for the payment of principal on foreign financial indebtedness when the creditor is a counterparty related to the debtor; and
- Extend to 90 days (i) the term limiting the access to the MULC to those who have made sales transactions of securities with settlement in foreign currency and (ii) the term during which those who have accessed the MULC will not be able to make such transactions with securities.

### **Restructuring of debts incurred abroad**

BCRA Communication "A" 7106 issued in September 2020 established new regulations regarding financial debts contracted abroad. The regulation establishes that those who have scheduled payments for principal maturities, during the period from October 15, 2020 to December 31, 2022, for financial indebtedness abroad must submit to the BCRA a refinancing plan based on the following criteria:

- (i) The net amount for which the Foreign Exchange Market will be accessed in the original term shall not exceed 40% of the principal amount maturing in that period; and
- (ii) The remaining principal amount has been, at least, refinanced with a new financial indebtedness whose average life is 2 years.

## **Compañía General De Combustibles S.A.**

In addition to this refinancing granted, new indebtedness or new issues that the entities may receive will be computed.

This regulation does not affect the Company since CGC has restructured its debt in 2020 under this regulation. The maturities of new loan disbursements entered into as from 2020 will not be affected either.

### **GasAr Plan. Access to the free foreign exchange market**

Decree N° 892 established that the BCRA should provide suitable mechanisms in order to facilitate access to the MULC for the repatriation of direct investments and their income and/or the attention of income or principal services of financial indebtedness from abroad when the funds have been entered by the MULC as from November 16, 2020 and are genuine operations and destined to the financing of projects framed in the GasAr Plan.

Accordingly, the BCRA issued Communication "A" 7168 which provides that the MULC may be accessed without the prior approval of the BCRA in the following cases:

- a. Dividend remittance abroad: non-resident shareholders may remit foreign currency abroad in respect of profits and dividends corresponding to closed and audited balance sheets, provided that (i) the total amount does not exceed the amount in local currency according to the distribution approved by the shareholders' meeting, (ii) the access takes place no earlier than 2 years from the settlement date of the funds deposited and (iii) the transaction is declared, if applicable, in the last due filing of the "Relevamiento de activos y pasivos externos" (Review of Foreign Assets and Liabilities).
- b. Cancellation of foreign indebtedness: the MLC may be accessed for the cancellation of maturities of capital and interest services of foreign indebtedness provided that the indebtedness has an average life of not less than 2 years and the other requirements applicable to the payment of foreign financial indebtedness are met.
- c. Repatriation of direct investments of non-residents: the repatriation of direct investments of non-residents is also allowed up to the amount of the direct investment contributions liquidated in the MLC provided that: (i) there is documentation evidencing the entry of the direct investment in the resident company, (ii) access occurs no earlier than 2 years from the date of liquidation of the funds, and (iii) in case of capital reduction and/or return of irrevocable contributions, compliance with the legal mechanisms provided for is evidenced and the corresponding liability in pesos with the foreigner is declared, if applicable, in the last due presentation of the "Relevamiento de activos y pasivos externos".

## Compañía General De Combustibles S.A.

### Note 39. Subsequent events

Subsequent to December 31, 2022, no other facts, situations or circumstances have occurred that are not public knowledge, which have or may have a significant impact on the Company's net worth, economic or financial situation, in addition to those discussed in the notes to these Financial Statements, except for the following:

#### Class 29 Notes

On January 13, 2023, the Company placed, under the Frequent Issuer regime, a series of Notes in the local market, with the following detail: Class 29 Notes: denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 42,273, with principal maturing in 48 months and accruing a fixed annual rate of 1%. The funds obtained through the issuance of said Notes will be applied to finance investments in the exploitation and exploration of hydrocarbons in the Austral Basin.

#### Class 30 Notes

On March 10, 2023, the Company placed, under the Frequent Issuer regime, a series of Notes in the local market, with the following detail: Class 30 Notes: denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 150,000, with an issue price of 105%, with principal maturing in 24 months and accruing a fixed annual rate of 0%. The funds obtained through the issuance of said Notes will be applied to the refinancing of financial liabilities as well as investments in the exploitation and exploration of hydrocarbons in the Austral Basin and the financing of the Company's working capital.

### Note 40. Oil & gas reserves

#### Oil and gas reserves (Information not covered by the Auditors' Report)

The following table shows the estimated proven oil reserves (including crude oil, condensate and natural gas liquids (NGL)) and natural gas as of December 31, 2022):

|                  | Developed proven reserves        |                 | Undeveloped proven reserves      |                 | Total Proven Reserves            |                  |
|------------------|----------------------------------|-----------------|----------------------------------|-----------------|----------------------------------|------------------|
|                  | Crude oil, condensed and LNG (a) | Natural gas (b) | Crude oil, condensed and LNG (a) | Natural gas (b) | Crude oil, condensed and LNG (a) | Natural gas (b)  |
| <b>Argentina</b> | 7.577,47                         | 8.221,86        | 2.862,97                         | 4.484,45        | 10.440,44                        | 12.706,31        |
| <b>Total</b>     | <b>7.577,47</b>                  | <b>8.221,86</b> | <b>2.862,97</b>                  | <b>4.484,45</b> | <b>10.440,44</b>                 | <b>12.706,31</b> |

(a) (in thousands of m3)

(b) (in millions of m3 in 9300 Kcal)



## *Independent Auditors' Report*

To the Shareholders, President and Directors of  
Compañía General de Combustibles S.A.  
Legal address: Bonpland 1745, Autonomous City of Buenos Aires, Argentina  
Tax Code No. 30-50673393-2

### **Report on the Audit of the Consolidated Financial Statements**

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#### **Opinion**

We have audited the Consolidated Financial Statements of Compañía General de Combustibles S.A. and its subsidiaries (hereinafter, “the Group”), which comprise the Consolidated Statement of Financial Position at December 31, 2022, the Consolidated Statements of Comprehensive Income, Changes in Equity, and Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2022 and its consolidated comprehensive income and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards have been adopted as auditing standards in Argentina by Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Argentina. We have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Audit Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recoverability of the carrying amount of non-current assets of the Upstream business</b></p> <p>Pursuant to the Consolidated Financial Statements at December 31, 2022, below is the carrying amount of non-current assets of the Group's Upstream business, net of the impairment allowance (amounting to \$3,996,547, in thousands of pesos):</p> <ul style="list-style-type: none"> <li>• Property, plant and equipment (Note 8): \$162,979,769, in thousands of pesos (representing 56.5% of the Group's total consolidated assets) and</li> <li>• Right-of-use assets (Note 35): \$6,764,852, in thousands of pesos (representing 2.3% of the Group's total consolidated assets).</li> </ul> <p>The Group's analyzes the recoverability of the captions Property, plant and equipment and Right-of-use assets when there are events or changes in the circumstances that indicate a potential evidence of impairment, and in the case of already impaired assets, when there are events or circumstances that suggest that the asset service potential has increased.</p> <p>The recoverable value of each Cash Generating Unit (CGU) is supported by the value in use of such assets (the related fields in which the Group participates being considered CGUs).</p> <p>The Group calculated the value in use on the basis of discounted future cash flows of each of the CGUs, as described in Note 5 c). The key assumptions on which these projections are based are listed in that Note.</p> <p>As a result of the analyses mentioned above, Group Management identified evidence of impairment of María Inés CGU and evidence of impairment reversal of Dos Hermanos, Cóndor, and La Maggie CGUs; therefore, it prepared the model of discounted future cash flows for each of them.</p> <p>After comparing the values obtained at December 31, 2022, Group Management concluded that the recoverable values of the assets of Dos</p> | <p>Audit procedures performed in relation to this key matter included, among others:</p> <ul style="list-style-type: none"> <li>• Understanding the process followed by the Group to estimate its hydrocarbon reserves and the criterion to group the CGUs determined by Management.</li> <li>• Validating the process that Management uses to identify those CGUs that require impairment assessment, or recovery, in accordance with IFRS and confirming that all CGUs that require such assessment have been properly identified.</li> <li>• Assessing the appropriate use of the discounted cash flow model as well as the mathematical precision of calculations, including the accuracy of previous estimates used in past models compared with operating information in place.</li> <li>• Evaluating consistency of hydrocarbon reserves used in the flows by performing the following procedures: <ul style="list-style-type: none"> <li>a) assessing the professional skills (ethics, competence, independence, and objectivity) of the third-party expert engaged by Management and the related report by means of retrospective review to identify biased estimates over time;</li> <li>b) confirming that the significant variations in reserves have been based on new available information in the period under analysis.</li> <li>c) verifying consistency of projections of contemplated investments with Group's plans;</li> </ul> </li> <li>• Evaluating the reasonableness of the significant assumptions used to prepare these estimates, including development costs and production volumes, taking into account the Group's past performance, and the consistency with the tests conducted in other areas of the audit.</li> <li>• Performing a retrospective review to identify biased estimates over time, which included comparing production volumes, exploitation costs, and capital expenses for the fiscal year with the assumptions used to estimate prior-year proven</li> </ul> |



| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Audit Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Hermanos, Cóndor, and La Maggie at that date are higher than the net carrying value recorded in the financial statements for a total of \$2,170,028, in thousands of pesos. In turn, the recoverable value is lower than the net carrying value of María Inés CGU for \$261,912, in thousands of pesos. Thus, in fiscal year 2022, Management recorded net charges for impairment reversal amounting to \$1,908,116, in thousands of pesos (Notes 5 c).</p> <p>The recoverability analysis of this kind of assets requires Management to apply critical judgments and significant estimates (including the use of experts) to the variables and material assumptions used in the calculations made, due to the unpredictability of the future evolution of these estimates and the major impact that significant future changes in key hypotheses used may have on the Group's Financial Statements.</p> <p>Therefore, there is a risk that the valuation of these assets may be inaccurate and that any possible charge for impairment or recovery may be wrongly estimated.</p> <p>Through our risk assessment procedures, we have determined that one of the most relevant key variables is the estimate and measurement of hydrocarbon reserves.</p> <p>The above-mentioned matters are considered key due to the exercise of significant judgment by Management, including the engagement of specialists. This, in turn, led to a high degree of auditor's judgment and effort in carrying out the procedures and evaluating the material assumptions used in making such estimates. In Note 5 c) to the Consolidated Financial Statements there is more information on this sensitivity analysis.</p> | <p>reserves to evaluate the Group's ability to calculate accurate allowances.</p> <ul style="list-style-type: none"> <li>• Reviewing the estimates used on hydrocarbon prices and discount rates, for which skilled and proficient professionals were involved to assist us in assessing such material assumptions, by performing validations with information published by intermediaries, economists, consultancy firms, and industry organizations.</li> <li>• Evaluating the sufficiency of the information disclosed in the Consolidated Financial Statements.</li> </ul> |

## Other Information

Other Information comprises the annual report and summary of activities. The Board of Directors is responsible for the Other Information.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the Other Information, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.



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## **Responsibilities of the Board of Directors for the Consolidated Financial Statements**

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The Board of Directors of Compañía General de Combustibles S.A. is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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

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

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

A handwritten signature in blue ink, consisting of a stylized 'A' or similar character.

#### **Report on Other Legal and Regulatory Requirements**

In compliance with current regulations, we report that:

- a) the consolidated financial statements of Compañía General de Combustibles S.A. have been transcribed into the 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 Separate Financial Statements of Compañía General de Combustibles S.A. arise from accounting records kept in all formal respects in conformity with legal provisions, which maintain the security and integrity conditions on the basis of which they were authorized by the National Securities Commission;
- c) at December 31, 2022, the debt accrued by Compañía General de Combustibles S.A. in favor of the Argentine Integrated Social Security System, according to the Group's accounting records and calculations, amounted to \$143,147,542, none of which was claimable at that date;
- d) as required by Section 21, subsection b), Chapter III, Part VI, Title II of the regulations issued by the National Securities Commission, we report that total fees for auditing and related services billed to Compañía General de Combustibles S.A. during the fiscal year ended December 31, 2022 account for:
  - d.1) 92% of the total fees for services billed to Compañía General de Combustibles S.A. for all items during that fiscal year;
  - d.2) 38% of the total fees for auditing and related services billed to Compañía General de Combustibles S.A., its parent company, subsidiaries, and related companies during that fiscal year;
  - d.3) 33% of the total fees for services billed to the Compañía General de Combustibles S.A., its parent company, subsidiaries, and related companies for all items during that fiscal year;



- e) we have applied the procedures to prevent money laundering and the financing of terrorism to Compañía General de Combustibles S.A., as prescribed by the professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, March 13, 2023

PRICE WATERHOUSE & CO. S.R.L

A handwritten signature in blue ink, consisting of a large, stylized 'H' and 'R' intertwined.

(Partner)

Hernán Rodríguez Canelo

## **SUPERVISORY COMMITTEE ´S REPORT**

To the Shareholders of  
**Compañía General de Combustibles S.A.**

As members of the Supervisory Committee of Compañía General de Combustibles S.A., in accordance with the provisions of the General Corporations Law and the accounting information regulations of the Buenos Aires Stock Exchange, we have examined, to the extent described in Chapter II, the documents detailed in Chapter I below. The preparation and issuance of the aforementioned documents is a responsibility of the Company's Board of Directors in the exercise of its exclusive functions. Our responsibility is to report on such documents based on the work performed to the extent described in Chapter II.

### **I) DOCUMENTS REVIEWED**

- a) Consolidated statement of financial position as of December 31, 2022.
- b) Consolidated statement of comprehensive income for the year ended December 31, 2022.
- c) Consolidated statement of changes in equity for the year ended December 31, 2022.
- d) Consolidated statement of cash flow for the year ended December 31, 2022.
- e) Notes to the Consolidated Financial Statements as of December 31, 2022.
- f) Overview and as required by Section 1 paragraph b,2) of Chapter I, Title IV of the National Securities Commission regulations (N.T. 2013).
- g) Inventory as of December 31, 2022.
- h) Annual Report of the Board of Directors for the fiscal year ended December 31, 2022.

### **II) SCOPE OF THE EXAMINATION**

Our audit was conducted in accordance with the auditing standards in force established by Technical Resolution N° 15 of the Argentine Federation of Professional Councils in Economic Sciences. Said standards require that the examination of the Financial Statements be carried out in accordance with the auditing standards in force established by Technical Resolution N° 32 of the Argentine Federation of Professional Councils in Economic Sciences, and include the verification of the consistency of the documents and information examined with the information on the corporate decisions set forth in the minutes, and the compliance of said decisions with the Law and the bylaws, as regards their formal and documentary aspects.

In order to perform our professional work on the documents detailed in items a) to e) of Chapter I, we carried out a review of the audit performed by the external auditors, Price Waterhouse & Co, S.R.L., who issued their report in accordance with the auditing standards of Technical Resolution N° 32 of the Argentine Federation of Professional Councils in Economic Sciences, dated March 22, 2021. Our review included the planning of the audit, the nature, scope and timeliness of the procedures applied and the conclusions of the audit performed by such auditors.

An audit requires the auditor to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement or misstatement. An audit includes examining, on a test basis, evidence supporting the amounts reported in the

financial statements. An audit also includes assessing the application of International Financial Reporting Standards, significant estimates made by the Company's Board of Directors, and evaluating the overall financial statement presentation. Since it is not the responsibility of the Audit Committee to carry out a management control, the examination did not extend to the business criteria and decisions of the various areas of the Company, which are the exclusive responsibility of the Board of Directors.

With regard to the Board of Directors' Report, the Informative Review required by section b.2) of Section 1° of Chapter I, Title IV of the National Securities Commission's rules (N.T. 2013), all for the fiscal year ended December 31, 2022, we found that, respectively, these documents contain the information required by the General Corporations Law N° 19550 and section b.2) of Section 1° of Chapter I, Title IV of the National Securities Commission's rules (N.T. 2013), all for the fiscal year ended December 31, 2022) of Section 1° of Chapter I, Title IV of the rules of the National Securities Commission (N,T, 2013), being the statements about the economic framework in which the Company developed, the corporate management and future events, all of them included in the above mentioned documents, the sole responsibility of the Company's Board of Directors. Likewise, with respect to the accounting numerical data included in the aforementioned documents, as far as our competence is concerned, we have verified that such data arises from the Company's auxiliary accounting records or other relevant documentation.

### **III) OPINION**

- a) In our opinion, the Financial Statements mentioned in the first paragraph of this report present fairly, in all material respects, the financial position of Compañía General de Combustibles S,A, and its companies as of December 31, 2022, its comprehensive income and cash flow for the year then ended, in conformity with International Financial Reporting Standards.
- b) The Annual Report of the Board of Directors and the Information required by section b,2) of art, 1° of Chapter I, Title IV of the CNV regulations (N.T. 2013), all for the fiscal year ended December 31, 2022, contain, respectively, the information required by the General Corporations Law and section b.2) of Art, 1° of Chapter I, Title IV of the rules of the Argentine Securities Commission (N.T. 2013), being the statements about the economic framework in which the Company developed, the corporate management and future events, indicated in the above mentioned documents, the sole responsibility of the Board of Directors. With respect to the numerical accounting data included in said documents, as far as our competence is concerned, they are consistent with the Company's auxiliary accounting records and other relevant documentation.
- c) The figures in the Financial Statements indicated in paragraphs a) to e) of Chapter I of this report are transcribed in the balance sheet book.

**IV) ADDITIONAL INFORMATION REQUIRED BY GENERAL RESOLUTION N° 340/99 OF THE NATIONAL SECURITIES COMMISSION**

- a) The accounting policies applied for the preparation of the Financial Statements mentioned in items a) to e) of Chapter I are in accordance with International Financial Reporting Standards; and
- b) The external auditors have carried out their audit in accordance with the auditing standards in force, established by Technical Resolution N° 32 of the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas). Said standards require the independence and objectivity of the external auditor's criteria in the audit of the Financial Statements.

**V) ADDITIONAL INFORMATION REQUIRED BY CD RESOLUTION N° 77/2011 OF THE PROFESSIONAL COUNCIL IN ECONOMIC SCIENCES OF THE AUTONOMOUS CITY OF BUENOS AIRES**

We have applied the procedures on the prevention of laundering of assets of criminal origin and financing of terrorism provided for in Resolution C,D, N° 77/2011 of the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires.

**VI) ADDITIONAL INFORMATION REQUIRED BY GENERAL RESOLUTION N° 606/12 OF THE NATIONAL SECURITIES COMMISSION**

In compliance with the provisions of General Resolution N° 606/12 of the National Securities Commission, we report that the Annex to the Annual Report of the Board of Directors contains the information required by that resolution.

City of Buenos Aires, March 13, 2023



**CARLOS OSCAR BIANCHI**  
For the Supervisory Committee