Fourth Quarter Audited Results in 2021

PEMEX®

POR EL RESCATE DE LA SOBERANÍA

1. Key Highlights

Mexico City, February 28th 2022

For the fifth quarter in a row, crude oil production increased and recorded 1,751 Mbd without partners' production. This is a 4.5% increase as compared to the same period of 2020.

The incorporation of production from the new fields continues to significantly contribute to these results. At the end of 2021, production from these fields totals 322 Mbd.

Likewise, the crude oil processing at the National Refining System averaged 740 Mbd, 26.6% higher than the recorded in the same quarter of the previous year. Furthermore, distillates production (gasoline, diesel, and jet fuel) averaged 394 Mbd, a 28.2% increase.

In the 4Q21 PEMEX recorded a MXN 20.6 billion operating loss, which positively compares with an operating loss of MXN 88.2 billion in 4Q20.

During the quarter, a MXN 22.3 billion foreign exchange loss was recorded, as a result of the appreciation of the US dollar against the Mexican peso, compared to a MXN 254.5 billion foreign exchange gain in 4Q20. This is considered a virtual item since it mostly does not represent cash flows.

Additionally, total taxes and duties amounted to MXN 96.1 billion, a 61.2% increase as compared to 4Q20, this is explained by the recovery of the Mexican Export Mix price.

As a result, during 4Q21 PEMEX recorded a MXN 194.5 billion net loss. It should be noted that this result was mainly impacted by external factors and was not caused by operational issues.

Investor Relations
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Crude Oil Production
1,751 Mbd

Natural Gas Production
3,720 MMcfd

Crude Oil Processing
740 Mbd

EBITDA
MXN 135.2 billion

Long Term Credit Rating in Foreign Currency

Agency	Rating	Outlook
S&P	BBB	Negative
Moody's	Ba3	Negative
HR Ratings	BBB+	Negative

Note: PEMEX refers to Petróleos Mexicanos, its Productive Subsidiary Companies, Affiliates, Subsidiary Entities and Subsidiary Companies.
From October 1 to December 31, 2021. PEMEX encourages the reader to analyze this document together with the information provided in the annexes to this document. Annexes can be found at www.pemex.com/en/investors.

Selected financial information
(MXN million)

	4Q20	4Q21
Sales	248,827	445,930
Cost of sales	247,370	334,360
Impairment (reverse)	52,464	39,453
Gross Income (loss)	(51,007)	72,117
Transportation and distribution expenses	40,699	50,590
Operating income (loss)	(88,188)	(20,621)
Financial cost, income due to financial derivatives	(10,581)	(55,553)
Foreign exchanges profit	254,518	(22,267)
Taxes, duties and others	59,625	96,096
Net income (loss)	96,124	(194,538)

Earnings

During 4Q21, total sales increased by 79.2%, as compared to 4Q20, mainly due to a 80.2% increase in domestic sales and a 78.6% increase in export sales. The most significant factors explaining the increase in sales are the recovery of hydrocarbons' prices all around the world and higher volumes sold.

Cost of Sales

In 4Q21 cost of sales increased by 24.7%, mainly due to a MXN 71.3 billion increase in purchases for resale. In the quarter a MXN 39.4 billion asset impairment was recorded, as compared to MXN 52.5 billion in the same period of the previous year.

Taxes and Duties

During 4Q21, total taxes and duties increased by 61.2% as compared to 4Q20, mainly due to the recovery of hydrocarbons' prices. Profit Sharing Duty (DUC) increased by 121.2% as compared to 4Q20.

Net Result

In 4Q21 net loss recorded MXN 194.5 billion, as compared to a MXN 96.1 billion net income in 4Q20. This result is mainly explained by the increase in taxes and duties and a foreign exchange loss, caused by the strengthening of the dollar against the peso during the period.

Financial Debt

Total financial debt decreased by 0.4% as compared to December 31, 2020, mainly due to the goal of keeping close to zero net debt, to Federal Government support, and the liability management operations carried out during the year.

As of December 31, 2021, the exchange rate recorded was MXN 20.5835 per US dollar, resulting in a MXN 2,249.7 billion, or USD 109.2 billion total financial debt.

Liquidity Management

PEMEX group holds syndicated revolving credit lines for liquidity management up to an amount of USD 7.6 billion and MXN 37.0 billion.

As of April 18, 2022, the entire balance of the lines was disposed.

EBITDA

Net cost of employee benefits in the period (excluding pension payments, seniority premium, and health service, since they are cash items), depreciation, amortization and impairment of wells, pipelines, property, plant, and equipment are added to the operational income. As of 4Q19, undeveloped wells are also added since they are drilled wells that never reached the production stage thus, they do not generate cash flows. EBITDA during 4Q21 amounted to MXN 135.2 billion.

Budgetary Investment Activities

At December 31, 2021, MXN 393.2 billion (USD 19.5 billion[1]) in investment activities were exercised, representing 111.5% of the total MXN 352.6 billion (USD 16.0 billion[2]) scheduled investment for the year.

[1] Average USD/MXN exchange rate from January 1st to December 31, 2021 was MXN 20.3 = USD 1.00.

[2] Average USD/MXN annual exchange rate used for the approved 2021 budget was MXN 22.1 = USD 1.00.

Hydrocarbons Production
In 4Q21, the production of crude oil and condensates in fields (excluding partners' production) averaged 1,751 thousand barrels per day (Mbd); compared to 4Q20, this is a 75 Mbd or 4.5% increase. The variation is mainly explained by the production from new fields wells in the Southwest, South and North Marine Regions, and by incremental activity in fields such as Madrefil, Teotleco, Arroyo Zanapa, Juspí, Tupilco, Castarrical and Sini in the South Region; Ek-Balam and Zaap in the Northeast Marine Region; and Ixtal and Yaxché in the Southwest Marine Region.

Meanwhile, natural gas production (excluding production from partners) increased by 85 million cubic feet per day (MMcfd), equivalent to 2.3% compared to the same period in 2020, from 3,636 to 3,720 MMcfd.

Crude oil processing
In 4Q21, total crude oil processing averaged 740 Mbd; a 26.6% increase as compared to 4Q20.

As a result, primary distillation utilization capacity averaged 45.1%, this is 9.5 points increase as compared to 4Q20.

Petroleum Products Production
Petroleum products production averaged 738 Mbd; a 143 Mbd or 24.1% increase as compared to 4Q20. Salina Cruz, Minatitlán and Cadereyta refineries recorded the best results with average distillates production (gasoline, diesel, and jet fuel) of 87 Mbd, 72 Mbd and 67 Mbd, respectively.

Upstream	4Q20	4Q21	Variation
Total hydrocarbons (Mboed)	2,385	2,474	3.7%
Total crude oil production (Mbd)	1,713	1,780	3.9%
PEMEX's production	1,695	1,759	3.8%
Crude oil and condensates	1,676	1,751	4.5%
Other condensates (Mbd)	19	8	-57.8%
Business partners' production	18	21	17.2%
Natural gas (MMcfd)	4,848	4,722	-2.6%
PEMEX's production	4,766	4,647	-2.5%
Business partners' production	82	75	-9.2%

Downstream	4Q20	4Q21	Variation
Crude Oil Processing (Mbd)	584	740	26.6%
Dry gas from plants (MMcfd)	2,174	2,108	-3.0%
Natural gas liquids (Mbd)	185	171	-7.6%
Petroleum products (Mbd)	595	738	24.1%
Petrochemical products (Mt)	369	339	-8.3%
Variable Refining Margin (USD/b)	3.42	0.31	-3.11

Mexican Crude Oil Export Mix

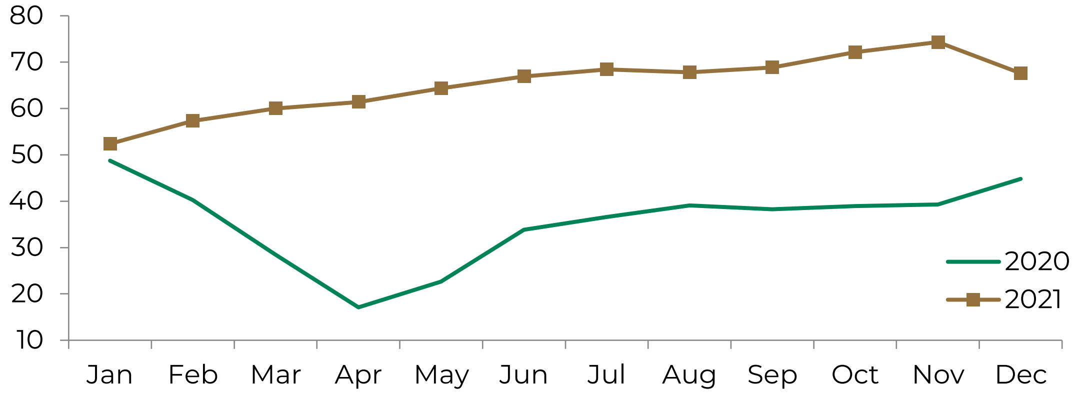
During the fourth quarter of 2021, the average price of the Mexican Export Mix was USD 71.30 per barrel, a value 72.7% higher than that recorded during the same period of 2020.

Prices continued to be driven by the progress in the recovery of world oil demand and the high prices of natural gas that stimulated an additional oil demand.

At the end of the fourth quarter, prices fell due to the plans of the main oil-consuming countries to release part of their strategic crude oil reserves and the emergence of the Omicron variant of COVID-19 that raised possible effects on the recovery of the global economy and the oil demand.

The annual average price in 2021 was USD 65.31 per barrel, 82.3% higher than the observed in 2020.

Mexican Crude Oil Export Mix Price
USD/b

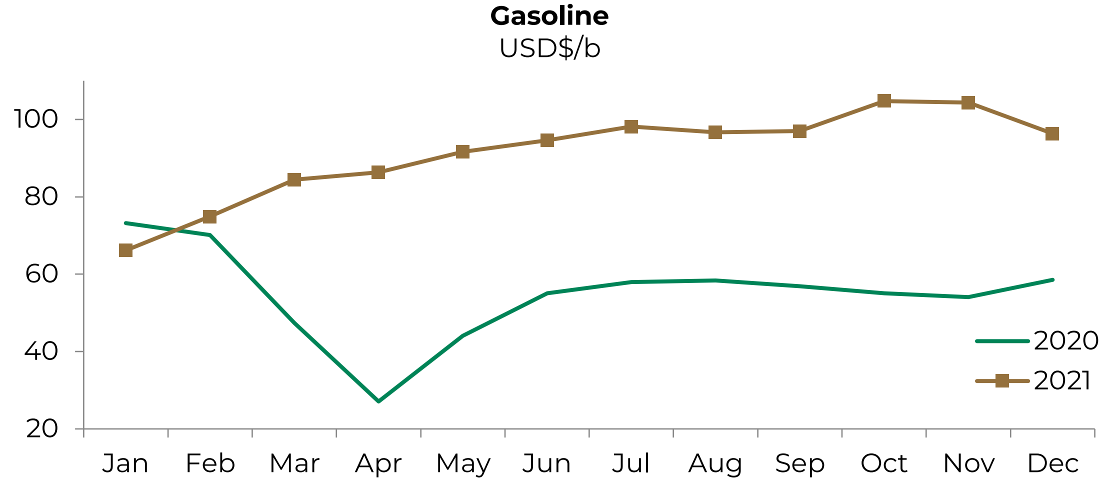


* Source: PEMEX, Petroleum Statistics (www.pemex.com/en).

Gasoline

The average reference price of gasoline during the fourth quarter of 2021 was 82.2% higher than the observed during the same period of 2020. This was due to the increase in crude oil prices and the recovery and resilience of gasoline demand in the different regions of the world.

The annual average price in 2021 was 66.5% higher than that observed in 2020.

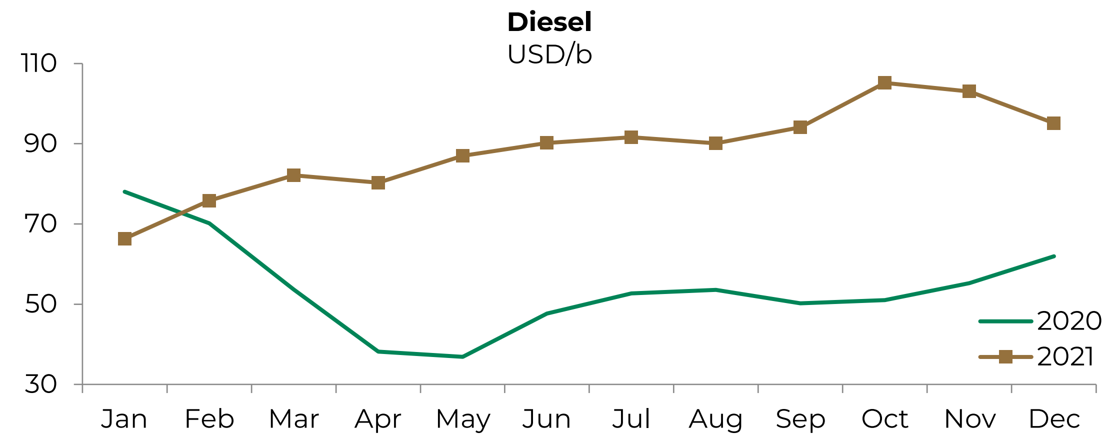


* Source: U.S. Energy Information Administration (www.eia.gov).

Diesel

During the fourth quarter of 2021, the average diesel reference price was 80.3% higher than the observed in the same period of 2020. Prices were supported by continued recovery in global diesel demand and low inventories.

The annual average price in 2021 was 63.4% higher than the observed in 2020.



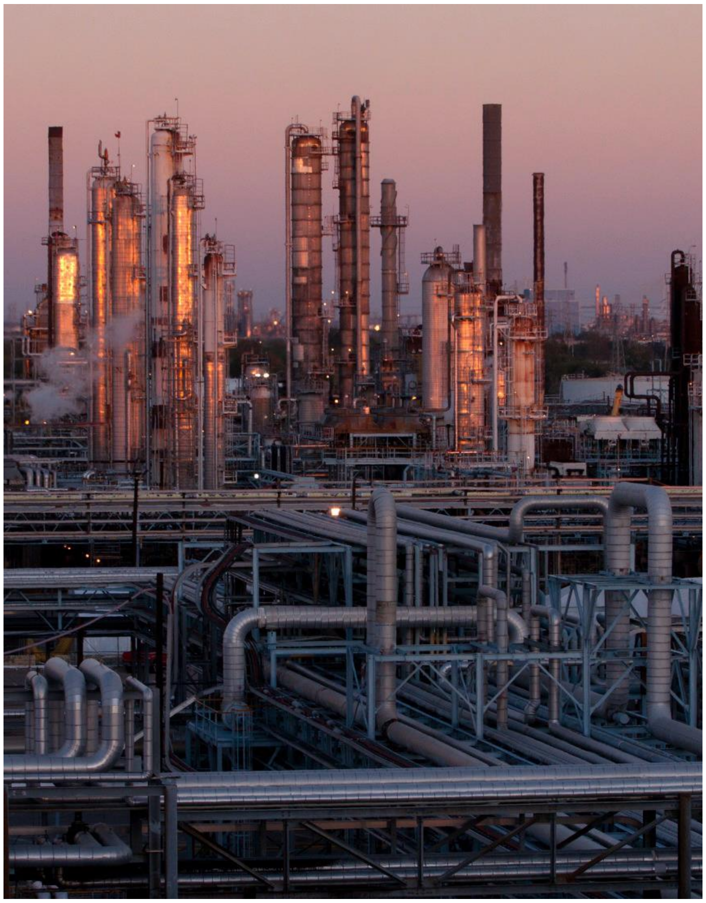
* Source: U.S. Energy Information Administration (www.eia.gov).

Deer Park refinery acquisition

On January 20, 2022, PEMEX announced the purchase of the Deer Park refinery, located in Houston, Texas, by acquiring Shell's 50.005% shareholding, which means that the Mexican state will have full ownership of this facility, which remains under PEMEX's control.

The value for the refinery's assets is USD 596 million, equivalent to 50% of its debt. Additionally, the transaction includes the payment of USD 596 million, corresponding to 50% of PEMEX's debt.
The National Infrastructure Fund paid for the transaction, so the federal government did not contract public debt.

Deer Park has a crude oil processing capacity of 340 Mbd. Refinery production includes around 110 Mbd of gasoline, 90 Mbd of diesel, and 25 Mbd of jet fuel, in addition to other petroleum products. The refinery's capacity utilization rate is over 80 percent.



Tasks for the strengthening of PEMEX.

In December 2021, PEMEX announced new tasks to meet the following objectives:

- Increase energy security and autonomy;
- improve operational, safety, and environmental performance, as well as increase efficiency and competitiveness;
- to promote social responsibility; and
- contribute to labor improvement.

The tasks are listed below:

- Maintain proven hydrocarbon reserves above 7 billion barrels of crude oil equivalent;
- cover the requirements of the National Refining System to serve the domestic market;
- produce two million barrels of oil per day by 2024;
- rehabilitate the Cangrejera petrochemical complex;
- boost fertilizer production;
- modernize gas processing centers;
- recover participation in the fuels market;
- improve attention to critical risks;
- to grant a base to temporary workers.

INAI recognizes Petróleos Mexicanos' transparency websites

The National Institute for Transparency, Access to Information, and Protection of Personal Data (INAI) recognized PEMEX’s transparency obligation website and two of its subsidiaries. The companies obtained 100 percentage points in the Global Transparency Websites Compliance Index, the highest score in this contest.

The contest includes 77 practices from 45 institutions, 11 institutions received Proactive Transparency Practices 2021. One of these was PEMEX's e-Database (e-BDI); this platform includes data from the entire oil value chain. PEMEX will ensure solid transparency through the Transparency Obligations Website System (SIPOT) verified annually by INAI.

Main Statistics of Production

	Fourth quarter (Oct.-Dec.)			
	2020	2021	Change	
Upstream				
Total hydrocarbons (Mboed)	2,385	2,474	3.7%	89
Total crude oil production (Mbd)	1,713	1,780	3.9%	67
PEMEX's production(1)	1,695	1,759	3.8%	64
Crude oil and condensates(2)	1,676	1,751	4.5%	75
Other condensates (Mbd)	19	8	-57.8%	(11)
Business Partners' production	18	21	17.2%	3
Natural gas (MMcfd)(3)	4,848	4,722	-2.6%	(127)
PEMEX's production	4,766	4,647	-2.5%	(119)
Business Partners' production	82	75	-9.2%	(8)
Downstream				
Dry gas from plants (MMcfd)(4)	2,174	2,108	-3.0%	(66)
Natural gas liquids (Mbd)	185	171	-7.6%	(14)
Petroleum products (Mbd)(5)	595	738	24.1%	143
Petrochemical products (Mt)	369	339	-8.3%	(31)

(1) During 3Q19, the crude oil and condensates series was adjusted to include the proportional part of Ek-Balam's production that is assigned to the State. Thus, the series was adjusted since 1Q19.

(2) Condensates produced in fields

(3) Includes nitrogen.

(4) Does not include dry gas used as fuel.

(5) Includes LPG

Hydrocarbons Production

Total hydrocarbons production during the fourth quarter of 2021 recorded an average of 2.474 million barrels of crude oil equivalent per day (MMboed), an 89 Mboed increase as compared to the same period in 2020. This section details the behavior of liquid hydrocarbons, i.e., crude oil and condensates excluding partners' production.

In the fourth quarter of 2021, liquids production (excluding partners' production) totaled 1,751 thousand barrels per day (Mbd), 75 Mbd higher than in 4Q20, when 1,676 Mbd were produced in that quarter, i.e., production grew by 4.5 percent. This dynamic is explained by the incorporation of new field strategy wells in the Southwest, South and North Marine Regions, and by incremental activity in fields such as Madrefil, Teotleco, Arroyo Zanapa, Juspí, Tupilco, Castarrical, and Sini in the South Region; Ek-Balam and Zaap in the Northeast Marine Region; and Ixtal and Yaxché in the Southwest Marine Region.

Notice that in this period, we were able to obtain an increase in liquids production due to the completion strategy of new fields, in the order of 59 Mbd, from the following new wells: Quesqui-11, Teca-11, Teca-24, Cibx-22, Itta-3, Itta-45, Ixachi-3, Mulach-2, Quesqui-3, Tetl-15, Tlamatini-11, Tlamatini-12, Uchbal-7, all of them completed in the fourth quarter. The completion of the Kuun-1, Tum-1, and Racemosa-1 wells belonging to the exploratory component also contributed.

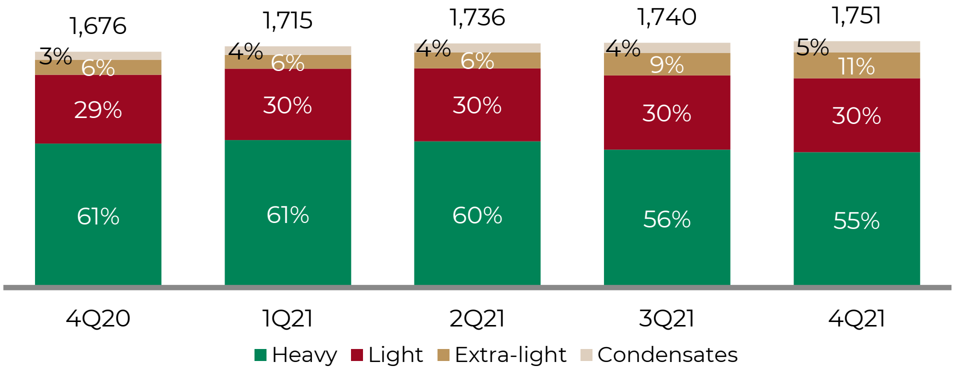
Additionally, maintenance actions contributed to the stability in the production of mature fields. These actions include the following:

- Immediate attention to operational problems and time reduction in the operational intervention for the reestablishment of wells that operate with the artificial electro-centrifugal pumping system (BEC); and
- Increase of maintenance works on wells (minor repairs, stimulations, cleaning, and optimization of operating conditions).

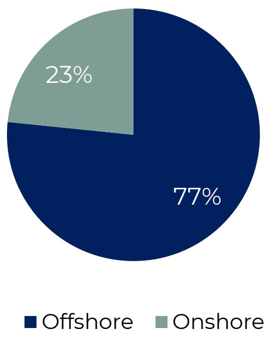
Concerning crude oil quality, light crude and condensate production increased by 136 Mbd; due to the contribution of wells from new fields such as Cibix, Quesqui, Ixachi, Octli, Mulach, Cheek, Itta, Tlamatini, Koban, Tetl, and Uchbal.

Conversely, heavy crude oil production decreased 61 Mbd, equivalent to 5.9% of the production reported in the fourth quarter of 2020. The events that caused this decrease were: failures in wells operating with electro centrifugal pumping equipment in wells in the Northeast Marine Region and the natural decline of mature reservoirs in fields of the Ku-Maloob-Zaap Asset.

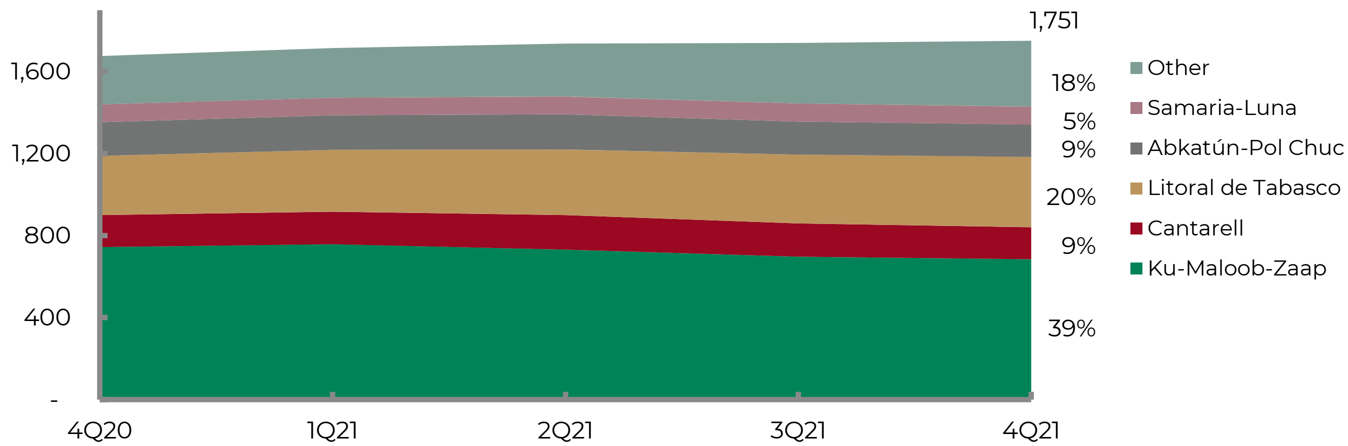
Crude Oil Production by Type
(Mbd)



Crude Oil Production by Region



Crude Oil Production by Asset
(Mbd)



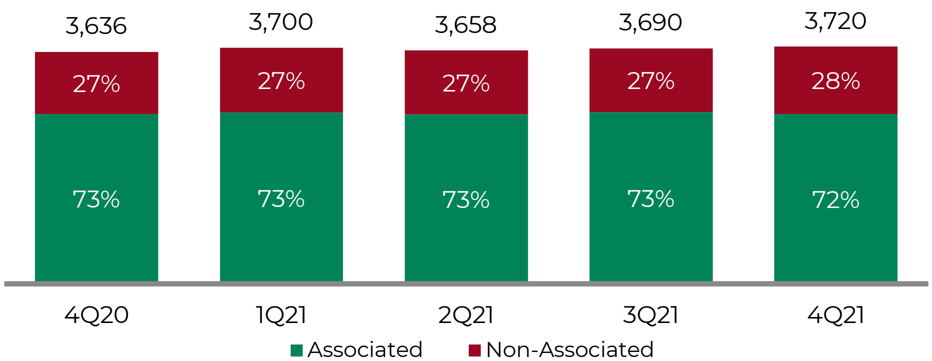
Natural Gas Production

During the fourth quarter of 2021, total hydrocarbon gas production (excluding partner production) increased by 85 MMcfd equivalent to 2.3% as compared to the same period of 2020, from 3,636 to 3,720 MMcfd.

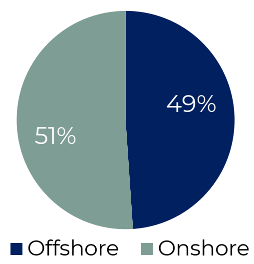
Associated gas production remained practically unchanged compared to the same period last year, decreasing by three MMcfd.

On the other hand, non-associated gas increased by 88 MMcfd, a variation of 9.1% compared to the same period of the previous year. It is worth noting that the Veracruz Asset achieved an increase of 106 MMcfd, mainly due to the contribution of the Ixachi field.

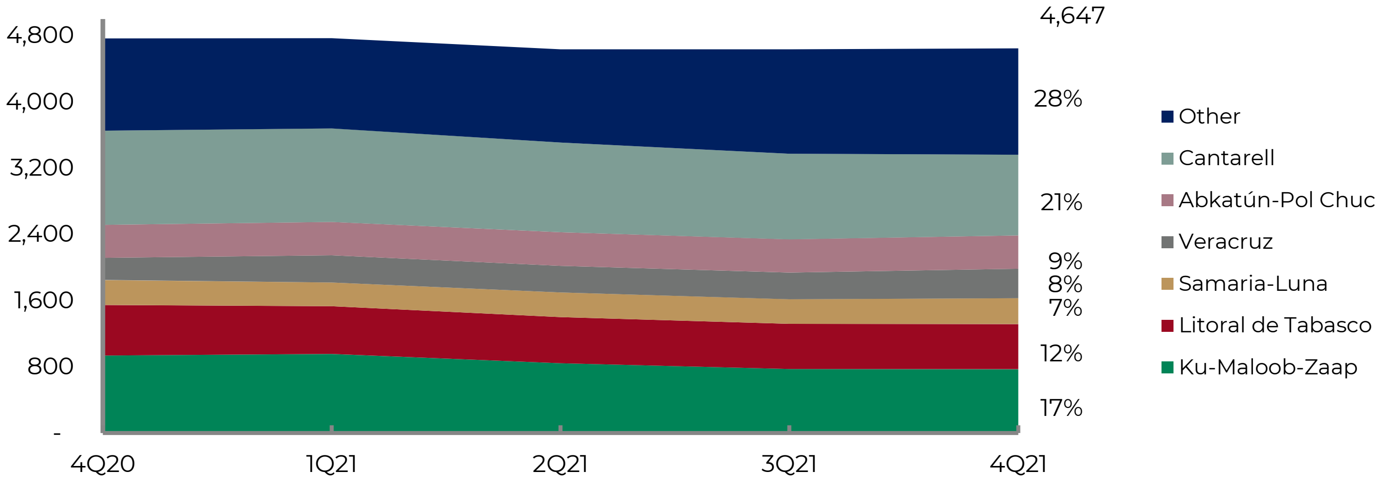
Natural Gas Production
(MMcfd)



Natural Gas Production by Type of Field



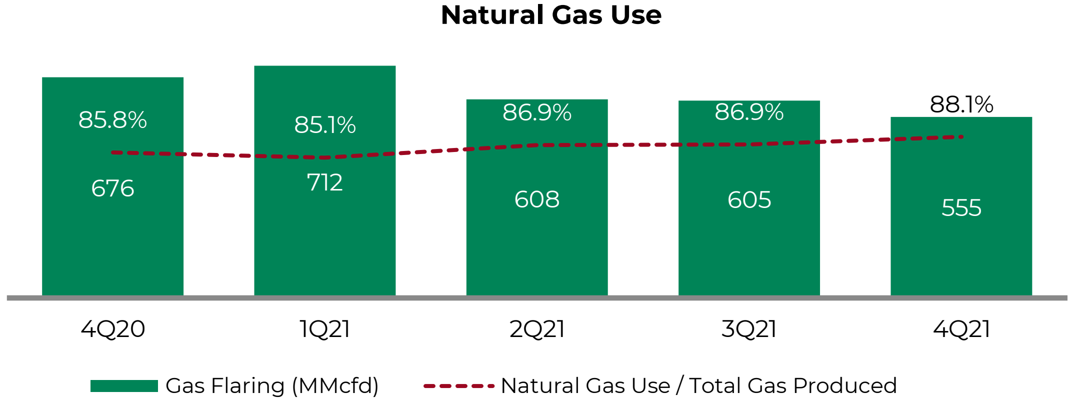
Natural Gas by Asset[3]
(MMcfd)



[3] Includes nitrogen

Natural Gas Use

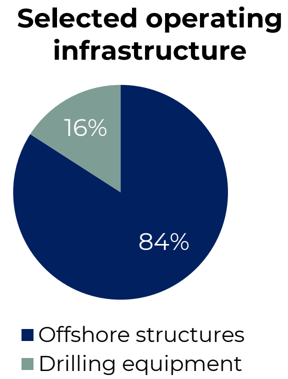
In the fourth quarter of 2021, gas use increased to 88.1%. Gas flaring is explained by the high production volume of nitrogen-contaminated gas in the Ku-Maloob-Zaap Asset; the delay in the construction of infrastructure for gas conditioning in the Ixachi field and high-pressure gas handling in the Quesqui field; failures in the nitrogen elimination plant; maintenance and failures of compression equipment; as well as rejections from the Pemex Transformación Industrial Gas Processing Centers.

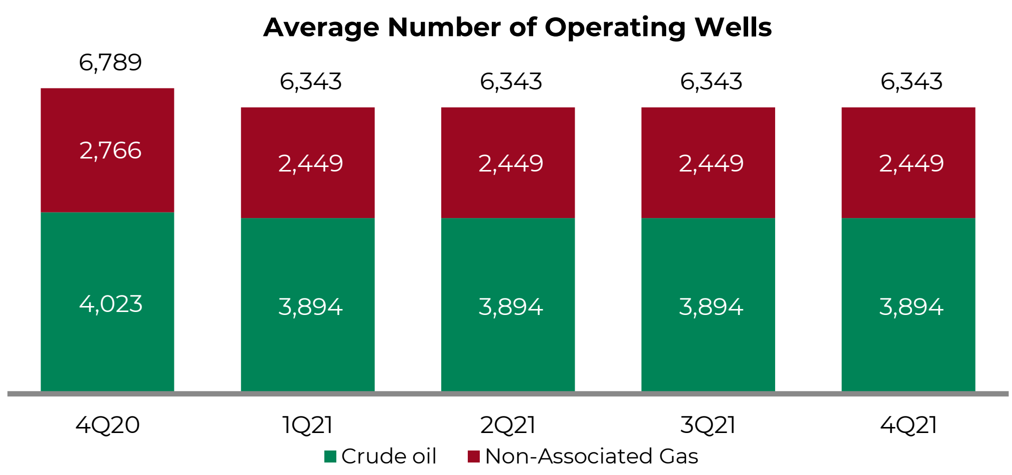


Infrastructure

During the fourth quarter of 2021, 35 development wells were completed, representing six more wells as compared to the same period of 2020. The difference is mainly explained by the increase in activity in the Reynosa and Poza Rica assets in the Northern Region.

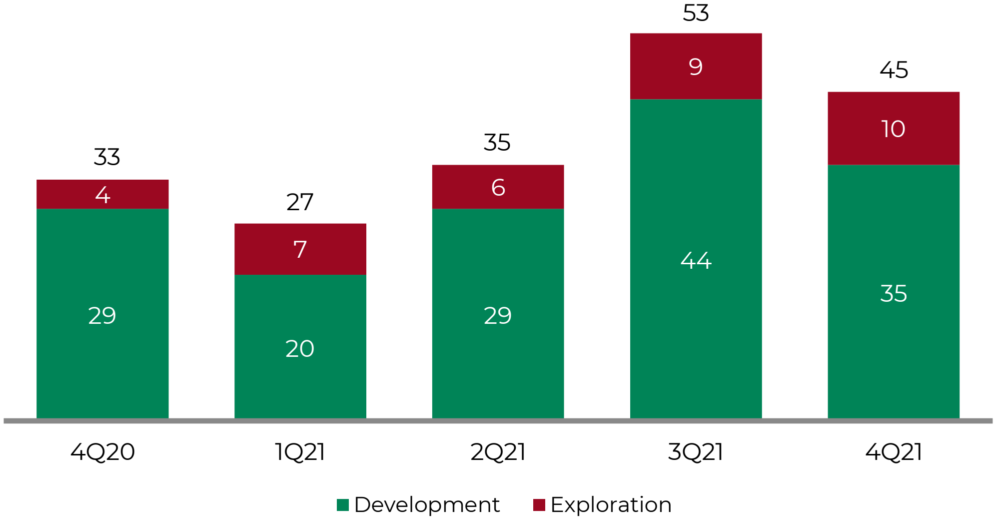
Additionally, 10 exploratory wells were completed, that is, six more wells as compared to the fourth quarter of 2020.



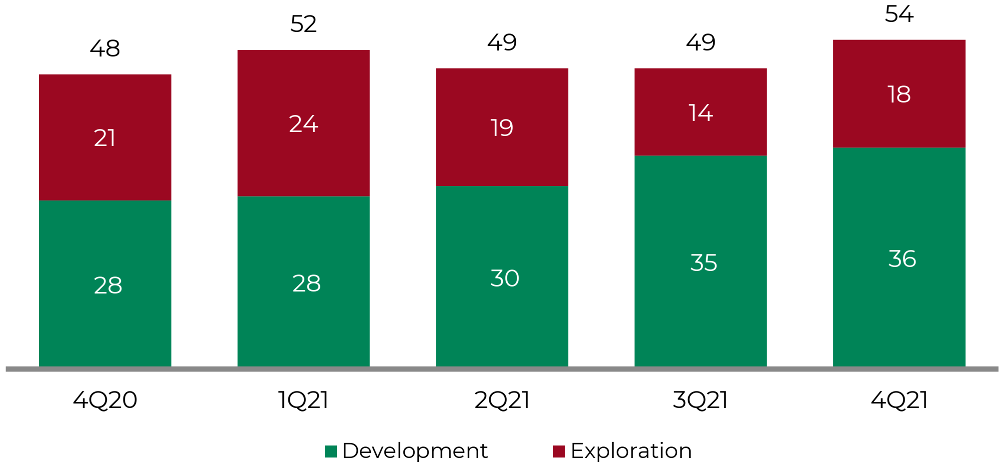


Note: Numbers may not total due to rounding.

Completion of Wells

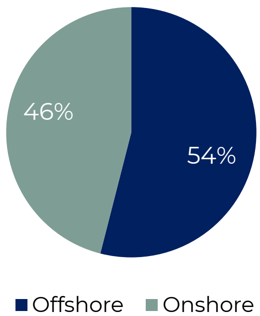


Average Number of Operating Drilling Rigs

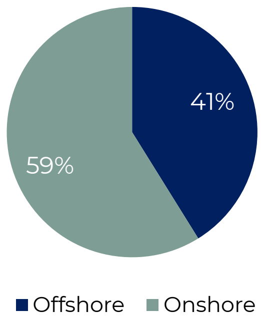


Average Drilling Rigs by Type

Development



Exploration



Discoveries

The exploration activities carried out during 4Q21 allowed PEMEX to obtain information from five wells as detailed in the next table. The studies performed estimate a recoverable volume of 3P reserves around 166 million barrels of crude oil equivalent (MMboe).

Project	Well	Geologic Era	Initial production		Depth Meters	3P Reserves MMboe
			Liquids bd	Gas MMcfd		
Comalcalco Fase II	Racemosa-1	Mesozoic	3,070	9.00	-	58
Integral Veracruz	Tum-1	Mesozoic	1,162	8.39	-	56
Integral Veracruz	Kuun-1	Mesozoic	4,590	2.78	-	26
Uchukil Fase II	Saap-1	Pleistocene	1,254	0.681	154.6	12
Uchukil Fase II	Tekuani-1	Middle Pliocene	512	0.56	26	14

Exploration and production 2021

Hydrocarbon production

During the January-December 2021 period, liquids production totaled 1,736 Mbd, 2.9% higher than the production recorded in 2020. Thus, the upward trend in liquids production continued, mainly due to the contribution of the New Fields development strategies and early production of fields whose production amounted to 322 thousand barrels as of December 31, 2021.

Natural gas

Hydrocarbon gas production, excluding nitrogen, averaged 3,692 million cubic feet per day, 1.5% higher than the production obtained in 2020. As with crude oil production, the downward trend in hydrocarbon gas production has been reversed, mainly due to the contribution of wells with a high gas-oil ratio from the Quesqui field in the Southern Region and the Ixachi field in the Northern Region.

Operating wells and well completions

In the January-December 2021 period, 128 development wells were completed with associated daily production of 162 thousand barrels of liquids and 258 million cubic feet of gas. Of these wells, 68 are onshore and 60 are offshore. In terms of classification, 111 wells were oil and gas producers, seven were gas and condensate producers, seven were wet gas producers, one was a dry gas producer, one was a congenital water injector and one was unproductive, which resulted in a development success rate of 99 %.

In addition, 3,006 well interventions were carried out to mitigate the drop in base production, recording an average daily production associated with these activities of 151 Mbd of liquids and 175 MMcfd of gas.

Natural gas use

Hydrocarbon gas sent to the atmosphere averaged 620 million cubic feet per day during the year.

Factors influencing this increase were:

- Increased production of highly nitrogen-contaminated gas at the Ku-Maloob-Zaap asset
- The unwanted incident at the E-Ku-A2 platform.
- Failures at the nitrogen removal plant
- Compression equipment failures and maintenance
- Rejection from Gas Processing Centers
- Delay in the construction of infrastructure for gas conditioning in the Ixachi field.
- Delay in the construction of gas conditioning infrastructure in the Quesqui field.

Notice that as of the second quarter of 2021, PEMEX has implemented actions to reduce gas emission into the atmosphere; some of these are:

- Installation of two scrubber separators in Papan for gas conditioning in the Ixachi field.
- Start-up of line 263 and reestablishment of two boosters in the Northeast Marine Region.
- Start-up of sweetener operation in the Perdiz separation battery for gas handling in the Ixachi field.
- Interconnection between CA-Ku-A1 and exit to Akal-C8 in the Northeast Marine Region.
- Incorporation of 100 MMpcd from Litoral A to Atasta.
- Construction of 24-inch pipeline interconnection to handle high-pressure gas in Tecoaminoacan battery.

These actions have allowed a reduction in the gas sent to the atmosphere of 271 million cubic feet per day in December 2021 as compared to January 2021.

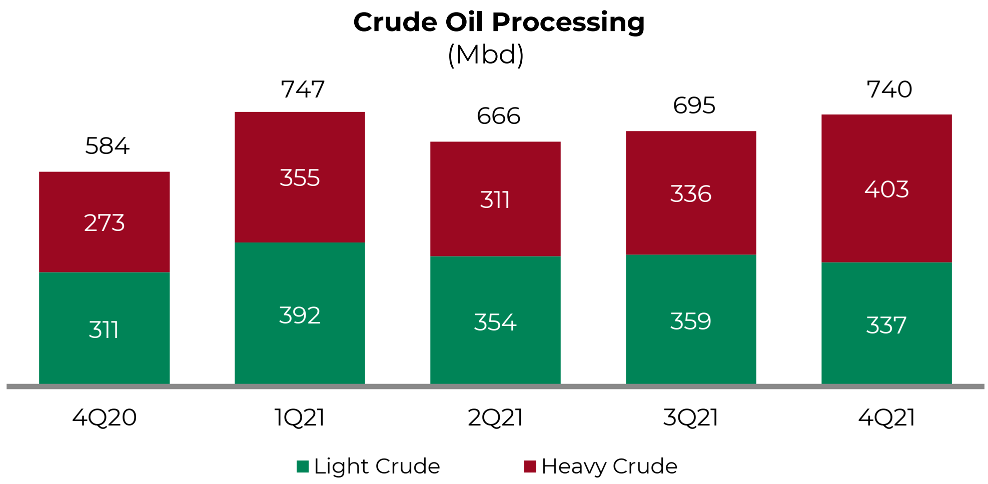
Crude Oil Processing

In 4Q21, crude oil processing at the National Refining System (NRS) averaged 740 Mbd, a 155 Mbd increase as compared to the same quarter of 2020, as a result of the progress in the NRS rehabilitation program.

During the quarter all six refineries had an improved operating performance recording the following crude oil processing levels: Salina Cruz 169 Mbd, Minatitlán 143 Mbd, Salamanca 115 Mbd, Tula 111 Mbd, Cadereyta 107 Mbd and Madero 95 Mbd.

Heavy crude oil process in the revamped refineries averaged 281 Mbd, this is a 99 Mbd increase as compared to the same quarter of 2020 due to higher heavy crude oil process at Minatitlán refinery by 92 Mbd.

The atmospheric distillation capacity of the National Refining System (NRS) is 1,640 Mbd, therefore, the primary distillation capacity utilization amounted to 45.1%; this is 9.5 points above the record in 4Q20.

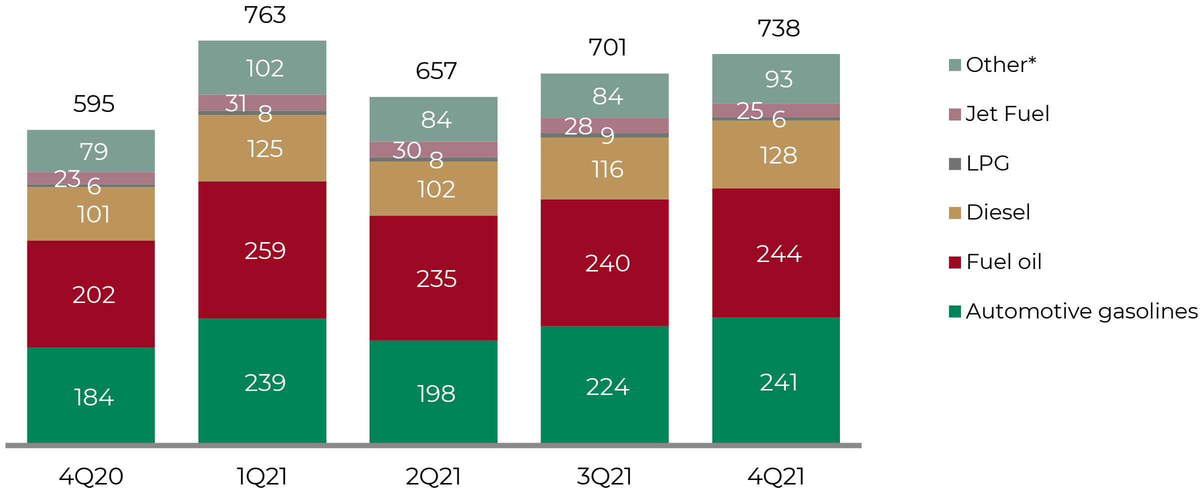


Petroleum Products Production

In the fourth quarter of 2021, petroleum products production increased by 24.1% as compared to 4Q20, averaging 738 Mbd: 241 Mbd were gasoline, 128 Mbd diesel, 25 Mbd jet fuel, and 343 Mbd other petroleum products and LPG.

As compared to 4Q20, distillate production (gasoline, diesel, and jet fuel) increased by 28.2%, mainly due to its higher production at the following refineries: Salina Cruz averaged 87 Mbd, Minatitlán 72 Mbd, Cadereyta 67 Mbd, and Tula and Salamanca 62 Mbd, each.

Petroleum Products Production
(Mbd)

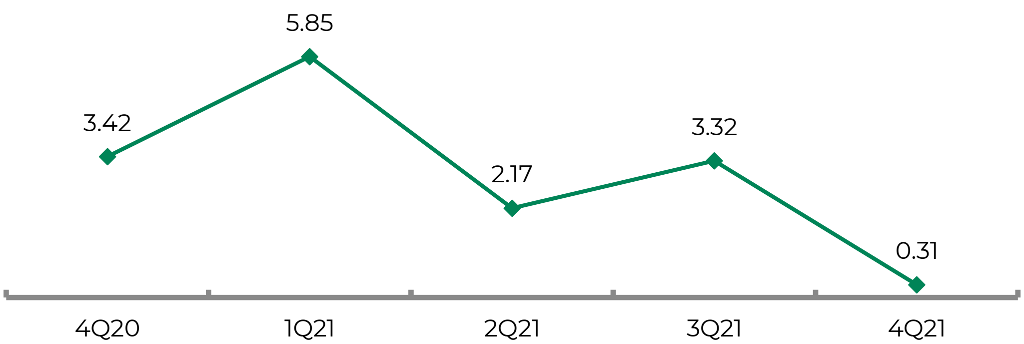


* Includes paraffins, furfural extract, aeroflex, asphalt, lubricants, coke, cyclical light oil and other gasolines.

Variable Refining Margin

Variable refining margin at the NRS in 4Q21 averaged USD 0.31 per barrel (USD/b), this is USD 3.11/b lower than the margin recorded in 4Q20. This result is mainly explained by higher crude oil prices, which was partially offset by the improvement of the operational performance at the NRS.

Variable Refining Margin
(USD /b)



PEMEX Service Stations

At December 31, 2021, PEMEX franchise service stations totaled 6,999. This is an 6.3% decrease as compared to the same period of 2020. From PEMEX's total service stations, 6,954 are private franchises while 45 are owned by Pemex Industrial Transformation (PEMEX's self-consumption). In addition, 994 service stations were registered under the brand sublicensing scheme and 3,466 service stations do not operate under PEMEX's franchise scheme but get their supply from both PEMEX and direct imports.

Natural Gas Processing and Production

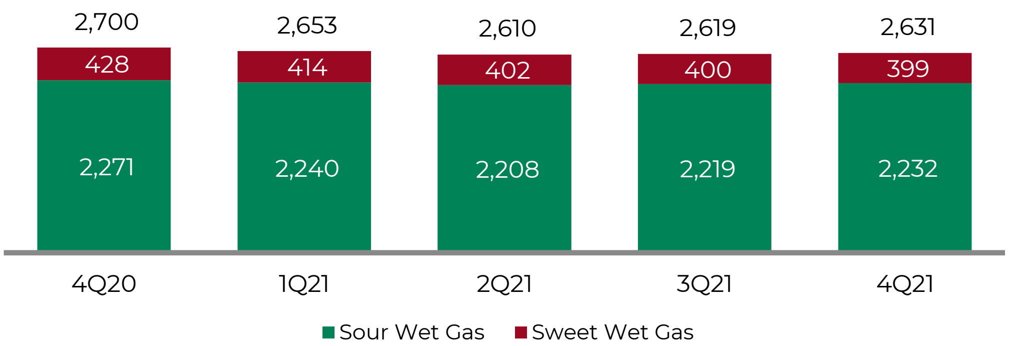
In 4Q21, natural gas processing averaged 2,631 MMcfd; a 69 MMcfd decrease as compared to 4Q20, due to the lower availability of wet gas as a result of the production decrease in the Southeastern and Northern regions of Pemex Exploration and Production (PEP) by 56 MMcfd and 30 MMcfd, respectively.

As a result, Cactus, Nuevo Pemex, Burgos, Poza Rica and Burgos gas processing complexes recorded a lower gas production. With this dry gas production averaged 2,108 MMcfd, a 65 MMcfd decrease as compared to the same quarter of 2020.

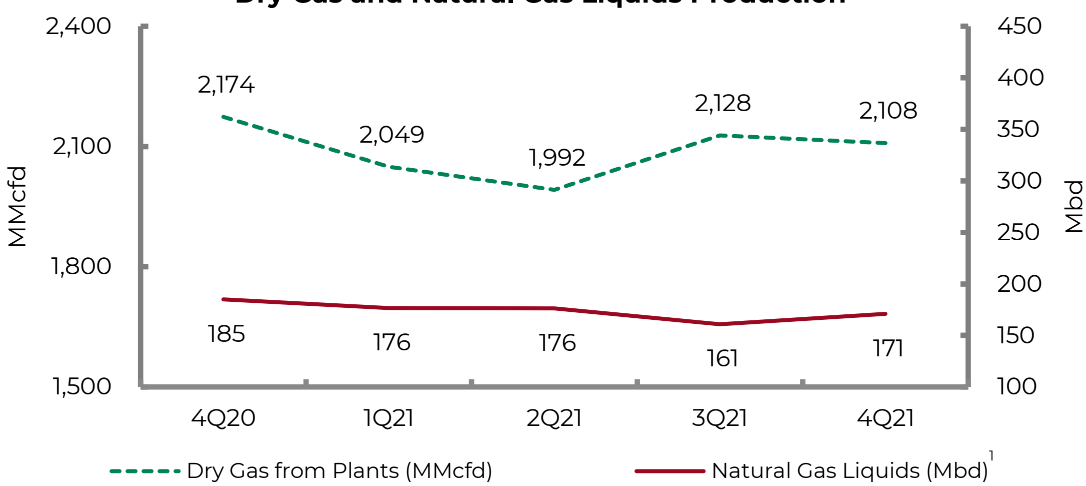
Likewise, liquids production averaged 171 Mbd, a 7.6% decrease as compared to the same quarter of 2020, mainly as a result of lower wet gas availability.

The condensate process averaged nine thousand barrels per day, 13 Mbd lower than the record of the 4Q20, mainly due to lower delivery of sour condensates from PEP.

Natural Gas Processing
(MMcfd)



Dry Gas and Natural Gas Liquids Production



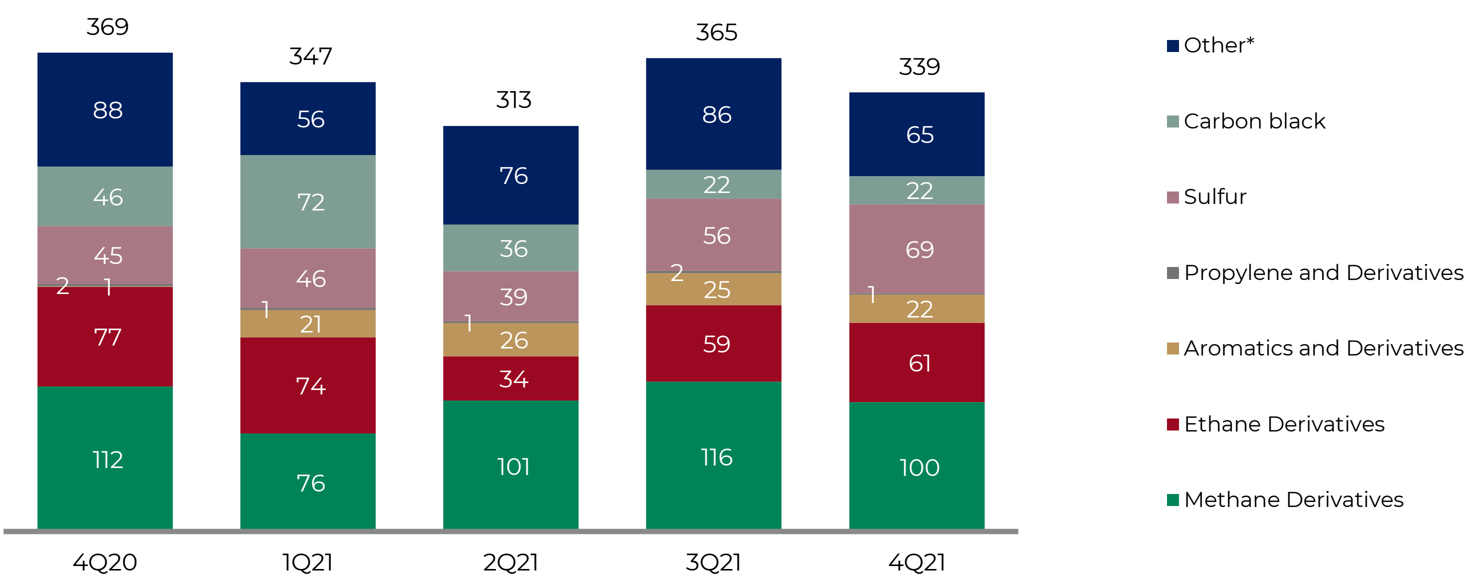
(1) Includes condensates process.

Petrochemicals Production

In 4Q21, petrochemicals production recorded 339 thousand tons (Mt), a 8.3% decrease as compared to 4Q20. The quarterly variation is mainly explained by the following factors:

- raw material for carbon black production decreased by 24 Mt, due to lower processing of heavy crude oil at Madero refinery;
- other petrochemicals production decreased by 23 Mt, due to lower production of carbon dioxide at Cosoleacaque petrochemical complex;
- ethane derivatives production decreased by 15 Mt, due to operational problems in the ethylene plant at Morelos petrochemical complex, and an electrical failure at La Cangrejera petrochemical complex, which caused the operating shutdown of this work center;
- methane derivatives production decreased by 14 Mt, due to operational problems in the ethylene plants; on the other hand
- sulfur production increased by 24 Mt, as a result of higher sulfur production in all NRS refineries;
- aromatics and derivatives production increased by 21 Mt, as a result of higher production at La Cangrejera petrochemical complex due to a longer operating time of the CCR Plant as compared to the same period of the previous year; and
- methanol production increased by two thousand tons since the methanol plant operated with no commercial restrictions.

Petrochemicals Production
(Mt)



*Includes Hexane, Pentanes, Butanes, Raw butadiene, Polyethylene waxes, Petrochemical specialties, Heptane, Hydrogen, Pyrolysis Liquids, Nitrogen, Oxygen and Mixture of pentanes.

Industrial Transformation 2021

Crude Oil Processing
In 2021, the SNR crude oil processing averaged 712 Mbd, a 20% increase as compared to 2020. This is explained by an improved operating performance at the Salina Cruz, Tula, Cadereyta, Salamanca and Minatitlán refineries.

Heavy crude processing at the revamped refineries averaged 223 Mbd, an 18 Mbd increase as compared to the previous year, due to higher heavy crude oil processing at Minatitlán and Cadereyta refineries.

The NRS's primary distillation capacity utilization averaged 43.4%, a 7.4 percentage point increase as compared to the 2020 record. Salina Cruz, Tula, Cadereyta and Salamanca refineries recorded a 46.2% average utilization, above the system's average.

Petroleum Products Production
Petroleum products averaged 714 Mbd, a 21% increase as compared to 2020; 225 Mbd were gasoline, 118 Mbd diesel, 28 Mbd jet fuel and 343 Mbd other petroleum products and LPG.

It is worth noting that, distillates production (gasoline, diesel and jet fuel) increased by 60 Mbd, equivalent to a 19% increase, as compared to 2020.

Variable Margin
The variable margin of the NRS during 2020 averaged USD 2.92 per barrel (USD / b). This is 2.15 USD / b higher than the 2020 record, mainly explained by the petroleum products' prices recovery in the Gulf Coast.

Gas processing and production
During 2021 wet gas processing averaged 2,628 MMcfd, a 137 MMcfd decrease as compared to 2020. This is mainly explained by lower wet gas receipt due to lesser production in the Southeastern and Northern regions of Pemex Exploration and Production.

Dry gas production averaged 2,070 MMcfd, a 167 MMcfd decrease as compared to 2020. This is mainly explained by lower process levels at Nuevo Pemex, Burgos y Poza Rica.

Gas liquids production averaged 171 Mbd, a 17.5% decreased as compared to the previous year.

The condensate process averaged 14 Mbd, a 9 Mbd decrease as compared to 2020, mainly due to lower delivery of sour and sweet condensates from Pemex Exploration and Production.

Petrochemical production
As of December 31st, 2021, accumulated petrochemicals production amounted to 1,364 Mt; this is a 1.5% decrease as compared to 2020. The annual variation is explained by:

- ethane derivatives production decreased by 112 Mt, mainly due to operational problems in the derivatives plants and in auxiliary services;
- sulfur production decreased by 64 Mt, as a result of lower production at Ciudad Pemex and Nuevo Pemex gas processing complexes, due to the shutdown of their sulfur recovery plants for corrective maintenance;
- raw material for carbon black production decreased by 17 Mt, due to the lower processing of heavy crude oil at Madero refinery;

- propylene production decreased by three thousand tons, due to lower production at La Cangrejera and Morelos petrochemical complexes caused by a lower utilization, and problems in reliability and auxiliary services; on the other hand
- methane derivatives production increased by 108 Mt, due to the operational continuity of the VI ammonia plant at Cosoleacaque petrochemical complex;
- other petrochemicals production increased by 52 Mt, as a result of higher carbon dioxide production at Cosoleacaque petrochemical complex;
- methanol production increased by 10 Mt, as the methanol plant operated with no trade restrictions; and
- aromatics and derivatives production increased by 5,000 tons, as a result of a longer operating time of the CCR Plant at La Cangrejera petrochemical complex.

Additional Information Related to Downstream and Midstream Activities

Anti-Fuel Subtraction Strategy

As a result of the joint strategy between PEMEX and the Federal Government, in 2021 fuel theft subtraction averaged 4.1 Mbd, a 14.6% decrease as compared to the 4.8 MBD recorded in 2020. As detailed in the financial section, fuel subtraction losses in 2021 recorded MXN 7,342 million, and MXN 4,281 million in 2020.

To strengthen the safeguarding of strategic installations, national security, and the fight against the illicit market of hydrocarbons and petroleum products, PEMEX delivered 39 equipped vehicles to the Secretary of the Navy of Mexico (SEMAR). The units will strengthen PEMEX's security and patrol services for pipelines, rights of way and strategic installations, particularly in Salina Cruz, Oaxaca, Coatzacoalcos, Veracruz and in Ciudad Madero, Tamaulipas.

Rehabilitation Program of the National Refining System

In 2021 rehabilitation works continued in the National Refining System to restore the reliability of the assets and increase operational efficiency; repairs were carried out in 73 processing plants and nine storage tanks.

In 2022, the implementation of this program will continue with a focus on attention to critical risks in process plants, main services, and storage tanks.

Industrial Safety

In all moderated and serious events, Petróleos Mexicanos performs a root-cause analysis to identify the original events' causes and define corrective actions to avoid the recurrence of accidents. In very serious events, the analysis has been developed by independent researchers who guarantee total transparency. Additionally, this analysis strengthens PEMEX's SSPA System and accountability to stakeholders.

Frequency Index[4]

In 2021, the frequency index for PEMEX's employees was 0.36 accidents per million man-hours worked with exposure to risk, a 46.1% increase as compared to 2020.

The Subsidiary Productive Companies and Corporate Areas that contributed the most to the accident rate during the year were: Pemex Industrial Transformation recording 46 injured workers; Pemex Exploration and Production recording 29 injured workers and one deceased; and Pemex Logistics recording 19 injured workers.

Severity Index[5]

In 2021, the severity index recorded 20 days lost per million man-hours worked with risk exposure, a 51.9% increase as compared to de 2020 record, since the incidents presented merited a greater number of days of medical disability.

To reverse the accident rate trend, during 2022 the execution of the following initiatives will continue:

- Safety program to guarantee the operational continuity of the tasks of PEMEX.
- Safe Execution and Supervision Plan with ZERO TOLERANCE, including short-term lines of action to ensure the operational continuity of the business lines.
- Monitoring of the Critical Risk A1 Attention Program.
- Issuance of technical and regulatory opinions on Industrial Safety to ensure proper risk management for a safe and reliable operation.
- Audit Program for the performance of SSPA in facilities that recorded deviations in process and personal safety in 2021.
- Audits to the Industrial Safety Management Systems, Operational Safety and Environmental Protection of Pemex Exploration and Production and Pemex Logistics in accordance with ASEA guidelines.
- Reinforcement program on safety elements: Order and Cleanliness, Fall Prevention, Personal Protection Equipment and Loading or Handling of Objects.
- On-line courses of the PEMEX-SSPA System to all employees: Effective Audits, Operative Discipline and nine Critical Procedures.

Environmental Protection

Water Reuse

[4] Refers to the number of accidents with incapacitating injuries per million man-hours worked (MMhh) with risk exposure during the relevant period. An incapacitating injury is an injury, functional damage or death that is caused, either immediately or subsequently, by a sudden event at work or during work-related activities. Man-hours worked with risk exposure represent the number of hours worked by all personnel, including overtime hours.
[5] Refers to the total number of days lost per million man-hours worked with risk exposure during the relevant period. The number of days lost is based on medical leaves of absence for injuries stemming from accidents at work, plus the number of corresponding days on which compensation is paid for partial or total disability or death.

In 2021, the water reuse index (reuse/use) was 0.127, a 14% decrease as compared to 2020, as Madero and Tula refineries reduced their water reuse.

In the 4Q21, Salamanca refinery increased its reuse volume by 7%, because of the rehabilitation of its effluent treatment system and its wastewater treatment plant, thus replacing the supply from natural sources.

Sulfur oxide emissions

In 2021, sulfur oxide emissions amounted to 1,305 Mt, a 24.2% increase as compared to 2020, due to failures in the sulfur recovery systems.

It is worth mentioning that in the fourth quarter of 2021, these emissions decreased by 24% as compared to the fourth quarter of 2020, mainly due to the rehabilitation and start-up of sulfur plants in gas processing complexes and refineries, as well as increases in gas sweetening in the Northern Region.

It is important to note that an update was applied to the values reported for both 2020 and 2021, due to an adjustment in the volume and molar composition of the gas sent to burners.

Carbon dioxide equivalent emissions

In 2021, carbon dioxide equivalent emissions amounted to 70 MMt, a 7% increase as compared to 2020.The increase was due to failures in compression systems of gas processing complexes and increases in production at Pemex Exploration and Production and in the Refining process, coupled with low use of associated gas at PEP.

It is important to note that an update was applied to the values reported for both 2020 and 2021, due to an adjustment in the volume and molar composition of the gas sent to the burner.

Climate projects and environmental impacts' reduction initiatives

In 2021, the following initiatives were implemented to minimize the environmental impacts of PEMEX's operations:

1. Implementation of the first activities outlined in the 2021–2025 Business Plan, focused on reducing venting emissions, which include:
   - the installation of infrastructure for the management and use of associated and non-associated gas;
   - maintenance and overhaul of compression systems at Pemex Exploration and Production; and
   - installation and repairment of pumping systems, as well as the rehabilitation of the infrastructure of the National Refining System.
2. The implementation of a new strategy for the management and use of gas in Pemex Exploration and Production, which mainly includes the closure of wells with a high gas/oil volume ratio, restoration of boosters, overhaul of compressors, and development of outward infrastructure to manage production due to the incorporation of new fields.
3. Together with the environmental authorities, the updating of the methodology for calculating greenhouse gas emissions was completed. The emission inventories for the years 2020 and 2021 were updated under this methodology.

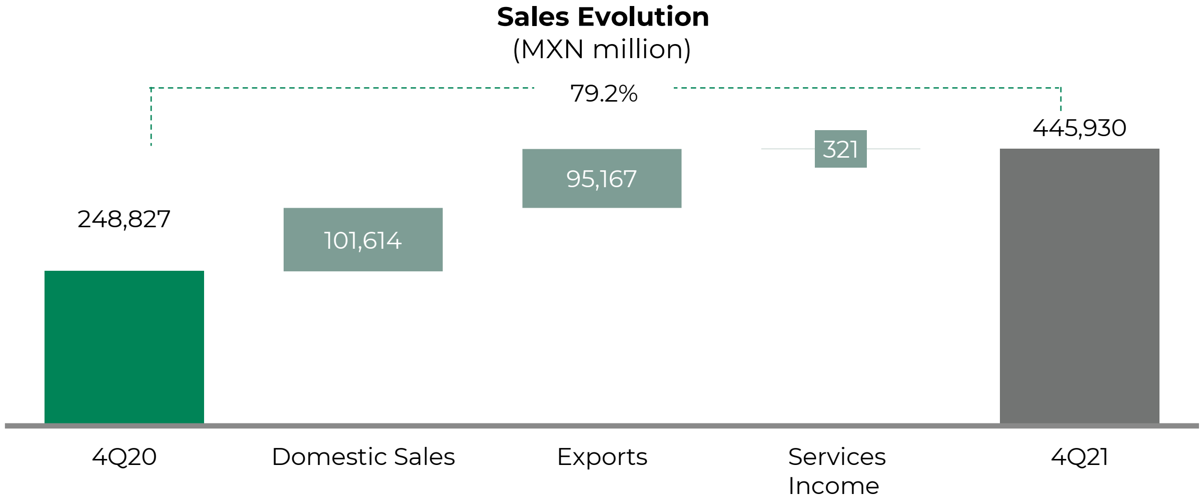
4. Pemex Logistics and Pemex Exploration and Production joined in the start of compliance with the "Provisions to prevent and control methane emissions". 15 Programs for the Prevention and Control of Methane Emissions (PPCIEM) were submitted to the Security, Energy and Environment Agency (ASEA), which will be verified by a credited third party.
5. The implementation of leak detection and repair programs began as the main measure to reduce methane emissions.
6. PEMEX continues to participate in the Emissions Trading System Test Program. PEMEX delivered the emission rights corresponding to the first year of operations of the Environmental Registration Numbers, which have exceeded the threshold of 100 thousand tons of CO_2 emitted per year. In addition, PEMEX actively participates in the Counseling Committee of the Emissions Trading System, through proposals for the implementation of the Operational Phase.
7. Regarding adaptation to climate change, two training and awareness workshops were held on issues related to the risks posed by extreme weather and climate events and their potential impact on the company's infrastructure and operational continuity. The National Center for Disaster Prevention of the World Resources Institute Mexico and the Mario Molina Center for Strategic Studies on Energy and Environment participated in these workshops.

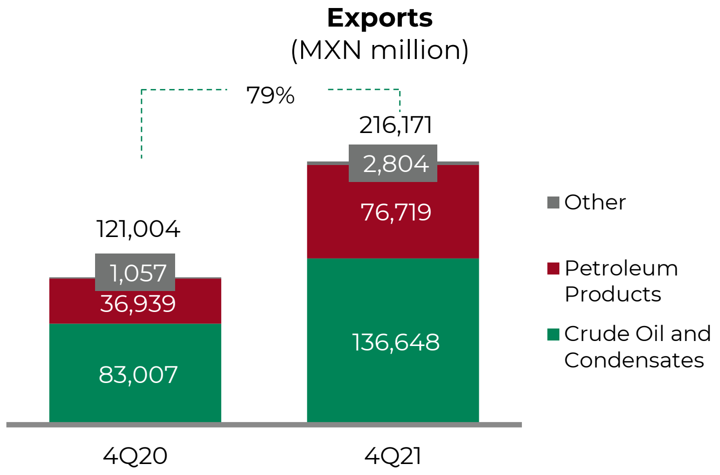
9.1 Consolidated Income Statement from October 1 to December 31, 2021

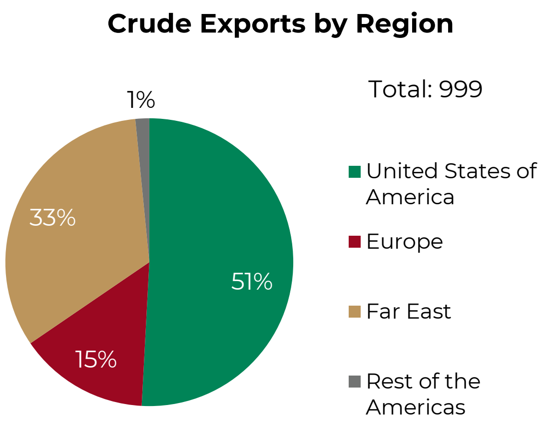
Total Sales

Total sales and service revenues increased 79.2% as compared to 4Q20. This was mainly due to:

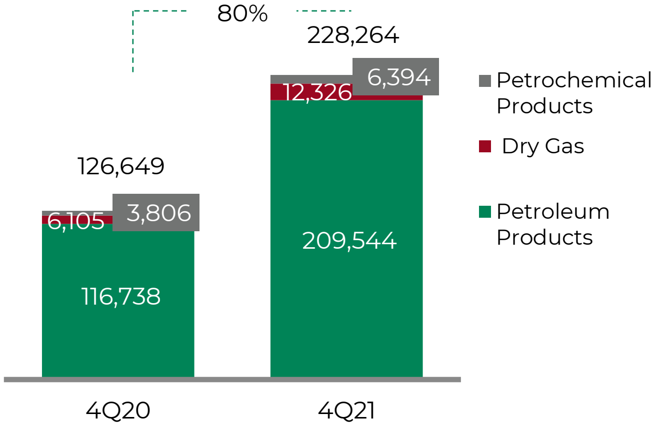
- an 80.2% increase in domestic sales, mainly explained by an increase in the prices of gasoline, diesel, fuel oil, turbo fuel, liquefied gas and natural gas due to the recovery in the price of hydrocarbons worldwide; and
- a 78.6% increase in export sales, mainly due to the recovery in the average price of the Mexican crude oil mix. The price went from an average of USD 42.98 per barrel in 4Q20 to USD 71.30 per barrel in 4Q21.



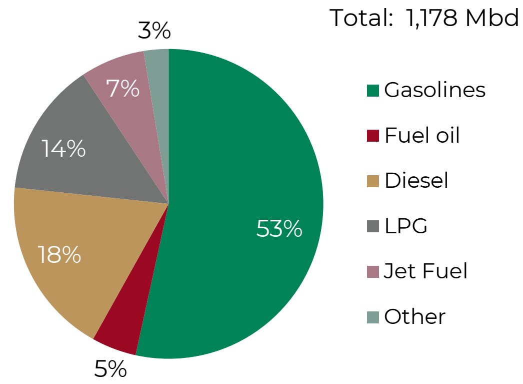




Domestic Sales
(MXN million)



Domestic Sales of Petroleum Products



Cost of sales and Operating Income

Cost of sales including asset impairment increased by 24.7% as compared to 4Q20, mainly due to:

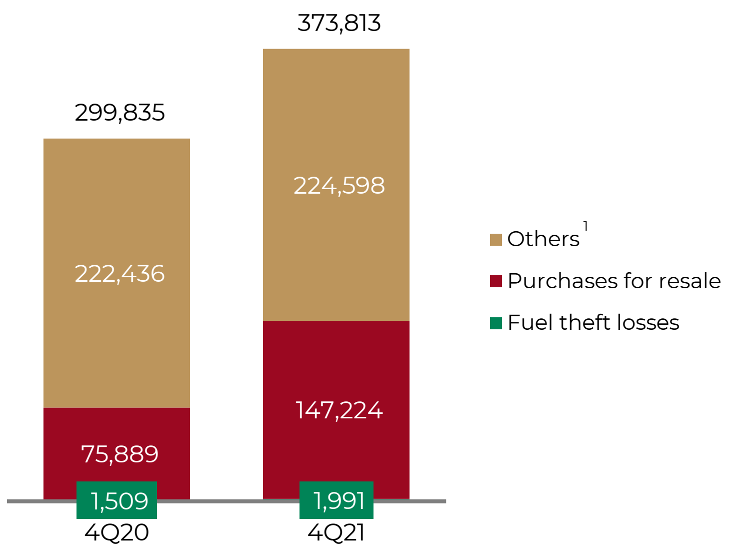
- An increase in purchases for resale which amounted to MXN 147.2 billion, as compared to MXN 75.9 billion in 4Q20. This increase in imports is mainly explained by the recovery of refined products' prices;
- A MXN 17.5 billion increase in exploration and extraction taxes and duties, mainly due to the recovery of hydrocarbons' prices;
- A decrease in asset impairment. This item recorded MXN 39.5 billion in 4Q21 as compared to MXN 52.5 billion in 4Q20.

As a result, gross income recorded MXN 72.1 billion, as compared to MXN 51.0 billion in 4Q20.

General expenses (administration, distribution, transportation and selling expenses) increased 24.3% percent, mainly due to the net cost of employee benefit liabilities for the period.

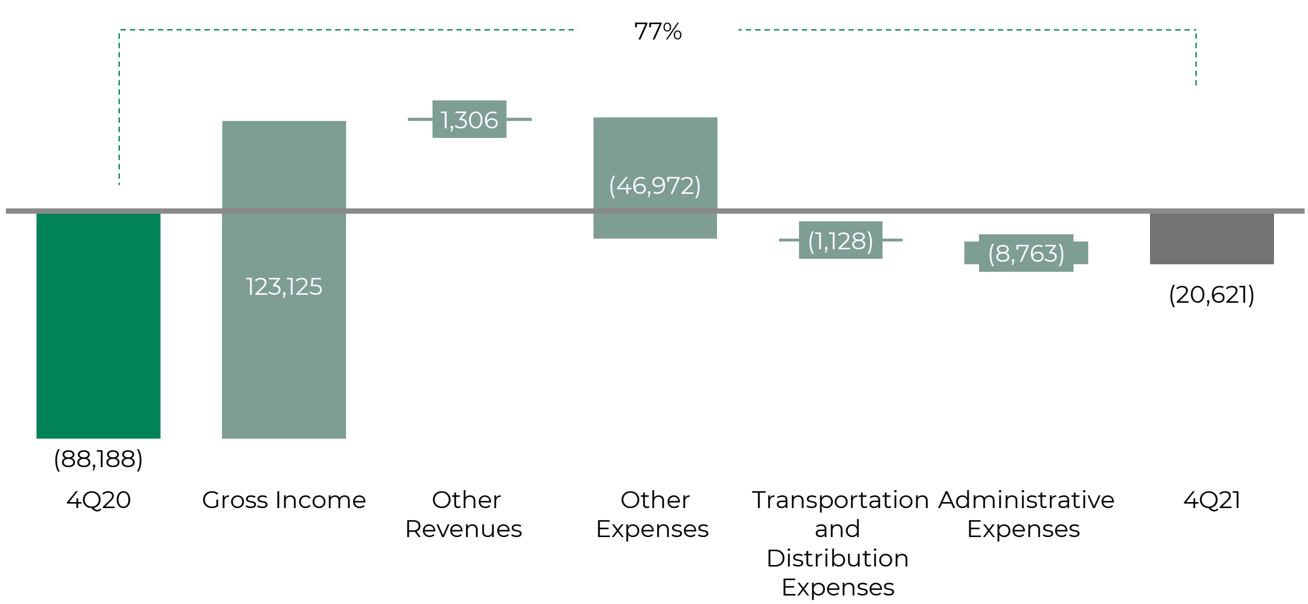
As a result, operating loss was MXN 20.6 billion in 4Q21, compared to a loss of MXN 88.2 billion in the same period of the previous year.

Cost of Sales
(MXN million)



[1] Includes Depreciation and amortization expenses, Subsidiary entities consolidation net effect, Operating expenses, Hydrocarbon exploration taxes and duties, Preservation and maintenance, Net cost for the period of employee benefits, Exploration expenses and Inventories variation..

Operating Income Evolution
(MXN million)



Taxes and Duties

During 4Q21, total taxes and duties amounted to MXN 96.1 billion, an 61.2% increase as compared to 4Q20. This increase was mainly due to the recovery of the Mexican Mix Export price, despite the reduction in the Profit-Sharing Duty applicable rate from 58% to 54% since 2021. Profit-Sharing Duty, being the most important duty paid by the company in terms of amount, increased by 121.2% as compared to 4Q20.

Evolution of Taxes and Duties
(MXN million)

Evolution of Net Income (Loss)

During 4Q21 PEMEX recorded a MXN 194.5 billion net loss, as compared to a MXN 96.1 billion net income in 4Q20.

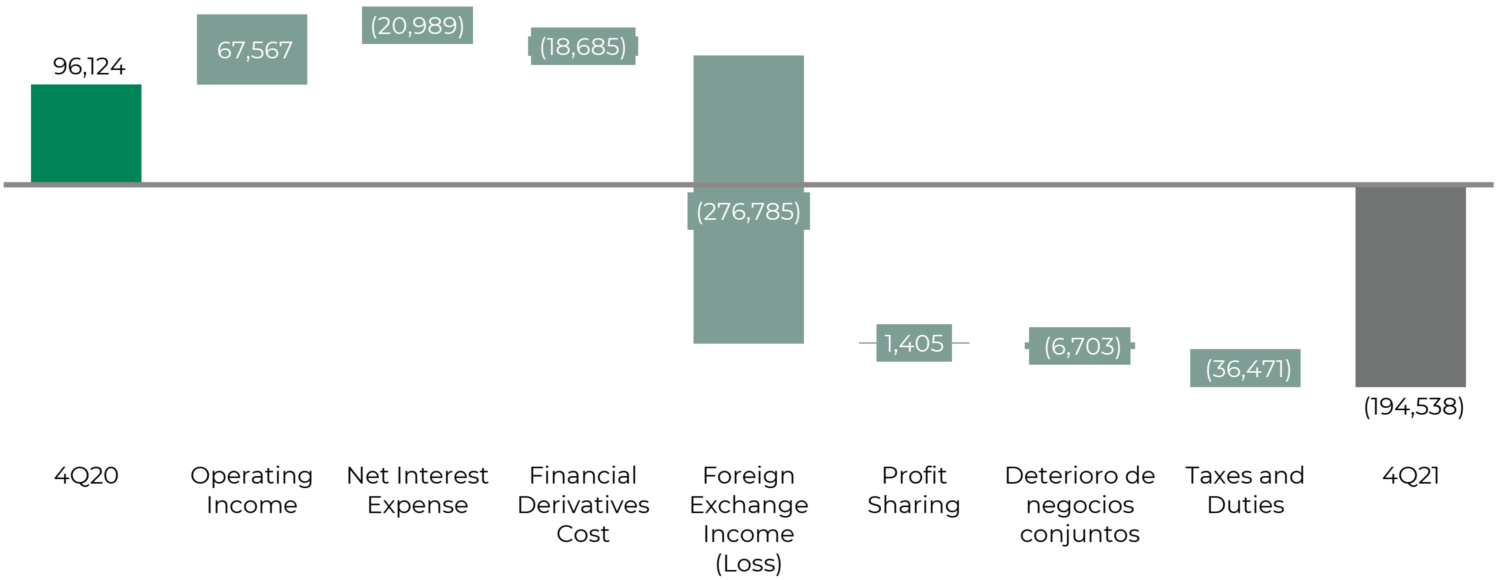
Among the factors that determined this result were the increase in cost of sales, increase in the foreign exchange loss due to the depreciation of the Mexican Peso against the U.S. dollar during the quarter, increase in the cost of derivative financial instruments and increase in taxes and duties.

In 4Q21 foreign exchange loss recorded MXN 22.3 billion as compared to a MXN 254.5 billion foreign exchange profit in 4Q20. This increase was due to an appreciation of the U.S. dollar against the Mexican peso in 4Q21 compared to a depreciation of the U.S. dollar against the Mexican peso in 4Q20. The exchange rate went from MXN 20.3060 per USD 1.00 at September 30, 2021, to MXN 20.5835 per USD 1.00 at December 31, 2021, a 1.4% increase. This is considered a virtual item since most of it does not represent cash flows.

In 4Q21 a MXN 3.6 billion financial derivatives cost was recorded, compared to a MXN 15.1 billion financial derivatives income in 4Q20. This decrease is mainly explained by the variation in the fair value of cross-currency swaps.

Additionally, a lower impairment of fixed assets of MXN 13.0 billion was recognized in 4Q21 as compared to the same period of the previous year.

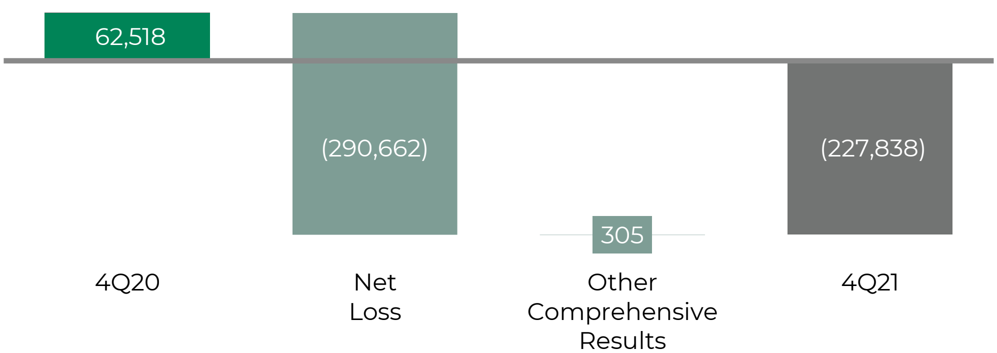
Evolution of Net Income (Loss)
(MXN million)



Comprehensive Income (Loss)

In 4Q21 a MXN 227.8 billion comprehensive loss was recorded, mainly as a result of the effect of actuarial losses for employee benefits by MXN 36.1 billion, due to the recognition of the actuarial study at year-end.

Evolution of Comprehensive Income (Loss)
(MXN million)



9.2 Consolidated Balance Sheet as of December 31, 2021

Total sales

Total sales and service revenues increased 56.8%, as compared to the recorded in 2020. This was mainly due to:

- a 51.3% increase in domestic sales, mainly explained by an increase in the prices of gasoline, diesel, fuel oil, turbo gasoline, liquefied gas and natural gas due to the recovery in the price of hydrocarbons worldwide; and
- a 63.6% increase in export sales, mainly due to the recovery in the average price of the Mexican crude oil mix. The price went from an average of USD 36.24 per barrel in 2020 to USD 65.31 per barrel in 2021.

Cost of sales

Cost of sales increased 22.9% including the effect of the impairment reversal of fixed assets, mainly due to higher purchases of products for resale of MXN 163.0 billion explained by higher gasoline, diesel, and natural gas prices and an increase of MXN 45.0 billion in taxes and duties on the extraction and exploration of hydrocarbons as a result of a recovery in hydrocarbon sales prices.

Taxes and duties

During 2021, total income taxes and duties amounted to MXN 307.3 billion, showing an increase of 65.6% compared to 2020. This increase is mainly due to the recovery of the Mexican Export Mix price, despite the reduction in the profit-sharing duty rate from 58% to 54% starting in 2021.

The profit-sharing duty is the most important tax paid by the company in terms of amount; it increased by 98.5% as compared to 2020.

Evolution of net income

At year-end 2021, a net loss of MXN 294.8 billion was recognized, compared to a net loss of MXN 509.1 billion in 2020. This result is mainly due to the following factors:

- A MXN 542.0 billion increase in sales.
- A MXN 83.3 billion decrease in foreign exchange loss, due to lower depreciation of the peso in 2021 as compared to 2020.
- A MXN 198.9 billion increase in cost of sales, including the effect of the impairment reversal.
- A MXN 42.3 billion increase in financial derivatives cost.
- A MXN 121.8 billion Increase in taxes and duties.

Comprehensive income (loss)

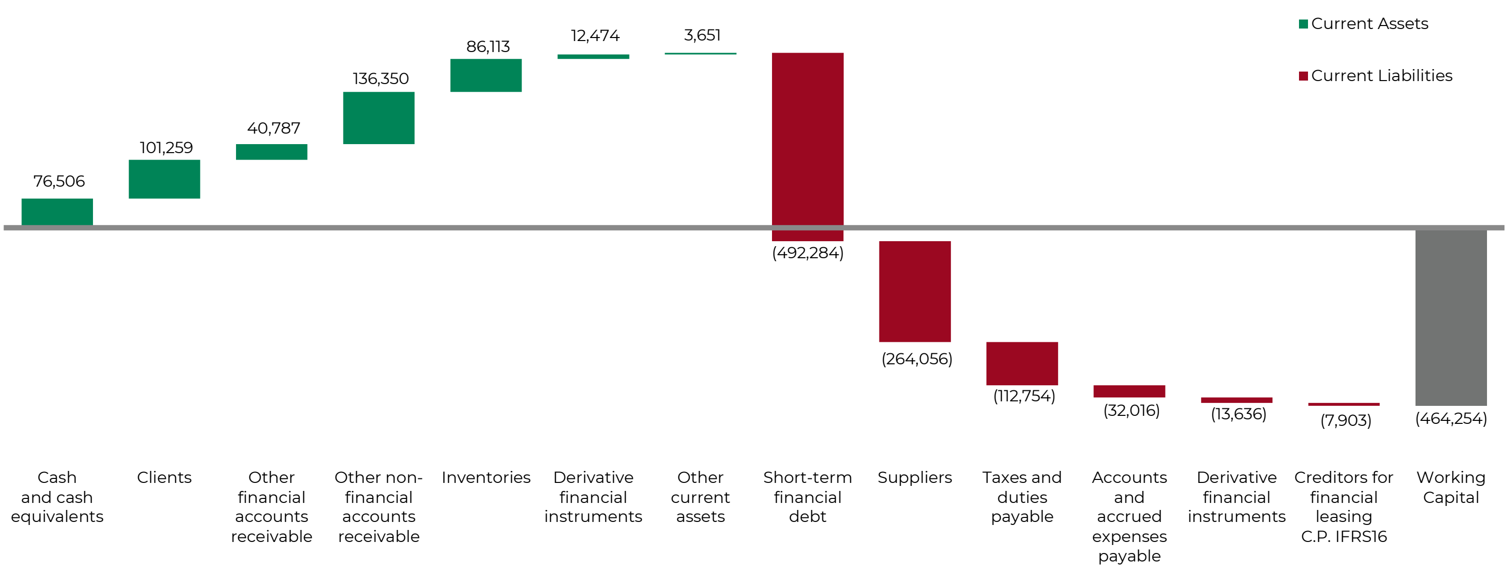
In 2021 a MXN 81.6 billion comprehensive loss was recorded, compared to a MXN 520.4 billion comprehensive loss of in 2020. This result was mainly due to a MXN 224.6 billion increase in actuarial gains on employee benefits, explained by the change in the discount rate from 7.08% in 2020 to 8.46% in 2021.

Working Capital

As of December 31, 2021, negative working capital amounted to MXN 464.3 billion, compared to a negative working capital of MXN 442.6 billion as of December 31, 2020. This increase was mainly the result of:

- A MXN 88.6 billion increase in clients and other financial and nonfinancial accounts receivable;
- A MXN 33.5 billion increase in inventories;
- A MXN 13.5 billion decrease in derivative financial instruments;
- A MXN 16.8 billion decrease in short term Federal Government Bonds.
- A MXN 101.2 billion increase in short-term financial debt;
- A MXN 17.9 billion decrease in suppliers;
- A MXN 61.6 billion increase in taxes and duties payable; and
- A MXN 5.6 billion increase in accounts and accrued expenses payable and derivative financial instruments.

Working Capital
(MXN million)

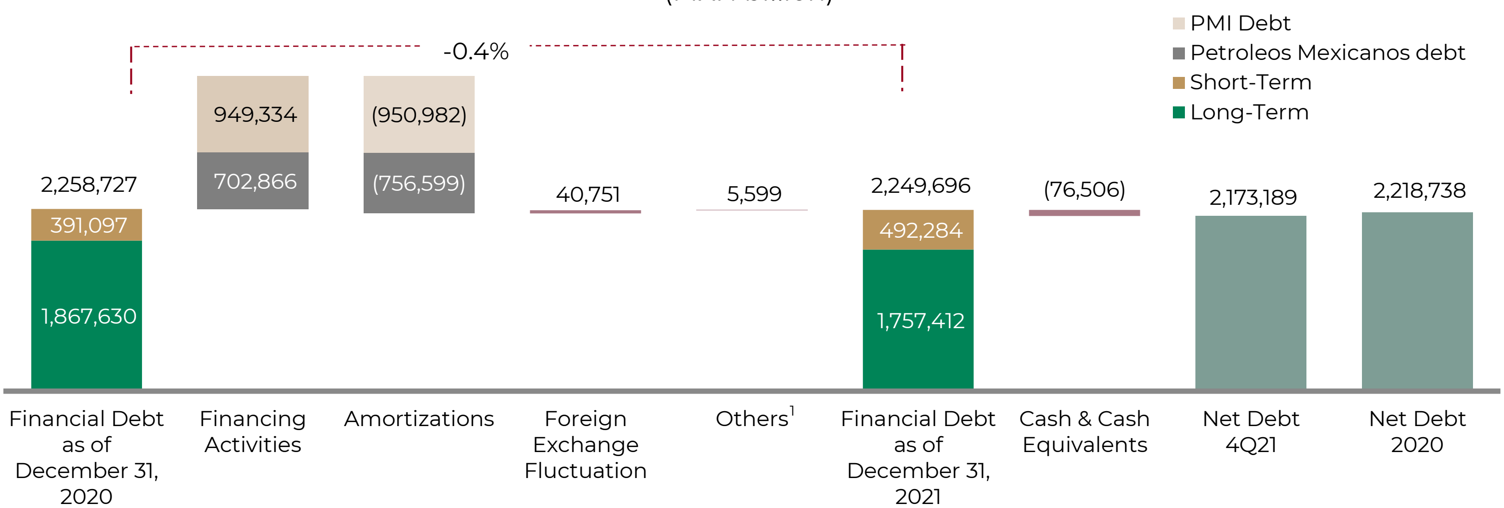


9.3 Debt

Financial resources

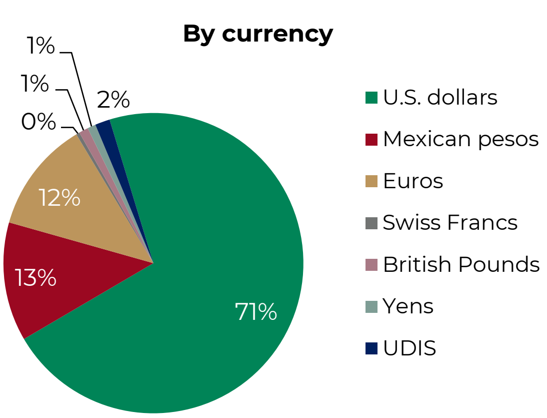
As of 4Q21, PEMEX carried out financing activities (including short-term bank loans) for a total of MXN 1,058.9 billion or USD 692.8 million. Total repayments recorded were MXN 1,027.8 billion or USD 622.9 billion.

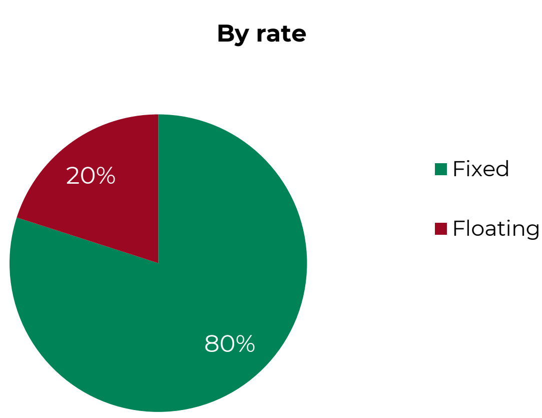
Approximately 85% of the debt is denominated in non-peso currencies, mainly in U.S. dollars, and for recording purposes, it is translated into pesos at the closing exchange rate.



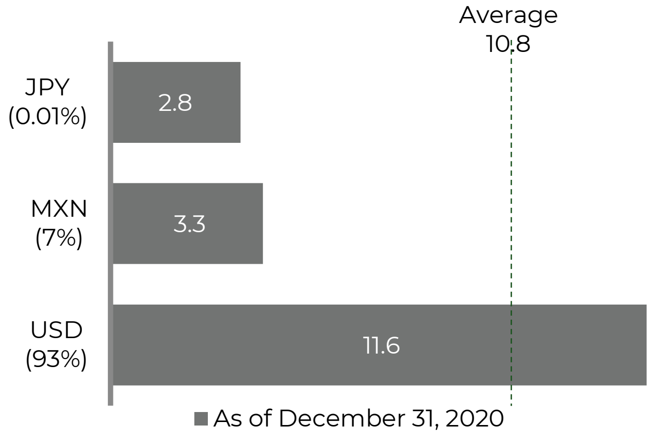
1) Includes reclassification of financial leases and accrued

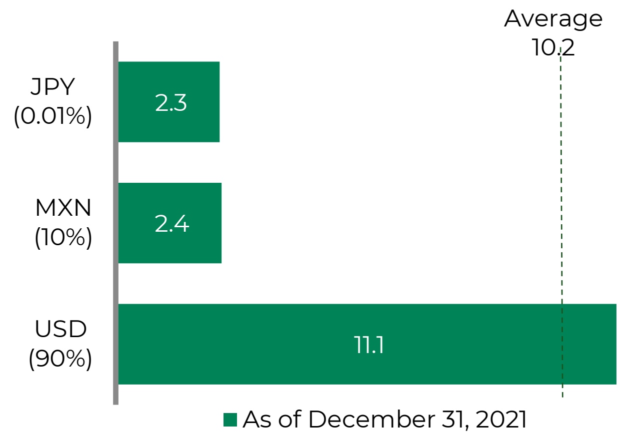
Financial Debt Exposure as of December 31, 2021





Average Life of Financial Debt Exposure
(Years)





9.4 Financing Activities

According to the Pemex Business Plan and its Productive Subsidiary Companies 2021-2025, the company will continue with the strategy of convergence to a zero net indebtedness balance in real terms. The financing policy will be focused on taking advantage of the market circumstances to the issuance of new financial instruments only under the best conditions; parallelly, the company will identify the adequate contexts to carry out liability management operations in a way that, if possible, there will be no increase in the outstanding debt balance during this Administration.

In 2021, in addition to the fiscal measures, the Federal Government made capital contributions aligned with the maturity profile of PEMEX's debt, in order to cover amortizations. This reiterated the commitment of this Administration to strengthen PEMEX's financial position.

Capital Markets

- On October 19, 2021, PEMEX renewed a promissory note subscribed in April for an amount of MXN 4.0 billion and an original term of 180 days. This renewal was made for a term of 180 days with a TIIE interest rate, plus a 248 basis points margin.

- On November 18, 2021, PEMEX renewed and increased a promissory note subscribed in July for an amount of MXN 3.0 billion and an original term of 119 days. This renewal was made for a term of 120 days for an amount of MXN 4.0 billion with a TIIE interest rate, plus a 257.5 basis points margin.

- On December 16, 2021, PEMEX issued a bond for an amount of USD 1,000 million maturing in 2032 and a 6.700% coupon under the Series C Medium-Term Notes Program.

- On December 16, a promissory note for an amount of MXN 3.0 billion was contracted for a term of approximately 180 days with a TIIE rate, plus a 260 basis points margin.

- On December 17, 2021, PEMEX renewed a promissory note subscribed in June for an amount of MXN 2.0 billion and a term of 180 days. This renewal was made for a term of 180 days with a TIIE interest rate, plus a 260 basis points margin. In addition, a promissory note for an amount of MXN 2.0 billion was contracted for a term of approximately 180 days with a TIIE rate, plus a 260 basis points margin.

- On December 20, 2021, PEMEX renewed a loan agreement for an amount of USD 500 million and an original term of approximately 180 days. This renewal was made for a term of approximately 180 days with a LIBOR interest rate, plus a 200 basis points margin.

- On December 21, 2021, PEMEX subscribed a promissory note for an amount of MXN 500 million for a term of 90 days with a TIIE rate, plus a 190 basis points margin.

- On December 23, 2021, PEMEX completed a liability management operation consisting of the exchange of a private offer for purchase offers, of which PEMEX issued an additional amount of aggregate capital of USD 5,813 million of its 6.700% expiring in 2032 and paid an amount of cash equal to USD 4,484 million for the securities accepted in the offers, accrued and unpaid interest and other transaction charges, costs and expenses related to the offers.

- Additionally, on January 21, 2022, PEMEX subscribed four promissory notes, two for a total amount of USD 250 million and two for a total amount of MXN 4.5 million with terms of 3, 6, 9 and 12 months. The first two were contracted with LIBOR rate and a surcharge of 198 basis points and 208 basis points, respectively. The other two were contracted with TIIE rate, and surcharge of 228 basis points and 238 basis points, respectively.

- On February 22, 2022, PEMEX contracted a promissory note for MXN 5 billion at a TIIE rate plus 260 basis points, maturing in August 2022.

- On February 25, 2022, PEMEX contracted a promissory note for USD 11.3 million at a LIBOR rate plus 175 basis points, maturing in August 2022.

- On February 25, 2022, PEMEX contracted a promissory note for MXN 250 million at a TIIE rate plus 235 basis points, maturing in February 2023.

- On March 16, 2022, PEMEX contracted a promissory note for MXN 4 billion at a TIIE rate plus 220 basis points, maturing in June 2022.

- On March 17, 2022, PEMEX contracted a promissory note for MXN 4 billion at a TIIE rate plus 280 basis points, maturing in September 2022.

- On March 31, 2022, PEMEX subscribed a line of credit for an amount of USD 75 million maturing in January 2023 at a SOFR floating interest rate plus 245 basis points.

- On April 6, 2022, PEMEX, subscribed a promissory note for an amount of USD 150 million maturing in June 2022 at a floating interest rate SOFR plus 270 basis points.

Revolving credit facilities

As of today, PEMEX group has syndicated credit facilities for liquidity management with amounts up to USD 7,664 million and MXN 37,000 million.

As of February 25, 2022, USD 50 million were available of its respective credit line.

9.5 Budgetary Investment Activities

2021 Exercise

As of December 31, 2021, MXN 393.2 billion (USD 19.4 billion[6]) was spent on budgetary investment activities, representing 111.5% of the MXN 352.6 billion (USD 16.0 billion[7]) of the annual investment considered in the approved budget for the entire fiscal year.

The budgetary investment planned and exercised during 2021 was distributed as follows:

	Authorized Investment 2021 (MXN billion)	**Investment Expenditures As of December 31, 2021** (MXN billion)
Exploration and Production[8]	289.9	240.6
Industrial Transformation	56.5	147.9
Logistics	3.2	4.5
Fertilizers[9]	2.7	0.0
Corporate	0.4	0.2
Total	**352.6**	**393.2**

The investment resources have been aimed at supporting the hydrocarbons extraction and its processing in refineries to produce petroleum products and gas liquids.

At Pemex Exploration and Production, resources continue to be channeled to accelerate the entry into operation of fields in new developments, which continue to provide new production, which has made it possible not only to compensate the mature fields' decline but to increase production.

Regarding Pemex Industrial Transformation, resources are allocated for the rehabilitation program of the NRS and strengthening of the infrastructure to increase gas use at processing centers. Additionally, the new Dos Bocas refinery, received additional resources to those budgeted, which were provided by the Federal Government.

6 The exchange rate conversion from MXN to USD was made at the average exchange rate from January 1 to December 31, 2021: MXN 20.3 = USD 1.00.

7 The exchange rate conversion from MXN to USD was made at the average exchange rate established in the approved budget for 2021: MXN 22.1 = USD 1.00.

8 MXN 29.7 billion were allocated to exploration activities. Includes non-capitalizable maintenance expenditures.

9 As of January 2021, Pemex Fertilizes merged with Pemex Industrial Transformation (PTRI), its investments are included in the PTRI amounts.

Consolidated Income Statement

	Fourth quarter (Oct.-Dec.)				
	2020	2021	Change		2021
	(MXN million)				(USD million)
Total sales	**248,827**	**445,930**	**79.2%**	**197,103**	**21,664**
Domestic sales	126,649	228,264	80.2%	101,614	11,090
Exports	121,004	216,171	78.6%	95,167	10,502
Services income	1,174	1,495	27.3%	321	73
Impairment (reversal) of wells, pipelines, property, plant and equipment	52,464	39,453	-24.8%	(13,011)	1,917
Cost of sales	247,370	334,360	35.2%	86,989	16,244
Gross income	**(51,007)**	**72,117**	**241.4%**	**123,125**	**3,504**
Other revenues	3,946	5,252	33.1%	1,306	255
Other expenses	428	47,400	10985.3%	46,972	2,303
Transportation and distribution expenses	4,520	5,648	25.0%	1,128	274
Administrative expenses	36,179	44,942	24.2%	8,763	2,183
Operating income (loss)	**(88,188)**	**(20,621)**	**76.6%**	**67,567**	**(1,002)**
Financial Cost	(31,569)	(54,160)	-71.6%	(22,591)	(2,631)
Financial Income	7,221	8,823	22.2%	1,602	429
Income (cost) due to financial derivatives	15,093	(3,592)	-123.8%	(18,685)	(175)
Foreign exchange profit (loss)	254,518	(22,267)	-108.7%	(276,785)	(1,082)
Profit sharing in non-consolidated subsidiaries and affiliates	(1,326)	79	105.9%	1,405	4
Impairment of joint ventures	-	(6,703)	-	(6,703)	(326)
Income before taxes and duties	**155,749**	**(98,442)**	**-163.2%**	**(254,191)**	**(4,783)**
Taxes and duties	**59,625**	**96,096**	**61.2%**	**36,471**	**4,669**
Duties	42,023	92,937	121.2%	50,914	4,515
Current Taxes	(400)	2,149	637.2%	2,549	104
Deferred Taxes	18,002	1,010	-94.4%	(16,992)	49
Net income (loss)	**96,124**	**(194,538)**	**-302.4%**	**(290,662)**	**(9,451)**
Other comprehensive results	**(33,606)**	**(33,300)**	**0.9%**	**305**	**(1,618)**
Actuarial profits (losses) due to employee benefits	(19,128)	(36,120)	-88.8%	(16,992)	(1,755)
Conversion effect	(14,478)	2,820	119.5%	17,298	137
Comprehensive income (loss)	**62,518**	**(227,838)**	**-464.4%**	**(290,357)**	**(11,069)**

Consolidated Balance Sheet

	As of December 31,		Change		
	2020	2021			2021
	(MXN million)				(USD million)
Total assets	**1,928,488**	**2,052,098**	**6.4%**	**123,610**	**99,696**
Current assets	**329,860**	**458,394**	**39.0%**	**128,534**	**22,270**
Cash and cash equivalents	39,990	76,506	91.3%	36,517	3,717
Clients	68,382	101,259	48.1%	32,877	4,919
Other financial accounts receivable	31,616	40,787	29.0%	9,172	1,982
Other non-financial accounts receivable	89,789	136,350	51.9%	46,561	6,624
Inventories	52,606	86,113	63.7%	33,507	4,184
Short-term Federal Government Bonds	18,037	1,253	(1)	(16,783)	61
Derivative financial instruments	25,948	12,474	-51.9%	(13,474)	606
Other current assets	3,492	3,651	4.5%	158	177
Non-current assets	**1,598,628**	**1,593,704**	**-0.3%**	**(4,924)**	**77,426**
Permanent investments in shares of associated companies and others	12,015	2,255	-81.2%	(9,760)	110
Net wells, pipelines, properties, plant and equipment	1,276,130	1,274,533	-0.1%	(1,597)	61,920
Long-term document receivables	887	1,646	85.6%	759	80
Restricted cash	108,529	92,256	-15.0%	(16,273)	4,482
Intangible assets	22,776	20,016	-12.1%	(2,760)	972
Other assets	7,584	39,113	415.8%	31,529	1,900
Long-term Federal Government Bonds	111,513	109,602	-1.7%	(1,911)	5,325
Right-of-use asset	59,195	54,283	-8.3%	(4,912)	2,637
Total liabilities	**4,333,215**	**4,222,099**	**-2.6%**	**(111,116)**	**205,121**
Current liabilities	**772,410**	**922,648**	**19.5%**	**150,238**	**44,825**
Short-term financial debt	391,097	492,284	25.9%	101,186	23,916
Suppliers	281,978	264,056	-6.4%	(17,922)	12,829
Taxes and duties payable	51,200	112,754	120.2%	61,553	5,478
Accounts and accrued expenses payable	30,709	32,016	4.3%	1,306	1,555
Derivative financial instruments	9,318	13,636	46.3%	4,318	662
Creditors for financial leasing C.P. IFRS16	8,107	7,903	-2.5%	(204)	384
Long-term liabilities	**3,560,805**	**3,299,451**	**-7.3%**	**(261,354)**	**160,296**
Long-term financial debt	1,867,630	1,757,412	-5.9%	(110,218)	85,380
Reserve for employee benefits	1,535,168	1,384,072	-9.8%	(151,096)	67,242
Reserve for diverse credits	94,626	92,398	-2.4%	(2,228)	4,489
Other liabilities	4,892	10,779	120.4%	5,887	524
Deferred taxes	3,412	3,341	-2.1%	(71)	162
Long-term creditors for financial leasing C.P. IFRS16	55,077	51,449	-6.6%	(3,628)	2,500
Total equity	**(2,404,727)**	**(2,170,001)**	**9.8%**	**234,726**	**(105,424)**
Holding	**(2,405,097)**	**(2,170,129)**	**9.8%**	**234,967**	**(105,431)**
Certificates of contribution "A"	524,931	841,286	60.3%	316,354	40,872
Federal Government Contributions	43,731	43,731	0.0%	-	2,125
Legal Reserve	1,002	1,002	0.0%	-	49
Comprehensive accumulated results	(251,285)	(38,140)	84.8%	213,145	(1,853)
Retained earnings (accumulated losses)	(2,723,476)	(3,018,008)	-10.8%	(294,532)	(146,623)
From prior years	(2,214,597)	(2,723,476)	-23.0%	(508,879)	(132,314)
For the year	(508,879)	(294,532)	42.1%	214,347	(14,309)
Participation of non-holding entities	**370**	**129**	**-65.2%**	**(241)**	**6**
Total liabilities and equity	**1,928,488**	**2,052,098**	**6.4%**	**123,610**	**99,696**

Consolidated Statements of Cash Flows

	As of December 31,		Change		2021
	2020	2021			
	(MXN million)				(USD million)
Operating activities					
Net income (loss)	(509,052)	(294,776)	42.1%	214,276	(14,321)
Income taxes and duties	185,572	307,348	65.6%	121,776	14,932
Items related to investing activities	**205,026**	**224,774**	**9.6%**	**19,748**	**10,920**
Depreciation and amortization	129,632	133,431	2.9%	3,800	6,482
Amortization of intangibles	479	403	-15.8%	(76)	20
Impairment of properties, plant and equipment	36,354	1,211	-96.7%	(35,143)	59
Unsuccessful wells of intangible assets	10,948	9,730	-11.1%	(1,217)	473
Unsuccessful wells capitalized	8,404	12,566	49.5%	4,161	610
Retirement of property, plant and equipment	5,298	47,300	792.9%	42,002	2,298
Amortization of right-of-use	7,229	6,408	-11.4%	(821)	311
Impairment of rights of use	-	(87)	-	(87)	(4)
Impairment of joint ventures	-	6,703	-	6,703	326
Decrease in financial assets available for sale	396	-	-	(396)	-
Profit (loss) from share transfer	(708)	-	-	708	-
Effects of non-consolidated subsidiaries and affiliates	3,541	3,088	-12.8%	(452)	150
Cancellation of rights of use	(1,102)	(433)	60.7%	669	(21)
Effects of net present value of reserve for well abandonment	4,556	4,454	-2.2%	(102)	216
Activities related to financing activities	**277,489**	**180,150**	**-35.1%**	**(97,339)**	**8,752**
Interest expense	161,765	164,572	1.7%	2,806	7,995
Interest income	(16,742)	(28,907)	-72.7%	(12,165)	(1,404)
Unrealized foreign exchange loss (income)	132,466	44,485	-66.4%	(87,981)	2,161
Subtotal	**159,036**	**417,497**	**162.5%**	**258,461**	**20,283**
Funds provided by (used in) operating activities	**(93,742)**	**(228,262)**	**-143.5%**	**(134,520)**	**(11,090)**
Income taxes paid	(1,159)	-	-	-	-
Duties for shared utility paid	(171,210)	(265,884)	-55.3%	(94,673)	(12,917)
Financial instruments for negotiation	(21,784)	17,792	181.7%	39,576	864
Accounts and notes receivable	(20,353)	(48,409)	-137.8%	(28,055)	(2,352)
Inventories	17,010	(7,961)	-146.8%	(24,970)	(387)
Accounts payable and accrued expenses	4,654	1,306	-71.9%	(3,348)	63
Suppliers	23,030	(5,614)	-124.4%	(28,644)	(273)
Reserve for diverse credits	2,222	6,185	178.3%	3,962	300
Reserve for employees benefits	59,170	67,887	14.7%	8,716	3,298
Other taxes and duties	14,678	6,436	-56.2%	(8,242)	313
Net cash flow from operating activities	**65,294**	**189,235**	**189.8%**	**123,942**	**9,194**
Investment activities					
Acquisition of property, plant and equipment	(114,977)	(209,592)	-82.3%	(94,615)	(10,183)
Interest charged	936	459	-	(478)	22
Intangible assets	(23,641)	(25,814)	-9.2%	(2,173)	(1,254)
Government Grants - Deferred Income	-	4,400	-	4,400	214
Other assets	(3,593)	(31,688)	-782.0%	(28,095)	(1,539)
Resources from share transfer	135	-	-	-	-
Net cash flow from investing activities	**(141,140)**	**(262,236)**	**-85.8%**	**(121,096)**	**(12,740)**
Cash needs related to financing activities	**(75,846)**	**(73,000)**	**3.8%**	**2,846**	**(3,547)**
Financing activities					
Increase of contributions from the Federal Government	46,256	316,354	583.9%	270,098	15,369
Document received from the Federal Government	4,103	15,789	284.8%	11,686	767
Interest charged for the document received from the	1,698	7,127	319.6%	5,428	346
Principal payments for finance leases	(7,980)	(7,622)	4.5%	358	(370)
Interest payments for finance leases	(2,031)	(3,646)	-79.5%	(1,615)	(177)
Loans obtained from financial institutions	1,288,130	1,636,217	27.0%	348,087	79,492
Amortization of loans	(1,151,962)	(1,707,582)	-48.2%	(555,619)	(82,959)
Interest paid	(130,989)	(157,257)	-20.1%	(26,267)	(7,640)
Net cash flow from financing activities	**47,225**	**99,380**	**110.4%**	**52,155**	**4,828**
Net Increase (decrease) in cash and cash equivalents	**(28,621)**	**26,379**	**192.2%**	**55,001**	**1,282**
Effect of change in cash value	7,989	10,137	26.9%	2,148	492
Cash and cash equiv. at the beginning of the period	**60,622**	**39,990**	**-34.0%**	**(20,632)**	**1,943**
Cash and cash equivalents at the end of the period	**39,990**	**76,506**	**91.3%**	**36,517**	**3,717**

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http://www.pemex.com/en/investors/Paginas/list-distribution-signup.aspx

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Variations
Cumulative and quarterly variations are calculated comparing the period with the same one of the previous year, unless specified otherwise.
Rounding
Numbers may not total due to rounding.
Financial Information
Excluding budgetary and volumetric information, the financial information included in this report and the annexes hereto is based on unaudited consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), which PEMEX has adopted effective January 1, 2012. For more information regarding the transition to IFRS, see Note 23 to the consolidated financial statements included in Petróleos Mexicanos' 2012 Form 20-F filed with the Securities and Exchange Commission (SEC) and its Annual Report filed with the Comisión Nacional Bancaria y de Valores (CNBV).
EBITDA is a non-IFRS measure. We show a reconciliation of EBITDA to net income in Table 33 of the annexes to this report. Budgetary information is based on standards from Mexican governmental accounting; therefore, it does not include information from the subsidiary companies or affiliates of Petróleos Mexicanos. It is important to mention, that our current financing agreements do not include financial covenants or events of default that would be triggered as a result of our having negative equity.
Methodology
We might change the methodology of the information disclosed in order to enhance its quality and usefulness, and/or to comply with international standards and best practices.
Foreign Exchange Conversions
Convenience translations into U.S. dollars of amounts in Mexican pesos have been made at the exchange rate at close for the corresponding period, unless otherwise noted. Due to market volatility, the difference between the average exchange rate, the exchange rate at close and the spot exchange rate, or any other exchange rate used could be material. Such translations should not be construed as a representation that the Mexican peso amounts have been or could be converted into U.S. dollars at the foregoing or any other rate. It is important to note that we maintain our consolidated financial statements and accounting records in pesos. As of December 31, 2021, the exchange rate of MXN 20.5835 = USD 1.00 is used.
Fiscal Regime
Starting January 1, 2016, Petróleos Mexicanos' fiscal regime is ruled by the Ley de Ingresos sobre Hidrocarburos (Hydrocarbons Income Law). Since January 1, 2006 and until December 31, 2015, PEP was subject to a fiscal regime governed by the Federal Duties Law, while the tax regimes of the other Subsidiary Entities were governed by the Federal Revenue Law.
The Special Tax on Production and Services (IEPS) applicable to automotive gasoline and diesel is established in the Production and Services Special Tax Law "Ley del Impuesto Especial sobre Producción y Servicios". As an intermediary between the Ministry of Finance and Public Credit (SHCP) and the final consumer, PEMEX retains the amount of the IEPS and transfers it to the Mexican Government. The IEPS rate is calculated as the difference between the retail or "final price," and the "producer price" of products. If the "final price" is higher than the "producer price," the IEPS is paid by the final consumer. If the opposite occurs, the "negative IEPS" amount can be credited against certain of PEMEX's tax liabilities and included in "Other income (expenses)" in its Income Statement.
PEMEX's "producer price" is calculated in reference to that of an efficient refinery operating in the Gulf of Mexico. Until December 31, 2017, the Mexican Government may continue issuing pricing decrees to regulate the maximum prices for the retail sale of gasoline and diesel fuel, taking into account transportation costs between regions, inflation and the volatility of international fuel prices, among other factors. Beginning in 2018, the prices of gasoline and diesel fuel will be freely determined by market conditions. However, the Federal Commission for Economic Competition, based on the existence of effective competitive conditions, can declare that prices of gasoline and diesel fuel are to be freely determined by market conditions before 2018.
Production-sharing
In accordance with Production-sharing Agreements signed by Petróleos Mexicanos, due to its participation in bidding rounds organized by the National Hydrocarbons Commission (CNH), in addition to the migration of blocks, Petróleos Mexicanos will disclose only its share of production for blocks Ek-Balam, Block 2 Tampico-Misantla (Round 2.1), Block 8 Southeastern Basins (Round 2.1), Santuario, Misión, Block 16 Tampico-Misantla-Veracruz (Round 3.1), Block 17 Tampico-Misantla-Veracruz (Round 3.1), Block 18 Tampico-Misantla-Veracruz (Round 3.1), Block 29 Southeastern Offshore Basins (Round 3.1), Block 32 Southeastern Basins Marino (Round 3.1), Block 33 Southeastern Offshore Basins (Round 3.1) y Block 35 Southeastern Offshore Basins (Round 3.1).
Hydrocarbon Reserves
In accordance with the Hydrocarbons Law, published in the Official Gazette of the Federation on August 11, 2015, the National Hydrocarbons Commission (CNH) will establish and will manage the National Hydrocarbons Information Center, comprised by a system to obtain, safeguard, manage, use, analyze, keep updated and publish information and statistics related; which includes estimations, valuation studies and certifications.
As of January 1, 2010, the Securities and Exchange Commission (SEC) changed its rules to permit oil and gas companies, in their filings with the SEC, to disclose not only proved reserves, but also probable reserves and possible reserves. Nevertheless, any description of probable or possible reserves included herein may not meet the recoverability thresholds established by the SEC in its definitions. Investors are urged to consider closely the disclosure in our Form 20-F and our Annual Report to the CNBV and SEC, available at http://www.pemex.com/.
Forward-looking Statements
This report contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the CNBV and the SEC, in our annual reports, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. We may include forward-looking statements that address, among other things, our:

- exploration and production activities, including drilling;
- activities relating to import, export, refining, petrochemicals and transportation of petroleum, natural gas and oil products;
- activities relating to the generation of electrical energy;
- projected and targeted capital expenditures and other costs, commitments and revenues, and
- liquidity and sources of funding.

Actual results could differ materially from those projected in such forward-looking statements as a result of various factors that may be beyond our control. These factors include, but are not limited to:

- changes in international crude oil and natural gas prices;
- effects on us from competition, including on our ability to hire and retain skilled personnel;
- limitations on our access to sources of financing on competitive terms;
- our ability to find, acquire or have the right to access additional hydrocarbons reserves and to develop the reserves that we obtain successfully;
- uncertainties inherent in making estimates of oil and gas reserves, including recently discovered oil and gas reserves;
- technical difficulties;
- significant developments in the global economy;
- significant economic or political developments in Mexico, including developments relating to the implementation of the laws that implement the new legal framework contemplated by the Energy Reform Decree (as described in our most recent Annual Report and Form 20-F);
- developments affecting the energy sector; and
- changes in our legal regime or regulatory environment, including tax and environmental regulations.

Accordingly, you should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. These risks and uncertainties are more fully detailed in our most recent Annual Report filed with the CNBV and available through the Mexican Stock Exchange (http://www.bmv.com.mx/) and our most recent Form 20-F filing filed with the SEC (http://www.sec.gov/). These factors could cause actual results to differ materially from those contained in any forward-looking statement.