

The logo for CGC (Compañía General de Combustibles S.A.) features the letters 'CGC' in a bold, white, sans-serif font. These letters are centered within a solid black rectangular box. Below this black box is a larger, solid teal rectangular area that extends to the bottom of the logo's bounding box.

CGC

COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

**Consolidated Financial Statements
for the fiscal year ended December 31, 2023
(With comparative statements of 2022)**

Compañía General de Combustibles S.A.

Financial Statements for the Fiscal Year ended December 31, 2023

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ANNUAL REPORT AND FINANCIAL STATEMENTS

as of December 31, 2023



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BOARD OF DIRECTORS

Chairman	Eduardo Hugo Antranik Eurnekian
Vice Chairman	Erik Asbed Bazarian
Director	Daniel Alberto Kokogian
Director	Nestor Ruben Raffaeli
Director	Fernando Victor Pelaez
Director	Alain Marc Petitjean
Director	Dante Rubén Patritti
Director	Pablo Arnaude
Director	Ignacio Noel

SUPERVISORY COMMITTEE

Statutory Auditors	Carlos Oscar Fernando 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. 104 ended on December 31, 2023, 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 2023

Macroeconomic context

The international context remains particularly conditioned by the cycle of increases in monetary policy interest rates in developed economies. In recent months there has been some adjustment in the outlook, with expectations of high interest rates for a longer period. This situation implied an increase in the yields of North American Treasury instruments, which was more noticeable for those with longer terms, and an appreciation of the dollar against the rest of the currencies, with a mixed effect on the behavior of assets from emerging economies. To the uncertainty regarding the duration and intensity of the restrictive bias of monetary policy in developed economies, with an impact on expected growth worldwide, are added additional factors such as doubts regarding the evolution of the Chinese economy and the risks associated with geopolitical issues.

In the financial markets, the upward trend in the yields of North American Treasury instruments (of relevance for emerging debt) has stood out in recent months, in a context of high volatility expected in historical terms for this market segment. The increase was stronger for long-term yields and, although the yield curve for North American bonds remains inverted (a situation usually associated with the possibility of recession), the slope is less negative than in the middle of the year. In this context, the dollar, which had depreciated slightly against the rest of the main currencies in the first half, resumed the appreciation trend observed in 2021-2022; It appreciated 3.6% between July and October, although it then showed some decline in the month of November. About assets with higher relative risk, the main stock indices of developed economies show mixed results so far in the second half (although in general they have accumulated progress so far this year), with advances in the US and slight setbacks in Europe and Japan. It is notable that the expected volatility for the US stock market, according to the VIX index, averaged a level of 16% between July and November, with lower values in general associated with a greater appetite for risk globally. This value is below the average for the first half of the year (19%) and for its entire history (close to 20%), generating caution regarding the relative optimism of the markets (to what extent the valuations incorporate prospects of a "landing soft" and a relatively limited period of high interest rates).

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Argentina's economic performance 2023

In recent months, local economic activity continued to be conditioned by the remaining effects of the drought at the end of 2022 and beginning of 2023 (with direct impact among sectors linked to agriculture), to which was added the uncertainty generated by the electoral cycle which implied greater volatility in the financial markets. In this context, the National Government implemented a series of measures to improve the trade balance, promote the accumulation of international reserves and strengthen fiscal resources (within the framework of the program with the International Monetary Fund (FMI)). The Central Bank of the Argentine Republic (BCRA) carried out a set of measures that included, among others, the recalibration of the official exchange rate (the peso was devalued by 54% to ARS 800 per dollar), the increase in interest rates, open market operations and regulatory modifications on exchange matters, among others.

During the third quarter, the economy developed in a context of greater volatility in the financial markets, depending on the electoral cycle. Added to the greater volatility was the recalibration of the official exchange rate, with an effect on inflation. These factors, a priori contractionary for domestic demand, were moderated by the set of income policies implemented by the National Government: a series of tax and exchange measures aimed at strengthening fiscal resources, improving the trade balance and the accumulation of reserves.

After the recalibration of the official exchange rate in mid-August, the BCRA implemented increases in the interest rate structure to anchor exchange expectations and promote positive real returns on investments in local currency, with the ultimate objective of preserving financial stability. and change in this more challenging context. It also maintained the Productive Investment Financing Line (LFIP), the main credit tool aimed at MSMEs. In the financial markets, the BCRA extended open market operations to limit volatility and promote greater liquidity.

In this context, financial markets showed mixed behavior. The National Treasury continued to refinance debt payable in pesos in the local market, with positive net financing, with placement conditions that showed changing characteristics. After carrying out an asset conversion operation in June to extend current maturities until the third quarter, during the second half of the year the National Treasury refinanced the remaining maturities through auctions. It thus obtained positive net financing, reaching a refinancing rate of 174% between July and November (net of the effect of the exchanges implemented), which exceeds that verified in the first semester and throughout 2022 (136% and 157% respectively). The placements were concentrated in bills and bonds adjustable by CER (57% of the total placed), followed by dual bonds (CER / dollar linked, with a weight of 27%). On the contrary, the placement in LEDES was meager. Regarding the placement conditions, the yields of the shortest instruments with CER adjustment went from being placed at mostly positive values in the first half to showing marked volatility from the end of June to the end of November, registering negative values in some tenders.

The monthly variation of the IPC in December 2023 was 25.5%, while the interannual variation closed at 211.4%, the highest in Latin America.

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Hydrocarbon activity in Argentina

The construction of the first section of the Néstor Kirchner gas pipeline was completed in July 2023, which represents an optimistic outlook for the gas sector, since it will allow the gradual expansion of production from the Cuenca Neuquina fields that had - until mid-2023 a ceiling on their transport capacity. In turn, it will allow for the coming winters to improve the supply of residential consumption and reduce dependence on energy imports, as well as, in general and in the future, promote investments aimed at the expansion of the petrochemical complex in Bahía Blanca and the development of projects for the construction of infrastructure for export. After the inauguration of the first stage, the process to complete the second section of this strategic work continues to be carried out in a sustained manner. In October 2023, ENARSA approved the call for bids for the supply of pipes for the second stage of the gas pipeline, beginning the plan that will allow the construction of a new 524-kilometer section of pipeline between Salliqueló (Buenos Aires) and San Jerónimo (Santa Fe) , which - added to the reversal of the northern gas pipeline that is planned to be completed by mid-2024 - will allow the supply of natural gas to all the productive localities that are located near the center-north route and that today do so with liquefied natural gas. oil, diesel and fuel oil, making their processes and the final goods they sell more expensive.

Since the beginning of 2023, Decree No. 770/2022 "Plan for Reinsurance and Enhancement of Federal Hydrocarbon Production, Internal Self-Supply, Exports, Import Substitution and Expansion of the Transportation System for all companies" came into effect. Hydrocarbon basins of the country 2023-2028". The purpose of this decree was (i) to provide predictability to the filling of the Nestor Kirchner gas pipeline from Cuenca Neuquén, which in its first stage would be operational in June 2023 (ii) to extend in time and in advance until 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 immediately cooperate with the substitution of alternative fuels that are more expensive 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 injection and delivery commitments of natural gas assumed through the "Production Promotion Plan of Argentine Natural Gas - Supply and Demand Scheme 2020-2024", with a maximum allowed decline of 15% annually vs. 2021-2024 (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 and Sale Offer with CAMMESA for said period, 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 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 a lower foreign exchange requirement for the National State.

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Within the framework of this same Decree, and through SE Resolution No. 799 dated September 26, 2023, CGC was awarded within the Incremental Gas Plan the volumes of natural gas above a baseline corresponding to a 5% participation. of the Company within the Aguara Güe UTE in the Northwest Basin. This led to a purchase and sale offer with ENARSA for residential destination in the area, with effective deliveries starting in October 2023 and valid until December 2028. The prices of this agreement start at 9.80 USD/MMBtu (until December 2026) and then be established at 6.00 USD/MMBtu (until December 2028). The volumes put into play in this program are significantly lower than those of Cuenca Austral, reaching a probable maximum amount in 2024 of 23,500 m³/d (to % of CGC participation).

In relation to natural gas exports, in 2023 the volume exported nationally reached approximately 2,473 MMm³. Although within the framework of the Gas Plan, quotas of natural gas in firm condition were approved for export through the Neuquén and Southern Cuenca during the summer period for 9 and 2 MMm³/d, respectively, in the Neuquén Cuenca towards the end of 2023 a decrease in effective deliveries due to two effects: lower demand on the Chilean side due to greater hydroelectric and renewable supply for electricity generation and greater competitiveness of LNG and coal due to lower relative prices vs minimum NG set by the Argentine regulatory framework. These effects, in turn, prevented exports from being carried out in an interruptible condition above the limited firm ones.

CGC was awarded an export quota of 200 Mm³/d in firm condition for Cuenca Austral, which was contractually formalized with Methanex and whose effective deliveries remained in line with said maximum quantity.

Natural gas in Argentina, unlike other countries in the region, is the predominant energy for consumption and represents 59% of the energy matrix.

II. SUMMARY OF THE MOST RELEVANT EVENTS OF THE YEAR

- ✓ **CGC ranks seventh as hydrocarbon producer:** as of December 2023, CGC ranked seventh as hydrocarbon producer in Argentina, according to information published by the Energy Secretariat.
- ✓ **Start of drilling of the Maypa.x-1 well in Palermo Aike:** Drilling of the Maypa.x-1 well began, first with a horizontal branch (1000 m) within the Fm. Palermo Aike, the Basin shale.
- ✓ **CGC exploration activity in 2023:**
 - 11 exploratory wells were drilled (28% of the total campaign), 8 of which are in production.
 - The non-conventional type fracture was carried out with a shale target in the Fm. D129, from two previously drilled wells (EH-4324 and EH-4281).
 - The Environmental Impact Assessment (EIA) was approved that enables the acquisition of 3D seismic in the offshore blocks AUS-105 & 106 and the registration of 1000 km² of 3D seismic in the Paso Fuhr block.
 - Two exploratory wells were drilled and completed in El Campamento (ECa.x-2003) and Campo Indio (CIS.x-1).

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- ✓ **New debt:** during 2023, the Company issued, among others, the following debt:
 - Notes for a total of US\$ 257.6 million, extending the terms and lowering borrowing costs, which allowed the level of investments in operations to be met;
 - Convertible Notes into shares with Argentine subsidiaries of The Dow Chemical Company for a capital amount of USD 200 million;
 - New syndicated loan for a total of USD 96 million;
 - Loan with Eurobanco Bank Ltd for USD 45 million.

Likewise, the Class 19 and 21 Notes were paid in full for a total of US\$ 50 million and the second (and last installment) of the Syndicated loan issued in 2021 for a total of US\$ 57.5 million. Likewise, all of the Class 22, 24, 26 and 29 Negotiable Obligations were canceled early, as a result of the issuance of the Convertible Notes.

- ✓ **Continuity in natural gas exports:** Continued summer exports of gas to Chile in summer firm quality:
 - From January to April 2023, an average volume of 434 Mm³/d was exported to Enel Chile (via the GasAndes gas pipeline). This operation was carried out through the export certificate that was granted to CGC for 500 Mm³/d for the period October 2022 - April 2023.
 - For the period October to December 2023 (extendable to April 2024), CGC was awarded a firm export right in Cuenca Austral for 200 Mm³/d of quota, which resulted in a contract with Methanex.
- ✓ **The first oil export was carried out in Cañadón Seco:** In December 2023, the co-loading operation with Escalante crude oil was carried out in order to maximize profits, since the volume exported was equivalent to a Suezmax vessel.
- ✓ **Don Panos I Solar Park project awarded:** In April 2023, CGC participated in the international tender "RenMDI" called by the Secretaría de Energía de la Nación and was awarded its Don Panos I Solar Park project with 15MW of photovoltaic power. to be built in the province of Chaco. On October 17, 2023, the Company entered into an electricity purchase and sale agreement with CAMMESA, this being the first of its kind in the history of CGC.
- ✓ **EBITDA:** The Company's EBITDA adjusted for dividends received in 2023 amounted to \$ 160,248.9 million, increasing from the previous year by \$ 25,527.2 million, representing 18.9%.
- ✓ **Reserves:** The Company's total proved reserves as of December 31, 2023 amounted to 25,110 Mm³ of oil equivalent, increasing with respect to December 31, 2022 by 8.5%. As of December 31, 2023, reserves are composed of 47% crude and liquids and 53% natural gas.
- ✓ **Investments in exploitation and exploration activities:** Investments in the year ended December 31, 2023, amounted to \$ 273,844.0 million, 24% higher than the previous year, which were concentrated in development activities, 87%, and exploration, 13%.
- ✓ **Production:** Production of oil, natural gas, liquified petroleum gas and gasoline in fiscal 2023 was 3,128.4 million m³ of oil equivalent, representing an increase of 8.7% over the previous year's production. Liquid hydrocarbons in 2023 accounted for 42.4% and natural gas for 57.6%.

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- ✓ **Community work through social investment programs:** CGC worked intensely in the communities where it has a presence through various social investment programs and initiatives that were organized into the following work areas: Capacity Development, Environment and Education.
- ✓ **Merger of CGC Energía S.A.U. (absorbed company) by absorption CGC (absorbing company and 100% Controlling company):** On November 15, 2023, the directories of the companies CGC Energía S.A.U. and CGC, have resolved to carry out a merger between CGC as the absorbing company and CGC Energía S.A.U. as an absorbed company, with effect from January 1, 2024, date from which date the absorbing company must operate for the account and order of the absorbed company. The merger is subject to the corporate approvals required under applicable regulations and its registration in the Public Registry of Commerce.

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., 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 7.4 million gross acres and 6.5 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/ BASIN	AREA	INTERESTS %	OPERATOR	ACTIVITY
ARGENTINA				
Austral	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		
Noroeste	Paso Fuhr	50.00	CGC	Exploration
	Piedrabuena	(1)		
Noroeste	Aguaragüe	5.00	Tecpetrol S.A.	Exploration and exploitation
Cuyana	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.	
Golfo San Jorge	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 Cordón	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			

(1) On August 17, 2023, CGC formally requested the IESC to waive the rights and obligations regarding the exploration permit. The area was entirely reverted to the province during 2023, with no pending commitments to date.

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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, 2023.

		UPSTREAM		NATURAL GAS TRANSPORTATION	
		2023	2022	2023	2022
Sales revenues	MM\$				
Gross margin	MM\$				
Operating result	MM\$				
Oil production (1)	m3/day	3,630	3,326		
Gas production (3)	Mm3/day	4,941	4,562		
Oil reserves (1) (2) y (4)	Mm3	11,907	10,440		
Gas reserves (2) (3) (4)	MMm3	13,203	12,706		
Total reserves (1) (2) (4)	Mm3 P.E.	25,110	23,146		
Reserves ratio	Years	8.0	8.0		
Gas Transported	MMm3/day			14,0	14.4

Notes: 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 12.31.23 and 12.31.22, except for non-operated areas which correspond to reserves estimated by the company as of 12.31.23 and 12.31.22, respectively.

V. ACTIVITIES AND BUSINESSES OF THE COMPANY

A) UPSTREAM

Exploration and production areas of the Company

In the Golfo San Jorge Basin, the level of activity was maintained in 2023 compared to the end of 2022, operating with 2 drilling rigs, 4 Work Over (WO) rigs, 11 Pulling rigs and 2 Flush By. In total, 38 wells were drilled and 35 WO interventions were carried out. In addition, 27 wells that were out of service before CGC took over the operation were reactivated. The level of investment associated with the Incremental Gas Plan (round 5.2) is notable, focused mainly on the construction of surface facilities for the start-up of the D129 development in Cañadón Seco (Tight).

A very relevant fact is the exploration activity, with the drilling of 11 exploratory wells (28% of the total campaign), 8 of which are in production. Another notable activity was the unconventional type fracture with a shale target in the Fm. D129, from two previously drilled wells (EH-4324 and EH-4281).

In the Austral Basin, activity continued with 2 drilling rigs, starting with infill drilling of the Campo Indio block (regular results), and then moving the focus of development to the west (El Cerrito Norte, El Cerrito Oeste and El Puma blocks). In total, 41 wells were drilled, and 14 WO interventions were carried out. As in Golfo San Jorge, the investment associated with the Incremental Gas Plan was very aggressive, exceeding 55 MM/USD in 2023 for surface facilities intended to produce, treat and transport incremental gas.

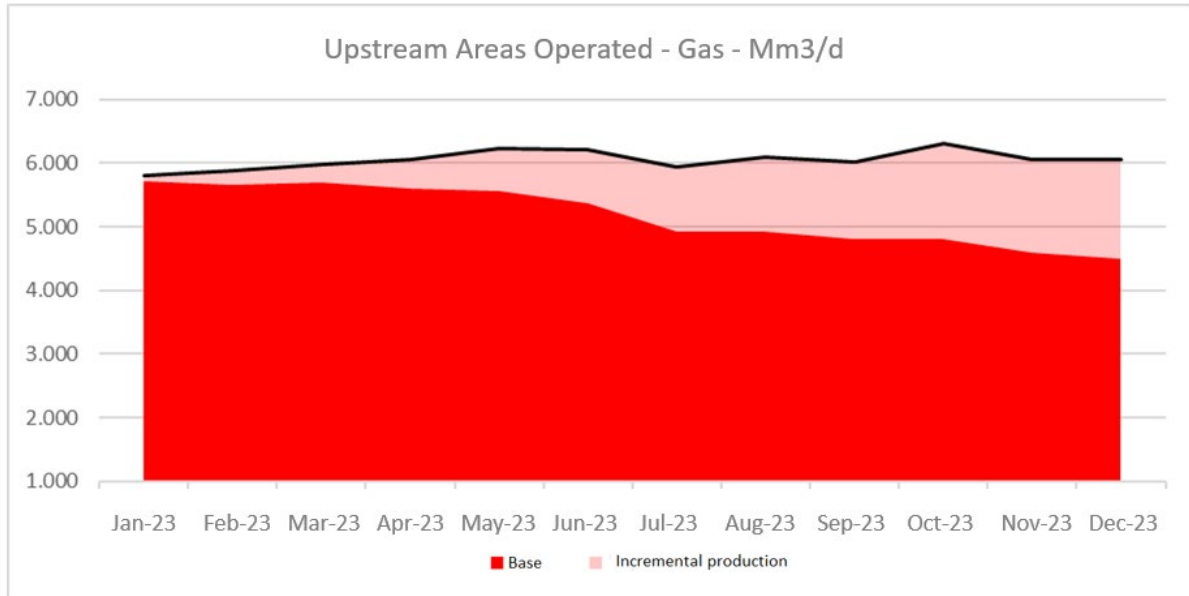
Drilling of the Maypa.x-1 well began, first with a horizontal branch (1000 m) within the Palermo Aike Formation (Fm.), the shale of the Basin. Other notable events are the approval of the Evaluación Impacto Ambiental (EIA) that enables the acquisition of 3D seismic in the AUS-105 & 106 offshore blocks, the registration of 1000 km² of 3D seismic in the Paso Fuhr block, and the drilling plus completion of two exploratory wells in El Campamento (ECa.x-2003) and in Campo Indio (CIS.x-1)

With respect to wellhead production, referring to figures reported in Chapter IV to the Ministry of Energy of the Nation:

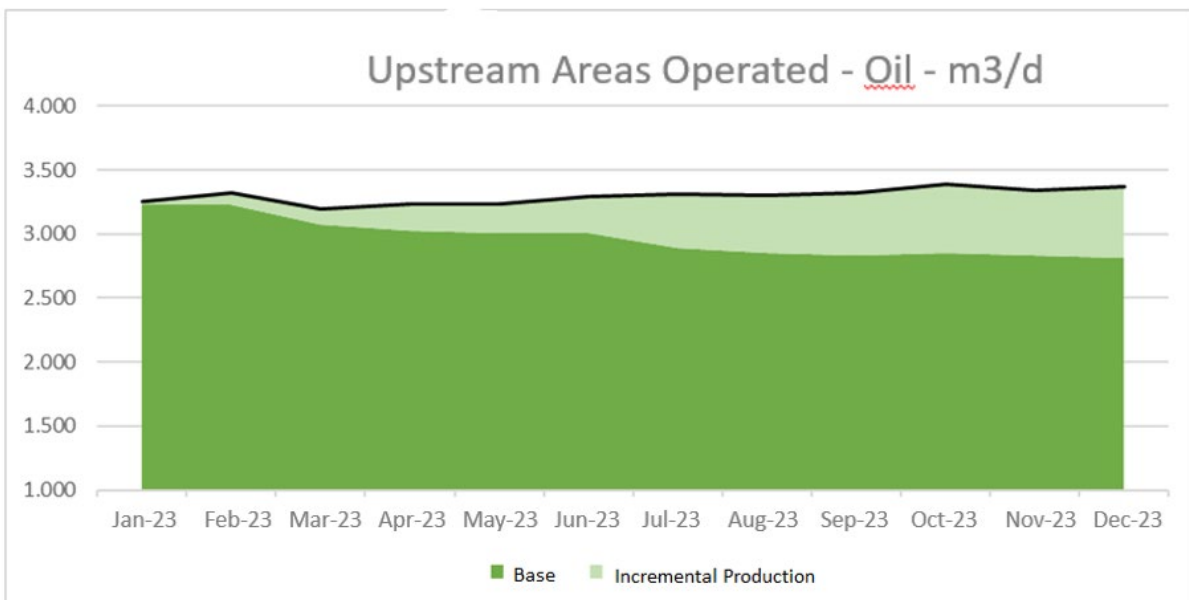
The operated areas, at the Company level, recorded a total production of 2,210 million cubic meters of gas (corresponding to gross std production) and 1,203 million cubic meters of oil plus gasoline. In gas, 72% of the production came from the Austral Basin and 28% from the San Jorge Gulf Basin, while in oil 78% came from the San Jorge Gulf Basin, 15% from the Austral Basin and 7% from the Cuyana Basin. In accumulated year-on-year terms, there is an increase in production of 8.6% for gas and 11% for oil and gasoline. The decline in basic production was 23% in terms of gas and 14% for oil.

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The evolution of Gas production in areas Operated by CGC, in Mm3/d, for fiscal year 2023 is as follows:



The evolution of Oil production in areas Operated by CGC, in m3/d, for fiscal year 2023, is as follows:



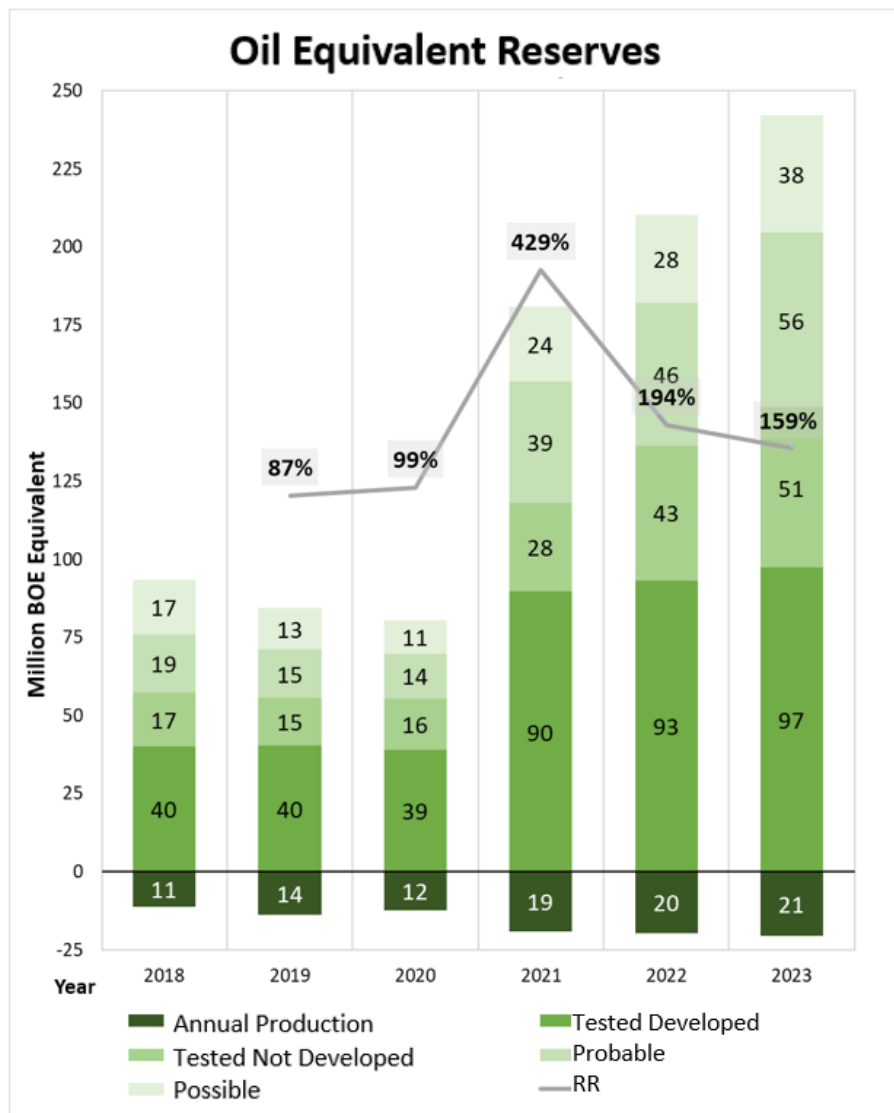
The non-operated areas recorded a total production of 18.4 million cubic meters of gas and 58 thousand m3 of oil plus gasoline considering the corresponding participation in each area.

The proven reserves as of December 31, 2023 are 12,539 million m3 of gas (9,300 Kcal) and 11,9 million m3 of oil (including gasoline and LPG). This is equivalent to a total of 149 million barrels of oil equivalent (BOE). The replacement of 1P gas reserves was 159% (incorporation of reserves in relation to the reserves consumed during the year) while, for

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oil, the replacement was 192%. In terms of oil equivalent (BOE), the replacement rate was 151%.

The Company's total reserves, including probable and possible reserves, amount to a total of 242 million BOE, representing an increase of 15.2% compared to the previous year.



**Values certified by DeGolyer and MacNaughton (D&M).*

Note: The information provided above considers: i) the equivalent of 6,000 cubic feet of gas has the same energy as one barrel of oil; ii) the gas values come from the "Sales Gas" and "Fuel Gas" categories of the D&M certified report; and iii) this information considers only the operated areas.

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Development and exploration campaigns in the Austral Basin

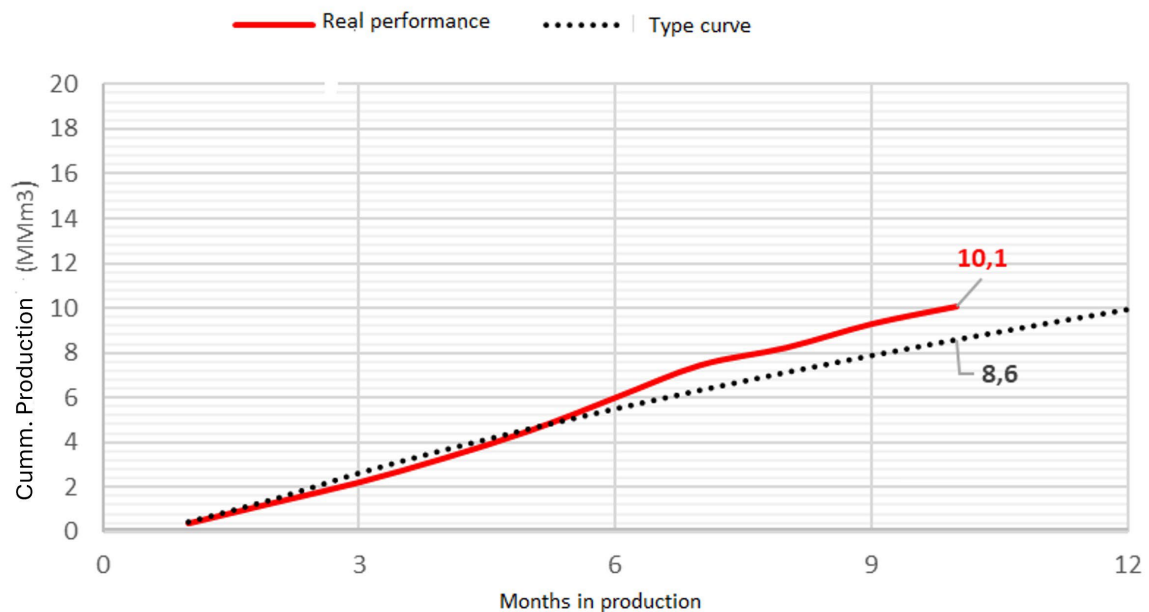
The activity was centralized in the development of gas reservoirs, both tight and conventional.

The campaign began with the Campo Indio reservoir (high maturity), evaluating a reduction in the spacing between wells (infill drilling) to accelerate and maximize recovery. 14 wells were drilled in this block, with mixed results due to the impossibility of adequately fracturing and producing the most depleted wells.

Subsequently, the campaign advanced towards the west, with 3 axes of development: conventional reservoirs of the El Puma deposit (Anita Formation), tight reservoirs of the El Cerrito Norte and El Cerrito Oeste deposits (Magallanes Formation). A total of 27 were drilled, where the high production obtained in El Puma stands out.

The campaign had 12 wells that were unproductive, especially associated with the difficulties mentioned in the Campo Indio infill wells. Despite this, it is notable that the average for the campaign had a higher production than expected according to the type curves:

2023 Drilling Campaign - Austral Basin - Gas production Real vs. Forecast



Accumulated gas per well drilled in 2023 – Actual vs Budget. Wells that were unproductive are included.

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In the Cañadón Deus area, drilling of the first horizontal well with a shale target within the Basin began in October, in the Fm. Palermo Aike, Maypa.x-1 (p+h). First, a vertical well or "pilot" section was drilled to a depth of 3,574 m, from which almost 36 m of crown and a complete set of electrical profiles were obtained. Next, leaving the open well and using the vertical cased well up to 2930 m, drilling of the curve and subsequent horizontal section began, still in progress. This section, scheduled to be 1000 m long, will navigate very close to the levels previously tested in the Cañadón Deus.a-2 and Ea wells. Fields.a-2. A completion with unconventional fractures, in multiple stages, is planned. This will allow progress in the economic evaluation of the play.

In the El Campamento area, the results obtained encouraged the drilling of the exploratory well ECa.x-2003 in April 2023, located 2,500 meters northwest of the discovery well drilled the previous year (ECa.x-2001). Both objectives within the Fm. Anita were found developed, along with a previously unidentified third party. The test at all levels checked formation water. The ECa.a-2004 delineator well, close to the discovery area, was then drilled and turned out to be sterile. The discovery will be developed with the ECa.a-2002 well, drilled in 2022.

In the Campo Indio Este / El Cerrito block, the second exploratory well was drilled in Cuenca Austral, CIS.x-1 (Campo Indio Sur), resulting in discovery of gas from the M1 reservoir. Ongoing studies will allow establishing connectivity or disconnection with the main site and the economicity of the discovery.

In the Fuhr Pass area (50% CGC-operator-, 50% YPF), between January and March, a 3D seismic cube of 1000 km² was recorded.

This activity was part of the commitments within the first exploratory period. Nodal, uniform and simultaneous technology was used, with the consequent savings in time and costs. The information processing took place between February and October. This will allow defining locations to drill with tight and shale targets, continuing with the exploration of the block.

Regarding the activity in the offshore areas, AUS 105 & 106 (40% Equinor-operator-, 25% CGC, 35% YPF), approval of the EIA ("Environmental Impact Study") was obtained during December for the seismic recording, by national authorities. CGC had active participation as an exhibitor in the "Public Participation" (June) and "Public Hearing" (November) processes. Registration will cover 2,400 km² of the 4,289 km² concession and is scheduled to begin in February 2024.

On August 17, 2023, CGC formally requested the IESC to waive the rights and obligations regarding the exploration permit for the Piedrabuena area. It was fully reverted to the province during the year 2023, with no pending commitments to date.

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Golfo San Jorge Basin (GSJ) development campaign

The drilling campaign at GSJ had a total of 38 wells drilled, of which 3 were unproductive. 17 wells were drilled in Business Unit G1 (Cerro Wenceslao, Piedra Clavada, Sur Piedra Clavada, Las Heras, Meseta Sirven), 12 wells in Business Unit G2 (El Huemul), 4 wells in Business Unit G3 (Meseta Espinosa, Meseta Espinosa Norte), and 5 wells in Business Unit G4 (Cañadón Seco, Cañadón Minerales).

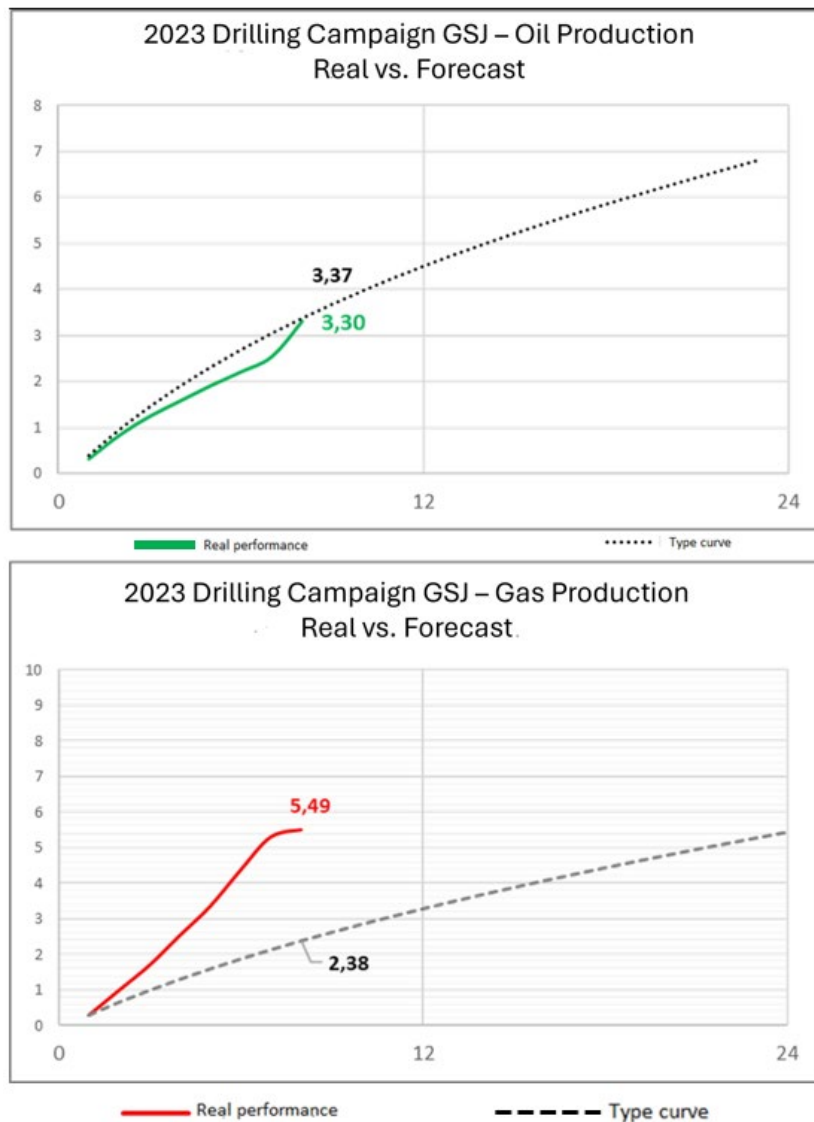
The development objectives were:

- Bajo Barreal Formation: these are the most developed reservoirs in the Basin, many of which are under the influence of secondary recovery.
- Mina del Carmen Formation: they are deeper reservoirs with lower permeability. They were little developed by the previous operator, and to increase their productivity hydraulic fractures were carried out.
- D129 Formation: a block is under development in the Cañadón Seco deposit, whose objective is the low permeability (tight) tuff sandstones of the D129 formation. The results were very outstanding, so a project of more than 20 wells was sanctioned that includes the construction of new surface facilities.

As in the Austral Basin, the results met the expectations of the typical wells contemplated in the budget:

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Accumulated production per well drilled in 2023 – Actual vs Budget. Wells that were unproductive are included.

Investment activity included carrying out 35 WO interventions, 33 production optimizations with Pulling and 27 reactivations of wells that were out of service. The focus of this activity was placed not only on primary production, but also on improving efficiency in secondary recovery.

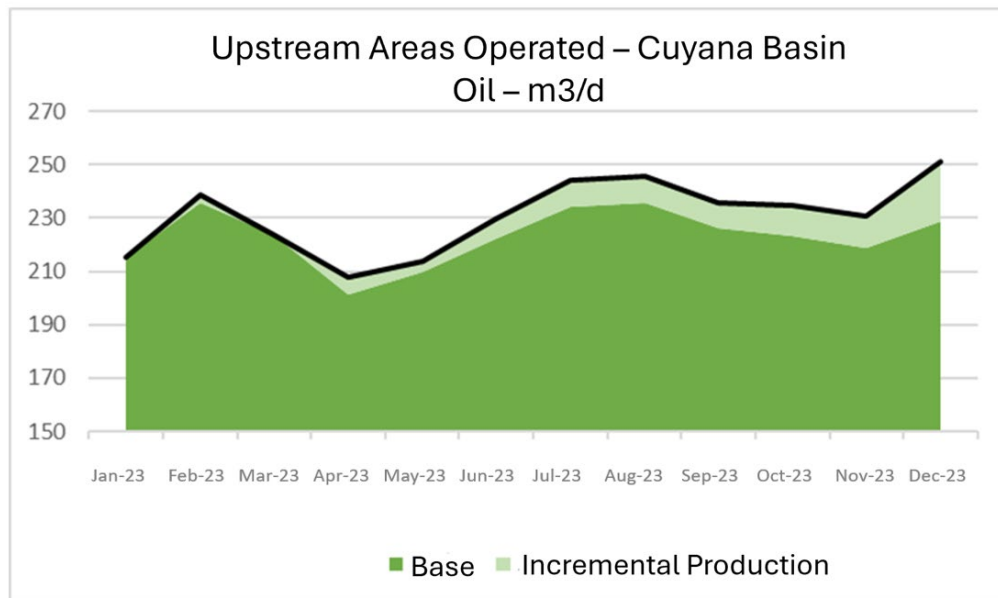
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Development and exploration campaign in Cuyana Basin

During 2023, the focus in the Mendoza Business Unit was on minimizing downtime and reactivating wells that were out of service. The only tower equipment in the operation is a Pulling that has the possibility of adapting and performing some more complex operations, such as punching, cementing and others.

In total, 6 well reactivations were carried out, achieving an incremental production of 30 m3/d by December 2023.

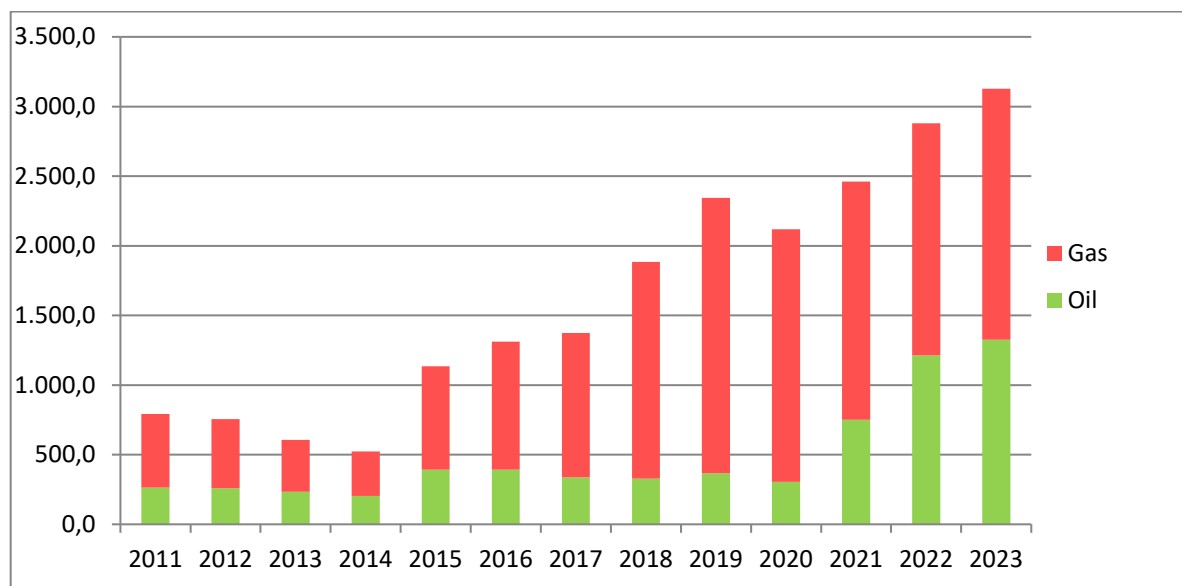


Basic production did not suffer a decline, since it was compensated by a decrease in downtime (oil lost due to failures or stoppages in producing wells or production facilities).

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Annual production performance (Mm3 Eq/year)

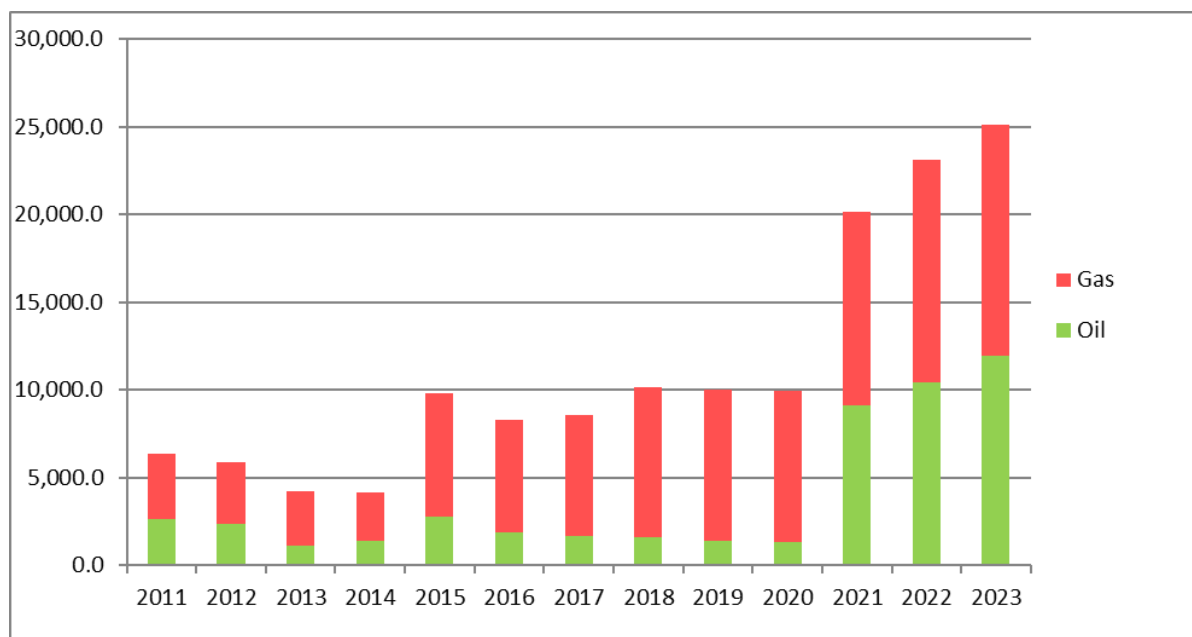


(1) Year 2021 includes CGC Energía S.A.U. production for the period July-December.

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

In fiscal year 2023, the total production of oil, natural gas (net at 9,300 kcal), liquefied petroleum gas and gasoline was 3,128.4 Mm3 of oil equivalent, registering an increase compared to the production of the previous year of 8.65%. Liquid hydrocarbons represented 42.4% and natural gas 57.6%.

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.

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The proven reserves as of December 31, 2023 are 13,203 million m³ of gas (net at 9,300 Kcal) and 11.9 million m³ of oil (including gasoline and LPG). This is equivalent to a total of 158 million barrels of oil equivalent (BOE). The replacement of 1P gas reserves was 128% (incorporation of reserves in relation to the reserves consumed during the year) while, for oil, the replacement was 211%. In terms of oil equivalent (BOE), the replacement rate was 163%.

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 6,806 km system of gas pipelines, provides the service of transporting natural gas through high-pressure gas pipelines in the center and north of Argentina. Likewise, it carries out the operation and maintenance of 11,100 km, both of its own gas pipelines and those of third parties. Through its two trunk gas pipelines, the "North" and the "Central-West", it supplies eight of the nine gas distributors and numerous electrical generators and industries located in seventeen Argentine provinces. The system is connected to the "Gas Andes" and "Norandino" gas pipelines built opportunely for the transportation of gas to the center and north of Chile, respectively; to the "Entrerriano" gas pipeline, which transports gas to the province of Entre Ríos and the Uruguayan coast; to the "Transportadora de Gas del Mercosur S.A." gas pipeline, and to the "Gasoducto del Noreste Argentino" ("GNEA"). The Company's activity also includes the operation and maintenance of midstream facilities upstream of its own system in the Vaca Muerta field (Neuquina basin) as well as the "Gas Pacífico Argentina", "Loma Campana" (YPF Luz) and "Gas Pacífico Argentina" gas pipelines. Fortín de Piedra" (Tecpetrol S.A.). Additionally, TGN provides the operation and maintenance service of the Juana Azurduy Integration Gas Pipeline ("GIJA") in Argentine territory. This gas 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.

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Since the beginning of its operations in 1992, TGN expanded, with its own and third-party contributions, the transportation capacity from the headland from 23 MMm³/d to 62 MMm³/d, which represented an increase of approximately 169%. The expansions, as well as the numerous maintenance and reliability works on the system, required investments in the amount of US\$ 1,584.6 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 equipment, which added 216,250 HP of installed power

The volume of gas received and transported during the year reached a value of 18,157 MMm³, which represents an average of 49.75 MMm³/d, of which 31.3 MMm³/d corresponded to the Central-West gas pipeline, 8.96 MMm³ /d to the North gas pipeline, and 9.5 MMm³/d were entered into the province of Buenos Aires.

The maximum daily injection values in headwaters were 36.4 MMm³/d in the Central-West gas pipeline and 15.6 MMm³/d in the North gas pipeline.

In the case of the North gas pipeline, the average injection from local producers was 3.06 MMm³/d and the rest corresponded to the injection of gas imported from Bolivia, which reached an average of 5.91 MMm³/d, with injection peaks of 12 .88 MMm³/d during the months of July and September.

Regarding the injection received in the province of Buenos Aires, LNG receipts were recorded in the town of Escobar for a total of 1,911 MMm³ concentrated between the months of April and August, with a maximum injection of 20.2 MMm³/d. In turn, in the town of General Rodríguez, Transportadora de Gas del Sur S.A. injected a total of 1,327 MMm³. Starting in November, the injection of the "Mercedes – Cardales" gas pipeline was incorporated with averages of 3.2 MMm³/d, totaling 107.2 MMm³.

In 2023 and after several years, the export of 400,000 m³/day of gas to Chile through the Norandino gas pipeline was restarted.

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 No. 25,561 sanctioned in January 2002 ("LEP"), which also provided for the pesification of natural gas transportation rates destined for the local market and the repeal of the mechanism. semiannual adjustment based on the Producer Price Index. Within this legal framework, and after more than thirteen years of tariff freezing, in March 2017 TGN entered into an Agreement to Readjust its License (the "Comprehensive Agreement") with the PEN, which was ratified and came into force with the issuance of the Decree. No. 251 of March 27, 2018. Thus concluded the renegotiation process developed within the framework of the LEP. The provisions of the Comprehensive Agreement cover the contractual period between January 6, 2002 and the date of termination of the License.

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The industry's regulatory framework contemplates the application of semi-annual non-automatic rate 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 quality of the service provided.

In September 2019, the Ministry of Energy issued Resolution No. 521/2019 (modified by Resolution No. 751/2019) deferring the semiannual rate adjustment that should have been applied as of 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 Transitory Tariff Regime was established ("RTT").

The RTT implies: (i) that TGN rates will continue to be frozen, (ii) that the company must continue providing the gas transportation service, (iii) the prohibition of distributing dividends, prepaying loans with shareholders and acquiring companies or granting credits (except to users or contractors who are not shareholders of TGN) except prior authorization from ENARGAS, and (iv) that during the RTT no mandatory investment plan applies. Likewise, the RTT contemplates the possibility of ENARGAS adjusting TGN rates as of April 1, 2022.

On June 30, 2021, TGN appealed to the administrative headquarters against Decree 1020/20, Joint Resolution No. 2/21 of the MECON and ENARGAS that approved the RTT ad referendum of the PEN, Decree No. 353/21 that ratified the Resolution Joint No. 2, and ENARGAS Resolution No. 150/21 through which the RTT tariff schedules were put into effect. Based on the express letter 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 in charge of TGN or, failing that, TGN must be compensated by the PEN. Likewise, TGN considers that neither the PEN, the MECON and/or the ENARGAS have the jurisdiction to establish the prohibitions on doing, imposed by the RTT.

Through Resolution No. 518/2021 dated December 27, 2021, ENARGAS convened a new public hearing that was held on January 19, 2022, during which the gas transportation and distribution licensees presented their adjustment proposals. transitional tariff for the year 2022.

On February 18, 2022, TGN entered into a transitional agreement with MECON and ENARGAS that established a 60% increase in transportation rates starting in March 2022 ("the 2022 Transitional Agreement"). Said agreement, which will remain valid until December 2022 unless extended by agreement of the parties, does not contemplate mandatory investments, but establishes; (i) that the company must continue providing the gas transportation service, (ii) the prohibition of distributing dividends, prepaying loans with shareholders and acquiring companies or granting credits (except to users or contractors who are not shareholders of TGN) except prior authorization from ENARGAS and (iii) that during its validity, TGN and its controlling shareholder Gasinvest S.A. ("Gasinvest") undertake not to initiate actions or claims against the National State based on the rate freeze provided by the Solidarity Law.

The 2022 Transitional Agreement came into force on February 22, 2022 upon its ratification by Decree No. 91/22 of the PEN and through Resolution No. 59/22 of ENARGAS dated February 23, 2022, which approved the Transition rate tables as of March 1, 2022.

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On December 6, 2022, the PEN issued Decree of Necessity and Urgency No. 815/22 through which (i) extends for one year the period 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 tariff tables 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 transitional tariff adjustment, in accordance with the requirements 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 proposals for temporary tariff adjustments for the year 2023.

On April 24, 2023, TGN entered into an addendum to the 2022 Transitional Agreement ("Addendum") with MECON and ENARGAS that contemplates a 95% tariff increase. The Addendum was ratified and put into effect by virtue of Decree No. 250/23 published on April 29, 2023, the date on which the tariff tables approved by Resolution No. 187/23 of ENARGAS came into force, giving effect to the rate increase provided for in the Addendum.

On December 18, 2023, the PEN issued Decree of Necessity and Urgency No. 55/23 through which (i) declares the emergency of the energy sector until December 31, 2024 with respect to the generation, transportation segments and distribution of electrical energy under federal jurisdiction and transportation and distribution of natural gas, (ii) instructs the Ministry of Energy of the MECON to prepare, put into effect and implement a program of necessary actions in relation to the segments included in the emergency in order, among others, to guarantee the continuous provision of public gas transportation and distribution services under adequate technical and economic conditions for providers and users, (iii) determines the start of the RTI in accordance with article 42 of the Gas Law and establishes that the entry into force of the resulting tariff schedules may not exceed December 31, 2024, (iv) provides for the intervention of ENARGAS as of January 1, 2024 and until the designation of the members of the Board of Directors that result from a selection process, (v) authorizes the Ministry of Energy to appoint the auditor of ENARGAS and (vi) determines that the controller, in the exercise of his position, will have the powers of government and administration of ENARGAS according to what is established in the Gas Law. Thus, the auditor, in accordance with the aforementioned Decree, must report on compliance with the renegotiation processes provided for by Decree No. 1020/20 and carry out the RTI process. It is established that, until the RTI process is completed, temporary tariff adjustments and periodic adjustments may be approved, aiming at the continuity and normal provision of public services, on account of what results from the tariff review. In this context, through Resolution No. 704/23, ENARGAS convened a new public hearing (No. 104) that was held on January 8, 2024, during which the gas transportation and distribution licensees presented their proposals. of transitory tariff adjustment for 2024, and TGN presented its proposal for pricing and allocation of transportation capacity for the reversal of the North gas pipeline.

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Subsequently, on February 29, 2024, another public hearing called by the Ministry of Energy of the Nation was held through Resolution No. 8/24 with the purpose of analyzing (i) the redetermination of the subsidy scheme to ensure access to consumption basic and essential gas and electricity, (ii) the incidence of subsidies on the seasonal price of electric energy ("PEST") in the wholesale electricity market and on the price of gas at the point of entry into the transportation system ("PIST") and (iii) the readjustment of the social jug subsidy scheme. Meanwhile, on February 9, 2024, ENARGAS published Resolution No. 42/24 through which (i) declared the validity of public hearing No. 104, (ii) announced that the new transitory transportation and distribution rates will take place within 30 administrative business days from said publication, (iii) made it known that a monthly rate update mechanism is under study that will be announced within 90 administrative business days from said publication, and (iv) that the criteria Pricing and capacity allocation for the reversal of the Northern gas pipeline will be established at the time of the Five-Year Review of Rates provided for by Decree No. 55/23.

Pending disputes linked to transport contracts for export

In 2004 and based on the increase in domestic demand for gas and the simultaneous drop in production and reserves, the National State took measures, still in force, to guarantee that the supply of natural gas is primarily intended to satisfy the local market. This involved restrictions on gas exports, which significantly affected sales of gas transportation services destined for foreign countries, which is why the use of associated firm transportation has fallen steadily. Although TGN was able to enter into transactional agreements with some foreign clients to terminate transportation contracts early in exchange for economic compensation (which nevertheless generates a negative net effect for TGN on its expected cash flows), a judicial conflict remains with the Chilean distributor Metrogas S.A.

Regarding the conflict that TGN had with YPF, on February 3, 2023, the parties reached a transactional agreement.

TGN Management permanently monitors the evolution of the previously mentioned situations to determine the possible actions to be adopted and identify possible impacts on the equity and financial situation of TGN.

In the year ended December 31, 2023, TGN recorded a profit of \$ 57,726.6 million. TGN's assets amount to \$ 629,890.0 million and equity amounts to \$4 52,628.8 million.

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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 Aproveisionadora 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 m³ per day. GasAndes Argentina's operating license expires in 2027 and is extendable for 10 years, subject to review and 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 reversing and, consequently, in August 2018, the then Ministry of Energy resolved a new Gas Exports procedure. Thus, gas deliveries at the Papagayos Plant resumed in October 2018. In the following years, although showing volatility in the quantities delivered, gas exports were consolidated (3.11 MMm³/day average of the year 2019; 2.40 MMm³/d average for the year 2020, 1.5 MMm³/d average for the year 2021 and 5.5 MMm³/d in 2022).

The increase in natural gas production in Neuquén, which began throughout 2022 and continued throughout 2023, was motivated by the GasAr Plan program and generated a robust supply for export to central Chile. through the Gasoducto GasAndes.

Said Plan provides for export permits called "Seasonal Firms" 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 of winter, generating competition to achieve quotas in said program. The regulatory authority guarantees the temporary export permit independent of the domestic supply situation.

Additionally, during the winter of 2023, unlike the previous year, firm export permits were enabled. In the winter period of 2022, export permits from Argentina to Chile were interruptible.

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In this context, the quantities exported in 2023 represented 11% less than those exported in 2022, reaching an annual average of 4.9 MMm³/d. The reduction in transported quantities was concentrated in the second half of the year, caused by several factors, including: greater hydraulic availability for electricity generation and higher relative prices of Argentine natural gas than alternative fuels (LNG, coal). In February 2023, the maximum transported quantity (9.6 MMm³/d) was observed since the restart of exports in October 2018.

The amounts had high volatility, with daily and intraday variations, generating a demanding operational, commercial and customs custody request.

In turn, GasAndes managed contracts and nominations for 15 chargers in Argentina and 8 interruptible chargers and 3 firm chargers in Chile, multiplying its management of dispatch, control, imbalance, fuel gas purchase, billing and contract monitoring.

In May 2023, the Interruptible Transportation Contracts were renewed on an annual basis, maintaining the optimizations achieved in the management of retained gas by Gasoducto GasAndes (Argentina) S.A.

Additionally, the Company maintains long-term contracts for the transportation of natural gas with Gasvalpo S.A. and Metrogas S.A. (Chile) valid until June 2028 and April 2027, respectively.

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

The prospects for 2024 are good in terms of transportation operations due to the good supply conditions in the Neuquén basin, although with uncertainty regarding demand on the Chilean side, mainly due to hydrological issues. Likewise, the relative price of Argentine natural gas versus alternative fuels in Chile will be an important factor in determining the quantities of gas to be transported.

To the summer export permits enabled for 9 MMm³/d valid from October 2023 and until April 2024, firm permits will be added in the winter months for 6 MMm³/d. A process is currently open for firm summer permits starting in October 2024, for up to 9 MMm³/d. Additionally, news is expected regarding the export mechanisms that, in principle, would provide for modifications that would encourage greater exports of Argentine natural gas to Chile.

In this context and because of the increase in the production of natural gas of unconventional origin in the Neuquén Basin (Vaca Muerta), there are recurring problems due to exceeding the quality limits regulated in Argentina and Chile. As already reported in the 2022 Report, within the framework of work by the Argentine Oil and Gas Institute (IAPG), the need to review the upper limits of some parameters has been raised with ENARGAS so as not to limit future supply. In 2023, GasAndes has maintained the actions initiated the previous year aimed at ensuring that the Chilean regulation accepts the measures requested from ENARGAS and thus maintains the level of exports through the gas pipeline. In that sense, there have not yet been any positive developments, but these actions have been well received in Chile and progress is expected in the course of 2024. Additionally, Gasoducto GasAndes (Argentina) S.A. is studying industrial processing alternatives to adapt natural gas to the conditions of the current standard in case the modifications to the standards requested from the regulatory authorities of both countries are not successful.

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

At its Board meeting on November 9, 2023, the Board of Directors of GasAndes (Argentina) S.A. approved the early distribution of dividends for \$5,018,626,999 at values adjusted for inflation as of December 31, 2023 (4,000,000,000 at historical values of that date) based on to the Financial Statements of the Company as of September 30, 2023, which are subject to ratification by the Ordinary General Shareholders' Meeting that considers the accounting documentation corresponding to the year ended December 31, 2023. Said dividends have already been made available disposal of the Shareholders. This is why it is moved to propose to the Assembly the ratification of the early distribution of dividends for \$ 5,018,626,999 at values adjusted for inflation as of December 31, 2023 (\$ 4,000,000,000 at historical values of that date) approved by the Board of Directors at its meeting on November 9, 2023 and the allocation of the remaining amount of the unassigned results as of December 31, 2023, to the Optional Reserve for future distributions of Dividends. After this impact, the Optional Reserve for future Dividend distributions amounts to \$ 2,213,183,766 at values adjusted for inflation as of December 31, 2023.

In the year ended December 31, 2023, Gasoducto GasAndes (Argentina) S.A. recorded a net profit of \$2,873 million. The assets of Gasoducto GasAndes (Argentina) S.A. They amount to \$29,769 million and the equity amounts to \$24,103 million.

In the year ended December 31, 2023, Gasoducto GasAndes S.A. (Chile) recorded a net profit of USD 12.6 million. The assets of Gasoducto GasAndes (Chile) S.A. amount to USD 43.7 million and equity to USD 29.5 million.

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 Brasilera, 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 m³ 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 m³ 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.

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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 \$ 385.3 million. TGM's assets amounted to \$ 8,961.5 million and shareholders' equity to \$ 3,662.9 million.

VI. COMMERCIAL MANAGEMENT

Oil Sales - María Inés and Noroeste

In fiscal year 2023, like last year and as a consequence of the price positioning of María Inés oil in recent years, 100% of the sales of that oil were destined for the export market.

Unlike previous years where the sales procedure for export was through tenders (tenders), and continuing with the strategy implemented during fiscal years 2020 and 2021, the direct sales procedure was maintained to optimize each position and maximize prices, mapping and monitoring the sale of other producers so that buyers could complete the vessel by obtaining its full load, in order to look for opportunities in said periods and thus increase the demand interested in María Inés oil. Co-loading operations allowed us to obtain lower discounts on deliveries of María Inés oil despite the current limitations of the Muelle Pte. Illia loading port and the situation of international geopolitical conflict.

The price scenario in the local market, the positioning of María Inés oil in the international market and the disinterest of local refiners in running María Inés crude oil, created an opportunity to continue developing and strengthening our export markets. In fiscal year 2023, the purchasing traders of this oil were Trafigura, Vitol and Novum. This last trader marked a milestone in March 2023, as he allocated crude oil to a new market: Asia.

Regarding the oil from the northwest sector of our country, coming from the Aguaragüe area, its destination was the domestic market, celebrating monthly and bimonthly spot purchase and sale agreements. During fiscal year 2023, and as a consequence of the commercial strategy, the sales price accompanied the local price of Medanito crude oil with its own quality discounts.

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Sale of Crude Oil - Cañadón Seco and Mendoza

In fiscal year 2023, the first export of Cañadón Seco oil was completed; more precisely in the month of December. It was a co-loading operation with Escalante crude oil in order to maximize profits, since the volume exported was equivalent to a Suezmax ship. The rest of our Cañadón Seco oil production was destined for the domestic market through purchase and sale offers under the spot modality. 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, allowed it to maintain at the top the sale price during the year 2023.

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

Liquefied Petroleum Gas (LPG) Sales

In fiscal year 2023, 52% of sales of LPG – in the summer period – and Butane – in the winter period – were destined for the export market, with the final destination being Chile. The prices result from a formula that uses international quotes for Propane and Butane (Mont Belvieu). Propane sales to the local market were made under the "Twentieth Extension Agreement for the Indiluted Propane Gas Distribution Networks" ("Propane Networks Agreement"), at a regulated and subsidized price, on this occasion, through credit certificates. tax (CCF) to be applied against the payment of export duties for hydrocarbon exports; also under the "Home -Propane- Program" at a regulated price; and in the spot market (Fractors), the Export Parity that is issued and expressed monthly on its website by the Secretary of Energy.

Throughout 2023, CGC will arbitrage monthly between natural gas prices and LPG prices to address each deal based on convenience. It supported LPG exports in those months where LPG prices exceeded those of natural gas in the local Argentine market.

The Chilean market constitutes an additional market to evacuate production, taking advantage of competitive international prices.

Natural Gas Sales

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

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Sales of self-produced natural gas in Cuenca Austral during 2023 were 1,469 MMm³, which represents a reduction of -3% compared to the quantities sold in the previous year. For the Golfo San Jorge Basin, sales of self-produced natural gas were 316 MMm³, which represents an increase of 137% compared to the quantities sold the previous year.

In relation to the sales mix, income corresponded approximately 29% to industrial users (including Marketing Companies), 28% to distribution service licensees, 42% to electricity generators and 1% to exports.

Given that the billing of the generation and distribution segments is carried out in pesos with collection terms of 45 and 65 days, respectively, while that of the industries is carried out in dollars and with a shorter term, maintaining participation within the industrial segment reduces notoriously the risk of collectibility and devaluation.

The supply committed by CGC within the framework of the GasAr Plan, to the residential and thermoelectric segment, continued in 2023 through four-year contracts valid from 2021 - 2024 with Metrogas, Naturgy Ban, Camuzzi Gas Pampeana, ENARSA and CAMMESA, as appropriate. The volume committed to these segments amounts in aggregate to a maximum daily quantity ("CMD") of 2,380 dam³/d.

Towards the end of 2023, CGC began to manage the formalization of the extensions of the terms and quantities of said contracts to 2028, as established by Decree 770/22 and its complementary regulations, with the signed addenda as of the date hereof. with Metrogas, Naturgy Ban and Camuzzi Gas Pampeana.

Residential Segment Customers

Regarding the Residential Segment, CGC delivered an average of 1,346 Mm³/d in 2023 within the framework of the GasAr Plan.

As of January 10, the SEN authorized by Resolution SE No. 6/2023 the adjustment of natural gas prices in the PIST of the current contracts concluded within the framework of the GasAr Plan, in two steps for consumption made from from March 1, 2023 and May 1, 2023, with discrimination by user levels: N1, N2, N3, P1 and P2 (includes bonus for Social Rate beneficiaries), which aimed to reduce exposure to compensation to be received by the Producers between the price of the GasAr Plan and the amount actually paid by the end users. Notwithstanding these increases in pesos, the growing devaluation effect throughout the year has downwardly affected the value in USD/MMBtu received directly from the residential user, consequently increasing the amount corresponding to the compensation from the State to complete the price of the GasAr Plan.

Thermoelectric Segment Customers

Under of the GasAr Plan round 5.1, CGC delivered to CAMMESA an average of 889 Mm³/d at USD3.46/MMBtu. Additionally, under the same payment conditions as round 5.1, CAMMESA complemented its supply with interruptible auctions/competitions. In this context 62 Mm³/d were sold on average.

Additionally, as of January 1, 2023, round 5.2 Incremental Gas Plan that links it with CAMMESA and which resulted in average deliveries of 1,090 Mm³/d at an average price of USD9.50/MMBtu began to take effect for the CGC group corresponding according to contract for 2023.

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These theoretical prices awarded to CGC within the framework of the Gas Plan, when affected by the "Cammesa Exchange Rate" determined by current regulations, resulted in 2.96 USD/MMBtu and 8.98 USD/MMBtu, respectively.

Free Segment Customers

Industries and marketers

At the end of 2022, long-term contracts were signed (from May 2023 to December 2028, in line with the validity of the Gas Plan) with the main industries in the portfolio, considered frontline, for an aggregate volume of between 1,000 and 1,200 Mm³/d and with an option to increase for CGC of up to an extra 600 Mm³/d starting in January 2025.

Additionally, for the annual period of the industrial campaign valid from May 2023 to April 2024, offers were added with other Industries and Marketers for 680 Mm³/d. The negotiated agreements allow the delivery of gas from both Austral and Golfo San Jorge, which optimizes daily dispatch according to the variation in production from both areas.

Export customers

From January to April 2023, an average volume of 434 Mm³/d was exported to Enel Chile (via the GasAndes gas pipeline). This operation was carried out through the export certificate that was granted to CGC for 500 Mm³/d for the period October 2022 - April 2023. The authorized volumes, in accordance with the regulations of the GasAr Plan, were not deducted from the commitments assumed with CAMESA. The delivery scheme from the Neuquén Basin was carried out through a free swap between the Austral and Neuquén Basins.

Likewise, for the period October to December 2023 (extendable to April 2024), CGC was awarded a firm export right in Cuenca Austral for 200 Mm³/d of quota, which resulted in a contract with Methanex. During these three months, 195 Mm³/d were delivered under the agreement. To this must be added a volume exported to Methanex of 130 Mm³/d in interruptible condition during September 2023, accompanying the Plant's start-up ramp.

CGC Natural Gas Trading Company

During 2023, CGC increased its marketing operations for both natural gas and transportation, covering all the Basins: Austral, Neuquén and Northwest. The volumes operated in 2023 totaled 545 Mm³/d, through resale or intermediation exports.

Electric Power

During 2023, the installed power in the Cañadón Seco field was expanded again by 2.8 MW, accompanying the incremental demand required by the increase in activity in Golfo San Jorge. In this way, CGC's thermal generation exceeds 83 MW of power, of which 25 MW correspond to the Austral Basin.

The annual consumption of the fields in the 3 Basins reached 318 GWh, exceeding consumption in 2022 by 1.9%. This allowed CAMESA to sell a balance of 81GWh at an average price of 29.1 USD/MWh.

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Renewable energy

Within the framework of the energy transition and the development of the renewable energy area, in April the Company presented two offers in the international tender "RenMDI" called by the Secretaria de Energía de la Nación and was awarded its Parque Solar Don Panos I project of 15MW of photovoltaic power to be built in the province of Chaco.

On October 17, the signing of the 15-year electricity purchase and sale contract with CAMMESA was celebrated, being the first contract of its type in the history of CGC.

VII. SOCIAL DEVELOPMENT, SECURITY AND ENVIRONMENT

A) Social Development and Welfare

- Social Investment Programs

CGC is committed to generating transformations and positive impact, and promoting the development of the communities where it operates, caring for 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 scope than individual actions and to be sustainable over time.

During 2023, the Social Investment initiatives and programs were developed and distributed mainly in the three Basins where the Company has a presence (Austral Basin, San Jorge Gulf Basin and Cuyana Basin).

Under this scenario, throughout 2023, CGC developed programs and initiatives that were organized into the following work axes: Capacity 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 2023 the following programs have been implemented:

Community Development: this program started in 2017 through an agreement with the social enterprise Creer Hacer 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 2023, various activities of this program were developed:

- **Social Transformers Course:** the sixth edition of this program was held in the Austral Basin and a first edition in Golfo San Jorge in which 51 and 32 people participated respectively. The objective of the program is to enhance and strengthen the skills needed to lead people's life projects and be agents of change.

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- **Diploma in Social Transformation:** the fifth edition of this training was held, aimed at graduates of the Social Transformation Course, and whose purpose is to provide tools, understand and address societal problems. In order to graduate, participants must develop and present a final project with economic, social and/or environmental impact. It is a training that has the endorsement and certification of the Siglo 21 University. In this new edition, 34 social transformers were received.
- **Open Neighborhood:** this activity aims to inspire and strengthen communities, highlighting the virtues, opportunities and talents present in them through an inspiring event where the protagonists are the neighbors. For the first time, the event will be held in the Golfo San Jorge area, in Pico Truncado, which is why during the second half of 2023, trips and meetings were made to the area to identify organizations and community references to choose the speakers for the event, which will take place in the month of April 2024.

CGC Strengthening Program (PFCGC): During 2023 CGC continued with the PFCGC. The objective of the same is to contribute to the strengthening of the management capacities of local social organizations, formal and informal, and to accompany them in the design, implementation and evaluation of social initiatives through training, a co-investment fund for those selected projects and assistance technique. It is carried out together with the Organization "Potenciar: Collective Impact Platform".

In the 2nd edition of the Program, during the first semester of 2023, 21 organizations from the Province of Santa Cruz were accompanied in the implementation of their projects through a co-investment fund, technical assistance and in-person group meetings that favored work in network. In addition, 2 training sessions were held open to all social organizations in the Province.

In August 2023, the 3rd edition was launched with coverage in the province of Santa Cruz and for the first year Mendoza was included. 91 people participated in the training cycle and 63 organizations presented projects to be evaluated and those selected will be able to count on financing and technical assistance for the implementation of their projects during the first half of 2024.

Accompaniment to the Tehuelche Camusu Aike Community: For the second year CGC continued with the bonding meetings, building trust, establishing dialogue channels and strengthening the Tehuelche "Camusu Aike" Community. The objective is to generate an open, permanent dialogue of mutual respect, respecting their culture, caring for their habitat and knowing their needs to be able to address them jointly.

"Activá tu Rumbo" - ATR Program: Program that seeks to accompany the development of young people between 17 and 25 years old beyond their academic and work careers.

Our Vocational Guidance benefit, intended for sons and daughters of collaborators, provides them with self-knowledge tools to discover the path to their vocation.

In this edition, we held a virtual and in-person event in Caleta Olivia in which more than 20 young people participated, sharing experiences with the aim of discovering their motivations and identifying their purpose.

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This benefit is annual and each of the children of our collaborators can experience it in a personalized way, whenever they wish, according to their availability and needs.

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 2023, it was carried out in the Austral Basin and the San Jorge Gulf Basin, reaching a total of 64 SMEs and locally based companies that participated in training and collaborative work tables. The different companies participated in collaborative work tables and 3,910 hours of training were provided.

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: Since 2021, CGC has been developing a local university scholarship program to promote access, permanence and graduation in higher education for young people who live in a vulnerable context, developing socio-emotional skills that favor their academic career and professional training. The program is carried out together with Fundación Cimientos. In 2023, 20 young people were accompanied. The first Engineer of the Program graduated as an Electromechanical Engineer and three other scholarship recipients received their degree as Technicians, achieving an intermediate degree in their Nursing and Occupational Safety and Hygiene careers and during 2024 they will continue pursuing the Bachelor's degree accompanied by CGC. The students received educational tutoring, a monthly financial stipend to cover their university expenses and participated in group training meetings and exchange of experiences. From CGC, two face-to-face meetings were organized with the scholarship recipients in order to strengthen the bond with them, bring them closer to complementary training experiences to the career they are pursuing, so they participated in two training sessions in public speaking and effective communication.

Merit scholarships: With this initiative, CGC aims to accompany young people who have obtained the best average during their training in technical schools in Río Gallegos to pursue engineering studies in Buenos Aires. Each scholarship covers 100% of the fee for the university where they study and the expenses involved in residing in Buenos Aires. On the other hand, the scholarship recipients have support and mentoring focused on accompanying their academic career. During 2023, we continued to accompany 2 scholarship holders to study their degrees at the Universidad Argentina de la Empresa (UADE) and at the University of San Andrés (UDESА).

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Internships, professional practices and technical visits to Company plants: in alliance with the Provincial Education Council of Santa Cruz and with the Industrial School of Energy Processes of Río Gallegos and the Industrial School No. 10 of Caleta Olivia, 81 students of said institutions carried out professional internships in the company and visits to the operation with the aim of providing them with an experience that brings them closer to the professional world and that they have the possibility of learning directly from our collaborators. For the first time, internships were offered in the San Jorge Gulf Basin. On the other hand, based on an agreement with the National University of Southern Patagonia Río Gallegos academic unit, a Chemical Engineering student was able to do her Supervised Professional Practice in the company, this being a curriculum requirement to graduate. Finally, in coordination with the Institute of Higher Technical Education (INSET), the National Technological University (UTN) and the National University of Southern Patagonia (UNPA), 19 students and 3 professors from courses related to the energy industry, They visited Company facilities to learn about the operation as part of their training process.

Partners 2023 Program: for the fourth consecutive year, CGC accompanied the development of this program promoted by Junior Achievement. It makes it easier for students in their final year of high school to confirm or review their vocational decision through a series of spaces with professionals. During 2023, 48 students from Buenos Aires, Golfo San Jorge and Río Gallegos visited our operations and shared talks and activities with 53 Company employees, who became involved as volunteers sharing their personal and professional trajectories.

Program your future - Potrero CGC: during 2023, CGC accompanied the completion of the second and third level of specializations in Digital Marketing and Web Programming offered together with Fundación Compromiso, thanks to which 7 young people graduated. In August, the second edition of this initiative was launched for those interested in pursuing the first level of the specializations and the scholarships awarded tripled, reaching 346 young people who began training. 65 young people approved the delivery of their final project and another 65 young people did not present the final project but reached 80% of class attendance and/or delivery of the tasks planned for the course.

Sports Scholarship Program: during 2023, 32 young people accessed the Club Hispano sports schools. With the aim of leaving installed capacity in the institution, two teachers accessed a scholarship to complete the Diploma in Sports Management at the Blas Pascal University, accompanied by CGC.

- Volunteering

CGC has the virtual platform "We are the CGC Community" so that collaborators can participate in Social Investment initiatives and propose projects with the spirit of continuing to promote the development and well-being of the people who are linked to CGC: the team, contractors, family members and all the people in the places where it operates.

This platform is hosted on the Company's Intranet and employees can join initiatives proposed by other Company employees and propose initiatives that are of interest to them and that, at the same time, collaborate to strengthen ties with the community where it operates.

In 2023, collaborators presented 20 social or environmental investment initiatives. Throughout the year, 117 employees participated in the different programs and initiatives and dedicated 330 hours to carry them out.

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- **Employee Training and Wellness**

At the end of 2023, CGC had 752 collaborators, distributed throughout our operations (43% in Buenos Aires, 22% in Cuenca Austral, 30% in Cuenca del Golfo San Jorge and 4% in Mendoza). 53% of the equipment was in the field, framed within a Collective Labor Agreement.

The CGC training plan offers a consolidated proposal for technical, management, language and IT training. During 2023, the Company provided 45,085 hours of training, with an average of 60 hours per person, aimed at strengthening and enhancing the development of our collaborators.

B) SECURITY

CGC's commitment to the application of best Security practices aims to preserve the physical integrity of the people directly involved in our operations, and indirectly in the immediate environment of the communities where we operate. All of the above without prejudice to the high contribution that security brings to the reliability and efficiency of processes, equipment and facilities, providing certainty for business continuity.

As anticipated, the Pillars of the Security Strategy have developed notable improvements during calendar year 2023, which can be summarized as follows:

Management indicators:

- **Key "reactive" or "result" indicators**, such as the number and severity of injuries, number of high-potential incidents and vehicular mobility incidents, have been reduced by an average of 50% over a ratio (r) that is always comparable. and proportional to the risk exposure (***), achieving "world-class" performance values, based on the benchmark against IAPG and IOGP;
- **The key "advance and development" indicators**, that is: the accounting of all tasks and leadership actions on the risks that were carried out, have increased on average 100% on the quantitative basis of the same period in 2022, adding involvement of senior management and middle management in field activities, discussion, development and monitoring of improvement opportunities.

(***) $LTI(r)$, $TRIR(r)$, $MVC(r)$, y $HiPo(r)$

Featured programs:

- **Permanent evaluation and updating** of work processes and protocols in standard, non-routine and emergency operating conditions;
- **Active participation and recognition** of all people in the development of specific leadership tasks and actions (Verifications, Inspections, Task Observations, Management and Visible Leadership Audits, Incident Investigation, Work Committees, Planned Meetings to update processes and change management, etc.);
- **Maturation and development of the interdependent Safety Culture**, a program that has been in development for 4 years at CGC;
- **Training and training of knowledge and skills**, some of them under certification required by risk matrix;
- **Risk communication and dissemination campaigns**, individual and collective health, own and industry learning, recognitions and achievements, etc.

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- **Digitization of processes and data capture** related to proactive and reactive indicators to facilitate monitoring of continuous improvement and decision making.

C) ENVIRONMENT

During 2023, 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 2023 more than 2,334 kg of material were collected, 159 computers were repaired and 135 were donated.

Environmental Liabilities: During 2023 the Company strengthened the development of the remediation plan for the Golfo San Jorge areas, according to the commitment assumed with the province of Santa Cruz, within the framework of the concession extension agreement. In this sense, it was possible to diversify and deepen strategic alliances with local suppliers, through which close to 90% compliance with the established objective was achieved. Regarding the recomposition of vegetation in impacted areas, as accumulated for this second year of the program, a total of 480,000 m² was reached. Likewise, the vegetation study plan for the impacted areas was started by surveying with drones, which will allow us to prepare an inventory of sites that will require revegetation work in the coming years.

Finally, with regard to Cuenca Cuyana, the survey of all former pools was completed. This work was complemented with new characterizations with multielectrode tomography, along with vegetation studies, in order to evaluate the need for remediation of the same with a perspective of environmental balance and minimization of the impact of potential sanitation.

Climate action: in 2023, with the advice of an international consulting firm, the project to prepare the inventory of sources and calculate the Company's greenhouse gas emissions baseline began. The estimate is being made for scope 1, 2 and 3 emissions for the 3 Basins. Based on the result, the roadmap for their reduction will be defined, including the definition of objectives within the framework of international agreements.

Circular waste management: following the organic waste composting project initiated in Cuenca Austral, which includes most of the waste generated in operations in the west of the province of Santa Cruz, in 2023 the Company carried out a survey for diagnosis of the generation, classification and storage of household and recyclable waste, for the three Basins. Based on the final report of said diagnosis, composting of the organic fraction will be designed and implemented during 2024 in all locations with permanent personnel, in order to minimize waste sent to municipal landfills. Likewise, it is planned to begin delivering recyclable waste to recyclers' organizations, avoiding shipment to the final disposal sites.

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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 29 Notes

On January 13, 2023, the Company issued Class 29 Notes for a nominal value of USD 42.3 million, denominated in dollars and payable in Pesos at the applicable exchange rate, at a fixed rate of 1.00% annual nominal value, maturing on January 19, 2027. On July 12, 2023, the Company redeemed all of the Class 29 Notes for the sum of USD 43.1, equivalent to 102% of the nominal value in circulation of Class 29, as a redemption premium, plus USD 0.97 million as payment of interest accrued from April 19, 2023 (date of the last interest installment paid by the Company) and to date redemption at a nominal annual rate of 1.00%.

Class 30 Notes

On March 10, 2023, the Company carried out, under the Frequent Issuer regime, the placement of Class 30 Notes denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 150.0 million, with an issue price of 100.5% and capital maturity in 24 months, accruing a fixed annual rate of 0.00%. The capital will be paid in a single installment on March 10, 2025. The funds obtained through the issuance of said negotiable obligations were applied to the refinancing of financial liabilities as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the working capital of the Company.

Syndicated Loan in U.S. dollars 2023

On April 28, 2023, the Company entered into a syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A.U., as lender and administrative agent, Banco Santander Argentina S.A., the Branch of Citibank, N.A. established in the Argentine Republic, Banco de Valores S.A., Nuevo Banco de Santa Fe S.A. and Banco de Santa Cruz S.A. for the total sum of USD 96.0 million. The syndicated loan contract in dollars contains clauses with certain obligations, including compliance with certain ratios.

The principal owed under the loan accrues interest at a fixed rate of 6.50% nominal annually, payable quarterly. The capital will be paid in five quarterly installments, whose maturities will operate on October 11, 2024, January 11, 2025, April 11, 2025, July 11, 2025 and October 11, 2025.

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Class 31 Notes

On June 9, 2023, the Company carried out, under the Frequent Issuer regime, the placement of Class 31 Notes, denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 52, 4 million, with an issue price of 116.3% and capital maturity in 36 months, accruing a fixed annual rate of 0.00%. The capital will be paid in a single installment on June 9, 2026. The funds obtained through the issuance of said negotiable obligations were applied to the refinancing of financial liabilities as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the working capital of the Company.

Class 32 Notes

On June 9, 2023, the Company carried out, under the Frequent Issuer regime, the placement of Class 32 Notes in the local market, denominated and payable in US dollars, for a total amount of USD 12.9 million, with an issue price of 100%, with capital maturity of 30 months and accruing a fixed annual rate of 6.00%. Interest will be paid semiannually and the capital will be paid in a single installment on December 9, 2025. The funds obtained through the issuance of said negotiable obligations were applied to the refinancing of financial liabilities as well as investments in exploitation and exploration of hydrocarbons in the Austral Basin and the financing of the Company's working capital.

Subscribed Convertible Notes

On July 11, 2023, PBB Polisor S.R.L. and Dow Investment Argentina S.R.L. ("Dow"), Argentine subsidiaries of The Dow Chemical Company, subscribed Convertible Notes for an aggregate principal amount of USD 200,000, issued through a private placement by Compañía General de Combustibles S.A. (the "Convertible Notes" and "CGC").

The Convertible Notes are denominated in U.S. dollars and were subscribed and will be payable in equivalent Argentine pesos.

The Convertible Notes (i) may be converted, at Dow's option and CGC acceptance, into Class "C" common shares which, to the extent they represent more than 10% of CGC's equity and votes, will allow Dow to designate a principal director and an alternate director; (ii) may be early redeemable by CGC on the second anniversary of their issuance; (iii) will not accrue compensatory interest; and (iv) will be redeemable in a single installment due on July 11, 2028.

The proceeds of the Convertible Notes were used by CGC to settle financial liabilities, including the early redemption in full of Class 22, 24, 26 and 29 unsecured non-convertible notes.

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Other loans

- PBB Polisur S.R.L.

On March 22, 2023, the Company signed a loan agreement with PBB Polisur S.R.L. for USD30.0 million, denominated in U.S. dollars, disbursed and payable in pesos at the applicable exchange rate. The loan has a term of 36 months, will accrue an annual nominal rate of 0.00% and its capital will be amortized in a single installment on March 22, 2026. The loan is guaranteed by Banco de Galicia y Buenos Aires S.A.U.

- Eurobanco Bank Ltd.

CGC Energy Ltd, Inc., a subsidiary of CGC Energía S.A.U., entered into a securities loan agreement with Eurobanco Bank Ltd for up to USD 45.2 million. The financial cost of the operation includes a fixed interest rate of 2.5% per year plus the returns granted by the species received. The loan is guaranteed by a fixed-term deposit equivalent to the quoted value of the species received.

On February 19, 2024, the maturity period of the loan was extended to March 11, 2024. The renewal of the contract contemplates a fixed interest rate of 3.5% per year plus the returns granted by the species received. As of the date of issuance of these Financial Statements, this loan is in negotiations for its renewal.

- Halliburton Argentina S.R.L.

On October 3, 2023, the Company signed a loan agreement with Halliburton Argentina S.R.L. for USD 40.0 million, denominated in U.S. dollars, disbursed and payable in pesos at the applicable exchange rate, with a fixed annual nominal interest rate of 0.00%. The capital will be paid in a single installment on July 4, 2027.

On January 4, 2024, the Company signed a new loan agreement with Halliburton Argentina S.R.L. for USD 20.0 million, denominated in U.S. dollars, and disbursed and payable in pesos at the applicable exchange rate, with a fixed annual nominal interest rate of 4.00%. Interest will be paid semiannually and the principal will be paid in a single installment on July 4, 2026.

- Loan with AA2000

On June 9, 2023, the Company implemented with Aeropuertos Argentina 2000 S.A. ("AA2000"), a company of the same economic group to which the Issuer belongs, a loan for the sum of USD 14.5 million (the "Loan with AA2000"). The Loan with AA2000 was fully disbursed on June 9, 2023, and initially accrued interest at a nominal annual rate of 4.00%, payable along with the entire principal on December 6, 2023.

On December 5, 2023, the Company and AA2000 entered into an addendum to the Loan with AA2000 in order to (i) extend the maturity date of the Loan with AA2000 to June 3, 2024; (ii) capitalize the accrued interest from the disbursement date to the original maturity date; and (iii) modify the interest rate applicable to the accrual of compensatory interest on the new capital owed under the loan from 4.00% to 4.50% nominal annually. In this sense, to date the capital owed under the Loan with AA2000 is USD 14.8 million.

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Other Local Notes (*Pagarés Bursátiles*)

During the year 2023, the Company issued Stock Promissory Notes for a total of USD 85.1 million denominated in U.S. dollars and payable in Pesos at the Applicable Exchange Rate. The interest rate on the current securities notes issued in 2023 is fixed annual nominal (payable at a discount) between -6.00% and 2.50%, averaging -0.79%. The maturities of these instruments are between June 2024 and July 2026.

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, 2023, 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, 2022, presented herein arise from restating the amounts of the balances as of that date in the homogeneous currency as of December 31, 2023, following the guidelines detailed in Note 2 to the Consolidated Financial Statements as of December 31, 2023.

Equity Structure	2023	2022
Non-current assets	1,015,760	680,167
Current assets	408,356	217,347
Total assets	1,424,116	897,514
Non-current liabilities	964,602	469,658
Current liabilities	372,550	218,950
Total liabilities	1,337,152	688,608
Total shareholders' equity	86,964	208,906
Total liabilities and shareholders' equity	1,424,116	897,514

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Results Structure	2023	2022
Revenues	521,612	458,676
Cost of revenues	(433,852)	(369,491)
Gross income	87,761	89,185
Selling expenses	(23,562)	(22,107)
Administrative expenses	(40,281)	(28,577)
Exploration expenses	(8,051)	-
Provision for expected losses	(6)	(194)
Other operating income and (expenses), net	(3,206)	12,704
Operating income	12,655	51,011
Result of investments in associates and joint ventures	19,179	2,685
Financial income	15,102	1,831
Financial costs	(22,051)	(27,990)
Hyperinflation effect	(17,492)	1,025
Other financial results	(255,500)	(6,023)
Result before taxes	(248,107)	22,539
Income tax	91,919	1,983
Net income of the year	(156,188)	24,522

Changes in cash flows	2023	2022
Cash and cash equivalent at the beginning of the year	94,409	107,594
Net cash generated by operations	49,803	59,075
Net cash used for investment activities	(302,884)	(143,921)
Net cash generated by financing activities	156,375	91,405
Financial results generated by cash and cash equivalents	119,298	(19,744)
Cash and cash equivalent at the end of the year	117,001	94,409

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X. ANALYSIS OF RESULTS, FINANCIAL POSITION AND CASH FLOWS

Results

The results for fiscal year 2023 show a final net loss of \$ 156,188 million, compared to a final net profit for fiscal year 2022 of \$ 24,522 million.

Adjusted EBITDA with dividends collected corresponding to fiscal year 2023 amounted to \$ 160,249 million, which represents an increase of \$ 25,527 million compared to fiscal year 2022 (see Note 6 to the Consolidated Financial Statements as of December 31, 2022).

Revenue for the year increased by \$ 62,936 million, representing 14%, going from \$ 521,612 million as of December 31, 2023 to \$ 458,676 million as of December 31, 2022, mainly as a result of the increase in Gas sales.

Revenues from gas sales amounted to \$ 191,441 million and \$ 135,283 million as of December 31, 2023 and 2022, respectively, which represents an increase of 42% compared to 2022, mainly due to an increase in measured average sales prices. at real value in pesos and an increase in production in the Gulf basin.

Income from the sale of crude oil amounted to \$ 311,483 and \$ 302,428 in the years 2023 and 2022 respectively, which represents an increase of \$ 9,055 (3%), mainly caused by an increase in prices.

The cost of revenue totaled \$ 433,852 million in 2023, representing an increase of 17% compared to the \$ 369,491 million recorded in 2022. The increase in CGC's operating costs is mainly explained by the variation in the item "Royalties, fee and easement" which increased by \$ 4,551 million compared to the previous year and the increase of \$ 38,276 million in the item "Depreciation of property, plant and equipment" due to the significant investments in fixed assets made during the year.

The gross result for fiscal year 2023 amounted to \$ 87,761 million, \$ 1,424 million lower than that recorded in fiscal year 2022, with income margins of 17% and 19% for 2023 and 2022, respectively.

Marketing expenses totaled \$ 23,562 million in fiscal year 2023, representing an increase of \$ 1,455 million, that is, 7% compared to the previous year. The increase corresponds mainly to a higher gross income tax charge of \$ 1,762 million due to the increase in billing in the domestic market, net of a lower shipping and transportation charge of \$ 1,093 million.

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Administration expenses in fiscal year 2023 totaled \$ 40,281 million in fiscal year 2023, representing an increase of \$ 11,703 million, that is, 41% compared to the previous year. The increase in administration expenses corresponds to an increase in the items of Salaries and Social Security contributions for \$ 8,812 million and a decrease in the amount of recovery of the provision for lawsuits and other claims for \$ 1,058 million. Included in these expenses are the fees corresponding to the firm PRICE WATERHOUSE & CO. S.R.L. for the audit and limited reviews of the Financial Statements for fiscal year 2023 and other services provided by said firm to the company and its subsidiaries in the year 2023 in the sum of \$ 256 million plus VAT (\$130 million plus VAT at historical values), corresponding the sum of \$ 236 million plus VAT (\$ 120 million plus VAT at historical values) to the audit and limited reviews of the Financial Statements and the sum of \$20 million plus VAT (\$ 10 million plus VAT at historical values) to others services.

In 2023, exploration costs that amounted to \$ 8,051 million correspond to the effect of the reversal of the exploration permit for the Piedrabuena Area. As of 2022 there were no exploration expenses.

The item Other Operating Income and (Expenses), net, totaled losses of \$ 3,206 million in fiscal year 2023 and profits of \$ 12,704 million in 2022. During fiscal year 2023, a loss due to impairment of non-financial assets of \$ 7,268 million was identified. During fiscal year 2022, a gain was recognized for the recovery of the provision for impairment of non-financial assets for \$ 5,942 million, based mainly on an expected improvement in crude oil prices. Additionally, during fiscal year 2022, a gain of \$ 3,005 million was recognized, due to the recovery of the provision for inventory obsolescence due to the increased activity recorded.

The item Result from investments in associates and joint ventures totaled profits of \$ 19,179 million in fiscal year 2023 and profits of \$ 2,685 million in the comparison. The variation of \$ 16,494 million is mainly due to higher profits recorded by its associate Gasinvest S.A. for \$ 22,798 for recovery of impairment of financial assets and financial results, net of lower profits recorded by Gasoducto Gasandes S.A. (Chile) for \$ 4.7 billion.

The net financial results corresponding to the year ended December 31, 2023 presented a loss of \$ 279,941 million, which represented an increase of \$ 248,784 million to the loss for fiscal year 2022, which amounted to \$ 31,157 million. The variation is mainly due to the net effect of \$ 263,878 million generated by the exchange difference loss, net. The devaluation of the dollar with the peso exceeded inflation by 145% in 2023 and was lower than inflation by 22% in 2022.

Income tax amounted to \$ 91,919 million (profit) in 2023 and \$ 1,982 million (loss) in 2022. In fiscal year 2023, a significant loss was recorded, generated mainly by the loss of deductible exchange difference for the income tax, net of the effect of the tax inflation adjustment.

The net result for the year showed a loss of \$ 156,188 million for the year ended December 31, 2023, compared to the profit of \$ 24,522 million for the year 2022 because of the variations explained above.

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Comparative ratios

		2023	2022
Liquidity	(a)	1.10	0.99
Solvency	(b)	0.07	0.30
Capital lockup	(c)	0.71	0.76
Profitability	(d)	(1.06)	0.12

(a) Current assets /current liabilities

(b) Shareholders' equity / Total liabilities

(c) Non-current assets / Total assets

(d) Result / Average equity

As of December 31, 2023, the Company's assets amounted to \$ 1,424,116 million which, compared to a liability of \$ 1,337,152 million, determined equity of \$ 86,964 million.

Total assets increased by \$ 526,603 million compared to the previous year. This variation was mainly caused by: a) an increase of \$ 223,073 million in the Property, Plant and Equipment item, mainly due to the effect of the investment in exploration and development activities in the areas of the Austral Basin and the San Jorge Golfo Basin; b) an increase of \$ 66,617 million in the investments at fair value item and an increase of \$ 97,329 million in the deferred tax asset item generated mainly by the recognition of the tax loss generated in fiscal year 2023.

The total liabilities increased \$ 648,544 million compared to the previous year. The main variations originated from: a) a net increase in financial debts of \$ 561,115 million, mainly due to the placement of new Notes to finance investment in exploration and development activities in the areas of the Austral Basin and the San Gulf Jorge and the increase in debts in dollars due to the devaluation effect in fiscal year 2023, b) an increase in Provisions for abandonment of wells and environmental remediation for \$ 24,256 million generated by an increase in abandonment costs and c) greater debt with suppliers for \$ 39,877 million due to the increased activity in fiscal year 2023.

Cash flows

During the year 2023, operating cash generation reached \$ 49,803 million compared to a cash generation of \$ 59,075 million during the year 2022. This decrease was generated mainly by an increase in working capital.

The cash flow used in investment activities reached a total of \$ 302,884 million during 2023, increasing by 110% compared to fiscal year 2022. During fiscal year 2023, there were greater investments in fixed assets of \$ 98,900 million and greater investments currents for \$ 64,693 million.

In 2023, the net cash flow generated by financing activities represented an increase in funds of \$ 156,375 million. Compared to the previous year, there was a greater take on debt net of capital payments for \$ 65,310 million and lower interest payments for \$ 1,000 million.

As of December 31, 2023, the cash and equivalents position amounted to \$ 117,001 million, reaching a liquidity ratio of 1.1. The financial debt on that date was mostly in dollars and amounted to \$ 966,870 million, with 21% being payable in the short term.

Compañía General de Combustibles S.A.

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XI. PROSPECTS

Fiscal year 2023 was the second year of full operation of the assets of the Gulf of San Jorge and Cuyana Basins, acquired in 2021 through the purchase of Sinopec Argentina Exploration and Production Inc. (now CGC Energía S.A.U.).

During this period, the Company has considerably increased its activity in these areas, operating for the first time in its history with four drilling rigs (two of them in the Gulf of San Jorge Basin and two in the Austral Basin), drilling 79 new wells, a record figure for the Company.

Fiscal year 2023 was a year of strong investment and growth for the Company. In addition to the development plans in the Gulf of San Jorge Basin, the Company increased activity in the Austral Basin areas, based on the award of incremental gas production volumes in rounds 5.1 and 5.2 corresponding to the "Development Plan". reinsurance and enhancement of federal hydrocarbon production, internal self-sufficiency, exports, import substitution and the expansion of the transportation system for all hydrocarbon basins in the country 2023-2028" (Decree No. 770/2022).

This program allows CGC to increase its natural gas production in the Austral Basin, developing short cycle projects in a more profitable way, taking advantage of the market opportunity given by the need for greater local production and high LNG prices. Additionally, 13 exploratory wells have been drilled to analyze the estimated potential of the Basin and its sustainable development.

Fiscal year 2024 is projected as a year of consolidation and growth for the Company, maintaining significant levels of investment mainly in the San Jorge and Austral Gulf Basins, consistent with its solid levels of production and sales.

With respect to the macroeconomic and political context, CGC expects to develop its activities during the current year under conditions of uncertainty and possible volatility in the main economic variables. In relation to the aforementioned, 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 them may affect the execution of the plan. of investments projected for 2024.

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

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XII PROPOSED DISTRIBUTION OF RESULTS

Fiscal year 2023 showed a loss of \$156,187.9 million. The unallocated results total a loss of \$ 154,762.1 million as of December 31, 2023. Considering the above, the Board of Directors recommends to the Shareholders that the aforementioned unallocated results be absorbed with the optional reserve for maintenance of working capital and future dividends that as of December 31, 2023 amount to \$ 169,323.7 million.

XIII FEES OF DIRECTORS AND STATUTORY AUDITORS

As of December 31, 2023, compensation to the Board of Directors in the amount of \$ 406.8 million and to the Supervisory Committee in the amount of \$ 33.0 million have been allocated to the result for the year for the functions performed during the year ended on December 31, 2023. December 2023, which must be approved by the Shareholders' Meeting that deals with this Report and the corresponding Financial Statements.

Autonomous City of Buenos Aires, March 11, 2024.

THE BOARD OF DIRECTORS

Eduardo Hugo Antranik Eurnekian

Chairman

Glossary

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

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COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

**Consolidated Financial Statements
for the fiscal year ended December 31, 2023**
(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° 104

Consolidated Financial Statements as of December 31, 2023

Company's main line of business:	Exploration and exploitation of hydrocarbons and byproducts
Date of registration with the Public Registry of Commerce:	October 15, 1920
Latest amendments to Bylaws:	April 18, 2007 September 12, 2007 December 19, 2013, April 17, 2015 and July 11, 2023
Registration number with the Legal Entities Regulator:	1648
Date of termination of the incorporation agreement:	September 1, 2100
Name of parent company:	Latin Exploration S.L.U. (1)
Parent company's main line of business:	Investment and financial activities
Equity interest held by the parent company in capital stock and votes:	70.00% (1)

(1) Note 33 to the Financial Statements.

Capital Status

Ordinary shares with a par value of 1 per share	Subscribed, issued, and paid-up (Expressed in pesos) (1) (2)
Class A shares entitled to 1 vote	279,396,499
Class B shares entitled to 1 vote	<u>119,741,357</u>
Total	<u>399,137,856</u>

(1) Note 15 to the Consolidated Financial Statements.

(2) See issuance of Convertible Negotiable Obligations into Class “C” ordinary shares described in Note 21 to the Financial Statements.

Compañía General De Combustibles S.A.

Consolidated Financial Statements

Consolidated Statement of Financial Position as of December 31, 2023 and 2022

(In thousands of pesos)

	Note	12.31.2023	12.31.2022
ASSETS			
Non-current assets			
Property, plant, and equipment	8	730,604,179	507,531,461
Investments in associates and joint ventures	9.a)	153,139,856	135,832,106
Right-of- use assets	35	18,952,929	21,066,266
Other receivables	10	1,080	4,077
Deferred tax assets	34	113,061,492	15,732,342
Total Non-Current Assets		1,015,759,536	680,166,252
Current assets			
Inventories	11	77,650,844	40,641,494
Other receivables	10	48,479,887	20,280,036
Trade receivables	12	63,314,882	58,908,767
Investments at amortized cost	13.a)	32,184,890	-
Investments at fair value	13.b)	69,724,962	3,108,235
Cash and cash equivalents	14	117,001,289	94,408,738
Total Current Assets		408,356,754	217,347,270
TOTAL ASSETS		1,424,116,290	897,513,522
EQUITY			
Share capital	15	399,138	399,138
Capital adjustment		30,943,741	30,943,741
Reserves	16	175,592,288	150,925,636
Retained earnings	17.a)	(154,762,142)	28,629,170
Other comprehensive income	17.b)	34,791,027	(1,991,780)
TOTAL EQUITY		86,964,052	208,905,905
LIABILITIES			
Non-Current Liabilities			
Provisions for legal claims and other proceedings	18	4,206,989	5,442,846
Other provisions	19	153,388,473	128,820,282
Deferred tax liability	34	27,098,780	13,989,907
Lease liabilities	35	12,442,824	11,357,985
Financial debts	21	767,465,029	310,046,917
Total Non-Current Liabilities		964,602,095	469,657,937
Current liabilities			
Other provisions	19	9,135,674	8,447,714
Other debts	22	7,458,284	4,961,836
Tax payables	20	4,853,543	4,447,292
Salaries and social security contributions		14,959,784	11,802,188
Lease liabilities	35	9,255,559	5,977,550
Financial debts	21	199,405,308	95,708,154
Trade payables	23	127,481,991	87,604,946
Total Current Liabilities		372,550,143	218,949,680
TOTAL LIABILITIES		1,337,152,238	688,607,617
TOTAL EQUITY AND LIABILITIES		1,424,116,290	897,513,522

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, 2023 and 2022

(In thousands of pesos)

	Note	12.31.2023	12.31.2022
Revenue	24	521,612,216	458,676,381
Cost of revenue	25	(433,851,716)	(369,491,477)
Gross profit		87,760,500	89,184,904
Selling expenses	26	(23,561,636)	(22,106,576)
Administrative expenses	27	(40,280,708)	(28,577,489)
Exploration expenses	28	(8,050,678)	-
Loss of financial asset impairment	29	(6,464)	(193,978)
Other operating income and (expenses), net	30	(3,206,171)	12,704,190
Operating income		12,654,843	51,011,051
Result of investments in associates and joint ventures	9	19,179,490	2,685,247
Financial income	31	15,102,210	1,831,378
Financial costs	31	(22,051,036)	(27,990,345)
Hyperinflation effect	31	(17,492,238)	1,024,732
Other financial results	31	(255,500,356)	(6,023,074)
Income before taxes		(248,107,087)	22,538,989
Income tax	34	91,919,125	1,982,555
Income for the year		(156,187,962)	24,521,544
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Asset revaluation reserve	2.2.3)	(3,065,348)	2,872,599
Items that may be reclassified to profit or loss			
Financial Statement translation difference	2.2.11)	41,273,975	(6,195,643)
Total other comprehensive loss for the year, net of taxes		38,208,627	(3,323,044)
Total comprehensive loss for the year		(117,979,335)	21,198,500
Basic and diluted earnings per share	32	(391.313)	61.436

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

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Compañía General De Combustibles S.A.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity for the fiscal year ended December 31, 2023

(In thousands of pesos)

	Share capital (Note 15)	Capital adjustment	Legal reserve (Note 16)	Optional reserve (Note 16) (1)	Other comprehensive income		Retained earnings (Note 17.a)	Total
					Asset revaluation reserve (Note 2.2.3)	Currency translation difference		
Balance as of December 31, 2022	399,138	30,943,741	6,268,577	144,657,059	7,138,465	(9,130,245)	28,629,170	208,905,905
Resolution of the Ordinary General Meeting of Shareholders dated April 17, 2023								
- Appropriation of retained earnings	-	-	-	28,629,170	-	-	(28,629,170)	-
Resolution of the Ordinary General Meeting of Shareholders dated October 30, 2023								
- Distribution of dividends to Shareholders	-	-	-	(3,962,518)	-	-	-	(3,962,518)
Net income for the year	-	-	-	-	-	-	(156,187,962)	(156,187,962)
Reversal of asset revaluation reserve	-	-	-	-	(1,425,820)	-	1,425,820	-
Other comprehensive income for the year	-	-	-	-	(3,065,348)	41,273,975	-	38,208,627
Balance as of December 31, 2023	399,138	30,943,741	6,268,577	169,323,711	2,647,297	32,143,730	(154,762,142)	86,964,052

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

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

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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 (Note 15)	Capital adjustment	Legal reserve (Note 16)	Optional reserve (Note 16) (1)	Other comprehensive income		Retained earnings (Note 17.a)	Total
					Asset revaluation reserve (Note 2.2.3)	Currency translation difference		
Balance as of December 31, 2021	399,138	30,943,741	6,268,577	133,326,326	8,373,492	(2,934,602)	14,010,063	190,386,735
Resolution of the Ordinary General Meeting of Shareholders dated April 4, 2022	-	-	-	14,010,063	-	-	(14,010,063)	-
- Appropriation of retained earnings	-	-	-	(2,679,330)	-	-	-	(2,679,330)
Resolution of the Ordinary General Meeting of Shareholders dated October 31, 2022	-	-	-	-	-	-	-	-
- Distribution of dividends to Shareholders	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	24,521,544	24,521,544
Reversal of asset revaluation reserve	-	-	-	-	(4,107,626)	-	4,107,626	-
Other comprehensive income for the year	-	-	-	-	2,872,599	(6,195,643)	-	(3,323,044)
Balance as of December 31, 2022	399,138	30,943,741	6,268,577	144,657,059	7,138,465	(9,130,245)	28,629,170	208,905,905

(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 Flows for the years ended December 31, 2023 and 2022

(In thousands of pesos)

	Note	12.31.2023	12.31.2022
Cash flows from operating activities			
Net income for the year		(156,187,962)	24,521,544
Adjustments to arrive at net cash flows from operating activities			
Depreciation of property, plant, and equipment	8	117,179,939	79,064,022
Write-off of property, plant, and equipment	8	-	3,989,624
Depreciation of right-of-use assets	35	6,093,217	5,852,647
Result of investments in associates and joint ventures	9.c)	(19,179,490)	(2,685,247)
Financial results, net		251,519,992	4,626,111
Charges (Recovery) of non-financial assets impairment	30	7,268,138	(5,942,020)
Increase in allowances for receivables, net	29	6,464	193,978
Net decrease in provision for legal claims and other proceedings	27	(1,315,035)	(2,373,078)
Gas imbalance charges	25	(13,943)	(25,383)
Income accrued for incentives, net of collections	24	3,622,801	2,511,197
Loss due to reversal of Piedrabuena Area	28	8,050,678	-
Hyperinflation effect	31	17,492,238	(1,024,732)
Accrued Income tax	34	(91,919,125)	(1,982,555)
Changes in operating assets and liabilities			
Receivables		68,303,126	(10,254,631)
Inventory		4,461,524	(17,725,055)
Non-financial debts		(154,964,789)	19,863,915
Income tax paid		(10,614,758)	(39,534,963)
Net cash flows provided by operating activities		49,803,015	59,075,374
Net cash flows used in investment activities			
Acquisition of property, plant and equipment	8	(249,103,974)	(150,203,837)
Changes in investments in associates and joint ventures		-	(623,932)
(Acquisition) Disposal of current investments		(63,380,526)	1,312,908
Dividends collected	9.b)	9,600,646	5,594,267
Net cash flows used in investment activities		(302,883,854)	(143,920,594)
Net cash flows provided by financing activities			
Dividends distributed among the shareholders		(3,962,518)	(2,679,330)
Lease payments	35	(6,430,431)	(6,373,337)
Interest paid on financial debts	21	(20,235,860)	(21,235,800)
Financial debts incurred	21	400,633,478	191,139,717
Financial debts settled	21	(213,630,005)	(69,445,792)
Net cash flows provided by financing activities		156,374,664	91,405,458
Net (decrease) increase in cash and cash equivalents		(96,706,175)	6,560,238
Cash and cash equivalents at beginning of the fiscal year	14	94,408,738	107,594,197
Financial results generated by cash and cash equivalents		119,298,726	(19,745,697)
Cash and cash equivalents at the end of the fiscal year	14	117,001,289	94,408,738
Changes not entailing movements of funds.			
Acquisitions of property, plant and equipment with pending deferred payments		48,674,568	27,605,795
Abandon cost of wells capitalized in property, plant and equipment		(23,934,526)	43,298,337

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

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Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2023

(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 Group’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, 2023, and 2022, are shown below:

Country/ Basin	Area	% Participation	Operator	Term	Activity
Argentina					
Noroeste	Aguaragüe b)	5.00	Tecpetrol	2037	
Austral	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	
	Glencross	87.00	CGC	2033	Exploitation
	Estancia Chiripa	87.00	CGC	2033	
	Tapi Aike	100.00	CGC	2026	Exploration
	Piedrabuena b)	100.00	CGC	2023	
	Paso Fuhr b)	50.00	CGC	2024	
Venezuela	Campo Onado a)	26.00	Petronado	2026	

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Country/Basin	Area	% Participation	Operator	Term	Activity
Argentina					
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	Exploration and exploitation
	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	

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

Aguaragüe Area: On February 3, 2023, the extension of the Aguarague Area was authorized until November 13, 2037. The concession of the San Antonio Sur Area was extended until November 13, 2034.

Piedrabuena Area: On August 17, 2023, CGC formally requested the IESC to waive the rights and obligations regarding the exploration permit. The area was entirely reverted to the province during 2023, with no pending commitments to date (Note 28).

Paso Fuhr Area: On January 15, 2024, the IESC approved the extension of the first exploratory period ending on June 16, 2024.

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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 was 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 years 2023 and 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 and the Statements of Income for the fiscal years ended December 31, 2023 and 2022 are shown below:

	12.31.2023	12.31.2022
Non-current assets	3,855,530	7,967,568
Current assets	4,046,479	2,449,911
Total assets	7,902,009	10,417,479
Non-current liabilities	6,668,249	11,926,026
Current liabilities	3,438,155	2,704,263
Total liabilities	10,106,404	14,630,289
Operating loss (*)	12,838,311	11,540,291
Net loss (*)	14,454,425	12,509,042

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

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e) Investment commitments

As of December 31, 2023, the Company's participation in the minimum commitments of the Austral basin areas amounted to approximately US\$ 47.8 million, of which US\$ 7.1 million correspond to the C ndor, 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, US\$ 14.2 million to the Tapi Aike area, US\$ 5.2 million to the Paso Fuhr area and US\$ 21.3 million to the Glencross area, none of which have been expired to date. Additionally, to extend the term of validity of the hydrocarbon exploitation concessions located in the Gulf of San Jorge Basin for an additional period of ten years, in the terms of the provisions of article 35 of the Hydrocarbon Law No. 17,319, investments in activity have been committed for a total value of approximately US\$ 518.0 million.

1.2 Economic context in which the Group operates

The group operates in a complex economic context, whose main variables have had strong volatility, both nationally and internationally.

The main macroeconomic indicators of our country are: the estimated drop in the Gross Domestic Product (“GDP”) in 2023 was 1.6%; the primary fiscal deficit in 2023 was 2.6% of GDP, while the financial deficit reached 6.1% of GDP; the accumulated inflation between January 1 and December 31, 2023 reached 211.41%, according to the Consumer Price Index (“CPI”) published by the National Institute of Statistics and Censuses (“INDEC”); between January 1 and December 31, 2023, the peso depreciated 356.34% against the US dollar, according to the exchange rate published by the Banco de la Naci n Argentina (“BNA”).

On December 10, 2023, a new government took office in Argentina, which has set among its objectives the establishment of a new economic regime in the country, for which it proposes to carry out a broad reform of laws and regulations. The new government's plan proposes moving forward with a profound deregulation of the economy and with structural reforms that release restrictions on investing and operating in the country.

The context of volatility and uncertainty continues as of the date of issuance of these Financial Statements. The Group'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 Group's Financial Statements must be read in light of these circumstances.

1.3. Merger of CGC Energ a S.A.U. (absorbed company) by absorption of Compa a General de Combustibles S.A. (absorbing company and 100% Controlling company)

On November 15, 2023, the directories of the companies CGC Energ a S.A.U. and CGC, have resolved to carry out a merger between CGC as the absorbing company and CGC Energ a S.A.U. as an absorbed company, with effect from January 1, 2024, date from which date the absorbing company must operate on behalf of and ordered by the absorbed company. The merger is subject to the corporate approvals required under applicable regulations and its registration in the Public Registry of Commerce. These Financial Statements will be considered Special Merger Financial Statements of Compa a General de Combustibles S.A.

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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, 2023 are presented in accordance with IFRS Accounting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

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 functional currency of the Company 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, 2023 in accordance with IAS 29 "Financial information in hyperinflationary economies". Certain non-significant figures have been reclassified as of December 31, 2022, 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.

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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.

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 211.4%.

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;

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- 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,

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 11, 2024.

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.

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2.2.1 Changes in accounting policies under IFRS

New mandatory standards, amendments and interpretations for fiscal year beginning January 1, 2023

The Group has applied the following standards and/or amendments for the first time since January 1, 2023:

- IFRS 17, Insurance Contracts. This standard replaced IFRS 4, which allowed a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting of all entities that issue insurance contracts.
- Limited scope amendments to IAS 1. Statement of Practice 2 and IAS 8. The amendments are intended to improve disclosures of accounting policies and to help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction. These amendments require companies to recognize deferred taxes on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendment to IAS 12 - International tax reform. These amendments provide companies with temporary relief from accounting for deferred taxes arising from the international tax reform of the Minimum Tax Implementation Handbook. The amendments also introduce disclosure requirements for the affected companies.

The application of the rules and/or detailed modifications did not generate any impact on the results of operations or the financial situation of the Group.

New standards, amendments and interpretations not effective and not adopted in advance by the Group

- Amendment to IFRS 16 – Leases for sale and leaseback. Amended in September 2022. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions in which some or all of the lease payments are variable lease payments that are not dependent on an index or rate are more likely to be affected. The amendment is applicable to annual years beginning on or after January 1, 2024. The Group estimates that its application will not impact the results of operations or the financial situation of the Group.

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- Amendment to IAS 1 – Non-current liabilities with covenants. Amended in January 2020 and November 2022. These amendments clarify how the conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability. The amendments also aim to improve the information that an entity provides in relation to liabilities subject to these conditions. The amendment is applicable to annual years beginning on or after January 1, 2024. The Group estimates that its application will not impact the results of operations or the financial situation of the Group.

- Amendments to IAS 7 and IFRS 7 on supplier financing agreements. Amended in May 2023. These amendments require disclosures to improve the transparency of suppliers' financial arrangements and their effects on a company's liabilities, cash flows, and liquidity risk exposure. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently visible, making it difficult for investors to analyze. The amendment is applicable to annual years beginning on January 1, 2024, (with temporary exemptions in the first year). The Group estimates that its application will not impact the results of operations or the financial situation of the Group.

- Amendment to IAS 21 - Lack of interchangeability. Amended in August 2023. An entity is affected by the amendment when it has a transaction or operation in a foreign currency that is not exchangeable for another currency on a measurement date for a specific purpose. A currency is interchangeable when there is the possibility of obtaining the other currency (with a normal administrative delay), and the transaction would be carried out through a market or exchange mechanism that creates enforceable rights and obligations. The amendment is applicable to annual years beginning on or after January 1, 2025. The Group is analyzing the impacts that its application may cause.

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).

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Additionally, as of December 31, 2023 and 2022, 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.

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.

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2.2.3 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 flows 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.

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, 2023 and 2022 had no effect.

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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, 2023 and 2022:

Asset revaluation reserve	12.31.2023	12.31.2022
Gasinvest S.A.	689,690	2,143,823
Gasoducto GasAndes (Argentina) S.A.	1,954,699	4,988,800
Transportadora de Gas del Norte S.A.	2,908	5,842
Total	2,647,297	7,138,465

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.

The presentation currency of the Group is the Argentine peso.

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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.

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.

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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.

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.

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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

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.

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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.

The Group analyzes the recoverability of the Property, plant and equipment and right - of -use assets item when there are events or changes in circumstances that indicate a potential indication of devaluation, and in the case of assets that have previously suffered devaluation, when there are events or circumstances that suggest that the potential service of the asset has increased. The recoverable value of each Cash Generating Unit (CGU, considering as CGU the related Oil & Gas fields in which the Group participates), is supported by the value in use of said assets. The value in use has been estimated by the Company based on the discounted future fund flows of each of the CGUs, considering the key premises on which said projections are based.

When there are events or circumstances that indicate a potential impairment, an impairment test is run at the level of identifiable cash flows:

- 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, 2023 and 2022, \$ 8,050,678 and \$ 0 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.

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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.

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, 2023 and 2022, a charge of \$ 225 and a recovery of \$ 3,005,090, 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 flows 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 flows;
- ii) The contractual conditions of the financial asset give rise on specified dates to cash flows 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 flows 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 flows 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.

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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.

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 years ended December 31, 2023 and 2022, the conditions foreseen for the application of said adjustment have been evident, which has been included in the calculation of the income tax provision and the deferred tax, computing the impact of the same in accordance with what is established by current regulations. The determined amount, in the years 2019 and 2020, has been allocated 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 imputed in a single fiscal period and in fiscal years 2022 and 2023, respectively, there is the option of imputing the positive tax inflation adjustment in thirds, starting in 2022 and 2023, respectively, continuing in the two immediately following fiscal periods, which will only be appropriate to the extent that the investment in property, plant and equipment (except automobiles) during each of the two fiscal periods immediately following that of the calculation of the first third, is greater than or equal to \$ 30 billion. As of December 31, 2022 and 2023, the Group has chosen to apply this criterion.

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In June 2021, a law was enacted that establishes a new structure of graduated rates for income tax with three segments in relation to the level of accumulated taxable net profit, which are detailed below:

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

This modification is applicable for fiscal years beginning on or after January 1, 2021.

The updated taxable net profits in effect for fiscal years beginning on or after January 1, 2023 are:

- 25% for accumulated taxable net profits up to \$ 14.4 million;
- 30% for the second tranche, which will reach taxable profits of up to \$ 143.0 million;
- 35% for taxable profits over \$ 143.0 million.

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 flows.

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).

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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 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.

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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.

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, 2023 and 2022, the Group has recorded liabilities for gas imbalance amounting to \$ 4,964 and \$ 18,907 respectively, corresponding to 51.68 Mm3 and 59.92 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.

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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”.

Note 3. Subsidiaries consolidation

CGC's Financial Statements as of December 31, 2023 were consolidated with the Financial Statements or management reports as of those dates of the following companies:

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

Note 4. Financial risk management

4.1 Financial risk factors

As of December 31, 2023, 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.

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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.

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 Group 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.

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

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

	2023			2022		
	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)	
CURRENT ASSETS						
Cash and cash equivalents	USD	114,124	805.45	91,920,890	136,728	75,346,499
Other investments						
Publicly traded shares	USD	392	805.45	315,802	597	328,917
Government securities	USD	85,857	805.45	69,153,120	4,755	2,620,427
Trade receivables						
Ordinary	USD	46,158	805.45	37,178,125	76,460	42,134,789
Other receivables						
Ordinary	USD	1,743	805.45	1,403,883	5,249	2,892,342
Related companies	USD	37,309	805.45	30,050,220	1,312	722,763
Total Current Assets				230,022,040		124,045,736
TOTAL ASSETS				230,022,040		124,045,736
CURRENT LIABILITIES						
Trade payables	USD	102,118	808.45	82,557,682	85,924	47,360,478
Financial debts	USD	246,234	808.45	199,067,487	170,086	96,593,124
Total Current Liabilities				281,625,169		143,953,602
NON-CURRENT LIABILITIES						
Financial debts	USD	948,436	808.45	766,762,816	545,521	311,274,778
Total Non-Current Liabilities				766,762,816		311,274,778
TOTAL LIABILITIES				1,048,387,985		455,228,380
TOTAL, NET				(818,365,945)		(331,182,644)

The Group holds almost all of its financial liabilities in US dollars. As of December 31, 2023, the Group does not hold derivative financial instruments to hedge against exchange rate fluctuations.

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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:

	12.31.2023
Net position (liabilities) in U.S. dollars (functional currency pesos) (in USD)	(827,066)
Net position (liabilities) in pesos (functional currency U.S. dollars) (in USD)	(176,667)
Total net position (liabilities) in foreign currency	(1,003,733)
Exchange rate at year-end	808.45
Effect of change in purchasing power of the currency	
Sensitivity effect expressed in pesos	(162,293,639)
Applied sensitivity	20%

The sensitivity of comprehensive income and shareholders' equity as of December 31, 2023, 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 (\$ 162,293,639).

b) Interest rate risk

The Group 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 Group 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.

As of December 31, 2023, the Company's financial debt is 100% issued at a fixed rate; therefore, the Company is not exposed to significant cash flows 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:

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	12.31.2023	12.31.2022
Fixed-rate		
US dollar stated in thousands of pesos	966,870,337	405,755,071
Subtotal fixed-rate loans	966,870,337	405,755,071
Total financial debts	966,870,337	405,755,071

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, 2023, the Company's trade accounts receivable amounted \$ 63,632 million, of which approximately 48% corresponds to receivables related to gas sales revenues. These receivables were distributed as follows: 19% residential segment, 62% plant segment, and 19% industry segment.

During the year ended December 31, 2023 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.

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.

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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 flows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 3 and 5 years
As of December 31, 2023				
Bank loans	76,562,386	65,339,774	-	-
Notes	58,135,797	201,269,156	120,944,871	277,267,487
Other loans	64,707,125	41,929,146	28,376,595	32,338,000
Total	199,405,308	308,538,076	149,321,466	309,605,487

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 3 and 5 years
As of December 31, 2022				
Bank loans	32,118,114	-	-	-
Notes	60,831,591	76,212,200	81,689,409	132,162,669
Other Local Notes (<i>Pagarés bursátiles</i>)	2,758,449	11,309,642	8,661,530	-
Sundry	-	11,468	-	-
Total	95,708,154	87,533,310	90,350,939	132,162,669

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.

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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 Group 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, 2023 and 2022 were as follows:

	12.31.2023	12.31.2022
Total loans	966,870,337	405,755,071
Less: cash and cash equivalents	(117,001,289)	(94,408,738)
Net debt	849,869,048	311,346,333
Total principal	936,833,100	520,252,238
Leverage ratio	103.21%	77.99%

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.

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.

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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, 2023 and 2022:

As of 12.31.2023	Level 1	Level 2	Level 3	Total
Current Assets				
Cash and cash equivalents				
Mutual funds	24.328.864	-	-	24.328.864
Investments at fair value				
Government securities	69.153.120	-	-	69.153.120
Publicly traded shares	571.842	-	-	571.842
Total current assets	94.053.826	-	-	94.053.826

As of 12.31.2022	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents				
Mutual funds	18,337,884	-	-	18,337,884
Investments at fair value				
Government securities	2,620,427	-	-	2,620,427
Publicly traded shares	487,808	-	-	487,808
Total current assets	21,446,119	-	-	21,446,119

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:

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.

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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, 2023 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 flows 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:

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

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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 Cordón, 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 and d) 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 flows 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, 2023, an impairment loss on non-financial assets was identified for \$ 7,268,138, corresponding to the María Ines, Cóndor and La Maggie CGUs. During the year ended December 31, 2022, a gain of \$ 5,942,020 was recognized, corresponding to a recovery for impairment of non-financial assets as of December 31, 2022 of \$ 6,757,633 in the Dos Hermanos, Cóndor and La Maggie CGUs and a loss due to impairment in the María Ines CGU for (\$ 815,614). The impairment charge and recoveries recorded as of December 31, 2023 and 2022 are included in the Other operating income and (expenses), net, in the Statement of Comprehensive Income (Note 30).

As of December 31, 2023 and 2022, the impairment balance of non-financial assets is composed as follows:

CGU	12.31.2023	12.31.2022
María Inés	10,177,191	9,067,030
Cóndor	2,198,819	273,331
La Maggie	7,337,607	3,105,118
Total Cuenca Austral	19,713,617	12,445,479

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Main assumptions used

The value-in-use calculation performed by CGC as of December 31, 2023 and 2022, for each CGU, is most sensitive to the following assumptions:

CGU	12.31.2023	12.31.2022
WACC discount rate used	13.67%	13.59%
Crude Oil and Natural Gas Prices		
Crude oil - Brent (USD/bbl,)		
2024	60.0	65.6
2025	55.3	62.4
2026 onwards	54.1-56.9	61.2
Natural gas – Local prices (USD/MMBTU)		
2024	4.8	5.8
2025	5.1	5.6
2026 onwards	3.5-4.4	3.5-5.2

If the average prices of Crude Oil and Natural Gas were 5% lower in the coming years and keeping the rest of the variables constant, the determined deterioration would be greater by \$1,256,904. Likewise, an increase in the discount rate used of 1% would result in an additional impairment of \$ 316,993.

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.

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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 Liquid Petroleum Gas (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 and gains (losses) on return of areas and unsuccessful exploratory investments. Adjusted EBITDA also excludes 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 12.31.2023			
	Upstream	Midstream	Central structure	TOTAL
Revenue	521,612,216	-	-	521,612,216
Cost of revenue	(312,103,900)	-	-	(312,103,900)
Gross profit	209,508,316	-	-	209,508,316
Selling expenses	(23,561,636)	-	-	(23,561,636)
Central structure expenses	-	-	(39,353,907)	(39,353,907)
Other operating income and (expenses), net	2,836,744	1,225,223	-	4,061,967
Financial asset impairment allowance	(23,859)	-	17,395	(6,464)
Adjusted EBITDA	188,759,565	1,225,223	(39,336,512)	150,648,276
Exploration expenses	(8,050,678)	-	-	(8,050,678)
Charge of impairment of non-financial assets	(7,268,138)	-	-	(7,268,138)
Depreciation and amortization	(121,747,816)	-	(926,801)	(122,674,617)
Results of investments in associates and joint ventures	-	19,179,490	-	19,179,490
Subtotal	51,692,933	20,404,713	(40,263,313)	31,834,333
Financial income	-	-	15,102,210	15,102,210
Financial costs	-	-	(22,051,036)	(22,051,036)
Hyperinflation effect	-	-	(17,492,238)	(17,492,238)
Other financial results	-	-	(255,500,356)	(255,500,356)
Income (loss) before taxes	51,692,933	20,404,713	(320,204,733)	(248,107,087)
Income tax	-	-	91,919,125	91,919,125
Income (Loss) for the fiscal year	51,692,933	20,404,713	(228,285,608)	(156,187,962)
Adjusted EBITDA				150,648,276
Dividends collected in this fiscal year				9,600,646
Adjusted EBITDA as per dividends collected				160,248,922

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As of 12.31.2022

	Upstream	Midstream	Central structure	TOTAL
Revenue	458,676,381	-	-	458,676,381
Cost of revenue	(286,305,063)	-	-	(286,305,063)
Gross profit	172,371,318	-	-	172,371,318
Selling expenses	(22,106,576)	-	-	(22,106,576)
Central structure expenses	-	-	(27,705,503)	(27,705,503)
Other operating income and (expenses), net	5,508,066	1,254,104	-	6,762,170
Financial asset impairment allowance	(193,978)	-	-	(193,978)
Adjusted EBITDA	155,578,830	1,254,104	(27,705,503)	129,127,431
Recovery of Impairment of non-financial assets	5,942,020	-	-	5,942,020
Depreciation and amortization	(83,186,414)	-	(871,986)	(84,058,400)
Results of investments in associates and joint ventures	-	2,685,247	-	2,685,247
Subtotal	78,334,436	3,939,351	(28,577,489)	53,696,298
Financial income	-	-	1,831,378	1,831,378
Financial costs	-	-	(27,990,345)	(27,990,345)
Hyperinflation effect	-	-	1,024,732	1,024,732
Other financial results	-	-	(6,023,074)	(6,023,074)
Income (loss) before taxes	78,334,436	3,939,351	(59,734,798)	22,538,989
Income tax	-	-	1,982,555	1,982,555
Income (Loss) in fiscal year	78,334,436	3,939,351	(57,752,243)	24,521,544
Adjusted EBITDA				129,127,431
Dividends collected in fiscal year				5,594,267
Adjusted EBITDA as per dividends collected				134,721,698

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Note 7. Financial instruments

Financial instruments by category

	12.31.2023	12.31.2022
ASSETS		
Financial assets at amortized cost		
Other receivables	35,882,164	8,825,050
Trade receivables	63,314,882	58,908,767
Other investments	32,184,890	-
Cash and cash equivalents	92,672,425	76,070,854
Total	224,054,361	143,804,671
Financial assets at fair value		
Cash and cash equivalents	24,328,864	18,337,884
Investments at fair values	69,724,962	3,108,235
Total	94,053,826	21,446,119
LIABILITIES		
Financial liabilities at amortized cost		
Trade payables	127,481,991	87,604,946
Financial debts	966,870,337	405,755,071
Other debts and social security charges	22,418,068	16,764,024
Total	1,116,770,396	510,124,041

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Note 8. Property, plant, and equipment

Changes in this caption are as follows:

	Fiscal year ended December, 31 2023									12.31.2022	
	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	868,848,400	7,619,456	88,115,054	-	47,684,340	1,012,267,250	54,743,988	21,187,021	(12,445,479)	1,075,752,780	857,932,717
Additions	52,222,712	833,613	-	1,050	198,237,252	251,294,627	5,222,422	17,326,967	-	273,844,016	221,107,969
Well abandonment cost variation	(30,857,627)	-	-	-	-	(30,857,627)	-	-	-	(30,857,627)	-
Transfers	173,816,217	857,925	-	-	(169,140,266)	5,533,876	(5,238,061)	(295,815)	-	-	-
Translation	108,686,984	2,857,619	6,221,340	-	10,256,081	128,022,024	-	15,648,781	-	143,670,805	(5,234,731)
(Charge) Recovery of Impairment of non-financial assets	-	-	-	-	-	-	-	-	(7,268,138)	(7,268,138)	5,942,019
Write-offs	-	-	-	-	-	-	(9,513,212)	-	-	(9,513,212)	(3,995,192)
Balance at the end of the fiscal year	1,172,716,686	12,168,613	94,336,394	1,050	87,037,407	1,366,260,150	45,215,137	53,866,954	(19,713,617)	1,445,628,624	1,075,752,782
Accumulated depreciation											
Balance at the beginning of the fiscal year	494,911,880	2,473,901	66,331,363	-	-	563,717,144	-	4,504,175	-	568,221,319	490,144,000
Depreciation of the year	111,917,098	1,336,834	2,999,206	-	-	116,253,138	-	926,801	-	117,179,939	79,064,022
Translation	26,911,422	923,375	1,467,614	-	-	29,302,411	-	320,776	-	29,623,187	(981,133)
Write-offs and transfers	26,911,422	923,375	1,467,614	-	-	29,302,411	-	320,776	-	-	(5,568)
Balance at the end of the fiscal year	633,740,400	4,734,110	70,798,183	-	-	709,272,693	-	5,751,752	-	715,024,445	568,221,321
Residual value	538,976,286	7,434,503	23,538,211	1,050	87,037,407	656,987,457	45,215,137	48,115,202	(19,713,617)	730,604,179	507,531,461

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

	12.31.2023	12.31.2022
Balance at the beginning of year	12,445,479	18,387,499
Decrease (1)	7,268,138	(5,942,020)
Balance at year end	19,713,617	12,445,479

(1) Charged to Other operating income and (expenses), net in 2023 and 2022.

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, 2023 and 2022:

Company	12.31.2023	12.31.2022
Joint Ventures		
Gasinvest S.A.	129,250,029	112,643,092
Gasoducto GasAndes (Argentina) S.A.	10,485,202	11,900,554
Gasoducto GasAndes S.A. (Chile)	10,342,450	8,969,732
Transportadora de Gas del Norte S,A,	257,543	225,264
Andes Operaciones y Servicios S,A, (Chile)	869,694	528,770
Associates		
Transportadora de Gas del Mercosur S.A.	577,807	638,580
Other companies		
Termap S.A.	1,357,131	926,114
Total investments	153,139,856	135,832,106

9.b) Below are the changes in investments as of December 31, 2023 and 2022:

	12.31.2023	12.31.2022
At the beginning of fiscal year	135,832,106	136,554,072
Currency translation difference (3)	12,198,137	(1,309,477)
Acquisitions (4)	-	954,435
Capital Contributions (reductions) (5)	-	(330,503)
Asset revaluation reserve (2)	(3,065,348)	2,872,599
Profit sharing	19,179,490	2,685,247
Dividends (1)	(11,004,529)	(5,594,267)
At the end of fiscal year	153,139,856	135,832,106

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- (1) As of December 31, 2023 \$ 1,403,883 have not been collected and in 2022, 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, 2023 and 2022.
- (3) Net of \$ 5,903,392 and \$ 24,550,086 and (\$ 431,017) in 2023 from the conversion of the subsidiaries CGC International Corp., CGC Energía S.A.U. and Termap S.A., respectively and (\$ 1,623,679) and (\$ 3,262,487) in 2022 from the conversion of the subsidiaries 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, 2023 and 2022:

Company	12.31.2023	12.31.2022
Joint Ventures		
Gasinvest S.A. (1)	16,556,761	(6,241,541)
Gasoducto GasAndes (Argentina) S.A.	1,249,963	2,504,649
Gasoducto GasAndes S.A. (Chile)	1,359,373	6,059,381
Transportadora de Gas del Norte S.A.	32,846	(12,711)
Andes Operaciones y Servicios S.A. (Chile)	41,320	38,430
Associates		
Transportadora de Gas del Mercosur S.A.	(60,773)	337,039
Total	19,179,490	2,685,247

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

Company	12.31.2023			
	Assets	Liabilities	P&L	Revenue
Gasinvest S.A.	129,259,605	9,576	16,556,761	-
Gasoducto GasAndes (Argentina) S.A.	12,949,506	2,464,304	1,249,963	14,761,421
Gasoducto GasAndes S.A. (Chile)	15,307,392	4,964,942	1,359,373	3,802,268
Andes Operaciones y Servicios S.A. (Chile)	1,282,482	412,788	41,320	874,112
Transportadora de Gas del Mercosur S.A.	1,413,658	835,851	(60,773)	2,086
Transportadora de Gas del Norte S.A.	358,403	100,861	32,846	56,579

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Company	12.31.2022			
	Assets	Liabilities	P&L	Revenue
Gasinvest S.A.	112,650,750	7,659	(6,241,541)	-
Gasoducto GasAndes (Argentina) S.A.	14,216,196	2,313,246	2,532,428	15,569,033
Gasoducto GasAndes S.A. (Chile)	14,250,092	5,280,360	6,006,641	5,600,102
Andes Operaciones y Servicios S.A. (Chile)	832,038	303,268	38,430	744,042
Transportadora de Gas del Mercosur S.A.	883,489	244,908	337,039	166,002
Transportadora de Gas del Norte S.A.	289,702	64,437	(12,711)	72,545

Note 10. Other receivables

The breakdown of other receivables is as follows:

	12.31.2023	12.31.2022
Non-current:		
Related parties (Note 33.a))	4,449,730	3,044,382
Sundry	193,770	604,130
Allowance for expected losses	(4,642,420)	(3,644,435)
Total	1,080	4,077
Current		
Receivables for incentives	2,070,164	2,511,197
Related parties (Note 33.a))	2,194,109	1,257,569
Other tax credits	12,598,803	11,459,063
Advances to suppliers	12,815,575	2,276,086
Guarantee deposit (1)	14,451,529	-
Expenses to accrue	1,367,059	1,924,649
Prepaid insurance	395,731	313,045
Partner´s Joint Operations	51,203	99,939
Sundry	2,631,685	609,650
Provision for expected future losses	(95,971)	(171,162)
Total	48,479,887	20,280,036

(1) Guarantee deposited by CGC Internacional Corp. and CGC Energy Ltd. for import of a gas compression plant of the Company.

Activity in the provision for expected losses is as follows:

	12.31.2023	12.31.2022
Non-Current		
Balance at the beginning of year	3,815,597	4,903,129
Hyperinflation effect	(2,531,921)	(2,368,180)
Increases (1)	3,454,715	1,280,648
Balance at fiscal year end	4,738,391	3,815,597

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(1) Charged \$ 3,472,110 to financial results and \$ 1,266,281 for impairment of financial assets in 2023, and \$ 1,280,648 to financial results in 2022

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.

Note 11. Inventories

The breakdown of inventories is as follows:

	12.31.2023	12.31.2022
Oil and byproducts	7,595,876	10,702,874
Materials and spare parts	89,613,120	44,049,364
Allowance for obsolescence	(19,558,152)	(14,110,744)
Total	77,650,844	40,641,494

The movements in the allowance for obsolescence are as follows:

	12.31.2023	12.31.2022
Balance at the beginning of fiscal year	14,110,744	18,988,527
Translation	5,447,183	(1,872,693)
Increase (decreases) (1)	225	(3,005,090)
Balance at the end of fiscal year	19,558,152	14,110,744

(1) Charged to Other operating income and (expenses), net

Note 12. Trade receivables

The breakdown of trade receivables is as follows:

	12.31.2023	12.31.2022
Non-Current		
Ordinary (1)	201.252	626.716
Less: Provision for expected losses	(201.252)	(626.716)
Total	-	-
Current		
Ordinary	63,430,636	59,194,937
Less: Provision for expected losses	(115,754)	(286,170)
Total	63,314,882	58,908,767

(1) As of December 31, 2023 and 2022 it corresponds to the balances pending collection by Decree N° 1053/2018 (Note 38.3).

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Activity in the provision for expected losses is as follows:

	12.31.2023	12.31.2022
Balance at the beginning of fiscal year	912,886	1,400,381
Hyperinflation effect	(619,739)	(681,473)
Increases (1)	23,859	193,978
Balance at the end of fiscal year	317,006	912,886

(1) Charged for impairment of financial assets in 2023 and 2022.

As of December 31, 2023 and 2022, 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:

	12.31.2023	12.31.2022
Past due		
From 0 to 3 months	8,712,040	5,271,550
From 3 to 6 months	370,283	300,561
From 6 to 9 months	6,541	24,349
From 9 to 12 months	6,147	912
Over a year	103,066	279,843
To be due		
From 0 to 3 months	54,232,559	53,317,722
Over a year	201,252	626,716
Total	63,631,888	59,821,653

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

	12.31.2023	12.31.2022
Argentine peso	26,453,763	17,686,864
United States dollar	37,178,125	42,134,789
Total	63,631,888	59,821,653

Note 13. Investments at amortized cost and fair value

13.a) The composition of the investments at amortized cost is as follows:

	12.31.2023	12.31.2022
Corrientes		
Fixed-term placements (1)	32,184,890	-
Total	32,184,890	-

(1) As of December 31, 2023, it corresponds to a fixed term deposited in Eurobanco Bank Ltd. that is with restricted availability and as collateral for the financial debt of CGC Energy Ltd. (Note 21).

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13.a) The composition of the investments at fair value is as follows:

	12.31.2023	12.31.2022
Current		
Publicly traded shares	571,842	487,808
Government securities at fair value (1)	69,153,120	2,620,427
Total	69,724,962	3,108,235

(1) As of December 31, 2023 and 2022, the nominal values of government securities are as follows:

	12.31.2023	12.31.2022
Bonds of the Argentine Nation in US dollars 2030 (Step Up 2030 USD)	179,730,847	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

	12.31.2023	12.31.2022
Cash and banks	791,676	282,607
Banks	91,880,749	75,788,247
Mutual funds (1)	24,328,864	18,337,884
Total	117,001,289	94,408,738

(1) As of December 31, 2023 and 2022, the mutual fund shares are as follows:

	12.31.2023	12.31.2022
"Alpha Pesos" Mutual Fund	599,530,236	313,865,130
" Fima Premiun Clase B " Mutual Fund	10	-
"Toronto Trust Ahorro - Clase B" Mutual Fund	-	25,712,355

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

	12.31.2023	12.31.2022
Cash and cash in banks	92,672,425	76,070,852
Mutual funds	24,328,864	18,337,886
Total	117,001,289	94,408,738

Note 15. Share capital

As of December 31, 2023 and 2022, 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.

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Note 16. Reserves

	Legal reserve	Optional reserve(1)	Total reserves
Balance as of December 31, 2021	6,268,577	133,326,326	139,594,903
General Shareholders' Meeting held on April 4, 2022 and October 31, 2022 (appropriation of retained earnings and dividends)	-	11,330,733	11,330,733
Balance as of December 31, 2022	6,268,577	144,657,059	150,925,636
General Shareholders' Meeting held on April 17, 2023 (appropriation of retained earnings)	-	28,629,170	28,629,170
General Shareholders' Meeting held on October 30, 2023 (dividends)	-	(3,962,518)	(3,962,518)
Balance as of December 31, 2023	6,268,577	169,323,711	175,592,288

(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.

Note 17. Retained earnings and other comprehensive income

17.a) Retained earnings

	12.31.2023	12.31.2022
Balance as of December 31, 2021		14,010,063
General Shareholders' Meeting held on April 4, 2022 (appropriation of retained earnings)		(14,010,063)
Reversal of asset revaluation reserve		4,107,626
Profit for the year (1)		24,521,544
Balance as of December 31, 2022	28,629,170	28,629,170
General Shareholders' Meeting held on April 17, 2023 (appropriation of retained earnings)	(28,629,170)	
Reversal of asset revaluation reserve	1,425,820	
Profit for the year (1)	(156,187,962)	
Balance as of December 31, 2023	(151,762,142)	

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

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17.b) Other comprehensive income

	Asset revaluation reserve (Note 2.2.3)	Currency translation difference	Total
Balance as of December 31, 2021	8,373,492	(2,934,602)	5,438,890
Reversal of asset revaluation reserve	(4,107,626)	-	(4,107,626)
Profit/loss on asset revaluation reserve	2,872,599	-	2,872,599
Foreign exchange gains/(losses)	-	(6,195,643)	(6,195,643)
Balance as of December 31, 2022	7,138,465	(9,130,245)	(1,991,780)
Reversal of asset revaluation reserve	(1,425,820)	-	(1,425,820)
Profit/loss on asset revaluation reserve	(3,065,348)	-	(3,065,348)
Foreign exchange gains/(losses)	-	41,273,975	41,273,975
Balance as of December 31, 2023	2,647,297	32,143,730	34,791,027

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:

	12.31.2023	12.31.2022
Non-Current		
Balance at the beginning of the fiscal year	5,442,846	6,172,092
Hyperinflation effect	1,242,034	(752,743)
Increases (Decreases)(1)	(2,340,758)	42,007
Applications	(137,133)	(18,510)
Balance at year end	4,206,989	5,442,846

(1) Charged (\$ 1,315,035) to administration expenses and (\$ 1,025,723) to financial results in 2023 and (\$ 2,373,078) to administration expenses and \$ 2,415,086 financial results in 2022.

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Note 19. Other provisions

The breakdown of other provisions is as follows:

	12.31.2023	12.31.2022
Non-current		
Gas imbalance (Note 2.2.14.1)	3.915	15.416
Asset retirement obligation and provision for environmental remediation (Note 2.2.14.1)	153.028.201	128.561.687
Sundry	356.357	243.179
Total	153.388.473	128.820.282
Current		
Gas imbalance (Note 2.2.14.1)	1.049	3.491
Asset retirement obligation and provision for environmental remediation (Note 2.2.14.1)	9.134.625	8.444.223
Total	9.135.674	8.447.714

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

	Balance at the beginning of year 12.31.2022	Increases	Decreases	Hyperinflation effect	Balance at the end of year 12.31.2023
Non-current					
Gas imbalance (1)	15,416	-	(11,501)	-	3,915
Well abandonment and environmental remediation provision (2)	128,561,687	17,004,645	(30,208,683)	37,670,552	153,028,201
Total	128,577,103	17,004,645	(30,220,184)	37,670,552	153,032,116
Current					
Gas imbalance (1)	3,491	-	(2,442)	-	1,049
Well abandonment and environmental remediation provision	8,444,223	1,116,057	(3,303,120)	2,877,465	9,134,625
Total	8,447,714	1,116,057	(3,305,562)	2,877,465	9,135,674

(1) Corresponds to (\$ 13,943) return of gas and was charged to cost of sales.

(2) Corresponds to \$ 18,120,702 at current value charged to financial costs, (\$ 23,934,526) to future cost adjustment, charged to property, plant and equipment and (\$ 1,462,535) to applications for Piedrabuena area.

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Note 20. Taxes payables

The breakdown of taxes payables is as follows:

	12.31.2023	12.31.2022
Current		
Provision for gross income tax	291,286	314,547
Value added tax	-	651,141
Gas surcharge perception art. 75 Law No. 25,565	815,391	677,982
Tax withholdings and deductions	3,615,109	2,706,410
Payment plans	-	2,344
Sundry	131,757	94,868
Total	4,853,543	4,447,292

Note 21. Financial debts

The breakdown of financial debts is as follows:

	12.31.2023	12.31.2022
Non-current		
Bank loans	65,339,774	-
Notes	599,481,514	290,064,277
Other Local Notes (<i>Pagarés Bursátiles</i>)	46,052,241	18,316,103
Related Parties (Note 33)	-	1,655,069
Other loans	56,591,500	11,468
Total	767,465,029	310,046,917
Current		
Bank loans	76,562,386	32,118,114
Notes	58,135,797	60,831,591
Related Parties (Nota 33)	18,458,208	2,758,449
Other Local Notes (<i>Pagarés Bursátiles</i>)	46,248,917	-
Total	199,405,308	95,708,154

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Breakdown	12.31.2023	12.31.2022	Annual interest rate	Due date	Currency
Financial debts					
Non-current					
Bank loans					
Syndicated bank loans (Note 21.n))	62,028,567	-	7% / 8.5%	2024-2025	Dólar
Other loans	3,311,207	-	7% / 8%	2025	Dólar
Subtotal	65,339,774	-			
Notes					
Class 22 Notes (Note 21.d))	-	11,024,943	3.00%	2024	Dólar Linked
Class 23 Notes (Note 21.e))	80,806,377	55,030,797	6.05%	2031	Dólar
Class 24 Notes (Note 21.d))	-	29,733,077	1.38%	2024	Dólar Linked
Class 25 Notes (Note 21.f))	-	6,224,914	3.25%	2024	Dólar
Class 26 Notes (Note 21.d))	-	34,783,047	0.00%	2025	Dólar Linked
Class 27 Notes (Note 21.q))	62,109,945	42,288,401	3.50%	2025-2029	Dólar
Class 28 Notes (Note 21.h))	64,643,242	43,972,727	0.00%	2026	Dólar Linked
Class 17 Notes (Note 21.a))	55,290,988	67,006,371	9.50%	2022-2025	Dólar
Class 30 Notes (Note 21.i))	121,267,157	-	0.00%	2025	Dólar Linked
Class 31 Notes (Note 21.j))	42,308,547	-	0.00%	2026	Dólar Linked
Class 32 Notes (Note 21.k))	10,419,693	-	6.00%	2025	Dólar Linked
Convertible Notes (Note 21.l))	161,638,452	-	0.00%	2028	Dólar Linked
Accrued interest payable	997,113	-			
Subtotal	599,481,514	290,064,277			
Related Parties					
Other Local Notes (<i>Pagarés Bursátiles</i>) (Note 33.a))	-	1,655,069			Dólar Linked
Subtotal	-	1,655,069			
Other financial debts					
Other Local Notes (<i>Pagarés Bursátiles</i>) (Note 21.p))	46,052,241	18,316,103			Dólar Linked
Sundry	56,591,500	11,468			
Subtotal	102,643,741	18,327,571			
Total non-current assets	767,465,029	310,046,917			
Current					
Bank loans					
Syndicated bank loans (Note 21.j))	16,563,925	32,118,114	7% / 8.5%	2024-2025	Dólar
Other loans	59,998,461	-	7.5% / 8%	2024-2025	Dólar
Subtotal	76,562,386	32,118,114			
Notes					
Class 17 Notes (Note 21.a))	43,931,880	29,979,304	9.50%	2022-2025	Dólar
Class 25 Notes (Note 21.f))	9,125,079	-	3.25%	2024	Dólar
Class 19 Notes (Note 21.c))	-	19,840,342	5.00%	2022	Dólar Linked
Class 21 Notes (Note 21.d))	-	7,744,148	7.00%	2023	Dólar
Accrued interest payable	5,078,838	3,267,797	9.50%	2025	Dólar
Subtotal	58,135,797	60,831,591			
Related Parties					
Loan (Note 33.a))	11,990,608	-			
Other Local Notes (<i>Pagarés Bursátiles</i>) (Note 33.a))	6,467,600	2,758,449			Dólar Linked
Subtotal	18,458,208	2,758,449			
Other financial debt					
Other Local Notes (<i>Pagarés Bursátiles</i>) (Note 21.o))	46,248,917	-	4,00%	2024	Dólar
Subtotal	46,248,917	-			
Total current	199,405,308	95,708,154			
TOTAL	966,870,337	405,755,071			

The book value of financial debts approximates their fair value with a difference of 2.76% below par.

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The activity in financial debts as of December 31, 2023 and 2022 is shown below:

	12.31.2023	12.31.2022
Balance at the beginning of the period	405,755,071	318,349,933
Accrued interest	36,354,318	25,631,699
Exchange difference, net of hyperinflation effect	289,840,536	(37,805,134)
Loans obtained	400,633,478	191,139,717
Payments of principal	(213,630,005)	(69,445,792)
Conversion	68,152,799	(879,552)
Interest payments	(20,235,860)	(21,235,800)
Balance at end of period	966,870,337	405,755,071

Notes in force as of December 31, 2023

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 21 Notes

On November June 12, 2023, the Company has fully canceled the Class 21 Notes, for which reason they are not currently outstanding.

21.c) Cancellation of Class 19 Notes

On November June 12, 2023, the Company has fully canceled the Class 19 Notes, for which reason they are not currently outstanding.

21.d) Pre-Cancellation of Class 22, 24, 26 and 29 Notes

The Company has canceled in advanced the Class 22, 24, 26 and 29 Notes, resulting from the issuance of the convertible Notes (Note 21.I) for which reason they are not currently outstanding.

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21. e) Class 23 Notes

On September 15, 2021, the Company placed, under the Frequent Issuer regime, 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.f) Class 25 Notes

On February 25, 2022 the Company placed, under the Frequent Issuer regime, 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 and working capital of the Company.

21.g) Class 27 Notes

On June 7, 2022, the Company placed, under the Frequent Issuer regime, 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 and Golfo San Jorge Basins.

21.h) Class 28 Notes

On September 7, 2022, the Company placed, under the Frequent Issuer regime, a series of Notes in the local market, denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 80,000, with principal maturity in 48 months and accruing a rate of 0% interest. The funds obtained through the issuance of said negotiable obligations are applied to the re-financing of financial liabilities as well as investments in hydrocarbon exploitation and exploration in the Austral Basin and the financing of the Company's working capital.

21.i) 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 100,5%, with principal maturing in 24 months and accruing a fixed annual rate of 0%. The funds obtained through the issuance of said Notes are 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.

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21.j) Class 31 Notes

On June 9, 2023, the Company placed, under the Frequent Issuer regime, a series of Notes in the local market, denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 52,380 with an issue price of 116.30%, with principal maturing in 36 months and accruing a fixed annual rate of 0%. The funds obtained through the issuance of said Notes are 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.

21.k) Class 32 Notes

On June 9, 2023, the Company placed, under the Frequent Issuer regime, a series of Notes in the local market, denominated in US dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 12,896 with an issue price of 100%, with principal maturing in 30 months and accruing a fixed annual rate of 6%. The funds obtained through the issuance of said Notes are 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.

21.l) Subscribed Convertible Notes

On July 11, 2023, PBB Polisur S.R.L. and Dow Investment Argentina S.R.L. (“Dow”), Argentine subsidiaries of The Dow Chemical Company, subscribed Convertible Notes for an aggregate principal amount of USD 200,000, issued through a private placement by Compañía General de Combustibles S.A. (the “Convertible Notes” and “CGC”).

The Convertible Notes are denominated in U.S. dollars and were subscribed and will be payable in equivalent Argentine pesos.

The Convertible Notes (i) may be converted, at Dow's option and CGC acceptance, into Class "C" common shares which, to the extent they represent more than 10% of CGC's equity and votes, will allow Dow to designate a principal director and an alternate director; (ii) may be early redeemable by CGC on the second anniversary of their issuance; (iii) will not accrue compensatory interest; and (iv) will be redeemable in a single installment due on July 11, 2028.

The commitments and covenants under the Convertible Notes, including financial commitments, are substantially identical to those assumed by the Class 17 Notes, currently outstanding.

The proceeds of the Convertible Notes were used by CGC to settle financial liabilities, including the early redemption in full of Class 22, 24, 26 and 29 unsecured non-convertible notes.

21.m) Class 33 and 34 Notes

On a date after the close of the fiscal year, Class 33 and 34 Notes were issued. See Note 39 for events subsequent to these Consolidated Financial Statements.

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Bank Loans

21.n) New Syndicated Loan in U.S. Dollars

On April 28, 2023, the Company entered into a Syndicated loan agreement with Industrial and Commercial Bank of China (Argentina) S.A.U., as lender and administrative agent, Banco Santander Argentina S.A., La Sucursal de Citibank, N.A. established in the Argentine Republic, Banco de Valores S.A., Nuevo Banco de Santa Fe S.A. and Banco de Santa Cruz S.A. for the total amount of USD 96,000. The Syndicated Loan contract in U.S. Dollars contains clauses with certain obligations, including compliance with certain ratios.

The principal owed under the loan will accrue compensatory interest on the balances pending payment at a fixed annual nominal rate of 6.50%. Interest will be paid quarterly. The capital will be paid in five installments payable quarterly, whose maturities operate on October 11, 2024, January 11, 2025, April 11, 2025, July 11, 2025 and October 11, 2025.

21.o) Other Loans

- Halliburton Argentina S.R.L

On October 3, 2023, the Company entered into a loan agreement with Halliburton Argentina S.R.L. of USD 40,000, with a fixed interest rate of 0% and will be paid in a single installment on July 4, 2027.

On January 4, 2024, the Company signed a new loan agreement with Halliburton Argentina S.R.L. for USD 20,000, denominated in US dollars, and disbursed and payable in pesos at the applicable exchange rate, with a fixed annual nominal interest rate of 4.00%. Interest will be paid semiannual and the principal will be paid in a single installment on July 4, 2026.

- PBB Polisur S.R.L.

On March 22, 2023, the Company signed a loan agreement with PBB Polisur S.R.L. for USD 30,000, denominated in US dollars, disbursed and payable in pesos at the applicable exchange rate. The loan has a term of 36 months, will accrue an annual nominal rate of 0.00% and its capital will be amortized in a single installment on March 22, 2026. The loan is guaranteed by Banco de Galicia y Buenos Aires S.A.U.

- Eurobanco Bank Ltd.

CGC Energy Ltd, Inc., a subsidiary of CGC Energía S.A.U., entered into a marketable securities loan agreement with Eurobanco Bank Ltd for up to US\$ 45,225. The financial cost of the operation contemplates a fixed interest rate of 2.5% per year plus the yields granted by the species received. The loan is guaranteed by a fixed-term deposit equivalent to the market value of the securities received (see Note 12.a).

On February 19, 2024, the maturity period of the loan was extended to March 11, 2024. The renewal of the contract contemplates a fixed interest rate of 3.5% per year plus the returns granted by the species received. As of the date of issuance of these financial statements, this loan is in negotiations for its renewal.

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21.p) Other Local Notes (*Pagarés Bursátiles*)

During 2023, the Company issued Other Local Notes (*Pagarés Bursátiles*) for a total of US\$ 85,100 denominated in US dollars and payable in Pesos at the applicable exchange rate. The interest rate on the current securities notes issued in 2023 is fixed annual nominal (payable at a discount) between (6.00)% and 2.50%, averaging (0.79)%. The maturities of these instruments are between June 2024 and July 2026.

Note 22. Other debts

The breakdown of other debts is as follows:

	12.31.2023	12.31.2022
Current		
Oil and gas royalties	7,458,284	4,961,836
Total	7,458,284	4,961,836

Note 23. Trade payables

The breakdown of other debts is as follows:

	12.31.2023	12.31.2022
Current		
Ordinary suppliers	56,085,399	32,962,938
Ordinary suppliers of joint ventures	1,874,335	1,280,330
Related parties (Note 33.a))	10,807,823	12,892,622
Invoices to be received	58,714,434	40,469,056
Total	127,481,991	87,604,946

Note 24. Revenue

	12.31.2023	12.31.2022
Crude oil delivered	311,482,821	302,428,036
Gas	191,441,113	135,283,076
Other	13,185,710	15,381,832
Incentives (1)	5,502,572	5,583,437
Total	521,612,216	458,676,381

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

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Note 25. Cost of revenue

	12.31.2023	12.31.2022
Inventories at the beginning of year	54,752,238	45,686,946
Purchases	102,586,248	64,962,796
Inventory consumption	(65,697,586)	(43,934,195)
Production costs (1)	412,339,464	361,444,873
Translation	27,080,348	(3,916,705)
Stocks at year end (Note 11)	(97,208,996)	(54,752,238)
Cost of revenue	433,851,716	369,491,477

(1) Production costs

	12.31.2023	12.31.2022
Fees and compensation for services	1,153,267	1,331,455
Outsourced services	89,352,838	86,848,521
Salaries, wages, and social security contributions	22,150,526	21,372,831
Other expenses on personnel	2,169,769	1,869,236
Depreciation of property, plant and equipment (1)	115,654,599	77,378,871
Depreciation right-of-use assets	6,093,217	5,807,543
Taxes, duties and contributions	2,246,063	1,649,680
Fuel, gas, and electricity	11,883,365	10,811,838
General insurance	707,138	1,063,708
Spare parts and repairs	41,128,293	41,672,170
Wells maintenance	33,078,623	31,334,985
Office expenses	6,406,251	5,568,891
Royalties, fee and easements	74,957,938	70,407,763
Gas imbalance	(13,943)	(25,383)
Environmental control	3,670,549	2,691,760
Other	1,700,971	1,661,004
Total	412,339,464	361,444,873

(1) Includes (\$ 598,539) and (\$ 858,269) included in the crude oil stock as of December 31, 2023 and 2022.

Note 26. Selling expense

	12.31.2023	12.31.2022
Dispatch and transportation	3,014,061	4,106,711
Wages and salaries and social security contributions	1,696,118	1,059,124
Other personnel expenses	85,573	68,120
Gross income tax	13,218,724	11,456,506
Export duties	5,547,160	5,416,115
Total	23,561,636	22,106,576

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Note 27. Administrative expense

	12.31.2023	12.31.2022
Fees and compensation for services	4,190,332	3,625,878
Salaries, wages and social security contributions	25,565,933	16,754,310
Other personnel expenses	3,700,007	3,348,251
Depreciation of property, plant, and equipment	926,801	826,882
Taxes, duties, and contributions	83,446	205,172
General insurance	42,147	11,413
Spare parts and repairs	1,917,132	2,348,789
Office expenses	1,233,484	821,521
Travel and per diem	1,167,771	636,823
Communications	267,233	310,875
Recovery for legal actions and other claims provision (Note 18)	(1,315,035)	(2,373,078)
Other	2,501,457	2,015,549
Depreciation of right of use of assets under leases	-	45,104
Total	40,280,708	28,577,489

Note 28. Exploration expenses

	12.31.2023	12.31.2022
Unsuccessful studies and wells (1)	8,050,678	-
Total	8,050,678	-

(1) As of December 31, 2023, corresponds to the effect of the reversal of the exploration permit for the Piedrabuena area.

Note 29. Financial assets impairment

	12.31.2023	12.31.2022
Loss financial assets impairment	6,464	193,978
Total	6,464	193,978

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

	12.31.2023	12.31.2022
Other operating income		
Fees for services rendered	802,018	1,945,549
Income from recovered materials	1,087,299	777,718
Sundry	3,145,811	888,867
Income from the sale of vehicles	336,764	114,832
Subtotal	5,371,892	3,726,966
Other operating expenses		
Contracted services	(11,591)	165,336
Impairment (allowance) recovery (Note 7)	(7,268,138)	5,942,020
(Allowance) recovery for obsolescence of inventories (Note 2.2.6)	(225)	3,005,090
Sundry	(1,298,109)	(135,222)
Subtotal	(8,578,063)	8,977,224
Total	(3,206,171)	12,704,190

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Note 31. Financial results, net

	12.31.2023	12.31.2022
Financial income		
Interest	15,102,210	1,831,378
Total	15,102,210	1,831,378
Financial costs		
Interest	(22,051,036)	(27,990,345)
Total	(22,051,036)	(27,990,345)
Results from exposure to changes in the purchasing power of the currency		
Hyperinflation effect (Nota 2.1)	(17,492,238)	1,024,732
Total	(17,492,238)	1,024,732
Other financial results		
Income from measurement of financial instruments at fair value	18,338,988	(80,535)
Exchange differences, net	(237,416,966)	26,461,407
Result from measurement at present value of liabilities	(25,493,188)	(4,848,016)
Other financial expenses	(10,929,190)	(27,555,930)
Total	(255,500,356)	(6,023,074)

Note 32. Earnings per share

	12.31.2023	12.31.2022
Income allocable to the Company's shareholders	(156,187,962)	24,521,544
Weighted average number of ordinary outstanding shares	399,138	399,138
Basic and diluted earnings per share (pesos)	(391.313)	61.436

The Company does not have instruments with dilutive effect.

Note 33. Balances and transactions with related parties

As of December 31, 2023 and 2022 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, 2023 and 2022 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%.

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a) Balance with related parties as of December 31, 2023 and 2022 are included below:

	12.31.2023	12.31.2022
Other receivables		
Non-Current		
Petronado S.A.	4,449,730	3,044,382
Total	4,449,730	3,044,382
Current		
Gasoducto Gasandes S.A. (Chile)	1,403,883	-
Gasoducto GasAndes (Argentina) S.A.	203,235	397,967
Latin Exploration SL	404,225	-
Unitec Blue S.A.	182,766	136,839
Vianpamar S.A.	-	722,763
Total	2,194,109	1,257,569
Trade payables		
Current		
Corredor Americano S.A.	3,432,235	3,008,780
Proden S.A.	115,879	54,911
Unitec Blue S.A.	7,259,709	9,828,931
Total	10,807,823	12,892,622
Financial debts		
Non-Current		
Aeropuertos Argentina 2000 S.A.	11,990,608	-
Cerro Negro S.A.	6,467,600	2,758,449
Total	18,458,208	2,758,449
Current		
Cerro Negro S.A.	-	1,655,069
Total	-	1,655,069

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b) The main transactions with related parties for the fiscal years ended December 31, 2023 and 2022 are detailed below:

Company	12.31.2023			
	Sale of services	Dividends earned	Earned interests	Adquisition of goods and services
Associated companies and joint ventures				
Gasoducto GasAndes (Argentina) S.A.	2,800,217	5,471,657	-	-
Gasoducto GasAndes S.A. (Chile)	-	5,532,872	-	-
Other companies				
Aeropuertos Argentina 2000 S.A. (1)	-	-	189,983	20,784
Vianpamar S.A. (1)	-	-	1,273	-
Proden S.A. (1)	-	-	-	853,201
Unitec Blue S.A. (1)	-	-	-	2,102,995
Corredor Americano S.A. (1)	-	-	-	26,867,930

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

Company	12.31.2022		
	Sale of services	Dividends earned	Adquisition of goods and services
Associated companies and joint ventures			
Gasoducto GasAndes (Argentina) S.A.	4,587,362	2,136,453	-
Gasoducto GasAndes S.A. (Chile)	-	3,343,633	-
Transportadora Gas del Mercosur S.A.	-	114,181	-
Other companies			
Aeropuertos Argentina 2000 S.A. (1)	5,833	-	-
Proden S.A. (1)	-	-	475,361
Corredor Americano S.A. (1)	-	-	26,795,622
Unitec Blue S.A. (1)	-	-	11,617,299

(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, 2023 and 2022 amounts to \$ 9,986,370 and \$ 7,691,900, respectively.

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:

	12.31.2023	12.31.2022
Income tax current (1)	7,698,848	(16,125,364)
Deferred tax	84,220,277	18,107,919
Total Income tax	91,919,125	1,982,555

(1) Includes the charge for the estimate of income tax for the year ended December 31, 2022 and the conversion/hyperinflation effect on current and deferred taxes as of December 31, 2023 and 2022, respectively.

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

	12.31.2023	12.31.2022
Provision for lawsuits	1,490,587	1,646,035
Provision for expected losses	1,758,730	1,613,481
Inventory	(10,060,632)	(1,054,816)
Tax losses	216,626,905	7,443,571
Property, plant, and equipment	(45,153,949)	(7,128,601)
Deferral of tax inflation adjustment	(90,199,453)	(5,982,396)
Other	11,500,524	5,205,161
Total deferred tax	85,962,712	1,742,435

	12.31.2023	12.31.2022
Classification of deferred taxes		
Assets (liabilities) net, deferred tax (CGC)	113,061,492	(13,989,907)
(Liabilities) assets net, deferred tax (CGC Energía S.A.U.)	(27,098,780)	15,732,342
Total net deferred tax, consolidated	85,962,712	1,742,435

	12.31.2022	Changes	12.31.2023
Provision for lawsuits	1,646,035	(155,448)	1,490,587
Provision for expected losses	1,613,481	145,249	1,758,730
Inventories	(1,054,816)	(9,005,816)	(10,060,632)
Property, plant, and equipment and intangible assets	(7,128,601)	(38,025,348)	(45,153,949)
Hyperinflation tax adjustment deferred	(5,982,396)	(84,217,057)	(90,199,453)
Tax losses	7,443,571	209,183,334	216,626,905
Asset retirement obligation and other	5,205,161	6,295,363	11,500,524
Total net deferred tax	1,742,435	84,220,277	85,962,712

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:

	12.31.2023	12.31.2022
Income before income tax	(248,107,087)	22,538,989
Effective tax rate applied to P&L for the year	35%	35%
Subtotal	86,837,481	(7,888,647)
Effect of change in tax rate		
Results of equity method investments	8,028,763	939,838
Effect of inflation adjustment	8,758,461	(8,928,773)
Expected losses	2,019,552	3,441,565
Others permanent differences	(13,725,132)	14,418,572
Total income tax	91,919,125	1,982,555

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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, 2023 and 2022 was 16.35% and 14.82%. (USD Rate)

The movements for the year ended December 31, 2023 and 2022 are detailed below:

	12.31.2023	12.31.2022
Lease right-of-use assets recognized as of January 1, 2023 and 2022	21,066,266	26,146,439
Additions of right-of-use in fiscal year	3,028,274	2,456,950
Cancellations of right of use during the year	-	(1,384,739)
Conversion adjustment	951,606	(299,737)
Depreciation of right-of-use assets in fiscal year	(6,093,217)	(5,852,647)
Lease right-of-use assets recognized as of December 31, 2023 and 2022	18,952,929	21,066,266
Lease liabilities as of January 1, 2023 and 2022	17,335,535	23,802,960
Additions of right of use in fiscal year	3,028,274	2,456,950
Lease payments	(6,430,431)	(6,373,337)
Conversion adjustment	721,474	(333,655)
Cancellations of right of use during the year	-	(3,229)
Effect of exchange difference in fiscal year	5,882,880	(3,651,208)
Effect of discount at present value in fiscal year	1,160,651	1,437,054
Lease liabilities as of December 31, 2023 and 2022	21,698,383	17,335,535
Classification of lease liabilities	12.31.2023	12.31.2022
Non-current lease liabilities	12,442,824	11,357,985
Current lease liabilities	9,255,559	5,977,550

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 %	
		12.31.2023	12.31.2022
Joint Ventures			
Gasinvest S.A.	(1)	50.0000	50.0000
Gasoducto GasAndes (Argentina) S.A.		43.5000	43.5000
Gasoducto GasAndes S.A. (Chile)		43.5000	43.5000
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%.

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(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.

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, 2021, and also provided to compensate

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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, 2021, 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.

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 24, 2023, the Company entered into an addendum to the 2022 Transitional Agreement ("Addendum") with the MECON and ENARGAS that contemplates a tariff increase of 95%. The Addendum was ratified and put into effect by virtue of Decree No. 250/23 published on April 29, 2023, the date on which the tariff schedules approved by Resolution No. 187/23 of ENARGAS came into force, giving effect to the rate increase provided for in the Addendum.

On December 18, 2023, the PEN pronounced Necessity and Urgency Decree No. 55/23 whereby the PEN (i) declares the emergency in the energy sector until December 31, 2024, regarding the segments of generation, transportation and distribution of electric power under federal jurisdiction, and transportation and distribution of natural gas, (ii) instructs the Energy Secretariat within MECON to prepare, put in force and implement an action plan for the segments covered by the emergency in order to, among other things, assure the continued provision of the gas transportation and distribution utility service under technical and economic conditions that are suitable for both service providers and users, (iii) determines the commencement of the CRR

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process pursuant to article 42 of the Natural Gas Act, and establishes that the coming into force of the rate charts resulting from such process shall not be later than December 31, 2024, (iv) decrees the intervention of ENARGAS effective as of January 1, 2024 until designation of the Board members resulting from a selection process, (v) empowers the Energy Secretariat to designate the comptroller for the ENARGAS, and (vi) determines that the comptroller as such will have the power to run and administer the ENARGAS in accordance with the Natural Gas Act. Thus, in line with said decree, the comptroller shall inform about compliance with the renegotiation processes provided under Decree No. 1020/20 and conduct the CRR. It is established that, until the CRR process is completed, interim rate increases and periodic adjustments may be approved, aimed at assuring the continued and normal provision of the utility service, which interim increases and adjustments will be on account of the final rates resulting from the rate review. Accordingly, through Resolution No. 704/23, ENARGAS convened a new public hearing (No. 104) that took place on January 8, 2024, where gas transportation and distribution licensees submitted their interim rate adjustment proposals for 2024, and TGN submitted its proposal in respect of rates and allocation of transportation capacity for the reversal of Northern pipeline.

Subsequently, on February 29, 2024 another public hearing was held convened by the National Energy Secretariat through Resolution No. 8/24 in order to analyze: (i) the redetermination of the subsidy scheme in order to assure access to basic and essential gas and electricity service, (ii) the impact of subsidies on the seasonal price of electricity (“PEST”) in the wholesale electric market, and on the price of gas at the point of entry to the transportation system (“PIST”), and (iii) the readjustment of the social gas cylinder subsidy scheme. Meanwhile, on February 9, 2024, ENARGAS published Resolution No. 42/24 which (i) declared the validity of public hearing No. 104, (ii) announced that the new interim transportation and distribution rates will come into force within 30 administrative business days from said publication, (iii) informed that a mechanism for monthly rate updates is under study and will be announced within 90 administrative business days from said publication, and (iv) informed that the criteria for rate establishment and capacity allocation for the reversal of the Northern pipeline will be established at the time of the Five-Year Rate Review set forth under Decree No. 55/23.

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, 2023 and 2022.

(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

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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 Petr6leos 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, 2023 and 2022 amounted to \$ 0.

Note 37. Secured and restricted assets and other sureties granted

As of December 31, 2023 and 2022, there are no assets whose availability is restricted. Assets in guarantee were disclosed in Notes 10 and 13.a).

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 26 million;
- Commitments assumed with the Secretary of Energy and Mining of the Nation for \$ 2,706 million within the framework of Plan Gas N4 Decree 892/2020 Point 79.3; and
- 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 \$ 4.575 million.

Note 38. Regulatory framework of the oil & gas sectors

38.1 Hydrocarbons Law

The activities of exploration, exploitation and production of hydrocarbons are regulated by the general framework of Law No. 17,319 (promulgated in 1967) which granted ownership of hydrocarbon reserves to the National State. This was modified by Law No. 26,197 by virtue of which it was established that the hydrocarbon deposits found beyond twelve (12) nautical miles belong to the National State and to the provincial states the hydrocarbon deposits found in its territories, including those located in the sea adjacent to its coasts up to a distance of twelve (12) nautical miles.

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

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- 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 Secretary 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. Additionally, Resolution SE No. 175/23 has been issued through which the Secretary of Energy establishes an (autonomous) regime for the export of crude oil through cross-border pipelines. Within the framework of said resolution, the authority may authorize annual export volumes. Notwithstanding this, local refiners that have a coverage deficit in their supply needs may state this and the authority may, in such case, instruct the exporting producer to effectively comply with the supply guarantee through the supply route that it is more convenient, for the volumes set for this purpose, always remaining firm the approved annual export.

Currently the export rights 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 2023, CGC signed the twentieth Extension Agreement that serves as a framework for the commercialization of the products stipulated therein for the period from January 1 to December 31, 2023.

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 Secretary of

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Energy. The compensation will be recognized through a tax credit certificate which can be used to pay export rights, although with significant delays in the issuance of such tax credit certificates.

As of December 31, 2023 and 2022, revenues of \$ 279.2 million and \$ 495.0 million, respectively, have been recorded in the incentives line of the income caption of the Statement of Comprehensive Income (Note 24).

Home Program

Decree No. 470/2015 creates the Hogares con Garrafa (HOGAR) Program through which the National State directly subsidizes or compensates: i) the owners of low-income households or housing for social or community use the entire territory of the Argentine Republic, consumers of bottled LPG, who reside or are located, as the case may be, in areas not supplied by the gas service through networks or that are not connected to the gas distribution network of your locality, and; ii) LPG (Liquefied Petroleum Gas) producers. Within the framework of this program, propane and/or butane supply contributions are established for each producer and maximum reference prices are set at each stage of the LPG marketing chain packaged in 10, 12 and 15 kilogram bottles valid throughout the national territory as well as compensation to producers established by the enforcement authority and paid by the trust created within the framework of the Program.

38.3 Gas Market

Incentive programs for hydrocarbon and reserves production

Plan GasAr (Round I)

On November 13, 2020, Decree No. 892/2020 was published, which approved the “Plan for the Promotion of Argentine Natural Gas Production – 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 an offer to participate in Round 1 of the GasAr Plan (Resolution SE 391/20) and, as a result of the bidding, was awarded the award for the subsequent execution of firm contracts for the period January 2021-December 2024 (both inclusive), without prejudice to the fact that many of the Natural Gas delivery commitments under said contracts began to be valid as of January 1, 2022, given that during the year CGC continued to receive the incentive of the “Non-Conventional Gas Stimulus Program.”

Within the framework of the aforementioned award (whose committed volumes were expanded in 2021 after the acquisition of the share package of CGC Energía S.A.U. (former SINOPEC ARGENTINA EXPLORATION AND PRODUCTION INC.) by CGC) contracts were entered into with both the Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA), as with Energía Argentina S.A. (ENARSA) and the licensees of the public natural gas distribution service (METROGAS S.A.; CAMUZZI GAS PAMPEANA S.A. and NATURGY BAN S.A.).

With regard to gas deliveries to the licensees of the distribution service, unlike what was agreed with ENARSA and CAMMESA, the GasAR Plan establishes a double-income system through which the licensees pay the producers the relevant invoices (for deliveries of Natural Gas) at the price in force in the tariff tables of each moment and, the difference with the price offered in the tender,

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and subsequently awarded, is paid by the National State. The Secretary of Energy implemented the issuance of Guarantee Tax Credit Certificates, for the purposes of supporting the payment of compensation by the National State.

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

The Company has not participated in Rounds 2, 3 and 4 of the GasAr Plan.

Plan GasAr (Round V)

With the objective of enabling investments to promote production in all the country's basins and satisfy the hydrocarbon needs of the domestic market and the export market, on November 4, 2022, Decree No. 730/2022 was published in the Official Gazette. which modified the bases of the GasAR Plan, renaming it as “Plan for Reinsurance and Enhancement of Federal Hydrocarbon Production, Internal Self-Supply, Exports, Import Substitution and Expansion of the Transportation System for all hydrocarbon basins in the country 2023- 2028.” Among other issues, this modification was intended to (i) provide predictability to the filling of the Néstor Kirchner gas pipeline from Cuenca Neuquén; (ii) extend the validity of the contracts entered into within the framework of the Round until 2028 (considering the potential decline of the basins) and (iii) promote investments to increase production in all those basins that have idle transportation capacity. and that can cooperate in the substitution of alternative fuels that are more expensive for the system (“Incremental Activity Plans”).

In particular and in response to the needs of the present, through Annex II of Resolution SE 770/22, the Secretary of Energy of the Nation called for a National Public Tender (Round 5 GasAR Plan) for the purposes of: (i) promoting the extension of the Gas purchase and sale contracts signed within the framework of Round 1 until December 31, 2021 (Round 5.1) and (ii) encourage the presentation of Incremental Activity Plans for the Northwest and Austral Basins (Round 5.2)

The Company participated in the tenders corresponding to Rounds 5.1 and 5.2 (in the latter both for the Austral Basin and for its participation in the Northwest Basin), its participation resulting in the following detail:

- I. Round 5.1 – Austral Basin: Pursuant to Resolution SE 860/22, the Company (together with its subsidiary CGC Energía S.A.U.) was awarded the volumes (with decline) to be contracted with: (a) the distributors; (b) ENARSA and, (c) CAMMESA (whose assignments were formalized by Resolution SE 834/23), effective between January 1, 2025 and December 31, 2028 (both inclusive).
- II. Round 5.2 – Austral Basin: Within the framework of this, the Company (together with its subsidiary CGC Energía S.A.U.), presented an Incremental Activity Project (Incremental Gas) for the Austral Basin, which was approved and awarded through Resolution SE 860/ 22. This award led to the signing of an Incremental Gas Contract with CAMMESA, the validity of which extends from January 1, 2023 to December 31, 2028, both inclusive.

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- III. Round 5.2 – Northwest Basin (Aguaragüe): The Company presented an Incremental Activity Project (Incremental Gas) in relation to its percentage of participation in the “Aguaragüe” Area (Prov. of Salta), for the Northwest Basin, which was approved and awarded through Resolution SE 799/23. This award led to the signing of the Incremental Gas Contract between the Company and ENARSA, valid from October 1, 2023 to December 31, 2028, both inclusive.

The signing of the Incremental Gas contracts mentioned above has avoided the acquisition of substitutes (mainly Diesel), generating significant savings due to lower foreign exchange requirements for the National State, without prejudice to the greater commitments assumed in terms of investment and activity.

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 Secretary of Energy and Mining approved the adherence 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 adherence 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.

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.

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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 Secretary 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 Secretary 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 \$ 1,409,274,59 plus interest. To date, the National State has answered the claim and the process is ongoing, prior to its opening for testing.
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 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, 2023 and 2022 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 \$ 5,223 million and \$ 5,088 million, respectively (Note 24).

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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, in order to achieve reasonable energy prices.

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 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.

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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 Secretary 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 National State has answered the claim and the process is ongoing, prior to its opening for testing.

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, 2023.

Segmentation Price Regime – National Decree No. 332/22

On June 16, 2022, Decree No. 332/22 was published in the Official Gazette, through which the National Executive Branch established a regime for segmenting subsidies for residential users of public electric energy and natural gas services. by network, in order to achieve reasonable energy prices.

The Secretariat of Energy of the Nation, as the Enforcement Authority, created the “Single National Registry of Holders of Essential Public Services”, which aims to manage the flow of data and information for the National level, knowing the qualitative composition and quantitative of users of public services.

The entities (ENRE and ENARGAS), and provincial authorities must inform the segment corresponding to each supply to the Distributors, who must use that information to bill the corresponding service that reflects the specific category contained in the RENUT.

The Segmentation Regime was regulated by a series of rules, issued by different organizations, in this sense ENARGAS Resolution No. 426/22 approves the “Methodology and Information Procedure Levels of Segmentation” so that the companies awarded the Gas.Ar Plan (as is the case of the Company), bill the injections of natural gas to the distributors and/or sub-distributors, identifying in a differentiated manner the volumes consumed at the different levels of users provided for in the Segmentation Regime, applying the prices to the Point of Entry. to the Transportation System that correspond to each level of user; and establish sworn declaration models to proceed with it.

Within the framework of the Methodology, and in order to proceed with the corresponding billing, the following is established:

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i) The distributors or sub-distributors must inform the producers (or ENARSA, if applicable), within ten (10) calendar days of the end of the month corresponding to the deliveries of natural gas, and in the form of a sworn declaration (in accordance with the approved models), the percentage composition of consumption according to the user levels established by the Segmentation Regime;

(ii) Within fifteen (15) calendar days after the end of the month corresponding to natural gas deliveries, the distributors and sub-distributors must send to ENARGAS a true copy of the sworn statements sent to the producers and ENARSA, along with their corresponding acknowledgment. or proof of receipt;

(iii) For the presentation of sworn statements, distributors and subdistributors must consider the lists or records of users provided by the Enforcement Authority (Secretariat of Energy) and made available by ENARGAS. In such a case, they must apply a linear proration method in accordance with the limits established by SE Resolution No. 686/22, in order to determine the percentage composition of consumption;

Once the billing process for delivered gas is completed (which, between the cases of provisional and definitive billing, may take even more than one hundred and twenty – 120 – days, as is common practice in regulatory matters for distributors) ENARGAS will determine the percentage composition final corresponding to the different levels of users and will communicate this to the distributors and sub-distributors, who within a period of no more than five (5) days of receiving said information, must inform the producers (and ENARSA, if applicable) of such circumstance to be able to carry out the final billing, and then, within a period of ten (10) calendar days (from when the distributors and sub-distributors received the corresponding percentages) to communicate again to ENARGAS that they complied with said order.

Since the implementation of the Rate Segmentation Regime and the Information Methodology, the Distributors have partially complied with what is determined by the regulations, considering different positions.

Where applicable, the Distributors report monthly to the Company the definitive percentages determined by ENARGAS (in accordance with the Information Methodology) for the different segments of users of the service they provide, but they state that they do not agree with these definitive percentages. In effect, they require the Company not to proceed with the adjustment of billing in accordance with said parameters, a circumstance that the Company rejects, since the invoices are adjusted more or less, according to the percentages provided by ENARGAS and the regulations applicable, ultimately, to the Natural Gas Purchase and Sale Contracts signed with the Distributors (and subsequent addenda signed), as a consequence of the Company's participation in the GasAr Plan.

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.

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As of January 2021, the Company has entered into natural gas supply agreements with CMMESA within the framework of what is established by the GasAr Plan, for the period January 1, 2021 to December 31, 2024 (Round 1). Due to the awarding of Natural Gas volumes to the Company, within the framework of Resolution SE 860/2022 (GasAr Plan Round 5.1), the supply period has been extended (with commitment to delivery with decline) for period 1 of January 2025 to December 31, 2028.

Likewise, the Company has participated in numerous auctions for the supply of Natural Gas to CMMESA that have been duly awarded (interruptible).

Natural gas exports

Through Resolution SE 360/21, later modified by Resolution SE 774/22, it was decided to approve the “Natural Gas Export Authorization Procedure”, considering the content of the GasAr Plan.

For the periods 2022-2023 and 2023-2024, the National Energy Secretariat authorized CGC to export firmly to the Republic of Chile (ENEL and METHANEX), granting the corresponding export certificates.

Likewise, for the period 2023-2024, the Secretary of Energy also granted the Company export permits on an interruptible basis to the Republic of Chile.

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.

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.

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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 (MLC) for the purchase and transfer of foreign currency.

Between the years 2020 and 2023, exchange controls became stricter, thus BCRA Communication "A" 7030 (as amended) provided, among other measures:

- Close access to the MLC for those who, at the time of requesting access have liquid foreign assets for more than USD 100,000 (subject to certain exceptions);
- Access to the MLC for the payment of imports of nationalized goods until 12/12/2023, and for services provided by non-residents until the same date, is subject to prior authorization from the BCRA (subject to certain exceptions). In relation to new imports of goods, access is authorized, as a general rule, in a phased manner, authorizing the payment of 25% of the value 30, 60, 90 and 120 days after the nationalization of the goods (there are certain exceptions in which access is authorized prior to these dates). Regarding access for payment of services provided by non-residents as of 12/13/2023, it is authorized 180 or 30 days from their provision or accrual, depending on whether the provider is a related or unrelated company, respectively, with the importer (subject to certain exceptions for which access is authorized prior to these dates);
- Access to the MLC for the payment of capital and interest on financial debts abroad is subject to authorization from the BCRA when the creditor is a counterparty linked to the debtor until 12/31/2024 (subject to certain exceptions); and
- It is set at 90 or 180 days (depending on the type of bond) (i) the term that limits access to the MLC to those who have carried out securities sales operations with settlement in foreign currency (among other restricted operations involving securities and other assets external, local and cryptoactive) and (ii) the period during which those who have accessed the MLC will not be able to carry out such restricted operations. Subject to certain conditions and exceptions, similar restrictions are established in the event that the company has delivered pesos or local assets to controlling parties or related parties and such controlling parties or related parties carry out the restricted operations.
- In relation to the collection of exports of goods, during the year 2023 certain regulations were issued that partially made the obligation to settle 100% of the FOB value in the MLC more flexible. In accordance with the regulations in force at the closing of these financial statements (Decree No. 28/2023), at least 80% of the equivalent value of the export of goods, including also the disbursements of advances, pre-financing and post-financing of exports of goods, must be entered and/or be settled, as the case may be, in the MLC, with the exporter being able, for up to the remaining 20%, to carry out purchase and sale operations with negotiable securities acquired with settlement in foreign currency and sold with settlement in local currency.

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, 2023, for financial indebtedness abroad must submit to the BCRA a refinancing plan based on the following criteria:

Compañía General De Combustibles S.A.

(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.

Additionally, to this refinancing granted, new debts or new issues that the entities could receive were authorized to be computed. Maturities of new loan disbursements entered after 2020, subject to certain conditions, were excluded from this restriction.

In 2020 CGC restructured its debt under these regulations. The restriction has not been renewed beyond 12/31/2023.

GasAr Plan. Access to the free foreign exchange market (MLC)

Decree N° 892 established that the BCRA should provide suitable mechanisms in order to facilitate access to the MLC 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 MLC 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 MLC may be accessed without the prior approval of the BCRA in the following cases:

- 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).
- 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.
- 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".

Foreign Exchange Access Regime for Incremental Oil Production and Incremental Injection of Natural Gas

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Decree No. 277/2022 (regulated by Decree No. 484/2022, SE Resolution No. 13/2023 and Communication “A” 7626) approved the Foreign Exchange Access Regime for Incremental Oil Production and Incremental Injection of Oil. Gas Natural, by which, provided that the applicable requirements are met and for up to the maximum amounts established, the beneficiaries are authorized to access the MLC, without the need for authorization from the BCRA for (i) the payment of capital for commercial debts for the importation of goods and services, (ii) the payment of financial debts abroad, (iii) the payment of dividends and (iv) the repatriation of direct investments by non-residents.

Although in accordance with Decree No. 484/2022 the presentation of quarterly applications for benefits was available as of the third quarter of 2022, the Secretary of Energy issued the relevant regulations and enabled the presentation of applications for membership and benefits only during the first quarter of 2023.

Based on the available public information, to date the Secretary of Energy has not yet approved the granting of benefits or the issuance of the corresponding certificates.

Note 39. Subsequent events

Subsequent to December 31, 2023, 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 33 and 34 Notes

On February 23, 2024, the Company carried out, under the Frequent Issuer regime, the placement of two series of Notes in the local market, with the following detail: i) Class 33 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 21,462, with principal maturity in 24 months and accruing a fixed annual rate of 4%; ii) Class 34 Notes: denominated in U.S. dollars and payable in pesos at the applicable exchange rate, for a total amount of USD 38,537, with principal maturity in 24 months and accruing a fixed annual rate of 7%. The funds obtained through the issuance of said negotiable obligations are applied to the refinancing of financial liabilities as well as investments in exploitation and exploration of hydrocarbons in the country and the financing of the Company's working capital.

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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, 2023):

	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)
Argentina	8,218.00	8,202.00	3,688.70	5,001.30	11,906.70	13,203.30
Total	8,218.00	8,202.00	3,688.70	5,001.30	11,906.70	13,203.30

(a) (in thousands of m3)

(b) (in millions of m3 in 9300 Kcal)



Independent auditor's 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

Opinion

We have audited the Consolidated Financial Statements of Compañía General de Combustibles S.A. and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at December 31, 2023, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended, and the notes to the Consolidated Financial Statements, comprising material accounting policy information 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 as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinión

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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 our other ethical responsibilities in accordance with 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 of the current period. 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 matter	How our audit addressed the key audit matter
<p>Recoverability of the book value of non-current assets of the Upstream business</p> <p>According to the consolidated financial statements as of December 31, 2023, the book value of the non-current assets of the Group's Upstream business amounts to:</p> <ul style="list-style-type: none"> ● Property, plant and equipment (Note 8): \$730,604,179 thousand net of the impairment provision (\$19,713,617 thousand) representing 51.3% of the Group's total consolidated assets, and ● Right of use of assets (Note 35): thousands \$18,952,929 (which represents 1.3% of the Group's total consolidated assets). <p>As reported in note 2.2.5 IV), the Group analyzes the recoverability of “Property, plant and equipment” and “Right of use of assets” when there are events or changes in the circumstances that indicate a potential indicator of impairment, and in the case of assets that have previously been impaired, when there are events or circumstances that suggest that the service potential of the asset has increased.</p> <p>The recoverable value of each Cash Generating Unit (CGU, considering as CGU the related deposits in which the Group participates), is supported by the value in use of such assets. The value in use has been estimated by the Group based on the discounted future fund flows of each of the CGUs, considering the key premises on which said projections are based as described in Note 5 c).</p> <p>As a consequence of the aforementioned analyses, the Company's Management has identified evidence of impairment for the María Inés, Cóndor and La Maggie CGUs. From the comparison of the recoverable value of these CGUs with their book value as of December 31, 2023, Management has recorded impairment charges in fiscal year 2023 for a total of \$7,268,138 thousand (Note 5 c). The balance of impairment of non-financial assets accumulated as of December 31, 2023 for these CGUs amounts to \$19,713,617 thousand.</p> <p>The above-mentioned are considered key due to the exercise of significant judgment by Management,, including the estimate of hydrocarbon reserves, which are subject to uncertainty and future events. In turn, it led to a high degree of Auditor's judgment and effort in in carrying out the procedures and evaluating the material assumptions in making such estimate and the cash flow projections made by the Group.</p>	<p>Audit procedures performed in relation to this key matter included, among others:</p> <ul style="list-style-type: none"> ● Understanding of the Company's hydrocarbon reserve estimation process, the Group's policies, processes, methods and premises used to determine the value in use of property, plant and equipment and the criteria for grouping the CGUs determined by The management. ● Validating the process that Management uses to identify those CGUs that require impairment evaluation, or their recovery, in accordance with IFRS, and confirm that all those CGUs that require said evaluation have been adequately identified. ● Verifying the value in use estimated by the Group through the methodological review of the discounted cash flow model. Identify and test the significant assumptions used in the valuation, such as hydrocarbon prices, production, the discount rate, expected future macroeconomic variables such as inflation and the exchange rate, and test the completeness, accuracy and relevance of the assumptions. underlying data used. Significant assumptions were compared to available economic trend data. ● In the evaluation of the methodology, the review of the discount rate and the expected future macroeconomic variables used in the discounted fund flows, we use internal specialists in this matter. ● Evaluating the consistency of the hydrocarbon reserves used in the flows by carrying out the following procedures: <ul style="list-style-type: none"> ✓ 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; ✓ confirming that the significant variations in reserves have been based on new available information in the period under analysis. ✓ verifying consistency of projections of contemplated investments with Group's plans; ● Checking the mathematical precision of the calculations. ● Evaluating the disclosures included in the financial statements.



Information accompanying the consolidated financial statements (“other information”)

The other information includes the Report and the informative summary. The Board is responsible for Other Information.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and, therefore, we do not express any audit conclusions.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or if it otherwise appears that there is a significant misstatement. If, based on the work we have performed, we believe that, within our jurisdiction, there is a material misstatement of the other information, we are required to report this. We have nothing to report on this.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors of Compañía General de Combustible SA is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards, and for the internal control that the Board of Directors considers necessary to allow the preparation of Consolidated Financial Statements free of misstatement. significant, due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for evaluating the Group's ability to continue as a going concern, disclosing, if applicable, matters related to this matter and using the going concern accounting principle, except if the Board of Directors intends to liquidate the Group or cease its operations, or there is no other realistic alternative for continuity.

Auditor’s responsibilities for the audit of the consolidated financial statements

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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of 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 cease to continue 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 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.

Report on Other Legal and Regulatory Requirements

In compliance with current regulations, report that:

- a) the consolidated financial statements of Compañía General de Combustibles S.A. They are recorded in the book "Balance" and comply, within our jurisdiction, with the provisions of the General Companies Law and the pertinent resolutions of the National Securities Commission;
- b) the individual statements of Compañía General de Combustibles S.A. They arise from accounting records kept in their formal aspects in accordance with legal standards, which maintain the conditions of security and integrity on the basis of which they were authorized by the National Securities Commission;



- c) as of December 31, 2023, the debt accrued in favor of the Argentine Integrated Pension System of Compañía General de Combustibles S.A. that arises from its accounting records amounted to \$462,815,774, not being payable on said date;
- d) As required by Section 21, subsection b), Chapter III, Section VI, Title II of the regulations issued of the National Securities Commission, we report that the total fees for auditing and related services invoiced a Compañía General de Combustibles S.A. during the fiscal year ended December 31, 2023, account for:
 - d.1) 88% of the total fees for services billed to Compañía General de Combustibles S.A. for all for all items during that fiscal year;
 - d.2) 41% 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) 35% 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.

Ciudad Autónoma de Buenos Aires, March 11, 2024.

PRICE WATERHOUSE & CO.S.R.L.


(Partner)
Dr. Fernando A. Rodriguez

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, 2023.
- b) Consolidated statement of comprehensive income for the year ended December 31, 2023.
- c) Consolidated statement of changes in equity for the year ended December 31, 2023.
- d) Consolidated statement of cash flow for the year ended December 31, 2023.
- e) Notes to the Consolidated Financial Statements as of December 31, 2023.
- 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, 2023.
- h) Annual Report of the Board of Directors for the fiscal year ended December 31, 2023.

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 11, 2024. Our review included the planning of the audit, the nature,

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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, 2023, 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, 2023, its comprehensive income and cash flows 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, 2023, 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 11, 2024

CARLOS OSCAR BIANCHI

For the Supervisory Committee